



GOLDEN STATE
NATURAL RESOURCES

Board of Directors Meeting

**Wednesday
July 27, 2022
9:00 A.M.**

**1215 K Street, Suite 1650
Sacramento, California 95814**

**Golden State Natural Resources (GSNR)
Board of Directors Meeting
Wednesday, July 27, 2022 – 9:00 a.m.
1215 K Street, Suite 1650
Sacramento, CA 95814**

GSNR Board Members:

Supervisor Matt Kingsley, Inyo County
Supervisor Bob Williams, Tehama County
Supervisor Geri Byrne, Modoc County
Supervisor Doug Teeter, Butte County
Supervisor Michael Kobseff, Siskiyou County

In accordance with Government Code section 54953, subdivision (e) (Assembly Bill 361), the July 27, 2022, GSNR Board of Directors Meeting will be facilitated virtually through Zoom with limited in-person attendance. Members of the public may attend the meeting in-person, provided that the GSNR Board of Directors reserve the right to limit the number of people in attendance. Members of the public can also watch or listen to the meeting using one of the following methods:

1. Join the Zoom meeting application on your computer, tablet, or smartphone.

Go to: <https://rcrcnet.zoom.us/j/8186777263?from=addon>

Enter Password: 062253

2. Call-in and listen to the meeting:

Dial +1 (346) 248-7799

Enter meeting ID: 818 6777 7263

Enter password: 062253

PUBLIC COMMENT USING ZOOM: Members of the public who join the Zoom meeting, either through the Zoom app or by calling in, will be able to provide live public comment at specific points throughout the meeting.

EMAIL PUBLIC COMMENT: One may also email public comment to mchui@rcrcnet.org before or during the meeting. All emailed public comments will be forwarded to all GSNR Board of Directors members.

DISABLED ACCOMMODATION: Meeting facilities are accessible to persons with disabilities. If you have a disability which requires an accommodation or an alternative means to assist you in attending, observing, or commenting on this meeting, or an alternative agenda document format, please contact GSNR at (916) 447-4806 or by email at mchui@rcrcnet.org by 9:00 a.m. Tuesday, July 26th to ensure arrangements for accommodation.

AGENDA

1. Call to Order and Determination of Quorum

Chair, Supervisor Matt Kingsley, Inyo County

2. Pledge of Allegiance

3. Public Comments

At this time any member of the public may address the Board, but are not required to do so. Comments are usually limited to no more than 3 minutes per speaker.

4. **Consent Agenda – ACTION**
 - a. **May 18, 2022, Board of Directors Meeting Minutes** **Page 1**
 - b. **GSNR Resolution TC004-22: Authorizing Remote and Hybrid Teleconference Meetings of the GSNR Board of Directors Pursuant to Assembly Bill 361** **Page 7**
Greg Norton, President/CEO

5. **GSNR Bylaws Amendment To Extend and Stagger Board Member Terms – ACTION** **Page 11**
Greg Norton
Arthur J. Wylene, RCRC General Counsel

6. **Project Update** **Page 15**
Greg Norton
Kevin Cann, Vice President
Project Development Team

7. **Quarterly Reports and Financial Update**
 - a. **GSNR Condensed Balance Sheet (June 30, 2022)** **Page 17**
 - b. **Budget v. Actual Report (June 30, 2022)** **Page 21**
 - c. **Project Budget Discussion** **Page 25**

8. **Calendar and Future Meetings Discussion** **Page 27**

9. **Adjournment**

Agenda items will be taken as close as possible to the schedule indicated. Any member of the public may comment on agenda items at the time of discussion. To facilitate public comment, please let staff know if you would like to speak on a specific agenda item. The agenda for this meeting of the Board of Directors of the Golden State Natural Resources was duly posted at its offices, 1215 K Street, Suite 1650, Sacramento, California, 72 hours prior to the meeting.

