



GOLDEN STATE **MINING**

Golden State Mining Limited
ABN 52 621 105 995

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting
27 November 2020

Time of Meeting
1:00 pm (AWST)

Place of Meeting
Stantons International
Level 2, 1 Walker Avenue
WEST PERTH WA 6005

This Notice of Annual General Meeting should be read in its entirety. If in doubt as to how to should vote, seek advice from an accountant, solicitor or other professional adviser prior to voting.

*The **2020 Annual Report** may be viewed on the Company's website at www.goldenstatemining.com.au*

**Golden State Mining Limited
ABN 52 621 105 995
NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 2020 annual general meeting (**Meeting**) of Golden State Mining Limited (**Company**) will be held at the Stantons International, Level 2, 1 Walker Avenue, West Perth, Western Australia on 27 November 2020 at 1:00 pm (AWST).

The Explanatory Statement to this Notice provides information on matters to be considered at the meeting. The Explanatory Statement and the Proxy Form are part of this Notice.

Capitalised terms and abbreviations used in this Notice and Explanatory Statement will, unless the context requires, have the same meaning as given to them in the Glossary.

AGENDA

2020 FINANCIAL STATEMENTS AND REPORTS

To receive the Financial Report, together with the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2020.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2020 Annual Report be and is hereby adopted."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition: A vote must not be cast (in any capacity) on Resolution 1 by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such a member. However, such a person may cast a vote on the Resolution if the vote is not cast on behalf of such a person and the person:

- (a) is appointed as a proxy by writing that specifies the way the proxy is to vote; or
- (b) is the Chair of the meeting and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

A vote cast in contravention of this prohibition will be taken not to have been cast.

RESOLUTION 2 – RE-ELECTION OF MR BRENTON SIGGS AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That, for the purpose of article 14.2 of the Constitution and for all other purposes, Mr Brenton Siggs retires by rotation as a Director and, being eligible and having offered himself for re-election, be re-elected a Director of the Company."

RESOLUTION 3 – APPROVAL OF RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

To consider and, if thought fit, to pass, with or without amendment, the following as a **special resolution**:

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to renew clause 36 of the Constitution, which contains proportional takeover provisions, for a period of 3 years from the date of approval of this Resolution."

RESOLUTION 4 – APPROVAL OF CHANGE TO CONSTITUTION

To consider and, if thought fit, to pass, with or without amendment, the following as a **special resolution**:

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to modify its existing Constitution as per the amendments described in the Explanatory Statement."

RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following as a **special resolution**:

“That approval is given for the Company to have the additional capacity (i.e, 10% Placement Capacity) to issue Equity Securities under Listing Rule 7.1A.2, for the period specified in Listing Rule 7.1A.1 (ie, 10% Placement Period) and in accordance with the formula prescribed in Listing Rule 7.1A.2.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) and any of their Associates of those persons. However, the Company will not disregard a vote cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 6 – APPROVAL OF INCENTIVE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme, being the Company’s Incentive Awards Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is eligible to participate in the employee incentive scheme or any Associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 7 – ISSUE OF OPTIONS – DIRECTOR DAMIEN KELLY

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,200,000 Options to Director Damien Kelly, or his nominee, on the terms and conditions set out in the Explanatory Statement and further resolve that this constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.”

ASX Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Damien Kelly or any other person who will receive a material benefit as a result of the issue (except a benefit solely by reason of being a holder of Shares), or any of their Associates. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or

- (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 8 – ISSUE OF OPTIONS – DIRECTOR MICHAEL MOORE

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rules 10.11 and for all other purposes, approval is given for the Company to issue 1,500,000 Options to Director Michael Moore, or his nominee, on the terms and conditions set out in the Explanatory Statement and further resolve that this constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.”

ASX Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Michael Moore or any other person who will receive a material benefit as a result of the issue (except a benefit solely by reason of being a holder of Shares), or any of their Associates. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 9 – ISSUE OF OPTIONS – DIRECTOR GREG HANCOCK

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rules 10.11 and for all other purposes, approval is given for the Company to issue 800,000 Options to Director Greg Hancock, or his nominee, on the terms and conditions set out in the Explanatory Statement and further resolve that this constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.”

ASX Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Greg Hancock or any other person who will receive a material benefit as a result of the issue (except a benefit solely by reason of being a holder of Shares), or any of their Associates. However, this does not apply to a vote cast in favour of a resolution by:

- (d) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (e) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 10 – ISSUE OF OPTIONS – DIRECTOR BRENTON SIGGS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rules 10.11 and for all other purposes, approval is given for the Company to issue 800,000 Options to Director Brenton Siggs, or his nominee, on the terms and conditions set out in the Explanatory Statement and further resolve that this constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.”

ASX Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Brenton Siggs or any other person who will receive a material benefit as a result of the issue (except a benefit solely by reason of being a holder of Shares), or any of their Associates. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (iii) a member of the Key Management Personnel; or
 - (iv) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 11 – RATIFICATION OF AGREEMENT TO ISSUE - OPTIONS (GEOFF WILLETTS)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the agreement to issue 1,200,000 Options to employee Geoff Willetts (or his nominee) under the Company’s placement capacity under ASX Listing Rule 7.1.”

ASX Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Geoff Willetts or any of his Associates. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 12 – RATIFICATION OF AGREEMENT TO ISSUE - OPTIONS (MARC BOUDAMES)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the agreement to issue 400,000 Options to Company Secretary Marc Boudames (or his nominee) under the Company’s placement capacity under ASX Listing Rule 7.1.”

ASX Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Marc Boudames or any of his Associates. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act.

Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a **proxy**) to vote in their place.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

If you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please date and execute the accompanying Proxy Form and return it in accordance with its instructions prior to 1:00 pm (AWST) on 25 November 2020 by:

1. Post to Automic Group, GPO Box 5193, Sydney NSW 2001;
2. In person to Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000
3. Fax to Automic Group: +61 2 8583 3040
4. Email to Automic Group: meetings@automicgroup.com.au; or
5. Online in accordance with the personalised Proxy Form provided.

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

Entitlement to Vote

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 1:00 pm (AWST) on 25 November 2020 will be entitled to attend and vote at the Annual General Meeting.

Corporations

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company, before the Meeting.

