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Golden State Mining Limited

ABN 52 621 105 995

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED
31 DECEMBER 2022

This interim financial report does not include all the notes of the type normally included in an annual financial report. This report is to be read in conjunction with the Annual Report for the year ended 30 June 2022 and any public announcements made by Golden State Mining Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

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Website: www.goldenstatemining.com.au

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

Auditors
Stantons
Level 2, 40 Kings Park Road
West Perth WA 6005

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

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COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration results, Mineral Resources or Ore Reserves is based on information compiled by Geoff Willetts who is a member of the Australasian Institute of Geoscientists (AIG). Geoff Willetts is the Exploration Manager and a fulltime employee of Golden State Mining Limited (GSM) and holds shares and options in the Company.

Geoff Willetts has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Geoff Willetts consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Information on previous explorers and historical results for the Cue Project, is summarised in the Independent Geologists Report of the Golden State Mining Limited Prospectus dated 22 August 2018.

DIRECTORS' REPORT

Your directors are pleased to present their report on the consolidated entity (referred to hereafter as the Group) consisting of Golden State Mining Limited ("GSM" or the "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

DIRECTORS

The names of the directors who held office during or since the end of the period are:

Michael Moore – Managing Director
Damien Kelly – Non-Executive Chairman
Brenton Siggs – Non-Executive Director
Greg Hancock – Non-Executive Director

COMPANY SECRETARY

Marc Boudames

REVIEW AND RESULTS OF OPERATIONS (for the period)

Yule (100% GSM)

Nomad Prospect Lithium and Gold RC drilling program

GSM completed and announced results for three conceptual target areas (refer to ASX announcement dated 31 October 2022) drilled during its lithium-gold focused RC drilling program at the Nomad prospect (formerly Target 2A) at its Yule South project. This first pass RC drilling program consisted of 10 holes (Figure 1) for a total advance of 1,478 metres. Two of these RC holes were drilled to follow up previous gold intercepts (refer to ASX announcement dated 7 September 2020 & 18 October 2021) and downhole geochemical trends.

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DIRECTORS' REPORT (continued)

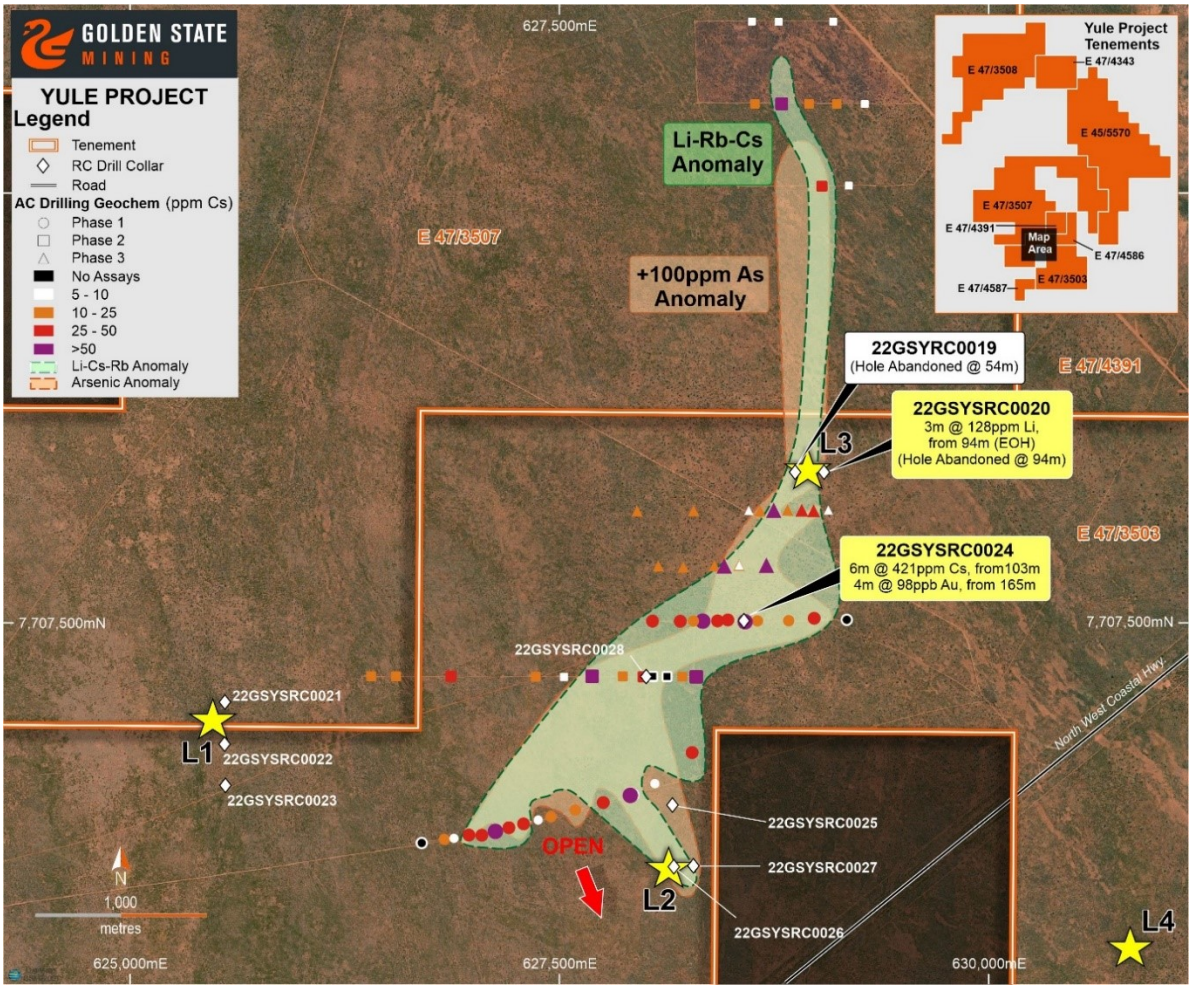

Figure 1: Nomad Prospect RC Collar Plan Showing Caesium Results over Lithium and Arsenic Anomalism

