



Lodestone Exploration Limited

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www.lodestonex.com

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EXPLORATION UPDATE

Outlines of exploration during the past month, and plans for the six weeks to 30 September 2007, follow:

Drilling resumed on Tuesday at the South Australian Karinya Zinc-Lead-Silver Project; where Lodestone can earn up to 70% equity. Drill Holes One and One A, drilled in June at the Frankton Prospect, had failed to encounter significant mineralisation in an electromagnetic target drilled to 200 metres; that rig's capacity.

A powerful new drilling rig has arrived on site, and Lodestone is drilling a coincident gravity and magnetic target 300 metres north of FSR01 and FSD01A. The top of this target is 350 metres deep. Programmed hole depth is 500 metres.

The number and depth of additional holes will be influenced by outcomes from FSD02, now under way.

Some recent analytical results from Lodestone's wholly-owned Limestone Creek Copper-Gold Project are strongly anomalous in copper. Consequently, the zone of interest approximately 300 metres long, reported on 17 July 2007, has been elevated to prospect status. Mapping and sampling will be extended.

A comprehensive interpretation of Mount Morgan district VTEM survey data, collected by www.geotechairborne.com for Lodestone in May 2007, should become available within a few weeks.

As in the past two months, Lodestone's main focus in the next six weeks will be on the Karinya, Mount Morgan, and Limestone Creek Projects.

Yours faithfully,

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Lodestone Exploration Limited

Exploring the Mount Morgan metals region with advanced technologies

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