Electronic Communication

All Shareholders may elect to receive communications from the Company's share registry electronically. To provide or update your email address, please contact the Company's share registry.

Voting of Proxies

The Proxy Form accompanying this Notice confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice and any other matters that may properly come before the Meeting. At the time of printing this Notice, management knows of no such amendment, variation or other matter.

Shareholders must mark the boxes directing its proxy how to vote. If no voting instructions are indicated on the appointment of Proxy Form, the proxy will be voted as recommended by management or as the proxyholder sees fit (in the latter case, if management is not appointed as proxy).

By order of the Board.

Marc Boudames

Company Secretary

Date: 29 October 2020

Golden State Mining Limited

Notice of Annual General Meeting 27 November 2020

EXPLANATORY STATEMENT

This Explanatory Statement accompanies and comprises part of the notice (**Notice**) convening the Annual General Meeting (**Meeting**) of Shareholders of Golden State Mining Limited to be held at 1.00pm (WST) on 27 November 2020.

Capitalised terms in this Explanatory Statement are defined in the Glossary.

FINANCIAL STATEMENTS AND REPORTS

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2020.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered a reasonable opportunity to:

- (a) discuss the Annual Report which is available online from the Company's website www.goldenstatemining.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Company's auditor if the question is relevant to:

- (a) the content of the Auditor's Report; or
- (b) the conduct of the audit of the Annual Report to be considered at the AGM,

may be submitted no later than 5 business days before the Meeting to the Company by email at info@gsmining.com.au or delivered to the Company's registered office.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Section 250R of the Corporations Act requires the Company to put the Remuneration Report to members for adoption. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the Key Management Personnel. Copies of the Annual Report are available by contacting the Company's share registry or visiting the Company's web site www.goldenstatemining.com.au.

The vote of the members is advisory only and does not bind the Directors of the Company.

Following consideration of the Remuneration Report, members will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

The Chair intends to exercise all available proxies in favour of Resolution 1.

RESOLUTION 2 – RE-ELECTION OF MR BRENTON SIGGS AS A DIRECTOR

Mr Siggs was appointed as a Director upon the Company's incorporation on 10 August 2018. He retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Siggs has over 28 years' experience in the Australian mineral resources industry and has held senior exploration roles on a range of gold, nickel-cobalt, petroleum, coal, phosphate and potash brine projects. He has been involved in all stages of regional and near-mine exploration project management, particularly in Western Australia, from conceptual targeting and ground acquisition through to resource definition drilling programs and mining geology.

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

Board recommendation

The Directors, apart from Mr Siggs, supports the re-election of Mr Siggs and recommends that Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – APPROVAL OF RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

General

The Company's current Constitution, as adopted on 16 February 2018, includes proportional takeover approval provisions in clause 36 of the Constitution (as permitted by section 648D of the Corporations Act) (**Proportional Takeover Provisions**).

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares. The Proportional Takeover Provisions provide that a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

A copy of the Constitution was released to ASX on 6 November 2018 and is available for download from the Company's ASX announcements platform.

Section 648G(1) of the Corporations Act provides that a company's proportional takeover approval provisions, unless sooner omitted from its constitution or renewed, cease to apply at the end of 3 years from adoption or renewal, as appropriate, unless otherwise specified.

Accordingly, the Proportional Takeover Provisions apply until 16 February 2021 unless sooner omitted or renewed.

Under section 648G(4) of the Corporations Act, a company may renew its proportional takeover approval provisions in the same manner in which a company can modify its constitution (i.e. by special resolution of shareholders).

Resolution 3 is a special resolution which, if passed, will result in the Proportional Takeover Provisions in clause 36 of the Constitution being renewed for a period of 3 years from the date of Shareholder approval. Shareholder approval will not result in a change to the wording of clause 36.

If Resolution 3 is not passed, the Proportional Takeover Provisions in clause 36 will cease to apply on 16 February 2021.

Information required by section 648G of the Corporations Act

The following information is provided to Shareholders in accordance with the requirements of section 648G(5) of the Corporations Act.

(a) Effect of Proportional Takeover Provisions

The effect of the Proportional Takeover Provisions is that, where offers are made under a proportional off-market bid in respect of a class of securities of the Company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed or the deadline for obtaining such approval has passed.

(b) Reasons for Proportional Takeover Provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a proportional bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium.

The Proportional Takeover Provisions reduce this risk by providing that Shareholders, by ordinary resolution, must approve a proportional takeover bid before it can be completed. This in turn assists in ensuring that any partial bid is appropriately priced.

(c) Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

(d) Advantages and disadvantages of proportional takeover provisions during the period in which they have been in effect

The Directors consider that the proportional takeover provisions had no advantages or disadvantages for them during the period in which they have been in effect.

The advantages and disadvantages of the proportional takeover provisions for Shareholders include those set out immediately below, which were applicable during the period in which they have been in effect.

(e) Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing Shareholders from being locked in as a minority;
- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (i) proportional takeover bids may be discouraged;
- (ii) lost opportunity to sell a portion of their Shares at a premium; and
- (iii) the likelihood of a proportional takeover bid succeeding may be reduced.

(f) Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of renewing the proportional takeover provisions and as a result consider that renewal of the proportional takeover provision set out in clause 36 of the Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 3

RESOLUTION 4 – APPROVAL OF CHANGE TO CONSTITUTION

General

Section 136 of the Corporations Act provides that a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 4 is a special resolution proposing to modify the Company's Constitution by deleting the current clause 2.12 and inserting a new clause 2.12 in its place. Clause 2.12 concerns restricted securities.

Reasons for amendment to the Constitution

On 1 December 2019, the ASX Listing Rules were amended to vary the regime applying to restricted securities. Under the new regime:

- (a) certain more significant holders of restricted securities (related parties, promoters, substantial holders, service providers and their associates) and their controllers, as determined by ASX, must execute formal escrow agreements in the form of an ASX compliant restriction agreement; and
- (b) less significant holders of restricted securities, as determined by ASX, must be made subject to provisions in an entity's constitution imposing appropriate escrow restrictions.

ASX Listing Rule 15.12 sets out provisions that a listed entity's constitution must include while the entity has restricted securities on issue. On 1 December 2019, ASX Listing Rule 15.12 was amended to reflect the ASX's new regime for restricted securities.

