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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)

LITIGATIONS

Tso Chi Ming (also known as Herman Tso) commenced a legal action against the Company and other persons at the Court of First Instance of the High Court of Hong Kong under action number HCA 892 of 2016. He is seeking, among other things, an order to refrain the defendants (including the Company) from using any reports or opinions by him or any reports issued by HASS for any purpose, and an order for payment of damages at HK$30,000,000.

The Company commenced a legal action against HASS and Herman Tso at the Court of First Instance of the High Court of Hong Kong under action number HCA 1016 of 2016. It is seeking various reliefs including, inter alia, a declaration that HASS and Herman Tso are not entitled to withdraw the HASS Reports or to assert the HASS Reports being void, an order that they retract their letters dated 1 April 2016 and 11 April 2016, respectively, for withdrawing the HASS Reports, and an order for payment of the original principal amount of the Third Convertible Note of US$443,070,000 as damages.

The Company is of the view that the allegations made by HASS and Herman Tso in both legal actions are groundless and contrary to the clear facts.

Reference is made to the announcements of Siberian Mining Group Company Limited (the "**Company**") dated 3 April 2013, 22 April 2015 (the "**Resumption Announcement**"), 15 April 2016 and 18 April 2016, respectively. Unless otherwise defined herein, capitalized terms used herein have the same meanings as those defined in the Resumption Announcement.

Legal action number HCA 892 of 2016

The Company has received on 18 April 2016 a Writ of Summons and Statement of Claim issued by TSO Chi Ming (as the plaintiff) in the Court of First Instance of the High Court of Hong Kong under action number HCA 892 of 2016. TSO Chi Ming is also known to the Company as Herman Tso, who is a director of HASS.

Apart from the Company, there are three more defendants including Hong Sang Joon (an existing director of the Company).

* *For identification purpose only*

In such action, the plaintiff alleged that (a) HASS was engaged by the Company in January 2013 to produce the First HASS Report for the Company's internal reference purpose only; (b) he was not aware that the First HASS Report would be used for the purpose of issuance of the Third Convertible Note; and (c) the work scope of HASS did not include coal reserves estimation.

The plaintiff is seeking, among other things, an order to refrain the defendants (including the Company) from using any reports or opinions by the plaintiff or any reports issued by HASS for any purpose, and an order for payment of damages at HK$30,000,000.

Legal action number HCA 1016 of 2016

In light of the purported withdrawal of the First HASS Report and the Supplementary HASS Report (collectively the "**HASS Reports**"), the Company (as the plaintiff) has commenced a legal action against HASS (1st defendant) and Herman Tso (2nd defendant) in the Court of First Instance of the High Court of Hong Kong under action number HCA 1016 of 2016 on 18 April 2016.

In such action, the Company pointed out that (a) HASS and Herman Tso were not mandated by the Company to determine whether the Third Convertible Note should be issued (as such issuance was a matter for the Company to decide after considering whether all conditions had been fulfilled) but HASS was mandated in January 2013 to prepare a technical report on Lot 2 of the Coal Mines; (b) it was known to HASS and Herman Tso that the technical report should confirm the estimated coal reserves for the Company and the purpose of the report was for the determination of the amount of the Third Convertible Note to be issued (if all conditions being fulfilled); and (c) the First HASS Report did confirm that the estimated proved and probable coal reserves of Lot 2 of the Coal Mines totaled 14,910,000 tonnes.

The Company is seeking various reliefs including, inter alia, a declaration that HASS and Herman Tso are not entitled to withdraw the HASS Reports or to assert the HASS Reports being void, an order that they retract their letters dated 1 April 2016 and 11 April 2016, respectively, for withdrawing the HASS Reports, and an order for payment of the original principal amount of the Third Convertible Note of US$443,070,000 as damages.

The Company's solicitors had received a defence statement from Herman Tso on 19 April 2016. Herman Tso alleged that (a) HASS and he did not have working papers to properly estimate resources or reserves; (b) the First HASS Report was signed off in a hasty manner as Herman Tso believed the report was used for the Company's internal purpose only; (c) there was no work done for reserve estimation; and (d) HASS's confirmations to the Company for responding to the Stock Exchange's enquiries were mostly not done by HASS.

The Company's position

The Company is of the view that the allegations made by HASS and Herman Tso in both of the above-mentioned actions are groundless and contrary to the clear facts.

The facts are that:

(i) HASS (as represented by Herman Tso) had signed off the HASS Reports.

(ii) The First HASS Report did confirm the coal reserves estimation for Lot 2 of the Coal Mines being 14,910,000 tonnes, and it also confirmed the coal resources estimation.

(iii) The First HASS Report stated clearly that "*The HASS report was required to be suitable for inclusion in documents for The Stock Exchange of Hong Kong Limited*".

(iv) When the Company prepared replies to the Stock Exchange's enquiries on the First HASS Report and the issuance of the Third Convertible Note, HASS had confirmed in writing (confirmations were signed by Herman Tso on behalf of HASS) to the Company on several occasions in 2014 and 2015 that the HASS Reports did include reserves estimation.

The Company will make further announcement(s) to update the public and its investors of any significant development.

By Order of the Board
Siberian Mining Group Company Limited
Hong Sang Joon
Chairman

Hong Kong, 19 April 2016

As at the date of this announcement, the board of the Company consists of Mr. Hong Sang Joon and Mr. Su Run Fa as executive directors, and Mr. Jo Sang Hee, Mr. Kwok Kim Hung Eddie and Mr. Lai Han Zhen as independent non-executive directors.

This announcement will remain on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and on the Company's website at http://siberian.todayir.com.