MONGOLIA GROWTH GROUP LTD.

MANAGEMENT DISCUSSION & ANALYSIS

First Quarter 2015

Contents

To The Shareholders of MGG;

In December of 2014, I resumed my role as CEO of MGG with the goal of dramatically reducing our costs, improving our operations and getting Tuguldur back on track so that development of Stage 2 could commence. In my first three months back as CEO, we have made tremendous progress on all accounts;

-We have already announced that over $1 million in cost savings have been realized. This number continues to grow as we discover additional unnecessary spending that can be eliminated, while re-negotiating other contracts to reduced rates.

-Our operations have seen substantial improvements in terms of efficiencies and accountability. Reports that had been discontinued have been reinitiated and we have improved our internal controls. This has led to an improved ability to manage the business and identify future unnecessary spending. Despite our cost cutting initiatives, we have built up departments like HR that previously were not a priority.

-On the operations side, properties like Tuguldur have been completely overhauled from an operational standpoint in order to make them more viable. Since taking over as CEO, our monthly tenant churn at Tuguldur has gone from approximately 28% in January to approximately 8% in April. In addition, our new tenants are now paying rent in a reliable manner. As we adjust the tenant mix to be more appropriate to the Mongolian market, we expect that our occupancy at Tuguldur will continue to improve from current levels of approximately 80%, as well.

All of this is part of our plan to end the year with positive cash flow while still pushing the company forward. In March of 2015, we saw the first concrete results of our progress as our Funds From Operations (FFO) losses improved dramatically from October and November of 2014, before I resumed the CEO role. I believe that there is still room for substantial improvement, as contracts related to unnecessary costs expire and further operating efficiencies are gained.

Despite a weakening economy, our vacancy has remained low and our comparable rents have increased at a double digit pace in Mongolian Tögrög terms. We maintain a conservative balance sheet with no debt and CDN $1,478,148 in cash at quarter end. We believe that this cash balance will be sufficient to both fund our operations and also continue to push Tuguldur forward until funding is available.

Since returning as CEO, we have now taken the initial steps towards development of Tuguldur Stage 2, while simultaneously working with potential lenders to fund the project. These steps have included obtaining permits and concept design work along with enabling works to reroute utility lines in the way of development.

In summary, a lot has been accomplished in a short while but there is still more to do as we stabilize MGG. Over the next quarter, our goals are to continue our cost cutting initiatives, so that we are in a position to thrive regardless of what the Mongolian economy does, while continuing to push Tuguldur Stage 2 forward.

When I returned to the CEO role in December, we had significant recurring FFO losses each month and positive FFO seemed impossible. Now that goal is within sight. I want to thank everyone who has worked tirelessly to restore MGG. We have a great team and it's invigorating to see it in action.

Sincerely,

Harris Kupperman

MONGOLIA GROWTH GROUP LTD.

Management Discussion & Analysis

March 31, 2015

The management of Mongolia Growth Group Ltd. ("MGG" or "the Corporation") presents the Corporation's management discussion and analysis for the three months ended March 31, 2015 (the "MD&A"), compared with the three months ended March 31, 2014. As of January 1, 2011, the Corporation adopted International Financial Reporting Standards ("IFRS"). This MD&A provides an overall discussion, followed by analyses of the performance of the Corporation's major reportable segments. The reporting and presentation currency in the Consolidated Financial Statements and in this discussion and analysis is the Canadian dollar, unless otherwise noted.

This MD&A is dated May 28, 2015 and incorporates all relevant information and considerations to that date.

The following discussion and analysis should be read in conjunction with the Consolidated Condensed Financial Statements of the Corporation for the three months ended March 31, 2015 and March 31, 2014 together with all of the notes, risk factors and information contained therein, available on SEDAR at www.sedar.com.

Non-IFRS Financial Measures

This MD&A makes reference to adjusted earnings before interest, taxes, unrealized fair value adjustments, share based payments depreciation and amortization ("**Adjusted EBITDA**"). The Corporation uses Adjusted EBITDA as a measure of the performance of its operating subsidiaries as it excludes depreciation and interest charges, which are a function of the Corporation's specific capital structure, and also excludes entity specific tax expense. These amounts are not performance measures as defined under IFRS and should not be considered either in isolation of, or as a substitute for, net earnings prepared in accordance with IFRS. The Corporation refers to "funds used in operations", "operating losses" and "re-valuation of investment properties" within this analysis. "Funds used in operations" is computed by calculating the cash flow from operations before changes to non-cash working capital from operations. "Operating Profits" is computed by calculating the profit before tax and any fair value adjustments.

Forward Looking Statements

This MD&A contains forward-looking statements relating to future events. In some cases, forward-looking statements can be identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "should", "believe", or similar expressions. These statements represent management's best projections but undue reliance should not be placed upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the "Risks and Uncertainties" as discussed herein. Actual performance and financial results will differ from any projections of future performance or results expressed or implied by such forward looking statements and the difference may be material.

Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted. From time to time, the Corporation's management may make estimates and have opinions that form the basis for the forward-looking statements. The Corporation assumes no obligation to update such statements if circumstances, management's estimates, or opinions change.

Forward looking statements are included within the Outlook, CEO Message to Shareholders and Executive Strategy sections of this MD&A.

Section 1 – Overview

Financial and Operational Overview

During the first quarter, the Corporation's focus was on reducing costs and improving operations while simultaneously reacting to the weakening Mongolian economy. During the course of the quarter, losses declined, despite sizable expenses related to terminating contracts and re-working outstanding liabilities.

Increased occupancy rates were somewhat aided by an increase in the Mongolian Tögrög, which resulted in the Corporation's rental revenue increasing 11.5% over the same quarter last year. The Corporation's occupancy rates continue to remain below market rates with street retail being almost fully occupied during the majority of the quarter. The Corporation's office space experienced higher vacancy at the beginning of the quarter due to a number of sizable tenants downsizing, but this space was mostly leased out by quarter end. These successes were offset by vacancy at the Corporation's Tuguldur Center as the majority of the tenants who leased space during the fall of 2014 were induced to lease space on terms that required almost no capital commitment. When the grace period expired, the majority of these tenants were unwilling to continue paying rent. During the quarter, the Corporation changed the leasing terms to require new tenants to pay partially non-refundable security deposits and replaced a substantial number of the initial tenants with more established tenants that are now paying rent on a timely basis.

During the quarter, the Corporation did not record an unrealized fair value adjustment (Q1 2014 gain- $1,824,323).

The Corporation continues to dispose of non-core and underperforming assets to streamline its portfolio. It is anticipated that proceeds from sales will be used to fund the Corporation's Tuguldur Stage 2 development program and for working capital needs. During the quarter, the Corporation disposed of four properties for consideration of $1,006,753. The net gain on disposal recorded for these four properties was $14,483. As of March 31, 2015, the Corporation had three investment properties classified as available for sale.

The Mongolian Tögrög improved throughout the quarter, appreciating 3.8% versus the Canadian Dollar.

Economic Overview

During recent years, the Mongolian real estate sector has benefitted from significant local economic growth. The majority of this recent growth is attributable to the mining and construction booms taking place in Mongolia, mainly resulting from the opening of the Oyu Tolgoi and Tavan Tolgoi deposits located in the Gobi desert. The associated infrastructure requirements for these projects have also served to strengthen the local economy. In addition, an increase in other industries, particularly tourism and agriculture have helped to grow the economy. The positive impact of improving consumer and business confidence has led to a substantial increase in the gross production of the local economy.

During 2014, the Mongolian economy witnessed a decrease in its growth rate, with this slow-down accelerating in the second half of the year. This slow-down has been caused by reduced prices for commodities, political uncertainty, the arrest of certain foreign executives, a decrease in bank lending, along with significant doubt over the timing of the continuation of the Oyu Tolgoi underground development. These factors have led to a substantial decline in foreign direct investment (FDI), which has reduced the rate of growth of the economy.

The Mongolian economy continues to grow though at a much slower rate than recent years according to data from The National Statistics Office of Mongolia ("NSO") with estimates of year over year Q1 2015 growth of 4.3%.

The Mongolian Tögrög has fluctuated significantly over the past four years. In 2013, the average exchange rate between the Tögrög and the Canadian Dollar was approximately 1,360 MNT/CAD for the year, whereas during 2014, the Tögrög reached a low of over 1,728 Tögrög per Canadian Dollar and averaged 1,637 per Canadian Dollar. During the first quarter of 2015, the Tögrög rebounded finishing the quarter at 1,561 per Canadian Dollar; an increase of 3.8% since the end of last year. Management would like to note that in general, most commercial property transactions in Ulaanbaatar are negotiated in US Dollars and recent declines in the Tögrög to US Dollar exchange rate have not had a noticeable impact on the prices of property assets, in US Dollar terms.

Management believes that the current economic slow-down is the result of policies that have discouraged Foreign Direct Investment ("FDI"). When the government takes the appropriate steps to stimulate FDI, it is expected that the economy can return to prior rates of economic growth. MGG remains a believer in the long-term growth potential of Mongolia.

Property Overview

The general property market continues to be influenced by the overall Mongolian economy. With the recent slow-down in the Mongolian economy, there has been a noticeable increase in vacancy, particularly in office and residential space. In the downtown core, this has led to a decline in pricing for both rental rates and sales for those two asset classes. High street retail has seen less of an increase in supply, and demand for space remains strong.

Outside of the downtown of Ulaanbaatar, a noticeable increase in building activity has saturated certain markets and led to a more substantial decline in prices. In addition, there has been a recent increase in office and residential construction activity that will likely lead to future saturation in those markets. Management cautions shareholders that property prices have historically been, and continue to be, volatile.

Management expects continued high demand for well-located retail space, with a lower demand level for office space. However, MGG continues to have below market rates of vacancy in all asset classes.