Any written materials related to an open session item on this agenda that are submitted to the Board of Directors of the Golden State Natural Resources less than 24 hours prior to the meeting, and that are not exempt from disclosure under the Public Records Act, will promptly be made available for public inspection, and may be obtained by contacting mchui@rcrcnet.org.

Upcoming GSNR Board of Directors Meetings

~~September 28, 2022~~

October 12, 2022

November 16, 2022

**Golden State Natural Resources (GSRN)
Board Meeting
Via Zoom Conference**

May 18, 2022 – 10:00 a.m.

Board Members:

Chair, Supervisor Matt Kingsley, Inyo County
Vice Chair, Bob Williams, Tehama County
Supervisor Stacy Corless, Mono County
Supervisor Doug Teeter, Butte County
Supervisor Michael Kobseff, Siskiyou County

Minutes

Call to Order and Determination of Quorum

Chair, Supervisor Matt Kingsley, Inyo County, called the meeting of the Golden State Natural Resources Board of Directors to order at 10:02 a.m. A quorum was determined at that time; those present were as follows:

<u>Board Members in Attendance</u>	<u>County</u>
Doug Teeter	Butte
Matt Kingsley	Inyo
Stacy Corless	Mono
Michael Kobseff	Siskiyou
Bob Williams	Tehama

Absent Members

None

Others in Attendance

Supervisor Eddie Crandall, Lake County
Supervisor Aaron Albaugh, Lassen County
Supervisor Rex Bohn, Humboldt County
Supervisor Geri Byrne, Modoc County
Supervisor Diane Dillon, Napa County
Supervisor Kathleen Haff, Tuolumne County
Supervisor David Griffith, Alpine County
Supervisor Aaron Albaugh, Lassen County
Supervisor Dan Miller, Nevada County
Supervisor Michael Kelley, Imperial County
Greg Norton, GSNR President
Kevin Cann, GSNR Vice President
Terrance Rodgers, GSNR Project Development Manager
Sarah Bolnik, GSNR Community Relations Manager
Patrick Blacklock, RCRC President & CEO
Lisa McCargar, RCRC COO/CFO

Arthur Wylene, RCRC General Counsel
Craig Ferguson, RCRC Senior Vice President
Barbara Hayes, Chief Economic Development Officer
Bob Burris, RCRC Deputy Chief Economic Development Officer
Mary-Ann Warmerdam, RCRC Senior Vice President Government Affairs
Milena De Melo, RCRC Controller
Maggie Chui, RCRC Clerk of the Board
Elizabeth Jensen, RCRC Assistant Controller
Carolyn Jhajj, RCRC Communications Director
Chris Amey, Nexus
Jake Peer, Nexus
Chris Hart, Nexus
Chris Trott, CT Bioenergy
Steve Peterson, Dudek
Bob Dean, Colliers International
Heather Williams, Kerns & West
Henry DeRuff, Kerns & West
Randy Hanvelt

Public Comment

None

Consent Agenda:

Approval of Minutes of the March 13, 2022, Meeting

(Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise)

GSNR Resolution TC003-22: Authorizing Remote and Hybrid Teleconference Meetings of the GSNR Board of Directors Pursuant to Assembly Bill 361

Arthur Wylene, RCRC General Counsel, explained the need for the adoption of GSNR Resolution TC003-22 if the Board wishes to continue with the possibility of remote meetings. Mr. Wylene explained Assembly Bill 360 requires all boards adopt a resolution every 30 days to continue with previous remote meeting processes.

Recommendation

It is recommended that the Board of Directors approve the meeting minutes dated March 13, 2022 and approve GSNR Resolution TC003-22 Authorizing Remote and Hybrid Teleconference Meetings of the GSNR Board of Directors Pursuant to Assembly Bill 361.

