



# Mongolia Growth Group Ltd., Q1 2026 MD&A

First Quarter 2026

MONGOLIA GROWTH GROUP LTD

## Management Discussion & Analysis

### March 31, 2026

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, 2026 (the “MD&A”), compared with the three months ended March 31, 2025. As of January 1, 2011, the Corporation adopted International Financial Reporting Standards (“IFRS”). This MD&A provides an overall discussion, followed by analysis 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 19, 2026, and incorporates all relevant information and considerations to that date.

The following discussion and analysis should be read in conjunction with the consolidated financial statements of the Corporation for the three months ended March 31, 2026, and March 31, 2025, together with all of the notes, risk factors and information contained therein, available on SEDAR at [www.sedar.com](http://www.sedar.com).

### 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.

## Section 1 – Overview

### Financial and Operational Overview

During 2025, the Corporation completed the disposal of its two remaining operating activities — the KEDM subscription business (October 31, 2025), the Puerto Rico office property (December 3, 2025), along with its marketable securities portfolio (Q3 2025). As at December 31, 2025, the Corporation holds only cash and minor other assets, with no active revenue-generating operation.

Following the disposals completed during 2025, the Corporation's remaining operations consist solely of its Corporate segment.

The Corporation completed the sale of its subscription data products business named KEDM on October 31, 2025, for consideration of the assumption of all obligations related to the deferred revenues associated with the KEDM business up to and including October 31, 2025, totaling \$841,809.

During the third quarter of 2025, the Corporation closed all public securities positions, and the proceeds were returned to the Corporation's Canadian bank account during the fourth quarter.

### Subscription Products

KEDM was a financial data product that helped investors monitor event-driven opportunities, operated directly by the Corporation since 2021. The Corporation monetized the service through a subscription paywall, initiated on July 1, 2021. During the year ended December 31, 2025, the Corporation recognized \$1,684,322 of subscription revenue prior to the sale of the business on October 31, 2025. Over the life of the business, the Corporation received \$12,470,592 in total billings. At the date of disposal, the Corporation had no remaining unearned revenue (December 31, 2024 — \$950,615).

### Investments

The Corporation invested a portion of its excess capital in marketable securities. The Company liquidated all its marketable securities during the third quarter of 2025. At the end of the year, the Corporation did not own any public securities other than the Russian securities currently written down to zero.

During the first quarter of 2022, the Corporation purchased various Russian securities. As at March 31, 2022, the Company wrote down all of these securities to nil as sanctions prohibit the sale of Russian securities and the Corporation may never recover any value from these holdings. The Corporation continues to carry these securities at nil in its consolidated financial statements, regardless of the values shown in its Interactive Brokers brokerage account, which reflect pre-impairment gross carrying values transferred to a segregated account following sanctions-related trading restrictions and do not represent realizable value.

The Corporation continues to be in conversations with prospective buyers for the Russian securities. If the Corporation does not receive an attractive enough offer, Management may decide to leave them in the Corporation for shareholders rather than sell at an inadequate price. As of December 31, 2025, the gross carrying values of the Russian-related holdings prior to impairment were: Russian equity securities of \$2,861,876, Russian Ruble cash balances of \$71,106, and 75,689 shares of RSX with a brokerage-quoted value of \$23,365. The RSX ETF has been suspended from trading and management believes the underlying securities may be worth materially more than the quoted price if trading were to resume. All Russian-related holdings remain fully impaired and illiquid, and are carried at nil in the Corporation's financial statements.

## Due from and due to brokers

The Company has margin facilities with its prime brokers. As at March 31, 2026, and 2025, the Company's amounts due to brokers have no specific repayment terms, and they are governed by the margin terms set forth in the prime brokerage agreements. The fair value of the collateral-listed equity securities is calculated daily and compared to the Company's margin limits. The prime brokers can at any time demand full or partial repayment of the margin balances and any interest thereon or demand the delivery of additional assets as collateral.

