



25 October 2002

MEDIA RELEASE

Lodestone Exploration Confirms More Prospective Drill Targets

Results from the recently flown airborne electromagnetic survey have confirmed at least seven new, highly prospective anomalies in Lodestone Exploration's Mount Morgan project, giving the Company a total of more than 17 potential exploration targets.

The Queensland-based junior explorer has a tenement area of more than 600 square kilometres, commencing 2 km outside the historic gold and copper mining town of Mount Morgan in Central Queensland.

Lodestone Chairman, Mr John Shaw said the Company's most recent aerial survey results provided further compelling evidence of the geological significance of the Company's tenement area.

He said the results confirmed that the highly prospective area continued through Lodestone's tenements in a definite 20-30km corridor south of the original Mount Morgan mine.

"We strongly believe there is potential for a new economic discovery within our tenement area that has previously been undetected due to the limits of the available technology.

"Surveys conducted in the past few years by Lodestone have identified more than 17 prospective electromagnetic anomalies. The latest survey data has provided further justification that targeted exploration efforts, including the drilling program, should be accelerated."

Mr Shaw said the original Mount Morgan ore deposit was Australia's premier volcanic-hosted massive sulphide deposit.

He said the original mine had yielded 9.4 million ounces of gold and had been described as one of the largest mountains of gold ever discovered.

"In other countries, satellite deposits have been discovered around similar ore bodies. Until recently, the limitations of available technologies meant that the detection of similar satellite deposits under cover rocks in the Mount Morgan area wasn't possible," he said.

"Lodestone has been able to leverage the advances made in airborne electromagnetic survey techniques to conduct the first-ever, large-scale exploration of the region south east of the original Mount Morgan deposit.

Cont/2...



-2-

“Three airborne electromagnetic surveys, including these recent results, have identified more than 17 electromagnetic (EM) anomalies in the favourable corridor.

“Based on this data, we are now planning to commence a drilling program south of Mount Morgan early in 2003.”

Mr Shaw said that for the latest surveys, Lodestone used the TEMPEST EM technology, a modern and powerful airborne geophysical survey system, which is one of several forms of exploration technology employed by the Company.

He said the TEMPEST technology was one of the most advanced electromagnetic survey techniques in the world.

“The technology is suspended beneath a fixed-wing aircraft which can, at relatively low speeds, allow the survey equipment to get close to the ground and to penetrate the ground cover.

“This means we have been able to carry out large-scale EM surveys over areas that were previously inaccessible due to technological and cost constraints.”

Lodestone Exploration Limited is a Queensland-based junior explorer with tenements commencing 2kms south of Mt Morgan in Central Queensland.

For more information:

John Shaw
Chairman - Lodestone Exploration
M: 0412 290 214

Greg Baynton
Director - Lodestone Exploration
M: 0414 970 566

www.lodestonex.com