

LODESTONE EXPLORATION LIMITED ACN 075 877 075

C/- Stanley Yeates & Associates, Level 1, 101 Edward Street, Brisbane QLD 4000

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Lodestone Exploration Limited will be held at the Riverside Centre Auditorium, Level 6, The Riverside Centre, 123 Eagle Street, Brisbane on Thursday 21 October 2004 at 10.00 am.

AGENDA

1. Financial report and directors' and audit reports

To receive and consider the financial report, including the directors' declaration, for the year ended 30 June 2004 and the related directors' report and audit report.

2. Election of directors

To elect two directors:

- (a) Mr J T Shaw retires by rotation in accordance with the company's Constitution and, being eligible, offers himself for re-election.
- (b) Mr M C Ackland retires by rotation in accordance with the company's Constitution and, being eligible, offers himself for re-election.

By Order of the Board
LP Stanley
Secretary
Brisbane, 14 September 2004

Proxies

If you are unable to attend and vote at the meeting and wish to appoint a person who is attending as your proxy, please complete the enclosed proxy form. This form must be received by the company by 10 am on Tuesday 19 October 2004.

The complete proxy form may be lodged using the reply-paid envelope:

- by posting, delivery or facsimile to the company's share registry (see details on proxy form), or
- by delivery to the Registered Office of Lodestone Exploration Limited, Level 1, 101 Edward Street, Brisbane, QLD 4000.

A member entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. A proxy need not be a member of the company.

Information about the candidates for election as directors

Mr J T Shaw

Age 64, B.Sc (Geological Engineering) MCIM, FAusIMM, FAICD, SME

Mr John Shaw was appointed as a director on 20 May 2002 and as Chairman on 23 August 2002. He is an independent non-executive chairman. He is currently the Chairman of Tri Origin Minerals Limited and Gallery Gold Limited and a director of Kingsgate Consolidated Limited. He worked with the Placer Dome organisation for more than 30 years, retiring in 1999 as Managing Director of Kidston Gold Mines Limited and Vice President Australian Operations of Placer Dome Asia Pacific.

Mr M C Ackland

Age 58, B.App.Sc., M.AusIMM, FAICD, SME

Mr Martin Ackland was elected to the board on 1 July 2002. He is an independent non-executive director and is the chairman of the audit committee. He is currently a director of Mineral Deposits Limited and Sedimentary Holdings Limited. Mr Ackland has over 37 years experience in metallurgy and mining.

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PROXY FORM

Please see the instructions for the completion of this proxy form on the reverse.

Appointment of proxy

I, _____ of _____

being a member of Lodestone Exploration Limited and entitled to attend and vote hereby appoint:

<input type="checkbox"/>	the Chairman of the meeting (mark with an 'X')	OR	<input type="text"/>	Write here the name of the person you wish to appoint as proxy.
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or, failing the person named, or if no person 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 directions (or if no directions have been given, as the proxy sees fit) at the annual general meeting of Lodestone Exploration Limited to be held at the Riverside Centre Auditorium, Level 6, Riverside Centre, 123 Eagle Street, Brisbane, at 10am on Thursday 21 October 2004 and at any adjournment of that meeting. The Chairman of the meeting intends to vote undirected proxies in favour of the election of Mr J T Shaw and Mr M C Ackland as directors.

Voting directions to proxy

For each item of business on the agenda, please mark 'X' in one box only to indicate how you wish your vote to be cast. 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 vote will not be counted in computing the required majority on a poll. Unless otherwise instructed, your proxy may vote as he/she thinks fit.

Two directors are to be elected.

	For	Against	Abstain
Item 2(a): Election of Mr J T Shaw as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2(b): Election of Mr M C Ackland as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature of shareholder/s

Individual or first shareholder	Shareholder 2	Shareholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole director and company secretary	Director	Director/company secretary

Date

Daytime telephone number (in case we need to contact you about your proxy form)

Lodestone Exploration Limited Share Registry

ASX Perpetual Registrars Limited
Level 22, 300 Queen Street
Brisbane QLD 4000
(07) 3228 4000

Instructions for completion of proxy form

Appointment of proxy

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

Appointment of second proxy (optional)

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 from the company's share registry or you may copy this form.

To appoint a second proxy:

- (a) on the first proxy form, state the number of shares or the percentage of your voting rights applicable to the first proxy
- (b) on the second form, state the number of shares or the percentage of your voting rights applicable to the second proxy
- (c) return both the forms in the same envelope.

If the forms do not specify the number or percentage of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Voting directions to proxy

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

Signature/s

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

Individual: where the shareholding is in one name, the shareholder must sign.

Joint holding: where the shareholding is in more than one name, all of the shareholders must sign.

Power of attorney: to sign under power of attorney, the power of attorney must have been lodged with the share registry or a certified copy of it must accompany this form.

Companies: where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If, in accordance with section 204A of the *Corporations Act 2001*, the company does not have a company secretary, a sole director can 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.

Lodgement of proxy

The complete proxy form (and any power of attorney under which it is signed) must be received by Lodestone Exploration Limited by no later than 10 am (Brisbane time) on Tuesday 19 October 2004. Any proxy form received after that time will be invalid.

Documents may be lodged:

- by posting, delivery or facsimile to the company's share registry (see details on front of form), or
- be delivery to the Registered Office of Lodestone Exploration Limited, Level 1, 101 Edward Street, Brisbane, QLD 4000.