



**GOLDEN STATE**  
**MINING**

**Golden State Mining Limited**  
**ABN 52 621 105 995**

**Annual Report**  
**30 June 2023**

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## 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

Suite 15, 19-21, Outram Street  
West Perth WA 6005  
Australia  
Telephone: (+61 8) 6323 2384  
Email: [info@gsmining.com.au](mailto:info@gsmining.com.au)  
Website: [www.goldenstatemining.com.au](http://www.goldenstatemining.com.au)

### Share Register

Automic Group  
Level 5, 126 Phillip Street  
Sydney NSW 2000  
Australia  
Telephone: 1300 288 664  
Facsimile: +61 2 8583 3040

### 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 1  
519 Stirling Highway  
Cottesloe WA 6011

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**Golden State Mining Limited**

**30 June 2023**

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## Golden State Mining Limited

30 JUNE 2023

### CHAIRMAN'S LETTER

Dear Fellow Shareholder,

The company's June 2023 financial year has been another year of progressive, busy and disciplined action, with multiple drilling programs, field work, regional targeting and corporate activity targeting gold, lithium and base metals. We finished the year in a strong cash position, which was further enhanced following the end of the financial year with the completion of the second tranche of a \$2 million placement. The year also closed with some excitement as we prepared to launch gold-lithium reverse-circulation ("RC") and air-core ("AC") drilling programs over some of many gold, lithium and base metals target areas at Yule; and advanced towards drill targeting at Paynes Find and Southern Cross East.

During the year we increased our ground position at Yule to around 766km<sup>2</sup> in one of Australia's premier mineral discovery provinces in the Mallina basin with nearby companies such as Pilbara Minerals, Azure Minerals, Mineral Resources, De Grey Mining and more recently, Wildcat Resources.

We have always appreciated the potential that lies under cover in this under-explored region of the western Pilbara. 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 almost 12 million ounces<sup>1</sup>. It was, however, selected for much more than just its gold potential. As one of Australia's most significant new hard rock lithium discoveries, the recent Andover lithium discovery by Azure Minerals Limited (ASX: AZS) only adds to the compelling, underexplored potential of the West Pilbara, where our Yule project is well-placed.

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

Your team has been working diligently to optimise value for money whilst keeping our capital structure as tight as possible in order to maximise potential shareholder returns from any major discovery. We are allocating shareholder's resources judiciously and pragmatically on scientifically-driven, evidence-based targeting and exploration. Our seasoned, hands on, professional team have a can-do, diligent and nimble approach to exploration ... getting on with the job, sometimes in difficult conditions, where others have failed to do so.

RC drilling earlier in the year, together with structural interpretation and pathfinder geochemistry work indicated the potential of the Nomad prospect (at Yule South, already a gold target) to host a lithium-caesium-tantalum ("LCT") pegmatite source. After lengthy negotiations to acquire an interest in nearby, contiguous, tenure, further heritage surveys and statutory approvals as well as the commissioning of land-based magnetic and gravity surveys, we embarked on follow up RC and AC drilling shortly after the end of the financial year, including first-pass AC drilling over the new tenure only a few months after inking the agreement. Further, robust scientific work and diligent planning also set us up to drill other compelling gold, lithium and base metals targets at Yule South, Yule North and Yule East soon after the end of the financial year. We await the assay results with keen interest.

We have also generated extensive lithium and pathfinder geochemistry anomalies at our ~1300km<sup>2</sup> Paynes Find project, including a 2.5km target corridor which is a similar orientation to the neighbouring Mt. Edon pegmatite field; and all this from first pass soil analysis over only 14% of the project area. Similar activities at our 620km<sup>2</sup> Southern Cross East project also generated significant areas of interest from gold and pathfinder soil geochemistry anomalies, potentially associated with a nearby major structure, to be further explored and tested.

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<sup>1</sup> Refer to DEG ASX announcement of 15 June 2023 (global gold mineral resource estimate of 278Mt @ 1.3g/t Au for 11.7Moz).

**Golden State Mining Limited**

**30 JUNE 2023**

**CHAIRMAN'S LETTER**

Other, early stage projects, which have the potential to evolve into significant, company-making projects, have also been generated or advanced at negligible cost. We have made room for these by de-prioritising or disposing of other projects where the potential risk/reward justifies it. Tenements were dropped at some projects where our hypothesis for potential mineralization had been adequately tested or weighed up with future challenges or obligations; and our Cue project was sold over two separate transactions for \$230,000 in cash and shares plus royalties – an ideal outcome for all parties.

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

29 September 2023

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## Golden State Mining Limited

30 JUNE 2023

### DIRECTORS' REPORT

Your directors are pleased to present their report on the consolidated entity (referred to hereafter as the Group) consisting of Golden State Mining Limited (the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2023.

#### 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 held senior and executive management roles with a number of companies including Rock Australia Mining & Civil Pty Ltd, Carnegie Minerals PLC, Montezuma Mining Company Ltd (ASX:MZM) where he served as CEO, and, more recently, as Non-Executive Director for Variscan Mines Ltd (ASX: VAR).

Mr Moore is a member of the Australian Institute of Company Directors and the Australian Institute of Mining and Metallurgy. He is currently serving as Chairman of First Development Resources Limited (UK).

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

Mr Kelly has broad corporate advisory and commercial experience spanning over 25 years. He provides corporate advisory and corporate, transaction and project management as well as other professional services to mainly listed companies and 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 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.

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## Golden State Mining Limited

30 JUNE 2023

### DIRECTORS' REPORT

#### COMPANY SECRETARY / CHIEF FINANCIAL OFFICER

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

Mr Boudames is experienced in statutory financial reporting, taxation, ERP systems, business analytics, corporate transactions, due diligence, mergers & acquisitions, finance, joint ventures and divestments. He previously worked at RSM, 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	2,650,656	4,500,000
Damien Kelly	2,130,470	3,600,000
Greg Hancock	250,000	2,400,000
Brenton Siggs	1,095,185	2,400,000

#### PRINCIPAL ACTIVITIES

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

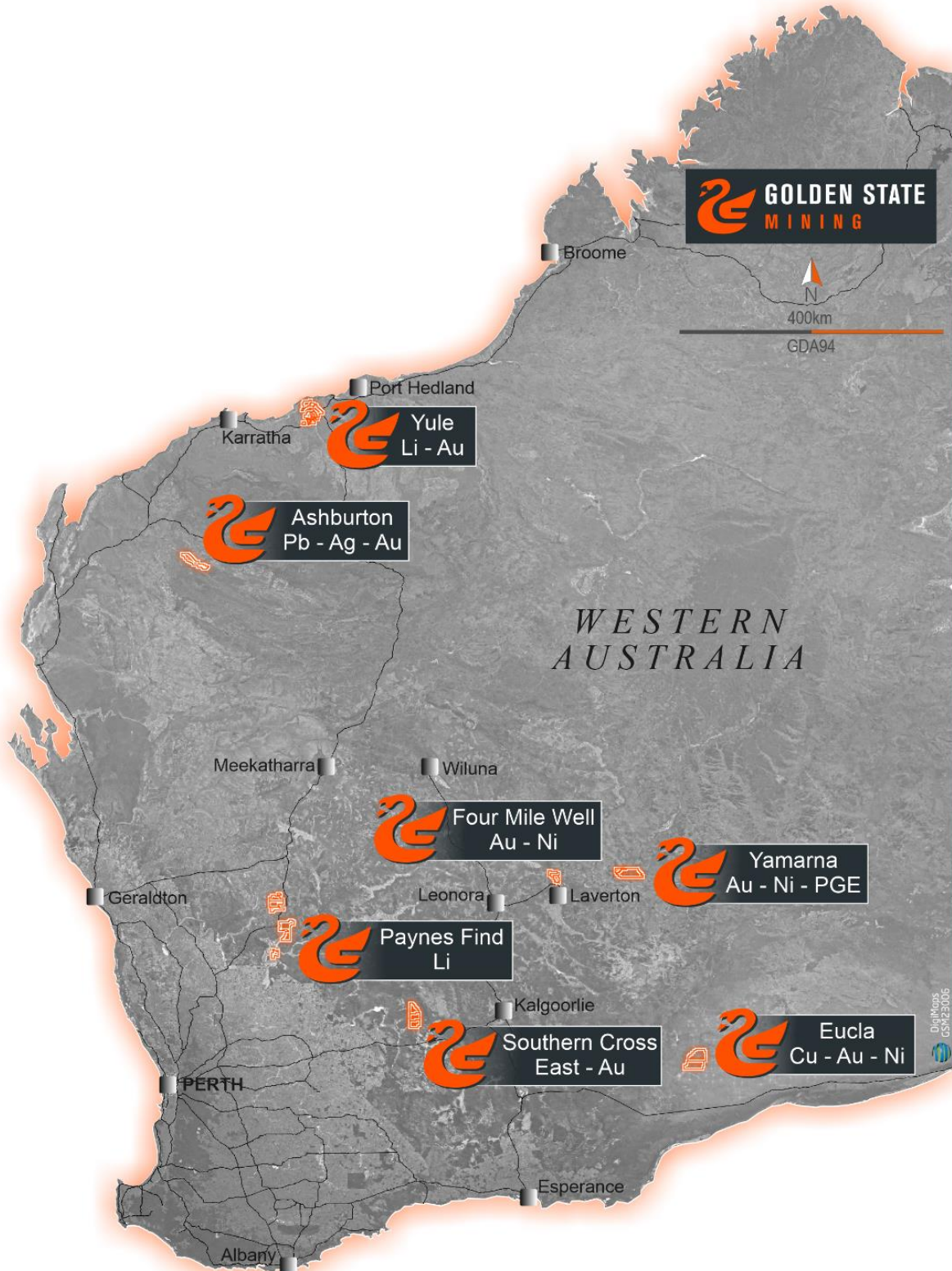
#### DIVIDENDS

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

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# GSM Annual Operations Report 2022-23

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Yule

Nomad lithium prospect and gold RC drilling program

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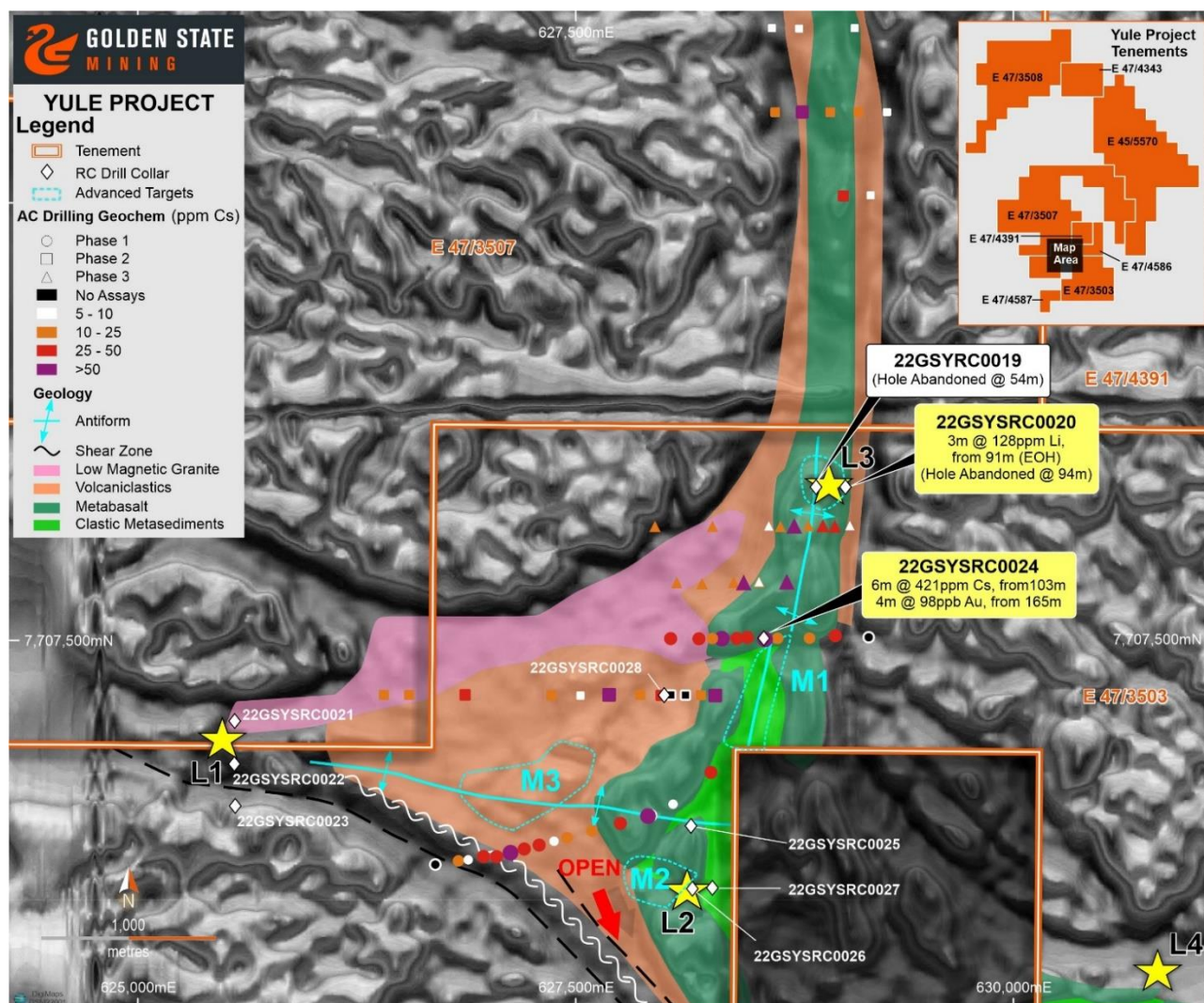


Figure 1: Nomad prospect RC collar plan with caesium results

The first pass reverse circulation (“RC”) drilling program at the Nomad prospect consisted of 10 holes (Figure 1) for a total advance of 1,478 metres (refer to ASX announcement dated 31 October 2022). The program delivered robust lithium (Li), caesium (Cs), and rubidium (Rb) anomalies with high levels of associated arsenic (As). 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 large ~4x1km anomaly within surficial lateritic regolith (Smith et al., 1987). At Nomad, bedrock caesium values accompanying arsenic form a strong SW-NE trend with a strong spatial association with the interpreted mafic

basement units. This trend is interpreted as a lithological control on caesium distribution, rather than just structural control.

Drill-hole logging and structural interpretation work (Figure 2) has indicated the presence of preferred mafic host lithologies and a major antiform which is crosscut by faulting and a refolded fold hinge zone. Given that a number of major lithium-caesium-tantalum (LCT) pegmatites occur within, or close to, the core of major regionally mapped fold hinges – e.g., Wodgina, Mt. Cattlin and Tanco (Canada), – and the analogous pathfinder geochemistry including arsenic as well as Li-Rb-Cs, the Nomad prospect is enhanced as a setting for significant pegmatite-hosted lithium-caesium mineralisation.

## Results

The significant RC 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 element (REE) analysis.

RC hole 22GSYSRC0024 (Figure 2) was designed as a follow up hole to test anomalous gold intersected in the first phase of air-core (AC) drilling (refer to ASX announcement dated 7 September 2020). This RC 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 @ 421ppm Cs & 88ppm Li along with 5290ppm (0.53%) As from 103 metres in a ferruginous saprock hosted structure with oxidised micaceous fault gouge. These levels of caesium are considered highly anomalous and encouraging.

Caesium is a very rare element in the earth's crust (single ppm levels) and is less mobile than other rare alkali elements (Li and Rb) in dispersion haloes. It is therefore considered to be a proximal vector to a potential LCT pegmatite source. It is normally only concentrated to elevated levels in LCT granitic pegmatites. The strongly anomalous caesium interval from 22GSYSRC0024 will be further investigated mineralogically, to identify the caesium and arsenic mineral hosts.

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 RC 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. Drill results are not considered significant.

### 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 volcanoclastic rock.

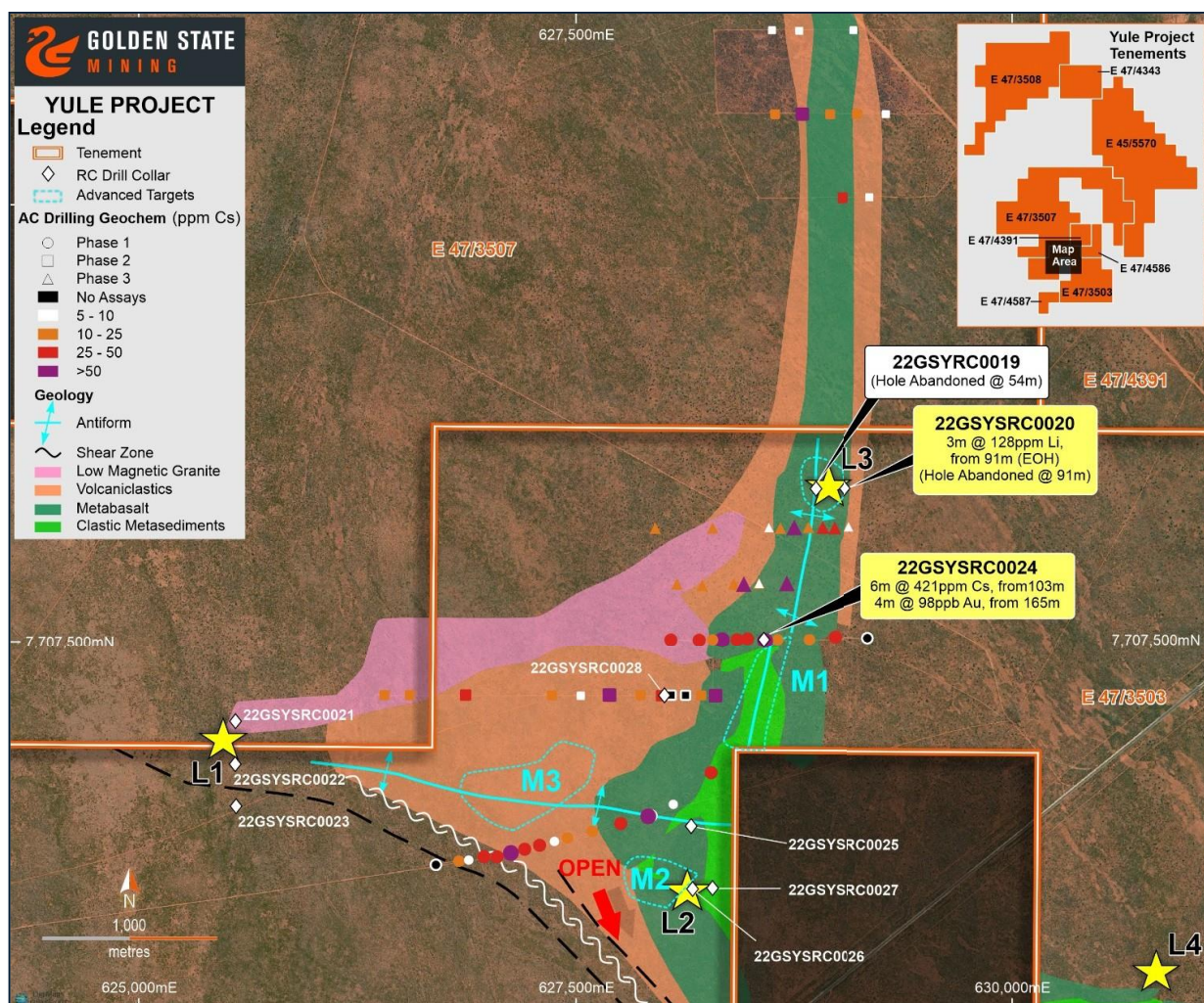
**Conceptual Target L3**

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

**Conceptual Target L4**

This lower priority target is scheduled for testing later during the next follow up RC drill program.