Q1 2026

	Gross amounts due from <u>brokers</u> \$	Gross amounts due to brokers \$	Net amounts \$
Due from brokers	-	-	-
Due to brokers	-	-	-

Q1 2025

	Gross amounts due from brokers \$	Gross amounts due to brokers \$	Net amounts \$
Due from brokers	17,363	(5,291)	12,072
Due to brokers	-	(1,558,938)	(1,558,938)

## Section 2 - Results of Operations

### Selected Quarterly Financial Information (CAD)

	Quarter ended March 31, 2026 (\$)	Quarter ended March 31, 2025 (\$)	Quarter ended March 31, 2024 (\$)
<b>Revenue and other income</b>	-	21,528	25,627
<b>Income</b>			
Net income (loss) from continued operations attributable to equity holders of the Corporation	(138,678)	(293,486)	2,392,166
Net income (loss) from discontinued operations attributable to equity holders of the Corporation	-	298,459	374,672
Total Comprehensive gain (loss) attributable to equity holders of the Corporation	(139,283)	3,509	2,764,855
<b>Basic earnings per share ("EPS") (in CAD)</b>			
Net income/ (loss)	(0.01)	0.00	0.10
Net income (loss) from discontinued operations	0.00	0.01	0.01
Net income (loss) from continuing operations	(0.01)	(0.01)	0.09
<b>Diluted EPS (in CAD)</b>			
Net Income/ (loss)	(0.01)	0.00	0.10
<b>Balance Sheet</b>			
Total assets	34,515,612	42,635,989	55,012,448
Total liabilities	304,263	2,405,067	4,256,300
Total equity	34,211,349	40,230,922	50,756,148
Shares outstanding at quarter end	25,458,699	25,584,399	26,094,399
Book value per share	1.34	1.57	1.95

\*Excludes operations of Subscription Products previously included in Continuing Operations.

### Continuing Operations Rental Revenue

During the quarter, the Company's continuing operations earned rental revenues of \$nil (Q1 2025 - \$21,528) as the Company leased out a portion of its headquarters in Puerto Rico. The Company disposed of the property on December 3, 2025 and is no longer earning rental income.

### Unrealized public securities investment gain/loss

During the quarter, the Corporation had an unrealized public securities investment loss of \$nil compared to an unrealized public securities investment loss of \$669,959 during the first quarter of 2025.

### Realized public securities investment gain/loss

During the quarter, the Corporation had realized investment gains of \$nil compared to a realized investment gain of \$722,720 in Q1 2025.

### Realized foreign currency gain/loss

During the quarter, the Corporation had a realized foreign currency gain of \$2,449 compared to a realized foreign currency loss of \$64,237 in Q1 2025.

### Share Repurchase

During the quarter, the Corporation repurchased no common shares under its Normal Course Issuer Bid (NCIB) (Q1 2025-115,700 shares at \$1.22 average). As at March 31, 2026, the Corporation did not hold any shares in Treasury to

be cancelled during the second quarter of 2026 (Q1 2025- nil). The Corporation's NCIB expired in April 2026 and was not renewed; accordingly, the Corporation no longer has an NCIB in place.

### **Corporate Salary Expenses**

Corporate salary expenses include; board compensation, senior management and employee salaries.

For the quarter ending March 31, 2026, Corporate salary expenses increased to \$67,500 from \$52,002 in Q1 2025. This increase was primarily driven by additional board compensation.

### **Corporate Other Expenses**

Corporate other expenses include listing fees, professional fees, technology, travel, investment research expenses, and administrative costs.

For the quarter ending March 31, 2026, general and administrative expenses have decreased to \$301,559 from \$359,077 in Q1 2025. This decrease was primarily driven by a leaner operational structure.

### **Net Income from Continuing Operations**

For the quarter ended March 31, 2026, the Corporation had a net loss of \$138,678 (Q1 2025-Net loss of \$423,059).