Supervisor Michael Kobseff, Siskiyou County, motioned to approve the March 13, 2022, GSNR Meeting Minutes and GSNR Resolution TC003-22. Supervisor Staci Corless, Mono County, seconded the motion. Motion passed by a roll call vote:

AYE: Butte, Inyo, Mono, Siskiyou, Tehama

NAY: 0

Absent: 0

Abstain: 0

Closed Session: Conference with Real Property Negotiators

The GSNR Board of Directors convened a closed session at 10:12 a.m. pursuant to Section 54956.8 of the Government Code

Property: 100 Babcock Road, Nubieber, CA; Lassen Co. APN 001-270-026-11 and 013-040-13-11.

Agency Negotiator: Bob Dean, Colliers International. Negotiating Party: Brian & Megan Dahle, Owners, Under Negotiation: Price & Terms of Payment

The GSNR Board of Directors adjourned the closed session and reconvened the open session at 11:32 a.m.

Report any Action Taken During Closed Session Pursuant to Section 54957.1 of the Government Code

GSNR Vice Chair, Supervisor Bob Williams, Tehama County, announced that no reportable action had been taken during the closed session.

Approval of the 2021 GSNR Audited Financial Statements

Milena De Melo, RCRC Controller, presented the 2021 GSNR Audited Financial Statements to the GSNR Board of Directors.

Recommendation

It is recommended that the GSNR Board of Directors review, approve and adopt the 2021 audited financial statements and communications letter as presented.

Supervisor Michael Kobseff, Siskiyou County, motioned to approve the 2021 GSNR Audited Financial Statements. Supervisor Doug Teeter, Butte County, seconded the motion. Motion passed by a roll call vote:

AYE: Butte, Mono, Siskiyou, Tehama

NAY: 0

Absent: Inyo

Abstain: 0

Quarterly Reports

Milena De Melo presented the GSNR Board of Directors with the condensed balance sheet as well as the budget vs. actual for period ending March 31, 2022.

Project Update

Greg Norton, President & CEO, provided an update on GSNR project status to the Board of Directors.

Feedstock Procurement

Greg Norton informed the GSNR Board of Directors that to date the team has received 12 letters of Interest from feedstock providers, and dozens more are in the works. The feedstock procurement subject-matter experts continue to have ongoing discussions with contractors, suppliers, landowners, resource managers and others.

Workforce Development

Mr. Norton reminded the Board that staff continues to work towards identify partnerships and opportunities to enhance workforce development, with a specific emphasis on in-woods trucking capacity. Trucking workforce will remain a significant challenge nationwide into the foreseeable future. A potential partner has been identified for the Tuolumne site and expressed interest in servicing the project. More work will need to be done in Lassen, and these efforts will continue to develop as the feedstock acquisition plan progresses.

Offtake

The GSNR leadership team recently attended the world's largest Biomass conference and met with several offtakers, producers, suppliers, users, trading houses and utilities to discuss the GSNR project and if there were opportunities to discuss agreements. During the conference the group toured the largest biomass energy generation plants in the world. GSNR staff subsequently followed up with the interested parties to provide additional information and data related to GSNR. Additional meetings and information exchanges will continue. Several parties expressed interest in the project.

Community Outreach The GSNR team hosted two town hall meetings. On Monday May 9th the group was in Tuolumne County in Jamestown, and on Wednesday May 11th the group was in Lassen County in Bieber. In Tuolumne there were approximately 80 individuals in attendance. In Lassen County there was nearly 300 individuals in attendance. Working with GSNR project consultants, invitations were mailed to the residents in the surrounding communities, invitations were posted in libraries, schools, stores, restaurants, etc. and ads were placed announcing the event in all the local newspapers and social media. Additional meetings will be scheduled in late summer and/or early fall to provide interested parties with a project update and more specific information about the sites and potential impacts to the surrounding communities.

Miscellaneous

Townsend Public Affairs continues working directly with GSNR staff to identify and apply for project funding opportunities at both the federal and State level. In early May, the GSNR team applied USDA Climate Smart Commodities grant. The expects to submit a CCI CalFIRE grant at the end of June.

