

SECURITIES TRADING POLICY

Scope

This policy provides guidance to Directors and employees on the purchase and sale of securities of Lodestone:

- so that breaches of the Corporations Act do not occur; and
- to ensure dealings by Directors and employees in Lodestone's securities are fair, and are seen to be fair.

Employees requiring further information or guidance should contact their supervisor or the Company Secretary.

Prohibitions

In accordance with the provisions of the Corporations Law, no employee or other person can trade in the securities of Lodestone while in possession of "inside information", either directly or through another person.

Directors and employees should never communicate inside information to any other person.

Inside information is information which a person knows, or reasonable ought to know:

- is not generally available; and
- might have a material effect on the price of Lodestone's securities if it was generally available.

Breaches of the insider trading rules may lead to criminal and civil liabilities, and dismissal from Lodestone.

Policy for Directors and Officers

For the purposes of this policy an Officer is an employee who reports to the Executive director or any other employee so designated by the Executive director.

- Directors and Officers may not engage in the short term trading of the securities of Lodestone, i.e. a purchase and sale of the same securities within a six month period. In very limited circumstances, such as the exercising of options in employee share ownership plans, this requirement may be relaxed at the discretion of the Board.

Policy for Directors and Officers (continued)

- Subject at all times to not being in possession of inside information, Directors and Officers may deal in Lodestone's securities during the five week period commencing two business days after:
 - announcement of Lodestone's full year financial results, and
 - announcement of Lodestone's half year financial results, and
 - announcement of Lodestone's quarterly report, and
 - the Annual General Meeting of Lodestone.
- Directors and Officers are encouraged to give prior notification to the Company Secretary of any proposed dealing in Lodestone's securities.
- Approval to trade outside these windows will only be granted in exceptional personal circumstances, or immediately following a protracted period of inability to trade as a result of an exploration programme, upon prior notice to and approval from:
 - in the case of Directors, the Chairman;
 - in the case of the Chairman, the Chairman of the Audit Committee;
 - in the case of Officers, the Executive director.
- Unless specifically advised to the contrary, Directors and Officers may acquire or sell shares outside the specified windows through a general offer to all shareholders, such as a Dividend Reinvestment Plan, a Share Purchase Plan, or a general buy-back offer.
- Employees who have or may receive options, rights or similar instruments over Lodestone's securities may not enter into transactions in associated products without the prior approval of the Board.

Reporting Obligations

Directors and Officers are to advise the Company Secretary as soon as possible after a trade has occurred.

In the case of Directors, notice must be given in sufficient time so that the Company Secretary can advise, on their behalf, the Australian Stock Exchange within the required five business days.