Clause 2.12 of the Company's Constitution contains the provisions required by ASX Listing Rule 15.12 as in force before 1 December 2019 and, as such, the Company may not currently be able to issue any new restricted securities. Any restricted securities already on issue must continue to comply with the provisions of the Listing Rule 15.2 in force immediately prior to 1 December 2019.

Resolution 4 seeks Shareholder approval to replace clause 2.12 with a new clause 2.12 that is consistent with ASX Listing Rule 15.12 as currently in force.

If Resolution 4 is approved, the Company will be able to issue new restricted securities as it will comply with the current requirements of ASX Listing Rule 15.12.

If Resolution 4 is not approved, the Company's Constitution may not comply with ASX Listing Rule 15.12 and may not be able to issue new restricted securities.

Amendment

The proposed new clause 2.12 of the Company's Constitution is as follows.

"The Company must comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above:

- (a) a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- (b) if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
- (c) the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- (d) a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and
- (e) if a holder of Restricted Securities breaches a restriction deed or a provision of the Company's constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues."

A copy of the Constitution with the amendment proposed will be made available for review by Shareholders at the office of the Company. A copy will be available at the Meeting.

The Directors recommend that Shareholders vote to modify the Constitution to insert the new clause 2.11 to ensure compliance with the Listing Rule changes. The Chairman intends to exercise all undirected proxies in favour of Resolution 4.

RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

General

ASX Listing Rule 7.1A provides that, in addition to the 15% placement capacity permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue, during the period the approval is valid, a number of quoted Equity Securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period as adjusted in accordance with the formula in ASX Listing Rule 7.1 (**10% Placement Facility**).

An eligible entity is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis). The Company is an eligible entity.

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company has one class of quoted equity securities on issue, being ordinary shares (ASX Code: GSM).

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue quoted Equity Securities under the 10% Placement Facility available under ASX Listing Rule 7.1A. The maximum number of quoted Equity Securities that may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Resolution 5 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without further Shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the additional 10% capacity to issue quoted Equity Securities without Shareholder approval available under ASX Listing Rule 7.1A, and will remain subject to the 15% limit on issuing (or agreeing to issue) Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Description of Listing Rule 7.1A and information required by Listing Rule 7.3A

(a) 10% Placement Period

If Shareholders approve Resolution 5, the Company's ability to issue quoted Equity Securities under the 10% Placement Facility will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting;
- (iii) the time and date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.1 or 11.2,

(the **10% Placement Period**).

(b) Minimum Issue Price

The issue price of quoted Equity Securities issued under Listing Rule 7.1A must be a cash consideration per Equity Security of not less than 75% of the volume weighted average market price (**VWAP**) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in the class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

(c) Purpose of Funds Raised

Funds raised from the issue of quoted Equity Securities under the 10% Placement Facility are intended to be used towards advancing existing assets and investments, the acquisition and development of new assets and investments, corporate and administration costs and working capital.

(d) Economic and Voting Dilution Risk

If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100% and the voting dilution impact of such an increase. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.158 (50% decrease in current issue price)	\$0.315 (Current issue price)	\$0.63 (100% increase in current issue price)
56,636,200 (Current Variable A)	Shares issued – 10% voting dilution	5,663,620	5,663,620	5,663,620
	Funds raised	\$892,020	\$1,784,040	\$3,568,081
84,954,300 (50% increase in Variable A)	Shares issued – 10% voting dilution	8,495,430	8,495,430	8,495,430
	Funds raised	\$1,338,030	\$2,676,060	\$5,352,121
113,272,400 (100% increase in Variable A)	Shares issued – 10% voting dilution	11,327,240	11,327,240	11,327,240
	Funds raised	\$1,784,040	\$3,568,081	\$7,136,161

The table has been prepared on the following assumptions.

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No Options or Performance Rights (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused by their own shareholding depending on the specific circumstances.
 - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (vii) The current issue price is \$0.315 being the closing price of the Shares on the ASX on 20 October 2020.
 - (viii) The Company will only issue the Equity Securities during the 10% Placement Period.
- (e) **Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors set out in the Company's allocation policy, including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The recipients under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Substantial Holders and/or new Shareholders who are not related parties or associates of a related party of the Company.

(f) **Use of 10% Placement Facility in prior 12 months**

The Company obtained Shareholders approval for its 10% Placement Facility at its previous annual general meeting held on 29 November 2019.

During the 12 month period preceding the date of this Meeting, being on and from 27 November 2019, the Company has issued a total of 3,662,620 Equity Securities under ASX Listing Rule 7.1A.2, which represents 10% of the total number of the Equity Securities on issue in the Company on 27 November 2019, which was 36,626,200.

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable)	Form of consideration
01/06/2020	3,662,620	Fully paid ordinary shares ¹	Placement to sophisticated & professional investors who are clients of Hartleys as announced to the ASX on 21 May 2020	\$0.125 per share. Discount 39%	Cash received = \$457,828 Cash remaining – nil. Cash used towards funding Yule drilling program, exploration, corporate overheads and general working capital.

Notes:

(1) Fully paid ordinary shares in the capital of the Company, ASX Code: GSM (terms are set out in the Constitution).

(g) Voting Exclusion

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

RESOLUTION 6 – ADOPTION OF INCENTIVE AWARDS PLAN

General

Resolution 6 seeks Shareholder approval for the adoption of an employee incentive scheme titled "Incentive Awards Plan" (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 13).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.2 (Exception 13) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to issue Shares, Options and Performance Rights (together, **Awards**) under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

If Resolution 6 is not passed, the Company's 15% placement capacity under Listing Rule 7.1 will be reduced each time it issues securities under the Plan to eligible participants (unless issued under another exception under Listing Rule 7.2 eg with Shareholder approval under Listing Rule 10.11 where issued to a related party).

A summary of the key terms and conditions of the Plan is set out in Schedule A. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

No Awards have previously been issued under the Plan since it was adopted.