The GSNR team recently attended the Governor's Wildfire Task Force meeting in Sonoma County, and GSNR will be sponsoring an upcoming Cohesive Strategies reception on Tuesday June 21, 2022, in Placerville, CA.

Mr. Norton announced the Lisa McCargar will be joining the GSNR team full-time.

Communications Plan Update

Kevin Cann, GSNR Vice President, discussed the status of the communications plan. This plan is focused on the CEQA regulations. Kerns West compiled a 7-page handout/takeaway that was provided to the town hall attendees. The hope was that it would provide an overview of the GSNR project and mission.

Mr. Cann discussed the recent GSNR website.

Adjournment

Chair, Supervisor Matt Kingsley, Inyo County, adjourned the meeting of the GSNR Board of Directors at 12:24 p.m.



To: Members of the GSNR Board of Directors
From: Greg Norton, President/CEO
Date: July 19, 2022
Re: GSNR Resolution TC004-22: Authorizing Remote and Hybrid Teleconference Meetings of the GSNR Board of Directors Pursuant to Assembly Bill 361 - **ACTION**

Summary

The proposed resolution will allow the current GSNR Board meeting to be held remotely, in accordance with the practices developed over the past two years.

Background

In accordance with Section 4(k) of the GSNR Bylaws, meetings of the Board of Directors are conducted pursuant to the provisions of the Ralph M. Brown Act. The Brown Act has traditionally placed significant restrictions on teleconferenced meetings, including requiring that each teleconference location be accessible to the public (i.e., participation of Board members from homes or private offices has not been permitted).

In the early days of the COVID-19 pandemic, the Governor issued a series of Executive Orders temporarily suspending the restrictions on teleconferenced meetings, under which most GSNR Board meetings have been conducted during the last year-and-a-half. These Executive Orders terminated on September 30, 2021. In their place, the Legislature has enacted Assembly Bill 361 (R. Rivas), which permits legislative bodies to continue holding teleconferenced meetings without the traditional Brown Act restrictions (through December 2023) under any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

To continue to continue holding teleconferenced meetings in the manner to which Board members have become accustomed, GSNR's Board of Directors will need to make the

one of the foregoing determinations required by Assembly Bill 361. The “imminent risk” determinations are factually supportable, as the continued rates of transmission of the COVID-19 virus, including the Omicron variant, can indeed present imminent risks to the health and safety of some in-person attendees, particularly those with pre-existing health conditions.

If the proposed resolution making these determinations is approved, the GSNR Board may continue holding remote and hybrid in-person/remote meetings in substantially the same manner as it has during the past 18 months. (Assembly Bill 361 includes several additional requirements for teleconferenced meetings, including providing an opportunity for “real time” public comment, and suspending the meeting in the event that remote connectivity is lost; however, these are all consistent with GSNR's existing practices.)

Assembly Bill 361 generally requires that the requisite determinations must be reconsidered every thirty days. Since the GSNR Board typically does not meet that frequently, a new resolution making these determinations will be required at the start of each meeting.

Recommendation

It is recommended that the GSNR Board of Directors approve the proposed Resolution Authorizing Remote and Hybrid Teleconference Meetings of the GSNR Board of Directors Pursuant to Assembly Bill 361.

Attachment

- GSNR Resolution TC004-22

GSNR RESOLUTION TC004-22

AUTHORIZING REMOTE AND HYBRID TELECONFERENCE MEETINGS OF THE GSNR BOARD OF DIRECTORS PURSUANT TO ASSEMBLY BILL 361

WHEREAS, Golden State Natural Resources, Inc. (GSNR) is committed to preserving and nurturing public access and participation in meetings of GSNR's legislative bodies; and

WHEREAS, the Brown Act, Government Code section 54953, subdivision (e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953, subdivision (b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, on March 4, 2020, the Governor proclaimed pursuant to his authority under the California Emergency Services Act, California Government Code section 8625, that a state of emergency exists with regard to a novel coronavirus (a disease now known as COVID-19); and