The program delivered robust lithium ("Li"), caesium ("Cs"), and rubidium ("Rb") anomalies with high levels of associated arsenic. The arsenic assay values show a distinct spatial association with anomalous caesium values in drill samples from the northern part of the arsenic anomaly (Figure 1). The occurrence of arsenic as an accessory mineral has been documented at major lithium pegmatite deposits, i.e., the giant Greenbushes pegmatite (Partington et al., 1995) and at the Goulamina deposit, Mali (Wilde et al., 2021). At Greenbushes, arsenic also forms a ~4 x 1 km scale anomaly in lateritic duricrust as an anomaly in overlying regolith (Smith et al., 1987). At Nomad, bedrock caesium values accompanying arsenic show a strong SW-NE trend with a strong spatial association with the interpreted mafic basement units. This is interpreted as a lithological control on caesium distribution rather than just structure alone.

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DIRECTORS' REPORT (continued)

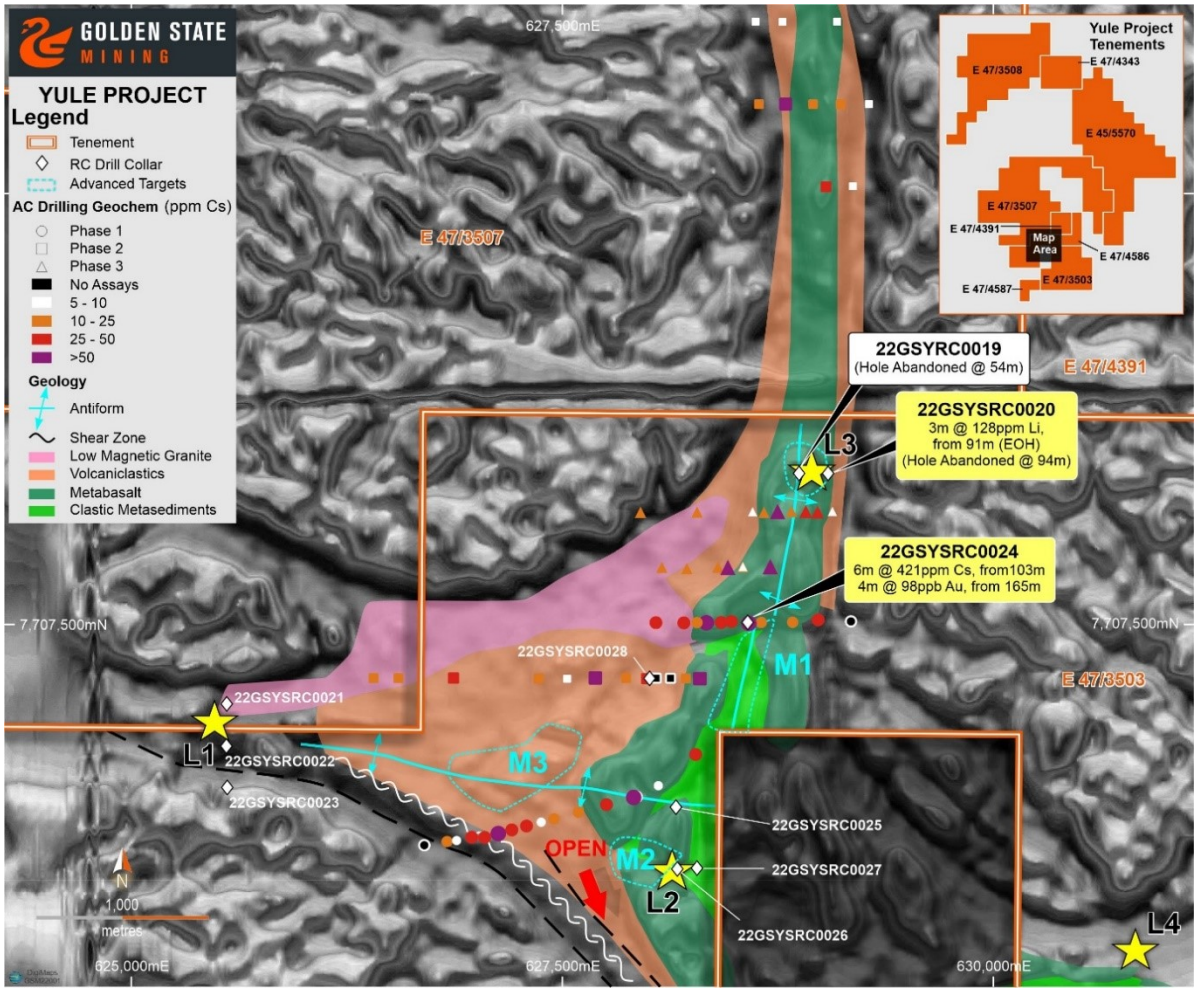

Figure 2: Nomad prospect plan showing bedrock & structural interpretation and advanced target areas

The bedrock and structural interpretation (Figure 2) has indicated the presence of preferred mafic host lithologies and a major antiform which is crosscut by faulting and a refolded hinge zone. Given that a number of major LCT pegmatites occur within, or close to, the core of major regionally mapped fold hinges, e.g., Wodgina, Mt. Cattlin and Tanco (Canada), the Nomad prospect is of considerable interest as a location for hosting significant pegmatite mineralization.

Based on the evidence above, GSM believes the Nomad prospect now has increased prospectivity as a *bona fide* LCT pegmatite target.

Results

The significant assay results for the program are detailed below. Drillholes were routinely assayed for gold over various composite intervals over the entirety of the hole. Selected intervals and the end of hole were submitted for multi-element and rare earth analysis. Samples intervals above and below significant intersections will now be re-assayed for a multi-element suite.

