

From: Environmental Media Foundation [REDACTED]  
Sent: Friday, 14 May 2021 6:33 PM  
To: Jozsef Patarica; Environmental Media Foundation  
Subject: Re: AUSENCO REVIEW

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Dear Mr Patarica.

Thank you for your response.

I have searched document 252 and 253 and can find no mention of the company Appian within those

documents. What did you mean when you cited, "Appian" in the following sentence ?

" We understand from Tabled Documents 252 and 253 that Appian, an investor in the Fingerboards Project, has a commercial interest with an affiliate of AUSENCO, and that AUSENCO took issue with how aspects of its report had been summarised by representatives of East Gippsland Shire Council."

It is of note that Darren Wong (Plantology) by letter dated 29 April, (Doc252), reported correspondence

with AUSENCO where he states :: "We are informed that the conflict arises in circumstances of Ausenco, through one of its wholly own subsidiaries, currently completing work for an entity which is ultimately the 100% owner of the Fingerboards Mineral Sands Project."

As Appian is the primary beneficiary of the Fingerboards project, and corporate front representing the main investors in the project, there is clearly a conflict of interest with Appian (Kalbars Owner and

beneficiary) contracting AUSENCO while the inquiry process is underway. And it appears eminently reasonable to surmise that this relationship resulted in AUSENCO changing its centrifuge report. It is also

unrealistic to assume, as you appear to infer in the quote cited above, that Appian was unaware that an

EES process is underway, when that has a direct bearing on the performance of its cited \$144 million dollar investment in the project. Such that the outcome of the EES process including the IAC public Inquiry, will bear heavily on its investment performance.

That being the case, as Appian is the majority owner of Kalbar Operations, it is incumbent on Appian to

disclose all communication and contracts conducted between itself and AUSENCO, between the original

date when the East Gippsland Shire Council contracted it (AUSENCO) to conduct the review of the centrifuge proposal, and the 21 April 2021, the date at which AUSENCO signaled by letter (Doc 252), that it was retracting certain findings it had made in its' centrifuge report prepared for the East Gippsland Council.

Without the disclosure of that documentation there is no proof that Appian did not embark on efforts to

induce AUSENCO to change a report which was threatening its commercial interests.

I will await your response to this correspondence before lodging this communication with the IAC panel

at the open of business Monday morning.

Regards.

Peter Vaughan

EMF Inc.

On Fri, 14 May 2021 at 17:43, Jozsef Patarica [REDACTED] wrote:

Dear Mr Vaughan,

Thank you for your email.

Kalbar Operations has never commissioned AUSENCO or any of its affiliates to do any work, and never

paid it any money. Kalbar Operations has had no communication whatsoever with AUSENCO or any of

its affiliates on Fingerboards, nor on any other matter.

We understand from Tabled Documents 252 and 253 that Appian, an investor in the Fingerboards Project, has a commercial interest with an affiliate of AUSENCO, and that AUSENCO took issue with how aspects of its report had been summarised by representatives of East Gippsland Shire Council.

I will ask Counsel to table this email exchange with the IAC.

Regards

Jozsef Patarica

Chief Executive Officer

[REDACTED]

From: Environmental Media Foundation [REDACTED]

Sent: Friday, 14 May 2021 2:27 PM

To: Jozsef Patarica [REDACTED] Environmental Media Foundation

[REDACTED] Power, Tim <tim.power@[REDACTED]>

Subject: AUSENCO REVIEW

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14 May 2021.

Dear Mr Patarica.

As you are aware Mr Matt Pyle (AUSENCO) wrote to Mr Darren Wong - Plantology, on 21 April 2021, ostensibly to report AUSENCO was withdrawing certain findings it made in a report prepared on behalf of the East Gippsland Shire Council raising concerns with the feasibility of centrifuges replacing a tailings dam at the future mine.

Mr Wong has since informed the IAC, that AUSENCO has identified that a commercial conflict of interest has arisen, because it has since been engaged by Kalbar to conduct commercial works on its behalf.

A reasonable assessment of those circumstances suggests Kalbar has made contact with AUSENCO after it produced a report casting doubt on the practicalities of using the centrifuge option, and offered it a commercial incentive to change its report, and retract certain findings to make the centrifuge option appear more viable, and those changes were coordinated along with the submission of additional Kalbar documents.

In the interest of due diligence we would like to offer the management of Kalbar Limited/Operations the opportunity to respond with a statement or response to the following questions.

When did Kalbar commission work from AUSENCO, how much was paid, why didn't Kalbar identify this

as a clear conflict of interest in making such an approach ?

Why didn't Kalbar inform the IAC that it had begun a commercial relationship with a consultant that

had already been commissioned by another party ?

Regards.

Peter Vaughan

EMF Inc.