BEST STATE INVESTMENTS LIMITED

(Incorporated in the British Virgin Islands with limited liability)

in relation to

SIBERIAN MINING GROUP COMPANY LIMITED

西伯利亞礦業集團有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1142)

POSSIBLE OFFER ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

POSSIBLE MANDATORY CASH OFFER BY ANGLO CHINESE CORPORATE FINANCE, LIMITED ON BEHALF OF BEST STATE INVESTMENTS LIMITED FOR THE WHOLE OF THE ISSUED SHARE CAPITAL OF SIBERIAN MINING GROUP COMPANY LIMITED OTHER THAN THAT ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR TO BE FOLLOWED BY A POSSIBLE RIGHTS ISSUE OR OPEN OFFER

Financial Adviser to the Offeror

ANGLO CHINESE 英高
CORPORATE FINANCE, LIMITED

This announcement is made pursuant to Rule 3.7 of the Takeovers Code. Reference is made to the announcement dated 30th September, 2013 relating to the Possible Offer (the "Possible Offer Announcement") and the update announcement dated 30th October, 2013 issued by the Offeror (together with the Possible Offer Announcement, the "Announcements"). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

* *For identification purposes only*

UPDATE ON THE PROGRESS OF THE POSSIBLE OFFER

Anglo Chinese's letter to the Board dated 12th November, 2013 (the "Letter")

On 12th November, 2013, Anglo Chinese issued the Letter on behalf of the Offeror repeating its request for information as referred to in its letter to the Board dated 8th October, 2013, including the management accounts of the Group for the year ended 31st March, 2013 and the six month period ended 30th September, 2013 and a copy of the technical report issued by the technical expert on 27th March, 2013. Such information would not only assist the Offeror to conduct the necessary legal, business and financial due diligence on the Group and therefore progress the Possible Offer, it should also be made available to all Shareholders who currently have had no update of the financial performance or condition of the Group since the announcement of the interim results for the six months ended 30th September, 2012.

In the Letter, Anglo Chinese referred to the acquisition agreement dated 31st October, 2008 (the "Acquisition Agreement") relating to the acquisition by the Company of the interest in Langfeld Enterprises Limited which indirectly owned a mining licence in Russia. As described in the Company's circular dated 31st December, 2008 (the "Circular"), under the Acquisition Agreement, the second contingent consideration was to be satisfied by the issue of the Third Convertible Note by the Company to Cordia Global Limited ("Cordia") on the third business day following the day on which the last of certain conditions was satisfied (or such other date as the purchaser (i.e. Grandvest International Limited, a wholly-owned subsidiary of the Company) and Cordia shall agree in writing in any event no later than one calendar year after the date of the Acquisition Agreement).

The date of the Acquisition Agreement is 31st October, 2008 and therefore the time limit for the conditions for the issue of the Third Convertible Note to be met expired in any event on 30th October, 2009. According to the Circular, the conditions to be met prior to the payment of the second contingent consideration in the form of the Third Convertible Note were described as follows:

"(a) the mining licence for Lot 2 of the Coal Mine is obtained by the Russian Subsidiary; and

(b) a technical report issued by a technical expert acceptable to the Purchaser and the Vendor confirming the proved reserves and probable reserves of Lot 2 of the Coal Mine being not less than 12Mt (the "Certified Reserve").

In the event that the condition set out in (a) or (b) above is not satisfied, the Second Contingent Consideration shall not be payable."

In the Company's announcement dated 3rd April, 2013, it is stated:

"The Board would like to announce that the last of the Conditions has been fulfilled on 27 March 2013, as (i) the mining licence for Lot 2 of the Coal Mine was obtained by the Russian Subsidiary in November 2010; and (ii) a technical report has been issued by a technical expert acceptable to the Purchaser and Vendor on 27 March 2013 confirming the proved and probable coal reserves of Lot 2 of the Coal Mine being not less than 12,000,000 tonnes. In fact, such technical report confirmed that the proved and probable coal reserves of

Lot 2 of the Coal Mine were 14,910,000 tonnes.

Therefore, the Company has issued the Third Convertible Note to the Vendor on 3 April 2013 with the principal amount of US$443,070,000 (approximately HK$3,455,946,000) in accordance with the terms of the Acquisition Agreement."

It would appear based on the description in the Circular that the conditions were not satisfied within the prescribed time and therefore the second contingent consideration did not become payable. Accordingly the Third Convertible Note issued in the amount of US$443,070,000 (equivalent to approximately HK$3,456 million) should not have been issued.

Neither the obtaining of the mining licence nor the confirmation of reserves took place on or before 30th October, 2009.

As however a technical report has been issued by a technical expert on 27th March, 2013 confirming the proved and probable reserves of Lot 2 of the Coal Mine to be 14,910,000 tonnes, it is believed that all Shareholders should be provided with this report in the same way as the technical report prepared by SRK Consulting (Russia) Limited was made available to the Shareholders in the circular dated 31st December, 2008.

In the announcement of the Company dated 3rd April, 2013 it is disclosed that the Board sought legal advice and Senior Counsel's opinion on the timing for the issue of the Third Convertible Note and the conversion price of such note. Based on such legal advice, the Board is of the view that:

"(1) once the Conditions have been fulfilled, the Company is under an obligation to issue the Third Convertible Note to the Vendor at or before 5 pm (Hong Kong time) on the third Business Day following the day on which the last of the Conditions is satisfied, even though the Conditions have not been fulfilled within one calendar year from the signing of the Acquisition Agreement; and

(2) the Conversion Price for the Third Convertible Note proposed to be issued should be HK$48.00 per Conversion Share (subject to adjustments)".

