



23 June 2008

Dear Optionholder,

**OPTION EXPIRY NOTICE – 21 JULY 2008**

Lodestone Exploration Limited would like to advise you that the options (LODO – ASX Code) which you hold in the Company expire on 21 July 2008. These options are your right to purchase Lodestone Exploration Limited shares (LOD) at an option exercise price of 5 cents each.

Enclosed with this letter is an option exercise form. You should read it carefully and seek financial advice if you do not understand it or are uncertain about what is your best course of action.

The completed form, together with payment, must be received by Link Market Services Limited no later than 21 July 2008. In accordance with ASX rules, this date cannot be extended and forms received after this date cannot be accepted. If you do not exercise your right of conversion or do not send payment for the conversion of the options, your options will lapse.

Yours faithfully,

Leni Stanley  
Company Secretary



**Notice to Optionholders**  
**21 July 2008 5 Cent Options (LODO)**

Dear Optionholder

Notice is hereby given that the Lodestone Exploration Limited ("the Company") options that you hold will expire on Monday 21 July 2008. The registry must therefore receive option exercise monies on or before the close of business on Monday 21 July 2008. In accordance with the ASX Listing Rules the Company advises the following:

1. The option exercise price is \$0.05 (five cents) for each 21 July 2008 option.
2. The due date for payment for the option exercise is 21 July 2008.
3. If existing optionholders do not elect to exercise their options by 21 July 2008 and do not make the payment of 5 cents per option then their options will lapse.
4. Quotation of the 21 July 2008 options will cease on 14 July 2008 that is 5 business days before 21 July 2008.
5. The last market sale price of the ordinary shares on 20 June 2008 was \$0.056.
6. The highest and lowest market sale price of the Company's shares into which the 21 July 2008 options are exercisable during the 3 months immediately before this notice was;  
  
Highest - \$0.056 on 20 June 2008.  
Lowest - \$0.023 on 5 May 2008, 12 May 2008 and 13 May 2008.
7. There is no underwriting agreement in relation to the 21 July 2008 options.

To exercise your options please complete the form with this letter and return to the share registry at the address on the form before 5pm (Brisbane time) on 21 July 2008.

All fully paid ordinary shares issued upon exercise of the options will rank pari passu in all respects with the Company's existing ordinary fully paid shares. The Company will apply for Official Quotation by Australian Stock Exchange Limited of all shares issued upon exercise of the options.

Should you have any queries with respect to this notice please contact the Company's Share Registry on 02 8280 7454 or the Company Secretary, Ms Leni Stanley on (07) 3221 6022.

Leni Stanley  
Company Secretary  
23 June 2008



**Exercise of options at \$0.05 expiring 21 July 2008**

To be completed by Optionholder (details as recorded on your Holding Statement):

<b>Name of Optionholder</b>	<b>Address of Optionholder</b>	<b>Shareholder Number (SRN or HIN)</b>

**IMPORTANT NOTICE:** The Options referred to in this Option Exercise Form may be transferred electronically in CHESS. This Option Exercise Form should not be relied on as evidence of the current entitlement of the person named in this Option Exercise Form.

**LAST DAY OF OPTIONS TRADING 14 JULY 2008**

**Options Expire 21 July 2008**

<b>To be completed by Optionholders</b>	<b>Number of options to be exercised</b>	<b>Exercise price of \$0.05 Per option</b>	<b>Amount payable</b>
		X AUD \$0.05	

Return of this form with your cheque on or before the close of business on 21 July 2008 will constitute acceptance of your exercise of options and will constitute your agreement to be bound by the Constitution of Lodestone Exploration Limited.

**NO SIGNATURE IS REQUIRED ON THIS FORM.**

Each option entitles the holder to one fully paid ordinary share in the capital of Lodestone Exploration Limited ABN 20 075 877 075 ("the company").

**Payment**

- (a) All cheques are to be made payable to **Lodestone Exploration Limited** and crossed "not negotiable". All cheques are to be drawn in Australian currency.
- (b) The exercise notice together with your payment should be forwarded to:
  - Lodestone Exploration Limited, C/- Link Market Services, GPO Box 2537, Brisbane Qld 4001 or
  - Link Market Services, Level 12, 300 Queen Street, Brisbane Qld 4000

**Please Note Details Of Cheque(s) Drawn**

<b>Drawer</b>	<b>Bank</b>	<b>Amount</b>

Please complete the following, so we may contact you if necessary:

**Contact Name:** .....

**Daytime Contact Phone Number: (....)** .....