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**Figure 2: Nomad prospect plan showing solid rock & structural interpretation and advanced target areas**

**New Lithium Target Areas identified**

The principal objective of the drill program was to probe conceptual LCT pegmatite target areas in relation to primary geochemical dispersion haloes identified from AC 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 fold. Additionally, significant interpreted faulting is also associated with this area, making it a 'damaged zone' of host rock 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 fold, close to an interpreted fold hinge zone. It also coincides with a major fault crosscutting the major antiform fold.

#### Target M3

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

#### Nomad prospect - Additional sampling

The company completed further field reconnaissance on site and collected additional samples from reverse circulation ('RC') hole 22GSYSRC0024, which intersected 6 metres @ 440ppm Cs and 88ppm Li along with 5290ppm As from 103 metres (refer to ASX announcement dated 31 October 2022). These levels of caesium are considered highly anomalous and indicative of a proximal pegmatite source.

### Nomad Prospect Lithium Exploration Rights Acquired over E47/2692

The Nomad prospect has been a focal point for GSM's lithium exploration at the Yule Project (refer to ASX announcement dated 31 October 2022). Air-core drill programs and a follow up reverse circulation program delineated a robust lithium ("Li"), caesium ("Cs"), and rubidium ("Rb") bedrock anomaly with high levels of associated arsenic over an approximate 2km of strike length. Lithium pegmatite pathfinder vectors, in combination with a favourable mafic host rock and antiformal fold hinge structural interpretation, suggested that E47/2692 (Figure 3) represents an extension of GSM's exploration model, adding another 3.5kms of prospective strike length to explore.

The lithium pegmatite pathfinder vectors – which include up to 6m @ 421ppm Caesium – are very encouraging as caesium is rare in the Earth's crust (typically no more than 4ppm in most rocks) and are often confined to an enrichment in rare metal pegmatites in this type of geological setting (refer to ASX announcement dated 31 October 2022).

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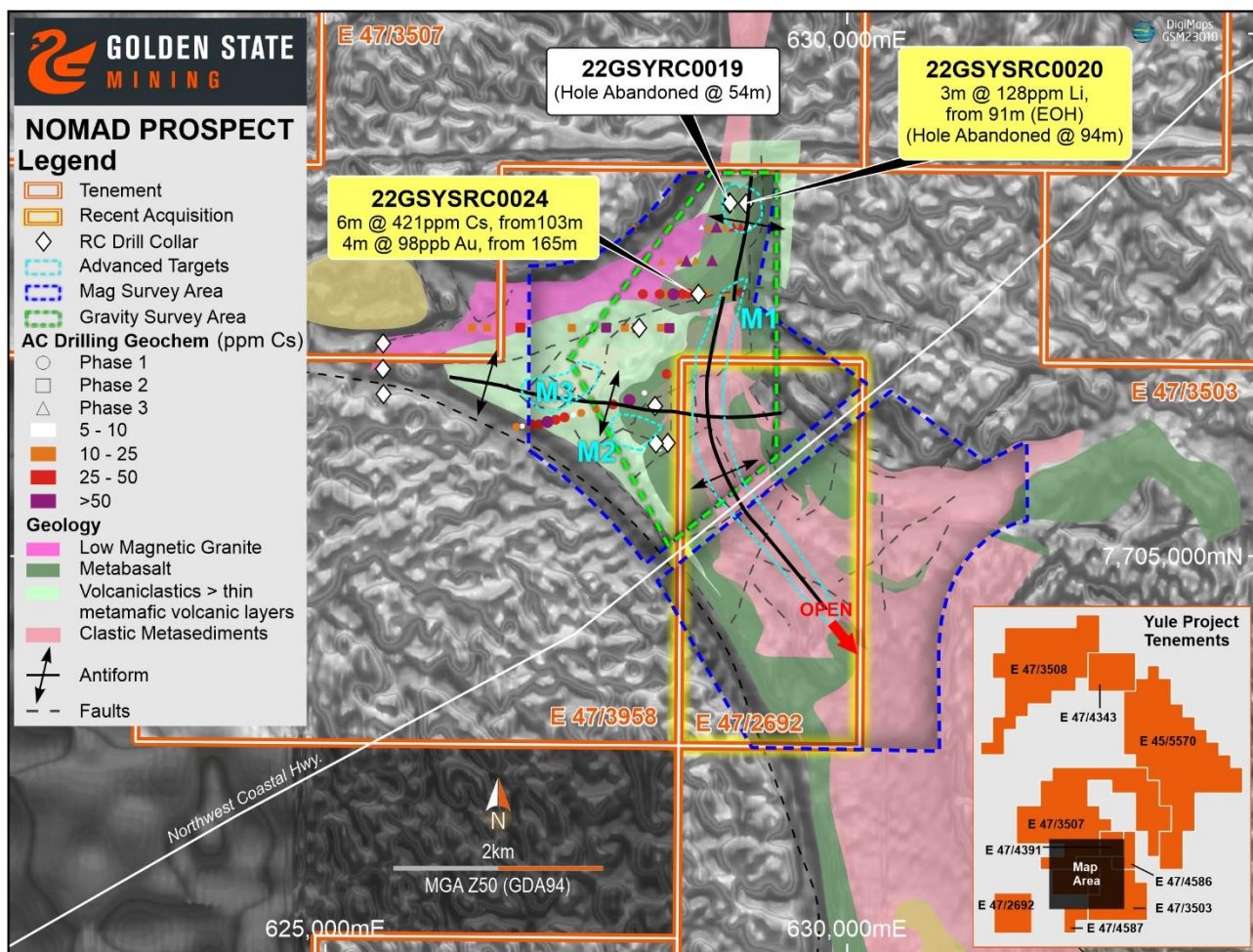


Figure 3: Nomad prospect summary plan showing new exploration ground on E47/2692

On 21 May 2023, the Company and its subsidiary (together and/or individually “GSM” for the purpose of this summary) entered into a ‘Mineral Rights and Royalty Deed’ with the holder of exploration licence E47/2692 (Bradford Young) pursuant to which Young granted exploration and other rights to GSM, the material terms of which are summarised as follows:

### Transaction Summary

#### Minimum Exploration Expenditure

GSM has agreed to spend at least \$300,000 in exploration expenditure on the tenement within two years.

#### Mineral Rights

GSM is granted the right to explore for all minerals other than ‘bulk industrial products’ (sand, gravel, clay, limestone and calcrete) and is permitted to lodge a mining lease application once it has met the Minimum Exploration Expenditure, whilst Young maintains certain rights with respect to exploration and extraction of bulk industrial products. GSM must lodge the application for a mining lease within three years, with the ability to extend for a further two years if certain requirements are met.

**Golden State Mining Limited**

**30 JUNE 2023**

**DIRECTORS' REPORT**

Consideration to Young

- \$20,000 cash;
- a 2% net smelter return royalty (bulk industrial products excluded); and
- 2 million options in the Company exercisable at \$0.05 each, expiring 21 May 2028, vesting over three years on the earlier of:<sup>1</sup>
  - the grant of the first mining lease to be granted pursuant to the deed;
  - a 'change of control' of the Company;
  - the specified vesting dates, being, in respect of:
    - 500,000 options, their date of issue;
    - 500,000 options, 21 May 2024;
    - 500,000 options, 21 May 2025; and
    - 500,000 options, 21 May 2026.

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<sup>1</sup> If the deed is terminated other than by reason of a default by GSM, any options which are unvested at the time the deed terminates will lapse unless the Company agrees otherwise.

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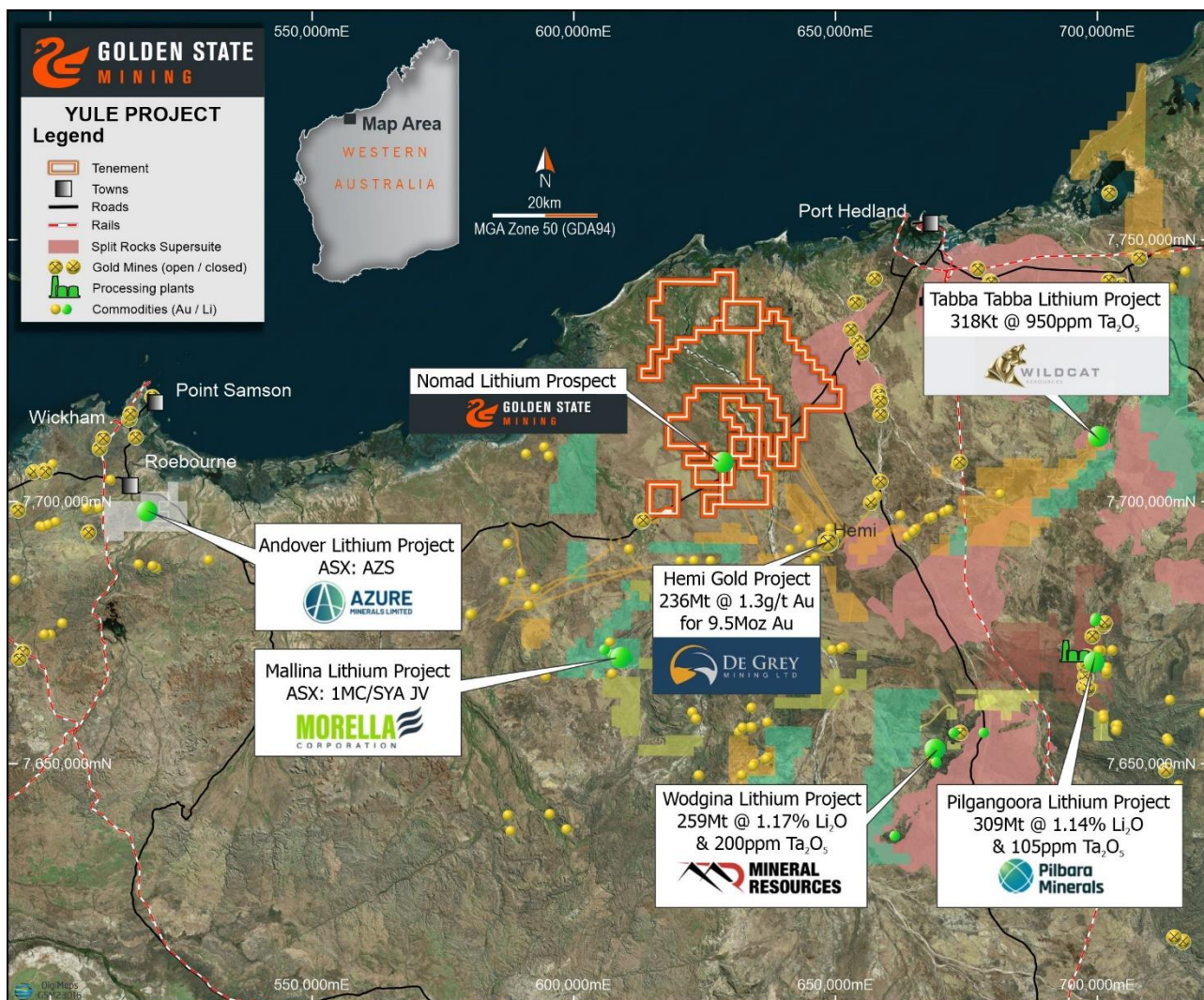


Figure 4: Yule project and Nomad prospect location in relation to Pilbara lithium and gold deposits.

## Nomad Prospect Geophysical Surveys

The company commissioned two geophysical surveys in June 2023 at the Nomad prospect (Figure 4 & refer to ASX announcement dated 24 May 2023) to support planned air-core and RC drilling (which commenced after the end of the financial year). A high-resolution drone magnetic survey was flown over the entire Nomad prospect area (Figure 5) to better define internal structures within the overall antiformal structure. In addition, a detailed ground gravity survey was conducted over the northern section of Nomad with the aim of delineating any “gravity lows” which could be interpreted as pegmatite signatures when compared to the surrounding mafic rock gravity signatures.

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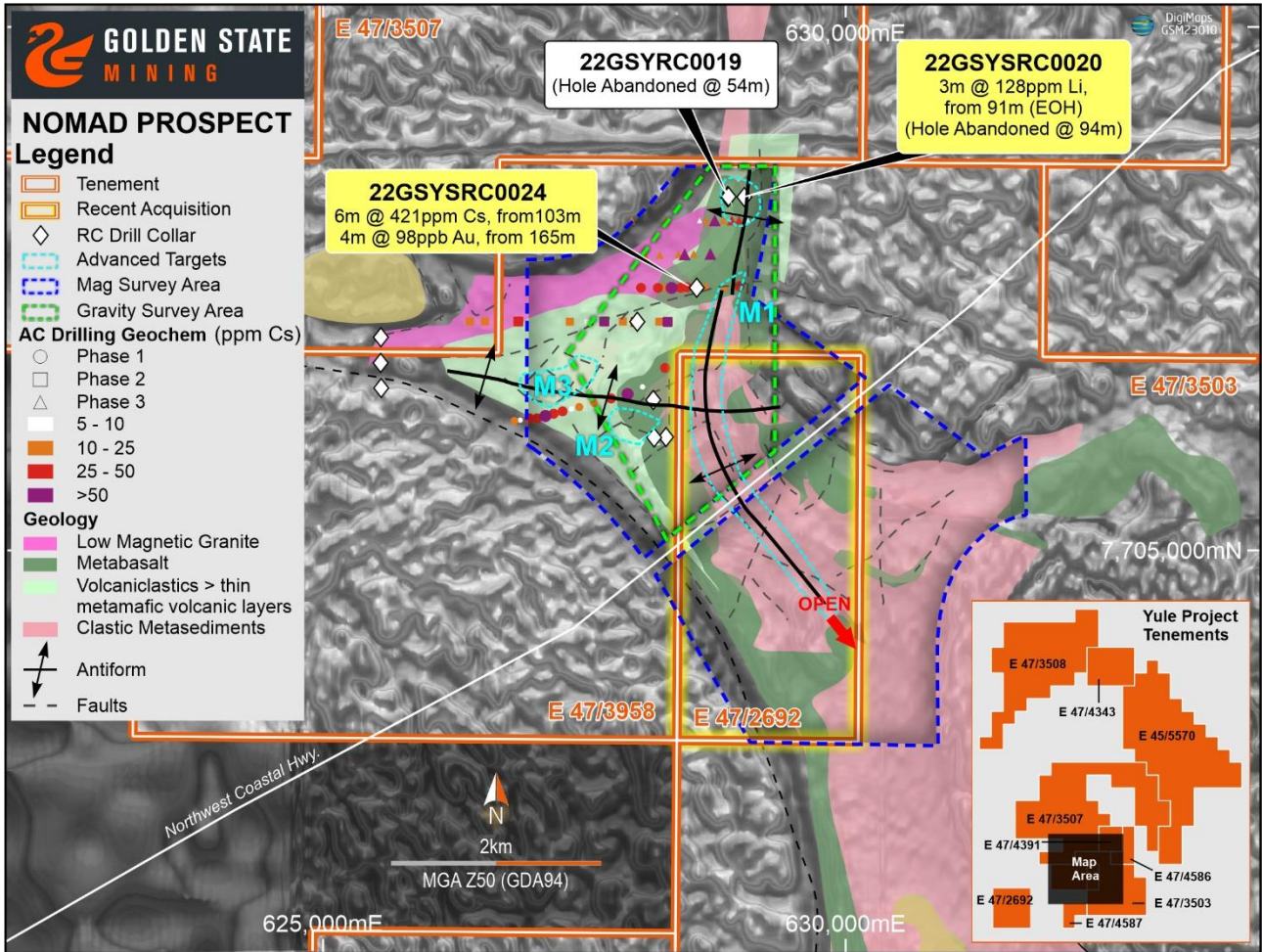


Figure 5: Nomad prospect summary plan showing planned areas for geophysical surveys

## Payne's Find

GSM received notification of the successful grant of another exploration licence E59/2701 (Figure 6) at its Payne's Find project (refer to ASX announcement dated 4 April 2022). This tenement brought an additional ~100km<sup>2</sup> of ground holding with approximately 22km strike length along a potential VMS style target corridor on an interpreted granitoid/greenstone contact.



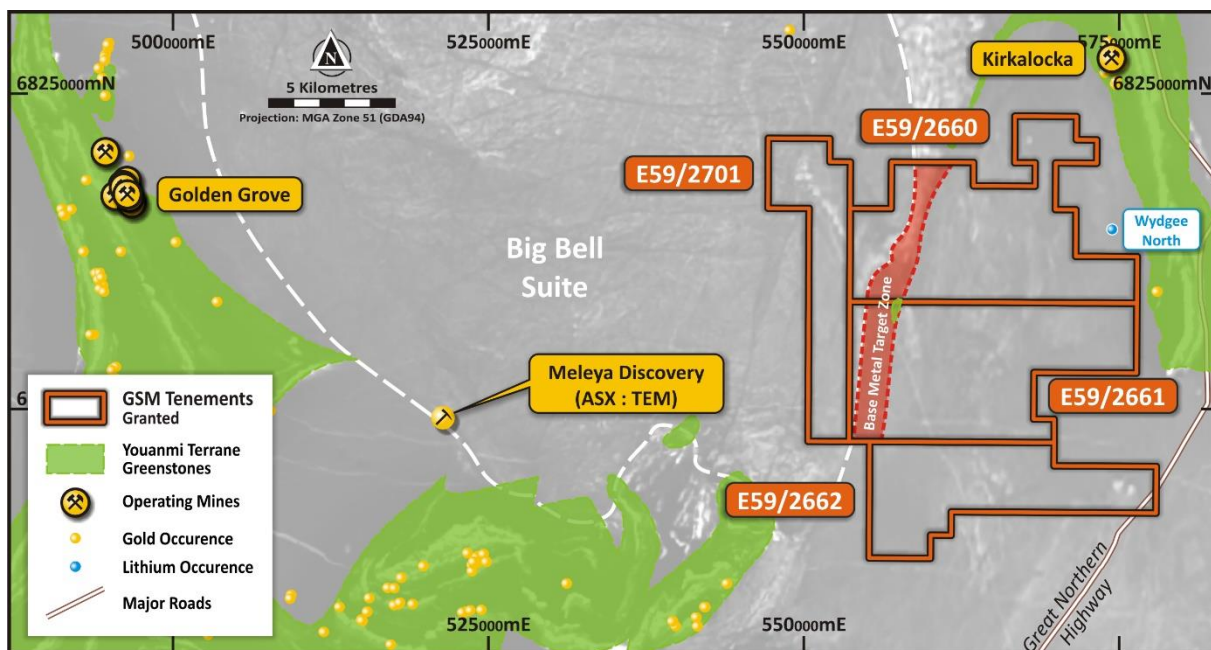


Figure 6: Payne's Find North location plan showing granted tenure

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 suggested historic geochemical sampling methods may not have been effective.