Section 2 - Executing the Strategy

Core Business

During the past four years, Management and employees have worked hard to build up the infrastructure needed to manage MGG's institutional property platform. This platform is unique in Mongolia and is one of the only platforms capable of managing assets through the full cycle of ownership from acquisition and development, through disposition and includes dedicated departments that manage maintenance, leasing, marketing and tenant management. Management believes it has a strong team in place to lead the Corporation into its next phase of growth.

MGG's real estate subsidiary plans on further expansion via the investment of additional capital into income producing and redevelopment properties in Ulaanbaatar. The Corporation's plan is contingent on procuring further funds for investment and on finding suitable investment targets which meet MGG's stringent investment criteria. In addition, due to MGG's unique platform, the Corporation is adding third party leasing and property management to its focus, in order to leverage its existing resources. Management believes that it has excess capacity to handle these functions.

Since inception, MGG has acquired a number of redevelopment properties. To date the Corporation has also remodeled, rebuilt and completed additions on properties. During 2014, the Corporation spent substantial resources on redeveloping its Tuguldur retail center property. Assuming that funding is available, the Corporation intends to invest substantial additional capital into increasing the size of this property. It is Management's intent to begin *de novo* property developments on the Corporation's other owned sites and MGG's intention is to remain a substantial owner of the properties, post-completion. However, there can be no certainty on when this happens due to the current economic climate in Mongolia and the difficulty in accessing additional growth capital.

Portfolio

Mongolia Growth Group's properties are located in the Downtown and the Central Business District of Ulaanbaatar.

Within the financial statements, MGG classifies properties in each of the following categories; Investment Properties, Property and Equipment, and Other Assets/Prepaid Deposits. Fluctuations in the values of the Corporation's property portfolio during the year can be attributed to changes in valuations, properties purchased and sold, and the change in value of the Functional Currency (Mongolian Tögrög) versus the Canadian dollar. Management would like to note that the increase in the Tögrög versus the Canadian Dollar during the quarter has served to increase the value of the assets during the first quarter of 2015.

Investment Properties

Investment Properties include properties held to earn rental revenue, for capital appreciation, and/or for redevelopment. Investment Properties are initially valued at fair value, which is the purchase price plus any directly attributable expenditure eligible for capitalization. Investment Properties are subsequently valued at fair value, which reflects market conditions at the date of the statement of financial position.

The following table represents properties classified as Investment Properties, as of March 31, 2015:

	2015			2014		
	# of Properties	Value at 31-Mar-15 $CDN	Meters	# of Properties	Value at 31-Dec-14 $CDN	Meters
Residential	2	371,271	-	2	357,160	-
Office	3	5,238,297	2,650	3	5,039,196	2,650
Retail	30	28,365,547	8,782	34	27,645,411	9,497
Land and Redevelopment	4	16,025,437	7,086	4	15,416,750	7,086
Total	**39**	**50,000,552**	**18,518**	**43**	**48,458,517**	**19,233**

Property and Equipment

Properties are classified as Property and Equipment if the Corporation occupies more than 10% of the property. Properties classified as Property and Equipment are measured at cost less accumulated depreciation, less any accumulated impairment losses. All repairs and maintenance costs to these properties are charged to the consolidated statement of operations during the period in which they occur unless eligible for capitalization.

The following table represents properties classified as Property and Equipment, as of March 31, 2015:

	31-Mar-2015			31-Dec-2014		
	# of Properties	Value at 31-Mar-15 $CDN	Meters	# of Properties	Value at 31-Dec-14 $CDN	Meters
Residential	1	93,350	-	2	139,536	-
Office	1	2,712,998	1,300	1	2,627,014	1,300
Retail	-	-	-	-	-	-
Land and Redevelopment	-	-	-	-	-	-
Total	**2**	**2,806,348**	**1,300**	**3**	**2,766,550**	**1,300**

Other Assets/ Prepaid Deposits

Investment property purchases where the Corporation has paid either the full or partial purchase proceeds to the seller, but the Corporation has not yet received the official land or building title from a Mongolian property office, are recorded at the lower of cost or fair market value as Prepaid Deposits on Investment Properties and classified within other assets. There are currently two assets within this category. One is a large high street retail location while the other is a small property, which is a component of one of the Corporation's redevelopment assets.

The following table represents properties classified as Prepaid Deposits on Investment Properties, as of March 31, 2015:

	31-Mar-2015			31-Mar-2014		
	# of Properties	Value at 31-Mar-15 $CDN	Meters	# of Properties	Value at 31-Mar-14 $CDN	Meters
Residential	-	-	-	-	-	-
Office	-	-	-	-	-	-
Retail	1	758,319	379	1	729,497	379
Land and Redevelopment	1	72,134	28	1	69,392	28
Total	**2**	**830,453**	**407**	**2**	**798,889**	**407**

* These land assets are part of the land packages outlined in the Investment Properties section and are not standalone land packages.

