Transcript of June 18, 2013 Interview of

LuoZhou Mine Employee

Note: On June 18, 2013, Investigators arrived at the LuoZhou mine at nightfall after a long journey delayed by a landslide that had severely damaged the road to the mine. The following is a transcript of the investigators' interview of a worker outside the mine. Important findings are highlighted in yellow.

(The video recording started with investigator holding that day's newspaper showing June 18th 2013.)

Investigator A: Hi Sir. Hello? Is this LuoZhou coal mine here?

Employee: Yes.

Investigator A: How do you do.

Employee: Hello, where are you from?

Investigator A: I'm from the Chongqing area. I work for a paper making company. We wanted to come to buy some coal (from here). We've been talking to a company called Liwei (L&L Energy)...by the way, have you ever heard of Liwei (L&L Energy)?

Employee: Uh. Haven't heard of it.

Investigator A: Haven't heard of them? What happened was, this Liwei (L&L Energy) wanted to cooperate with us, but we learned there's a bigger mining company over here named Union Energy, is it?

Employee: Yes, yes.

Investigator A: So I decided to come here and find out more. My wife is from Guizhou (province) area and I'm more familiar with this province, so I decided to come here to inquire. However, it took us this long to get here.

Employee: Oh.

Investigator A: Can I ask you a few questions? We're trying to figure whose mines are these. If these are indeed Union Energy's mines, we can talk directly to Union Energy about business. So has this mine finished its construction?

Employee: Yes it did finish, (inaudible).

Investigator A: Here you go, have a cigarette.

Employee: Oh okay.

Investigator A: Come on.

Employee: You guys must be very tired. You came from the way up there?

Investigator A: Yeah. A villager earlier told us to come this way.

Employee: Oh. You guys should have come from the other (inaudible). (The employee turned back and pointed at the direction behind him)

Investigator A: That road over there has collapsed, so I wasn't sure whether it was going to work or not. Then, has this mine here started production?

Employee: Currently, it has not started production. It will have to wait till (inaudible) for the regulatory approval to complete. They are working on Lashu coal mine, so most of the workers here were allocated to rush the work there (at Lashu).

Investigator A: I did not understand everything you said. So basically, this mine here has not begun production? And there's work being done at Lashu?

Employee: Right. Right.

Investigator B: (inaudible)

Employee: Lashu has always been (inaudible) along with this mine.

Investigator A: Oh, so Lashu belongs to this (company) too.

Employee: Right. Lashu, Weishe...and LuoZhou here. They've acquired three mines.

Investigator A: Which three? Lashu, Weishe and Luozhou? And they are all Union Energy's?

Employee: Right. Right. They are all Union Energy's (mines).

Investigator A: Oh. That Lihua, uh...Liwei (L&L Energy), told us they own these mines. What trouble they have made for us. Thank goodness, we came all the way to investigate.

Investigator B: When do you guys start production?

Employee: Production begins...it may be very quickly...in July, I'm guessing it'll start production. What they did was...Wei..Uh, all of the workers here were pulled and moved to Lashu mine, only a few left here. I guess they won't be back until end of ...end of July. They are rushing the work there.

Investigator A: Oh they went to rush the work at that place?

Employee: Right.

Investigator B: In other words, neither LaShu nor here is in production? Uh, neither LaShu nor LuoZhou mine is in production?

Employee: Right. Neither is producing anything. Not in production.

Investigator A: (Because) they are rushing the work at the other place?

Employee: Right. Rushing the work there.

Investigator A: So you don't have any idea when that mine (Lashu) will start production?

Employee: Over there...I have no idea, because I haven't been there.

Investigator A: So this mine here...hasn't produced any coal since the beginning of 2013? For the 1st half?

Employee: Here (inaudible), it used to produce a little on and off, (inaudible)...about one month, haven't produced anything.

Investigator A: Oh.

Employee: Mainly because LaShu hasn't finished its regulatory approval process. Guess it will have to wait till the approval is over...

Investigator A: Oh, so now this mine isn't producing any coal. (People) going to Lashu, and Lashu is waiting to get approval, not sure when Lashu will start?

Employee: Uh-huh.

Investigator A: So basically this place here hasn't started (producing) anything?

Employee: Here...(inaudible) approval.

Investigator A: Oh. When does this mine start production, do you know?

Employee: I heard from the people the company said, once they are finished with Lashu, it will probably start here.

Investigator B: Is there anyone in the office there?

Employee: All the bosses, managers are in that office building in the back there.

Investigator A: Oh, the managers are all there?

Employee: Go down here and ask them over there.

Investigator A: Okay. Thanks.

Employee: It must be hard for you to come all the way here.

Investigator A: What was the explored and estimated production volume of this mine? Do you know?

Employee: Uh..they did...300,000 tons. 300,000 tons production (capacity) per year.

Investigator A: So it was estimated to produce 300,000 tons, but the actual may be less than this?

Employee: That, I'm not sure. The details, you have to ask from the guys inside...(interrupted),

Investigator C: So 300,000 tons is an annual production...

Employee: Yes, 300,000 is the annual production capacity.

Investigator A: Oh okay.

Employee: These are all I know. (inaudible) The details...(inaudible)

Investigator B: Probably we have to find out about those from them when we go in there. Let's go in and ask.

Investigator A: Good. We'll go in there and ask.

Employee: You should go in. The office building is behind this structure...(inaudible)

Investigator A: Oh ok. By the way, Weishe...

Employee: LaShu.

Investigator A: and LuoZhou. All three mines are all owned by Union Energy? It has nothing to do with that Liwei (L&L Energy) company?

Employee: Yes. Nothing to do (with L&L Energy).

Investigator A: Oh okay. Thank you. It took us a whole day to get here, just to learn about this.

Employee: (inaudible).

Investigator A: Oh, okay, okay. We will go there and ask them. Thank you.

Investigator A: How do I get down there?

Employee: From here.

Investigator A: Just go along the... the warehouse?

Employee: Yes.

Investigator A: Good. Thanks.

Employee: (inaudible) (Spoke in the background)

Investigator B: Thank you.