



July 13, 2012

June 2012 Monthly Newsletter

Dear Shareholders of Mongolia Growth Group Ltd.,

June was another month of moderate growth in our portfolio. Outside of acquisitions to almost complete a redevelopment site, we only made one mid-sized acquisition. However, we are still negotiating on a number of sizable assets that are on the market, but we have no certainty that a transaction will take place. At the same time, we continue to make sales from our list of “held for sale” assets. These sales continue to be at very agreeable prices.

During June, we noticed a substantial slow-down in the pace of business activity due to the elections and the pending Nadaam celebrations. Last year, this lull lasted roughly the month of July, however, this year, due to the elections; this period has been extended substantially. It is our expectation that by mid-August, the pace of business activity will pick up again. Fortunately, the majority of our tenants continue to pay their rents on time and our vacancy rates remain quite low.

I should note that Mandal continues to make progress, particularly in the auto segment. Since the government introduced mandatory auto liability, Mandal has sold 2130 policies and now insures almost 1% of all the autos in Mongolia. While the government has mandated that all drivers buy policies, the police will not begin issuing fines until October 1st 2012. As we get closer to that date, I would expect the rate of policy acquisition should accelerate.

Without much to report on, I think it makes sense to take a quick look at Mongolian economic statistics as it has been a while since I’ve spoken about the continued rapid growth that we’ve witnessed here. While most of the world continues to fret about problems in Europe and anemic growth in other developed countries, Mongolia reported a first quarter growth rate of 16.7% in 2012[i]. This is down only slightly from the annualized growth rate of 17.3% in the fourth quarter of 2011[ii]. Much more importantly to future growth, the massive Oyu Tolgoi copper and gold mine is expected to begin commercial production in the first half of 2013[iii] which should substantially increase government tax revenues and allow continued investment in infrastructure—which is vitally needed.

Our business is designed to be leveraged to this growth and we have naturally seen many of the positive effects of it.

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.

