



20 June 2005

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

Dear Sir,

### **Market Update: Rain Delays Drilling Schedule**

Drilling planned to commence on 23 June 2005 at Mount Victoria, at Lodestone Exploration's Mount Morgan project, is now expected to begin on 30 June 2005. The delay has been caused by rain activity in the Mt Isa area, from where the drill rig is being deployed. The delay will be mitigated by the arrival of a second rig in early July.

Drilling planned at nearby Quadrio for July/August is still expected to begin on time.

The June/July program will consist of five holes, at Mount Victoria–Jasper, and five holes at Quadrio, for a total of 1,500 metres of reverse circulation and diamond tailed reverse circulation on no fewer than four targets.

Lodestone's drilling program has been contracted to GML, headed by Greg Schonknecht, formerly of Rockdrill and UDD.

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

John McCawley  
Executive Director