In light of the clear wording of the conditions to be met prior to the issue of the Third Convertible Note as stipulated in the Circular, it is considered that the Company should give further particulars as to the basis upon which the Board's view disclosed above was arrived at.

In addition, on 25th April, 2013 the Company announced that the legal advisers to Cordia had served a notice of demand for full repayment of the outstanding principal amount of US$443,070,000 on the ground that an event of default had occurred. The Offeror and Anglo Chinese do not have a copy of the instrument constituting the Third Convertible Note. The principal terms set out in the Circular included that:

"The Company shall be entitled to redeem the Convertible Notes at a price equal to 115% of the outstanding principal amount of the Convertible Notes on their respective Maturity Dates, without entitlement of early redemption before the Maturity Dates."

The Maturity Date of the Third Convertible Note would be five years from the date of issue. There is no mention of any event of default or the right of early repayment. If the terms of the Third Convertible Note did include provision for early repayment on the occurrence of an event of default, such terms should have been disclosed in the Circular. The Company was also asked to make available a copy of the instrument relating to the Third Convertible Note to Anglo Chinese and place the same on display for all Shareholders to inspect.

In the Letter, Anglo Chinese reiterated that it did not agree that the Company is under no obligation to assist the Offeror in its proposed purchase of interest in the Company. Moreover, Anglo Chinese did not seek selective disclosure. The information being requested by the Offeror not only relates to the Possible Offer, but it also allows all Shareholders to appraise the latest financial performance or condition of the Company at a time when the trading of the Shares is suspended pending the publication of the outstanding financial results, together with any audit qualifications, as referred to in the announcement of the Company dated 4th October, 2013 as well as the background relating to the issue of the Third Convertible Note.

In light of the substantial size of the Third Convertible Note and the significant dilutive effect of the issue of the related conversion Shares on the shareholdings of the minority Shareholders, the Offeror considers that the Company owes a duty of full disclosure of all relevant details relating to the issue of the Third Convertible Note to all Shareholders and potential investors including the Offeror, failing which the Company may be in breach of its obligations to disclose any inside information (as defined in the SFO and the Listing Rules).

The Offeror therefore considers that the information referred to above, being sought by the Offeror, is information that should be supplied to all Shareholders. In order to allow the Offeror to proceed with the Possible Offer and enable the Shareholders to fully assess the financial condition of the Group and the detailed basis for the issue of the Third Convertible Note, Anglo Chinese urged the Company to supply (i) the management accounts of the Group for the year ended 31st March, 2013 and the six month period ended 30th September, 2013, (ii) a copy of the technical report issued by the technical expert on 27th March, 2013 as referred to in the announcement of the Company dated 3rd April, 2013, (iii) a copy of the instrument relating to the Third Convertible Note and (iv) the detailed basis of the legal advice, Senior Counsel's opinion and accordingly the Board's view on the timing for the issue of the Third Convertible Note referred to above, to us by 22nd November, 2013 and simultaneously publish a public announcement of any inside information disclosed to us in compliance with the relevant requirements under the Listing Rules and the SFO.

Reply to the Letter

In response to the Letter, on 22nd November, 2013, the legal advisers to the Company issued a letter to Anglo Chinese stating that Anglo Chinese is seeking selective disclosure of the non-public information of the Company and the Company will continue to comply with its legal and regulatory disclosure obligations.

The Company's application for a "put up or shut up" ruling

On 15th November, 2013, the Company applied to the SFC pursuant to Rule 31.1(b) of the Takeovers Code to request the Executive to issue a "put up or shut up" ruling on the Offeror to issue a related announcement before the deadline of 5:00 p.m. on the 28th day after the issue of such ruling.

UPDATE ON THE CONDITIONS PRECEDENTS OF THE MOU AND THE AGREEMENT

In order to satisfy condition (vii) in the section headed "Conditions precedent of the Agreement" of the Possible Offer Announcement, the Offeror has appointed Roma Oil and Mining Associates Limited to prepare a technical report on the Russia Mine in accordance with the requirements under Chapter 18 of the Listing Rules.

In relation to condition (i) in the section headed "Conditions precedent of the Agreement" of the Possible Offer Announcement, based on the information available to the Offeror, it understands that the Vendors are taking legal advice on possible legal action that can be taken by them to apply to the Hong Kong courts for the discharge of the Interim Order.

It is noted that the Company has not issued any announcement in the month of November 2013 prior to the publication of this announcement to update its Shareholders and potential investors of the status of various litigation cases including but not limited to the Cordia claims and Mr. Park Seung Ho and Skyline claims referred to in the Possible Offer Announcement.

Save as disclosed above, there has been no progress in the fulfillment of other conditions precedent of the Agreement in the month of November 2013.

Dealing disclosure

The respective associates (as defined in the Takeovers Code) of the Company and the Offeror, including, among others, persons holding 5% or more of a class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company are reminded to disclose their dealings in any relevant securities of the Company under Rule 22 of the Takeovers Code.

Responsibilities of stockbrokers, banks and other intermediaries

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

"Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules.

However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation."

There is no assurance that the Possible Offer and any transaction mentioned in this announcement will materialize or eventually be consummated. Shareholders and the public investors of the Company are urged to exercise extreme caution when dealing in the Shares.

By the order of the board of
Best State Investments Limited
Tang Bin
Executive Director

Hong Kong, 29th November, 2013

As at the date of this announcement, the board of the Offeror consists of Mr. Cao Wei Qiang and Mr. Tang Bin. The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, save that the only responsibility accepted by the directors of the Offeror in respect of the information in this announcement relating to the Company, which has been compiled from published sources, is to ensure that such information has been correctly and fairly reproduced and presented.

The directors of the Offeror jointly & severally confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and that there are no other facts not contained in the announcement, the omission of which would make any statement in the announcement misleading.