QUARTERLY REPORT
For the Three Months ended 30 September 2003

Exploration activities during the September 2003 quarter were focused on the Company's Leonora Gold Project, in areas held both as a 100%-owned project and in joint venture with Newcrest Mining. A new joint venture area was acquired in partnership with Newcrest and Jindalree Resources to increase the project area to 338 km².

Results are pending for Golden State's first RC drilling programme just completed on the 100%-owned Comet Vale Gold Project, near Menzies, WA, and for deep RC drilling completed at the Mertondale JV's Crawford Prospect (Leonora).

LEONORA GOLD PROJECT

The Leonora Project is located 20 km from the WA Eastern Goldfields town of Leonora.

The project covers the zone of intersection of the major northwest-trending Kilkenny Fault and the north-trending Mertondale Fault. These shear systems are broadly associated with the emplacement major gold deposits in the Leonora district, including Thunderbox (2 million oz) and Centenary-Darlot (3 million oz).

Exploration operations were accelerated on the Leonora Project during the year, both by the Company on its 100%-owned Project area and by Newcrest on the adjacent Mertondale Joint Venture where Golden State's 20% equity is carried to Decision to Mine.

Drilling by previous explorers has been generally wide spaced. This work identified anomalous gold mineralisation associated with broad zones of intense alteration up to 500 metres thick. The best previous drilling intersections in the project area were 13 metres of 3.46 g/t (Crawford Zone) and 8 metres of 3.42 g/t (Gambier Lass Prospect), indicative of the potential for large gold deposits.

Golden State completed 28 RAB drill holes and 5 RC holes for a total of 1,850 metres during the quarter, on its 100%-owned areas, focusing on a series of gold anomalies identified in previous drilling associated with the Kilkenny Fault and NE trending splay structures.

The Crawford Trend is an intensely altered (sericite-fuchsite-silica-carbonate-sulphide) shear zone that is defined by continuous anomalous drilling intersections for 20 km from Crawford Prospect (on the Mertondale JV area) through Golden State's Gambier Lass and Boys Well Prospects. It is one of a series mineralised structures marking the eastern side of the Kilkenny Fault Zone. South of Crawford it passes onto ground held by Jindalree Resources.
Results confirm the target zone tested, extending the Gambier Lass Trend a further 1.6 km to the north. Holes with composites intervals assaying greater than 0.5 g/t gold are:

<table>
<thead>
<tr>
<th>Hole</th>
<th>North</th>
<th>East</th>
<th>Depth</th>
<th>From</th>
<th>To</th>
<th>Width</th>
<th>Gold g/t</th>
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<td>4075</td>
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<td>58</td>
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<td>25</td>
<td>5</td>
<td>0.57</td>
</tr>
</tbody>
</table>

BWR216 is vertical, all other holes are inclined to the east at 60°

Exploration by RAB and RC drilling will be ongoing in an effort to define the extent of the gold mineralisation.

Additional 100%-owned area available for exploration

Golden State was recently notified by the WA Department of Industry and Resources that an additional 28 prospecting tenements have been granted to the Company at Leonora. The area lies immediately to the north of the Crawford Prospect (currently part of our Newcrest JV) and opens 8 km of mineralised strike of the Crawford Trend to exploration.
The new area includes previous drilling intersections such as in RAB hole BMR054: **4m @ 4.10 g/t gold** and includes prospective areas will little or no previous drilling. A new RAB drilling programme has been scheduled for November as an initial test for the area.

**GOLDEN STATE – NEWCREST MERTONDALE JOINT VENTURE (GOLDEN STATE CARRIED AT 20%)**

Newcrest Mining, as operator, completed an alteration study of previous drill holes, followed by a programme of deep RC drilling.

**RC drilling**

Two RC drill holes were completed for a total of 500 metres:

- CFRC01 was drilled on the section containing previously reported diamond drill hole CFD01 and was designed to close the section off to the east. CFRC01 intersected a 51 metre zone of intense sericite and silica alteration containing weak to moderate sulphide. The section was designed to test the depth extensions to the
mineralisation intersected in RC hole CARC01, 23m @ 1.49g/t gold; CARC0002, 5m @ 1.72g/t gold and 10m @ 1.62g/t gold; CARC07, 2m @ 6.84g/t gold and CARC23, 12m @ 1.46g/t gold.

- CFRC02 was drilled on the section containing previously reported diamond drill hole CFD02 and was designed to close this section off to the east. Drilling was aimed to test the depth potential of the mineralization intersected by CARC19 (26m @ 1.68 g/t gold).

