

Mongolia Growth Group Ltd. January 2015 Monthly Letter to Shareholders

TORONTO, CANADA, February 23, 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 January 2015 Shareholder Letter.

January 2015 Shareholder Letter

To the Shareholders of Mongolia Growth Group Ltd.,

I have always valued transparency in all of my communication with you. With the resumption of my monthly shareholder letters, MGG will once again be reporting monthly performance data.

In January 2015, MGG’s core commercial property portfolio* experienced a same-store rental increase of 20.9% relative to January 2014 on properties owned 12 months or longer, as measured in local currency (Mongolian Togrog). Total billed revenue for January 2015 was 289.9 million Mongolian Togrog, as compared to 247.2 million Mongolian Togrog in January of 2014 or a 17.3% increase.** The occupancy rate for the core portfolio in January of 2015 was 96.1% including an occupancy rate of 95.7% for core retail properties and an occupancy rate of 96.6% for core office properties***.

Economic Update, Proactive Strategies Being Undertaken and Tuguldur Update

Current Economic Update

Over the past few years, MGG has benefited from the dynamic growth of the Mongolian economy. Unfortunately, since mid-summer 2014, it has become increasingly obvious that the economy is no longer growing at a rapid rate and the pace of this weakness is accelerating.

Thus far, at MGG, our revenues in Togrog terms have remained largely immune to the effects of this slow-down for two reasons. To start with, many of our rents were previously at rates that were below market. Hence, re-setting rates to market rates has given us increased revenue in Togrog terms. Additionally, our properties have remained in high demand due to their locations and our focus on offering premium levels of tenant service. However, given the accelerating slowdown in the economy, it is likely that we will also become affected—particularly given the large numbers of firms that are going out of business or shrinking considerably.

Proactive Strategies Being Undertaken

Strategically, our goal is to keep our revenues stable while reducing our expenses as we await a resumption of economic growth in Mongolia.

On the revenue side, we are being proactive in order to retain tenants with a goal of keeping our vacancy to below current market levels. This has meant that we have received reduced annual inflation adjustments and have been more aggressive on pricing for renewals on certain properties. We have also redoubled our efforts on the marketing and leasing side. Thus far, we continue to have vacancy levels that are substantially below market rates, showing the success of this strategy, despite increased tenant turnover.

On the cost side, our focus remains on reducing all non-essential costs. We recently announced our first round of accomplishment in this endeavor. We believe that there is additional unnecessary spending to cut and we will focus on that.

Tuguldur Update

On the back of successfully renovating Tuguldur Center Stage 1, we have now begun the initial concept design drawings in preparation of a more detail construction cost estimate for stage 2 of Tuguldur. Despite weakness in the overall economy, Tuguldur continues to attract shoppers with well over 1,000 shoppers entering the building on an average day. We believe that this speaks to the uniqueness of the location and the likelihood of success in attracting a larger shopper base when Stage 2 is completed.

Mongolian Economic Update

Since the beginning of 2015:

- Mongolia has requested a “stand-by program” from the International Monetary Fund (Bloomberg)
- The trade surplus in January was US\$225.4 million vs. a deficit of US\$16.1 in 2014 (National Statistics Office)
- Exports in January grew to US\$472.7 million compared to US\$321 million in 2014 (National Statistics Office)
- Japan and Mongolia signed a bilateral economic partnership agreement that will expand trade by removing tariffs on about 96 percent of the combined value of trade between the two countries (Japan Times)
- Japan pledged ¥36.85 billion (US\$310 million) in loans to help the ongoing construction of the new international airport in Ulaanbaatar.

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

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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.