



**Lodestone Exploration Limited**

ABN 20 075 877 075

[www.lodestonex.com](http://www.lodestonex.com)

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting of shareholders of **Lodestone Exploration Limited ACN 075 877 075** ('Company' or 'Lodestone') will be held at 10.30 am on 28 November 2008 at Stanley Yeates & Associates, Level 1, 101 Edward Street, Brisbane, Queensland 4000.

### **AGENDA**

Ordinary business

#### **Financial Reports**

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and notes to and forming part of the financial statements for the Company for the financial year ended 30 June 2008.

#### **Resolution 1: Remuneration Report**

To consider, and if thought fit, pass the following Advisory Resolution:

*"That the Remuneration Report for the year ended 30 June 2008 (as set out in the Directors' Report) is adopted."*

NB: This resolution shall be determined as if it were an ordinary resolution, but under Section 250R(3) of the Corporations Act, the vote does not bind the directors of the Company.

#### **Resolution 2: Re-Election of Director – Mr Greg Baynton**

To consider, and if thought fit, pass the following Ordinary Resolution:

*"That in accordance with the Company's Constitution, Mr Greg Baynton, who retires in accordance with the Company's Constitution and, being eligible for re-election offers himself for re-election, be re-elected as a Director of the Company."*

**Lodestone Exploration Limited**

Lodestone Exploration Limited GPO Box 762 Brisbane QLD 4001 Australia

**Resolution 3: Re-Election of Director – Mr Bill (W.R.) Stubbs**

To consider, and if thought fit, pass the following Ordinary Resolution:

*“That in accordance with the Company’s Constitution, Mr Bill Stubbs, who retires in accordance with the Company’s Constitution and, being eligible for re-election offers himself for re-election, be re-elected as a Director of the Company.”*

**Resolution 4: Re-Election of Director – Mr Lance Grimstone**

To consider, and if thought fit, pass the following Ordinary Resolution:

*“That in accordance with the Company’s Constitution, Mr Lance Grimstone, who retires in accordance with the Company’s Constitution and, being eligible for re-election offers himself for re-election, be re-elected as a Director of the Company.”*

**GENERAL BUSINESS**

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

**By Order of the Board**

Leni Stanley  
Company Secretary  
21 October 2008

**EXPLANATORY NOTES**  
**LODESTONE EXPLORATION LIMITED**  
**A.C.N. 075 877 075**

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**Resolution 1: Remuneration Report**

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution.

The Remuneration Report is set out in the Company's 2008 Annual Report.

A vote on this resolution is advisory only and does not bind the Directors or the Company, however the Company will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

**Resolution 2: Re-Election of Director – Mr Greg Baynton**

In accordance with the Company's Constitution, Mr Baynton will retire at the Annual General Meeting and being eligible, offers himself for re-election.

**2.1 Biography**

Mr Greg Baynton, M.Econ St, MBA, B.Bus (Accounting), FFINSIA, FAICD. Mr Baynton has been a Director of the Company for since 5 November 2001. Mr Baynton is also Chairman of the Audit Committee.

Mr Baynton is the founder and Managing Director of Orbit Capital, a boutique investment bank and holder of Financial Services Licence. Mr Baynton has wide experience in capital raisings and in identifying new opportunities.

**2.2 Directors' recommendation**

All Directors support Mr Baynton's re-election as a Director and recommend that shareholders vote in favour of this resolution.

**Resolution 3: Re-Election of Director – Mr Bill (W.R) Stubbs**

Mr Bill Stubbs, LLB. Mr Stubbs was appointed a Director on 31 March 2008 and in accordance with the Company's Constitution, Mr Stubbs will retire at the Annual General Meeting and being eligible, offers himself for re-election.

**3.1 Biography**

Mr Stubbs practiced as a lawyer for 30 years and is the co-founder of the legal firm, Stubbs Barbeler. He practiced in the area of commercial law including Stock Exchange listings and all areas of mining law. He has held the position of director of various public companies over the past 25 years in the mineral exploration and biotech fields. He is also the former Chairman of Alchemica Limited, Bemax Resources N.L. and Arrow energy Limited. Mr Stubbs is also a member of the Audit Committee.

**3.2 Directors' recommendation**

All Directors support Mr Stubbs' re-election as a Director and recommend that shareholders vote in favour of this resolution.

#### **Resolution 4: Re-Election of Director – Mr Lance Grimstone**

Mr Lance Grimstone, B.Sc.(Hons) Geol. Grad.Dipl.Mangt., F.AusIMM, CPGeo.M.MICA. Mr Grimstone was appointed a Director on 30 June 2008 and in accordance with the Company's Constitution, Mr Grimstone will retire at the Annual General Meeting and being eligible, offers himself for re-election.

##### **4.1 Biography**

Mr Grimstone is a geologist with over 35 years of experience in the exploration, mining and civil engineering, with a wide spectrum of activities. He is well versed in many commodities but it is his experience in the mining geology of Eastern Australian Coal Operations which are the most highly regarded by industry. For the last 25 years, Mr Grimstone has operated his own consultancy practice based principally upon his expertise in Eastern Australian coal operations, including the past decade as a manager of coal exploration activities for Joint Ventures associated with Macarthur Coal Limited.

##### **4.2 Directors' recommendation**

All Directors support Mr Grimstone's re-election as a Director and recommend that shareholders vote in favour of this resolution.

**APPOINTMENT OF PROXY**

If you would like to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.



**X99999999999**

I/We being a member(s) of Lodestone Exploration Limited and entitled to attend and vote hereby appoint

**A** the **Chairman of the Meeting (mark box)**  **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 10:30am on Friday, 28 November 2008, at Stanley Yeates & Associates, Level 1, 101 Edward Street, Brisbane, Queensland 4000 and at any adjournment of that meeting.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

**B** To direct your proxy how to vote on any resolution please insert  in the appropriate box below.

	For	Against	Abstain*		For	Against	Abstain*
<b>Resolution 1</b> Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 3</b> Re-Election of Director – Mr Bill (W.R.) Stubbs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> Re-Election of Director – Mr Greg Baynton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 4</b> Re-Election of Director – Mr Lance Grimstone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**C SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED**

Securityholder 1 (Individual)	Joint Securityholder 2 (Individual)	Joint Securityholder 3 (Individual)
<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the Corporations Act 2001 (Cwlth).



# How to complete this Proxy Form

## 1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

## 2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

## 3 Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

## 4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together.

## 5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10:30am on Wednesday, 26 November 2008, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the reply paid envelope or:

– by posting or facsimile to Lodestone Exploration Limited's share registry as follows:

Lodestone Exploration Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Facsimile: (02) 9287 0309

– delivering it to Level 12, 680 George Street, Sydney NSW 2000.