The maximum number of equity securities proposed to be issued under the Plan following Shareholder approval is 8,500,000. This maximum is ~15% of the Shares currently on issue.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Awards under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future grant or issue of Awards under the Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

RESOLUTIONS 7 TO 10 - ISSUE OF OPTIONS TO DIRECTORS

General

As announced to ASX on 9 October 2020, the Company has entered into a Deed with each Director of the Company, being Messrs Damien Kelly, Michael Moore, Greg Hancock and Brenton Siggs (each a “**Related Party**” and together the “**Related Parties**”) whereby, subject to Shareholder approval under ASX Listing Rule 10.11, the Company has agreed to issue to a total of 4,300,000 Options to the Directors (or their respective nominees), as remuneration for their service as Directors of the Company, comprising 2,150,000 Options (exercise price \$0.40, expiring 30 September 2024) (**40c Options**) and 2,150,000 Options (exercise price \$0.60, expiring 30 September 2024) (**60c Options**) in the numbers detailed below.

The exercise price of the 40c Options and the 60c Options are a 53% and 129% premium (respectively) to the 5 day VWAP of the Company’s Shares up to and including 8 October 2020 (being \$0.262).

Resolutions 7 to 10 seek Shareholder approval for the issue of the Options to the Related Parties.

Related Party Transaction

Under the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company’s members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The issue of the Options to the Related Parties constitutes giving a financial benefit and, as the Related Parties are Directors, they are each a related party of the Company.

It is the view of the Company that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Options because the Options are considered reasonable remuneration in the circumstances.

Options are considered to be an appropriate incentive given the Company’s current size and stage of development, being an exploration company with limited cash reserves. The Options represent an incentive and remuneration to Messrs Damien Kelly, Michael Moore, Greg Hancock and Brenton Siggs to get the Share price up, not just to the level of the applicable exercise price but well above that price in order that the Options will be deep in the money so that they can realise a significant gain from the disposal of their interests in the Options, thus aligning their personal interests with those of other Shareholders.

ASX Listing Rule 10.11

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, shareholder approval to be obtained where an entity issues, or agrees to issue, equity securities to any of the following:

- 10.11.1: A related party.
- 10.11.2: A person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company.
- 10.11.3: A person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to sit on the board of the Company) pursuant to a relevant agreement which gives them a right or expectation to do so.
- 10.11.4 An associate of any of the above.
- 10.11.5 A person whose relationship with the Company or a person referred to above is such that, in ASX’s opinion, the issue or agreement should be approved by Shareholders.

The Related Parties meet the category under ASX Listing Rule 10.11.1 because they are Directors. Any nominee who is issued the Options will be an associate of the applicable Related Party and will fall under ASX Listing Rule 10.11.4. Therefore, the Company requires Shareholder approval in accordance with ASX Listing Rule 10.11 to grant the Options to the Related Parties (or their respective nominees).

If Resolutions 7-10 are passed, the Options will be issued to Related Parties (or their respective nominees).

If a Resolution is not passed, the Company will not be able to issue the Options the subject of that Resolution and will need to assess whether to remunerate the Director in some other fashion.

Shareholder Approval (Listing Rule 10.13)

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Options:

- (a) the Options (being the nature of the financial benefit being provided) are to be issued to the Related Parties (or their nominees) as follows:

Related Party	40c Options	60c Options	Total Options
Damien Kelly,	600,000	600,000	1,200,000
Michael Moore,	750,000	750,000	1,500,000
Greg Hancock	400,000	400,000	800,000
Brenton Siggs	400,000	400,000	800,000
Total	2,150,000	2,150,000	4,300,000

- (b) Messrs Damien Kelly, Michael Moore, Greg Hancock and Brenton Siggs are related parties by virtue of being Directors of the Company and so fall under Listing Rule 10.11.1. If the Options are issued to a nominee of Messrs Damien Kelly, Michael Moore, Greg Hancock and Brenton Siggs, the nominee will be an Associate of the Director and fall under Listing Rule 10.11.4;
- (c) the material terms of the Options are set out in Schedule B. The 40c Options may be exercised on grant. The 60c Options are subject to a vesting condition that the relevant Director remains an employee or officer of the Company until 31 October 2021, failing which the 60c Options granted to that Director (or his nominee) lapse, unless and to the extent the Board waives the vesting condition;
- (d) the Options will be issued to the Related Parties (or their nominees) no later than 1 month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Options will be issued on one date;
- (e) the Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (f) the purpose of the issue of the Options is to provide Messrs Damien Kelly, Michael Moore, Greg Hancock and Brenton Siggs part remuneration for their services as Directors of the Company;
- (g) the current total remuneration package of the Related Parties (inclusive of superannuation and equity-based remuneration) for the current financial year, and for the previous two financial years, is as follows. This is in addition to the Options proposed to be granted under Resolutions 7-10; and

Related Party	Current financial year to 30 June 2021 (estimate)	Financial year Ended 30 June 2020	Financial year Ended 30 June 2019 ¹
Damien Kelly	\$54,750	\$54,750	\$62,431
Michael Moore	\$197,100	\$197,100	\$157,331
Greg Hancock	\$30,000	\$30,000	\$28,644
Brenton Siggs	\$32,850	\$32,850	\$34,865

Notes:

- (1) Includes \$25,931, \$25,931, \$8,644 and \$12,965 in share-based payments (options) for Messrs Kelly, Moore, Hancock and Siggs (respectively).
- (h) the fair value of the Options proposed to be granted, as determined internally using a Black & Scholes valuation on 8 October 2020 (using closing Share price of \$0.285 on 8 October 2020, 110% volatility and 1.5% risk free interest rate) is as follows:

Related Party	40c Options	60c Options	Total
Damien Kelly,	\$117,600	\$106,800	\$224,400
Michael Moore,	\$147,000	\$133,500	\$280,500
Greg Hancock	\$78,400	\$71,200	\$149,600
Brenton Siggs	\$78,400	\$71,200	\$149,600
Total	\$421,400	\$382,700	\$804,100

- (i) your Directors do not necessarily consider the above 'fair values' (equivalent to 19.6 cents per 40c Option and 17.8 cents per 60c Option), are in anyway representative of the market value of the Options on the

specified date. They are of this belief for various reasons including the fact that there is no agreement to list the Options and in their collective experience (in relation to junior explorers), such theoretical valuation methods do not generally produce a value that aligns with ASX trades. The fair value of the Options will be influenced by the terms and conditions upon which the Options are granted, exercise restrictions and behavioural considerations of buyers and sellers of such instruments, the impacts of which are not factored into the Black-Scholes model. Such models also place high reliance, and the outcomes are very sensitive to, the assumed volatility;