Occupancy Rates

A summary of MGG's property portfolio occupancy rates is set forth in the following table:

	31 –Mar- 2015	31 –Dec- 2014	31 –March- 2014
	Occupancy Rate*	Occupancy Rate*	Occupancy Rate*
Residential	NA	100%	100.0%
Office	94.1%	98.2%	71.0%
Retail	96.7%	91.2%	97.1%
Weighted Average**	**95.6%**	**94.2%**	**87.9%**

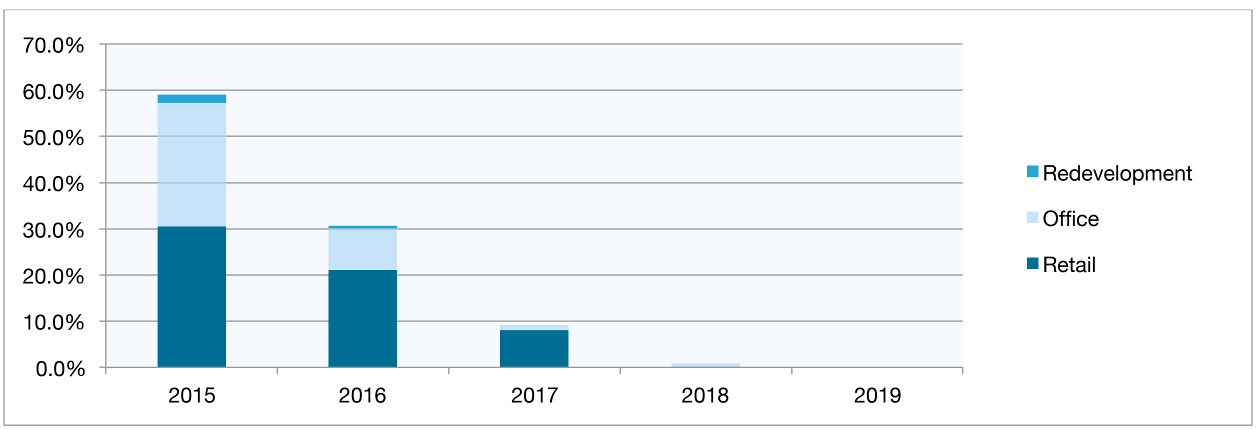
* Occupancy rates are calculated on a per meter basis;
** Weighted Average is calculated based on total meters available for lease

Leasing Schedule

In order to reduce the Corporation's exposure to currency fluctuations and inflation, the Corporation targets shorter lease durations with most tenants. Management's experience is that this practice is in line with the local industry standards with the expectation that when MGG leases expire, existing tenants are offered the first right to re-lease the space at then prevailing market rates.

During the first quarter of 2015, there were approximately 675 meters of leases, representing about 17,800,000 MNT in monthly rental revenue that had expired. The Corporation actively monitors lease renewals and anticipates that many of these leases will be renewed with existing tenants at rates that are near current market rates, and higher than previous lease rates.

A summary of the Corporation's lease expirations by asset class is presented in the chart below:



The weighted average remaining lease term decreased slightly to 17.1 months at March 31, 2015, from 17.2 months at December 31, 2014, and 17.3 months at March 31, 2014 calculated as a percentage of monthly revenues.

Section 3 - Results of Operations

Selected Quarterly Financial Information (CAD)

	Quarter ended	Quarter ended	Quarter ended
	31-Mar- 2015	**31-Mar- 2014**	**31-Mar- 2013 (Restated)***
	($)	**($)**	**($)**
Revenue and other income	577,752	634,581	523,707
Income			
Income/ (loss) from continuing operations attributable to equity holders of the Corporation	(372,991)	696,160	141,922
Net Income/ (loss) attributable to equity holders of the Corporation	(372,991)	696,160	(64,334)
Comprehensive income/ (loss) attributable to equity holders of the Corporation	1,711,276	(963,492)	334,057
Basic earnings per share ("EPS") (in CAD)			
Earnings/ (loss) from continuing operations	(0.01)	0.02	(0.00)
Earnings/ (loss) from discontinued operations	0	-	(0.01)
Net income/ (loss)	(0.01)	0.02	(0.00)
Diluted EPS (in CAD)			
Earnings/ (loss) from continuing operations	(0.01)	0.02	0.01
Earnings/ (loss) from discontinued operations	-	-	(0.01)
Net Income/ (loss)	(0.01)	0.02	(0.00)
Balance Sheet			
Total Assets	55,548,676	49,253,675	52,859,111
Total liabilities	2,737,690	3,826,185	4,537,620
Total Equity	52,810,986	45,427,490	48,321,491
Shares Outstanding at quarter end	34,848,745	34,538,352	34,173,352
Book Value per share	1.52	1.32	1.41

Rental Revenue from Investment Properties

For the first quarter of 2015, revenue from Investment Properties reached $538,249 versus $482,624 in the first quarter of 2014. The increase during the quarter was primarily attributable to the addition of the Tuguldur Center and the 3.8% appreciation of the Tögrög versus the Canadian Dollar.

