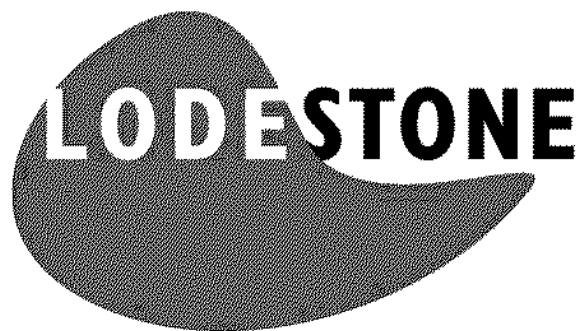
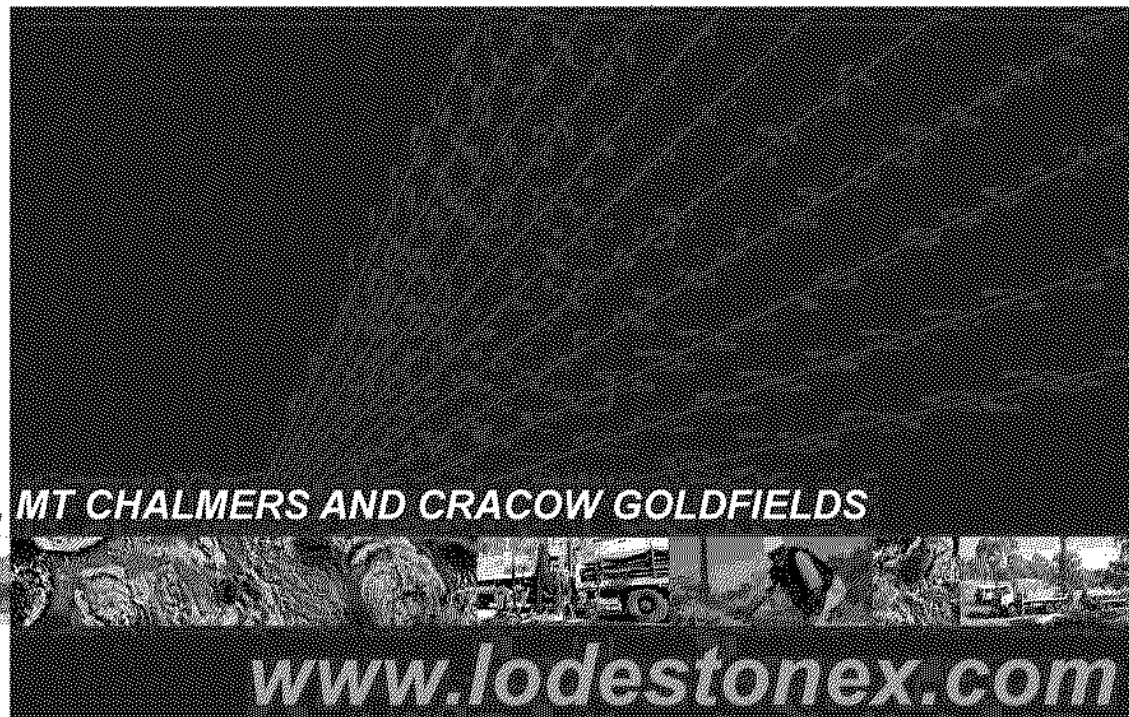




EXPLORING IN THE MT MORGAN, MT CHALMERS AND CRACOW GOLDFIELDS



MINING 2005

28 October

Brisbane

Introduction: Lodestone

Lodestone Exploration Limited

- ☛ Lodestone Exploration Ltd (ASX:LOD) IPO March 2003, raised \$2.5 million, and made a \$0.4 million placement in November 2004
 - ☛ An SPP & placement* raised \$0.7 million in September 2005 (*subject to s/holder approval)

- ☛ Since listing Lodestone :
 - ☛ Continues to explore for Mount Morgan-style deposits in the Mount Morgan District using modern techniques under cover rock
 - ☛ Has broadened its interests to include the historic Cracow & Mount Chalmers Mineral Fields which are under-explored
 - ☛ Has been granted the Limestone Creek permit after a lengthy process

- ☛ This year's drilling near Mount Morgan & Mount Chalmers
 - ☛ intersected weak gold mineralisation & semi-massive sulphides respectively

- ☛ Further drilling near Mount Morgan & Mount Chalmers and at Cracow South is planned between November 2005 & February 2006
 - ☛ up to 3,500 metres on 10 other targets



Corporate & Financial Summary

John Shaw

John McCawley

Greg Baynton

Martin Ackland

Chairman

Executive Director

Non-Exec Director

Non-Exec Director

Shares on Issue:

46 million shares

Listed Options:

0.9 million @ 30cents (30/9/07)

Market Capitalisation:

\$2.8 million

Assets:

Cash

\$400,000+

Major S/holders:

