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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders and potential investors of the Company that based on the preliminary review of the draft unaudited consolidated management accounts of the Group for the year ended 31 March 2020 and other information currently available, the Group is expected to record a very substantial increase in loss before income tax for the year ended 31 March 2020 as compared to the same period of last year, primarily attributable to (i) the impairment loss of approximately HK$138 million (reversal of impairment loss of approximately HK$130 million for last year ended 31 March 2019) on other intangible assets (in relation to mining rights of Lot 1 and Lot 1 Extension of the Group's Russian coal mines); and (ii) the increase in impairment loss by approximately HK$1,028 million on exploration and evaluation assets (in relation to mining rights of Lot 2 of the Group's Russian coal mines).

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Siberian Mining Group Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

* *For identification purpose only*

The board of directors of the Company (the "**Board**") wishes to inform the shareholders and potential investors of the Company that based on the preliminary review of the draft unaudited consolidated management accounts of the Group for the year ended 31 March 2020 and other information currently available, the Group is expected to record a very substantial increase in loss before income tax for the year ended 31 March 2020 as compared to the same period of last year. Such estimated very substantial increase in loss before income tax is primarily attributable to (i) the impairment loss of approximately HK$138 million (reversal of impairment loss of approximately HK$130 million for last year ended 31 March 2019) on other intangible assets (in relation to mining rights of Lot 1 and Lot 1 Extension of the Group's Russian coal mines) mainly due to the decrease in coal sales prices of certain type of coals, the depreciation of Russian Rubles to United States Dollars and change of the expected first year of coal production to 2027; and (ii) the increase in impairment loss by approximately HK$1,028 million on exploration and evaluation assets (in relation to mining rights of Lot 2 of the Group's Russian coal mines) also mainly because of the decrease in coal sales prices of certain type of coals, the depreciation of Russian Rubles to United States Dollars and change of the expected first year of coal production to 2022.

The Company would like to highlight that the above-mentioned estimated impairment losses are just non-cash items arising from year end valuation exercises for accounting purposes, which will not affect the cash flow position of the Group.

As the Company is still in the process of preparing its annual results for the year ended 31 March 2020, the information contained in this announcement is only based on the information currently available and the preliminary review of the draft unaudited consolidated management accounts of the Group for the year ended 31 March 2020, which are yet to be finalized and have not been reviewed by the Company's Audit Committee, and which therefore are subject to adjustments. The unaudited consolidated annual results of the Group for the year ended 31 March 2020 are expected to be announced by the Company on or before 30 June 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Siberian Mining Group Company Limited
Lee Jaeseong
Chairman

Hong Kong, 12 June 2020

As at the date of this announcement, the Board consists of Mr. Lee Jaeseong and Mr. Im Jonghak as executive directors, and Ms. Chen Dai, Mr. Kwok Kim Hung Eddie, Mr. Lee Sungwoo and Mr. Leung Yau Wan John as independent non-executive directors.