Revenue from Other Sources

For the quarter ending March 31, 2015, revenues from other sources totaled $39,503 compared to $151,957 for the quarter ending March 31, 2014. Revenue from other sources consists of gains on sales of assets and PPE, and late fees & miscellaneous income. The majority of this decrease was due to a lower total gain on sale of assets during the quarter compared to more significant gain during the same period of the previous year.

	Q1 2015	Q1 2014
Gain / (loss) on Sale Of Assets	$14,483	$142,821
Gain / (loss) on Sale Of PPE	$17,899	-
Other (late Fees and miscellaneous income)	$7,121	$9,136
Total Revenue from Other Sources	**$ 39,503**	**$ 151,957**

Fair Value Adjustment on Investment Properties

The estimate of fair value of investment properties is a critical accounting estimate to the Corporation. An external appraiser estimates the fair value of the majority of the Investment Properties annually, the remainder are appraised internally by Management. The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value of investment properties represents an estimate of the price that would be made in an arm's length transaction between knowledgeable, willing parties. The Corporation operates in the emerging real estate market of Mongolia, which given its current economic and industry conditions, has an increased inherent risk given the lack of reliable and comparable market information. For the quarter ending March 31, 2015, the fair value adjustment to investment properties was an unrealized gain of $nil, (2014 Q1, $1,824,323).

Corporate and Business Development

Corporate and Business Development expense includes various corporate expenses incurred in North America, including salaries for senior executives, board compensation and business development for staff in Mongolia, professional fees, travel, rent and other.

Quarterly expenses related to corporate and business development totaled $308,553 (Q1 2014 - $853,743). The total expenses during the quarter decreased considerably as compared to Q1 2014 primarily because of the cost reduction plan that was introduced at the beginning of the year.

Property Management Expense

Property management expense relates to costs incurred by the property management team to manage the Corporations portfolio of assets. The main components of property management expense are property management wages and salaries, professional fees, property taxes and other expenses. The increase in property management expenses are mainly related to the addition of the Tuguldur Center and its associated costs for utilities and on-site personnel. In addition, the Corporation increased its advertisement spending due to the launch of Tuguldur Center. These increases are offset by lower professional fees as a result of the Corporation's cost cutting efforts.

For the quarter ended March 31, 2015, property management expenses totaled $408,424 (Q1 2014 - $378,633).

Expense Item	Q1 2015 ($)	Q1 2014 ($)
Professional fees	14,033	34,073
Advertising	7,285	254
Salaries and wages	247,936	199,589
Land and property taxes	63,650	88,248
Repairs and maintenance	8,989	17,192
Utilities	50,343	28,353
Others	16,188	10,924
Total	**$ 408,424**	**$378,633**

Currency

The Mongolian Tögrög has depreciated 6.8%, 5.1%, 11.5% and 5.3% in 2011, 2012, 2013 and 2014 respectively versus the Canadian Dollar, however, the currency appreciated by 3.8% during the first quarter of 2015. The fluctuation in the currency is reflected in the Corporation's financial statements, most notably in the investment property portfolio as it is the largest item on the balance sheet. During 2014, the Corporation recognized a significant foreign exchange adjustment loss of $1,375,377 to its investment property portfolio due to the 11.5% depreciation of the local currency during the year. The Corporation recognized a currency gain of $2,084,558 during Q1 2015 due to an appreciation of the local currency. During the first quarter of 2015, the Mongolian Tögrög appreciated from 1,623 on December 31, 2014 to 1,561 MNT/CAD on March 31, 2015.

Operating Profit/ (Loss) from Continuing Operations

MGG generated an Adjusted EBITDA loss of $211,739 during Q1 2015 compared to a loss of $535,303 during Q1 2014. This reflects overall cost reduction in the quarter compared to the same quarter last year. The following reconciles net income before income tax to Adjusted EBITDA from operations.

	Q1 2015 $	Q1 2014 $
Net Income / (loss) before Income taxes	(417,096)	812,202
Add Depreciation and Amortization	30,951	34,116
Subtract Interest and Investment Income	5,145	17,678
EBITDA	**-381,000**	**863,996**
Subtract Fair Value Adjustment	-	1,824,323
Add Share Based Payments	169,261	425,024
Total Adjusted EBITDA	**-211,739**	**-535,303**

Net Income

For the quarter ending March 31, 2015, the Corporation incurred a net loss of $372,991 compared to a net gain of $696,160 for the quarter ending March 31, 2014. The loss in comparison to last year's gain is due to the large unrealized gain incurred last year versus no adjustment this quarter.

Management cautions investors that the Corporation is primarily focused on increasing shareholder value on a per share basis. This means that operationally, management is more concerned with long-term asset appreciation at the expense of short-term cash flow. Management expects this to be the case for the foreseeable future.

Section 4 - Financial Condition

Cash Flow

Mongolia Growth Group's primary source of capital is cash generated from operating, financing and investing activities. Management expects to meet all of the Corporation's obligations through current cash and cash equivalents along with cash flows from operations.