WHEREAS, on June 4, 2021, the Governor clarified that the "reopening" of California on June 15, 2021 did not include any change to the proclaimed state of emergency or the powers exercised thereunder; and

WHEREAS, as of the date of this Resolution, neither the Governor nor the Legislature have exercised their respective powers pursuant to California Government Code section 8629 to lift the state of emergency either by proclamation or by concurrent resolution in the state Legislature;

WHEREAS, the continued rates of transmission of the virus and variants causing COVID-19 within California are such that meeting in person would present imminent risks to the health or safety of some attendees of public meetings, particularly those with pre-existing health conditions; and

WHEREAS, the Board of Directors has considered the current circumstances of the state of emergency, and determined that the state of emergency continues to directly impact the ability of the members to meet safely in person;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Golden State Natural Resources, Inc. as follows:

1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.
2. A proclaimed state of emergency exists and as a result of the emergency, meeting in person would present imminent risks to the health or safety of some attendees, particularly those with pre-existing health conditions.
3. The Board of Directors is hereby authorized and directed to conduct open and public meetings in accordance with Government Code section 54953, subdivision (e) and other applicable provisions of the Brown Act.
4. This Resolution is intended to enable the Board of Directors to meet via teleconference in accordance with Assembly Bill 361 of 2021 (Statutes 2021, Chapter 165), whether solely by teleconference or via a "hybrid" combination of physical location and teleconference.
5. This Resolution shall take effect immediately upon its adoption and shall be effective for a period of thirty (30) days thereafter, unless extended pursuant to Government Code section 54953, subdivision (e)(3). Expiration of this resolution shall not prejudice any subsequent action to adopt another resolution in accordance with Government Code section 54953, subdivision (e) during the present or any future state of emergency.

Secretary's Certificate

I certify that the foregoing is a true and accurate description of action taken at a properly constituted meeting of the Board of Directors of Golden State Natural Resources, Inc. on July 27, 2022.

Secretary's Signature



To: Members of the GSNR Board of Directors
From: Greg Norton, President/CEO
Arthur J. Wylene, RCRC General Counsel
Date: July 19, 2022
Re: GSNR Bylaws Amendment To Extend and Stagger Board Member Terms - **ACTION**

At the January 19, 2022 meeting, the GSNR Board of Directors expressed consensus to move forward with several recommendations relating to the composition of the GSNR Board, including:

- Increase the length of GSNR Board member terms to two years, with staggered terms – i.e., RCRC and GSFA will each designate one GSNR Director each year for a two-year term.
- Conduct GSNR Board member appointments annually at the January RCRC and GSFA meetings. The appointees will be recommended by the incoming Chairs of RCRC and GSFA, respectively, subject to confirmation of the full Boards.
- Request that RCRC/GSFA Board members desiring appointment submit a statement of interest (similar to the current process for the RCRC Second Vice Chair position).
- Defer action to expand the GSNR Board at this time, pending further evaluation and engagement with potential partners and investors. Continue active consideration of (1) amending the GSNR Bylaws to increase the number of Directors designated by the RCRC and GSFA Boards; and (2) refining the desired role and qualifications of the four additional authorized Director positions.

Issue

Proposed amendments to the GSNR Bylaws have been prepared to implement the first two of the foregoing recommendations. The amendments will increase the length of GSNR Board member terms to two years, with staggered terms expiring in January – i.e., RCRC and GSFA will each designate one GSNR Director each year for a two-year term. (To set up the staggered terms, the current appointees from each Board would select by lot one member whose term would expire in January 2023, and one whose term would be extended to January 2024.) The ability of Board members to have/hold consecutive terms will not be impacted.



Under the Corporations Code (sections 5220(d) and 5310), these GSNR Bylaw amendments may be approved by the GSNR Board, and do not require formal action by RCRC or GSFA. However, both the RCRC Executive Committee and RCRC Board were provided with an opportunity to review these amendments and provide feedback at a regular meeting.

