



Lodestone Exploration Limited

ABN 20 075 877 075

www.lodestonex.com

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The Manager
Company Announcements Office
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Annual General Meeting – Chairman’s Address

There have been major changes in Lodestone’s strategy this year designed to add value for Lodestone’s shareholders.

Near Mt Morgan, we have moved onwards from sole risk brownfield’s exploration for blind ore bodies, using semi regional airborne geophysics and related forms of target generation, to prospect scale exploration of under explored, partly outcropping mineralization.

Lodestone has also entered its second and third farmins where it can earn equity in projects by advancing promising prospects that have worthwhile histories.

Lodestone has also replenished its cash, with a net \$2.1 million, to fund a program of target definition and drilling primarily focused north of Mt Morgan, the Chillagoe area, the Gladstone area, and northeast of Adelaide.

This would not be possible without the financial backing of Lodestone’s shareholders, many of whom have contributed to the initial IPO, and to subsequent capital raisings.

Metal prices have continued strong, particularly gold, silver, copper, zinc and lead and stockpiles are down. Industry leaders continue to predict strong demand for metals in a buoyant economic environment which provides an opportunity for your company to grow.

My thanks go to the company management and staff as well as the board of directors and corporate secretary for their support and efforts over the past year. In particular I would like to thank our shareholders for their continued support.

Yours faithfully,

John Shaw
Chairman