



Lodestone Exploration Limited

ABN 20 075 877 075

www.lodestonex.com

ASX Release

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LOD

10 September 2007

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

Dear Sir,

CORRECTION - EXPLORATION UPDATE

On Friday 7 September 2007 Lodestone released its Exploration Update to ASX but inadvertently omitted to include a Competent Person statement. This has now been rectified and the announcement is set out below, including the required Competent Person statement:

Outlines of exploration during the past month, and plans for the six weeks to 18 October 2007, follow:

Karinya Project. All of the geophysical targets at the Frankton Prospect have now been drill tested, with the completion of holes FSD02 (drilled to 510 metres) and FND01 (drilled to 150 metres).

The conductive targets proved to be pyritic carbonaceous shale that carries no significant mineralisation where drilled.

Attention now turns to other sections of the Karinya shale that are not necessarily carbonaceous, and to the rocks below the shale; where they outcrop or can be traced in a 15 kilometre belt north of Frankton.

Mount Morgan Project. Data from VTEM Survey Area Four, centred seven kilometers east-north-east of Mount Morgan, shows a 250 metre⁺ by 350 metre⁺ (in plan view) conductive zone immediately east of the Struck Oil Copper Molybdenum Prospect.

Geopeko's DDH12, drilled to 462 metres in 1973, is located on the southern edge of the VTEM conductor.

Copper values from seven metres to 38 metres varied between 200 ppm and 9700 ppm, and averaged 1850 ppm. Molybdenum varied between five ppm and 250 ppm, and averaged 95 ppm. Strongly anomalous values persisted throughout most of the hole.

Ground overlying the VTEM conductive zone is being closely examined.

Limestone Creek Project. Another round of fieldwork was carried out in August at Limestone Creek. Analytical results have been requested by early October.

Looking Forward. As in the past three months, Lodestone's main focus in the next six weeks will be on the Karinya, Mount Morgan, and Limestone Creek Projects.

Yours faithfully,

A handwritten signature in black ink that reads "John McCawley". The signature is written in a cursive, slightly slanted style.

John McCawley
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Lodestone Exploration Limited

Exploring the Mount Morgan metals region with advanced technologies
Lodestone Exploration Limited GPO Box 762 Brisbane QLD 4001 Australia

The information in this report that relates to historic drilling results at the Mount Morgan Project's Struck Oil Prospect, is based on information compiled by Mr Alex Taube, MAusIMM, who is a Competent Person and has 30 years' experience in the minerals industry and the activities being reported on. Mr Taube consents to the inclusion of this information in the form and context in which it appears in this report.

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