

Mongolia Growth Group Ltd.

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the three months ended

March 31, 2024 and 2023

(Expressed in Canadian dollars)

Mongolia Growth Group Ltd.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

As at March 31, 2024

(expressed in Canadian dollars)

	March 31, 2024 \$	December 31, 2023 \$
Assets		
Current assets		
Cash and cash equivalents (note 6)	6,090,157	9,735,224
Marketable securities owned (note 8)	47,073,426	46,439,938
Due from broker (note 7)	6,144	151
Digital assets (note 10)	226,028	438,872
Other assets (note 11)	85,068	67,896
	<u>53,480,823</u>	<u>56,682,081</u>
Non-current assets		
Property and equipment (note 13)	1,531,625	1,512,980
	<u>1,531,625</u>	<u>1,512,980</u>
Total assets	<u>55,012,448</u>	<u>58,195,061</u>
Liabilities		
Current liabilities		
Trade payables and accrued liabilities (note 14)	392,940	415,386
Unearned revenue (note 9)	817,070	1,126,439
Due to broker (note 7)	901,601	5,536,537
Marketable securities sold short (note 8)	-	5,724
Short Term CEBA loan (note 7)	-	20,000
Income taxes payable	1,430,333	1,430,333
	<u>3,541,944</u>	<u>8,534,419</u>
Non-current liabilities		
Deferred income tax liability	714,356	500,522
Total liabilities	<u>4,256,300</u>	<u>9,034,941</u>
Equity		
Share capital (note 15)	48,604,255	49,773,082
Contributed surplus	6,849,976	6,849,976
Accumulated other comprehensive loss	(48,646)	(46,663)
Deficit	(4,649,437)	(7,416,275)
Total equity	<u>50,756,148</u>	<u>49,160,120</u>
Total equity and liabilities	<u>55,012,448</u>	<u>58,195,061</u>

Commitment and contingencies (note 15)

Approved by the Board of Directors

"Harris Kupperman"

Director

"James Dwyer"

Director

The accompanying notes are an integral part of these interim consolidated financial statements.

Mongolia Growth Group Ltd.

Condensed Interim Consolidated Statements of Comprehensive Loss

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

	March 31 2024 \$	March 31 2023 \$
Revenue		
Rental income	25,627	27,728
Subscription revenue (note 9)	694,071	915,952
Other revenue	-	100
Total revenue	719,698	943,780
Expenses		
Salaries and wages	138,449	209,127
Other expenses (note 21)	609,110	558,022
Depreciation (note 13)	19,696	9,084
Total operating expenses	(767,255)	(776,233)
Interest income	41,015	10,866
Unrealized gain (loss) on short term investments (note 8)	2,335,164	(3,138,334)
Realized gain on short term investments (note 8)	622,011	219,845
Unrealized gain on digital assets (note 10)	1,887	10,205
Realized loss on digital assets (note 10)	(97,877)	-
Foreign currency gain	112,906	48,246
Total other income (loss)	3,015,106	(2,849,172)
Net income (loss) before income taxes	2,967,549	(2,681,625)
Income tax recovery (expense)	(200,711)	1,478,366
Income (loss) from continuing operations	2,766,838	(1,203,259)
Loss from discontinued operations (note 5)	-	(57,665)
Net income (loss) for the period	2,766,838	(1,260,924)
Net income (loss) per share		
Basic		
From continuing operations	0.10	(0.05)
From discontinued operations	-	(0.00)
From net income (loss) for the period	0.10	(0.05)
Diluted		
From continuing operations	0.10	(0.05)
From discontinued operations	-	(0.00)
From net income for the period	0.10	(0.05)

The accompanying notes are an integral part of these interim consolidated financial statements.

Mongolia Growth Group Ltd.

Condensed Interim Consolidated Statements of Comprehensive Loss

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

	March 31, 2024	March 31, 2023
	\$	\$
Net income (loss) for the period	2,766,838	(1,260,924)
Other comprehensive loss		
Items that may be subsequently reclassified to income or loss		
Unrealized gains (losses) on translation of financial statement operations with US Dollar functional currency to Canadian dollar reporting currency	(1,983)	(224,415)
Total comprehensive income	2,764,855	(1,485,339)

The accompanying notes are an integral part of these interim consolidated financial statements.

Mongolia Growth Group Ltd.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

	Share capital \$	Contributed surplus \$	Accumulated other comprehensive loss \$	Deficit \$	Total \$
Balance at January 1, 2023	50,547,130	6,849,976	(17,037,309)	5,763,577	46,123,374
Net loss for the period	-	-	-	(1,260,924)	(1,260,924)
Other comprehensive loss	-	-	(224,415)	-	(224,415)
	50,547,130	6,849,976	(17,261,724)	4,502,653	44,638,035
Share repurchase	(245,691)	-	-	-	(245,691)
Balance at March 31, 2023	50,301,439	6,849,976	(17,261,724)	4,502,653	44,392,344

	Share capital \$	Contributed surplus \$	Accumulated other comprehensive loss \$	Deficit \$	Total \$
Balance at January 1, 2024	49,773,082	6,849,976	(46,663)	(7,416,275)	49,160,120
Net gain for the period	-	-	-	2,766,838	2,766,838
Other comprehensive loss	-	-	(1,983)	-	(1,983)
	49,773,082	6,849,976	(48,646)	(4,649,437)	51,924,975
Share repurchase	(1,168,827)	-	-	-	(1,168,827)
Balance at March 31, 2024	48,604,255	6,849,976	(48,646)	(4,649,437)	50,756,148

The accompanying notes are an integral part of these interim consolidated financial statements.