### 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 7) over priority areas of interpreted shallow cover and stripped regolith profile with areas of sub-crop.

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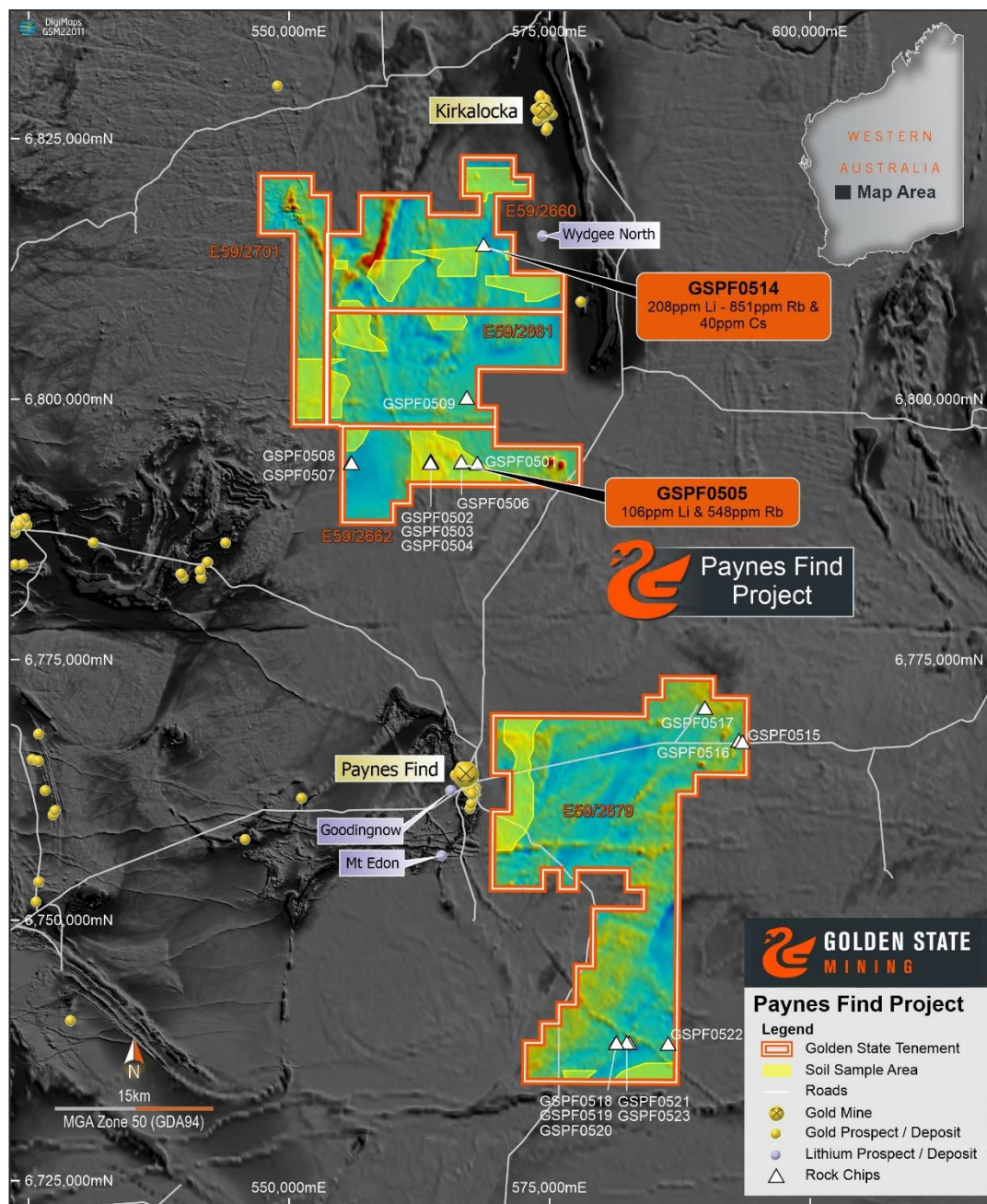


Figure 7: Paynes Find geochemical sampling coverage.

Assay results from the rock chip sampling 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 8), 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 8: Examples of Paynes Find rock chip samples: coarse-grained K-feldspar rich pegmatites.

### Ultrafine soil assay results

The Company received and interpreted ultrafine soil assay results from its first phase regional geochemical sampling at its Paynes Find project (refer to ASX announcement dated 8 March 2023). 683 soil samples were collected by independent contractors for analysis of the ultrafine fraction ( $<2\mu\text{m}$ ) over a number of regional grids (Figure 9 & 10) on 400m centres along 800m spaced, east-west orientated lines. These grids were located over areas interpreted to encompass relatively shallow regolith cover considered amenable to this sampling methodology and best suited to deliver any potential basement response. The total sampling area completed up to this point represented only 14.4% of the granted tenure at the Paynes Find project.

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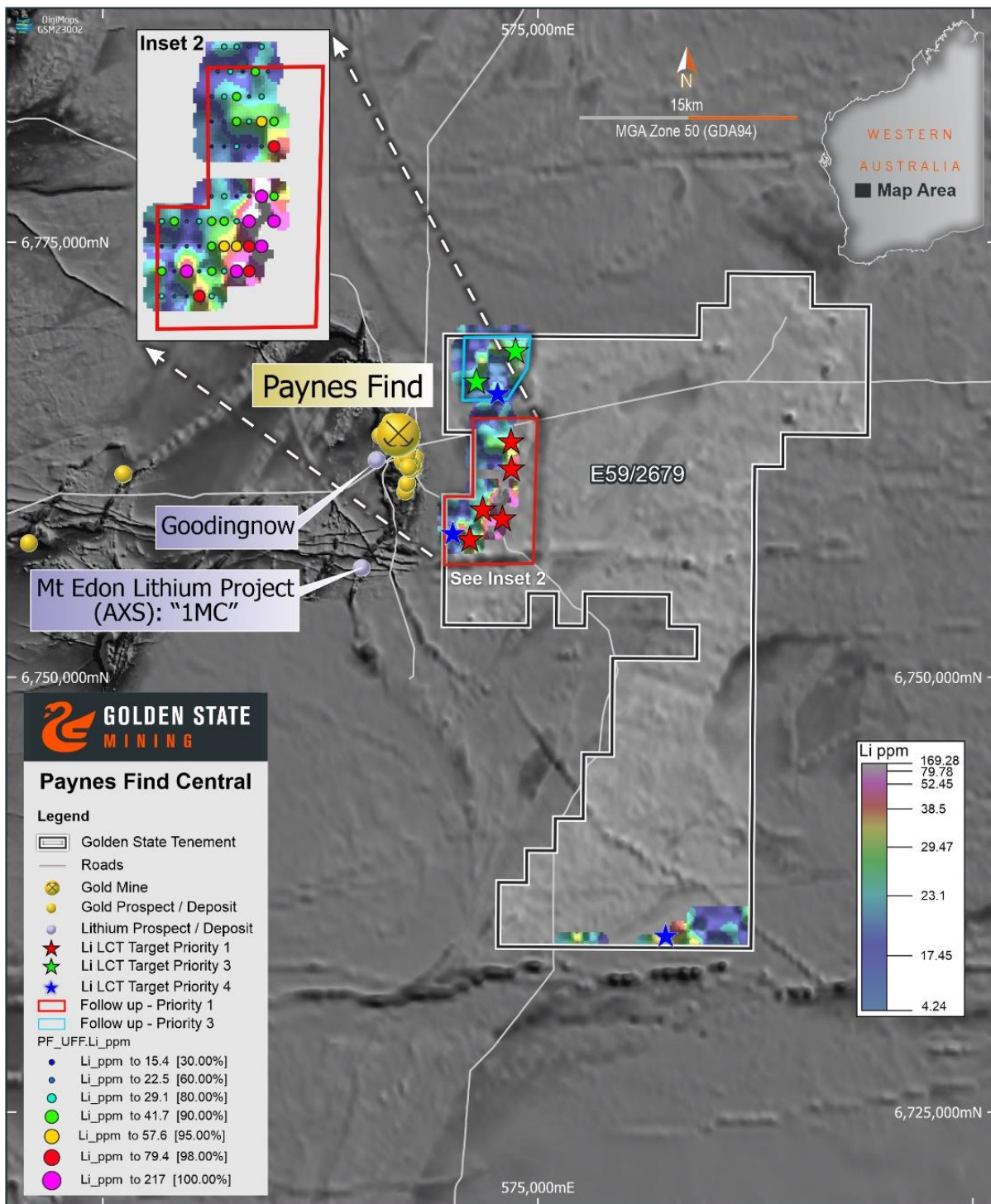


Figure 9: Geochemical anomalies and follow up areas at the Paynes Find Central

These selective areas do not include higher priority structural targets which are based on aeromagnetic signatures with interpreted deeper cover where drill testing will be required.

A lithium pegmatite targeting exercise was completed by an independent geochemist using various statistical grouping and levelling methods of the multi-element assay data. Statistical grouping used a weighted sum methodology, calculated from known economic and selected supporting elements for LCT pegmatite mineralisation styles. The levelling methods mitigated the effects of any assay batch

variation and regolith control. The resultant >90<sup>th</sup> percentile sample population has highlighted areas showing anomalous lithium (Li) values which are supported by other pathfinder elements including beryllium (Be), caesium (Cs), niobium (Nb), rubidium (Rb), tin (Sn) & tantalum (Ta). The coherent occurrences of elevated Li-Rb-Cs together is considered particularly significant as a regional indicator for the presence of LCT pegmatite mineralisation. These group 1 alkali elements have a similar chemistry in surficial environments and are known to occur together in a pegmatite related setting.

This process has identified 29 initial areas of interest which have been ranked in order of priority for follow up work.

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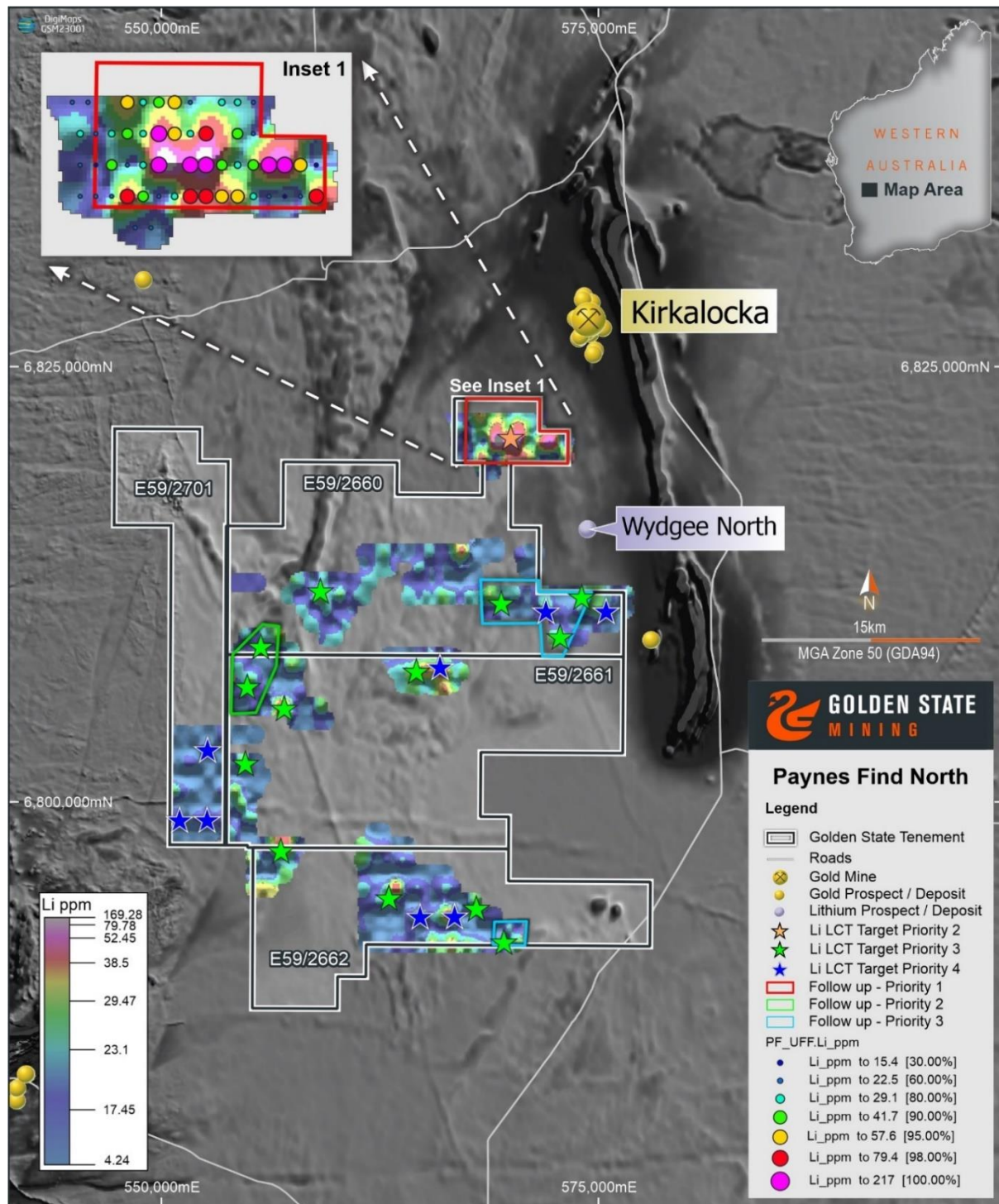


Figure 10: Geochemical anomalies and follow up areas at the Paynes Find North

The highest priority area (Figure 11) for soil infill is located on the western side of the central tenement area (E59/2679) within a 6.7km<sup>2</sup> area of contiguous samples anomalous in lithium with supporting elements including Cs, Rb & Ta along a 6km north-north-easterly trend. The highest lithium assay recorded at this location was 217ppm in sample PFX0669 along with 16.5ppm Cs and 217ppm Rb.

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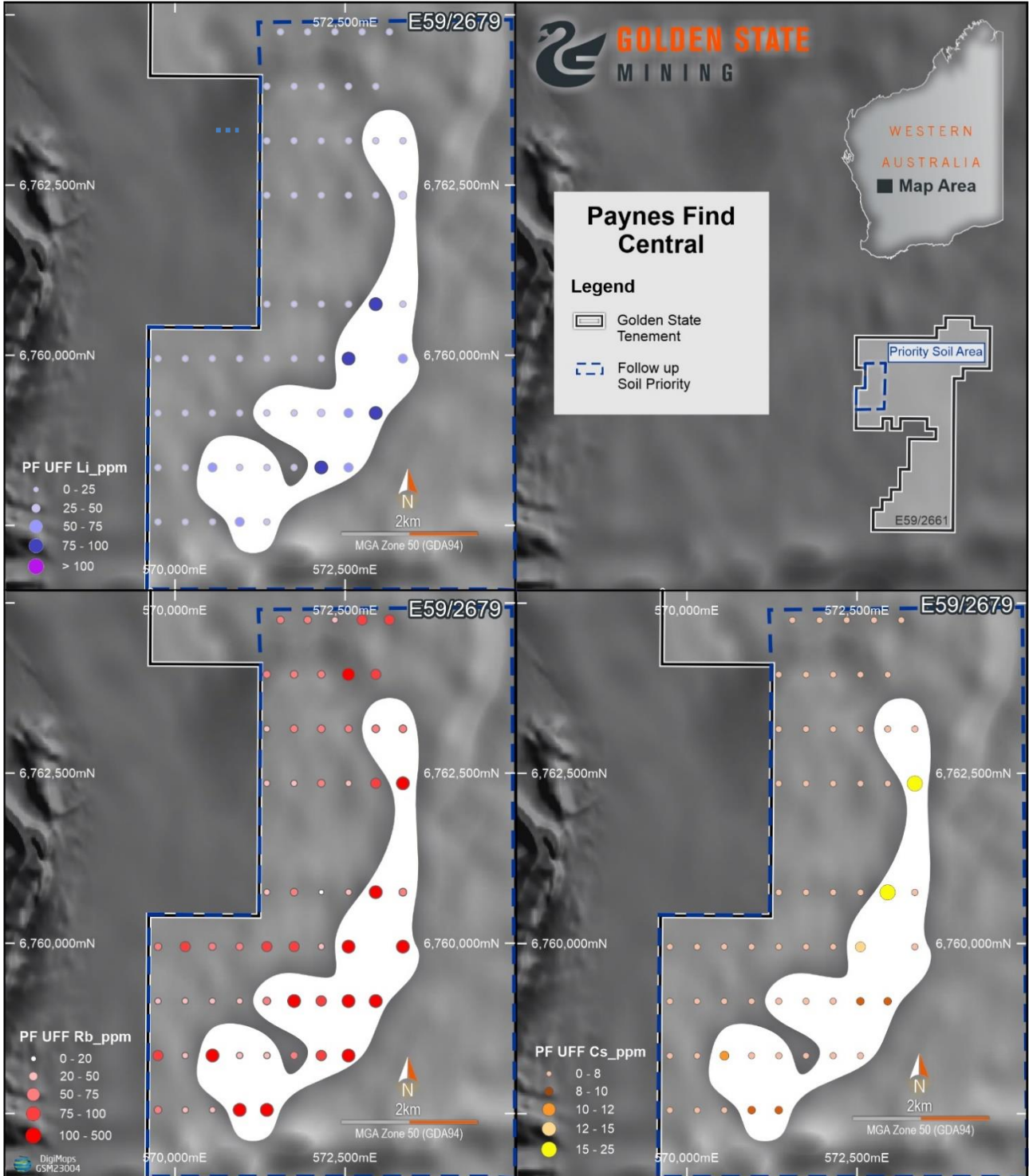


Figure 11: Paynes Find Central anomalous lithium with supporting Cs and Rb values

The second priority area (Figure 12) is located on the north-eastern end of the northern tenement (E59/2660) over a 7.7 km<sup>2</sup> area within an approximate 2.6kmx3.6km zone of contiguous lithium anomalous samples supported by similar pathfinder elements. The highest lithium assay recorded at this location was 158ppm in sample PFX0578 along with 23.9ppm Cs and 157ppm Rb.

