



April 26, 2011

## April 2011 Monthly Newsletter

Dear Shareholders of Mongolia Growth Group Ltd.,

I am writing to you from Ulaanbaatar, Mongolia, where our young company is making rapid progress. Naturally, we have had to deal with the growing pains of any new venture (corporate formations, account openings, etc.) and adding complexity to this; we have had to learn the rules in a new country. However, these hassles are increasingly in the past and we can now focus on building our business. Of course, nothing happens without capital, and I am thankful to everyone who subscribed to our recently completed \$14,860,458 offering. As you know, management here at MGG eats its own cooking and nearly \$4 million of the total proceeds came from senior management and the board.

We are now focused on deploying that capital in an intelligent manner. Upon receiving regulatory approval, we intend to invest US \$5,000,000 in our new insurance venture. The whole point of insurance is the confidence that, when you have a claim, your insurer has the financial strength to cover your loss. Based on our research, we will be the best capitalized insurance company in Mongolia following this capital injection. If insurance is about strength, between our management team and our capitalization, we are off to a very strong start.

We have also been deploying capital into real estate. This is somewhat complicated by our strict return on capital hurdles and the small size of the market that we are targeting. To date, we have evaluated dozens of opportunities and acquired 11 residential apartments, over 1,000 meters of prime commercial space and 250 meters of leasable office space. Pending our due diligence process, we have a number of exciting properties that we hope to add to the portfolio in the near future.

Our focus is unchanged—we want to partner with businesses leveraged to the growth of Mongolia. Barring that, we want to own high quality real estate. While the returns on real estate may not be as good as other businesses, we can be very happy with the stability of the double-digit yields and the potential for capital appreciation.

The capital markets are quite fickle. I never want to rely on them for our funding. As a new company, profitability is paramount. Therefore, it's very exciting to see our first rent checks showing up in our accounts. Revenue is the first step towards profitability. Given our focus on low cost operations, it shouldn't be long before we have true earnings.

During early May, I will be returning to North America for meetings (and Mother's Day). If you live near Omaha, Los Angeles or New York City, contact Genevieve Walkden ([info@mongoliagrowthgroup.com](mailto:info@mongoliagrowthgroup.com)) if you would like to attend any of our presentations. In summary, we've been running this company for less than three months, but I am proud of the progress we have already made.

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](http://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 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. 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](http://www.sedar.com). The CNSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. Source: Mongolia Growth Group Ltd. (CNSX – YAK)

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