



Lodestone Exploration Limited
ABN 20 075 877 075

31 October 2003

The Manager
Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
Sydney NSW 2000

QUARTERLY ACTIVITIES REPORT FOR QUARTER ENDED 30 SEPTEMBER 2003

During the quarter ended 30 September 2003, Lodestone Exploration Ltd (ASX: LOD) completed phase two of its exploration program.

A Diamond drilling program at the Mount Morgan project commenced on 15 September 2003. A detailed ground electromagnetic survey was completed prior to the drilling program, which focussed on three electromagnetic anomalies and drilled a total of 623 metres in four holes.

Visible but weak copper mineralisation was intersected in drill hole M1D002ext between 301 and 306.5m. Assay results are pending. While no significant mineralisation was encountered in the remaining drill holes of Phase II drilling program, the results have assisted in understanding the local geology and provided valuable data for the ongoing development of the next drilling program, which is planned to commence mid-December quarter.

A detailed ground gravity survey was completed in the northern and southern parts of the tenements. The data is currently being processed and will be interpreted during the next quarter.

Ulam Goldfield Tenement Acquisition

Lodestone also acquired one new tenement in the Ulam Goldfield, to the east of the historic Mount Morgan minesite, extending its exploration area by 15 square kilometres. The tenement was acquired as a result of the recommendations of an independent regional review carried out in May. Technical reviews including detailed analysis and interpretation of the company's geophysical data are continuing to extract the maximum from these datasets for target generation.



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Lodestone Exploration

Founded in 1996, Lodestone Exploration Limited (ASX: LOD) is an Australian gold and base metals exploration company with strategically located tenements in Central Queensland. The junior explorer has a tenement area of more than 850 square kilometres, commencing 3 km outside the historic gold and copper mining town of Mount Morgan.

The Company has a formal exploration alliance with BHP Billiton for its Mount Morgan project.

A handwritten signature in black ink, appearing to read "John Shaw". The signature is stylized and cursive.

John Shaw
Chairman