Recommendation

It is recommended that the GSNR Board review and adopt the proposed GSNR Bylaws amendments.

Attachment

- Proposed GSNR Bylaws Amendments

Proposed GSNR Bylaws Revision

Section 5. Directors.

(c) Designation and Term of Office; Removal.

(i) The directors of the corporation shall be the currently serving President of RCRC (or their designee); two members of the Board of Directors of RCRC, designated by the RCRC Board; and two members of the Board of Directors of the Golden State Finance Authority ("GSFA"), designated by the GSFA Board. The directors designated by the RCRC Board and GSFA Board shall have staggered two-year terms of office, with the term of one director designated by each Board expiring on January 31st of each year. The term of office for directors designated by the RCRC Board or GSFA Board shall be one year, provided that any director designated by the RCRC Board or GSFA Board may be removed by their designator at any time without cause. Each director shall hold office until the expiration of the term for which designated and until a successor has been designated and qualified, unless the director has been removed from office. Directors may serve for an unlimited number of additional one-year terms, consecutively or not. If the Board is expanded, the terms and manner of selection of the additional Board members will be established by the Board.

(ii)(A) No later than December 31, 2022, the directors chosen by designation of the RCRC Board shall select by lot one director whose term will expire on January 31, 2023, and one director whose term will expire on January 31, 2024, so that the terms are thereafter staggered. In the event that one such director resigns from the Board of Directors on or before December 31, 2022, the remaining director's term shall expire on January 31, 2024, and the RCRC Board shall designate another qualified director whose term will expire on January 31, 2025.

(e) — (B) No later than December 31, 2022, the directors chosen by designation of the GSFA Board shall select by lot one director whose term will expire on January 31, 2023, and one director whose term will expire on January 31, 2024, so that the terms are thereafter staggered. In the event that one such director resigns from the Board of Directors on or before December 31, 2022, the remaining director's term shall expire on January 31, 2024, and the GSFA Board shall designate another qualified director whose term will expire on January 31, 2025.

(C) This subsection (ii) shall remain in effect only until January 31, 2023, and as of that date is repealed.

(f) Vacancies on the Board. A vacancy on the Board shall exist on the occurrence of any of the following: (i) death or resignation of any director; (ii) declaration by a resolution of the

Formatted: Indent: Left: 1", No bullets or numbering

Formatted: Normal, Indent: Left: 0", First line: 1"

Formatted: List Paragraph, Indent: Left: 0", First line: 1"

Formatted: Indent: First line: 1"

Formatted: Indent: Left: 0", First line: 0.94"

Board of a vacancy in the office of a director who has been declared of unsound mind by an order of a court or competent jurisdiction, convicted of a felony or found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law; (iii) the increase of the authorized number of directors; ~~(iv) the failure of the Board to elect the number of directors required to be elected at an annual meeting;~~ or (iv) removal in accordance with these Bylaws or the California Nonprofit Public Benefit Corporation Law.

Section 11. Amendments. Subject to the provisions of these Bylaws set forth herein, the Board may adopt, amend, or repeal bylaws. ~~The Boards may not extend the term of a director beyond that for which the director was elected except by re-electing such director as provided herein.~~ If any provision of these Bylaws requires the vote of a larger proportion of the Board than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.

Commented [AJW1]: GSNR Directors are “designated,” rather than “elected” (see Corporations Code section 5220, subdivision (d)) – and there is no annual meeting – so the deleted language is inapplicable and unnecessary.

Commented [AJW2]: GSNR Directors are “designated,” rather than “elected” (see Corporations Code section 5220, subdivision (d)), so the deleted language is inapplicable and unnecessary.