- (j) the Options are to be granted in accordance with Deed executed with each relevant Director on or about 9 October 2020. Other than providing for the grant of Options subject to Shareholder approval, the other material terms of each Deed are that:
- (i) the Company agrees to seek Shareholder approval for the grant of the Options at the 2020 annual general meeting of Shareholders. If Shareholder approval is obtained, the Company will grant the Options within 1 month after the date of the approval; and
 - (ii) if the Company fails to comply with the above, or Shareholders do not approve the grant of the Options, the Company will pay the sum of \$0.001 per Option in full satisfaction of its obligations and liabilities under the applicable Deed.

Additional Information

The Company provides the following additional information that is considered material to Shareholders' consideration of Resolutions 7-10:

- (a) as at the date of this Notice of Meeting, the Related Parties have relevant interests in the following Company securities:

Related Party	Shares	Options ¹
Damien Kelly	1,510,100	1,500,000
Michael Moore	1,625,100	1,500,000
Greg Hancock	-	500,000
Brenton Siggs	660,000	750,000

Notes:

1. \$0.25 exercise price, expiring 8 November 2021.

- (b) if all of the Options issued under Resolutions 7-10 to the Related Parties are exercised, a total of 4,300,000 Shares would be issued. This will increase the number of Shares on issue from 56,636,200 to 60,936,200 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted by 7.1%;
- (c) some details of the trading history of the Shares on ASX in the 12 months before the date of this Notice are set out below:

	Price	Date
Highest	\$0.705	2 Jul 2020
Lowest	\$0.041	8 Jan 2020
Last	\$0.26	29 Oct 2020

- (d) as set out in the Company's announcement dated 9 October 2020, the exercise price of the 40c Options and 60c Options are a 53% and 129% premium (respectively) to the 5-day volume-weighted average price of the Company's shares up to and including 8 October 2020 (\$0.262);
- (e) under the Australian equivalent of IFRS, the Company is required to expense the value of the Options in its profit or loss for the current financial year. Other than as disclosed in this Explanatory Statement, the Directors do not consider, from an economic and commercial point of view, there are any costs or detriments, including taxation consequences for the Company or benefits foregone by the Company, in granting the Options to Messrs Kelly, Moore, Hancock and Siggs or their nominees pursuant to Resolutions 7-10 except for the cost of foregoing the opportunity to issue the Options for cash and the downstream potential to dilute the capital structure of the Company;
- (f) all Directors, except Mr Kelly, recommend Shareholders vote in favour of Resolution 7. Mr Kelly does not make a recommendation about Resolution 7 as he will receive a financial benefit from the passing of the

- Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation;
- (g) all Directors, except Mr Moore, recommend Shareholders vote in favour of Resolution 8. Mr Moore does not make a recommendation about Resolution 8 as he will receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation;
 - (h) all Directors, except Mr Hancock, recommend Shareholders vote in favour of Resolution 9. Mr Hancock does not make a recommendation about Resolution 9 as he will receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation;
 - (i) all Directors, except Mr Siggs, recommend Shareholders vote in favour of Resolution 10. Mr Siggs does not make a recommendation about Resolution 10 as he will receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation;
 - (j) in forming their various recommendations, each Director when making a recommendation considered the qualifications and experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Options to be granted as well as the exercise price, expiry date and other material terms of those Options;
 - (k) except as specified above, no Director has a personal interest or other interest in the outcome of Resolutions 7-10; and
 - (l) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 7-10.

RESOLUTIONS 11 AND 12 – RATIFICATION OF AGREEMENTS TO ISSUE - OPTIONS

Background

As announced to ASX on 9 October 2020, the Company has entered into agreements to issue 1,200,000 Options to employee Geoff Willetts, and 400,000 Options to Company Secretary Marc Boudames (or their nominees) under the Company's placement capacity under ASX Listing Rule 7.1 ("**Issue**").

ASX Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 provides that a company may, without shareholder approval, issue or agree to issue that number of Equity Securities that total up to 15% of the number of fully paid, ordinary securities on issue 12 months before the issue or agreement to issue plus the number of fully paid, ordinary securities issued by the company in that 12 month period with shareholder approval or under an exception to ASX Listing Rule 7.1.

The Issue does not fit within any of the exceptions to ASX Listing Rule 7.1 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's ability to issue further Equity Securities without Shareholder approval under ASX Listing Rule 7.1 for a period of 12 months from the date of the agreements (being 9 October 2020).

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue, or agreement to issue, is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolutions 11 and 12 seek Shareholder approval for the Issue of the Options under and for the purposes of ASX Listing Rule 7.4.

If Resolutions 11 and 12 are passed, the Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of the Issue agreements.

If the Resolutions are not passed, the Options to which the Resolution relates will be include in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of the Issue agreements.

Information required by ASX Listing Rule 7.5

ASX Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.4 and the following information is included in this Explanatory Statement for this purpose:

- (a) the Company has agreed to issue 1,200,000 Options to employee Geoff Willetts and 400,000 Options to Company Secretary Marc Boudames (or their nominees) as follows;

	40c Options	60c Options	Total Options
Geoff Willetts	600,000	600,000	1,200,000
Marc Boudames	200,000	200,000	400,000
Total	800,000	800,000	1,600,000

- (b) the material terms of the Options are set out in Schedule B. The 40c Options may be exercised on grant. The 60c Options are subject to a vesting condition that the relevant holder remains an employee or officer of the Company until 31 October 2021, failing which the 60c Options granted to that employee or officer (or his nominee) lapse, unless and to the extent the Board waives the vesting condition;
- (c) the Options will be issued to Geoff Willetts and Marc Boudames (or their nominees) no later than 3 months after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Options will be issued on one date;
- (d) the Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (e) the purpose of the issue of the Options is to provide Geoff Willetts and Marc Boudames part remuneration for their services as an employee of the Company, and Company Secretary, respectively; and
- (f) the Options are to be granted in accordance with agreements executed with Geoff Willetts and Marc Boudames on or about 9 October 2020. The agreements do not have any other material terms.

