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MEDIA RELEASE

LODESTONE OFFER OPENS TO STRONG SUPPORT

Australian gold-copper exploration company, Lodestone Exploration opened its \$2.5 million initial public offering today, attracting solid investor support.

Lodestone's Chairman, Mr John Shaw said the Company had solid pre-commitments prior to the opening date, and had attracted investor interest from around the country.

He said feedback from potential investors suggested that the Company's targeted approach to its exploration efforts, combined with the six year high in the gold price, had both contributed to the strong interest in the Company.

"The support we are receiving is a clear indication that the time is right for progressing our Mount Morgan gold-copper exploration project.

"Not only has the announcement of the float generated interest from investors around Australia, and strong interest in Central Queensland, but we've witnessed renewed optimism about the possibilities for economic development in Central Queensland."

Reinforcing Lodestone's plans for its Mount Morgan Project, Mr Shaw said the Company's objective remained clear – to discover major gold-copper deposits similar to the old Mount Morgan mine using advanced technologies.

"With targets identified from our recent electromagnetic surveys conducted within our tenements south east of the original Mount Morgan deposit, we are planning an extensive drilling program, to commence soon after listing.

"We believe there is potential for another significant new economic discovery in Central Queensland."

Mr Shaw said that under its public float, Lodestone will offer 12.5 million new shares at an issue price of \$0.20 each to raise \$2.5 million.

The Company will also issue an Attaching Option with every two shares issued in the float, exercisable at \$0.20 each at any time on or before 7 December 2004. The Company will seek quotation of these 1:2 Attaching Options on the Australian Stock Exchange (ASX), which offer investors further upside potential in the event of exploration success.

Upon listing on the ASX on 14 March, Lodestone will have a market capitalisation of approximately \$6.1 million, based on the \$0.20 per share issue price. The Offer is fully Underwritten by ABN AMRO Morgans and is expected to close on 5 March 2003.



Lodestone Exploration

Founded in 1996, Lodestone is an Australian gold and base metals exploration company with strategically located tenements in Central Queensland. The junior explorer has a tenement area of more than 600 square kilometres, commencing 3 km outside the historic gold and copper mining town of Mount Morgan.

The Company has a formal exploration alliance with BHP Billiton for its Mount Morgan project.

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For a copy of the prospectus:

www.lodestonex.com