To: Members of the GSNR Board of Directors
From: Greg Norton, President/CEO
Kevin Cann, Vice President
Project Development Team
Date: July 19, 2022
Re: Project Update

Summary

GSNR continues to make positive project toward project development. The GSNR team will provide a thorough presentation/update at the Board meeting. The update will include key areas and topics of interest regarding the project, including:

- Project timeline and milestone dates
- Environmental review and associated communication
- Port selection
- Site and Port Design
- Off-take opportunities and interest
- Rail status
- Feedstock development and acquisition
- Financial Status & funding opportunities/efforts
- Additional topics of interest

Recommendation

No action is necessary at this time as this is an informational item only.



Golden State Natural Resources, Inc.
1215 K Street, Suite 1650
Sacramento, California 95814

To: Members of the GSNR Board of Directors
From: Lisa McCargar, Vice President of Finance and Administration
Date: July 19, 2022
Re: GSNR Condensed Balance Sheet (June 30, 2022)

Summary

The Condensed Balance Sheet provides an overview of the Net Position of GSNR as of June 30, 2022, compared to audited Net Position as of December 31, 2021 and 2020.

GSNR finished the quarter with a net deficit of \$3.8 million. Significant balance sheet items include:

- Total cash of approximately \$341 thousand.
- Land (Tuolumne and Lassen County properties) of approximately \$2 million.
- Notes payable to affiliated entity (Golden State Finance Authority) of approximately \$6.2 million.

Attachment

- GSNR Condensed Balance Sheet as of June 30, 2022.

Golden State Natural Resources
Condensed Balance Sheet
June 30, 2022

	(Unaudited) June 30, 2022	Audited December 31, 2021	December 31, 2020
Assets			
Cash in banks	\$ 341,182	\$ 57,739	\$ 220,988
Accounts receivable	21,245	79	-
Capital assets - land	2,053,303	2,053,365	1,304,537
Total Assets	\$ 2,415,730	\$ 2,111,183	\$ 1,525,525
Liabilities			
Accounts payable	\$ 12,294	\$ 96,379	\$ -
Note payable to related entity	6,182,900	4,599,303	2,010,240
Accounts payable to related entity	113	58,724	48,190
Total Liabilities	\$ 6,195,307	\$ 4,754,406	\$ 2,058,430
Net Deficit, Unrestricted	\$ (3,779,577)	\$ (2,643,223)	\$ (532,905)



To: Members of the GSNR Board of Directors
From: Lisa McCargar, Vice President of Finance and Administration
Date: July 19, 2022
Re: GSNR Budget v. Actual Report (June 30, 2022)

Summary

The Statement of Revenues and Expenses for GSNR provides a budget to actual comparison for the quarter ended June 30, 2022.

For the six months ended June 30, 2022, GSNR's expenditures exceeded revenues by approximately \$1.1 million. Expenditures were budgeted to exceed revenues by \$1.8 million, resulting in a \$697 thousand favorable variance year to date. As highlighted below, the favorable variance is most significantly due to timing versus real savings:

- The favorable variance of approximately \$493 thousand in development expenditures for consultants, including pre-development owners engineers, environmental, legal, offtake development and other field consultants, will likely be eliminated as the year progresses as they are primarily due to the timing of expenditures.
- The favorable variance of \$42 thousand related to savings realized from a change in the choice of GSNR's security service provider.
- The favorable variance of \$105 thousand in investor outreach and financing is a timing difference as GSNR has not yet reached this phase of the project development.

Attachment

- GSNR Statement of Revenues and Expenses, Budget vs. Actual, for the Quarter Ended June 30, 2022.

