

April 2013 Monthly Newsletter

Dear Shareholders of Mongolia Growth Group Ltd.,

During the month of April, we did not purchase or sell any properties. However, we have remained busy in terms of leasing properties and undertaking preventative maintenance that will likely save us substantially in terms of future maintenance expenditures. We have also undertaken a strategic review of our operations with the goal of improved business focus and reducing our costs. In particular, we are looking at disposing of additional assets that are either difficult to manage or too small to be material to our operations. Over time, we want to focus our company on those assets that are larger and have better returns.

Switching into economics, the last few months have been quite busy for Mongolia in terms of news flow and I think it's important to look at some of these events and what they mean for Mongolia's economy.

Repeal of SEFIL or Strategic Entities Foreign Investment Law- The repeal of this law will open numerous sectors of the economy to foreign investment as long as the investor company is not a state-owned entity. In addition, the repeal of SEFIL reduces restrictions on the sizes of various investments. The goal of repealing SEFIL is to allow numerous deals to move forward more rapidly and should lead to increased foreign investment in Mongolia. This repeal is part of an overall trend to attract foreign investment.

Turquoise Hill Funding Negotiations- Rio Tinto is in discussions with various lenders including the European Bank for Reconstruction and Development (EBRD), International Finance Corporation (IFC), Multilateral Investment Guarantee (MIGA), 14 banks from 7 countries and sovereign trade organizations from the US, Canada and Australia in order to obtain approximately USD \$4 billion in funding to continue the expansion of the Oyu Tolgoi mine¹. Mongolia's GDP in 2012 was \$10.0 billion². This increase in funding will clearly impact future GDP growth substantially.

Chinggis Bond Expenditures- To date, USD \$1.153 billion of the total USD \$1.5 billion of capital raised in the low-cost Chinggis Bond has been earmarked for various sectors, mainly related to infrastructure or support for various industries. The list of financing projects includes the: power plant at ETT, streets and city infrastructure, new railway project, paved road projects, re-planning of ger districts, and some other financing projects to support national manufacturing³. As this money is spent, productivity should improve and so should economic growth.

Securities Markets Law-The Securities Markets Law has recently been passed by parliament. This law will modernize the securities markets and put in place much of the legal infrastructure needed for the capital markets of Mongolia to mature. In particular, the law will allow the dual listing of foreign company's shares, a custodian banking legal framework, more flexible regulation regarding public offerings, introduction of new forms of securities and a more enlightened regulation of companies on the Mongolian Stock Exchange.

I mention these are important because they are key growth drivers of future economic growth in Mongolia. Most of these items are in progress and are worth watching.

On May 9th, I gave a presentation to investors in New York City. For those who were unable to attend the event, we have posted the presentation slides on our website. Please go to the following link for more information http://mongoliagrowthgroup.com/?page_id=666.

On a final note, I look forward to meeting shareholders at our annual general meeting on June 7th in Thunder Bay, Ontario. If you wish to attend, please contact Genevieve Walkden at Gwalkden@MongoliaGrowthGroup.com

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

Or contact:

Genevieve Walkden
GWalkden@mongoliagrowthgroup.com

Forward-looking Information Cautionary Statement

Information and statements contained in this Letter to Shareholders that are not historical facts are “forward-looking information” within the meaning of applicable Canadian securities legislation and involve risks and uncertainties.

Forward-looking information is necessarily based upon a number of assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. MGG cautions the reader that such forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by such forward-looking information.

Such risks and uncertainties include, but are not limited to: risks associated with investment in and development of real property in Mongolia and the insurance business in Mongolia; competition, financing and refinancing risks; risks related to economic conditions; risks related to regulation of the real estate and insurance business in Mongolia; political risk in Mongolia; changes in Mongolian taxation rules; claims against our insurance policies differing from our assumptions; reliance on key personnel; environmental matters; tenant and policyholder risks; risk of insurance fraud; and other risk factors more particularly described in in MGG’s filings with Canadian securities regulators, which filings are available at www.sedar.com. Additional risks and uncertainties not presently known to MGG or that MGG currently believes to be less significant may also adversely affect MGG. Forward-looking information is designed to help you understand management’s current views of our near and longer term prospects, and it may not be appropriate for other purposes. MGG does not undertake any obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except to the extent legally required.

The TSXV has not reviewed and does not accept responsibility for the adequacy or accuracy of this Letter to Shareholders.

