

Mongolia Growth Group Ltd. April 2015 Monthly Letter to Shareholders

TORONTO, CANADA, May 27, 2015 /FSC/ Mongolia Growth Group Ltd. (YAK – TSXV and MNGGF – USA), (“MGG”) or (“the Company”) a commercial real estate investment and development company participating in the dynamic growth of the Mongolian economy announces the release of its April 2015 Shareholder Letter.

April 2015 Shareholder Letter

To the Shareholders of Mongolia Growth Group Ltd.,

In April 2015, MGG’s core commercial property portfolio* experienced a same-store rental increase of 7.8% relative to April 2014 on properties owned 12 months or longer, as measured in local currency (Mongolian Togrog). Total billed revenue for April 2015 was 267.5 million Mongolian Togrog, as compared to 260.7 million Mongolian Togrog in April of 2014 or a 2.6% increase.** The occupancy rate for the core portfolio in April of 2015 was 96.3% including an occupancy rate of 96.6% for core retail properties and an occupancy rate of 95.9% for core office properties***.

Current Property Market Environment, Cost Savings Update, Annual General Meeting & Annual Company Visit Dates

Current Property Market Environment

The current market environment can best be described as quite difficult. Across the market, we have noticed significant increases in vacancy along with rental rates that are declining rapidly. These trends are clearly accelerating. Fortunately, many of our leases are at below market rates, which has somewhat insulated us from this decline in current market rates. Unfortunately, increased stress in the economy is leading to increased tenant turnover for us, as businesses continue to downsize their operations.

As can be seen in our monthly occupancy numbers, our team has done an outstanding job of retaining tenants and attracting new tenants despite this difficult environment. Our vacancy has remained in the single digits all year, and our comparable rents are still moderately positive. This clearly demonstrates the unique platform that we have built at MGG and our ability to add value to our tenants.

It is anticipated that, the recently announced agreement to move the Oyu Tolgoi copper mine forward will restore the property market to its former levels of vibrancy.

Cost Savings Update

Since our last update on cost savings, we have identified multiple additional cost items that produce negligible value to the Company. These items total into the hundreds of thousands of dollars per year on an annual basis. We are now in the process of eliminating these costs, with many of them expected to expire over the next few months as contracts entered into during 2014 lapse and are not renewed.

Fortunately, we are beginning to see the benefits of already realized expense reductions, as our monthly cash losses have declined dramatically, despite revenues that have remained roughly stable. As additional savings are realized, we expect that these losses will continue to decrease.

It should be noted that we will once again be engaging PwC for our 2015 audit, our 5th with PwC. In addition, we intend to retain CBRE for our property valuation needs. Despite our desire to dramatically reduce costs, we value the professionalism of these firms and view the efficiencies gained from long-term relationships consistent with our focus on cost savings. We are thankful for these partnerships as we navigate through our cost saving initiatives.

Annual General Meeting

We have fixed June 15 as the date of the Annual General Meeting, to be held in Toronto. Genevieve Walkden and I will be there to discuss the business. Due to our cost cutting initiatives, there will be no refreshments this year. Despite this, we invite you to attend.

Annual Company Visit Dates

It is one thing to talk about our company and Mongolia, but it is very different to see things in person. This year, our annual visit dates will be from August 7th to 9th. The visit will be complete with a full property tour, introduction to the team and meetings with prominent Mongolian business leaders and regulators. Finally, we will have our trip to the countryside on Sunday for Khuushuur and Khorkhog. If you would like to attend, please email me at Hkuppy@MongoliaGrowthGroup.com for more information on the event. Naturally, I suggest that once you're in Mongolia, you stay an extra week and see the rest of the country.

Mongolian Economic Update

Since the most recent letter:

- Rio Tinto Group and Mongolia reached an agreement to proceed with the underground development of the Oyu Tolgoi copper mine, ending a two-year impasse over the expansion of what is the country's largest foreign investment. (Bloomberg)
- A project financing package to help pay for construction of the second phase of the Oyu Tolgoi mine will target 15 to 20 banks, with a goal of raising more than \$4 billion, Jean- Sebastien Jacques, head of Rio Tinto's copper and coal business, says in phone interview from Dubai. (Bloomberg)

- According to the National Statistics Office, Mongolia's GDP grew 4.4% YoY in the first quarter, after expanding 7.4% in the same period last year. (Bloomberg)
- India will provide Mongolia with a USD \$1 billion line of credit to help fund railway, power and other infrastructure projects, a much-needed boost for the north Asian country struggling to right its slowing economy. "We will take our economic partnership to a new level," Indian Prime Minister Narendra Modi said today at a joint press conference with his Mongolian counterpart, Saikhanbileg Chimed. (Bloomberg)
- A 50-megawatt wind farm in Mongolia's South Gobi area can commence construction, advancing the nation's goal of increasing its clean energy sources. The \$100 million Tsetsii plant received its permit from the National Dispatching Center, which manages Mongolia's grid, said Bolor Jargalsaikhan, chief executive of joint operator Newcom LLC. (Bloomberg)

We look forward to updating you again on our progress and new developments in the Mongolian economy next month.

Sincerely,

Harris Kupperman

Chairman & CEO

Mongolia Growth Group Ltd.

*The core commercial property portfolio is defined as those commercial assets that are held for long term investment and excludes certain development assets which produce minimal rental revenues, certain assets that are actively being marketed and all residential properties. Two properties included in the calculation are accounted for as PP&E assets in the Company's financial statements as filed with SEDAR.

**Billed revenue represents the revenue billed to tenants, net of VAT. It does not take into account bad debt expense, late payment penalties, interest income or management fee revenue.

***Ground floor retail locations inside of office buildings are classified as office space in terms of rental revenue and meters available to rent.

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

Mongolia Growth Group Ltd. is a publicly traded and leading property investment and development company in Ulaanbaatar, Mongolia. MGG owns an extensive property portfolio, in diversified segments of the property market, with an emphasis on institutional-grade commercial assets.

MGG undertakes its own property acquisitions, develops brownfield land assets and repositions outdated properties, relying on in-house services for all facets of both the investment portfolio and development side of the business. In addition, MGG acts as a full-service third party provider for institutional clients and tailors transactions covering acquisition-to-suit, build-to-suit, as well as refurbish-to-suit, for property owners and major tenants.

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 redevelopment of real property in Mongolia; competition, financing and refinancing risks; risks to the consumer mortgage market; a lack of correlation between disposable income and consumption; risks related to economic conditions; risks related to mining and mining development in Mongolia; risks related to regulation of the real estate in Mongolia; political risk in Mongolia; changes in Mongolian taxation rules; reliance on key personnel; environmental matters; tenant risks; 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.