### **Discontinued Operations**

#### **Revenue from Subscriptions**

Revenue from subscriptions consisted of fees earned through the Company's KEDM data analytics subscription business, which was sold on October 31, 2025 (refer to "Gain on Disposal of KEDM" below). Accordingly, the Company recognized \$nil in subscription revenue for the three months ended March 31, 2026, compared to \$569,679 in Q1 2025.

#### **Unearned Revenue**

Subscription revenue collected that has not been earned has been classified as unearned revenue and will be classified according to the Company's revenue policies described in note 3 of the 2025 consolidated financial statements. Upon the sale of the KEDM business on October 31, 2025, all remaining unearned revenue obligations were assumed by the buyer as part of the consideration. As at March 31, 2026, the Company had no unearned revenue balance (March 31, 2025 – \$634,750).

#### **Gain on Disposal of KEDM**

On October 31, 2025, the Company completed the sale of its KEDM subscription business (the "KEDM Transaction") to an arm's length third party. The KEDM business was operated directly by the Company and was not held through a subsidiary. The consideration received consisted of the buyer's assumption of all deferred revenue obligations associated with the KEDM business up to and including October 31, 2025, totaling \$841,809.

As the KEDM business had a carrying value of nil on the Company's consolidated statement of financial position at the date of disposal, the full value of the consideration has been recognized as a gain on disposal in the consolidated Statement of Operations of Discontinued Operations for the year ended December 31, 2025. No cash proceeds were received in connection with the KEDM Transaction.

#### **Expenses from Discontinued Operation**

Expenses from Discontinued Operations include subscription processing fees, salaries and wages and other expenses.

Subscription processing fees decreased from \$9,304 in Q1 2025 to \$nil in Q1 2026 due to disposal of the subscription business on October 31, 2025.

Salaries related to the subscription business were \$nil in Q1 2026.

Other expenses decreased from \$261,916 to \$nil, reflecting lower monthly production fees and profit sharing paid to Praetorian PR LLC over the shorter operating period prior to the sale.

### Net Income from Discontinued Operations

For the quarter ended March 31, 2026, the net income from discontinued operations was \$nil (Q1 2025 – \$298,459).

### Net Income

For the quarter ended March 31, 2026, the Corporation had a net loss of \$138,678 (Q1 2025 income of \$4,973).

## Section 3 – Financial Condition

### Cash Flow

Mongolia Growth Group’s primary sources of capital are cash generated from equity issuance, investing, financing, and asset sales. Management expects to meet all of the Corporation’s obligations through current cash and cash equivalents along with cash flows from asset sales.

The following table provides an overview of the Corporation’s cash flows from operating, financing, and investing activities for the three-month period ended March 31, 2026 and 2025.

### Cash Flow Continuing Operations

	31-March-2026	31-March-2025
	\$	\$
Net change in cash related to:		
Operating	(513,022)	(4,598,643)
Investing	-	1,958,100
Financing	-	(140,781)
<b>Net change in cash during the period excluding FX</b>	<b>(513,022)</b>	<b>(2,781,324)</b>

Overall, the Corporation had cash outflows of \$513,022 excluding FX during the first three months of 2026 primarily due to significant cash outflows from Operating activities. The changes in components of cash flows for the period ended March 31, 2026, compared to the period ended March 31, 2025, were the result of the following factors:

- **Operating** – Continuing operations used cash of \$513,022 (Q1 2025- \$4,598,643) primarily reflecting operating and administrative expenses and working capital movements, partially offset by interest income.
- **Investing** – Investing cash inflows of \$nil compared to \$1,958,100 in Q1 2025, due to a net sale of marketable securities.
- **Financing** – Financing cash outflows of \$nil compared to \$140,781 in Q1 2025, when the Company repurchased 115,700 shares.

