

CONTINUOUS DISCLOSURE POLICY

Objectives

Lodestone's disclosure policy and procedures are designed to comply with all applicable laws and regulations, and to ensure that investors can readily:

- Have sufficient information to ascribe a fair value to Lodestone's securities;
- Understand Lodestone's objectives and strategies; and
- Examine Lodestone's financial position and growth prospects.

In this context, the legitimate information needs of investors are balanced with Lodestone's need to retain confidentiality of commercially sensitive or proprietary information.

Principles

In accordance with regulatory requirements, Lodestone will immediately disclose information if a reasonable person would expect that information to have a material effect on the price of Lodestone's securities.

Material information may not be disclosed where it would not be in the best interests of Lodestone, and all of the following requirements are met:

- A reasonable person would not expect the information to be disclosed; and
- The information is confidential; and
- One or more of the following conditions apply:
 - Disclosure would breach the law;
 - It is part of an incomplete proposal or negotiation;
 - It comprises matters of supposition or is indefinite;
 - It is generated for internal management purposes;
 - It is a trade secret.

These exemptions are those applicable to Lodestone under the listing rules of the Australian Stock Exchange.

As soon as possible after disclosure to the Stock Exchange, all announcement will be posted on Lodestone's website.

Authorities

The Directors and officers of Lodestone with the authority to disclose information publicly are:

- Chairman
- Executive director
- Company Secretary.

No other person is to disclose material or commercially sensitive information about Lodestone to external parties (media, analysts, shareholders, potential investors, etc.) without authorisation from the Chairman or Executive director.

Guideline to Employees

All employees who become aware of potentially price sensitive information which they reasonable consider may not be known to the Executive director or Board must immediately inform the Chairman, Executive director or Company Secretary of that information.

Employees are encouraged and requested to consider carefully whether information in their possession might fall into this category, and to seek the guidance of the Company Secretary if they are in any doubt.

No employee may respond to queries from the general media or analysts without the authority of the Executive director, and all such queries should immediately be referred to the Executive director, Chief Financial Officer or Company Secretary.

Market Speculation

It is the policy of Lodestone not to comment upon market rumours or speculation.

If it is assessed to be in the best interest of shareholders, Lodestone reserves the right to make comment if information is factually incorrect or misinterpreted.

Additionally, Lodestone will comment on market rumours if asked to do so by the Stock Exchange because there could be a false market in Lodestone's securities.

Communications with Financial Markets

Lodestone will treat all legitimate requests for information equally, and respond in as timely a manner as feasible. However, as a general rule, no briefings will be made within two months of the scheduled date of release of Lodestone's half yearly and annual financial results, unless made in relationship to a specific ongoing exploration or development programme.

Group briefings, including participation in investor conferences and roadshows, may be made by Lodestone. All new presentation materials used in such briefings will be lodged with the Stock Exchange prior to commencement of the briefing, and posted on the website.

One-to-one briefings may be conducted periodically by the Chairman or Executive director, or a designate of the Executive director, to provide background information and elaborate upon previously disclosed information. No selective or differential disclosure of material information is permitted. Where possible, two company representatives will attend such briefings.

If material information is inadvertently disclosed at any briefing, that information will be formally disclosed to the Stock Exchange immediately after the briefing,

Draft Analyst Reports

When reviewing analysts' financial models or draft research reports, material comments will be confined to information Lodestone has publicly issued.

It may be appropriate to provide comment where the report has overlooked certain previously disclosed facts or trends related to historical performance or public information.

Lodestone may question assumptions that the analyst used to reach conclusions, based on previously disclosed information, but not the conclusions themselves.

Oversight

The Company Secretary has been assigned responsibility for the oversight to Lodestone's disclosure policy and actions.

All queries relating to this policy should be made, in the first instance, to the Company Secretary.

The Company Secretary is responsible for periodic reports to the Board on the operation and effectiveness of this Policy.