Directors – 15%



Portfolio – Multiple Projects & Targets

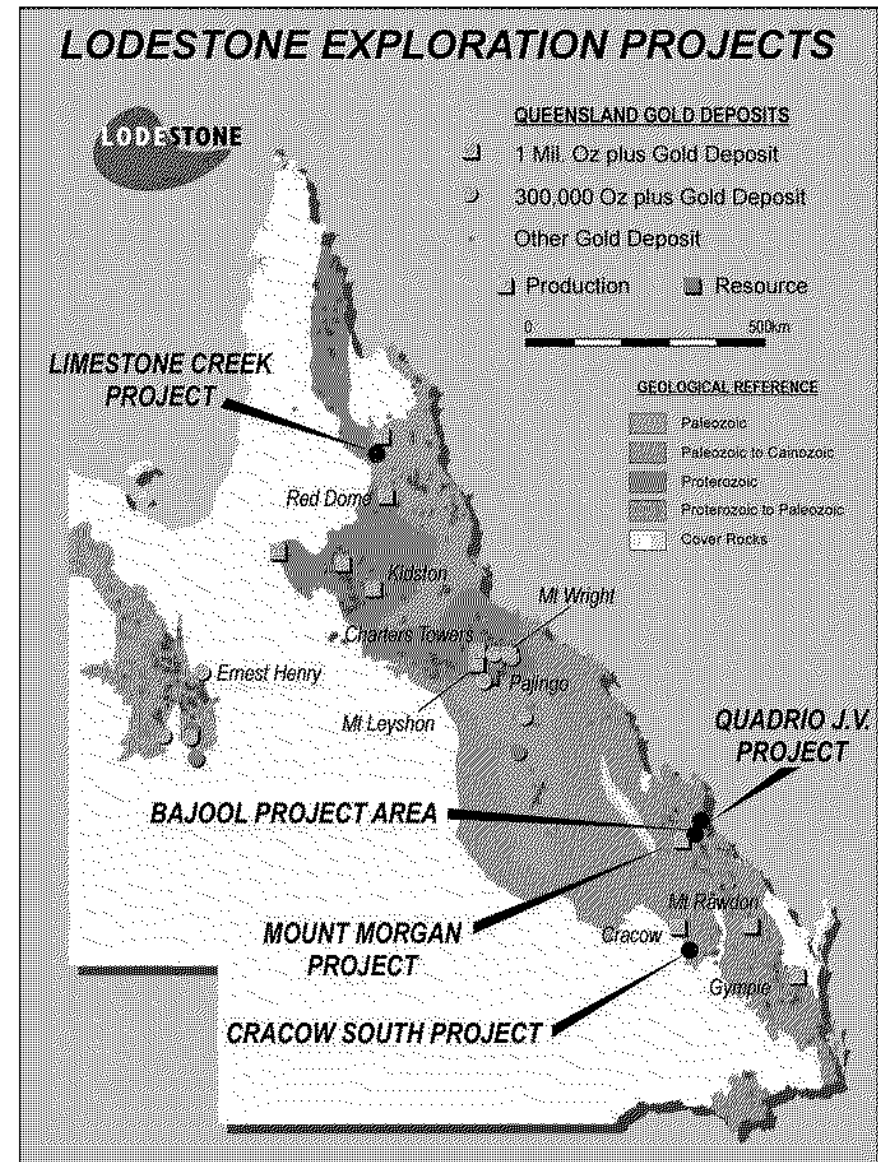
- Mt Morgan District Projects**
 - VMS/epithermal copper/gold targets
 - Eg Mount Morgan & Mt Wright
 - 4 drill targets

- Mt Chalmers (Quadrio) farm-in Project**
 - VMS/epithermal copper/gold targets
 - Eg Mount Morgan & Pajingo
 - 7 drill targets

- Bajool Project**
 - Intrusion-related gold targets
 - Eg Kidston, Mt Leyshon
 - 5 target areas

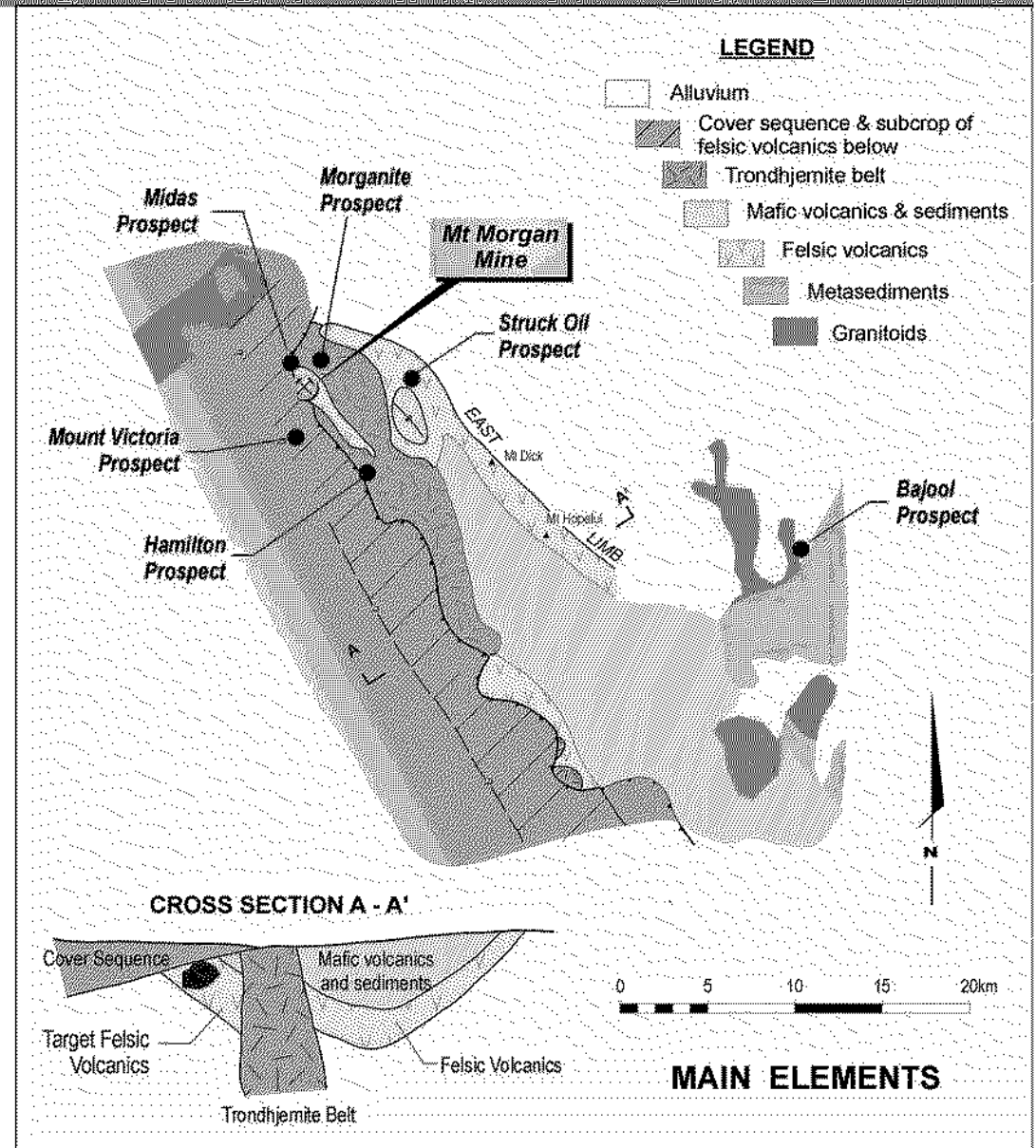
- Cracow South Project**
 - High grade epithermal gold targets
 - Eg Cracow & Pajingo
 - 9 drill targets