### Cash Flow from Discontinuing Operations

	31-March-2026	31-March-2025
	\$	\$
Net change in cash related to:		
Operating	-	(17,406)
Investing	-	-
<b>Net change in cash during the period excluding FX</b>	<b>-</b>	<b>(17,406)</b>

For the quarter ended March 31, 2026, the Corporation's discontinued operations generated cash of \$nil (Q1 2025 – \$17,406 cash outflows). The decrease reflects the wind-down of the KEDM subscription business, which was sold on October 31, 2025.

There were no investing or financing cash flows from discontinued operations.

To date, the Corporation has been able to meet all of its capital and other cash requirements from its internal sources of cash. As at March 31, 2026, the Corporation had \$34,453,316 (Q1 2025 - \$10,487,589) in cash and cash equivalents. During the quarter, the Corporation announced a plan of arrangement under which approximately \$32.6 million (representing \$1.28 per common share on 25,458,699 shares outstanding) is expected to be distributed to shareholders during the second quarter of 2026, subject to shareholder, court, and regulatory approvals.

### Total Assets

As of March 31, 2026, the Corporation had \$34,515,612 (Q4 2025 - \$35,040,950) in Current assets of which \$34,453,316 were held in cash and cash equivalents (Q4 2025 - \$34,966,943) and \$nil were held in marketable securities (Q4 2025 - \$nil), \$nil due from Broker (Q4 2025 - \$nil) and \$62,296 were held in other assets (Q4 2025 - \$74,007).

The Company disposed of its Puerto Rico office property on December 3, 2025, and held no property and equipment as at December 31, 2025 or March 31, 2026.

### Total Liabilities

As of March 31, 2026, the Corporation had current liabilities of \$304,263 (Q4 2025 – \$690,318) consisting primarily of payables of \$274,213 (Q4 2025- \$660,771), an income tax liability of \$30,050 (Q4 2025- \$29,547).

As of March 31, 2026, the Corporation had non-current liabilities of \$nil on the balance sheet (Q4 2025-\$nil).

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

### Total Equity

During the quarter, the Company’s equity value decreased to \$34,211,349 at March 31, 2026, from \$34,350,632 at December 31, 2025.

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

Outstanding	31-March-2026	31-December-2025
Common shares	25,458,699*	25,458,699*
Options to buy common shares	-	-

\* As at March 31, 2026, the Corporation held nil common shares in Treasury to be cancelled during the second quarter of 2026 (Q1 2025-nil).

\* As at May 19, 2026, the Corporation had 25,458,699 shares outstanding, no shares held in treasury, and no options outstanding.

### Related Party Transactions

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Key management personnel of the Corporation include all directors, executive management, and persons related to directors and executive management. The summary of compensation for key management personnel is as follows:

Related Party Transactions	31-March-2026	31-March-2025
	\$	\$
Salaries and other short-term benefits to officers	79,175	134,201
Salaries to other related parties	-	-
KEDM production expense and revenue share paid to an entity controlled by the Chairman	-	290,466*
Director fees	60,000	15,000
<b>Total</b>	<b>139,175</b>	<b>439,667</b>

\*Beginning on January 1, 2023, MGG engaged Praetorian PR LLC (PPR), a Puerto Rican company owned by MGG’s Chairman and CEO to produce KEDM. Further details on the fee arrangement can be found in note 9 of the December 31, 2025 Financial Statements. The agreement was terminated with the sale of KEDM on October 31, 2025.

\*\*Lemontree LLC, an entity owned by Harris Kupperman, the Chairman and Chief Executive Officer of the Company, has purchased the Company's office property for USD\$1.45 million (CAD\$2,023,843). The transaction was approved by shareholders during the annual and Special Meeting of shareholders of the Company on October 7, 2025 and closed on December 3, 2025. The net book value of the disposed assets at the time of sale was CAD\$1,697,387 resulting in a gain on disposal of CAD \$313,018, which was recognized in the consolidated statement of operations for the year ended December 31, 2025.

As at March 31, 2026, amounts due to related parties totaled approximately \$93,754 (Q1 2025 - \$83,780), comprised of fees owed to management and directors, were included in trade payables and accrued liabilities. Salaries to other related parties include the salary of an employee that is related to a director.