GLOSSARY

In this Explanatory Statement and the Notice, the following terms have the following meanings unless the context otherwise requires:

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Resolution 5 of the Explanatory Statement.

10% Placement Period has the meaning given in Resolution 5(a) of the Explanatory Statement.

AGM, Annual General Meeting or Meeting means the meeting convened by the Notice.

Annual Report means the Directors' Report, the Financial Report and Auditor's report in respect of the financial year ended 30 June 2020 (copies of which have been sent to Shareholders who have made an election to receive it and copies of which are available on the Company's web site www.goldenstatemining.com.au).

ASX means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.

Auditor's Report means the auditor's report on the Financial Report.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the board of Directors.

Chair means Mr Damien Kelly, or (if Mr Kelly is absent) such other person appointed to chair the Meeting in accordance with the Constitution.

Closely Related Party of a member of the Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company or Golden State Mining Limited means Golden State Mining Limited ACN 621 105 995.

Constitution means the Company's constitution, as amended from time to time.

Convertible Security means a security of the Company which is convertible into Shares.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Director means a director of the Company.

Director's Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means this information attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company or, if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice or Notice of Meeting or Notice of Annual General Meeting means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying to this Notice.

Remuneration Report means the section of the Directors' Report contained in the Annual Report entitled "remuneration report".

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules

SCHEDULE A - SUMMARY OF INCENTIVE AWARD PLAN

1. Eligibility

The Board may, from time to time, in its absolute discretion, make a written invitation to any Eligible Participant to apply for Options or Performance Rights (together, **Awards**), upon the terms set out in the Incentive Plan and upon such additional terms and conditions as the Board determines.

2. Invitation and Application Form

An invitation to apply for the issue of Awards under the Incentive Plan must be made by way of an invitation (**Invitation**). At a minimum, the Invitation must include the following information:

- (a) the maximum number of Awards that the Eligible Participant may apply for, or the formula for determining the number of Awards that may be applied for;
- (b) the maximum number of Shares that the Participant is entitled to be issued on the exercise of each Award or the formula for determining the maximum number of Shares;
- (c) the Option exercise price (**Exercise Price**) of any Options or the formula for determining the Option Exercise Price;
- (d) any applicable Vesting Conditions as determined by the Board in its discretion;
- (e) any Restriction Period the Board has resolved to apply to Shares issued on exercise of the Awards;
- (f) when Awards will expire (**Expiry Date**);
- (g) the date by which an Invitation must be accepted (**Closing Date**);
- (h) any other terms and conditions applicable to the Awards; and
- (i) any other information required by law or the Corporations Act, the Class Order or the ASX Listing Rules or the considered by the Board to be relevant to the Awards or the Shares to be issued on the exercise of the Awards.

An Eligible Participant (or permitted Nominee) may apply for the Incentive Options or Performance Rights in whole or in part, by signing and returning an Application Form to the Company no later than the Closing Date. The Board may accept or reject any Application Form in its absolute discretion.

Where the Company needs to rely on the Class Order in respect of an Invitation, the Company must have reasonable grounds to believe, when making an Invitation, that the number of Shares to be received on exercise of Awards offered under an Invitation, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or under an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Invitation.

The Company's obligation to issue or transfer Awards is conditional on:

- (a) the issue or transfer of the Award complying with all applicable legislation, applicable stock exchange rules and the Constitution; and
- (b) all necessary approvals required under any applicable legislation and applicable stock exchange rules being obtained prior to the issue or transfer of the Awards.

3. Terms of the Awards

- (a) An Award is non-transferable other than in special circumstances with the consent of the Board (which may be withheld in its discretion).
- (b) Unless quoted on the ASX, each Award will be issued to an Eligible Participant under the Incentive Plan for no more than nominal consideration.
- (c) Each Award will entitle its holder to subscribe for and be issued, one fully paid ordinary share in the capital of the Company (upon vesting and exercise of that Award) unless the Plan or an applicable Invitation otherwise provides.
- (d) Awards will not be listed for quotation on the ASX, unless the Invitation provides otherwise. The Company will apply for official quotation of the Shares issued upon the exercise of any vested Awards.
- (e) A participant is not entitled to participate in or receive any dividend or other Shareholder benefits until its Awards have vested and been exercised and Shares have been allocated to the participant as a result of the exercise of those Awards.
- (f) There are no participating rights or entitlements inherent in the Awards and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of Awards without exercising the Options or Performance Rights, except to the extent an Invitation otherwise provides where permitted by the ASX Listing Rules.
- (g) Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Awards except to the extent an

Invitation provides otherwise.

- (h) There is no right to a change in the exercise price or in number of underlying Shares over which an Award can be exercised, except to the extent an Invitation otherwise provides where permitted by the ASX Listing Rules.
- (i) In the event of a reorganisation of the capital of the Company, the Company may alter the rights of the holder of an Award to the extent necessary to comply with the ASX listing rules applying to reorganisations at the time of the reorganisation.
- (j) Following the issue of Shares following exercise of vested Awards, Participants will be entitled to exercise all rights of a Shareholder attaching to the Shares, subject to any disposal restrictions advised to the Participant.

