



ANNOUNCEMENT AND MEDIA RELEASE

NEWCREST TO COMMENCE DIAMOND DRILLING AT LEONORA

- JV partner Newcrest Mining is on site at the Mertondale Joint Venture conducting a gravity survey over the exciting Crawford Prospect, on the southern part of the Crawford gold mineralised trend. Diamond drilling is to commence in early February at Crawford Prospect to follow up earlier excellent gold drilling intersections (see attached map).
- Meanwhile Golden State has commenced drilling on the neighbouring Leonora Project, initially targeting the Crawford Trend.
- Golden State continued to add tenements to its 100% owned 240 km² Leonora Project in late 2002. The project has potential for a major Kanowna Belle style ore body.

The Target

The Crawford Trend follows the eastern margin of the major regional Keith Kilkenny Tectonic Zone

The Company is targeting Kanowna Belle style orebodies on the gold mineralised Crawford Trend and on shears interpreted to splay off the eastern margin of the Keith Kilkenny Tectonic Zone (refer attached map).

The Crawford Trend has been defined by semi-continuous anomalous mineralisation in drilling over a total 20 km length of which Golden State holds 12 km. The remaining 8 km is held by Sons of Gwalia and other parties. The mineralisation is characterized by conspicuous sericite-fuchsite-sulphide alteration of the host rocks, both at the Crawford Project and in Golden State's drilling in the 100% owned area.

Project Interests and Location

The project is 20 km from the town of Leonora, a major gold production centre.

Golden State holds 12 km of strike of the strongly mineralised Crawford Trend at Leonora, both as a 100% interest (the Leonora Project) and in the neighbouring area in joint venture with Newcrest Mining (the Mertondale JV), where Newcrest can earn 70%.

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Previous Drilling Results

Intersections from previous drilling on the mineralised trend on Golden State's project includes (refer also to the attached map):

Hole	NorthAMG	EastAMG	Interval	Gold Intersection	Type
BMR054	6811081	356681	32-36	4m @ 4.1 g/t	RAB
BMR354	6816143	352178	53-57	4m @ 1.54 g/t	RAB
BWR216	6820084	348522	20-28	8m @ 3.42 g/t	RAB
CAR186	6804678	361634	9-13	5m @ 5.60 g/t	RAB
CAR192	6804668	361616	15-19	4m @ 1.53 g/t	RAB
CAR219	6804536	361792	33-37	4m @ 1.55 g/t	RAB
CAR221	6804498	361720	38-54	16m @ 3.07 g/t	RAB
CARC001	6804506	361735	40-51	11m @ 2.57 g/t	RC
CARC002	6804487	361700	54-59 72-78	5m @ 1.72 g/t 6m @ 2.24 g/t	RC
CARC005	6804365	361810	73-77	4m @ 3.46 g/t	RC
CARC007	6804524	361770	112-113	1m @ 14.5 g/t	RC
CARC019	6805276	361485 including and	88-110 88-94 107-110	22m @ 1.78 g/t 6m @ 2.79 g/t 3m @ 5.00 g/t	RC RC
CARC021	6804647	361660	22-24	2m @ 11.3 g/t	RC
CARC023	6804661	361686	39-47	8m @ 1.76 g/t	RC

1. Mertondale Joint Venture (Newcrest earning 70%, GSR 30% to decision to mine)

Newcrest Mining is currently focussing on the Crawford Prospect (see attached map).

Following a review of data for the Crawford Prospect, Newcrest concluded **"that the true extent of the mineralisation has not been defined and that the mineralisation is open in all directions"**.

Exploration during the December 2002 quarter at the Crawford Prospect included:

- All previous Goldfields Limited RC drill holes (drilled in the mid 1990's) were relogged with emphasis on alteration. 23 holes were relogged in detail.
- 120 selected samples from the RC drill holes were reassayed for Au, As, Cu, W, Pb, Zn, Sb, Ag and Te.
- 10 RC samples were sent for petrographic descriptions.

The relogging indicated that fragmental rocks with intercalations of siltstone and shale are the predominant rock type intersected in the RC drill holes. Porphyry was intersected in a previous drillhole CARC0019, the northern most RC hole at Crawford. **It returned significant results including 8m @ 2.32 g/t gold, 5m @ 1.27 g/t gold and 5m @ 3.44 g/t gold.** Mineralisation remains open along strike and at depth. The porphyry has been significantly altered to an assemblage of sericite, albite, carbonate, silica, chlorite and haematite.

Pyrite is the principal sulphide phase at Crawford however significant arsenopyrite (up to 5%), both disseminated and associated with quartz veining, has been noted. A significant degree of metasomatic

alteration is considered to have affected these rocks in response to mineralising fluids. This conspicuous alteration is characteristic of the Crawford-Gambier Lass trend.

The following work is proposed for the March 2003 quarter:

- Trial gravity survey is currently being conducted over the Crawford Prospect.
- Diamond drilling at the Crawford Prospect is expected to commence in the first week of February 2003.
- Stream sediment and lag sampling is also planned over the Cardinia Creek lag anomaly, with the aim of determining the source of the anomalous mineralisation.

2. Leonora Project (100% Golden State Resources)

In January Golden State began the first phase of a RAB drilling program on the Crawford mineralised trend. Assay results are expected in early February.

Drilling was targeted on an area bounded immediately to the north by a drilling intersection of 8 metres of 3.4 g/t gold, and to the south by Sons of Gwalia's Gambier Lass North gold deposit.

The large ground holding controlled by Golden State and past drilling by North Mining, Golden State and Goldfields on the Leonora Project area have highlighted its potential for a major discovery.