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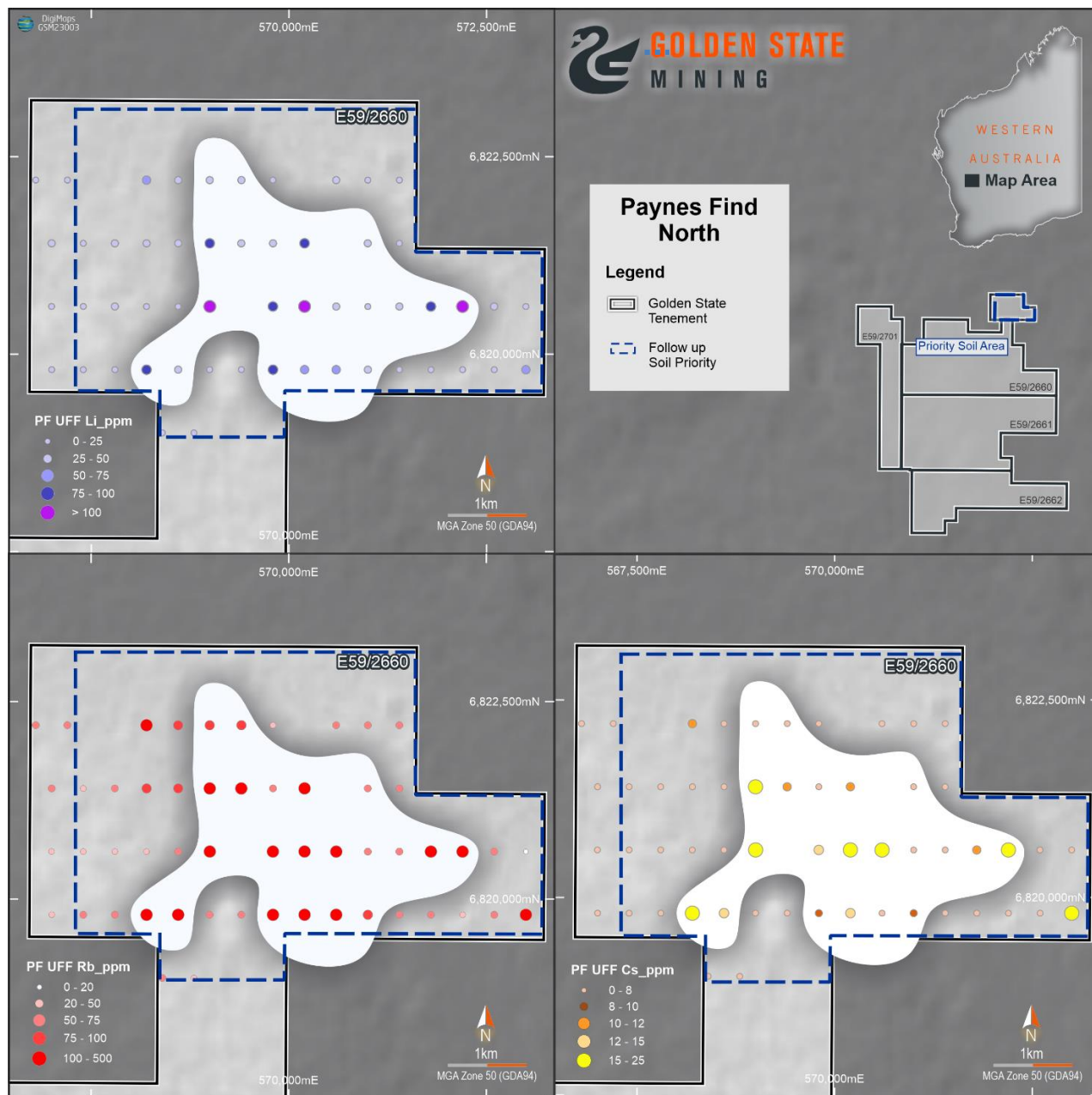


Figure 12: Paynes Find North anomalous lithium with supporting Cs and Rb values

The remaining priority infill soil targets consist of clusters of lower priority areas of interest which will be completed later in the year.

## Phase 2 follow up soil program

Assay results were received for a follow up soil program to define two potential target areas over anomalous lithium and pathfinder results from the Phase 1 program (refer to ASX announcements dated 8 March 2023 and 13 June 2023). A total of 581 soil samples were collected on 200m centres along 400m spaced, east-west orientated lines to infill previous anomalous soil sample locations.

A similar regolith levelling and weighted sum analysis methodology based on lithium values in combination with supporting pathfinder elements has corroborated and refined Phase 1 results in both priority infill areas. Results from the highest priority follow up area at Paynes Find Central (Figure 13) have now delineated a ~2.5km north-northwest trending target zone. Encouragingly, this is the same trend as the Mt. Edon pegmatites mapped approximately 6 kms to the west by Morella Corporation (refer to ASX:1MC announcement dated 23 June 2022).

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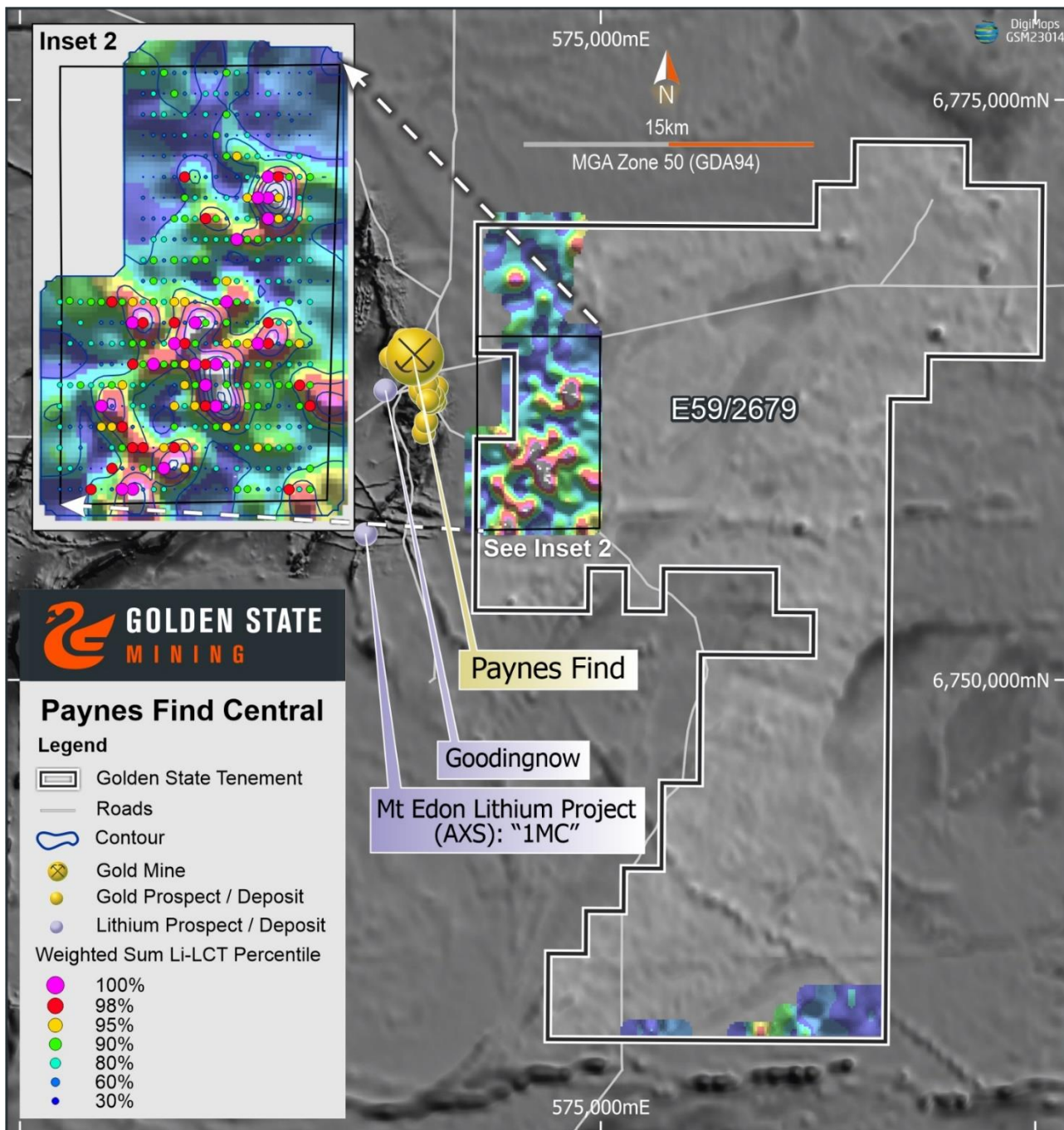


Figure 13: Paynes Find Central infill weighted sum soil results (Inset 2) showing anomalous trend.

The second priority infill area at Paynes Find North (Figure 14) has divided the original anomalous area into three separate target zones of various orientations. These target areas are located approximately 7kms northwest of the historic 'Wydgee' beryl-columbite pegmatite mine workings which could indicate the presence of more fractionated LCT pegmatites nearby.

Both target areas now require ground mapping and rock chipping where outcrop is available and potential drill planning.

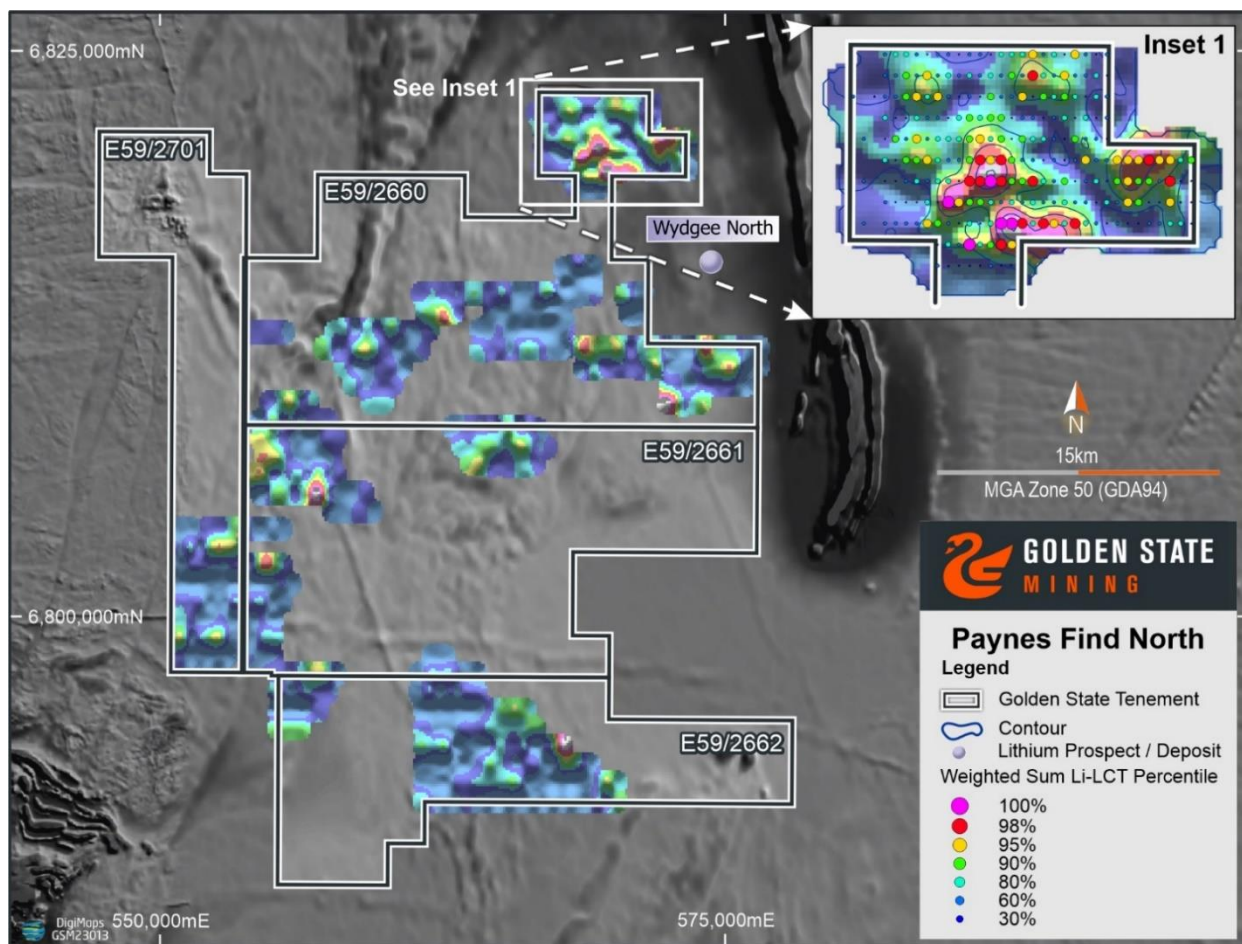


Figure 14: Paynes Find North infill weighted sum soil results (Inset 1)

## Four Mile Well

### Phase Two Air-core Program

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 15) for a total advance of 1,162 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).

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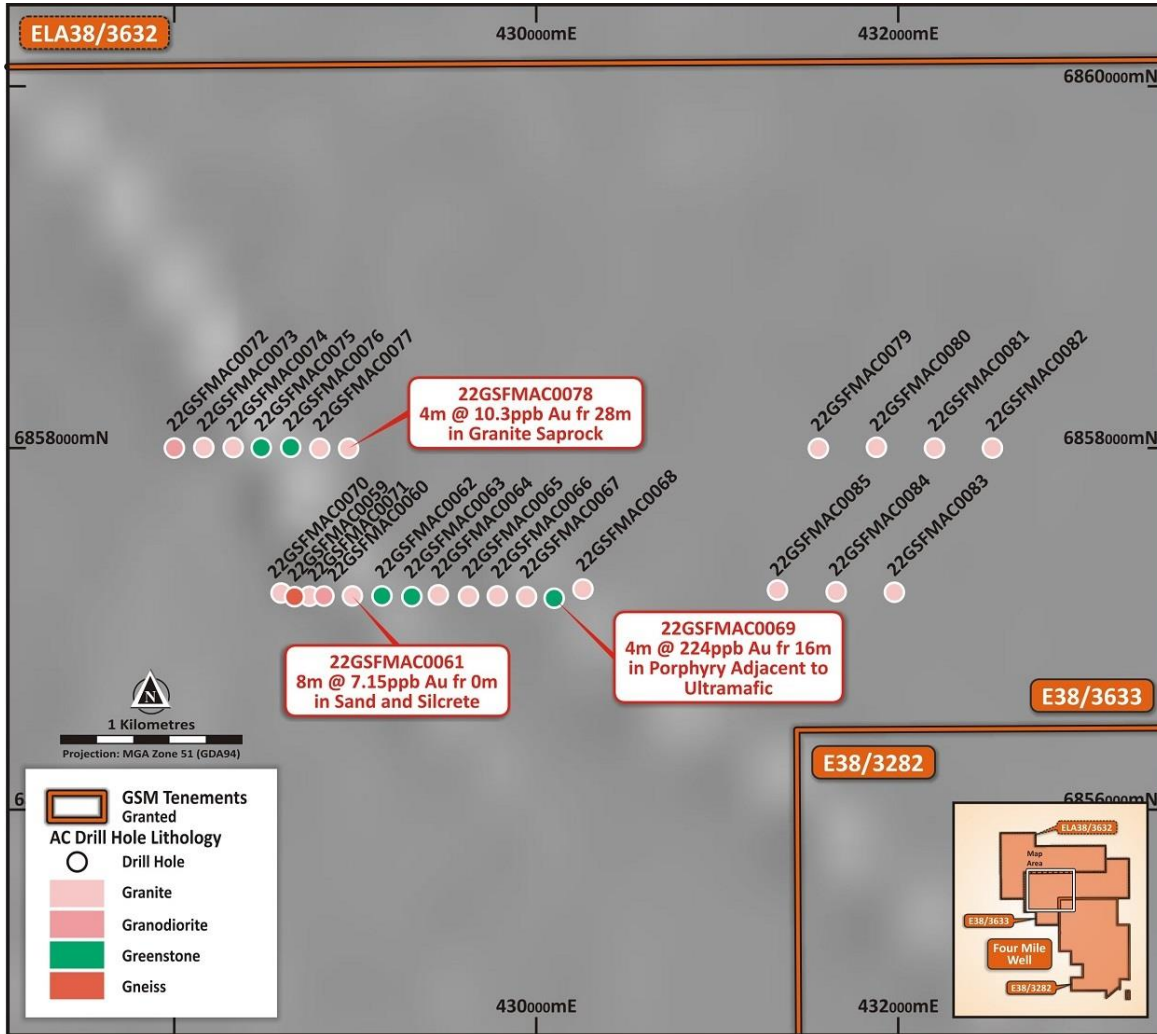


Figure 15: Four Mile Well AC collar plan and significant results.

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 (Figure 16).