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Hole 22GSYSRC0024 was designed as a follow up hole to test anomalous gold intersected in the first phase of air-core drilling (refer to ASX announcement dated 7 September 2020). The hole successfully intersected a similar interval of anomalous gold with 4 metres @ 98ppb Au from 165 metres in an interpreted mafic porphyritic unit. This hole also intersected significant intervals of highly anomalous caesium, lithium and arsenic. The best interval was **6 metres @ 440ppm Cs** & 88ppm Li along with 5290ppm As from 103 metres in a structure consisting of ferruginous saprock interpreted to represent oxidised micaceous fault gouge. These levels of caesium are considered highly anomalous and encouraging.

Caesium is less mobile than other rare alkali elements in dispersion haloes and therefore is considered to be a proximal vector to a potential LCT pegmatite source. With reference to Appendix 1, caesium is a very rare element in the crust (single ppm levels). It is normally only concentrated to elevated levels in LCT granitic pegmatites. The highly caesium enriched interval from 22GSYSRC0024 will be further investigated mineralogically, to identify the caesium and arsenic mineral hosts. The identification of caesium-bearing primary mica minerals would give further indication to the presence of an LCT pegmatite body.

Hole GSYSRC0028 was designed to test an interpreted geochemical trend identified from previous air-core drilling with anomalous caesium intersections. This hole intersected 8 metres @ 95ppm Cs from 120 metres and 2 metres @ 148ppm Cs from 160 metres at the end of hole, both intersections were associated with elevated lithium and high arsenic.

Conceptual Target L1

Three 240 metre spaced holes were drilled in this target area for a total advance of 480 metres. Field logging recorded mainly granitic lithologies with some minor mafic xenolithic units. These results are not considered significant at this stage.

Conceptual Target L2

Three holes were drilled at this target area for a total advance of 510 metres. Hole 22GSYSRC0025 recorded an encouraging 13-metre interval of anomalous lithium and arsenic hosted in a sheared mafic unit between 93-106 metres. This hole also ended in anomalous lithium with 4 metres @ 137ppm Li from 158 metres in a mafic unit. Hole 22GSYSRC0026 recorded 4 metres @ 154ppm Li, 95ppm Cs & 1180ppm As from 155 metres in a mafic unit and 3 metres @ 102ppm Cs and elevated Li and As at the end of hole in an interpreted dolerite. Hole 22GSYSRC0027 recorded 4 metres @ 61ppm Cs from 87 metres in an intermediate host and 4 metres @ 170ppm Li and 79ppm Cs from 143 metres in a mafic volcaniclastic.

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Conceptual Target L3

Previously announced results for this target area (refer to ASX announcement dated 15 March 2022) recorded 3 metres @ 128ppm Li from 91m at the end of abandoned hole 22GSYSRC0020. Further anomalous intervals include 8 metres @ 150ppm Li & 51ppm Cs from 59 metres and 8 metres @ 137ppm Li from 75 metres. Hole 22GSYSRC0019 recorded an elevated interval of 12 metres @ 90ppm Li from 33 metres. Due to both holes being abandoned before target depth and the anomalous and elevated lithium and Cs results, this target is considered untested and will be re-drilled during the next follow up RC program.

Conceptual Target L4

This lower priority target will be tested at a later date during the next follow up RC program.

New Lithium Target Areas

The principal objective of this drill program was to probe conceptual LCT pegmatite target areas in relation to primary geochemical dispersion haloes identified in air-core bedrock anomalies. An updated bedrock and structural interpretation in association with additional geochemical analysis has now identified three advanced target areas (Figure 2). These new targets are based on common areas of overlap in lithium pathfinder element anomalism in combination with favourable structural positions and preferred host lithologies.

Target M1

The priority target is based upon the presence of the caesium values in 22GSYSRC0024, as well as its favourable structural position in the core of an interpreted major antiform. Additionally, significant faulting is also associated with this area, making it a 'damaged zone' that can preferentially accommodate later intrusions and serve to focus potentially mineralising crustal fluids.

Target M2

This target is based on the overlapping Li-Cs-As anomalism on the western side of the major antiform, close to an interpreted refold hinge zone. It also coincides with a major fault crosscutting the major antiform.

Target M3

This target is based on anomalous Li-Rb-Cs intercepts within associated mafic schists across a major curvilinear shear zone to the south and west of the major antiform. This type of geological setting is also considered a conceptual gold target.

Further priority RC and AC programs are now in planning for Nomad to progress this exciting new prospect. Program of work submissions are in place and are awaiting statutory approvals.

Payne's Find (100% GSM)

GSM received notification of the successful grant of another exploration licence E59/2701 (Figure 3) at its Payne's Find Project (refer to ASX announcement dated 4 April 2022). This tenement brings an additional 99.6km2 of ground holding with approximately 22km strike length along a potential VMS style target corridor on an interpreted granitoid/greenstone contact.