#### Off-Balance Sheet Items

As of March 31, 2026, the Corporation had no off-balance sheet items.

### Events Subsequent to Quarter End

On February 26, 2026, the Corporation announced a plan of arrangement (the "Arrangement") under the Business Corporations Act (Alberta), pursuant to which shareholders are entitled to receive \$1.28 in cash per common share.

At a Special Meeting of shareholders held on May 14, 2026, the Arrangement was approved by 99.8% of votes cast. On May 15, 2026, the Court of King's Bench of Alberta granted the final order approving the Arrangement. The transaction is expected to close on May 20, 2026, at which time the Corporation will distribute approximately \$32.6 million to shareholders.

## Section 4 - Quarterly Information

### Quarterly Results

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

	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Revenue	-	150,973	468,657	550,364	591,207	626,902	658,299	698,271
Net income (loss)	(138,678)	689,298	(78,016)	(6,042,979)	4,973	(6,782,901)	(761,153)	(2,613,900)
Income (loss) per common share	(0.01)	0.03	0.00	(0.24)	0.00	(0.25)	(0.03)	(0.10)
Total Assets	34,515,612	35,040,950	37,530,549	35,046,593	42,635,989	47,330,792	49,135,746	50,543,910
Weighted Average Shares (No.)	25,458,699	25,531,106	25,555,596	25,604,455	25,667,237	26,112,087	26,216,093	26,326,765
Ending Shares (No.)	25,458,699	25,458,699	25,458,699	25,498,699	25,584,399	25,771,999	25,939,299	26,094,399

\*The chart above reflects both the continuing and discontinued operations of the Corporation

## Section 5 – 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:

### 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.

### Valuation of Marketable Securities

The Company recognizes marketable securities at fair value. Fair value is determined on the basis of market prices from independent sources, if available. If there is no market price, then the fair value is determined by using valuation models with inputs derived from observable market data where possible but where observable data is not available, judgement is required to establish fair values.

### Significant judgments made in the preparation of these consolidated financial statements include the following areas:

Judgement is required in determining whether an asset meets the criteria for classification as assets held for sale and or as discontinued operations in the consolidated financial statements. Criteria considered by management include the existence of and commitment to a plan to dispose of the assets, the expected selling price of the assets, the probability of the sale being completed within an expected timeframe of one year, and the period of time any amounts have been classified within assets held for sale. Management reviews the criteria for assets held for sale each quarter and reclassifies such assets to or from this financial position category as appropriate. On completion of the sale, Management exercises judgement as to whether the sale qualifies as a discontinued operation.

## Section 6 – Risk Management

### Plan of Arrangement

On February 26, 2026, the Corporation announced a plan of arrangement (the "Arrangement") under which approximately \$32.6 million (\$1.28 per common share) is expected to be distributed to shareholders during the second quarter of 2026. Completion of the Arrangement is subject to approval by two-thirds of votes cast at a Special Meeting of shareholders, approval of the Court of King's Bench of Alberta, and approval of the NEX Board of the TSX Venture Exchange. There can be no assurance that the required approvals will be obtained or that the Arrangement will be completed on the proposed terms or at all.

### Limited Operations Following the Arrangement

Following completion of the Arrangement, the Corporation will retain approximately \$1 million in cash and will have no active operating business. The Corporation intends to remain listed on the NEX Board of the TSX Venture Exchange while it evaluates new business opportunities, which may include the acquisition of an operating business, a reverse takeover transaction, or another strategic alternative. There can be no assurance that the Corporation will identify a suitable transaction, that any such transaction will be completed on commercially reasonable terms, or that any new business activity will be successful.

### Capital Sufficiency Following the Arrangement

Following completion of the Arrangement, the Corporation will hold approximately \$1 million in cash to fund ongoing operations, including listing fees, professional fees, and administrative costs associated with maintaining its public listing. If the Corporation does not complete a transaction within a reasonable period, additional capital may be required, and there can be no assurance that such capital will be available on acceptable terms or at all.