GOLDEN STATE NATURAL RESOURCES
2022 BUDGET vs ACTUAL
June 30, 2022

	2022 Annual Budget	Period ended June 30, 2022 Budget	Period ended June 30, 2022 Actual	Variance favorable / (unfavorable)	Percent favorable / (unfavorable)
REVENUE					
Pellet Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Lease Income	16,800	8,400	-	(8,400)	-100.0%
OTHER - GRANTS					
In-kind contribution from RCRC	1,399,500	699,750	720,995	21,245	3.0%
TOTAL REVENUE	\$ 1,416,300	\$ 708,150	\$ 720,995	\$ 12,845	1.8%
EXPENDITURES					
DEVELOPMENT					
Pre-Development Owner's Engineer	\$ 1,275,000	\$ 637,500	\$ 480,000	\$ 157,500	24.7%
Consultants (studies, impact, owners)	929,000	464,500	214,224	250,276	53.9%
Environmental (CEQA/NEPA)	200,000	100,000	31,515	68,485	68.5%
Legal - Sites, contracts	100,000	50,000	-	50,000	100.0%
Offtake Development	75,000	37,500	-	37,500	100.0%
Travel - Consultants	15,000	7,500	77,815	(70,315)	-937.5%
SUBTOTAL DEVELOPMENT	2,594,000	1,297,000	803,554	493,446	38.0%
GENERAL AND ADMINISTRATIVE					
Accounting & Auditing	7,300	3,650	6,300	(2,650)	-72.6%
Advertising	15,000	7,500	-	7,500	100.0%
Contract Service Fee - RCRC	1,399,500	699,750	699,750	-	0.0%
IT Setup	12,000	6,000	-	6,000	100.0%
Insurance	1,600	800	-	800	100.0%
Interest Expense	172,500	86,250	83,596	2,654	3.1%
Legal (Structure, Transactional)	75,000	37,500	10,994	26,506	70.7%
Miscellaneous	60,000	30,000	27,752	2,248	7.5%
Payroll/ PR tax / Benefits	325,000	162,500	183,635	(21,135)	-13.0%
Rent	5,000	2,500	-	2,500	100.0%
Security Services	84,000	42,000	-	42,000	100.0%
Taxes - Property	25,000	12,500	6,794	5,706	45.6%
Travel - Staff	45,000	22,500	31,271	(8,771)	-39.0%
Travel - Board	5,000	2,500	-	2,500	100.0%
Utilities	48,000	24,000	3,704	20,296	84.6%
SUBTOTAL G&A	2,279,900	1,139,950	1,053,796	86,154	7.6%
INVESTOR OUTREACH AND FINANCING					
Consultants	210,000	105,000	-	105,000	100.0%
Total Expenditures	\$ 5,083,900	\$ 2,541,950	\$ 1,857,350	\$ 684,600	26.9%
Net (Expenditures) over Revenue	\$ (3,667,600)	\$ (1,833,800)	\$ (1,136,355)	\$ 697,445	38.0%



Golden State Natural Resources, Inc.
1215 K Street, Suite 1650
Sacramento, California 95814

To: Members of the GSNR Board of Directors
From: Lisa McCargar, Vice President of Finance and Administration
Date: July 19, 2022
Re: Project Budget Discussion

Summary

A verbal project budget discussion will take place at the GSNR Board of Directors Meeting.



Golden State Natural Resources, Inc.
1215 K Street, Suite 1650
Sacramento, California 95814

To: Members of the GSNR Board of Directors
From: Greg Norton, President/CEO
Date: July 19, 2022
Re: Calendar and Future Meetings Discussion

Summary

A verbal discussion regarding calendar and future meetings will take place at the GSNR Board of Directors Meeting.

Attachment

- GSNR 2023 Meeting Calendar (Proposed)



GSNR
2023 Meeting Calendar

<u>January 2023</u> Wednesday, January 11, 2023	GSNR Board Meeting	TBD/Zoom
<u>March 2023</u> Wednesday, March 22, 2023	GSNR Board Meeting	TBD/Zoom
<u>June 2023</u> Wednesday, June 7, 2023	GSNR Board Meeting	TBD/Zoom
<u>August 2023</u> Wednesday, August 9, 2023	GSNR Board Meeting	TBD/Zoom
<u>October 2023</u> Wednesday, October 4, 2023	GSNR Board Meeting	TBD/Zoom
<u>December 2023</u> Wednesday, December 13, 2023	GSNR Board Meeting	TBD/Zoom