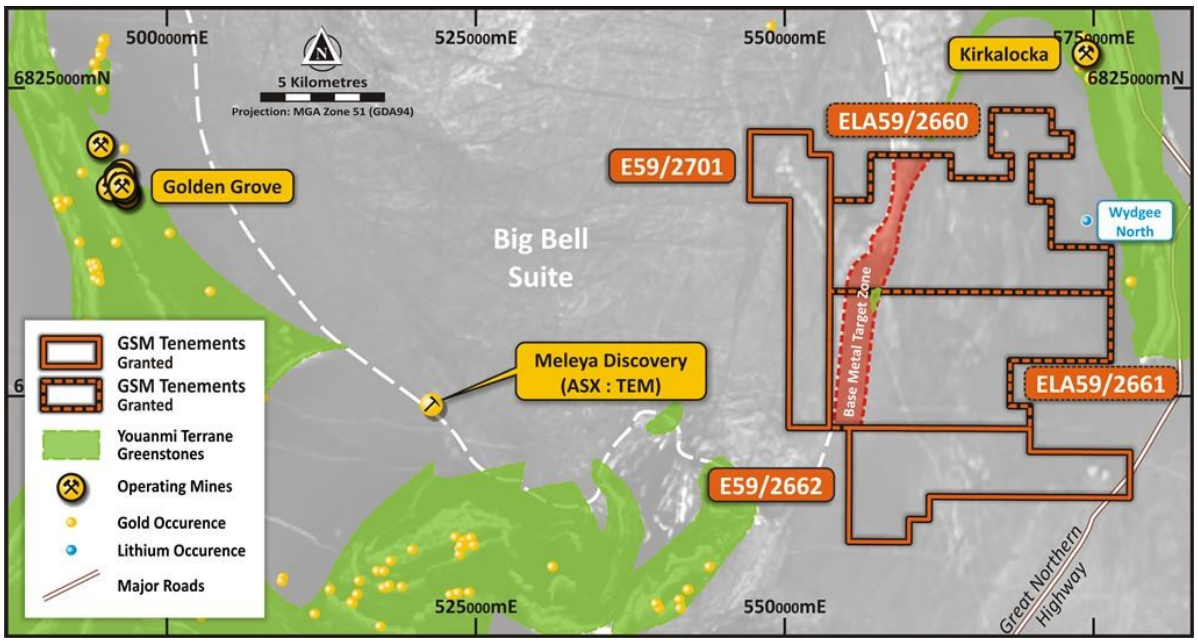

Figure 3: Payne's Find North location plan showing granted tenure with respect to Meleya Discovery

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 has commenced 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).

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DIRECTORS' REPORT (continued)

Reconnaissance geochemical sampling

The Company completed its first phase reconnaissance geochemical sampling at Paynes Find during November and December 2022 (refer to ASX announcement dated 22 December 2022). This work was based on a regolith study and target generation using aeromagnetic interpretation. This early-stage work included the collection of 19 rock chip samples and 704 soil samples (Figure 4) over priority areas of interpreted shallow cover and stripped regolith profile with areas of sub-crop.

