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MEDIA RELEASE

Gold Offer to close soon

Australian gold-copper exploration company, Lodestone Exploration has confirmed that its Initial Public Offer will close early next week, following national demand for shares in the float.

Lodestone Director, Mr Greg Baynton said the Company was pleased with the response from investors.

He said that despite global economic conditions, demand for stock in the gold-copper explorer was strong.

“We have had considerable interest from investors around the country, demonstrating solid demand for our Central Queensland project.

“The strong gold price, combined with the fundamental strengths of our Mount Morgan project, and our focused exploration strategy, have been clear incentives for investors and analysts.

“Feedback has also highlighted that many investors are looking for resource sector investments in areas with low-sovereign risks – and Lodestone certainly fits this criterion.”

Mr Baynton said there was a possibility the float would close early. He said interested investors should send their prospectus applications in as soon as possible.

The Offer

Lodestone Exploration is offering 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, 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 open on 10 February and close on 5 March 2003.

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