

9 June 2021

To whom it may concern,

**Subject: Nain Quarry Stakeholder Update**

Kara Resources Pty Ltd (Kara Resources) is a subsidiary of Hallett Resources Pty Ltd and operates various construction materials operations throughout South Australia. Over a period of approximately 10 years, Kara Resources has been pursuing the development of a northern quarry asset in the Nain region to support delivery of construction materials that align with our vertically integrated concrete business.

Kara Resources already hold an approved Extractive Minerals Lease (EML) in the Nain area (EML 5686) that was registered in 1990. An expanded area was applied for to the north and west of this current tenement. On 23 December 2020, EML 6521 was granted to Kara Resources by the Department for Energy and Mining (DEM) after consideration and assessment of the Mining Lease Proposal against requirements under the *Mining Act 1971*. The total site area of the two (2) tenements is now 80.65 hectares, refer below to **Diagram 1 – Tenement Areas** for an understanding of the areas approved by the DEM.



(Source: SARIG, 2021)

**Diagram 1 – Tenement Areas**

Since pursuing the development of the Nain Quarry site, Hallett Resources have had the opportunity to purchase the Truro Hardrock Quarry located east of Truro, entered via the Sturt Highway. The opportunity to purchase the Truro Quarry asset has reduced the immediate requirement to develop the Nain Hardrock Quarry.

In order to operate on the Nain Quarry, firstly, the business still has social and regulatory obligations to withhold prior to physically operating the site. From a regulatory perspective, a Program for Environment Protection and Rehabilitation (PEPR) has to be developed in conjunction with community input and with incorporation of the Lease Conditions provided to Kara Resources as a result of the approval of the tenement. A Community Engagement Plan (CEP) is to be developed to the satisfaction of the Director of Mines and a Communications Protocol is also to be developed. This CEP document will be developed in accordance with the guidelines of the IAP2 engagement framework. Socially, the business is committed to further engagement with stakeholders in the development of the PEPR document to ensure transparent opportunities for engagement and feedback are provided.

For the foreseeable future, there is no short-term prospects of operating the quarry within the next 3-5 year period. The purchase of the Truro Quarry has for now, provided a supply chain capable of securing raw materials to our internal and external market requirements. Kara Resources will commit to liaising with stakeholders at least 12 months out from inception of quarry operations and will be engaging with stakeholders in the development of the CEP and PEPR documents prior to being authorised to operating the quarry under the regulatory framework (*Mining Act 1971* and *Mining Regulations 2020*).

The business appreciates your interest to date in the lead up to the approval of the tenement and look forward to ongoing engagement in the coming years.

In the meantime, if you have any feedback or questions regarding the Nain Quarry, please contact us via email at [sales@hallettresources.com.au](mailto:sales@hallettresources.com.au).

Kind Regards,

A handwritten signature in black ink that reads "Kane Salisbury". The signature is fluid and cursive, with the first name "Kane" and last name "Salisbury" clearly legible.

Kane Salisbury  
CEO – MSP Group of Companies