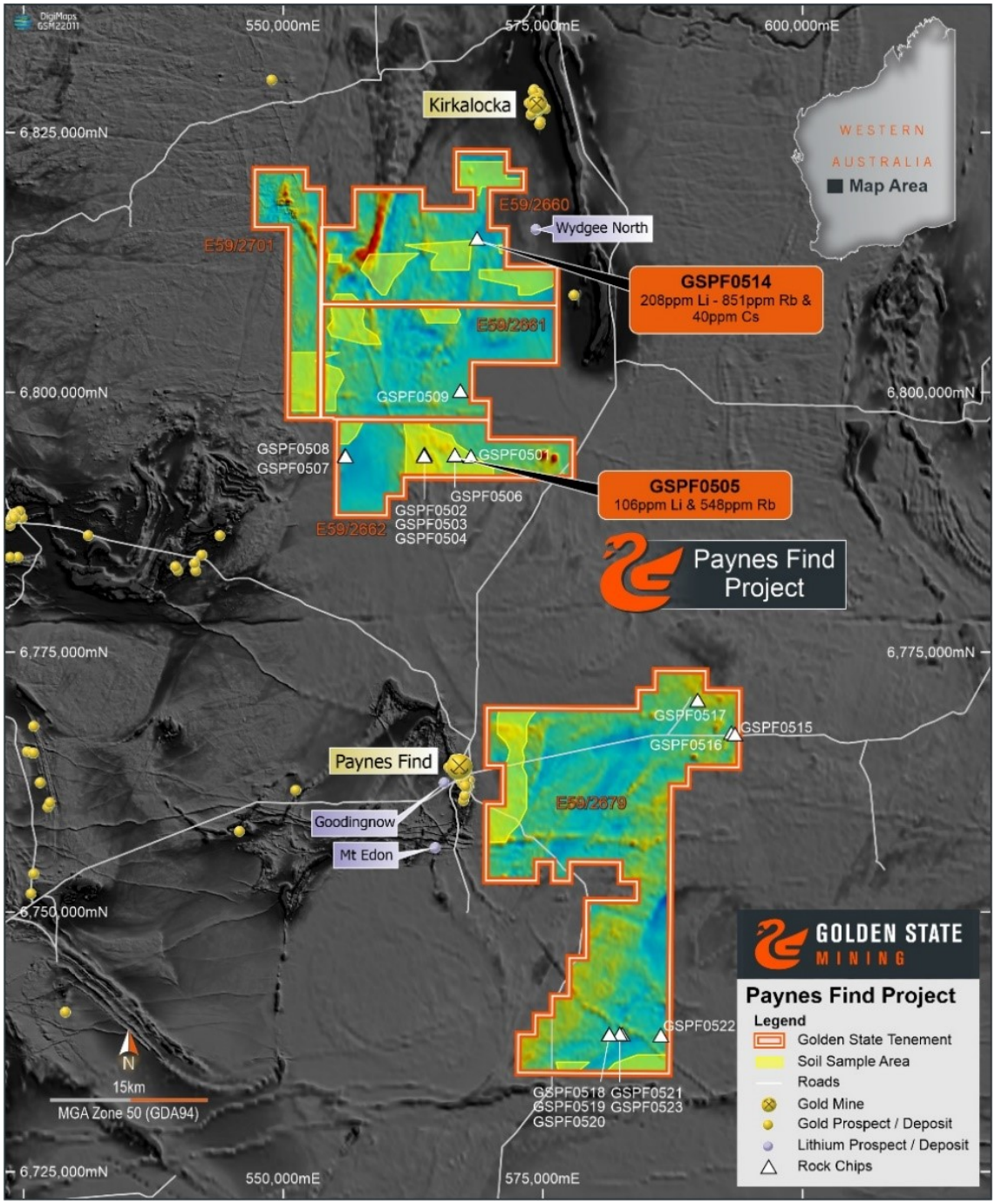

Figure 4: Paynes Find geochemical sampling coverage

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Assay results from the rock chip sampling has provided early encouragement with anomalous and elevated lithium and associated pathfinders recorded in several samples. The rock chip sampling program targeted material sourced from sub-cropping coarse grained K-feldspar rich granites and granitic pegmatites. Further geochemical analysis indicates that several sample lithologies show evidence of potentially highly fractionated granites and pegmatites. The most significant results were recorded from sample GSPF0514 (Figure 5), a coarse-grained, porphyritic (K-feldspar bearing) pegmatite with 208 ppm Li, 851 ppm Rb and 40 ppm Cs associated with elevated levels of tin, tantalum and tungsten. Sample GSPF0505 recorded 106 ppm Li and 548 ppm Rb also with elevated levels of tin, tantalum and tungsten. Summary statistical analysis of multielement rock chip sample data shows a moderate to good correlation between Li, Cs, Rb, Y, Sn and W.

Figure 5: Examples of Paynes Find rock chip samples: coarse-grained K-feldspar rich pegmatites.

Drill target generation over transported cover unsuitable for conventional soil sampling is now complete, with drill program logistics and planning currently underway. The Company expects the first phase of reconnaissance air-core (AC) drilling to get under way in the second quarter of 2023.

Four Mile Well (100% GSM)

The Company received the assay results from the reconnaissance air-core drill program completed in early July (refer to ASX announcement dated 18 August 2022). The program consisted of 27 holes (Figure 6) for a total advance of 1162 metres and was designed to assess concealed Archaean terrain and basement below historic and recent anomalous soil geochemistry responses (Refer to ASX announcement dated 20 June 2022).

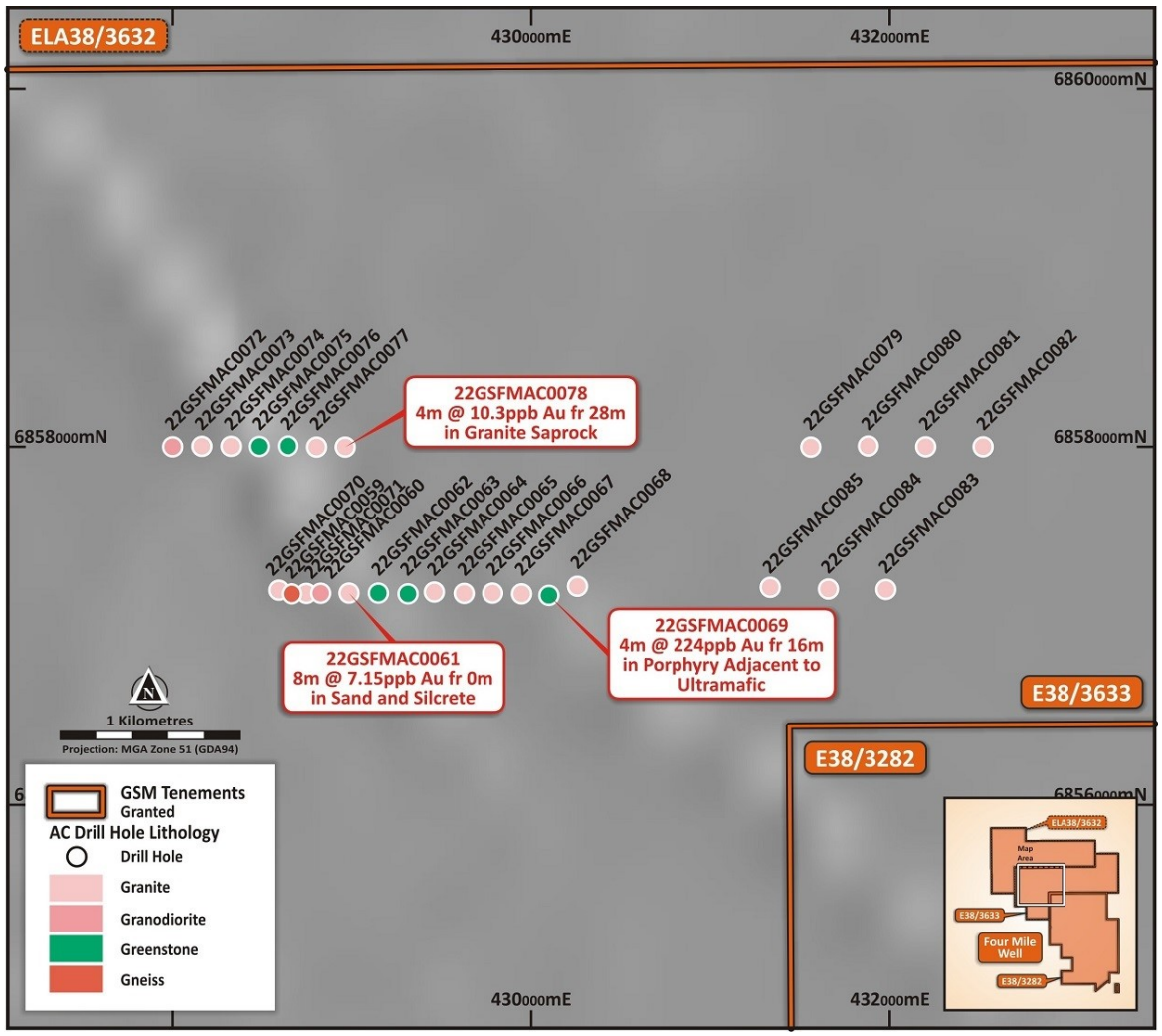

Figure 6: Four Mile Well AC collar plan and significant results.

