

Mongolia Growth Group Ltd. July 2014 Monthly Letter to Shareholders

TORONTO, CANADA, September 12, 2014 /FSC/ Mongolia Growth Group Ltd. (YAK – TSXV and MNGGF – USA), a real estate investment and development company pursuing the dynamic growth of the Mongolian economy via ownership of institutional-quality commercial property assets in the capital city of Ulaanbaatar, Mongolia is pleased to announce the release of its July 2014 Shareholder Letter.

July 2014 Shareholder Letter

To the Shareholders of Mongolia Growth Group Ltd.,

In July 2014, MGG’s core commercial property portfolio* experienced a same-store rental increase of 22.3% relative to July 2013 on properties owned 12 months or longer, as measured in local currency (Mongolian Togrog). Total billed revenue for July 2014 was 222.7 million Mongolian Togrog, as compared to 219.3 million Mongolian Togrog in July of 2013 or a 1.6% increase.** The occupancy rate for the core portfolio in July of 2014 was 94.7% including an occupancy rate of 94.0% for core retail properties and an occupancy rate of 95.2% for core office properties.

Second Quarter Financial Presentation

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On August 28, we filed our interim financial statements and Management Discussion & Analysis for the second quarter of 2014. In addition, we have published a financial presentation with the highlights of our business on our website. You can view the presentation at this link.

<http://mongoliagrowthgroup.com/wp/wp-content/uploads/Q2-2014-presentation-final.pdf>

Mongolian Economic Update

During the first half of 2014, Mongolia’s GDP grew 5.3% in real terms

Since our previous update to you:

- Mr. Xi Jinping, President of the People’s Republic of China visited Mongolia on August 21st and 22nd. This is the first visit by a Chinese President in 11 years. Among the 26 cooperation agreements signed on the first day of the state visit, 17 cover trade, infrastructure, energy and financial cooperation. (China Daily)

- Mongolia has signed a total of four memorandums giving it access to eight China seaports along with transit transportation of Mongolian products to the sea through Chinese territory. (Montsame)
- The Development Bank of People’s Republic of China has agreed to a USD \$162 million commercial loan agreement with the Development Bank of Mongolia (Business-Mongolia.com)
- Mr. Putin, President of Russia, visited Mongolia and signed 15 agreements, protocols and MoU’s at a ceremony on September 3rd. (News.MN)
- President of Mongolia Tsakhia Elbegdorj said on Wednesday that his country proposed Russia to consider a possibility of stretching a natural gas pipeline across the Mongolian territory. “I have described the advantages of stretching a pipeline across the territory of Mongolia,” Elbegdorj said following his talks with Russian President Vladimir Putin. (Itar-Tass)
- Development Bank of Russia is to provide USD \$74 million of investment for the extension of Thermal Power Station-4 (Montsame)
- Mongolia’s exports of copper concentrate rose to 703,900t worth USD \$1.2 billion in the first 7 months of 2014, compared to 332,200t worth USD \$470.4 million in 2013. (Bloomberg)

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

Sincerely,

Harris Kupperman

Executive Chairman

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. Revenue numbers assume that Mandal Daatgal ‘s rental revenue was attributed to MGG during 2013, as opposed to having it removed on consolidation, for ease of comparisons.

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.