



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

Welcome to today’s Annual General Meeting of Shareholders. This is Lodestone’s fifth AGM since listing on the Australian Stock Exchange in March 2003.

2007 has been your company’s most vigorous and most productive year so far.

We have deployed modern, cost-effective tools, enlisted the most talented, experienced and successful people available, and applied their talents in districts that are known mineral producers.

These tactics have worked well for us at Limestone Creek, 130 kilometers north of Chillagoe, Queensland.

Mike Seed, an experienced and successful independent geologist with considerable experience in the Mungana area, was engaged by Lodestone in 2006. Mr Seed made and confirmed a promising new copper discovery at Limestone Creek in June and September this year.

Looking ahead - Lodestone will continue to explore on three fronts. It will work on its two most prospective brownfields projects at Mount Morgan and Limestone Creek, and hopes to add a third high-quality exploration project to its portfolio to take the place of the Karinya Project that failed to meet our expectations this year.

We are very mindful of the fact that we have been working in the Mount Morgan District for ten years.

Exploration is a tough, risky business, and it can take longer than we hope, or expect, to find ‘company maker’ orebodies in complex settings. But, of course if it was easy someone else would have done it long ago.

Moreover, any discovery that we might make – and that possibility clearly remains open – would take several years to prove up and develop.

Consequently, we hope to shorten the horizon from explorer to miner and the path from negative to positive net cash flows by buying into a project or projects that have advanced beyond the discovery stage, and have demonstrable resources of metal.

To this end Lodestone is now looking for acquisition opportunities in Australia as well as overseas.

Today is my last as Lodestone's Chairman. I have served the company since 2002; several months before its IPO and, like many other long-standing shareholders, have subscribed to Lodestone's ambitious and determined search for a major new discovery; a prize well worth the effort.

I am therefore very pleased that Martin Ackland, a non-executive director who has served with me since 2002, will succeed me as Chairman.

I would like to acknowledge the efforts of co-directors John McCawley and Greg Baynton and the corporate secretariat; Leni Stanley and Suzanne Yeates for the support that they have given me over the years.

May I acknowledge your interest in Lodestone, thank you for the support and confidence implicit in your shareholdings, and wish you and your company every success in 2008 and beyond.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'J. Shaw', written in a cursive style.

John Shaw
Chairman