- Limestone Creek Project**
 - Sediment hosted gold targets
 - Red Dome / Mungana targets

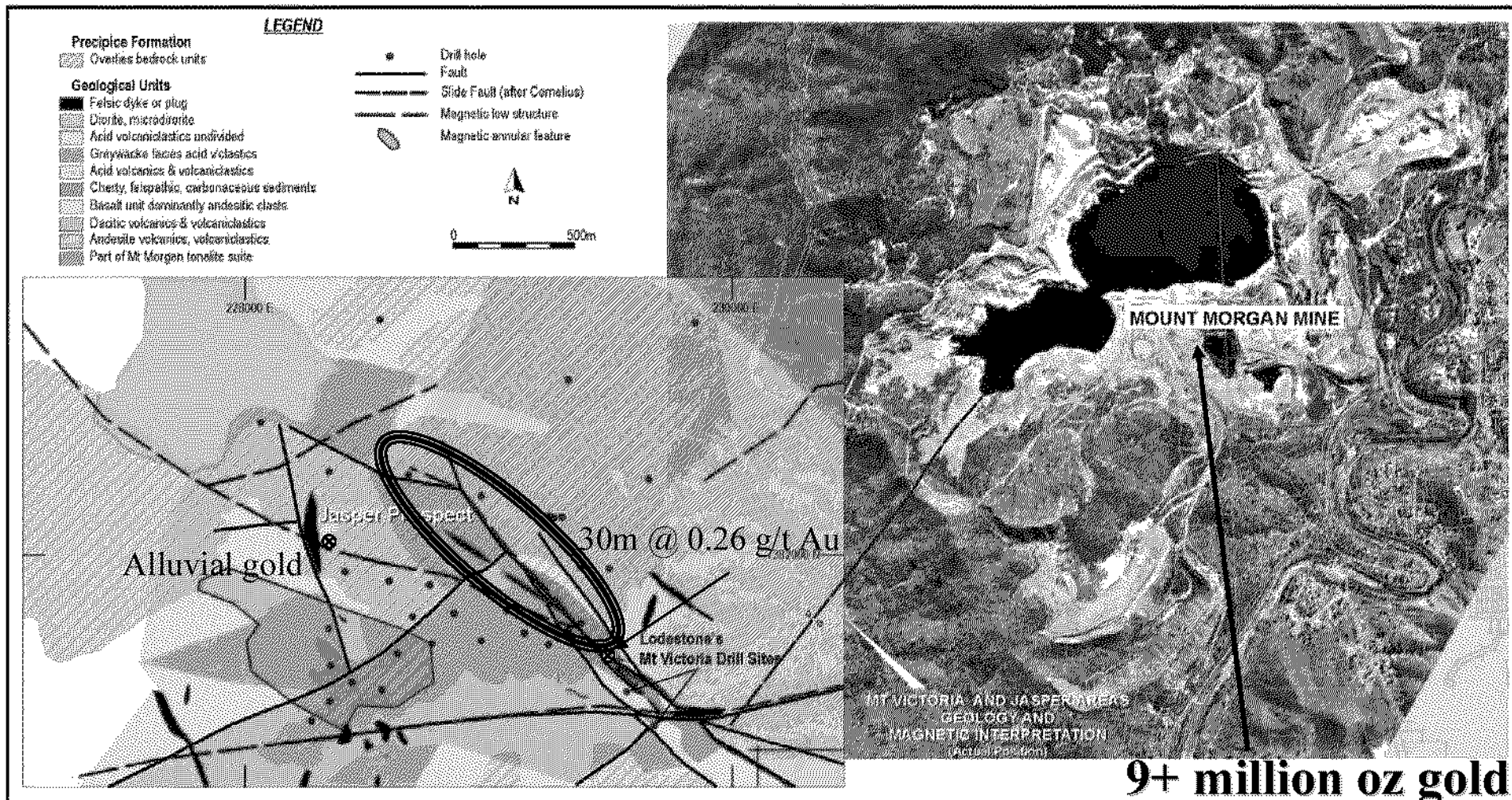


Mount Morgan District Project: 6 Prospect Areas

- ☛ Lodestone's focus has moved closer to Mount Morgan
- ☛ 5 priority prospects partly outcrop
- ☛ **Mount Victoria prospect**
 - ☛ Potential along strike from weak gold intersections
- ☛ **Morganite & Hamilton**
 - ☛ Part of a major cluster of silica-pyrite alteration zones
- ☛ **Midas Prospect**
 - ☛ Distinctive magnetics with strongly anomalous gold
- ☛ **Struck Oil Prospect**
 - ☛ Porphyry copper-molybdenum system