Gold intercepts considered anomalous were encountered in three of the holes. The most significant intercept was recorded in hole 22GSFMAC0069 with 4 metres @ 224ppb Au from 16 metres in an interpreted porphyry unit which coincides with a magnetic high, considered to be in a buried greenstone sequence. This interpretation has now been confirmed with all holes drilled over the northwest magnetic trend encountering greenstone units.

The Company now looks forward to undertaking exploration work on tenement E38/3632 (Figure 7) where evidence of a continuation of the buried greenstone has been recorded in historic water bore chips.

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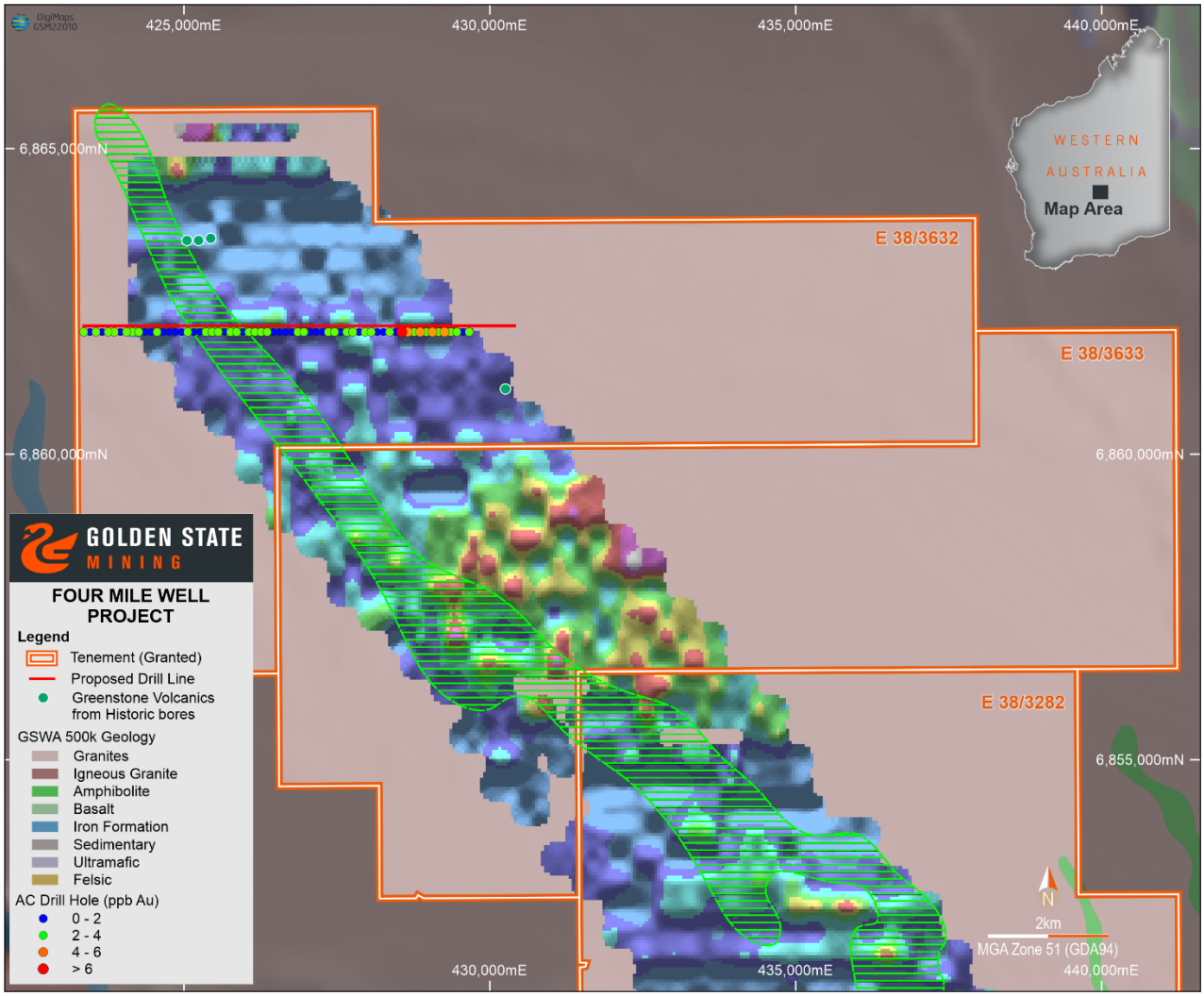

Figure 7: Soil sampling at the Four Mile Well gold project.

Murchison

Cuddingwarra and Big Bell South JV (20% GSM)

GSM retains 20% ownership in the projects after forming a joint venture ('JV') with Caprice Resources Limited.

Cue Project (100% GSM)

Exploration activities have included historic drilling data compilation and targeting work. Field activities were predominantly focused on the rehabilitation of prior disturbances.

Cue Royalty Adjustment

The Company entered into an arrangement with Western Mining Pty Ltd to restructure the gold royalty payable in respect of its Cue project in the Murchison region of Western Australia.

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DIRECTORS' REPORT (continued)

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, 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.

Revenues and results

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

	2022		2021	
	Revenues	Results	Revenues	Results
	$	$	$	$
Consolidated entity revenues and loss	30,592	(1,674,188)	949,387	(1,768,957)

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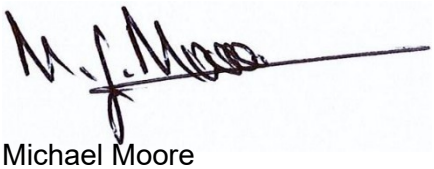
AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 16.