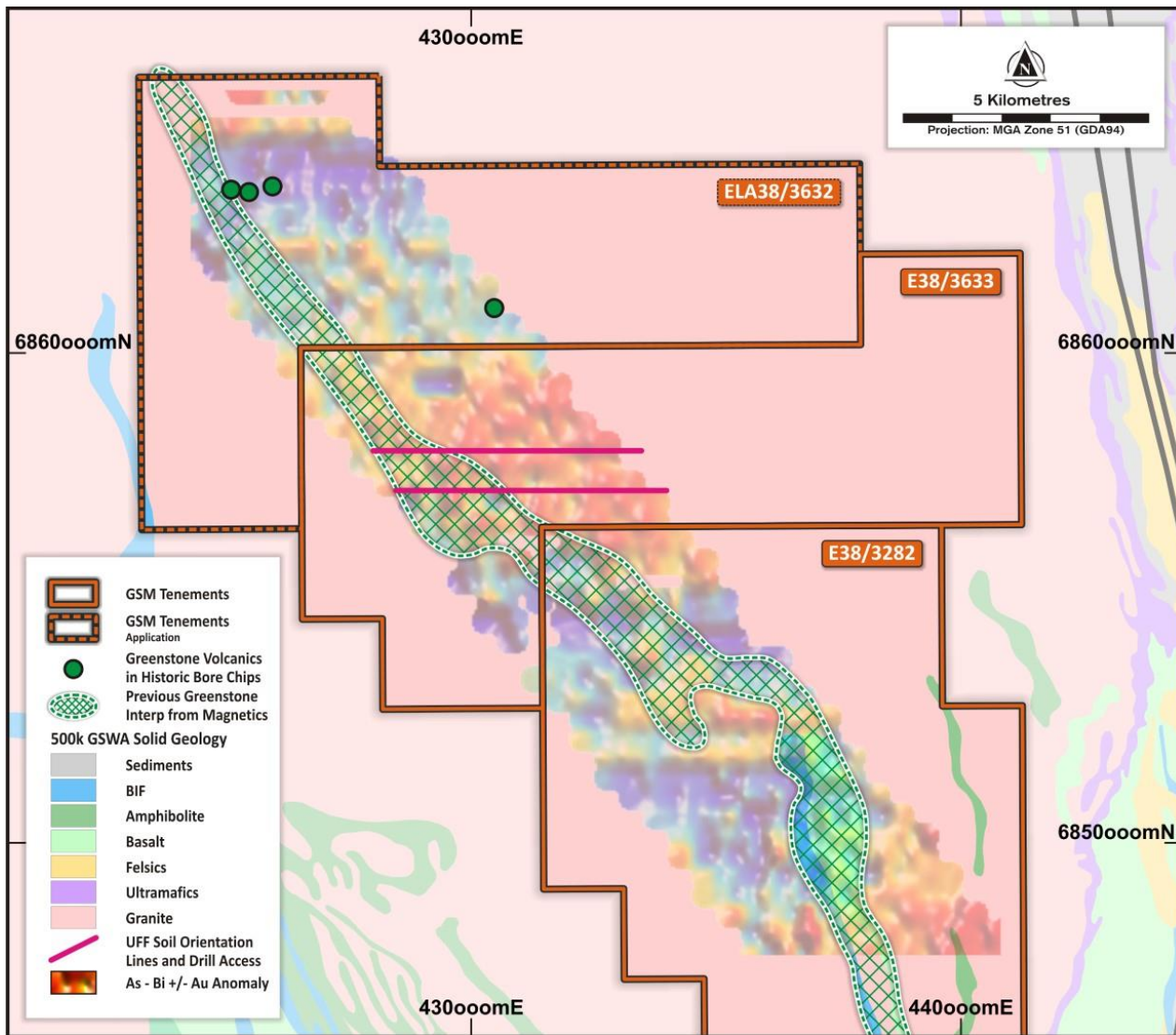


Figure 16: Four Mile Well plan showing recorded greenstone locations and soil orientation lines

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Phase Three Air-core Program

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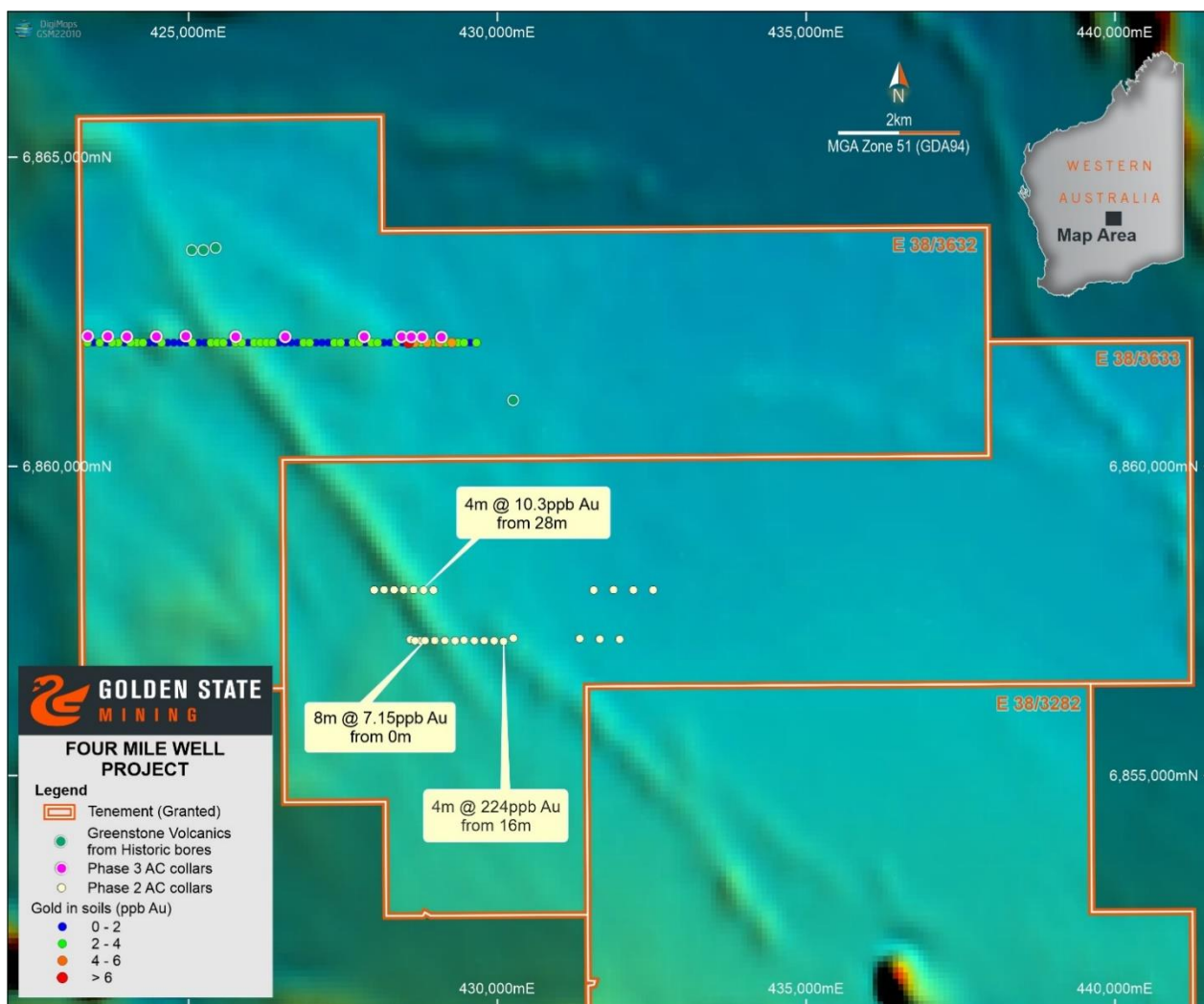


Figure 17: Four Mile Well Plan showing phase three AC collar locations and previous results

The Company completed a reconnaissance AC drill program on tenement (E38/3632) at the Four Mile Well Project near Laverton in Western Australia (refer to ASX announcement dated 30 March 2023). The program consisted of 12 holes (Figure 17) for a total advance of 982 metres and was designed to assess recent anomalous soil geochemistry responses (refer to ASX announcement dated 20 June 2022) and potentially concealed deformed Archaean terrain and basement.

Field drill logging recorded variable weathered granitic intrusive lithologies beneath extensive puggy ferruginous (probably haematitic-goethitic) lateritic and kaolinitic-silica rich saprolitic clays. Minor interpreted fine-grained, weakly schistose to massive equigranular mafic-ultramafic greenstone lithologies were also intersected which coincide with gold in soil anomalism on the eastern side of the reconnaissance drill line. Composite gold assay results showed no significant gold results or pathfinder element trends recorded from multielement assays at the end of hole in this drilling.

The Company subsequently surrendered E 38/3282.

## Southern Cross East – gold project

Three exploration licences (Figure 18) located approximately 60km north-east of the well-endowed gold mining camp of Southern Cross were granted in October 2022, for a total of 620km<sup>2</sup>. The granted tenements include interpreted buried Archaean rocks within a favourable orogenic gold structural setting. The project area has had negligible on-ground exploration. The structural setting is believed to comprise a series of thrust faults dislocated by minor secondary dilational structures which are prospective for orogenic gold mineralisation.

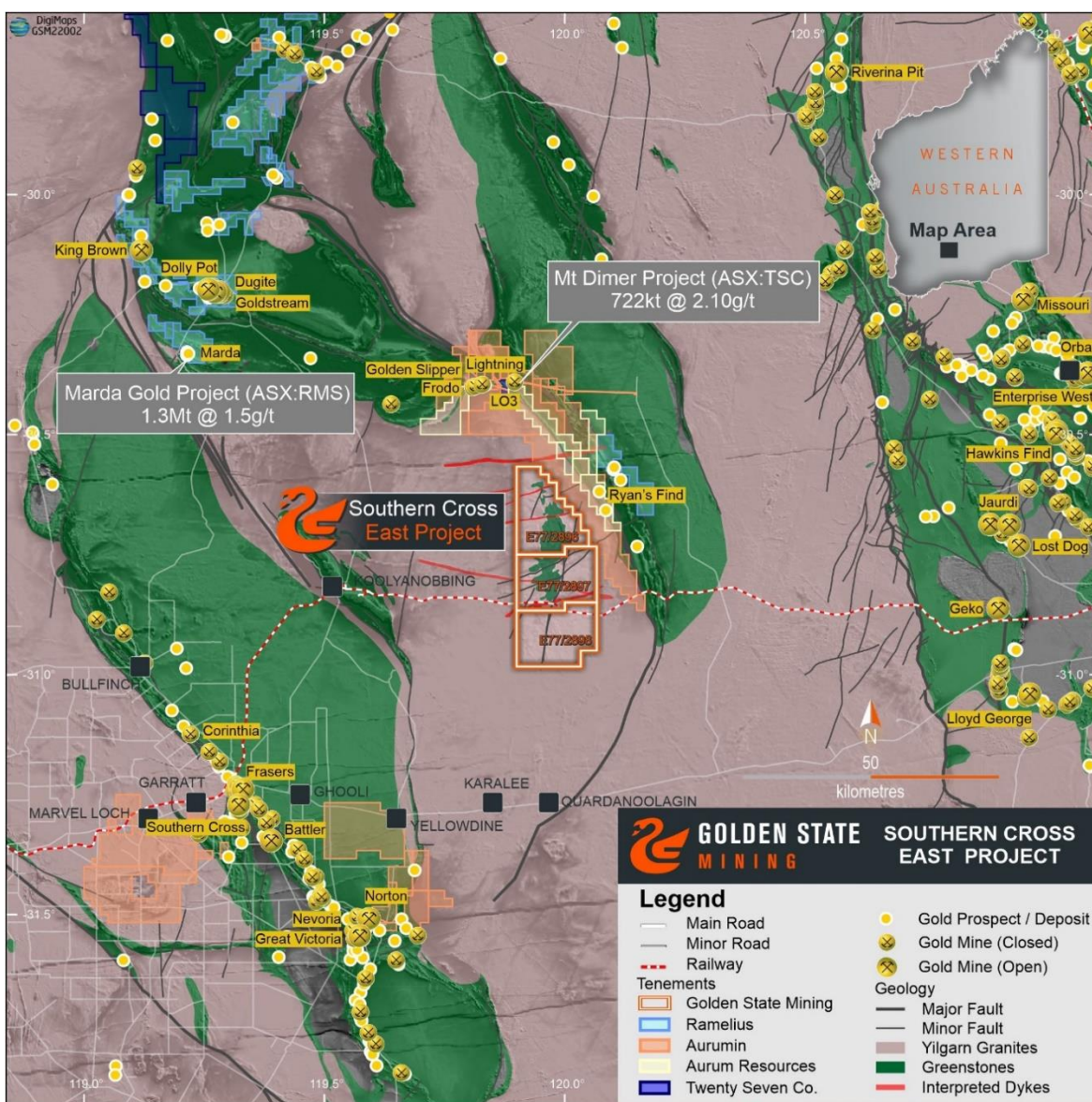


Figure 18: Southern Cross East Gold Project Location Plan

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## First phase regional geochemical sampling

The Company received and interpreted ultrafine soil assay results from first phase regional geochemical sampling at its Southern Cross East project (refer to ASX announcement dated 13 January 2023). 1,904 soil samples were collected by independent contractors for analysis of the ultrafine fraction (<2µm) (Figure 6) on 400m centres along 800m spaced, east-west orientated lines with closer 200mx400m spacing over higher magnetic signatures interpreted as buried greenstone. The sampling was located over areas interpreted to encompass relatively shallow regolith cover considered amenable to this sampling methodology and best suited to deliver any potential basement response.

A gold targeting exercise was completed by an independent consultant geochemist using various statistical grouping and levelling methods of the multi-element assay data. The levelling methods mitigated the effects of any assay batch variation and regolith control. Statistical grouping then used a weighted sum methodology, calculated from known economic and selected supporting elements for gold mineralisation styles.

The resultant >90th percentile sample population has identified 32 initial areas of interest which have been ranked in order of priority for follow up work (Figure 19). Two higher priority areas in proximity to structural trends show anomalous low-level gold (Au) values supported by other pathfinder elements including silver (Ag), arsenic (As), copper (Cu), nickel (Ni), antimony (Sb) & tungsten (W), which are considered particularly significant. The coherent occurrences of these elements together with proximity to an interpreted major structure and fault splay is suggestive of a gold mineralisation system nearby.

Follow up soil sampling commenced mid-June 2023 over the two priority target areas. Assay results for this infill campaign were expected early September. The results and interpretation will then be incorporated with field mapping work planned for September 2023 in preparation for potential drilling estimated to take place in Q4.

In addition, 33 rock chip samples were collected from various outcrops in the project area. The majority of these samples were granitic and collected from granite outcrops. However, litho-chemical classification by an independent consultant geochemist indicates that although the majority of rock chips are generally weathered felsic to intermediate rocks, some heavily weathered samples may be interpreted as containing some mafic composition.

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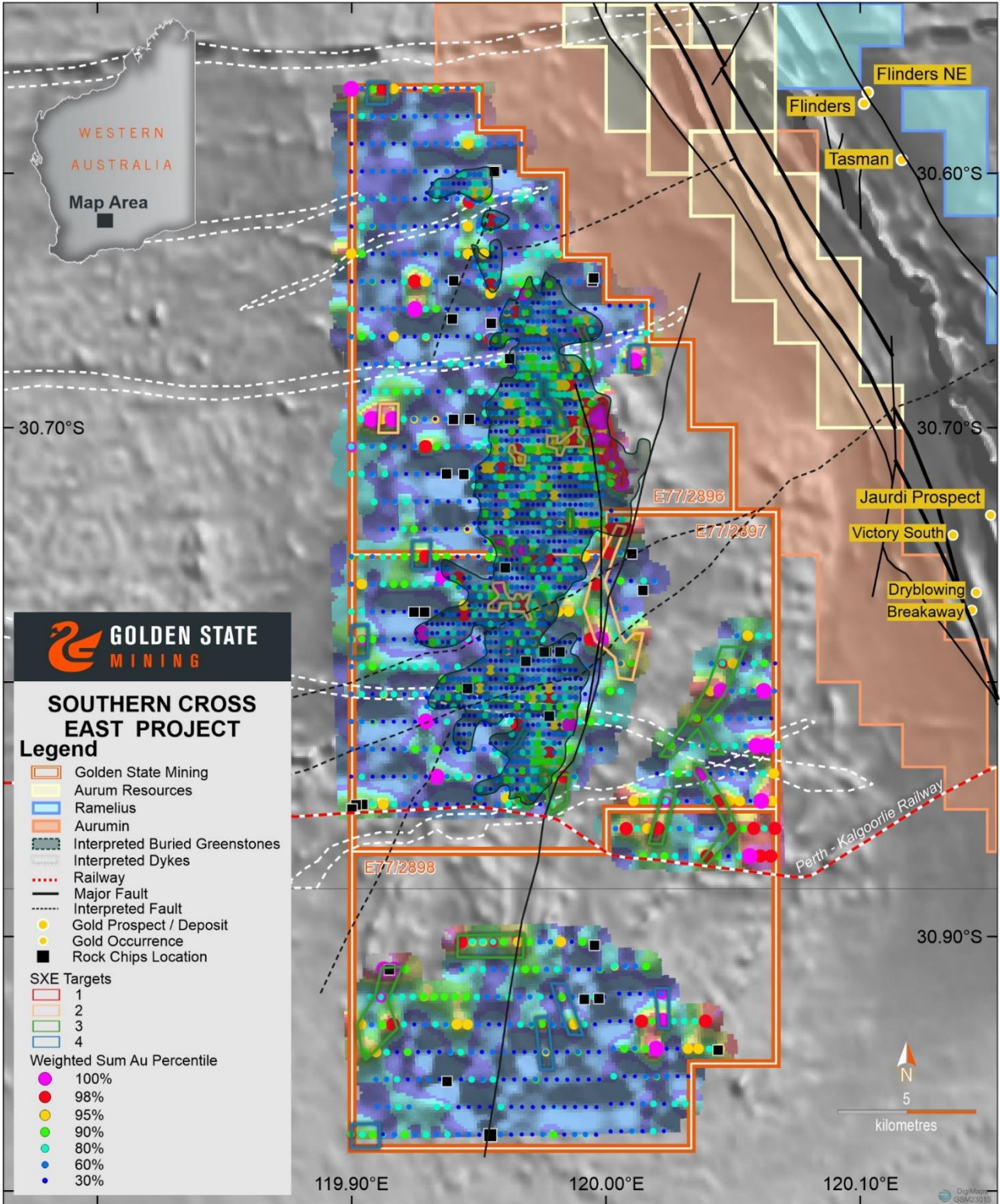


Figure 19: Southern Cross East Project Plan showing phase 1 geochemical sample locations and results



## 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 – Disposed of during the period (previously 100% GSM)

The Cue project was divested during the year, although the Company retains certain royalty interests. The Company also restructured one of the key royalties covering key parts of this project earlier in the financial year prior to the divestments.

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

#### Cue Royalty Adjustment

In August 2022 the Company agreed to restructure the gold royalty payable in respect of its Cue project (refer to ASX announcement dated 16 August 2022).

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.

The previous royalty was a staged royalty of \$50 per ounce of gold produced for the first 40,000 ounces, then \$15 per ounce up to 250,000 ounces, and \$5 per ounce 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. The reduced royalty enabled to Company to better position the Cue project for sale.

#### Divestment of Selected Cue Tenements to Victory Metals

In March 2023, the Company sold tenements P20/2345 and P20/2346 to Victory Metals Limited (VTM) (refer to ASX announcement dated 28 March 2023). The tenements are located near VTM's Cue ionic clay REE discovery (Figure 20), where the system has demonstrated high ratios of heavy rare earth oxides and critical magnet metals NdPr + DyTb.

In consideration for the acquisition:

- Victory issued GSM with 150,000 fully paid ordinary shares in the capital of Victory (disposed of subsequent to the financial year);
- GSM was granted a 1.0% net smelter return royalty on the sale tenements, and
- GSM was granted 66,666 options in Victory with an exercise price of \$0.30 per option and expiring 2 years from the date of grant.