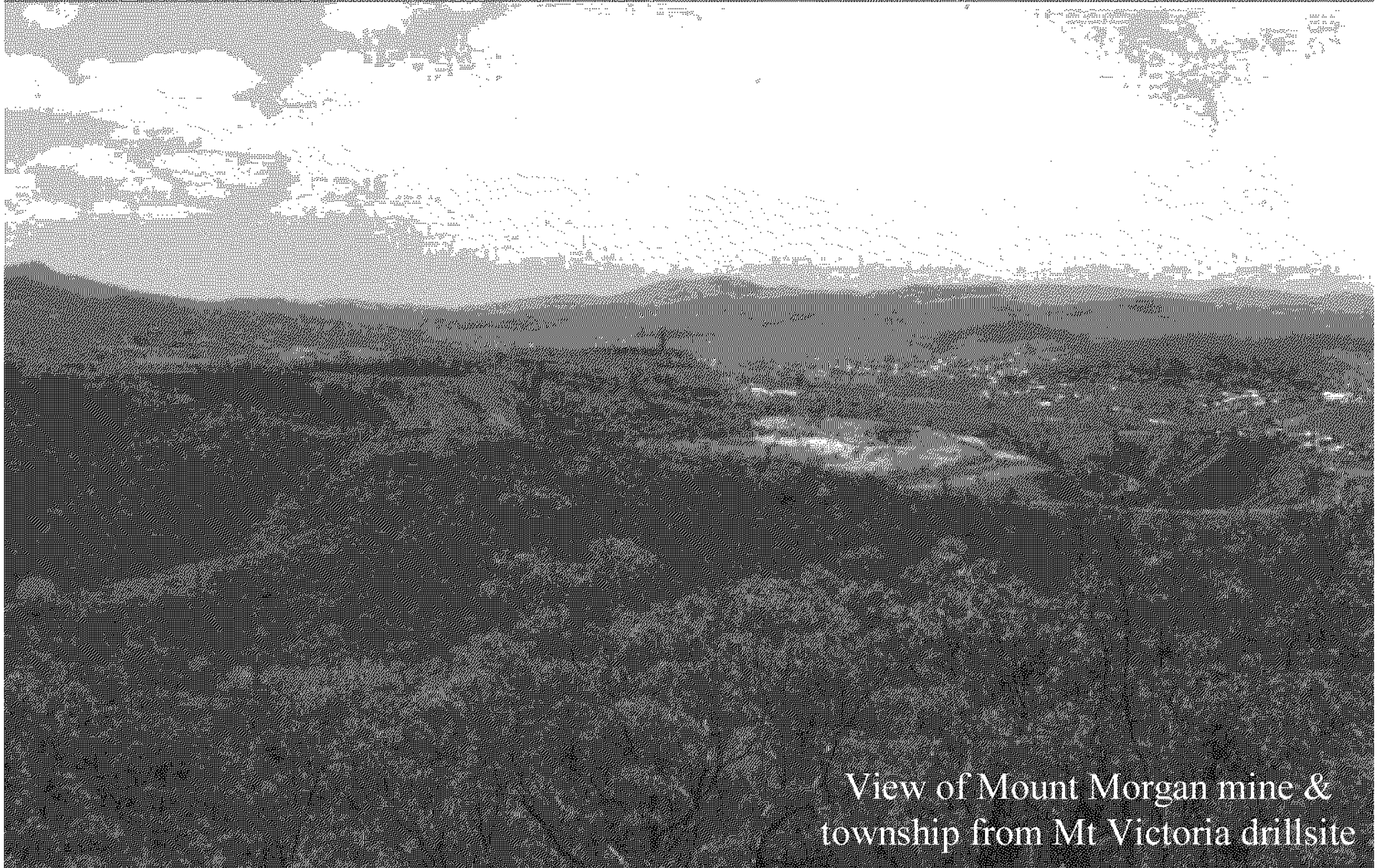


Mount Morgan District Project: Mt Victoria Prospect



- Potential exists along strike NW from 'weak gold in drill intercepts'
- Located on same structure as Mount Morgan