4. Vesting and Exercise of Awards

- (a) **Vesting Conditions:** Subject to clause 4(b) below, an Award issued under the Plan will not vest and be exercisable unless the vesting conditions (if any) attaching to that Award have been satisfied and the Board has notified the Eligible Participant of that fact within 10 Business Days of becoming aware that any vesting condition has been satisfied.
- (b) **Vesting Condition Waiver:** Notwithstanding clause 4(a) above, the Board may, in its absolute discretion, by written notice to an Eligible Participant, resolve to waive any of the vesting conditions applying to an Award. For clarity, the Board may in its discretion waive or reduce any vesting conditions after the time specified for satisfaction of those vesting conditions has passed.
- (c) **Exercise on Vesting:** A Participant (or their personal legal representative where applicable) may, subject to the terms of any Invitation, exercise any vested Award at any time after the Board notifies that the Award Right has vested and before it lapses.
- (d) **Cashless Exercise Facility:**
 - In respect of Options, the Board may, in its discretion, permit a Participant to exercise some or all of their Options by using the Cashless Exercise Facility. The Cashless Exercise Facility entitles a Participant to set-off the Option Exercise Price against the number of Shares which the Participant is entitled to receive upon exercise of the Participant's Options. By using the Cashless Exercise Facility, the Participant will receive Shares to the value of the surplus after the Option Exercise Price has been set-off.
- (e) **Cash Payment:** Subject to the Corporations Act, the ASX Listing Rules, the Plan and the terms of any Invitation, where an Invitation so provides, when all Vesting Conditions in respect of an Award have been satisfied or waived, the Board may, in its discretion, within 10 Business Days of receipt of a valid notice of exercise for vested Award, in lieu of issuing or transferring a Share to the Participant on exercise of the Award, pay the Participant or his or her personal representative (as the case may be) a cash payment for the Award exercised equal to the Market Value of a Share up to and including the date the Award was exercised, less, in respect of an Option, any Option Exercise Price. A vested Award automatically lapses upon payment of a Cash Payment in respect of the vested Award.
- (f) **Lapsing of Awards:** An Award will lapse upon the earlier of:
 - the Board, in its discretion, resolving an Award lapses as a result of an unauthorised disposal of, or hedging of, the Award;
 - a vesting condition not being satisfied or becoming incapable of satisfaction (and not being waived by the Board in its discretion);
 - in respect of an unvested Award, the holder ceases to be an Eligible Participant and the Board does not exercise its discretion to vest the Award or allow it to remain unvested;
 - in respect of a vested Award, a holder ceases to be an Eligible Participant and the Board, in its discretion, resolves that the Award must be exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant, and the Award is not exercised within that period and the Board resolves, at its discretion, that the Award lapses as a result;
 - the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under the rules of the Incentive Plan;
 - in respect of an unvested Award, a winding up resolution or order is made, and the Award does not vest in accordance with rules of the Incentive Plan; and
 - the Expiry Date of the Award.

5. Restrictions

- (a) The Board may, in its discretion, determine at any time up until exercise of an Award, that a restriction period will apply to some or all of the Shares issued or transferred to a Participant on exercise of the Award (Restricted Shares), up to a maximum of fifteen (15) years from the Acquisition Date of the Award (Restriction Period).
- (b) The Board may, in its sole discretion, having regard to the circumstances at the time, waive a Restriction Period

(other than where imposed by the ASX Listing Rules).

- (c) The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares for as long as those Shares are subject to a Restriction Period.
- (d) Shares are deemed to be subject to a Restriction Period to the extent necessary to comply with any escrow restrictions imposed by the ASX Listing Rules.
- (e) The Participant agrees to execute a restriction agreement in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Plan or any escrow imposed by the ASX Listing Rules.
- (f) No issue or allocation of Awards and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.

SCHEDULE B – OPTION TERMS

Following are the material terms of the **40c Options**:

- a) Definitions:
 - (i) **Expiry Date** means 5.00pm (Perth time) on 30 September 2024;
 - (ii) **Exercise Notice** means the form of written and/or electronic notice prescribed by the Company from time to time for the purpose of exercising the options.
- b) Subject to clause (n), each Option carries the right to subscribe for one fully paid ordinary share in the Company (**Share**) at an exercise price of A\$0.40.
- c) Options may be exercised by delivering to the Company's registered office (or such other place in Australia agreed with or instructed by the Company at the time) an Exercise Notice at any time prior to the Expiry Date.
- d) The Exercise Notice must (unless the Company otherwise agrees) be completed and delivered in the form and manner prescribed by the Company and be accompanied by the relevant payment of cleared funds (in Australian currency) (except to the extent the cashless exercise facility under clause (n) is used).
- e) A notice may, without limitation, be given by the Company to any Optionholder in the same manner as a notice may be given by the Company to any Shareholder.
- f) Following receipt of a properly executed Exercise Notice and monies in respect of the exercise of the Options (except to the extent the cashless exercise facility under clause (n) is used), the Company will issue the resultant Shares and deliver notification of shareholdings in accordance with the limits set out in ASX listing rules (if applicable) or, if no such limits apply, within one month of receiving the Exercise Notice.
- g) The Company will, in accordance with ASX listing rules (if applicable) but in any case within 7 days of the date of issue, make application to have the Shares (issued pursuant to an exercise of options) listed for quotation by ASX.
- h) Shares issued pursuant to an exercise of Options shall rank, from the date of issue, *pari passu* with existing Shares in all respects.
- i) Options carry no right to participate in new issues of securities unless the Options are exercised before the record date for determining entitlements to the relevant new issue.
- j) Each Optionholder will be notified by the Company, in accordance with ASX listing rules (if applicable).
- k) Subject to any requirements of the Corporations Act and ASX listing rules (if applicable), the Options do not confer the right to a change in exercise price or the number of securities over which the Options are exercisable except in the event of a bonus issue of Shares being made pro rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue.
- l) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the options will be changed to the extent necessary to comply with the requirements of the ASX listing rules (in force at the time of the reorganisation, if applicable).
- m) Unless approved otherwise by the Company on a case-by-case basis (with no obligation on the Company to do so) or unless the parcel of Options being exercised represents the entire holding of the relevant Optionholder's Options in that class, Options can only be exercised in parcels of not less than 50,000.
- n) Cashless Exercise Facility:
 - i) If an Optionholder wishes to exercise some or all of their Options, it may, subject to approval by Company (acting via the board of directors), elect to pay the option exercise price by using the cashless exercise facility provided for under this clause (o) ("**Cashless Exercise Facility**").
 - ii) The Cashless Exercise Facility allows an Optionholder to set-off the option exercise price against the number of Shares which the Optionholder is entitled to receive upon exercise of the Optionholder's Options. By using the Cashless Exercise Facility, the Optionholder will receive Shares to the value of the surplus after the option exercise price has been set-off.
 - iii) If an Optionholder elects to use the Cashless Exercise Facility, and its use is approved by the Company, subject to clause (o)(v), the Optionholder will be issued or transferred that number of Shares (rounded up to the nearest whole number) equal to:
 - A) the aggregate total Market Value (as determined on the date the Options the subject of the Cashless Exercise Facility are exercised) of Shares that would otherwise be issued on exercise of the Options had all such Options been exercised using cash payment;
 - B) less the aggregate total option exercise price otherwise payable in respect of the Options exercised; and
 - C) divided by the Market Value of a Share as determined on the date the Options the subject of the Cashless Exercise Facility are exercised.