Michael Moore
16 March 2023

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16 March 2023

Board of Directors
Golden State Mining Limited
Suite 14, 19-21 Outram Street
West Perth WA 6005

Dear Sirs

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 review of the financial statements of Golden State Mining Limited for the half-year ended 31 December 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 review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

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

Sam Tirodkar
Director

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Golden State Mining Limited

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	31 December 2022 $	31 December 2021 $
REVENUE			
Interest revenue		**30,592**	4,387
Project sales		**-**	945,000
EXPENDITURE			
Administration expenses		**(244,277)**	(219,362)
Depreciation expense		**(14,156)**	(20,773)
Exploration and tenement expenses		**(807,266)**	(1,836,629)
Share-based payments expense		**(216,482)**	(165,124)
Employee benefits expense		**(375,099)**	(376,456)
Loss on shares at FVTPL		**(47,500)**	(100,000)
(LOSS) BEFORE INCOME TAX		**(1,674,188)**	(1,768,957)
Income tax benefit/(expense)		**-**	-
(LOSS) FOR THE HALF-YEAR ATTRIBUTABLE TO MEMBERS OF GOLDEN STATE MINING LIMITED		**(1,674,188)**	(1,768,957)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss		**-**	-
Other comprehensive income for the period, net of tax		**(1,674,188)**	(1,768,957)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF GOLDEN STATE MINING LIMITED		**(1,674,188)**	(1,768,957)
Basic and diluted (loss) per share (cents)		**(1.43)**	(2.13)
Weighted average no. of shares		116,856,316	82,908,943

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

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Golden State Mining Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	31 December 2022 $	30 June 2022 $
CURRENT ASSETS			
Cash and cash equivalents		**2,463,149**	3,736,729
Trade and other receivables		**28,465**	74,114
Accrued income		**7,385**	4,853
Prepayments		**26,876**	33,701
TOTAL CURRENT ASSETS		**2,525,875**	3,849,397
NON-CURRENT ASSETS			
Property, plant and equipment	7	**58,676**	72,832
Financial assets	9	**165,000**	212,500
TOTAL NON-CURRENT ASSSETS		**223,676**	285,332
TOTAL ASSETS		**2,749,551**	4,134,729
CURRENT LIABILITIES			
Trade and other payables		**323,122**	274,787
Provisions		**157,600**	133,407
TOTAL CURRENT LIABILITIES		**480,722**	408,194
NON-CURRENT LIABILITIES			
Provisions	8	**188,864**	188,864
TOTAL NON-CURRENT LIABILITIES		**188,864**	188,864
TOTAL LIABILITIES		**669,586**	597,058
NET ASSETS		**2,079,965**	3,537,671
EQUITY			
Issued capital	3	**13,180,506**	13,150,506
Reserves	3	**1,854,728**	1,668,246
Accumulated losses		**(12,955,269)**	(11,281,081)
TOTAL EQUITY		**2,079,965**	3,537,671

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

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Golden State Mining Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Contributed Equity	Reserves	Accumulated Losses	Total
	$	$	$	$
BALANCE AT 1 JULY 2021	10,760,747	1,369,886	(8,118,294)	4,012,339
Loss for the period	-	-	(1,768,957)	(1,768,957)
TOTAL COMPREHENSIVE INCOME (LOSS)	-	-	(1,768,957)	(1,768,957)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Share-based payments	-	165,124	-	165,124
Royalties paid in shares	42,707	-	-	42,707
Liabilities paid in shares	10,195	-	-	10,195
BALANCE AT 31 DECEMBER 2021	10,813,649	1,535,010	(9,887,251)	2,461,408
BALANCE AT 1 JULY 2022	**13,150,506**	**1,668,246**	**(11,281,081)**	**3,537,671**
Loss for the period	**-**	**-**	**(1,674,188)**	**(1,674,188)**
TOTAL COMPREHENSIVE INCOME (LOSS)	**-**	**-**	**(1,674,188)**	**(1,674,188)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Share-based payments	**-**	**186,482**	**-**	**186,482**
Cue royalty restructure paid in shares	**30,000**	**-**	**-**	**30,000**
BALANCE AT 31 DECEMBER 2022	**13,180,506**	**1,854,728**	**(12,955,269)**	**2,079,965**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	31 December 2022 $	31 December 2021 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	**28,060**	5,407
Payments to suppliers and employees	**(1,301,640)**	(2,324,569)
Net cash (used in) operating activities	**(1,273,580)**	(2,319,162)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	**-**	(17,500)
Project sales	**-**	395,000
Net cash (from) investing activities	**-**	377,500
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	**-**	-
Share issue costs	**-**	-
Net cash provided by financing activities	**-**	-
Net decrease in cash and cash equivalents	**(1,273,580)**	(1,941,662)
Cash and cash equivalents at the beginning of the half-year	**3,736,729**	4,376,053
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	**2,463,149**	2,434,391

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

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Golden State Mining Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except as noted below.

The financial statements were authorised for issue by the directors on 16 March 2023. The directors have the power to amend and reissue the financial statements.

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 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.

Accounting Policies

Adoption of new and revised Accounting Standards

Standards and Interpretations applicable to 31 December 2022

In the half-year ended 31 December 2022, there were no new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2022.

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.

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NOTE 3: EQUITY SECURITIES ISSUED

Issued Capital

	December 2022 Shares	December 2022 $	June 2022 Shares	June 2022 $
Outstanding at the beginning of the year	**116,421,319**	**13,150,506**	82,748,358	10,760,747
Issues of ordinary shares				
Fully paid shares issued – Placements	**-**	**-**	33,333,334	2,500,000
Fully paid shares issued – Earthworks for drilling	**-**	**-**	81,554	10,195
Fully paid shares issued – Royalties	**-**	**-**	258,073	42,707
Fully paid shares issued – Cue Royalty restructure	**592,885**	**30,000**	-	-
Transaction costs	**-**	**-**	-	(163,143)
Outstanding at the end of the period	**117,014,204**	**13,180,506**	116,421,319	13,150,506

As at 31 December 2022, the Company had 117,014,204 fully paid ordinary shares.