### NEX Listing

Securities listed on the NEX Board of the TSX Venture Exchange typically experience lower trading volumes and reduced liquidity compared to securities listed on the principal TSX Venture Exchange tier. The Corporation will also be subject to NEX-specific rules and restrictions, which may limit its activities. There can be no assurance that the Corporation will satisfy continued listing requirements or that an active trading market for the Corporation's common shares will be maintained.

### Russian Securities

The Corporation continues to hold Russian equity securities, Russian Ruble cash balances, and shares of the VanEck Russia ETF (RSX), all of which are carried at \$nil due to international sanctions that prohibit the sale of Russian securities and the suspension of trading in RSX. There can be no assurance that sanctions will be lifted, that trading in these securities will resume, or that the Corporation will ever be able to realize any value from these holdings.

### Credit Risk

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

### 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 as at March 31, 2026.

As at March 31, 2026, the Corporation had working capital of \$34,211,349 (Q4 2025 - \$34,350,632) comprised of cash and cash equivalents and other assets, net of trade and accrued liabilities and income taxes payable. As described under 'Plan of Arrangement,' approximately \$32.6 million of this amount is expected to be distributed to shareholders

during the second quarter of 2026. Following the distribution, the Corporation expects to retain approximately \$1 million in cash to fund ongoing operations, which Management believes is sufficient to meet its obligations.

### **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. Management believes that the Corporation has sufficient resources to carry on its business and remain a going concern.

### **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, 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.

Further information related to Mongolia Growth Group Ltd. and the risks and uncertainties of MGG is filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be reviewed at [www.sedar.com](http://www.sedar.com).

### **Financial Instruments**

The Corporation's financial instruments consist of cash and cash equivalents, investments and marketable securities, accounts receivable, and trade and accrued payables. The Corporation is subject to interest risk as it earns interest income from its cash deposits. 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.

### **Changes in Investment Strategies**

The Corporation may alter its investment strategies and restrictions without prior approval by shareholders to adapt to changing circumstances.

### **Possible Negative Impact of Regulation**

The regulatory environment is evolving and changes to it may adversely affect the Corporation. To the extent that regulators adopt practices of regulatory oversight that create additional compliance, transaction, disclosure or other costs for the Corporation, returns of the Corporation may be negatively affected. In addition, the regulatory or tax environment for securities, derivatives, and related instruments is evolving and may be subject to modification by government or judicial action that may adversely affect the value of the investments held by the Corporation. The effect of any future regulatory or tax change on the Corporation is impossible to predict.

### **PFIC Risk**

The Corporation has not undertaken an analysis to determine if it is a Passive Foreign Income Company (PFIC) under United States tax statutes, nor does it intend to. US shareholders are advised to consult with tax professionals to determine the risks and potential penalties that could be applicable if the Corporation is determined to be a PFIC.

### **Custody Risk and Broker or Dealer Insolvency**

The Corporation's residual Russian securities and Russian Ruble cash balances continue to be held in a segregated brokerage account. Although these holdings are carried at \$nil, insolvency of the broker holding these assets could affect any future ability to realize value from them. The Corporation's cash and cash equivalents are held at Canadian and American banks and are subject to applicable deposit insurance limits.

### **Currency and Exchange Rate Risks**

The Corporation holds a portion of its cash in U.S. dollars and reports its results in Canadian dollars. Changes in the CAD/USD exchange rate may affect the value of the Corporation's cash holdings when translated to Canadian dollars.

## **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 IFRS.

Instead, an optional form of certification has been made available to junior reporting issuers and has been used by the Corporation's certifying officers since the December 31, 2013 annual 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: they have reviewed the interim MD&A and consolidated financial statements; 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; 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.

## **Additional Information**

Additional information relating to Mongolia Growth Group Ltd., including its Interim Financial Statements, are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).