



December 30, 2011

December 2011 Monthly Newsletter

Dear Shareholders of Mongolia Growth Group Ltd.,

I'm writing to you from Ulaanbaatar where -30 Fahrenheit is considered a warm day. Amazingly, many of the locals seem oblivious to the outside temperature as they go about their lives. Similarly, Mongolia seems remarkably unaffected by the debt crisis in Europe. I recently returned after a month in the US and you can actually notice that the pace of economic activity in Ulaanbaatar has increased. The restaurants are even more crowded and there are more luxury cars on the roads—which have incidentally turned into parking lots now that most Mongolians can afford vehicles. In drastic contrast to the fear that I've witnessed in the Western World, Mongolia is doing just fine.

December saw us complete a number of moderately sized investments primarily involving ground floor retail space; however the pace of transactions slowed substantially as the holidays approached. That worked fine for us as we had invested almost all of our capital not considered part of our "emergency reserve fund". On December 23rd, we closed on a capital raise which will add CDN \$15,000,000 to our equity. Most of this capital is slated to purchase several larger assets that we are in the process of doing due diligence on. I am hopeful that we can close on a number of these in the first quarter of 2012.

As investors, we like to talk about the upside we see in Mongolia, but the unfortunate truth is that the gains from the current boom are not being evenly distributed to all Mongolians. As in any developing economy, education is a key component in economic advancement. Here at MGG, we want to ensure that students in the ger districts have access to the same materials that students in the downtown find essential. In the holiday spirit, we recently donated over 200 text-books to a number of schools in the ger district to the north of Ulaanbaatar. Our intention is to use 2012 to substantially increase our efforts to make sure that the benefits of Mongolia's economic growth reach those who are less fortunate. As long term investors in Mongolia, we see education as a primary way to facilitate continued economic growth and ensure that everyone participates in this growth.

I want to conclude by thanking all employees of Mongolia Growth Group; those in our property business and those at Mandal Insurance, for their help in making 2011 amazingly successful for our company. In particular, I want to thank our shareholders as Jordan and I could not have created this company without your investment in MGG. As stewards of your capital, we take this responsibility very seriously. We have big plans for 2012 and want to thank everyone for their continued support.

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:

www.MongoliaGrowthGroup.com

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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.

