

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

Golden State Resources Limited

ABN

39 063 074 635

Quarter ended ("current quarter")

31 December 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration and evaluation	(2,049)	(2,119)
(b) development	-	-
(c) production	-	-
(d) administration	(396)	(509)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	44	109
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(2,401)	(2,519)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(42)	(574)
(c) other fixed assets	(10)	(12)
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	-	-
Net Investing Cash Flows	(52)	(586)
1.13 Total operating and investing cash flows (carried forward)	(2,453)	(3,105)

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1.13	Total operating and investing cash flows (brought forward)	(2,453)	(3,105)
	Cash flows related to financing activities		
1.14	Proceeds from issue of shares and exercise of options	-	-
1.15	Proceeds from issue of shares to minority interests	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Cost of share issue	(7)	(33)
	Net Financing Cash Flows	(7)	(33)
	Net Increase in cash held	(2,460)	(3,138)
1.20	Cash at beginning of quarter/year to date	3,978	4,656
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,518	1,518

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	75
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 the 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

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Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation The company expects to expend the amount indicated in 4.1 during the next quarter. The company believes it will have more than enough funds for this expenditure based upon current cash on hand and capital raising initiatives that the company is currently undertaking, details of which have been announced to the market previously.	4,000
4.2 Development	-
Total	4,000

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	214	878
5.2 Deposits at call	1,304	3,100
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	1,518	3,978

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				
6.2 Interests in mining tenements acquired or increased				

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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				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	252,737,235	252,737,235	-	Fully Paid	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options		<i>Exercise price</i>	<i>Expiry date</i>	
	Unlisted Director	15,400,000	-	20 cents	22 May 2009
	Unlisted Director/Officer	3,600,000	-	20 cents	30 April 2010
	Unlisted Staff Options	1,200,000	-	20 cents	29 July 2010
	Listed	56,000,000	56,000,000	20 cents	30 June 2009
7.8	Issued during quarter				
	Unlisted Staff Options	1,200,000	-	20 cents	29 July 2010
	Listed	27,000,000	-	20 cents	30 June 2009
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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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 give a true and fair view of the matters disclosed.



Sign here:

.Date: 29 January 2009

(Director/~~Company Secretary~~)

Print name: Richard Sciano

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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