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MEDIA RELEASE

Lodestone Exploration Sets Sights on 2002 Drilling

Junior explorer, Lodestone Exploration, has confirmed the appointment of its new Board and its intention to commence a series of drilling programs in the Mount Morgan area later this year, the company announced today.

Corporate Director, Mr Greg Baynton said Lodestone Exploration was incorporated in 1996 to identify and investigate potential economic blind ore bodies in a prospective gold-copper region south of Mount Morgan in Central Queensland.

He said the Company currently held a tenement area of about 600 square kilometres, commencing 3 km outside the historic gold and copper mining town of Mount Morgan.

“While our operations do not involve any activities at the old mine site, we are targeting a corridor south of the famous mine,” he said.

“Prior to Lodestone’s involvement in the region, this corridor had not been surveyed with modern airborne electromagnetic technologies.

“We have now flown two types of aerial survey; both HOISTEM and GEOTEM systems. The aim was to test our geological model using technologies that can penetrate cover rocks overlying the prospective sequence.

“These surveys covered a limited area of our tenements to the south, and a new aerial survey is soon to commence in the north, covering the balance of the prospective corridor.

“Results to date have confirmed the presence of a number of significant anomalies beneath the cover rocks.”

Mr Baynton said results of research and fieldwork conducted by consulting geologists and geophysicists since the company was founded in 1996, combined with the results of the recent aerial surveys, had attracted a high calibre team to the Company, and underpinned its formal alliance with BHP Billiton.

He said the Company’s Board included John Shaw (Chairman), Martin Ackland, Patrick Sankey, and founder John McCawley.

“The company’s Board collectively brings over 100 years of experience in the minerals exploration industry to the company.



“Chairman John Shaw has had an extensive career in the gold mining industry. He brings considerable strategic and technical experience to Lodestone’s exploration and potential development programs.

“Mr Shaw is currently a Director of AurionGold, and has worked as Managing Director of Kidston Gold Mines and has held a number of directorships with organisations including Delta Gold and the Australian Gold Council.”

Mr Baynton said the company had also appointed ex-BHP Minerals Exploration Manager, Mark Dugmore, to manage the Company’s ongoing exploration and drilling efforts.

He said that as General Manager, Mr Dugmore would be valuable to the Company.

“Mr Dugmore has the extensive knowledge and experience of exploration and mining to take Lodestone from its current investigative activities, through the drilling phase, with a longer term view to mining within the tenement area.

“We are currently planning a series of drilling programs to commence during late 2002, to be funded from proceeds of a planned listing on the Australian Stock Exchange.”

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Att: Facts sheets on Lodestone Exploration and summarising the expertise of each Board member have been attached.