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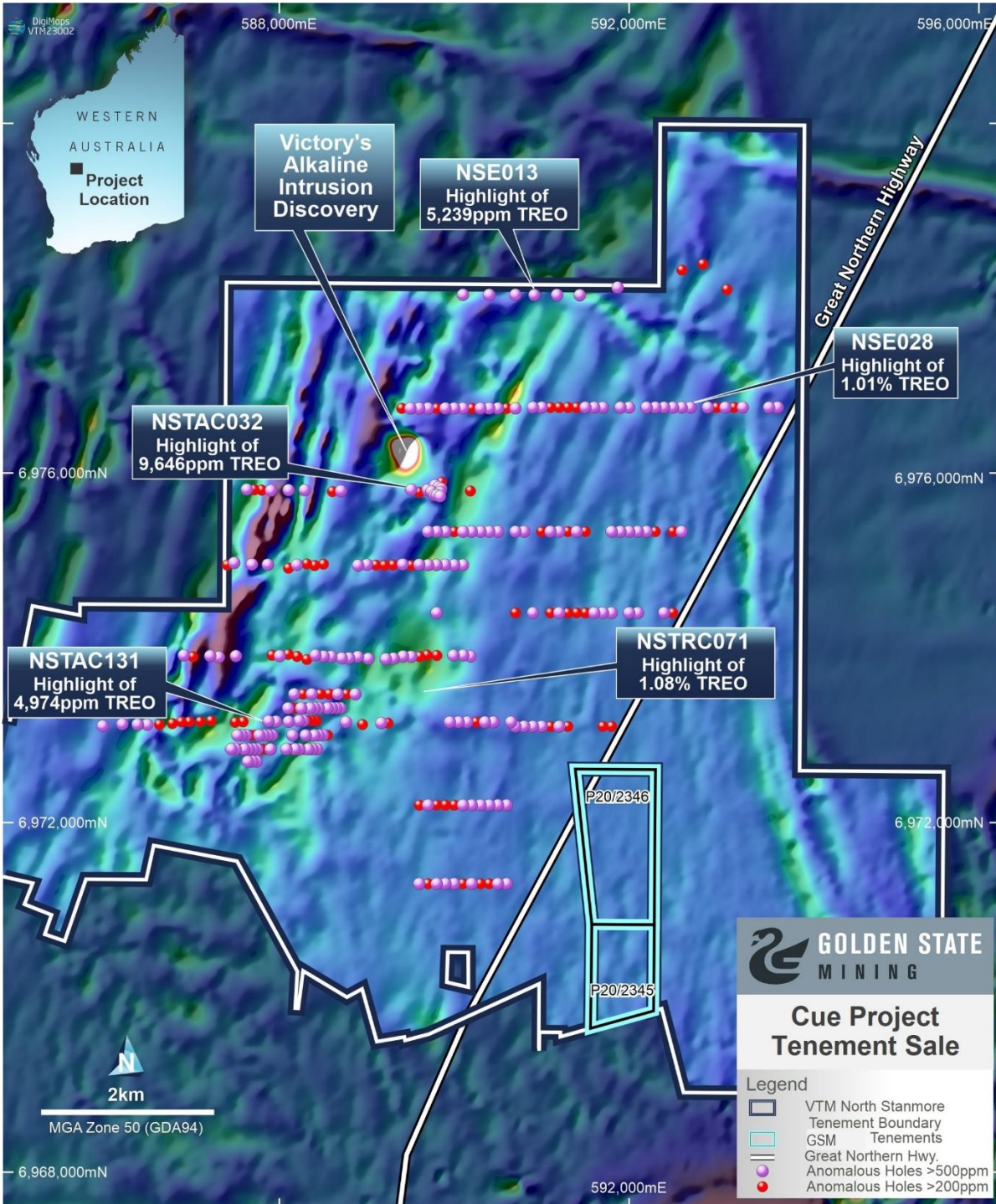


Figure 20: Map showing tenements P20/2345 and P20/2346 and the location of the Victory AC drill holes with anomalous rare earth elements >200ppm and the wide distribution of highlighted assays (refer to Victory ASX announcement dated 13 March 2023).

**Cue gold project sold for \$200,000 cash and royalty**

In April 2023, GSM sold its Cue project (refer to ASX announcement dated 26 April 2023), located in the Murchison region of Western Australia (Figure 21), to Rock Solid Mining Services Pty Ltd (“Rock Solid”) for \$200,000 in cash and the following royalties.

- \$15.00 per ounce payable on the first 60,000 ounces, and \$5.00 per ounce thereafter, of gold produced from the project tenements, and
- 2% net smelter return royalty on all minerals, other than gold, produced from the project tenements.

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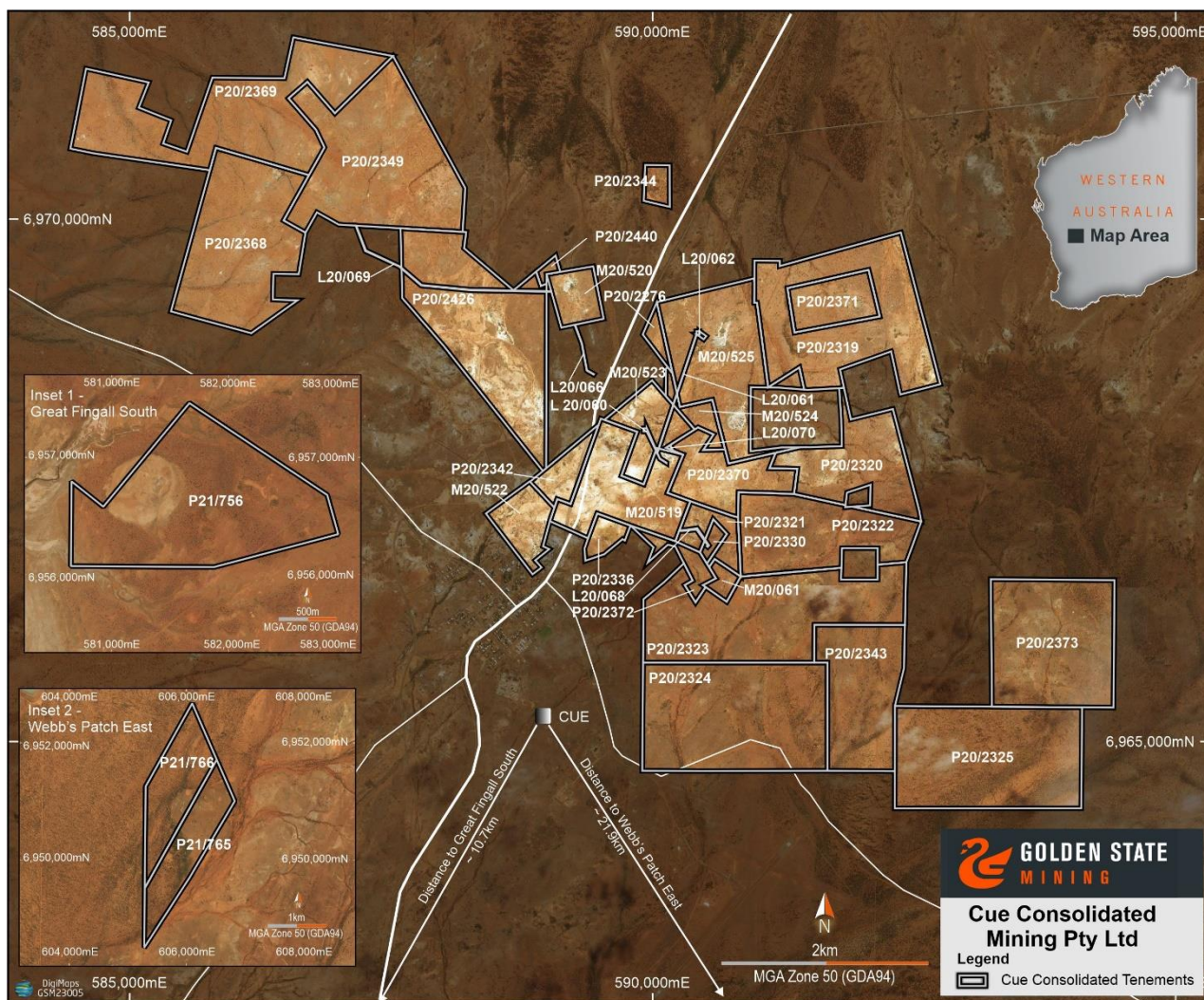


Figure 21: Map showing tenements at Cue held by Cue Consolidated Mining Pty Ltd (sold to Rock Solid).

## Yamarna – Ni +/-PGE & Cu project

Exploration licence (E38/3671) located 95km north-northeast of Laverton (Figure 22) captures ground located on the same crustal feature as St George Mining's (ASX:SGQ) Mt Alexander nickel sulphide deposit and was considered an analogous geological setting for magmatic nickel +/-copper sulphide potential.

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Figure 22: Yamarna Ni +/-PGA-Cu Project Location Plan

As seen at Mt Alexander, the interpreted host rocks at Yamarna (interpreted as granitic in nature) are fractured and intruded by Proterozoic dykes and considered similar to the setting at Mt Alexander.

This project was subsequently reviewed and surrendered due in part to associated native title and heritage challenges.

## Corporate

### \$2 million capital raise for WA lithium/gold projects

In May 2023, the Company successfully completed a bookbuild to raise \$2 million in a placement to sophisticated and professional investors through the issue of 74.1 million new fully paid ordinary shares at an issue price of \$0.027 each ("Placement").

The issue of 27.25 million shares was not subject to shareholder approval, falling within the Company's placement capacity under ASX Listing Rule 7.1 (15,548,581 shares) and 7.1A (11,701,420 shares). These shares were issued on 31 May 2023, raising \$735,750 before costs.

The issue of 46,824,073 shares was subject to shareholder approval, which was approved at a general meeting held (after the end of the year) on the 5 July 2023. These shares were subsequently issued on 11 July 2023, raising \$1,264,250 before costs.

Plutus Capital acted as Lead Manager to the Placement.

### Material Business Risks

This section outlines some of the key risks and uncertainties associated with the junior explorer's 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 2023, that could impact the Group and its ability to achieve its financial and operating objectives. It is not exhaustive.

#### Economic Risks and Future Funding

The Group does not currently generate any significant income from its ordinary business activities and will likely require substantial further financing in the future for its business activities. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Group and might involve substantial dilution to shareholders.

Access to, dependence on and dilution from capital raisings of the Group will be influenced by a variety of company or industry specific conditions general economic and business conditions, including, stock market conditions (including the Group's prevailing share price), commodity prices, levels of consumer spending, inflation, interest rates and exchange rates, commodity supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions (China in particular), war, pandemics or natural disasters.

#### Reliance on Key Personnel

The Group is substantially reliant on the expertise and abilities of its key personnel in overseeing the day-to-day operations of its projects. There can be no assurance that there will be no detrimental impact on the Group if one or more of these employees cease their relationship with the Group;

#### Litigation Risk

The Group may in the course of business become involved in litigation and disputes, for example with competing mining tenement holders or applicants, counterparties to contracts, government departments affecting or overseeing the Group's activities or proposed activities, service providers, customers or third parties infringing the Group's intellectual property rights. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, customers or other stakeholders. Such outcomes may have an adverse impact on the Group's business, reputation and financial performance.

### Exploration Risk

There is no assurance that exploration will be conducted effectively or result in any resource discovery on a scale that makes development and production feasible. For this reason, the Group conservatively expenses all exploration expenditure and investments in its consolidated financial statements. Exploration results that include drill results on wide spacings may not be indicative of the occurrence of a mineral deposit. Such results do not provide assurance that further work will establish sufficient grade, continuity, metallurgical characteristics, and economic potential to be classed as a category of mineral resource. Potential quantities and grades of drilling targets are conceptual in nature and, there has been insufficient exploration to define a mineral resource, and it is uncertain if further exploration will result in the targets being delineated as mineral resources.

Ground-disturbing exploration activities, such as drilling, also carry potentially serious risks of damage to or interference with third party assets and infrastructure.

### Environmental Risk

The Group has environmental risks and liabilities associated with its tenements which arise as a consequence of its drilling programs or other activities. The Group's operations are subject to various environmental laws and regulations under the relevant government's legislation. Non-compliance can potentially result in significant risk, including potential forfeiture of mining tenure or significant claims of damages from third parties.

### Occupational Health and Safety Risk

The Group strives to provide a safe workplace to minimise risk of harm to its contractors and employees. It achieves this through its safety guidelines and systems, work health and safety procedures, safety culture, training and emergency preparedness.

### Native Title

In tenements where native title is claimed or determined, the ability of the Group to acquire valid mining tenure may also be subject to compliance with the 'right to negotiate' and other processes under the Native Title Act. Compliance with these processes can cause delays in obtaining a mining lease and does not guarantee that it will be granted. Attaining a negotiated agreement with native title claimants or holders to facilitate the grant of a valid mining lease can add significantly to the costs of any development or mining operation.

### Aboriginal Heritage

The ability of the Group to conduct activities on exploration or mining tenements is subject to compliance with laws protecting Aboriginal heritage. Conduct of site surveys to ensure compliance can be expensive and subject to delays. If any Aboriginal sites are located within areas of proposed exploration, mining or other activities, the Group's ability to conduct those activities may be restricted and may also depend on obtaining further regulatory approvals.

### Tenement Obligations and Tenure Risks

Tenements in Western Australia are governed by the Mining Act 1978 (WA). Each tenement licence or lease is for a specified term (which may be subject to renewal) and has minimum annual expenditure and reporting commitments as well as conditions of grant, compulsory surrender, annual rent and other compliance conditions. Failure to meet these expenditure, work, rental and reporting commitments as well as the relevant conditions (including environmental rehabilitation obligations) may render the tenements subject to forfeiture or result in the tenement holders being liable for penalties or fees.

There is no guarantee that current or future tenements and/or applications for tenements will be renewed, approved or granted. Exploration licences in Western Australia are also generally required to surrender 40% of the relevant licence area within the first six years (note that the Group's Yule tenements E 70/3503, 3507 and 3508 were granted on 4 December 2017). In addition, any contractual obligations that are not complied with when due could result in dilution or forfeiture of the Group's interest in the projects.

Administrative and judicial interpretations of the law can also change from generally prevailing understandings, which can put security of tenure at risk (for example, for procedural defects not previously thought to be defective).

Special prospecting licences, which can also be applied for over granted tenure, have the potential to create competing mineral interests.

## Golden State Mining Limited

30 JUNE 2023

### DIRECTORS' REPORT

Tenement applications may also be subject to objections by other parties, in competition with other parties or may otherwise be at risk of rejection. Potential investors should assume that all applications in which the Group has an interest are or will be encroached by other competing applications or granted tenements, that they have been or will be objected to by the relevant encroaching tenement holder or applicant, that further competing applications may also be made in respect of the same areas and that the application will ultimately be rejected in its entirety.

#### Cyber Risks

The Group and its agents (including its share registrar) are reliant on information technology for the effective operation of its/their business. Any failure, unauthorised or erroneous use of the Group's or its agent's information (including cyber data theft) and/or information systems may result in financial loss, disruption or damage to its reputation.

#### END OF GSM ANNUAL OPERATIONS REPORT 2022-23

### RESULTS OF OPERATIONS

#### Revenues and results

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

	June 2023		June 2022	
	Revenues	Results	Revenues	Results
Consolidated entity revenues and (loss)	93,446	(2,807,785)	963,860	(3,162,787)

#### SHARES

There were 144,264,205 fully paid ordinary shares outstanding as at 30 June 2023. On 11 July 2023, 46,824,073 shares were issued in the second tranche placement at 2.7c per share raising \$1,264,250 (before costs) after balance date.

As at the date of this report there are 191,088,278 fully paid ordinary shares outstanding.

#### OPTIONS

There were 18,050,000 options outstanding as at 30 June 2023, all of which are unlisted.

Number	Class
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)
100,000	Unlisted options (\$0.10 for GSM, Expire 12 Aug 2024)
5,900,000	Unlisted options (\$0.10 for GSM, Expire 20 Dec 2024)

Since the end of the financial year, 2,000,000 unlisted options (\$0.06, Expire 26 Jun 2026) for part consideration for Lead Manager services in respect of the capital raise were issued on 11 July 2023. In addition, on 18 August 2023, 2,000,000 unlisted options (\$0.05, Expire 21 May 2028) were issued for part consideration for the acquisition of exploration rights adjacent to Nomad lithium prospect at the Yule project.

As at the date of this report there are 22,050,000 options outstanding.

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## Golden State Mining Limited

30 JUNE 2023

### DIRECTORS' REPORT

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	7	7
Damien Kelly	7	7
Greg Hancock	7	7
Brenton Siggs	7	7

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 11 July 2023, the Company issued 46,824,073 shares at \$0.027 per share raising \$1,264,250 in the second tranche placement following shareholder approval at the general meeting held on 5 July 2023; and 2,000,000 unlisted options exercisable at \$0.06, expiring 26 Jun 2026, were also issued following shareholder approval at the general meeting, to the Lead Manager for part consideration for services in respect of the capital raise.

On 18 August 2023, 2,000,000 unlisted options exercisable at \$0.05, expiring 21 May 2028, which were ratified by shareholders at the general meeting, were issued as part consideration for the acquisition of exploration rights adjacent to Nomad lithium prospect at the Yule project.

No other matter or circumstance has arisen since 30 June 2023, 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.

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## 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 significant 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 10.5% for the 2023 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.

Golden State Mining Limited

30 JUNE 2023

**DIRECTORS' REPORT**

**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:

2023	Short term	Post Employment		
Director	Base Salary & Other Fees \$	Superannuation \$	Share-Based Payments \$	Total \$
Michael Moore	225,000	23,625	47,040	<b>295,665</b>
Damien Kelly	60,000	6,300	37,632	<b>103,932</b>
Greg Hancock	39,765	-	25,088	<b>64,853</b>
Brenton Siggs	36,000	3,780	25,088	<b>64,868</b>
<b>Total</b>	<b>360,765</b>	<b>33,705</b>	<b>134,848</b>	<b>529,318</b>

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

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## Golden State Mining Limited

30 JUNE 2023

### DIRECTORS' REPORT

#### 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 2023	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	2,095,100	-	-	2,095,100
Damien Kelly	1,760,100	-	-	1,760,100
Greg Hancock	250,000	-	-	250,000
Brenton Siggs	910,000	-	-	910,000
<b>Total</b>	<b>5,015,200</b>	-	-	<b>5,015,200</b>

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Golden State Mining Limited

30 JUNE 2023

DIRECTORS' REPORT

**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 2023	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	-	-	-	4,500,000	4,500,000	-
Damien Kelly	2,400,000	1,200,000	-	-	-	3,600,000	3,600,000	-
Greg Hancock	1,600,000	800,000	-	-	-	2,400,000	2,400,000	-
Brenton Siggs	1,600,000	800,000	-	-	-	2,400,000	2,400,000	-
<b>Total</b>	<b>8,600,000</b>	<b>4,300,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,900,000</b>	<b>12,900,000</b>	<b>-</b>

**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 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 \$16,650 (2022: \$29,304).

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 2023:

	30 June 2023 \$	30 June 2022 \$
Other income	93,446	963,860
Net loss before tax	2,807,785	3,162,787
Net loss after tax	2,807,785	3,162,787
Share price at start of the year	0.04	0.14
Share price at end of the year	0.045	0.04
Basic/diluted loss per share (cents)	(2.36)	(3.59)

**END OF REMUNERATION REPORT (AUDITED)**

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**Golden State Mining Limited**

**30 JUNE 2023**

**DIRECTORS' REPORT**

**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.

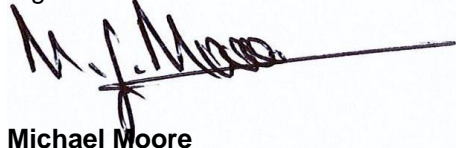
In the event non-audit services are provided by Stantons, the Board has established precedence to ensure that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. These include:

- 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 46.

