

Lodestone Equities Limited

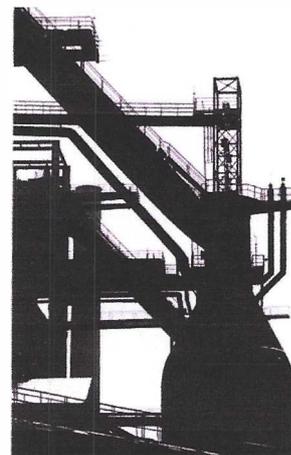
Incorporated in the Isle of Man
Incorporation Number 007296V

GORDON L TOLL

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TO: Infrastructure SA – GET INVOLVED
by e-mail infrastructure@sa.gov.au:

Dear Madam/Sir;

Production of magnetite iron ore concentrates from the Braemar region, stretching from Burra eastward to the NSW border, will have a major impact on the economy of the South Australia . The challenge is to create social and industrial infrastructure, which is both innovative, economically efficient and capable of handling the increase in economic and social activity that such development will engender. Braemar Infrastructure Pty Ltd (BIPL) plans to create essential industrial infrastructure which when developed will be available for third party use.

The development of the Iron ore resources of the Braemar Formation will be a state, and nation, building project that will materially enhance the economic wellbeing of SA, through increased employment opportunities, growth in the State's GDP and social improvements in a sparsely populated region of the State. A material diversification of the State's merchandise exports will be achieved from a region that currently delivers only a modest proportion of the State's exports. The development of the Braemar iron ore deposits is minimally referred to in the Discussion Paper. It is encouraging, however, that the infrastructure projects which are emphasised include some power and port facilities. Magnetite is an important input into steelmaking. The Braemar Formation is currently one of the largest undeveloped regions of magnetite in the world.

BIPL plans to build multiuser bulk mineral concentrate handling and export facilities. Although such facilities are quite specific, the benefits, including significant economic multiplier effects, are broad based from an economic, social and environmental perspective. In time, gross revenue from magnetite production in the Braemar could well exceed A\$7 billion. The opportunity to continue working with the SA Government so that non-financial assistance can be most effectively applied, is central to BIPL's work. The planning for these works is in an advanced stage. This partnership between Government and private enterprise, even in a non-financial form, gives developers and their fund providers significant encouragement and comfort, so we welcome the opportunity to continue working closely with the SA Government to implement BIPL's plans.

Yours sincerely _____

[DELETED]

Gordon Toll, Chairman and CEO