Reserves

	December 2022 Number of options	December 2022 $	June 2022 Number of options	June 2022 $
Outstanding at the beginning of the year	**16,972,560**	**1,668,246**	17,372,560	1,369,886
Movements of options				
Issued, exercisable at $0.60, expiring 30 September 2024 - Directors & employees	**-**	**-**	-	139,360
Issued, exercisable at $0.25, expiring 15 December 2024 - Directors & employees	**-**	**90,542**	5,900,000	159,000
Issued, exercisable at $0.10, expiring 12 August 2024 – Cue Royalty Restructure	**100,000**	**1,457**	-	-
Issued, exercisable at $0.10, expiring 20 December 2024 - Directors & employees	**5,900,000**	**94,483**	-	-
Expiry of options	**(1,922,560)**	**-**	(6,300,000)	-
Outstanding at the end of the period	**21,050,000**	**1,854,728**	16,972,560	1,668,246

As at 31 December 2022, the Company had 21,050,000 unlisted options.

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NOTE 4: 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 31 December 2022.

Options

	December 2022 No.	December 2022 WAEP	June 2022 No.	June 2022 WAEP
Outstanding at the beginning of the year	**16,972,560**	**$0.32**	17,372,560	$0.33
Granted during the period	**6,000,000**	**$0.10**	5,900,000	$0.25
Exercised during the period	**-**	**-**	-	-
Expired during the period	**(1,922,560)**	**$0.25**	(6,300,000)	$0.27
Outstanding at the end of the period	**21,050,000**	**$0.27**	16,972,560	$0.32
Exercisable at the end of the period	**21,050,000**	**$0.27**	11,072,560	$0.36

The weighted average remaining contractual life for the share options as at 31 December 2022 is 1.69 years.

The weighted average exercise price for the share options as at 31 December 2022 is $0.27 (June 2022: $0.32).

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.

Options issued during the current year:

On 18 August 2022, there were 100,000 unlisted options issued to as part consideration for restructuring the Cue royalty which had a recognised value of $ 0.01457 per option based on a Black-Scholes model with the following key inputs: interest free rate – 3.02%, volatility factor – 82% measured approximately 2 years prior to grant date – 11 August 2022, days to expiry –732, spot share price - $0.052 and exercise price - $0.10. The total fair value of the options is $1,457.

On 25 November 2022, there were 5,900,000 unlisted options granted to directors/employees which had a recognised value of $0.01601 per option based on a Black-Scholes model with the following key inputs: interest free rate – 3.21%, volatility factor – 80% measured approximately 2.07 years prior to grant date – 25 November 2022, days to expiry 756, spot share price - $0.055 and exercise price - $0.10. The total fair value of the options is $94,483.

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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 recognised 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, spot share price - $0.097 and exercise price - $0.25. The total fair value of the options is $249,541. The final vesting amount as at 31 December 2022 was $90,542 in accordance with the vesting period of the options.

Shares issued during the current year:
During the period, 592,885 fully paid ordinary shares at approximately $0.0506 per share, were issued as part consideration for restructuring the Cue royalty.

NOTE 5: DIVIDENDS

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

NOTE 6: CONTINGENCIES

In addition to statutory royalties generally applicable mineral production in Western Australia, certain tenements which make up part of the Group's Cue and Yule projects are subject to private royalties in respect of minerals produced from those tenements. These private royalties are described in sections 11.1 and 11.2 (respectively) of the Company's IPO prospectus dated 22 August 2018 and the Company's ASX announcement of 16 August 2022. 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.

During the 30 June 2022 reporting period, the Group entered into a binding agreement (since terminated) to sell its Cue project to Cue Revival Pty Ltd ("Cue Revival") and Cue Revival issued a statement of claim in the District Court of Western Australia seeking $200,000 (in relation to amounts it had paid to GSM) plus costs. During this reporting period, the Company filed a defence and counterclaim, and has since resolved all outstanding matters in dispute with Cue Revival.

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NOTE 7: Property, Plant and Equipment

	December 2022 $	June 2022 $
Property, Plant and Equipment at cost		
Opening balance	368,084	343,525
Additions	-	24,559
Disposals	-	-
Closing balance	**368,084**	**368,084**
Accumulated depreciation		
Opening balance	295,252	254,488
Depreciation for the year	14,156	40,764
Disposals	-	-
Closing balance	**309,408**	**295,252**
Summary		
At cost	368,084	368,084
Accumulated depreciation	(309,408)	(295,252)
Net carrying amount	**58,676**	**72,832**

NOTE 8: PROVISION FOR ENVIRONMENTAL REHABILITATION

As at 31 December 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.

NOTE 9: FINANCIAL ASSETS

The Financial Assets comprise of 2,500,000 Caprice Resources Limited shares. The fair value measurement for the financial assets of $165,000 has been categorised as a Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

NOTE 10: SUBSEQUENT EVENTS

The ASX closing share price of the Caprice shares was $0.06 on 15 March 2023 with a downwards adjustment to the value of the financial assets by $15,000.

Other than as set out above or elsewhere in this report, no other matter or circumstance has arisen since 31 December 2022, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

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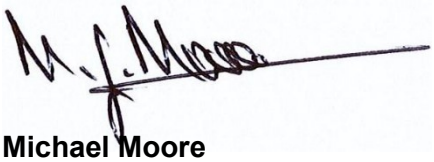
DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 17 to 25 are in accordance with the *Corporations Act 2001*, including:
   (a) complying with Accounting Standards AASB 134 Interim Financial Reporting, the *Corporations Act 2001* and other mandatory professional reporting requirements; and
   (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Golden State Mining Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Michael Moore
Managing Director
16 March 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
Golden State Mining Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Golden State Mining Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Golden State Mining Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of Golden State Mining Limited's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 16 March 2023.

Responsibility of the Directors for the Financial Report

The directors of Golden State Mining Limited are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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
16 March 2023