

GOLD STATE RESOURCES INC.



NEWS RELEASE

GOLD STATE ANNOUNCES LOI FOR THE ACQUISITION OF THE PANTERIA COPPER-GOLD PORPHYRY PROJECT

Vancouver, British Columbia (November 23, 2021) – Gold State Resources Inc. (formerly Cyon Exploration Ltd.) (“**Gold State**” or the “**Company**”) (TSXV: GOST | OTCQB: CYNXF | FSE: C2YD) is pleased to announce that the Company, on November 22, 2021, has signed a binding letter of intent (“**LOI**”) with Peruvian Metals Corp. (TSXV: PER) (“**Peruvian Metals**”) to acquire a 100% interest in the Panteria copper-gold (Cu-Au) porphyry project (the “**Project**”). The project is located approximately 210 kilometres southeast of Lima, Peru, in the Huancavelica department and is considered highly prospective for both Cu-Au porphyry style mineralization and high-level gold-silver (Au-Ag) epithermal mineralization. Approximately US \$5 million has been spent to date on the Project that has several untested exploration targets.

The Project is comprised of several mineral concessions covering an area of 2,000 hectares and is believed to be situated in the northern extension of the Southern Coastal porphyry belt. Peruvian Metals acquired the Project in 2010 and conducted extensive surface sampling and mapping programs followed by a small geophysical program in 2014. Peruvian Metals recognized the porphyry potential of the area and through field work identified the Renaldo Au-Ag zone 4.5 kilometres east of the main Panteria zone. First Quantum Minerals Ltd. (“**First Quantum**”) optioned the Project and explored the area from 2016 to 2018. A total of 8,699 metres were drilled by First Quantum in 11 holes. Five main mineralized zones were identified on the Project by Peruvian Metals and First Quantum: Kisosko, El Corral, NW Corral, La Quebrada and the Renaldo zones. The El Corral and NW Corral Zones have proven the most prospective for Cu-Au porphyry mineralization. The Renaldo and Kiosko zones are considered high-level Au-Ag precious metal target and have not been drill-tested.

The drilling by First Quantum mainly focused on the El Corral and La Quebrada zones. Porphyry-style mineralization and alteration, defined by the drilling, have a minimum 1,300-metre horizontal extent and an over 700-metre vertical extent in the subsurface. Highlights included diamond drill hole (“**DDH**”) PANDD_006 located in the El Corral zone that intersected tourmaline-healed and hydrothermal breccias starting at 320 metres returning 31.30 metres of 0.497% copper and 0.676 gram per tonne (g/t) gold, or 0.94% copper equivalent, within a broader interval of 125.80 metres of 0.252% copper and 0.283 g/t gold, or 0.44% copper equivalent. DDH PANDD_002 drilled 750 metres wouthwest of PANDD_006 intersected two intervals of intense phyllic altered diorites, 127.1 metres of 0.15% copper and 0.143 g/t gold, or 0.24% copper equivalent, and 0.13% copper and 0.13 g/t Au, or 0.21 % copper equivalent, starting at 195 and 413 metres respectively. Hole PANDD_004 drilled 350 northeast of PANDD_006 intersected classic style quartz stockworks commonly associated with Cu-Au porphyry systems, returning 0.16% copper and 0.07 g/t gold or

0.21% copper equivalent. The large horizontal and vertical extent of the porphyry style mineralization and alteration indicates a large hydrothermal system is present, typical of porphyry systems. Copper equivalent values for by-product gold are calculated using a copper price of US \$3 per pound and a gold price of US \$1,340 per ounce.

The untested Renaldo zone is considered a gold-silver precious-metal target, located 4.5 kilometres east of the main Panteria zone. Since 2014, a total 323 rock samples have been taken by Peruvian Metals and First Quantum. Rock chip sampling from this prospective zone covers an area measuring one by two kilometres. Ronaldo zone sampling and mapping encountered gold and silver mineralization in a high-sulphidation lithocap that is hosted in shallow-dipping volcanics at higher elevations.

