

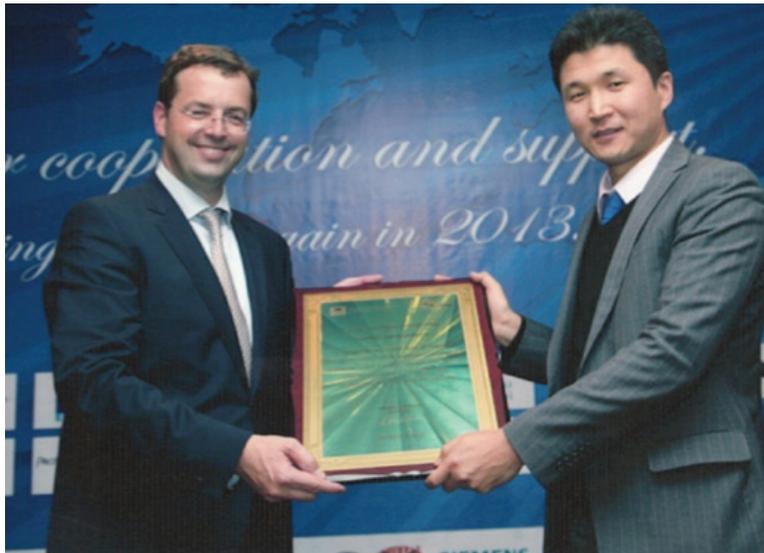
October 2012 Monthly Newsletter

Dear Shareholders of Mongolia Growth Group Ltd.,

October saw us continue to sell a number of our smaller property assets without us purchasing any additional property assets. We have now sold the majority of the assets that we set out to sell. As of month end, we only have six remaining assets that we would like to sell.

On the renovation side, we continue to make progress on our three simultaneous renovations that I spoke about in last month's letter. When these are completed and fully leased out, they should increase our monthly property revenue by approximately thirty percent with minimal additional costs. We expect that these renovations will be completed by mid-December and thus far, we have already had some interest in renting a good portion of the space that will be created by these renovations.

On a final note, I am very proud to announce that Mandal won the award for "Local Company of the Year," as issued by the Business Council of Mongolia.



Mandal Daatgal President Ganzorig Ulziibayar accepts the award on behalf of the company

Mandal continues to have marketing success, particularly in mandatory driver's liability where the total policy count has now grown to 5,276 policies as of the end of October.



This is particularly notable, as Mandal did not receive regulatory approval to sell this policy until April 18, 2012. In addition, Mandal has chosen to remain professional and refrain from marketing gimmicks like lotteries for cars and apartments. Instead, Mandal hopes that its consistent record of paying legitimate claims will be sufficient to continue to attract clients.

Sincerely,
Harris Kupperman
Chairman & CEO
Mongolia Growth Group Ltd.

For further details on the foregoing document, please refer to the Corporation's filing on SEDAR.

For more information on Mongolia Growth Group Ltd., please see our website:
<http://www.MongoliaGrowthGroup.com>

Or contact:

Genevieve Walkden
Gwalkden@mongoliagrowthgroup.com

Forward-looking Information Cautionary Statement

Except for statements of historic fact, this news release contains certain forward-looking information within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions and estimates of management relying on their experience at the date the statements are made, and are subject to a variety of risks, uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including, but not limited to delays or uncertainties with regulatory approvals, including that of the CNSX, changes in the business environment that might impact the intended use of proceeds and changes in the intention of the parties to subscribe to the private placement. There are uncertainties inherent in forward-looking information, including factors beyond MGG’s control. MGG undertakes no obligation to update forward-looking information if circumstances or management’s estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Additional information identifying risks and uncertainties that could affect financial results is contained in MGG’s filings with Canadian securities regulators, which filings are available at www.sedar.com. The CNSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release