Further discoveries in the region similar to Thunderbox and Jaguar will add focus on Leonora.

Tenement Acquisitions

Golden State's land acquisition program at Leonora continued during September 2002. A further 22 tenement applications totalling 40 km² were pegged adjoining the current project area. The new tenement applications are south and east of Gambier Lass and include areas with defined gold anomalism and previous mineralised drill hole intersections, including **4 metres of 4.1 g/t** along the Crawford mineralised trend. This northern strike extension of the Crawford Zone is promising with semi-continuous gold anomalism and gaps in the drilling coverage of up to two kilometres.

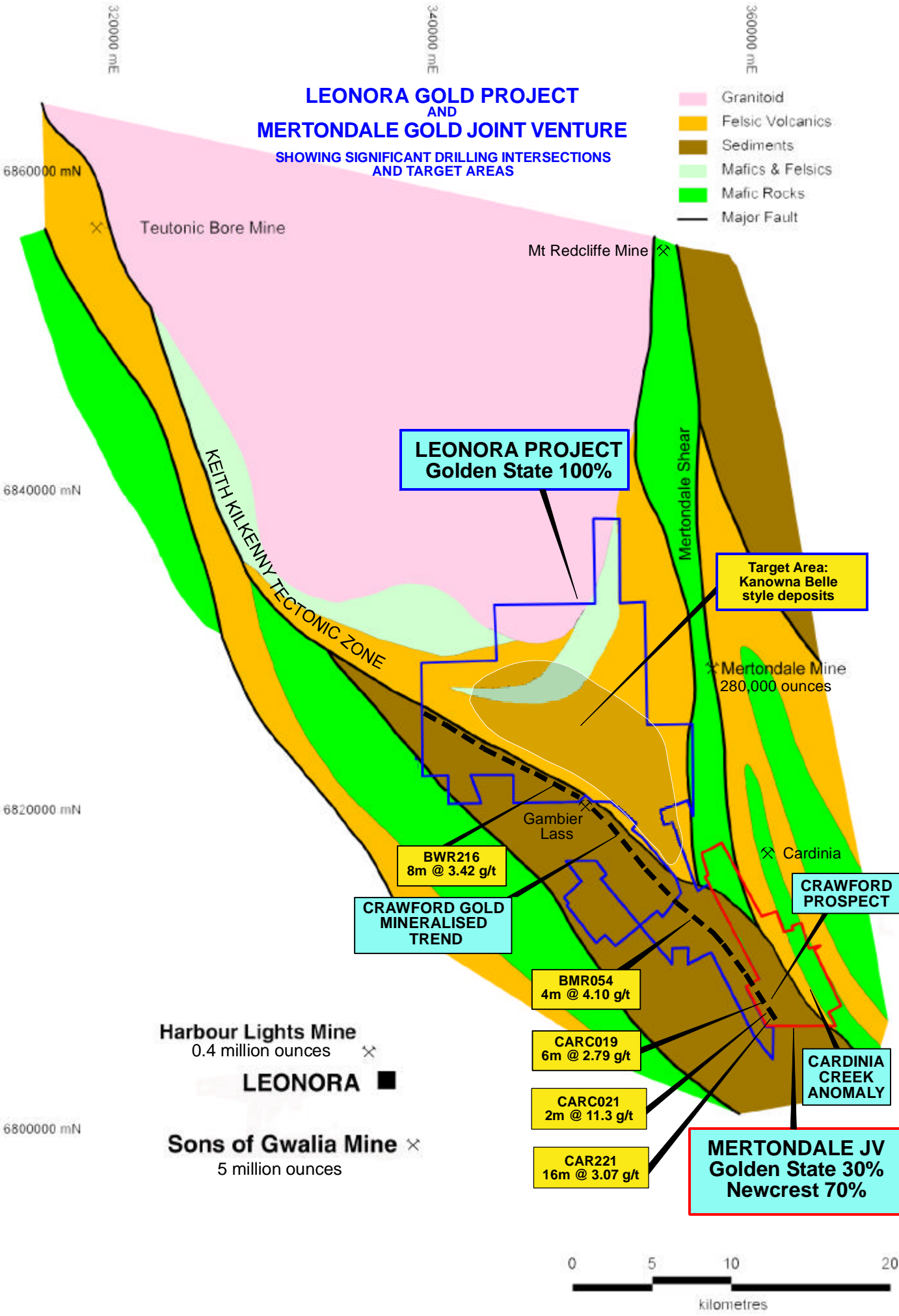
For further information contact:

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**LEONORA GOLD PROJECT
AND
MERTONDALE GOLD JOINT VENTURE**

SHOWING SIGNIFICANT DRILLING INTERSECTIONS
AND TARGET AREAS

- Granitoid
- Felsic Volcanics
- Sediments
- Mafics & Felsics
- Mafic Rocks
- Major Fault



LEONORA PROJECT
Golden State 100%

Target Area:
Kanowna Belle
style deposits

* Merton Dale Mine
280,000 ounces

BWR216
8m @ 3.42 g/t

**CRAWFORD GOLD
MINERALISED
TREND**

BMR054
4m @ 4.10 g/t

CARC019
6m @ 2.79 g/t

CARC021
2m @ 11.3 g/t

CAR221
16m @ 3.07 g/t

**CRAWFORD
PROSPECT**

**CARDINIA
CREEK
ANOMALY**

MERTONDALE JV
Golden State 30%
Newcrest 70%

Harbour Lights Mine
0.4 million ounces

LEONORA

Sons of Gwalia Mine
5 million ounces

