



## SUMMARY OF THE OFFER

- Lodestone is seeking to raise \$2.5 million, by offering 12.5 million new shares at an issue price of \$0.20 each.
- The Company will also issue a 1:2 Attaching Option, exercisable at any time on or before 7 December 2004. The Company will seek quotation of these Attaching Options, which offer investors further upside potential in the event of exploration success.
- Upon listing on the Australian Stock Exchange, Lodestone Exploration 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 open on 10 February 2003 and close on 5 March 2003.

## INVESTMENT HIGHLIGHTS

- Lodestone has an experienced and strong technical and commercial management team and Board.
- The wholly-owned tenements are located in close proximity (3km) to the Mount Morgan mine and include occurrences of the prospective Mine Corridor Volcanics equivalents.
- Limited previous airborne geophysical exploration has been conducted on the tenements. Until recently they had not been assessed using modern geophysical search techniques.
- Advanced exploration tools and concepts are being used by Lodestone and airborne electromagnetic (EM) surveys have generated more than 15 EM anomalies.
- Lodestone intends to commence drilling soon after listing.
- Benefits, including access to specialist technology and expertise arise from a strategic alliance with BHP Billiton on the Mount Morgan Project.
- Central Queensland is well serviced in terms of personnel and infrastructure.
- A tight capital structure and 1:2 Attaching Options offers excellent investment upside to exploration success.

## PROSPECTUS

A draft prospectus is available the following websites:

- Lodestone: [www.lodestonex.com](http://www.lodestonex.com)
- ABN AMRO Morgans: [www.abnamromorgans.com.au](http://www.abnamromorgans.com.au)



## **ABOUT THE MOUNT MORGAN GOLD MINE**

Following the Mount Morgan Gold Mining Company's listing on the London Stock Exchange, "Mount Morgan" was a familiar name on the Stock Exchanges of the world in the early 1900s.

Robert L. Jack, Government Geologist, stated in 1884 "The discovery of gold in Mount Morgan is one of the most important events in the history of the mining industry. It is not merely that the quantity is large and that certain shareholders will be enriched; but the possibility that the discovery may lead to others of equal importance in a direction where gold has never hitherto been looked for lends it a wider significance."

The mine generated almost 10 million oz of Gold and was mined for more than 100 years. The Mount Morgan mine yielded the following metal production:

- Gold - 9,500,000 oz (avg. 4.99 grams/tonne)
- Copper - 360,000 tonnes
- Silver - 50 tonnes

The dividends from the mine funded the establishment of The Walter and Eliza Hall Institute for Medical Research in Melbourne, Australia first and most prestigious medical research agency.

William Knox D'Arcy, a Rockhampton Solicitor and shareholder, became Australia's richest man, making an incredible £6 million from his share in the mine between 1882 and 1889. He later moved to London and his Mount Morgan profits funded the first oil drilling in Persia (modern day Iran), which led to the creation of the famous BP Company.