



LODESTONE EXPLORATION - OVERVIEW

- Lodestone Exploration was founded in 1996 to identify and investigate potential economic blind ore bodies in the prospective gold-copper region south of Mount Morgan in Central Queensland.
- The Company is focused on a 617 square kilometre tenement area (100% Lodestone), located 2km outside the historic gold and copper mining town of Mount Morgan in Central Queensland.
- The Company has a formal alliance with BHP Billiton relating to its Mount Morgan project.
- Lodestone Exploration and BHP Billiton have discovered in excess of 17 significant electromagnetic anomalies, which had previously been undetected due to the limitations of the available technology.
- Using modern airborne electromagnetic survey equipment, including GEOTEM, TEMPEST and HOISTEM survey techniques, Lodestone Exploration has been able to validate the setting and extent of the conductive electromagnetic anomalies.
- The Company has appointed an experienced Board and Management team to commence the planning of a drilling program, expected to commence immediately following a proposed listing on the Australian Stock Exchange.
- Securities on issue - Ordinary Shares 17.1 million; Board/Management Options: 1.1 million.

GLOSSARY OF TERMS

ELECTROMAGNETIC ANOMALY - a conductor identified by electromagnetic survey equipment

CONDUCTOR - a geological body with conductive electrical properties (possibly containing sulphides)

EM - Electromagnetic

GEOTEM/TEMPEST - an airborne electromagnetic survey technique using a fixed-wing aircraft

HOISTEM - an airborne electromagnetic survey technique using a helicopter

VMS DEPOSIT - a Volcanogenic Massive Sulphide Deposit



PROFILES

BOARD OF DIRECTORS

John T. Shaw – Chairman BSc (Geological Engineering), F.AusIMM, MCIM, FAICD, MAIME
Mr Shaw will add considerable strategic and technical experience to Lodestone's exploration and potential development programs.

He is currently a director of AurionGold Ltd and Kingsgate Consolidated Ltd. He was a director of Delta Gold Ltd, Marcopper Mines Ltd, Managing Director of Kidston Gold Mines Ltd and Chairman of Zimbabwe Platinum Mines Ltd. He worked with the Placer Dome organization for more than 30 years; 15 years in Australia starting as General Manager of Kidston Gold Mines and retiring as VP Australian Operation of Placer Dome Asia Pacific.

Martin Ackland – Director B.App.Sc., M.AusIMM, MAIME

Mr Ackland has over 35 years experience in metallurgy, process and development and mining. He is President and CEO of Southern Cross Resources Inc and a Non-Executive Director of McConnell Dowell Corporation Limited. He is also a director of Sedimentary Holdings Limited, an ASX-listed company advancing a gold mining project in Queensland.

Patrick Sankey – Director MAIM, MIPSIM

Mr Sankey has more than 30 years experience in the mining industry. From 1966 to 1985 he held several positions at both the Mount Isa operations and the coal division of MIM. Mr Sankey joined the Placer Group in 1985 at the Kidston mine of which he became resident manager from 1988 to 1991. Then from 1991 to 1994 Mr Sankey served as General Manager - Finance and Administration for Placer Pacific. He was appointed a Director of Kidston Gold Mines Limited in April 1994 and is chairman of that company's Audit Committee.

John McCawley – Director B.Com (Hons)

Mr McCawley's background is in exploration and finance. He has previously held roles with Carpentaria Exploration, Ausminda (Noranda and Placer), Amax Exploration Inc and MIM Holdings. Mr McCawley is Investment Manager at BML, a Brisbane-based Venture and Development Capital Fund. He also serves on the Board of a Sydney-based Biomedical engineering company.

Greg Baynton – Director M.Econ St, MBA, B.Bus (Accounting), ASIA, FAICD

Mr Baynton is founder and Managing Director of ORBIT CAPITAL, an investment bank focusing on structuring and funding early stage companies in preparation for stock exchange listing. He is the founder of a junior ASX-listed oil and gas exploration company and comes from a background in merchant banking and Queensland Treasury, with a focus on capital raisings. Mr Baynton serves on the Boards of a number of private companies.



SENIOR MANAGEMENT

Mark Dugmore - General Manager M.Sc(Expl.& Mining Geology), B.AppSc(App.Geo.)

Mr Dugmore has 18 years of expertise in the Mining and Minerals Exploration industry. Most recently, as Manager Global Base Metals at BHP Minerals, Mr Dugmore led 80 dedicated professionals and support staff, and managed local and overseas regional offices. He has been involved in the discovery and successful commercial development of a number of mineral deposits within Australia and overseas.

