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MEDIA RELEASE

Survey Takes Lodestone One-Step Closer to Drilling

Lodestone Exploration is due to commence a third round of aerial surveys of its tenements in the Mt Morgan area, the Company has advised the Mountain Echo.

Director John McCawley said Lodestone was conducting the extensive electromagnetic survey later this month, having already completed two previous surveys with positive results.

He said Lodestone has a tenement area of about 600 square kilometres, located 3kms south of the original Mount Morgan mine, historically recognised as Australia's most prosperous gold mine.

"Our operations do not involve any activities at the old mine site. Instead, we are targeting a prospective area in a corridor south-east of the old mine.

"Prior to Lodestone's involvement in the region, this area had not been surveyed with modern airborne electromagnetic technologies that can penetrate ground cover over a wide area.

"The airborne surveys we have previously conducted cover a limited area in the south of Lodestone's tenements. They identified a number of significant electromagnetic conductors beneath the ground cover. The upcoming survey focuses on the north of our tenaments."

Mr McCawley said that based on the previous survey results, which confirmed the presence of anomalies, the Company had decided to proceed with follow-up drilling.

"We have appointed ex-BHP Minerals Base Metals Manager, Mark Dugmore to manage our ongoing exploration and drilling efforts.

"As General Manager, Mark will be a valuable asset to the Company, as he has the extensive knowledge and experience of project management in the gold industry that will be required to take Lodestone through to the drilling phase," he said.

"Following the upcoming survey, future exploration activities are now dependant on a successful float on the Australian Stock Exchange, which we hope to complete later this year."

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