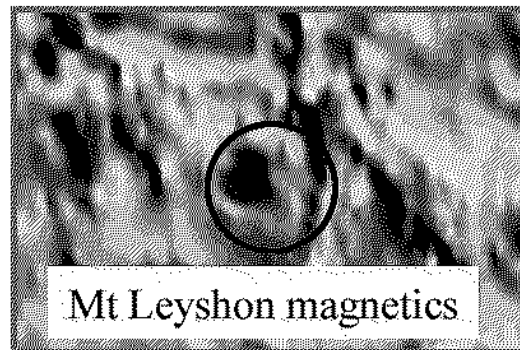
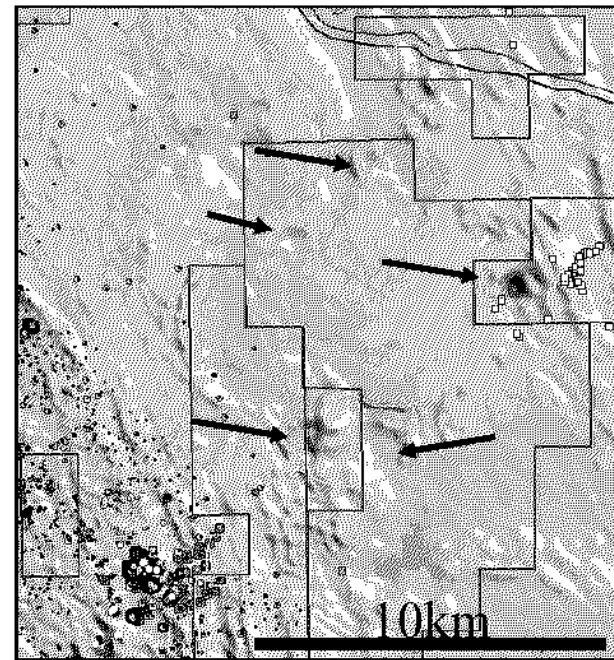
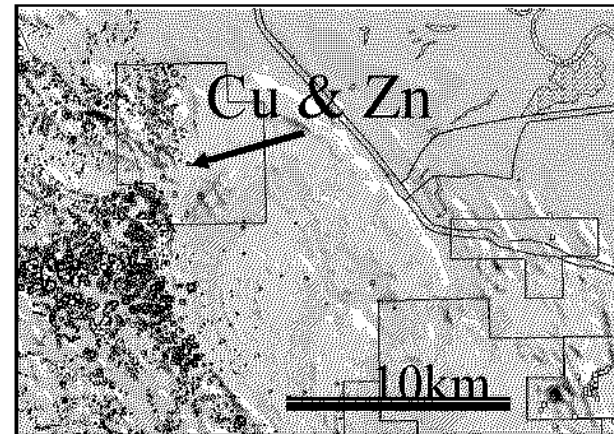
Mount Morgan District Project: Mt Victoria Prospect



View of Mount Morgan mine &
township from Mt Victoria drillsite

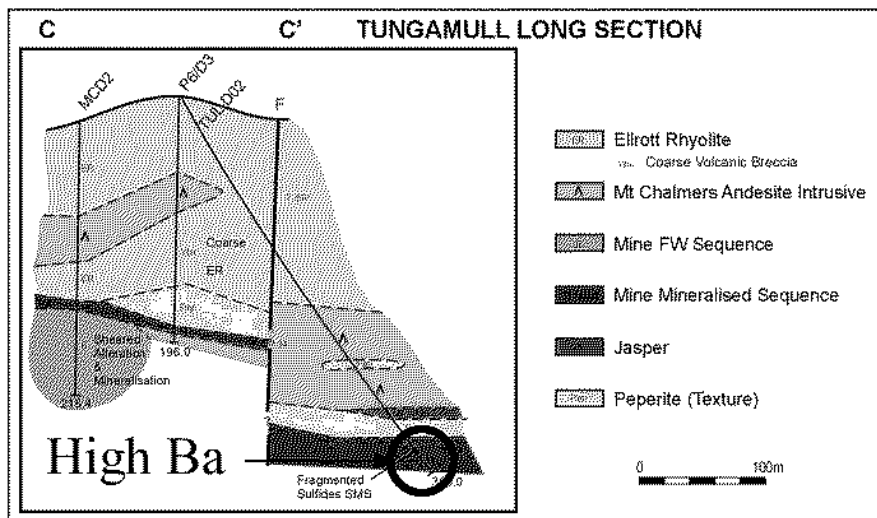
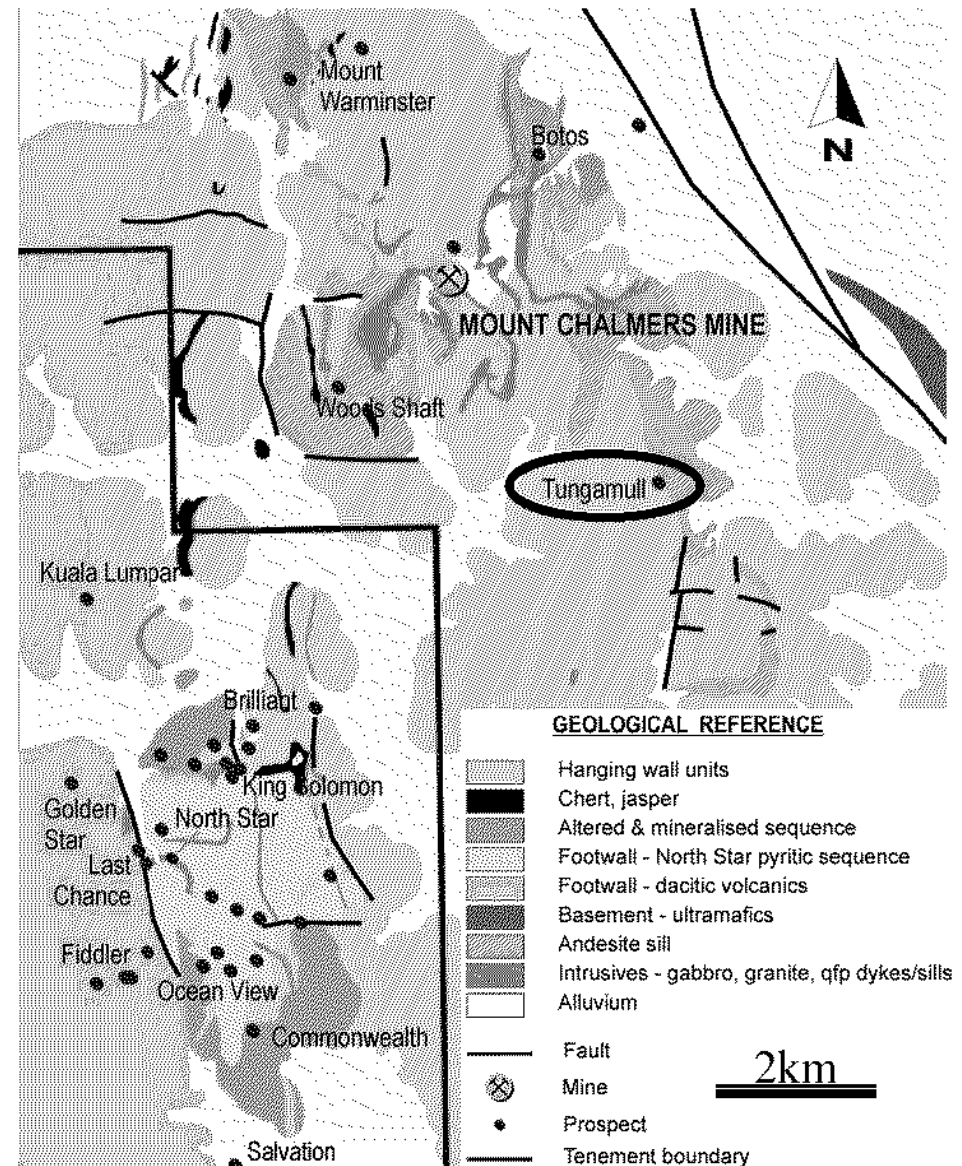
Bajool Project