- iv) Notwithstanding any other provision of these Options, if the Option exercise price otherwise payable in respect of the Options being exercised is the same or higher than the applicable Market Value of a Share at the time of exercise, then an Optionholder will not be entitled to use the Cashless Exercise Facility.
- v) **"Market Value"**, in respect of a Share means:
 - A) where the Company is listed on a stock exchange, the volume weighted average market price for a Share traded on the stock exchange during the 7 day period up to and including the day on which the Market Value is to be determined; or
 - B) where the Company is not listed on a stock exchange, the fair market value of a Share as at the date the Market Value is to be determined, as determined by application of a valuation methodology approved by the Board, acting reasonably and in good faith (including the Board having regard to the Share price expressed or implied by any at-the-time recent, Share sales or issues).

Following are the material terms of the **60c Options**:

- a) Definitions:
 - (i) **Expiry Date** means 5.00pm (Perth time) on 30 September 2024;
 - (ii) **Exercise Notice** means the form of written and/or electronic notice prescribed by the Company from time to time for the purpose of exercising the **options**.
- b) Subject to clause (o), each Option carries the right to subscribe for one fully paid ordinary share in the Company (**Share**) at an exercise price of A\$0.60.
- c) The Options only vest and are exercisable if the person to whom the offer for the Options was made remains an employee or officer of the Company until 31 October 2021 (**Vesting Condition**). The Board may waive the Vesting Condition in whole or in part in its sole discretion at any time. If the Vesting Condition is not satisfied, or becomes incapable of being satisfied, the Options will lapse except to the extent (if any) the Board waives the Vesting Condition and subject to the terms and conditions (if any) of such waiver.
- d) Subject to clause (c), Options may be exercised by delivering to the Company's registered office (or such other place in Australia agreed with or instructed by the Company at the time) an Exercise Notice at any time prior to the Expiry Date.
- e) The Exercise Notice must (unless the Company otherwise agrees) be completed and delivered in the form and manner prescribed by the Company and be accompanied by the relevant payment of cleared funds (in Australian currency) (except to the extent the cashless exercise facility under clause (o) is used).
- f) A notice may, without limitation, be given by the Company to any Optionholder in the same manner as a notice may be given by the Company to any Shareholder.
- g) Following receipt of a properly executed Exercise Notice and monies in respect of the exercise of the Options (except to the extent the cashless exercise facility under clause (o) is used), the Company will issue the resultant Shares and deliver notification of shareholdings in accordance with the limits set out in ASX listing rules (if applicable) or, if no such limits apply, within one month of receiving the Exercise Notice.
- h) The Company will, in accordance with ASX listing rules (if applicable) but in any case within 7 days of the date of issue, make application to have the Shares (issued pursuant to an exercise of options) listed for quotation by ASX.
- i) Shares issued pursuant to an exercise of Options shall rank, from the date of issue, *pari passu* with existing Shares in all respects.
- j) Options carry no right to participate in new issues of securities unless the Options are exercised before the record date for determining entitlements to the relevant new issue.
- k) Each Optionholder will be notified by the Company, in accordance with ASX listing rules (if applicable).
- l) Subject to any requirements of the Corporations Act and ASX listing rules (if applicable), the Options do not confer the right to a change in exercise price or the number of securities over which the Options are exercisable except in the event of a bonus issue of Shares being made pro rata to Shareholders (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue.
- m) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the options will be changed to the extent necessary to comply with the requirements of the ASX listing rules (in force at the time of the reorganisation, if applicable).
- n) Unless approved otherwise by the Company on a case-by-case basis (with no obligation on the Company to do so) or unless the parcel of Options being exercised represents the entire holding of the relevant Optionholder's Options in that class, Options can only be exercised in parcels of not less than 40,000.
- o) Cashless Exercise Facility:
 - i) If an Optionholder wishes to exercise some or all of their Options, it may, subject to approval by Company (acting via the board of directors), elect to pay the option exercise price by using the cashless exercise facility provided for under this clause (o) (**"Cashless Exercise Facility"**).

- ii) The Cashless Exercise Facility allows an Optionholder to set-off the option exercise price against the number of Shares which the Optionholder is entitled to receive upon exercise of the Optionholder's Options. By using the Cashless Exercise Facility, the Optionholder will receive Shares to the value of the surplus after the option exercise price has been set-off.
- iii) If an Optionholder elects to use the Cashless Exercise Facility, and its use is approved by the Company, subject to clause (o)(v), the Optionholder will be issued or transferred that number of Shares (rounded up to the nearest whole number) equal to:
 - A) the aggregate total Market Value (as determined on the date the Options the subject of the Cashless Exercise Facility are exercised) of Shares that would otherwise be issued on exercise of the Options had all such Options been exercised using cash payment;
 - B) less the aggregate total option exercise price otherwise payable in respect of the Options exercised; and
 - C) divided by the Market Value of a Share as determined on the date the Options the subject of the Cashless Exercise Facility are exercised.
- iv) Notwithstanding any other provision of these Options, if the option exercise price otherwise payable in respect of the Options being exercised is the same or higher than the applicable Market Value of a Share at the time of exercise, then an Optionholder will not be entitled to use the Cashless Exercise Facility.
- v) **"Market Value"**, in respect of a Share means:
 - A) where the Company is listed on a stock exchange, the volume weighted average market price for a Share traded on the stock exchange during the 7 day period up to and including the day on which the Market Value is to be determined; or
 - B) where the Company is not listed on a stock exchange, the fair market value of a Share as at the date the Market Value is to be determined, as determined by application of a valuation methodology approved by the Board, acting reasonably and in good faith (including the Board having regard to the Share price expressed or implied by any at-the-time recent, Share sales or issues).



Golden State Mining Limited | ABN 52 621 105 995

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **1.00pm (AWST) on Wednesday, 25 November 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

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