

**Transcript: GEO Investigator conversation with Mr. Wu, the contact person for Pingyi Mine's 'For Sale' Listing**

**Jan 16, 2012**

Following is the transcript of [telephone conversation](#) GEO's Investigator had with Mr. Wu, the contact person for the Ping Yi Mine 'For Sale' listing on the relevant websites [discussed in our report](#). The purpose of the call was to confirm the conversation between the Geoteam and Mr. Wu regarding the relationship between LLEN (Fuyuan County Baoxing Economic & Trade. Co) and Ping Yi Mine. We understand that, after GeoTeam issued the alert regarding LLEN on Jan 13, 2012, some other investors called Mr. Wu during the weekend after Jan 13, 2012. We wanted to know what the response of Mr. Wu would be after we issued our alert. Based on the relevant websites, we obtained the phone number (0086- 135 7745 6123). On around 3:00 PM, Dec. 16, 2012 (Beijing time), we had the conversation with Mr. Wu as follows:

GEO: Hello, Is that Mr. Wu?

Mr. Wu: yes.

GEO: Hello. I am the colleague of Mr. Zhang, from a Beijing investment company.

Mr. Wu: ok.

GEO: Well, we said that our boss, Mr. Zheng would visit you after the Chinese New Year. But, there is a real trouble now. For this issue, our boss complained a lot about Mr. Zhang (who contacted you for this deal) before the Chinese New Year. Now, our boss obtained an acquisition agreement between LLEN and Ping Yi Mine. We really want to know who owns the mine now? My boss really does not know what the current situation is.

Mr. Wu: **Now, our biggest boss is Mr. Zhang, Zhang Baoguo. The mine is owned by individuals.** (我们最大的老板姓张, 张保国。我们现在是私有的。)

GEO: What? (现在是什么?)

Mr. Wu: **owned by individuals. At the beginning, LLEN (龙腾矿业) did discuss this deal with us. At last we did not reach a final deal.** (私有的。最初, 龙腾矿业谈是谈过, 但是最终没成交易。)

GEO: Oh.

Mr. Wu: **LLEN did not pay money to us at all.** (他们也没有付钱。)

GEO: signed a contract but not pay any money? So the claimed agreement is a void contract?

Mr. Wu: Yes.

GEO: Oh. The agreement on the hand of my boss is a void contract?

Mr. Wu: Yes. Even mentioned something called like Baoxing Group. (还说那个什么宝兴集团)

GEO: Yes. Baoxing Economic & Trade Company. Therefore, my boss complained about Mr. Zhang a lot and said he did not do a good job. As this is a big issue, we also pulled the SAIC file of Ping Yi Mine. Based on the SAIC file, we realized that Ping Yi Mine is owned by four individuals as a partnership. (the voice is disturbed) Hello?

Mr. Wu: I am listening.

GEO: This is owned by four individuals as a partnership, not owned by LLEN, right?

Mr. Wu: Yes.

GEO: Oh. We just want to confirm this. We also saw that in the SAIC file, it says that the business license is only for exploration, not for business. What does that mean? Can you explain this? We do not understand this.

Mr. Wu: what do you mean?

GEO: we saw that, in the SAIC file, it says that the business license is only for exploration (preparation), cannot be used for business. This is written on the SAIC file. What does this mean?

Mr. Wu: I am also not very clear.

GEO: You are also not clear? The SAIC file says that it is only for exploration, cannot be used for business.

Mr. Wu: (the voice is not clear)

GEO: ok. We understand this. Only for preliminary production and no authorization for real business.

Mr. Wu: Yes. **Now, it is owned by four individuals and it is not sold to any other.** (是的。现在是四个自然人所有的，没有卖给任何人。)

GEO: **Yes. I read the SAIC file and it says that it is owned by four individuals.** (是的，我知道，我看了工商档案，是说四个自然人。)

Mr. Wu: **No such a thing (acquisition by LLEN) at all.** (没有这个事情)

GEO: **no such a thing (acquisition by LLEN) at all, right?** (根本没有这个事情，对不对?)

Mr. Wu: **There was this thing. But, there is no reached deal.** (有是有过，但是最后没有成交。)

GEO: We know. If the deal is not done, we know what we can do. Then, I can report to Mr. Zheng, my boss, to arrange the following things and possible trip. After our arrangement, I will give you a call. Is that ok?

Mr. Wu: You already know the information of the mine, right?

GEO: Yes. This is the only thing in doubt. Even though I am already on my vacation, my boss still asked me to call you to confirm this.

Mr. Wu: There are several guys that called me in these days to enquire about this issue. There was no phone number reflected on my cell phone. Sometime, it reflects "private phone number" or "oversea phone number". (这两天有好几个人打电话给我, 来问这个事情。他那个号码没有来电显示, 还有就是显示为私人号码或者海外号码。)

GEO: Oh. Really?

Mr. Wu: they all called me for this issue. I thought they were from your company. (他们打电话都是问这个事情, 我还以为是你们公司的人。)

GEO: No. Although Mr. Zhang did call you. He used our company line to call you as that one is very cheap for long distance call. I use this number to call you as I am already on my vacation and am not in Beijing now.

Mr. Wu: Oh.

GEO: ok. I understand this whole thing. I will call you after I report to my boss. I am the same as Mr. Zhang as we both are only staff. I will only call you after I reported to Mr. Zheng.

Mr. Wu: ok.

GEO: ok. Bye bye. Thank you.