Peter E. Fox – Chief Geologist B.Sc. (Hons), M.Sc., PhD, P.Eng (BC)

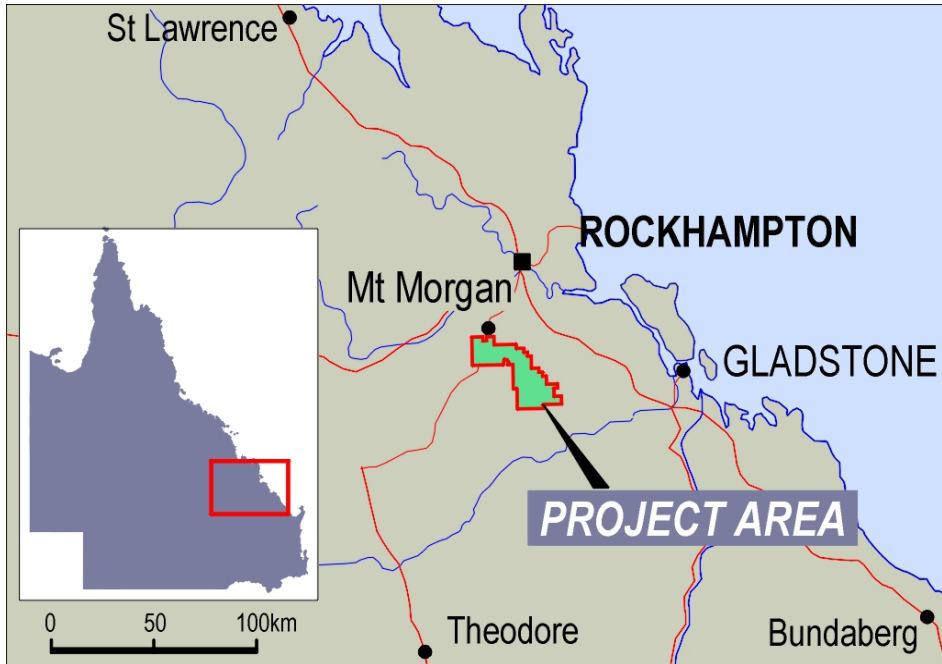
Until recently, Peter Fox headed Fox Geological Consultants Ltd, a Canadian consulting firm established in 1971. The firm specialized in managing, evaluating and developing exploration and mining operations from conceptual stages through to feasibility studies. Its client list included major mining companies of North America as well as several junior companies with prospects located worldwide. Dr Fox has authored many technical publications and professional presentations, is a member of the Society of Economic Geologists, the Canadian Institute of Mining and Metallurgy, the Association of Professional Engineers and Geologist of British Columbia and a past chairman of the Mining and Exploration Group.

Dr Fox's discoveries include the Quesnel River gold mine, the Gambier porphyry copper deposit in British Columbia, and several other deposits in Western Canada. Dr Fox has drawn upon his understanding of the world renowned Noranda mining camp and other mining districts in guiding and developing the Company's Mount Morgan project.

Leni Stanley – Company Secretary and Financial Accountant B.Com, CA

Ms Stanley is a partner in Stanley Yeates & Associates, Chartered Accountants. She has performed the role of Chief Financial Officer and corporate administrator for a number of listed public companies for more than 16 years. Her experience as Chief Financial Officer of listed companies covers a variety of industries including Australian and international exploration and production, information technology, research and development, and investment entities.

TENEMENT LOCATION



ABOUT THE MOUNT MORGAN GOLD MINE

Following the Mount Morgan Gold Mining Company's listing on the London Stock Exchange, "Mount Morgan" was a familiar name on the Stock Exchanges of the world in the early 1900s.

Robert L. Jack, Government Geologist, stated in 1884 "The discovery of gold in Mount Morgan is one of the most important events in the history of the mining industry. It is not merely that the quantity is large and that certain shareholders will be enriched; but the possibility that the discovery may lead to others of equal importance in a direction where gold has never hitherto been looked for lends it a wider significance."

The mine generated almost 10 million oz of Gold and was mined for more than 100 years. The Mount Morgan mine yielded the following metal production:

- Gold - 9,500,000 oz (avg. 4.99 grams/tonne)
- Copper - 360,000 tonnes
- Silver - 50 tonnes

The dividends from the mine funded the establishment of The Walter and Eliza Hall Institute for Medical Research in Melbourne, Australia first and most prestigious medical research agency.

William Knox D'Arcy, a Rockhampton Solicitor and shareholder, became Australia's richest man, making an incredible £6 million from his share in the mine between 1882 and 1889. He later moved to London and his Mount Morgan profits funded the first oil drilling in Persia (modern day Iran), which led to the creation of the famous BP Company.