- Area centred 25km east of Mount Morgan
- Intrusion-related gold targets
 - eg Kidston, Mt Leyshon
- Five magnetic targets similar to Kidston and Mt Leyshon signatures
 - Some with associated gold mineralisation
- One area with strongly anomalous surface Cu and Zn adjacent to covered target
 - ?Mount Morgan style
- Targets are under Recent shallow alluvium



Mount Chalmers (Quadrio) Farm-in Project

- Lodestone has identified 4 main mineralised trends
- Tungamull target now being drilled
 - 2.5km from Mount Chalmers open pit
 - Previous values up to 1.2 g/t gold, 0.45% Pb (lead) in old holes
 - Elevated Ba at base of Lodestone's TULD2 suggests HW sequence
- 2 other targets to be drilled Nov. 2005

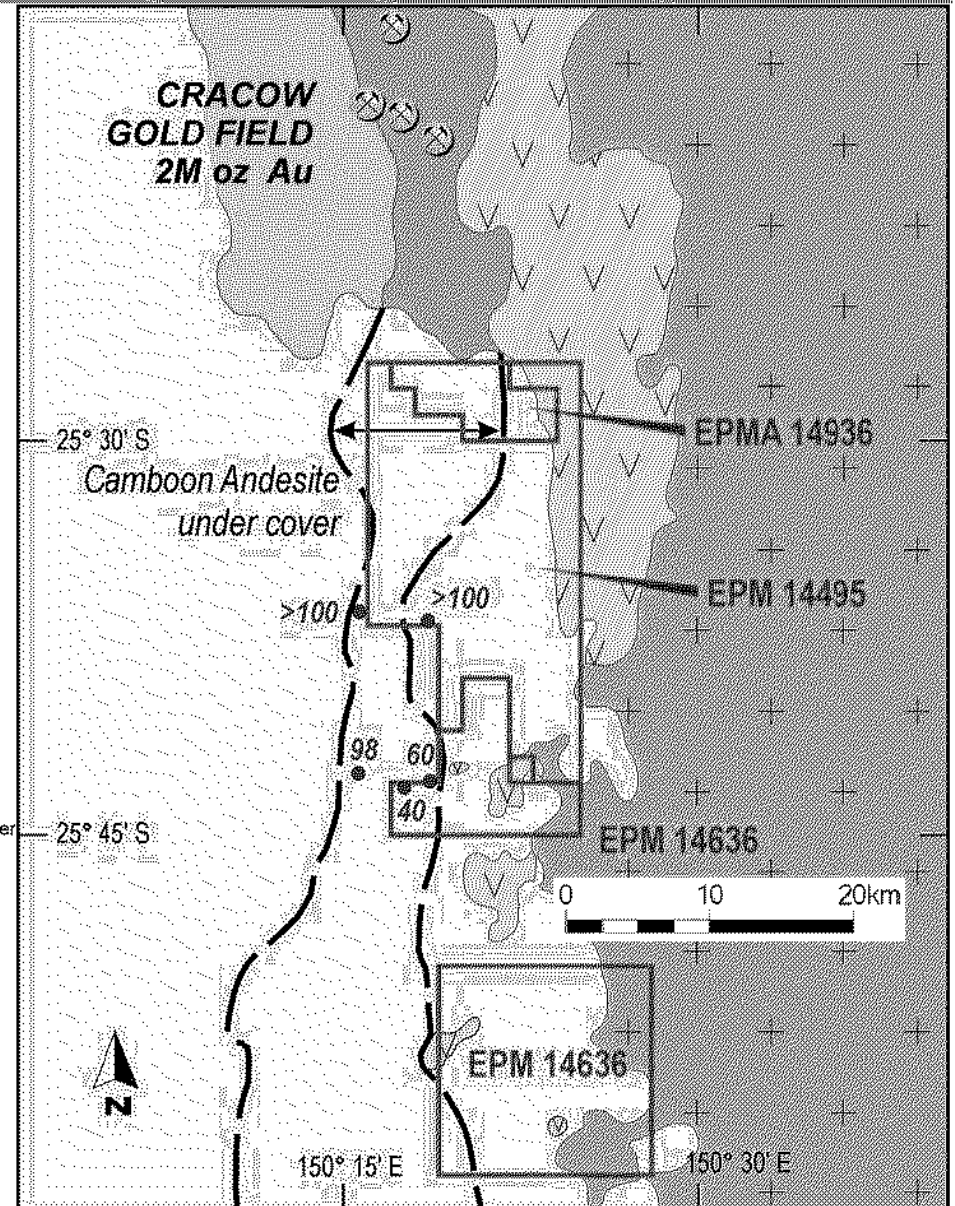


Cracow South Project

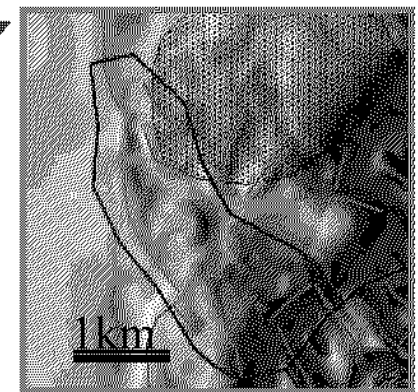
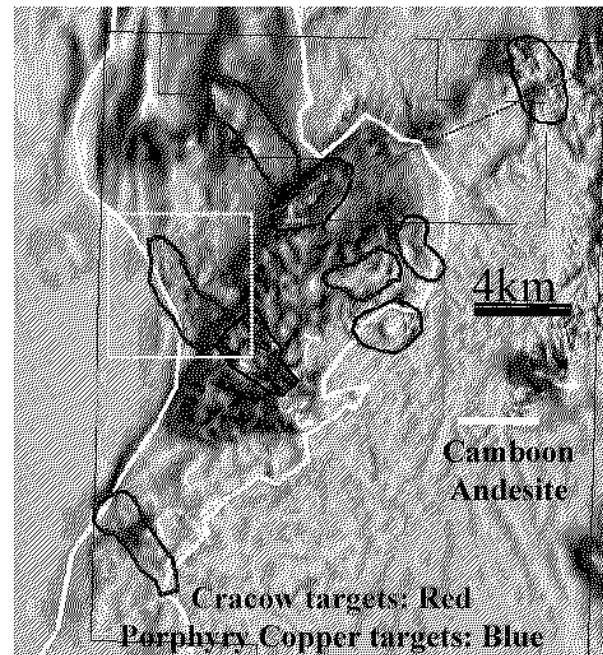
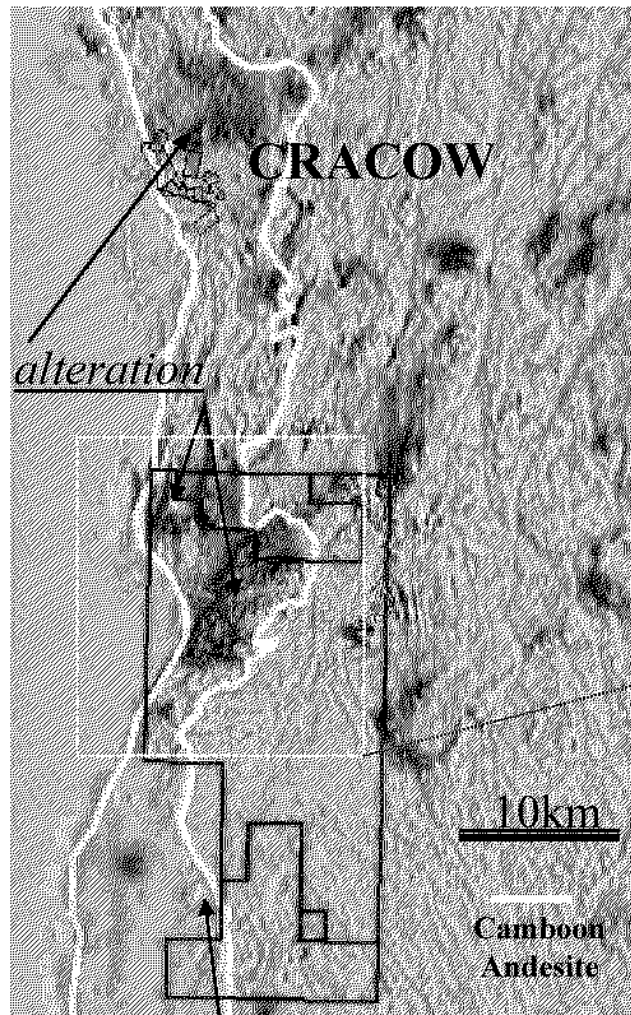
- Cracow opportunity recognised by Senior Consultant to Lodestone – tenements applied for by Lodestone
- 30km south of Cracow Gold Mine (Newcrest/Sedimentary Holdings)
- Magnetic signature similar to Cracow deposit setting
- Covered by younger rocks therefore escaping effective previous exploration
- Detailed aeromagnetic survey flown for Lodestone in December 2004
- Nine drill targets confirmed
- Drilling to begin Dec 2005