The following table provides an overview of the Corporation's cash flows from operating, financing and investing activities for the quarter ended March 31, 2015, and March 31, 2014.

Net change in cash related to:	Q1 2015 ($)	Q1 2014 ($)
Operating	(622,535)	(275,317)
Investing	403,904	(3,004,261)
Financing	-	443,400
Effects of exchange rates on cash	51,358	(54,398)
Net change in cash during the period	**(167,273)**	**(2,890,576)**

Overall, net cash outflows during the first quarter of 2015 were lower than the previous year's first quarter, primarily due to outflows from operating activities and inflows on investing activities. The changes in components of cash flows for the quarter ended March 31, 2015 compared to the quarter ended March 31, 2014 were the result of the following factors:

- Operating – Operating cash outflows for the quarter increased mainly due net change in non-cash working capitals as well as impact of operating costs.
- Investing – Investing cash inflows for the quarter increased due to disposal of investment properties.
- Financing – There was no financing activity during this quarter, whereas in the previous quarter, shares were issued both through a private placement and the exercise of stock options.

As at March 31, 2015, the Corporation had approximately $1,478,148 in cash and cash equivalents.

Total Assets

As of March 31, 2015, the Corporation had $2,536,991 in Current Assets of which approximately 58% were held in cash and cash equivalents (Q1 2014 –$5,132,331 and 50%), the majority of the remainder were prepayments on investment properties.

The majority of the Corporation's assets are classified as Non-Current Assets, mainly Investment Properties. Investment Properties are carried at Fair Market Value and increased throughout the quarter by way of acquisitions and the appreciation of the local currency during the quarter.

In the first quarter of 2015, assets classified as Investment Properties increased to $50,000,552 from $48,458,517 as at December 31, 2014, primarily due to stronger local currency. Property and Equipment increased to $3,011,133 (December 31, 2014 - $2,974,950).

Total Financial Liabilities

As of March 31, 2015, the Corporation had current liabilities of $1,688,910 (December 31, 2014 – $2,077,001) consisting primarily of payables and accrued liabilities.

As of December 31, 2014, the Corporation had no long-term debt outstanding; as such the only non-current liability on the balance sheet is deferred income taxes. Deferred tax liabilities decreased slightly during the quarter to $1,048,780 in Q1 2015 (2014 - $1,099,141).

The Corporation considers all other current cash commitments to be immaterial and operational in nature.

Total Equity

The equity of the Corporation consists of one class of common shares.

Outstanding	31-Mar-15	31-Dec-14
Common shares	34,848,745	34,848,745
Options to buy common shares	2,448,000	2,448,000

Options Outstanding

At period-end, the Corporation had 1,705,000 options that were exercisable (December 31, 2014 – 1,385,000).

The Chart below shows the historical option grants and options outstanding as of March 31, 2015.

Option Price ($)	Granted	Forfeited	Cancelled	Exercised	Total Options Outstanding	Total Exercisable	Non exercisable
1.64	100,000	-	-	100,000	-	-	-
1.75	300,000	-	-	250,000	50,000	50,000	-
1.9	1,363,000	35,000	-	200,000	1,128,000	492,500	635,500
4.2	900,000	408,000	362,000	-	130,000	97,500	32,500
4.77	175,000	100,000	-	-	75,000	65,000	10,000
4.25	150,000	50,000	-	-	100,000	77,500	22,500
4	190,000	-	-	-	190,000	147,500	42,500
4.13	475,000	75,000	-	-	400,000	400,000	-
1.09	375,000	-	-	-	375,000	375,000	-
Total	**4,028,000**	**668,000**	**362,000**	**550,000**	**2,448,000**	**1,705,000**	**743,000**

Acquisitions and Dispositions

During the first quarter of 2015, the Corporation did not purchase any properties, however the Corporation spent $555,872 on capital expenditures to further develop one of its redevelopment assets.

During the quarter, the Corporation disposed of four investment properties for consideration of $1,006,753. The gain on disposal recorded for these four properties was $14,483.

Off-Balance Sheet Items

As of March 31, 2015 the Corporation had no off-balance sheet items.

Events Subsequent to Quarter End

On April 2, 2015, the Corporation announced that it intended to issue a total of 640,691 common shares of the Corporation at a price of CDN $0.82 per share in settlement of outstanding amounts owed by the Corporation in the amount of US $420,000. In addition, the Corporation also issued 935,000 5-year options to purchase shares at a price of CDN $0.72 per share,

On April 7, 2015, the Corporation announced that various employees and a consultant have agreed to forfeit and cancel 615,000 options with exercise prices between CDN $4.00 and CDN $4.77. The Corporation also announced that a total of 640,000 5-year, stock options had been issued to Directors and Officers at an exercise price of CDN $0.74.

On April 27, 2015, the Corporation announced the closing of the Company's previously announced settlement of outstanding amounts owed by the Company in the amount of US $420,000 through the issuance of 640,691 common shares of the Company at a price of CAD $0.82 per share.

