



Lodestone Exploration Limited

ABN 20 075 877 075

www.lodestonex.com

29 April 2008

The Manager
Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear Sir/Madam,

ACTIVITIES REPORT FOR QUARTER ENDED 31 MARCH 2008

Lodestone continues to advance its two core projects: Mount Morgan and Limestone Creek, in Queensland, and has recently been granted Prospecting Licences in Botswana.

Mount Morgan Project: (100% Lodestone): This project is centred on the historic gold mining town of the same name, 50 kilometres south-west of Rockhampton, Queensland. Lodestone is exploring for gold, copper, and molybdenum.

Several large companies are showing interest in joining the project. Each of these companies has the technical capability and financial resources required to carry out the scale of drilling needed to thoroughly test the Discoverer Two, Midas, Moongan, Hamilton, and other prospects/targets in the Mount Morgan District.

Limestone Creek Project: (100% Lodestone): This project is located 130 kilometres north of the Chillagoe township in North Queensland. Exploration is aimed at locating gold and base metals within the Chillagoe Formation that hosts the Red Dome and Mungana deposits near Chillagoe.

Lodestone reported a promising new copper discovery; Leane's Prospect, to the Australian Stock Exchange in October 2007.

Fieldwork aimed at optimising drill sites will resume in June.

Botswana Project: (100% Lodestone): This uranium project is located in eastern Botswana.

Lodestone has been granted five Prospecting Licences totalling 3125 km² in eastern Botswana. A location plan is attached.

Eastern Botswana, where Lodestone's Prospecting Licences are located, has rail, road, power and urban infrastructure. Lodestone's licensed areas are between 60 kilometres and 240 kilometres from Gaborone, the nation's capital.

Botswana is rated highly in the annual World Investment Risk Survey conducted by Resource Stocks within the Australian mining industry. Most recently (2007) Botswana was rated the seventh most favoured mining country, of 32 listed, just below the United States (6) and above Australia (8). Moreover, Botswana strongly encourages exploration for uranium.

Lodestone's first tasks are to confirm the presence of favourable lithologies by fieldwork, and to identify discrete targets within the Makoro area by integrating and interpreting existing lithological, airborne radiometric, drill hole, and satellite data.

Funds required for this work are anticipated to be raised from Lodestone, its shareholders, and new investors.

Forward Programs: Lodestone will continue to advance the Mount Morgan and Limestone Creek Projects in the next three months in preparation for drilling, and will begin fieldwork on the Botswana Project.

Yours faithfully,



John McCawley
Executive Director
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LEGEND

- | | | | |
|---|-----------------------------|---|-----------------------|
|  | Granted Prospecting Licence |  | City / Township |
|  | Major road / highway |  | National Park |
|  | Road |  | Thermal power station |
|  | Railway | | |

0 100 200km

LODESTONE EXPLORATION LIMITED
**BOTSWANA PROSPECTING LICENCES
 - LOCATION MAP**