LEGEND

-  Lodestone tenement
-  Old drill hole showing cover
-  Mine / Mineral occurrence
-  Cover rocks
-  Sedimentary rocks
-  Camboon andesite
-  Volcanic rocks
-  Carboniferous granite



Regional & Cracow Magnetics, Drill Targets



Drill Targets

- 5 Cracow analogues
 - Broad magnetic alteration
 - Major northeast-trending structures
 - Northwest-trending magnetic lows
 - Subadjacent intrusive rocks interpreted
- 4 porphyry copper style

- Magnetic alteration in Camboon Andesite north of Cracow
 - likely stronger in Lodestone's tenements
- Northwest trending magnetic low associated with gold at Cracow

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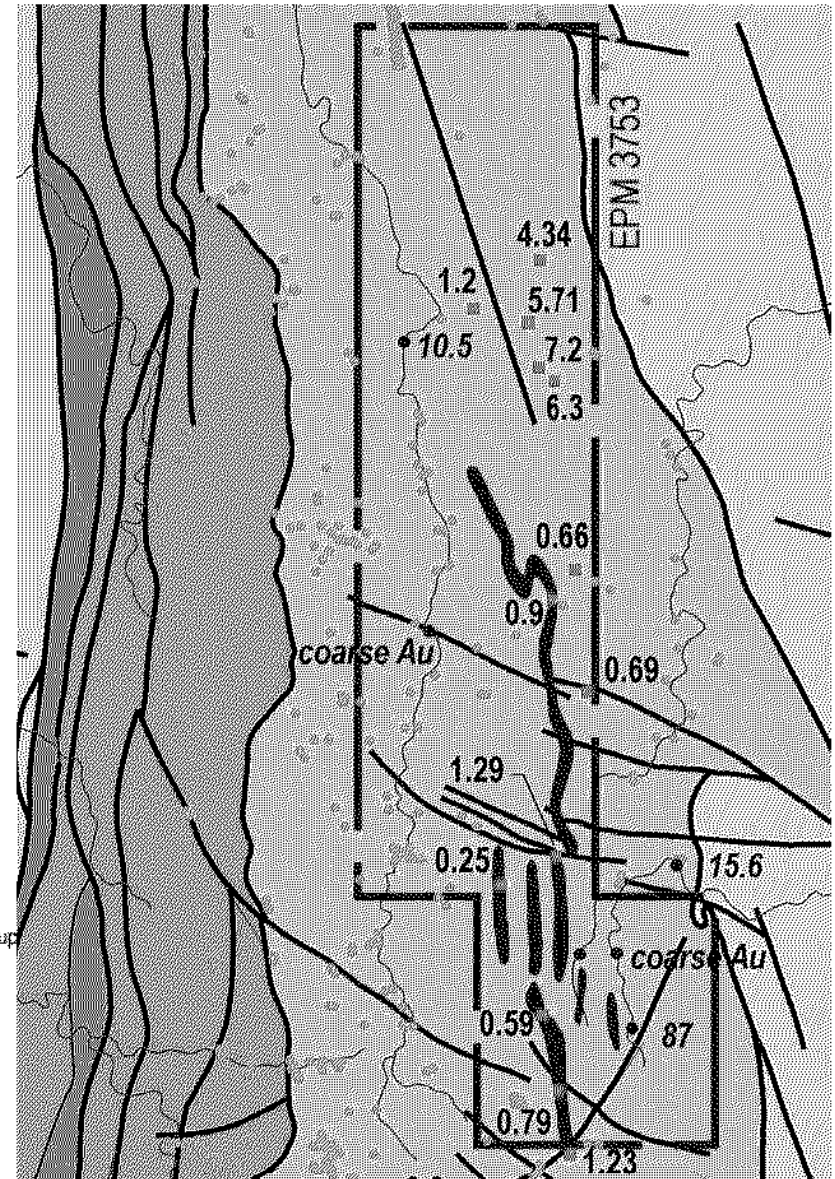
Paradigm Gold drilling
gold in porphyry

Limestone Creek Project

- 200 kms northwest of Cairns
- Sediment-hosted gold target in Chillagoe Formation
- Similar geological setting to former Red Dome mine & Mungana
- Coarse gold in adjacent stream sediments
- Surface gold grades up to 7.2 grams/tonne
- No on-ground exploration since late-1980's
- Surface sampling to commence April 2006

GEOLOGICAL REFERENCE

- Quaternary
- Hodgkinson Formation
- Chillagoe Formation
- Yambo Metamorphic Group
- Gold bearing structure
- Fault
- 87 • Stream panned sample - showing ppm Au
- 1.23w Hard rock sample - showing g/t Au
- * Historic Sampling



Summary & Forward Program



Imminent Drilling

- Complete drilling at Tungamull Prospect (Mount Chalmers Project)
 - 1200m on 4 targets

Planned Drilling

- Drilling at Mount Morgan District Project
 - 5500m on 3 targets. March – September 2006
- Drilling at Bajool project
 - 900m on 3 targets. October 2006
- Drilling at Cracow South Project
 - 3200m on 9 targets. December 2005 – February 2006
- Surface sampling at Limestone Creek Project
 - drilling to follow in late 2006
- Total drilling envisaged is 10,000+ meters on 20+ targets

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Forward Looking Statements

The contents of this presentation includes forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties.

Actual timetables and outcomes may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.

Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

