

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Golden State Resources Limited

ABN

39 063 074 635

Quarter ended ("current quarter")

30 June 2010

Consolidated statement of cash flows

	Current quarter \$A'ooo	Year to date (12 months) \$A'ooo
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	3,300	3,300
1.2 Payments for (a) exploration & evaluation	(5,077)	(10,528)
(b) development	-	-
(c) production	-	-
(d) administration	(268)	(1,316)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	34
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	(75)
	(2,038)	(8,585)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	(41)
(c) other fixed assets	(36)	(52)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
	(36)	(93)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(2,074)	(8,678)

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1.13	Total operating and investing cash flows (brought forward)	(2,074)	(8,678)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	2,959	8,447
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	2,500
1.17	Repayment of borrowings	(1,500)	(1,750)
1.18	Dividends paid	-	-
1.19	Cost of share issue	(231)	(653)
	Net financing cash flows	1,228	8,544
	Net increase (decrease) in cash held	(846)	(134)
1.20	Cash at beginning of quarter/year to date	1,230	518
1.21	Exchange rate adjustments to item 1.20		
		384	384
1.22	Cash at end of quarter		

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2 Directors & associates	132
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.2 All expenditure incurred on oil and gas has been allocated to exploration in the Statement of cash flow but has been capitalised as an asset in the balance sheet.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

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	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	750	750
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,000
4.2 Development	-
4.3 Production	-
4.4 Administration	290
Total	2,290

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	203	677
5.2 Deposits at call	181	553
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	384	1,230

Note: The company will have sufficient funds available to meet estimated cash outflows for the next quarter. Funds will be available from the recent capital raisings announced and other potential asset sales.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E77/1038		100%	2% Royalty
	E77/1155		100%	2% Royalty
	E77/1387 –			
	E77/1389		100%	2% Royalty
	P77/3670 –		100%	2% Royalty
	P77/3674			
	P77/3676 –		100%	2% Royalty
	P77/3677			

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6.2 Interests in mining tenements acquired or increased	Nil			
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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	506,386,404	506,386,404	-	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	30,000,000 1,500,000 35,000,000	30,000,000 1,500,000 35,000,000	5.2 Nil 4	Fully Paid Fully Paid Fully Paid
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	1,200,000 6,000,000 386,489,066	- - 381,489,066	<i>Exercise price</i> 20 cents 20 cents 12 cents	<i>Expiry date</i> 29 July 2010 25 February 2011 30 November 2010
7.8 Issued during quarter				
7.9 Exercised during quarter				

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7.10	Expired during quarter	3,600,000	-	20 cents	30 April 2010
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: 30 July 2010
(Company secretary)
Print name: Ranko Matic

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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