Transactions Details

An initial payment of CAN \$10,000 was paid to Peruvian Metals upon entering the LOI. The LOI allows Gold State to conduct its due diligence in order to execute a definitive agreement (the “**Definitive Agreement**”) by January 15, 2022. Upon signing the Definitive Agreement, the Project will be transferred to a Peruvian subsidiary owned by Gold State, and Gold State will pay Peruvian Metals US \$200,000 and issue 9,275,000 common shares of Gold State (the “**Payment Shares**”). The Payment Shares will be escrowed, with 50% being delivered on the closing date of the Definitive Agreement and the remaining 50% being delivered eight months from the closing of the Definitive Agreement. This is an arm’s length transaction and no finder’s fee is being paid.

Additional bonus/milestone payments will be paid based on exploration success which will be based on the amount of drilling on the Project. Gold State will pay to Peruvian Metals CAN \$750,000 on or before the completion date of 10,000 metres of drilling on the Project, and an additional CAN \$750,000 on or before the completion date of 20,000 metres of drilling on the Project. At the sole election of the Company, these payments can be made in cash or by issuance of the equivalent value in Gold State common shares at a value to be determined at the time of issuance based on market value, provided that such issuance would not result in Peruvian Metals holding 10% or more of the issued and outstanding shares of Gold State following such issuance.

In addition, Gold State will grant upon the signing of the Definitive Agreement, a one percent (1.0%) net smelter return royalty (the “**Royalty**”) on the Project. Gold State will have a right of first refusal in the event that Peruvian Metals receives a third-party offer for the Royalty, to purchase the Royalty on the same terms and conditions as such third-party offer.

Brian Thurston, CEO of Gold State commented: “I am excited to have the opportunity to acquire this prospective property from Peruvian Metals. I have worked with Peruvian Metals’ CEO, Jeffrey Reeder, on various projects in Canada and Peru, at various times since 1993. Separately, we have worked on several BC and Yukon copper-gold porphyry deposits such as Red Chris, Mt. Milligan, South Kemess, Fish Lake and Casino. Mr. Reeder has discovered two additional porphyry deposits in Peru that resulted in resource estimates: the Aguila copper-molybdenite porphyry deposit and the Pinaya copper-gold porphyry deposit. I am looking forward to adding the Pantaria Project to the list of Cu-Au discoveries in Peru.”

Jeffrey Reeder, P Geo, a qualified person as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, has prepared, supervised the preparation of, and approved the scientific and technical disclosure contained in this news release.

About Peruvian Metals Corp.

Peruvian Metals Corp. is a Canadian exploration and mineral processing company. Its business model is to provide toll milling services for clients and to produce high-grade concentrates from mineral purchases. The company also acquires and develops precious and base metal properties in Peru.

For further information on Peruvian Metals Corp. please visit www.peruvianmetals.com.

About Gold State

Gold State is engaged in the acquisition, exploration, and development of mineral properties in North and South America. The Company is currently focused on its Black Rock Canyon gold property that is favourably located within the Cortez gold trend of the Battle Mountain-Eureka belt, a productive and rapidly growing gold mining district in Nevada, as well as its newly acquired Jumping Jack gold property located in the Moors Creek mining district of Nye County, Nevada, approximately 55 miles north of Tonopah. The Jumping Jack Property is situated along the eastern margin of the Walker Lane Gold Trend, ten miles north of Kinross Gold Corporation's well-known Round Mountain Gold Mine, and is five miles north of the nearest Round Mountain open pit.

Gold State Resources Inc.

Per: "Brian Thurston"

Brian Thurston
President and CEO

Tel: +1 778 928-6565

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on the Company's Black Rock Canyon, Jumping Jack and other properties, positive due diligence related to the Peruvian Metals Project and Definitive Agreement, continued availability of capital and financing, and general economic, market or business conditions, laws in the state of Nevada and other jurisdictions where the Company operates. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.