On May 25, the Corporation announced that Genevieve Walkden would replace Talha Siddiqui as Interim CFO in addition to her role as Corporate Secretary.

Section 5 - Quarterly Information

Quarterly Results

The following table is a summary of select quarterly information over the previous seven quarters:

	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Revenue ($) *	577,752	316,712	424,787	542,837	634,581	427,836	421,599	452,185
Net income (loss) ($)*	(372,991)	117,251	(1,489,119)	5,033,379	812,202	1,449,697	(1,127,918)	(825,693)
Income (loss) per common share ($)*	(0.01)	0.00	(0.04)	0.15	0.02	0.04	(0.03)	(0.02)
Total Assets ($)	55,548,676	54,106,591	55,523,885	54,965,199	49,253,675	47,291,018	52,443,237	47,988,406
Weighted Average Shares (No.)	34,848,745	34,652,992	34,587,024	34,495,983	34,330,685	34,256,557	34,246,026	34,245,230
Ending Shares (No.)	34,848,745	34,848,745	34,848,745	34,748,745	34,538,352	34,303,352	34,303,352	34,303,352

* These numbers have been restated to reflect the continuing operations of the Corporation.

Section 6 – Critical Estimates

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS required Management to make assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The critical estimates made in the preparation of the consolidated financial statements include the following:

Fair Value Adjustment on Investment Properties

The estimate of fair value of investment properties is the most critical accounting estimate to the Corporation. An external appraiser estimates the fair value of the majority of the Investment Properties annually, the remainder are appraised internally by Management. The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value of investment properties represents an estimate of the price that would be made in an arm's length transaction between knowledgeable, willing parties. The Corporation operates in the emerging real estate market of Mongolia, which given its current economic and industry conditions, has an increased inherent risk given the lack of reliable and comparable market information. For the three month period ending March 31, 2015, the Corporation did not report a fair value adjustment compared to an unrealized fair value gain of $1,824,323 during the same period of 2014.

Accuracy of Share Based Compensation Expense

The estimate of the ultimate expense arising from share based compensation plans is another critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the share based compensation expense recorded by the Corporation. The ultimate expense is estimated by using a number of key assumptions such as the expected volatility of the share price, the dividends expected on the shares, the risk-free interest rate for the expected life of the options and future forfeiture rates. For the quarter ending March 31, 2015, the cost of the share based payments totaled $169,261 (Q1 - 2014 - $425,024)

Operating Environment of the Corporation

Mongolia displays many characteristics of an emerging market including relatively high inflation and interest rates. The tax and customs legislation in Mongolia is subject to varying interpretations and frequent changes. The future economic performance of Mongolia is tied to continuing demand from China and continuing high global prices for commodities as well as being dependent upon the effectiveness of economic, financial and monetary measures undertaken by the Government of Mongolia together with tax, legal, regulatory and political developments. Management is unable to predict all developments that could have an impact on the Mongolian economy and consequently what effect, if any, they could have on the future financial position of the Corporation.

Assets and Liabilities Held for Sale

The Corporation makes judgments in determining whether certain non-current assets or group of assets and liabilities meet the specified criteria under IFRS for classification as held for sale. At March 31, 2015, the Corporation has identified four investment properties which meet the specified criteria and has accounted for them as assets held for sale.

Deferred Tax Assets

Deferred tax assets are recognized to the extent that it is probable that deductible temporary differences will reverse in the foreseeable future and there will be sufficient future taxable profits against which the deductible temporary differences can be utilized. The Corporation reviews the carrying amount of deferred tax assets at the end of each reporting period which is reduced to the extent that it is no longer probable that deferred tax assets recognized will be recovered, or increased to the extent that sufficient future taxable profit will be available to allow all or part of a previously unrecognized deferred tax asset to be recovered. Estimates of future taxable income are based on forecasted cash flows from operations, available tax planning opportunities and expected timing of reversals of taxable temporary differences.

Section 7 – Risk Management

Credit risk

The Corporation's exposure to credit risk is managed through risk management policies and procedures with emphasis on the quality of the investment portfolio. For the quarter, most of the Corporation's investments consisted of institutional deposits. The majority of the funds invested are held in reputable Canadian or Mongolian banks.

The Corporation is exposed to credit risk as an owner of real estate in which tenants may become unable to pay contracted rents. The Corporation mitigates this risk by carrying out due diligence on significant tenants. The Corporation's properties are diversified across residential and commercial classes. Historically, bad debts have not been a substantial expense for the Corporation.

Liquidity risk

The Corporation does not believe its current maturity profile lends itself to any material liquidity risk, taking into account the level of cash and cash equivalents, investments and marketable securities and long term debt as at March 31, 2015.

As at March 31, 2015, MGG had working capital of $848,081 (December 31, 2014- $596,123) comprised of cash and cash equivalents, investments and marketable securities, other assets, net of trade and accrued liabilities, income taxes payable and long term debt (current portion).