Signed in accordance with a resolution of the Directors.



**Michael Moore**

Managing Director

29 September 2023

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29 September 2023

Board of Directors  
Golden State Mining Limited  
Suite 15, 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 2023, 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 sincerely

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

A handwritten signature in black ink, appearing to read "Samir Tirodkar".

**Samir Tirodkar**  
**Director**

Golden State Mining Limited

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Year 30 June 2023	Year 30 June 2022
		\$	\$
<b>REVENUE</b>			
Interest revenue		63,446	10,300
Other income	9	30,000	953,560
<b>EXPENDITURE</b>			
Administration expense		(531,538)	(450,685)
Depreciation expense	21	(25,560)	(40,764)
Exploration and tenement expense written off		(1,680,379)	(2,262,591)
Share-based payments expense	11	(212,925)	(298,360)
Employee benefits expense		(749,434)	(736,747)
Gain/(Loss) on shares at FVTPL	14a	345,000	(337,500)
Gain/(Loss) on sale of shares		(431,110)	-
Gain/(Loss) on sale of subsidiary	14b	384,715	-
<b>(LOSS) BEFORE INCOME TAX</b>		<b>(2,807,785)</b>	<b>(3,162,787)</b>
Income tax benefit/(expense)	18	-	-
<b>(LOSS) FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF GOLDEN STATE MINING LIMITED</b>		<b>(2,807,785)</b>	<b>(3,162,787)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that may be reclassified to profit or loss</i>		-	-
Other comprehensive (loss) for the period, net of tax		(2,807,785)	(3,162,787)
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF GOLDEN STATE MINING LIMITED</b>		<b>(2,807,785)</b>	<b>(3,162,787)</b>
Basic and diluted (loss) per share (cents)	22	(2.36)	(3.59)

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 30 JUNE 2023**

	Notes	30 June 2023 \$	30 June 2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	2,069,602	3,736,729
Trade and other receivables	4	40,689	74,114
Accrued income	5	5,500	4,853
Prepayments	6	6,719	33,701
<b>TOTAL CURRENT ASSETS</b>		<b>2,122,510</b>	<b>3,849,397</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	21	43,740	72,832
Financial assets	14a	37,500	212,500
<b>TOTAL NON-CURRENT ASSETS</b>		<b>81,240</b>	<b>285,332</b>
<b>TOTAL ASSETS</b>		<b>2,203,750</b>	<b>4,134,729</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	369,146	274,787
Provisions	8	176,512	133,407
<b>TOTAL CURRENT LIABILITIES</b>		<b>545,658</b>	<b>408,194</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	8	-	188,864
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>188,864</b>
<b>TOTAL LIABILITIES</b>		<b>545,658</b>	<b>597,058</b>
<b>NET ASSETS</b>		<b>1,658,092</b>	<b>3,537,671</b>
<b>EQUITY</b>			
Issued capital	10	13,836,862	13,150,506
Reserves	10	1,910,096	1,668,246
Accumulated losses	13	(14,088,866)	(11,281,081)
<b>TOTAL EQUITY</b>		<b>1,658,092</b>	<b>3,537,671</b>

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 2023

	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total \$
<b>BALANCE AT 1 JULY 2021</b>	<b>10,760,747</b>	<b>1,369,886</b>	<b>(8,118,294)</b>	<b>4,012,339</b>
<b>Loss for the period</b>	-	-	(3,162,787)	(3,162,787)
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	-	-	<b>(3,162,787)</b>	<b>(3,162,787)</b>
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>				
Share-based payments	-	298,360	-	<b>298,360</b>
Proceeds from issue of shares	2,500,000	-	-	<b>2,500,000</b>
Royalties paid in shares	42,707	-	-	<b>42,707</b>
Liabilities paid in shares	10,195	-	-	<b>10,195</b>
Securities issue costs	(163,143)	-	-	<b>(163,143)</b>
<b>BALANCE AT 30 JUNE 2022</b>	<b>13,150,506</b>	<b>1,668,246</b>	<b>(11,281,081)</b>	<b>3,537,671</b>
<b>BALANCE AT 1 JULY 2022</b>	<b>13,150,506</b>	<b>1,668,246</b>	<b>(11,281,081)</b>	<b>3,537,671</b>
<b>Loss for the period</b>	-	-	(2,807,785)	(2,807,785)
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	-	-	<b>(2,807,785)</b>	<b>(2,807,785)</b>
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>				
Share-based payments	-	212,925	-	<b>212,925</b>
Lead manager options	(28,925)	28,925	-	-
Proceeds from issue of shares	735,750	-	-	<b>735,750</b>
Cue royalty restructure paid in shares	30,000	-	-	<b>30,000</b>
Securities issue costs	(50,469)	-	-	<b>(50,469)</b>
<b>BALANCE AT 30 JUNE 2023</b>	<b>13,836,862</b>	<b>1,910,096</b>	<b>(14,088,866)</b>	<b>1,658,092</b>

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

Golden State Mining Limited

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	30 June 2023 \$	30 June 2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Other income		-	8,560
Interest received		62,799	7,776
Payments to suppliers and employees		(2,733,480)	(3,362,958)
<b>Net cash (used in) operating activities</b>	16	<b>(2,670,681)</b>	<b>(3,346,622)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceed from sale of projects		-	395,000
Proceeds from sale of subsidiary		200,000	-
Proceeds from sale of shares		118,890	-
Payments for plant and equipment		(617)	(24,559)
<b>Net cash from investing activities</b>		<b>318,273</b>	<b>370,441</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of securities		735,750	2,500,000
Payment for costs of issue of securities		(50,469)	(163,143)
<b>Net cash from financing activities</b>		<b>685,281</b>	<b>2,336,857</b>
Net (decrease) in cash and cash equivalents		(1,667,127)	(639,324)
Cash and cash equivalents at the beginning of the year		3,736,729	4,376,053
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	3	<b>2,069,602</b>	<b>3,736,729</b>

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

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# Golden State Mining Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements are for the Group consisting of Golden State Mining Limited and its subsidiaries. The financial statements are presented in the Australian currency. Golden State Mining Limited is a public company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. It is a “for profit” entity. The financial statements were authorised for issue by the directors on 29 September 2023. 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.

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 2023 of \$2,807,785 (2022: loss of \$3,162,787) and had net cash outflows from operating activities of \$2,670,681 (2022: \$3,346,622). As at 30 June 2023 the Group had a working capital surplus of \$1,576,852 (2022 surplus \$3,441,203) and cash and cash equivalents of \$2,069,602 (2022: \$3,736,729).

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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

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

*(i) Compliance with IFRS*

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

*(ii) New and amended standards adopted by the Group*

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

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

The Entity adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2021-7a: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2020-7a makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022. The adoption of the amendment did not have a material impact on the financial statements.

**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 along with the adoption of AASB 2022-6. The amendment is not expected to have a material impact on the financial statements once adopted.

- **AASB 2022-6: Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants**

AASB 2022-6 amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. It also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.

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 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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

- 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.
- AASB 2021-7b & c: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections**  
 AASB 2021-7b makes various editorial corrections to AASB 17 Insurance Contracts which applies to annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. AASB 2021-7c defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2018. The Group plans on adopting the amendments for the reporting periods ending 30 June 2024 and 30 June 2026. The impact of initial application is not yet known.
- AASB 2022-7: Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards**  
 AASB 2022-7 makes editorial corrections to the following standards: AASB 7, AASB 116, AASB 124, AASB 128, AASB 134 and AASB as well as to AASB Practice Statement 2. It also formally repeals superseded and redundant Australian Account Standards as set out in Schedules 1 and 2 to the Standard. The Group plans on adopting the amendments for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

(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.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

(e) Revenue recognition

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

(i) Interest income

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

(f) Income tax

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

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

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.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## (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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

*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 are 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

*(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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****(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**

	<b>June 2023</b> \$	<b>June 2022</b> \$
Cash at bank	1,029,432	496,729
Short-term deposits	1,040,170	3,240,000
<b>Total</b>	<b>2,069,602</b>	<b>3,736,729</b>

**NOTE 4: TRADE AND OTHER RECEIVABLES**

	<b>June 2023</b> \$	<b>June 2022</b> \$
GST receivable	40,689	74,114
<b>Total</b>	<b>40,689</b>	<b>74,114</b>

**Golden State Mining Limited**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**NOTE 5: ACCRUED INCOME**

	<b>June 2023</b> \$	<b>June 2022</b> \$
Term deposits - interest income receivable	5,500	4,853

**NOTE 6: PREPAYMENTS**

	<b>June 2023</b> \$	<b>June 2022</b> \$
Insurance	6,719	8,333
Legal expenses	-	25,368
<b>Total</b>	<b>6,719</b>	<b>33,701</b>

**NOTE 7: TRADE AND OTHER PAYABLES**

	<b>June 2023</b> \$	<b>June 2022</b> \$
<b>Current</b>		
Trade payables	171,699	136,041
Other payables and accruals	197,447	138,746
<b>Total</b>	<b>369,146</b>	<b>274,787</b>

<b>June 2023</b>	<b>0-30 days</b> \$	<b>31-60 days</b> \$	<b>61-90 days</b> \$	<b>90+ days</b> \$	<b>Total</b> \$
Trade payables	\$171,699	-	-	-	\$171,699

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## NOTE 8: PROVISIONS

	June 2023 \$	June 2022 \$
<b>Current</b>		
Provision for employee entitlements	176,512	133,407
<b>Total Current</b>	<b>176,512</b>	<b>133,407</b>
<b>Non-current</b>		
Environmental rehabilitation provision	-	188,864
<b>Total Non-current</b>	<b>-</b>	<b>188,864</b>

**Environmental rehabilitation**

As at 30 June 2023, the Group had sold Cue Consolidated Mining Pty Ltd and no longer carries the estimated cost provision of \$188,864 for the environmental rehabilitation of the Cue Gold project tenements on its balance sheet. The environmental rehabilitation cost relates to the pre-acquisition mine operation and closure plan by Western Mining Pty Ltd.

## NOTE 9: OTHER INCOME

	June 2023 \$	June 2022 \$
Project sales (see details below)	30,000	945,000
Adaman entities dividend	-	8,560
<b>Total</b>	<b>30,000</b>	<b>953,560</b>

**P20/2345 and P20/2346 tenements sales at Cue**

During the year, the Group sold two Cue prospecting licences to Victory Metals Limited (P20/2345 and P20/2346) in consideration for 150,000 Victory Metals Limited (ASX:VTM) fully paid ordinary shares valued at \$0.20 per share (\$30,000), 66,666 unlisted options with an exercise price of \$0.30 per option, expiring on 28 March 2025 and a 1.0% net smelter return royalty. The options have a nil book value.

**Cuddingwarra and Big Bell South**

During the 2022 financial year, 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 2022 financial year, 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).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## NOTE 10: EQUITY SECURITIES ISSUED

## Issued Capital

	June 2023 Shares	June 2023 \$	June 2022 Shares	June 2022 \$
<b>Outstanding at the beginning of the year</b>	116,421,319	13,150,506	82,748,358	10,760,747
<b>Issues of ordinary shares</b>				
Fully paid shares issued – Placements	27,250,001	735,750	33,333,334	2,500,000
Fully paid shares issued – Cue Royalty restructure	592,885	30,000	-	-
Fully paid shares issued – Earthworks for drilling	-	-	81,554	10,195
Fully paid shares issued – Royalties	-	-	258,073	42,707
Lead Manager options cost	-	(28,925)	-	-
Transaction costs	-	(50,469)	-	(163,143)
<b>Outstanding at the end of the period</b>	<b>144,264,205</b>	<b>13,836,862</b>	<b>116,421,319</b>	<b>13,150,506</b>

As at 30 June 2023, the Company had 144,264,205 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 2023 and 30 June 2022 are as follows:

	June 2023 \$	June 2022 \$
Cash and cash equivalents	2,069,602	3,736,729
Trade and other receivables	40,689	74,114
Accrued income	5,500	4,853
Prepayments	6,719	33,701
Trade and other payables	(369,146)	(274,787)
Provisions	(176,512)	(133,407)
<b>Working capital position</b>	<b>1,576,852</b>	<b>3,441,203</b>

Golden State Mining Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Reserves

	June 2023 Number of options	June 2023 \$	June 2022 Number of options	June 2022 \$
<b>Outstanding at the beginning of the year</b>	16,972,560	1,668,246	17,372,560	1,369,886
<b>Movements of options</b>				
Issued, exercisable at \$0.60, expiring 30 September 2024 - Directors & employees	-	-	-	139,360
Issued, exercisable at \$0.10, expiring 20 December 2024 - Directors & employees	5,900,000	94,483	-	-
Issued, exercisable at \$0.10, expiring 12 August 2024 – Cue royalty restructure	100,000	1,457	-	-
Issued, exercisable at \$0.05, expiring 21 May 2028 - Exploration rights acquisition	-	26,443	-	-
Issued, exercisable at \$0.06, expiring 26 June 2026 – Lead manager	-	28,925	-	-
Issued, exercisable at \$0.25, expiring 15 December 2024 - Directors & employees	-	90,542	5,900,000	159,000
Expiry of options	(4,922,560)	-	(6,300,000)	-
<b>Outstanding at the end of the period</b>	<b>18,050,000</b>	<b>1,910,096</b>	<b>16,972,560</b>	<b>1,668,246</b>

As at 30 June 2023, the Company had 18,050,000 unlisted options.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## NOTE 11: SHARE-BASED PAYMENTS

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) and movements in share options issued as share based payments as at 30 June 2023.

## Options

	June 2023 No.	June 2023 WAEP	June 2022 No.	June 2022 WAEP
<b>Outstanding at the beginning of the year</b>	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	(4,922,560)	\$0.20	(6,300,000)	\$0.27
Outstanding at the end of the period	18,050,000	\$0.28	16,972,560	\$0.32
<b>Exercisable at the end of the period</b>	12,050,000	\$0.28	11,072,560	\$0.36

The weighted average remaining contractual life for the share-based payment options as at 30 June 2023 is 1.39 years (2022: 1.88).

The weighted average exercise price for the share-based payment options as at 30 June 2023 is \$0.28 (June 2022: \$0.32).

## 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.

On 21 May 2023 (“Effective Date”), there were 2,000,000 unlisted options agreed to be granted to Bradford Young with specified vesting dates. The recognised value of \$0.02115 per option based on a Black-Scholes model with the following key inputs: interest free rate – 3.34%, volatility factor – 93% measured approximately 5.01 years prior to grant date – 21 May 2023, days to expiry 1827, spot share price - \$0.032 and exercise price - \$0.05. The total fair value of the options is \$26,443 which was measured on the probability of vesting being:

- 500,000 options, their date of issue (100%) value \$10,577;
- 500,000 options, the date being 12 months after the Effective Date (75%) value \$7,933;
- 500,000 options, the date being 24 months after the Effective Date (50%) value \$5,289, and
- 500,000 options, the date being 36 months after the Effective Date (25%) value \$2,644.

The options were issued post year end.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

On 22 May 2023, there were 2,000,000 unlisted options agreed to be granted to the Lead Manager which had a recognised value of \$0.01446 per option based on a Black-Scholes model with the following key inputs: interest free rate – 3.32%, volatility factor – 89% measured approximately 3 years prior to grant date – 22 May 2023, days to expiry 1131, spot share price - \$0.032 and exercise price - \$0.06. The total fair value of the options is \$28,925. The options were issued post year end.

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 during the year was \$90,542 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:

	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
<b>Operating expenditure</b>		
Options issued to directors, employees and consultants	185,025	298,360
Options issued for Cue royalty restructure	1,457	-
Options granted for exploration rights at Yule Project	26,443	-
<b>Total</b>	<b>212,925</b>	<b>298,360</b>

**NOTE 12: DIVIDENDS**

No dividends were paid during the year and no recommendation is made as to the dividends (2022: Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## NOTE 13: ACCUMULATED LOSSES

	June 2023 \$	June 2022 \$
Accumulated losses at the beginning of the financial year	(11,281,081)	(8,118,294)
Exercised/expired options (reserve transferred)	-	-
Net (loss) attributable to members of the company	(2,807,785)	(3,162,787)
Accumulated losses at the end of the financial year	<b>(14,088,866)</b>	<b>(11,281,081)</b>

## NOTE 14a: FINANCIAL ASSETS

As at 30 June 2023, the Financial Assets comprise of 150,000 Victory Metals Limited (ASX:VTM) shares. The shares were received as part consideration for the sale two Cue prospecting licences to Victory Metals Limited (P20/2345 and P20/2346) (refer to note 9), at a fair value of \$30,000 and were designated as financial instruments at FVTPL. The fair value measurement for the financial assets of \$37,500 has been categorised as a Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. \$7,500 gain on shares at FVTPL was recognised in the Consolidated Profit and Loss Statement.

During the year, the Group sold 2,500,000 Caprice Resources Limited (ASX:CRS) at an average price of \$0.0476 per share for a total of \$118,890 (after costs). 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. \$337,500 adjusted gain on shares at FVTPL was recognised in the Consolidated Profit and Loss Statement and \$431,110 was the realised loss on the sale of the shares.

## NOTE 14b: GAIN/(LOSS) ON SALE OF SUBSIDIARY

In April 2023, GSM sold its wholly owned subsidiary Cue Consolidated Mining Pty Ltd ("CCM") which held the Cue Project located in the Murchison region of Western Australia, to Rock Solid Mining Services Pty Ltd ("Rock Solid") for \$200,000 in cash and the following royalties.

- \$15.00 per ounce payable on the first 60,000 ounces, and \$5.00 per ounce thereafter, of gold produced from the project tenements, and
- 2% net smelter return royalty on all minerals, other than gold, produced from the project tenements.

