



10 November 2004

Australian Stock Exchange Limited
Company Announcements Office
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Lodestone Strengthens Financial Resources

Junior gold explorer, Lodestone Exploration Limited (ASX: LOD) today announced that it has strengthened its financial resources and share register with the completion of a placement to institutional investors and sophisticated investors.

The Company has today placed 4,000,000 new ordinary shares with institutional and sophisticated investors at \$0.10 per share to raise \$400,000 before costs associated with the issue. Approximately 40% of the placement was subscribed by Bell Assets Management Limited.

The placement of new shares has been conducted in accordance with ASX Listing Rule 7.1 and represents an additional 12.94% of the Company's existing issued capital.

The net proceeds of the issue provides further working capital to assist with ongoing exploration at the Company's Mount Morgan gold exploration projects along with additional projects in the Company's growing portfolio.

A presentation providing an update on the Company's projects and current work plan has been released separately to ASX today.

The placement was coordinated by Orbit Capital and ABN AMRO Morgans, the underwriter of the Company's 2003 initial public offer.

Yours sincerely
Lodestone Exploration Limited

Leni Stanley
Secretary