



May 10, 2012

April 2012 Monthly Newsletter

Dear Shareholders of Mongolia Growth Group Ltd.,

April was another month of growth in our property portfolio. In particular, we spent sizably to acquire additions to a number of re-development assets. At the same time, we also executed a number of sales as we focus on disposing of non-core assets. To date, we have sold roughly a third of the assets that were classified as “held for sale” (\$CDN 1.76 million) at year end, realizing an average gain of approximately 33% in local currency on those assets.

If you will remember, at the end of last year, we decided to exit the majority of our non-core residential portfolio, for ease of property management, as we shift focus to larger assets and redevelopment opportunities. We are pleased to announce that this process is going well and there seems to be very high demand for our remaining assets.

One very enjoyable quirk of this process is that a foreign investor has asked us to manage one of the residential assets that we recently sold. I say that this is enjoyable as we have looked to explore the property management business for quite some time. Clearly, we do not intend to start managing the sort of smaller assets that were just sold. Instead, our intention is to become the property manager of assets that we hope to build in the future through joint ventures. This would allow us to leverage our infrastructure and generate very high margin recurring management fees. Of course, this is many years in the future still. However, you have to start somewhere when it comes to managing assets for others and this seems like an ideal moment for us to begin building a track record with outside investors, as we now have substantial excess capacity in our own operations.

Our plan is to take on a few additional clients as we learn more about managing third party assets. Our expectation is that during this trial period, the total management revenues from this venture will be negligible and likely produce a small operating loss for us after taking into account the duplicate version of our property software that we will need to purchase. However, we see this as an important step forward in being able to offer joint venture partners both quality redevelopment opportunities and the confidence that they can be professionally managed after construction is completed.

On a final note, you may be wondering why our monthly letter was released a few days later than normal. We had originally hoped to include a video in this letter. Unfortunately, production issues beyond our control have pushed this project past our deadline. We hope that it can be included in next month’s letter.

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