The gain on sale on CCM was calculated as follows:

	\$
Proceeds from sale of CCM	200,000
Total assets in CCM	(4,149)
Total liabilities in CCM	188,864
<b>Gain on sale on CCM</b>	<b>384,715</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 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:

Financial Instruments	2023				2022			
	Floating Interest Rate	Fixed Interest Rate	Non-interest bearing	Total	Floating Interest Rate	Fixed Interest Rate	Non-interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>								
Cash and cash equivalents	916,123	1,040,170	113,309	2,069,602	350,433	3,240,000	146,296	3,736,729
Trade and other receivables	-	-	40,689	40,689	-	-	74,114	74,114
Accrued Income	-	-	5,500	5,500	-	-	4,853	4,853
<b>Total financial assets</b>	<b>916,123</b>	<b>1,040,170</b>	<b>159,498</b>	<b>2,115,791</b>	<b>350,433</b>	<b>3,240,000</b>	<b>225,263</b>	<b>3,815,696</b>
Weighted average interest rate for the year	4.06%	4.52%			0.65%	1.40%		
<b>Financial liabilities</b>								
Trade and other payables	-	-	369,146	369,146	-	-	274,787	274,787
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>369,146</b>	<b>369,146</b>	<b>-</b>	<b>-</b>	<b>274,787</b>	<b>274,787</b>

**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 2023.

**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 \$20,696 (2022: \$37,367) which is attributable to the Group's exposure to interest rates on its variable bank deposits

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

	Consolidated	
	June 2023 \$	June 2022 \$
<b>Profit/(Loss) after income tax</b>	<b>(2,807,785)</b>	<b>(3,162,787)</b>
<b>Non-cash flows in loss for the period</b>		
Depreciation	25,560	40,764
Share based payments	212,925	298,360
Gain on sale of subsidiary	(384,715)	-
Gain on shares at FVTPL	(345,000)	337,500
Liabilities settled in shares	-	52,902
Other income from sale of projects	-	(945,000)
Loss on sale of shares	431,110	-
<b>Changes in assets and liabilities</b>		
(Increase) / Decrease in trade and other receivables	33,426	(43,208)
(Increase) / Decrease in accrued income	(647)	(2,524)
(Increase) / Decrease in prepayments	26,982	(27,056)
Increase / (Decrease) in trade and other payables	94,358	51,879
Increase / (Decrease) in provisions	43,105	52,548
<b>Net cash (outflows) from operating activities</b>	<b>(2,670,681)</b>	<b>(3,346,622)</b>

## NOTE 17: REMUNERATION OF AUDITORS/ NON-AUDIT SERVICES

	2023 \$	2022 \$
<b>REMUNERATION OF AUDITORS</b>		
Audit of financial reports	39,500	37,000
<b>NON-AUDIT SERVICES</b>		
Taxation (to associated entity)	2,954	3,381

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## NOTE 18: INCOME TAX EXPENSE

	Consolidated	
	June 2023 \$	June 2022 \$
<b>The components of income tax benefit comprise:</b>		
<i>Current income tax benefit</i>	(690,551)	(712,105)
<i>Deferred income tax expense</i>	-	-
Income tax expense reported in the consolidated statement of comprehensive income	(690,551)	(712,105)
<b>Income tax expense recognised in equity</b>	<b>(690,551)</b>	<b>(712,105)</b>
Accounting Profit/(Loss) before income tax	<b>(2,807,785)</b>	<b>(3,162,788)</b>
At the statutory income tax rate of 25% (2022: 25%)	(701,946)	(790,697)
Other non-deductible expenditure for income tax purposes	(55,290)	158,965
Other adjustments	66,685	(80,373)
Unrecognised tax losses	<b>690,551</b>	<b>712,105</b>
<i>Deferred tax assets</i>		
Carried forward revenue losses	3,075,143	2,507,370
Carried forward capital losses	107,778	-
<b>Gross deferred tax asset</b>	<b>3,182,921</b>	<b>2,507,370</b>
Offset against deferred tax liability	-	-
<b>Unrecognised Tax Asset</b>	<b>3,182,921</b>	<b>2,507,370</b>

There were no 'Deferred tax liabilities' as at 30 June 2023.

**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

In addition to statutory royalties generally applicable mineral production in Western Australia, certain tenements which make up part of the Group's Yule project is subject to private royalties in respect of minerals produced from those tenements. These private royalties are described in section 11.2 of the Company's IPO prospectus dated 22 August 2018. During the year, the Group entered into a 'Mineral Rights and Royalty Deed' dated 21 May 2023 ("Effective Date") with the holder of exploration licence E47/2692 (Bradford Young) pursuant to which Bradford Young has granted exploration and other rights to GSM. The deed includes a 2% net smelter return royalty (bulk industrial products excluded).

During the 30 June 2022 financial year, 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.

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 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 \$1,375,680 (2022: \$840,260) 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 2023 \$	June 2022 \$
<b>Property, Plant and Equipment at cost</b>		
Opening balance	368,084	343,525
Additions	617	24,559
Disposals	(268,200)	-
<b>Closing balance</b>	<b>100,501</b>	<b>368,084</b>
<b>Accumulated depreciation</b>		
Opening balance	295,252	254,488
Depreciation for the year	25,560	40,764
Disposals	(264,051)	-
<b>Closing balance</b>	<b>56,761</b>	<b>295,252</b>
<b>Summary</b>		
At cost	100,501	368,084
Accumulated depreciation	(56,761)	(295,252)
<b>Net carrying amount</b>	<b>43,740</b>	<b>72,832</b>

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

	June 2023	June 2022
Basic and diluted (loss) per share (cents)	(2.36)	(3.59)
Profit/(Loss) attributable to members of Golden State Mining	(2,807,785)	(3,162,787)
Weighted average number of shares outstanding	119,174,337	88,053,363

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 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 \$67,712 (excl. GST) (2022: \$106,701) for geological services undertaken with respect to the Group's projects. As at 30 June 2023 the amount owing to Reefus Geology Services was \$12,914 (incl. GST).

Damien Kelly is a director of Western Tiger Corporate Advisors which provided \$35,000 (excl. GST) (2022: \$40,000) for corporate consulting services. As at 30 June 2023 the amount owed to Western Tiger Corporate Advisors was \$22,000 (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.

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

2023	Short term	Post Employment		
Director	Base Salary & Other Fees \$	Superannuation \$	Share-Based Payments \$	Total \$
Michael Moore	225,000	23,625	47,040	295,665
Damien Kelly	60,000	6,300	37,632	103,932
Greg Hancock	39,765	-	25,088	64,853
Brenton Siggs	36,000	3,780	25,088	64,868
<b>Total</b>	<b>360,765</b>	<b>33,705</b>	<b>134,848</b>	<b>529,318</b>

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
<b>Total</b>	<b>360,600</b>	<b>32,100</b>	<b>217,449</b>	<b>610,149</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 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 2023, including their personally related parties, is set out below:

## Working Fully paid ordinary shares

June 2023	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	2,095,100	-	-	2,095,100
Damien Kelly	1,760,100	-	-	1,760,100
Greg Hancock	250,000	-	-	250,000
Brenton Siggs	910,000	-	-	910,000
<b>Total</b>	<b>5,015,200</b>	-	-	<b>5,015,200</b>

The Number of options which the Directors and Key Management Personnel of the Company held a relevant interest during the year ended 30 June 2023, including their personally related parties, is set out below:

## Unlisted options

30 June 2023	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	-	-	-	4,500,000	4,500,000	-
Damien Kelly	2,400,000	1,200,000	-	-	-	3,600,000	3,600,000	-
Greg Hancock	1,600,000	800,000	-	-	-	2,400,000	2,400,000	-
Brenton Siggs	1,600,000	800,000	-	-	-	2,400,000	2,400,000	-
<b>Total</b>	<b>8,600,000</b>	<b>4,300,000</b>	-	-	-	<b>12,900,000</b>	<b>12,900,000</b>	-

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Golden State Mining Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

	JUNE 2023	JUNE 2022
	\$	\$
Current assets	2,122,509	3,824,029
Non-current assets	81,240	276,308
<b>Total assets</b>	<b>2,203,749</b>	<b>4,100,337</b>
Current liabilities	445,621	387,153
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>445,621</b>	<b>387,153</b>
<b>NET ASSETS</b>	<b>1,758,128</b>	<b>3,713,184</b>
Contributed equity	13,836,862	13,150,506
Reserves	1,910,096	1,668,246
Accumulated losses	(13,988,830)	(11,105,568)
<b>Total equity</b>	<b>1,758,128</b>	<b>3,713,184</b>
Loss for the year	(2,883,263)	(3,208,922)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(2,883,263)</b>	<b>(3,208,922)</b>

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

NOTE 26: CONTROLLED ENTITIES

	Ownership interest	
	2023	2022
<b>Parent entity</b>		
Golden State Mining Limited		
<b>Subsidiaries</b>		
Cue Consolidated Mining Pty Ltd <sup>1</sup>	-	100%
Crown Mining Pty Ltd	100%	100%
WA Minerals Pty Ltd	100%	100%
Reliance Minerals Pty Ltd	100%	100%
Charge Metals Pty Ltd	100%	100%

<sup>1</sup> During the year the Company sold Cue Consolidated Mining Pty Ltd.

All members of the consolidated entity are incorporated in Australia.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**NOTE 27: SUBSEQUENT EVENTS**

Since the reporting date, on 11 July 2023, the Company issued 46,824,073 shares at \$0.027 per share raising \$1,264,250 in the second tranche placement following shareholder approval at the general meeting held on 5 July 2023; and 2,000,000 unlisted options exercisable at \$0.06, expiring 26 Jun 2026, were also issued following shareholder approval at the general meeting, to the Lead Manager for part consideration for services in respect of the capital raise.

On 18 August 2023, 2,000,000 unlisted options exercisable at \$0.05, expiring 21 May 2028, which were ratified by shareholders at the general meeting, were issued as part consideration for the acquisition of exploration rights adjacent to Nomad lithium prospect at the Yule project.

No other matter or circumstance has arisen since 30 June 2023, 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.

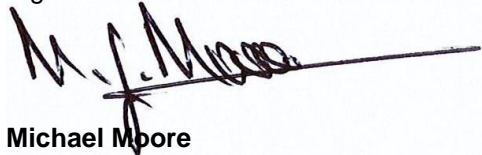
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## Golden State Mining Limited

### DIRECTORS' DECLARATION

1. In the opinion of the Directors of Golden State Mining Limited:
  - (a) The consolidated financial statements and notes, and the Remuneration Report in the Directors' Report are in accordance with the *Corporations Act 2001*, including:
    - (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 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 2023.
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

29 September 2023

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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 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 2023, 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 2023 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 Company 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this report.

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.

We have determined the matters described below to be Key Audit Matter to be communicated in our report.

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

Key Audit Matters	How the matter was addressed in the audit
<p><b>Deconsolidation of Subsidiary</b></p> <p>As disclosed in Note 14b of the financial report, in April 2023, the company sold its wholly owned subsidiary Cue Consolidated Mining Pty Ltd ("CCM") which held the Cue Project located in the Murchison region of Western Australia, to Rock Solid Mining Services Pty Ltd for \$200,000 in cash and the following royalties.</p> <ul style="list-style-type: none"> <li>▪ \$15.00 per ounce payable on the first 60,000 ounces, and \$5.00 per ounce thereafter, of gold produced from the project tenements, and</li> <li>▪ 2% net smelter return royalty on all minerals, other than gold, produced from the project tenements.</li> </ul> <p>Effective 24 April 2023, the Group ceased to consolidate CCM's results within the Group's consolidated accounts. The group has also recognized a gain on sale of this subsidiary amounting to \$384,715 as a result of this deconsolidation.</p>	<p>Inter alia, our audit procedures included the following :</p> <ol style="list-style-type: none"> <li>i. Performed the audit of Cue Consolidated Limited for the period ended 24 April 2023;</li> <li>ii. Reviewed documents supporting the transaction such as: <ul style="list-style-type: none"> <li>• Board of Directors' minutes of meetings;</li> <li>• Announcements made by the Group to the ASX; and</li> <li>• Signed agreements with the buyer</li> </ul> </li> <li>iii. Reviewed the deconsolidation workings to ensure Cue Consolidated Limited has been correctly deconsolidated and gain on sale correctly reflected in the financial report ; and</li> <li>i. Assessing whether the Company's disclosures met the requirements of the accounting standard AASB 10 Consolidated Financial Statements.</li> </ol>



We have determined the deconsolidation as key audit matter due to the complexity of the deconsolidation process required to properly exclude CCM as a subsidiary and the fact that this transaction is material to the consolidated financial statements for the year ended 30 June 2023.

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***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 2023 but does not include the financial report and our auditor's report thereon.

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

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

***Responsibilities of the Directors for the Financial Report***

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

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

***Auditor's Responsibilities for the Audit of the Financial Report***

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

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



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

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

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

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

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

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group 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 the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Golden State Mining Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.



*Responsibilities*

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

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

*Stantons International Audit and Consulting Pty Ltd*  
*Samir*

**Samir Tirodkar**  
Director  
West Perth, Western Australia  
29 September 2023

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## 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 8 September 2023.

(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	70	20,578
1,001	• - 5,000	268	808,372
5,001	• - 10,000	236	2,008,255
10,001	• - 100,000	765	30,121,865
100,001	• and over	301	158,129,208
		<b>1,640</b>	<b>191,088,278</b>
The number of shareholders holding less than a marketable parcel of shares are:		<b>606</b>	<b>3,181,444</b>

(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	5.49%
2	PURPLE STAR HOLDINGS PTY LTD <PLATINUM FAMILY A/C>	7,106,990	3.72%
3	MR ANTANAS GUOGA	5,558,956	2.91%
4	MR SCOTT ROBERT WEIR <THE S R INVESTMENT A/C>	4,449,376	2.33%
5	CITICORP NOMINEES PTY LIMITED	3,699,383	1.94%
6	MR STACEY HUBERT CARTER	3,585,186	1.88%
7	MR NORMAN PAUL GREAVES	3,000,000	1.57%
8	MR PAUL GREGORY BROWN & MRS JESSICA ORIWIA BROWN <BROWN SUPER FUND A/C>	2,900,000	1.52%
9	DR MARTIN DRU DANIELS	2,797,349	1.46%
10	MS CHUNYAN NIU	2,727,139	1.43%
11	MR MICHAEL JAMES MOORE & MRS RUTH HEATHER MOORE <PETHERWIN A/C>	2,650,656	1.39%
12	MR MARK FRANCALANZA	2,300,000	1.20%
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,110,670	1.10%
14	STOCKHILL NOMINEES PTY LTD <STOCKHILL NOM P/L S/F A/C>	1,900,000	0.99%
15	BRADFORD JOHN YOUNG	1,851,852	0.97%
16	MR ANDREW JAMES VASARELLI	1,750,000	0.92%
17	MS MAREE LOUISE CISERA	1,550,503	0.81%
18	MR TIMOTHY STEWART CAMPBELL	1,500,000	0.79%
19	MR SIMON ANDREW TESTER	1,500,000	0.79%
20	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,298,282	0.68%
		<b>64,736,342</b>	<b>33.89%</b>

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## Golden State Mining Limited

### (c) Substantial shareholders

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

	<b>Number of Ordinary Shares</b>
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

<b>Class</b>	<b>Number of Securities</b>	<b>Number of Holders</b>	<b>Holder Name</b>		<b>Number of Securities</b>
			<b>Holder Name</b>		
Unlisted \$0.40 Options, expiry 30 Sep 2024	3,200,000	7	<b>Holder Name</b>		750,000
			Mr Michael James Moore & Mrs Ruth Heather Moore <Petherwin A/C>		
Unlisted \$0.60 Options, expiry 30 Sep 2024	2,950,000	6	<b>Holder Name</b>		750,000
			Mr Michael James Moore & Mrs Ruth Heather Moore <Petherwin A/C>		
			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	<b>Holder Name</b>		1,500,000
			Mr Michael James Moore & Mrs Ruth Heather Moore <Petherwin A/C>		
			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	1	<b>Holder Name</b>		100,000
			Western Mining Pty Ltd		
Unlisted \$0.25 Options, expiry 15 Dec 2024	5,900,000	6	<b>Holder Name</b>		1,500,000
			Mr Michael James Moore & Mrs Ruth Heather Moore <Petherwin A/C>		
			Mr Geoff Willetts & Mrs Jill Willetts		1,200,000

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## Golden State Mining Limited

			<Willetts Superfund A/C>	
			Advanced Capital Management Pty Ltd	1,200,000
Unlisted \$0.06 Options, expiry 26 Jun 2026	2,000,000	1	Harshell Investments Pty Ltd <Kaplan Family A/C>	2,000,000
Unlisted \$0.05 Options, expiry 21 May 2028	2,000,000	1	Bradford John Young	2,000,000

**(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 currently proposed to be held on 29 November 2023 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 18 October 2023.

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## Golden State Mining Limited

Table 1. As at 8 September 2023 the Company or its subsidiaries (“Group”) had a beneficial interest in the following tenements:

Number	Holder	Status
<b>Murchison Project – Cue</b>		
P 20/2374	WA Minerals Pty Ltd <sup>1</sup>	Live
<b>Murchison – Caprice Resources 80:20 JV</b>		
E 21/192	WA Minerals Pty Ltd <sup>1,2</sup>	Live
E 21/193	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2256	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2257	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2258	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2259	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2260	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2261	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2262	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2263	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2264	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2265	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2266	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2267	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2268	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2269	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2272	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2273	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2274	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2275	WA Minerals Pty Ltd <sup>1,2</sup>	Live
P 20/2382	WA Minerals Pty Ltd <sup>1,2</sup>	Live
<b>Yule Project</b>		
E 47/3503	Crown Mining Pty Ltd <sup>1</sup>	Live
E 47/3507	Crown Mining Pty Ltd <sup>1</sup>	Live

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E 47/3508	Crown Mining Pty Ltd <sup>1</sup>	Live
E 45/5570	Crown Mining Pty Ltd <sup>1</sup>	Live
E 47/4343	Crown Mining Pty Ltd <sup>1</sup>	Live
E47/4391	Crown Mining Pty Ltd <sup>1</sup>	Live
E47/4586	Crown Mining Pty Ltd <sup>1</sup>	Pending
E47/4587	Crown Mining Pty Ltd <sup>1</sup>	Pending
E 47/2692	YOUNG, Bradford John <sup>3</sup>	Live
<b>Four Mile Well Project</b>		
E 38/3632	Crown Mining Pty Ltd <sup>1</sup>	Live
E 38/3633	Crown Mining Pty Ltd <sup>1</sup>	Live
<b>Paynes Find Lithium Project</b>		
E 59/2660	Charge Metals Pty Ltd <sup>1</sup>	Live
E 59/2661	Charge Metals Pty Ltd <sup>1</sup>	Live
E 59/2662	Charge Metals Pty Ltd <sup>1</sup>	Live
E 59/2679	Charge Metals Pty Ltd <sup>1</sup>	Live
E 59/2680	Charge Metals Pty Ltd <sup>1</sup>	Pending
E 59/2701	Charge Metals Pty Ltd <sup>1</sup>	Live
E 59/2824	Charge Metals Pty Ltd <sup>1</sup>	Pending
<b>Mount Magnet Project</b>		
E 58/614	Charge Metals Pty Ltd <sup>1</sup>	Pending
E 59/2839	Charge Metals Pty Ltd <sup>1</sup>	Pending
<b>Southern Cross Gold Project</b>		
E 77/2896	Reliance Minerals Pty Ltd <sup>1</sup>	Live
E 77/2897	Reliance Minerals Pty Ltd <sup>1</sup>	Live
E 77/2898	Reliance Minerals Pty Ltd <sup>1</sup>	Live
<b>Eucla Nickel Project</b>		
E 28/3175	Reliance Minerals Pty Ltd <sup>1</sup>	Pending
E 28/3176	Reliance Minerals Pty Ltd <sup>1</sup>	Pending
<b>Ashburton Base Metals Project</b>		
E 08/3580	Reliance Minerals Pty Ltd <sup>1</sup>	Pending

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## Golden State Mining Limited

### 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 exploration agreement

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