Assay results are awaited for both drill holes.

During the December quarter results from the Crawford RC drilling will be reviewed to determine the next phase of exploration.

**GOLDEN STATE – NEWCREST – JINDALEE IRON TANK WELL JOINT VENTURE**

Golden State Resources Ltd and Newcrest Mining Ltd, partners in the Mertondale Joint Venture at Leonora, have entered a new exploration joint venture on Jindalee Resources Ltd’s adjacent Iron Tank Well Project. Newcrest, the operator, and Golden State, as an 80:20 joint venture, may earn a collective 70% equity in the Iron Tank Well Project (E37/692 and P37/6417) by expending $1 million on exploration within four years.

The Iron Tank Well tenements adjoin the southern boundary of the Golden State – Newcrest Mertondale Joint Venture tenements where Golden State is being carried by Newcrest at 20% equity to Decision to Mine. The Jindalee tenements add 49 km² of area and potentially 8 km of strike to the Leonora tenement holding. Golden State’s Leonora Project now comprises 338 km² of tenements approved or under application.

Drilling on the Golden State – Newcrest Mertondale JV tenements indicates that the Crawford Trend mineralisation targeted by Golden State – Newcrest passes onto the new Iron Tank Well tenements. The Crawford Trend is an intensely altered (sericite-fuchsite-silica-carbonate-sulphide) shear zone that is defined by anomalous drilling intersections for 20 km on the Leonora Project from Crawford to the north through the Gambier Lass Prospect.

An RC drill hole (CARC012) previously completed on the tenement boundary between Golden State’s Mertondale JV and the Iron Tank Well Project intersected 22 metres of 1.01 g/t gold, with several intermittent intervals of one metre of 3 g/t gold.

Aeromagnetic interpretation shows a conspicuous anomaly, possibly associated with the alteration that accompanies gold mineralisation in the Crawford Trend, coincident with the interpreted path of the Crawford Trend onto the new tenements.

It is proposed to investigate this new target area with deep RC drilling at an early stage.

**Terms of the Iron Tank Well Joint Venture:**

Newcrest, the operator, and Golden State, as an 80:20 joint venture, may earn a collective 70% equity in the Iron Tank Well Project (E37/692 and P37/6417) by expending $1 million on exploration within four years. Following the JV partners (Newcrest and Golden State) earning a collective 70% equity, Jindalee may:

1. contribute at 30%;
2. dilute while not contributing;
3. be carried at 20%, via a “non recourse” loan (repayable only from production) up to a Decision to Mine

4. be “free” carried at 10% to Decision to Mine; or

5. take a royalty of 0.5% of the net smelter return.

Golden State and Newcrest will reimburse $10,000 of Jindalee’s previous expenses. Either or both may withdraw from the Joint Venture at any time after expending $70,000 on exploration.

**COMET VALE GOLD PROJECT - HAPPY JACK**

Comet Vale is a gold mining centre 30 km south of Menzies and 100 km north of Kalgoorlie, WA. Significant past gold producers include the Sand Queen, Gladsome, Lake View and Happy Jack Mines.

Golden State completed two RC drill holes each to a depth of 100 metres at the 100%-owned Happy Jack Prospect during October. Happy Jack is known to contain broad gold lode mineralisation, previously defined in shallow historical workings.

The drilling was designed to test the presence of high grade mineralisation below the old workings and lower grade remnant mineralisation. The holes intersected the mineralised lode at approximately 70 metres below surface,

Assay results are awaited.

**EZIMAGE INVESTMENT**

Golden State has completed the sale of part of its shareholding in ASX-listed technology company Ezimage Limited. The Company sold 40% of its holding in Ezimage for a consideration of $400,000.

The sale, approved by a meeting of Ezimage shareholders, was conditional on the acquisition by Ezimage of MGM Wireless Holdings Pty Ltd, a leader in the Australian integrated SMS messaging sector. Golden State will retain 60% of its equity in Ezimage as a continuing investment.

Richard Sciano
Executive Director

30 October 2003
Exploration results and Mineral Resources quoted in this announcement are based on information compiled by Mr J.T. Hasleby, principal of Hasleby Consulting Pty Ltd, a Member of the Australasian Institute of Mining and Metallurgy, and a consultant to the Company, who consents to the inclusion of the information contained in this announcement in the form and context in which it appears. Mr Hasleby is a Competent Person, as required by ASX Listing Rule 5.10 and the 1999 Australasian Code for Reporting of Mineral Resources and Ore Reserves, with in excess of twenty years relevant experience in this field of activity.