Currency risk

The Corporation owns properties located in Mongolia and collects rental revenue in Mongolian Tögrög, and is therefore subject to foreign currency fluctuations that may impact its financial position and results. Changes in the Mongolian Tögrög, U.S. dollar and Canadian dollar foreign currency exchange rates impact the fair value of securities denominated in Mongolian Tögrög and in U.S. dollars.

Economic Volatility and Uncertainty

Over the past few years, economic volatility and uncertainty around the world has contributed to dramatically restricted access to capital and reduced capital markets activity for more speculative businesses. The Corporation's management believes that the Corporation has sufficient resources to carry on its business and remain a going concern.

MGG holds the majority of its assets, investments and operations in the nation of Mongolia. Mongolia is presently experiencing drastic changes in its fast growing economy. Economic volatility and uncertainty in Mongolia could result in inflation, hyperinflation, economic stagnation, political extremism, and other similarly detrimental scenarios which could materially harm the Corporation.

Inflation remains at an elevated level compared to many mature economies though has dropped significantly from levels of 11-14.9% in 2014 to 9.8% in January 2015 and 9.3% in both February 2015 and March 2015 respectively. As reported by the National Statistics Office, year over year inflation in September 2014 reached 13.6%, its highest level since 2012. The Bank of Mongolia is working hard to ensure stability.

Depending on the requirements of MGG's businesses, additional funds may be required to be raised in the capital markets and there is no guarantee that sufficient funds raised will be available to complete a financing required to augment the Corporation's operations.

Risks and Uncertainties

The Corporation, as part of its operations, carries financial instruments consisting of cash and cash equivalents, investments and marketable securities, accounts receivable, and trade payables and accrued liabilities. It is Management's opinion that the Corporation is not exposed to significant credit, interest or currency risks arising from these financial instruments except as otherwise disclosed in the notes to the Consolidated Financial Statements.

Certain members of Mongolian parliament have recently asked to re-negotiate the agreement that exists between the government of Mongolia and Turquoise Hill regarding the current tax stability agreement. There can be no certainty if any changes to the agreement will be reached and how it will impact the investment climate or future GDP growth of Mongolia.

Further information related to Mongolia Growth Group Ltd. and the risks and uncertainties of MGG are filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be reviewed at www.sedar.com. A comprehensive set of risk disclosures are included in the Corporation's most recently filed annual MD&A.

Financial Instruments

The Corporation's financial instruments consist of cash and cash equivalents, investments and marketable securities, accounts receivable, trade and accrued payables and long term debt. The Corporation is subject to interest risk as it earns interest income from its cash deposits and pays interest on its long term debt. It is Management's opinion that the Corporation is not exposed to significant credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values. Management believes that there are material currency risks associated to certain Financial Instruments of the Corporation as they are held in Mongolian Tögrög. For further discussion of financial instrument risks, see the Insurance and Financial Risk Management note.

Internal Controls over Financial Reporting

Changes in securities laws no longer require the Chief Executive Officer and Chief Financial Officer of junior reporting issuers to certify that they have designed internal control over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

Instead, an optional form of certification has been made available to junior reporting issuers and has been used by the Corporation's certifying officers for the March 31, 2015 interim filings. The new certification reflects what the Corporation considers to be a more appropriate level of CEO and CFO certification given the size and nature of the Corporation's operations. This certification requires the certifying officers to state that:

(i) they have reviewed the interim MD&A and consolidated financial statements;
(ii) they have determined that there is no untrue statement of a material fact, or any omission of material fact required to be stated which would make a statement or its omission misleading in light of the circumstances under which it was made within the interim MD&A and consolidated financial statements;
(iii) based on their knowledge, the interim filings, together with the other financial information included in the interim filings, fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation as of the date and for the periods presented in the filings.

Recent Accounting Pronouncements

IFRS9, *Financial Instruments* ("IFRS9"), On July 24, 2014, the IASB issued IFRS 9, "*Financial Instruments*" ("IFRS 9") to replace International Accounting Standard 39, *"Financial Instruments: Recognition and Measurement*". IFRS 9 is effective for years beginning on or after January 1, 2018. Early adoption is permitted if IFRS 9 is adopted in its entirety at the beginning of a fiscal period. The Corporation is currently evaluating the impact of adopting IFRS 9 on the Consolidated Financial Statements.

The Corporation is currently evaluating the impact of IFRS 9 on its condensed consolidated interim financial statements.

In May 2014, the IASB issued IFRS 15, "Revenue from Contracts with Customers" ("IFRS 15"), a new standard that specifies the steps and timing for entities to recognize revenue as well as requiring them to provide more informative, relevant disclosures, IFRS 15 supersedes IAS 11, Construction Contracts, and IAS 18, Revenue, as well as various IFRIC and SIC interpretations regarding revenue. Adoption of IFRS 15 is mandatory and will be effective for the Corporation's beginning on September 1, 2017, with earlier adoption permitted. The Corporation is assessing the impact of adopting this standard on its financial statements.

Additional Information

Additional information relating to Mongolia Growth Group Ltd., including its interim financial statements, is available on SEDAR at www.sedar.com.