Mongolia Growth Group Ltd.

Condensed Interim Consolidated Statements of Cash Flow

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

	March 31, 2024	March 31, 2023
	\$	\$
Cash provided by (used in)		
Operating activities		
Net income (loss) for the period	2,766,838	(1,203,259)
Items not affecting cash		
Depreciation (note 13)	19,696	9,084
Deferred taxes	213,834	(2,625,411)
Unrealized (gain) loss on marketable securities (note 8)	(2,335,164)	3,138,334
Realized loss on digital assets (note 10)	97,877	-
Unrealized (gain) on digital assets (note 10)	(1,887)	(10,205)
Realized (gain) on marketable securities (note 8)	(622,011)	(219,845)
	139,183	(911,301)
Net change in non-cash working capital balances (note 19)	(4,989,916)	(1,439,294)
	(4,850,733)	(2,350,595)
Cash provided by (used in) discontinued operating activities (note 5)	-	(22,230)
Financing activities		
Share repurchase (note 15)	(1,168,827)	(245,691)
CEBA loan (note 8)	(20,000)	-
	(1,188,827)	(245,691)
Investing activities		
Net sale of marketable securities	2,317,963	6,248,674
Acquisition of property and equipment (note 13)	-	-
Net proceeds on sale of investment properties (note 12)	-	-
Sale (acquisition) of digital assets (note 10)	127,879	(134,332)
	2,445,842	6,114,342
Increase (decrease) in cash from continued operations	(3,593,718)	3,518,056
Decrease in cash from discontinued operations	-	(22,230)
Effect of exchange rates on cash and cash equivalents	(51,349)	(34,742)
Increase (decrease) in cash	(3,645,067)	3,461,084
Cash and cash equivalents - Beginning of period	9,735,224	2,051,245
Cash and cash equivalents - End of period	6,090,157	5,512,329

The accompanying notes are an integral part of these interim consolidated financial statements.

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

1 Corporate Information

Mongolia Growth Group Ltd. (“MGG” or the “Company”) was incorporated in Alberta on December 17, 2007, and is a Merchant bank, previously owning real estate investments in Ulaanbaatar, Mongolia, along with a current subscription product business and a public securities portfolio.

The Company trades on the TSX Venture Exchange, having the symbol YAK.

MGG has three wholly-owned subsidiaries as of March 31, 2024; Mongolia (Barbados) Corp., MGG US Inc., and Lemontree PR LLC. During 2023, Mongolia (Barbados) Corp. disposed of its Mongolian wholly-owned subsidiaries; MGG Properties LLC and Big Sky Capital LLC. Big Sky Capital LLC owned the wholly owned subsidiaries, Carrollton LLC, Biggie Industries LLC, Zulu LLC, Crescent City LLC and Oceanus LLC (together “the investment property operations”). The Mongolian investment property operations were conducted in Big Sky Capital LLC and its subsidiaries. MGG’s marketable securities are currently held in brokerage accounts owned by Mongolia (Barbados) Corp and MGG US Inc.

At March 31, 2024 and December 31, 2023, the principal subsidiaries of the Company, their geographic locations, and the ownership interest held by the Company, were as follows:

Name	Principal Activity	Ownership		Location
		March 31, 2024	December 31, 2023	
Mongolia (Barbados) Corp.	Holding Company and Brokerage Account	100%	100%	Barbados
Lemontree PR LLC	Real estate operations	100%	100%	Puerto Rico
MGG US Inc.	Investments	100%	100%	United States

The Company is registered in Alberta, Canada, at its registered and records address at Centennial Place, East Tower, 1900, 520 – 3rd Avenue S.W. Calgary, Alberta, Canada T2P 0R3. The Company’s Canadian headquarters are located at 100 King Street West, Suite 5600, Toronto, Ontario, M5X 1C9, Canada.

At March 31, 2024, the Company is organized into two segments based on the business operations:

- The MGG Corporate segment manages the Company’s corporate affairs, capital management and public securities portfolio.
- The Subscription Products segment manages the Company’s subscription product business.

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

2 Basis of presentation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC), as issued by the International Accounting Standards Board (IASB) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting (“IAS 34”). These condensed interim consolidated financial statements are compliant with IAS 34 and do not include all of the information required for full annual financial statements.

These condensed interim consolidated financial statements should be read in conjunction with the Company’s annual financial statements for the year ending December 2021. The significant accounting policies used in the preparation of these consolidated financial statements are summarized in note 3.

The consolidated financial statements, including the notes to the consolidated financial statements, are presented in Canadian dollars (\$) which is presentation currency and the functional currency of the parent Company. The functional currency of the Mongolian subsidiaries (discontinued operations) was the Mongolian National Tögrög (MNT). The functional currency of the Company’s operating subsidiary in Barbados is the Canadian Dollar. The functional currency of the Company’s operating subsidiaries in the United States is the US Dollar.

These consolidated financial statements were approved by the Board of Directors of the Company for issue on May 21, 2024.

3 Significant Accounting Policies

The Company has applied the same accounting policies in these condensed interim consolidated financial statements as those applied in the Company’s annual audited consolidated financial statements as at and for the year ended December 31, 2023.

In preparing these condensed interim consolidated financial statements, the significant judgements made in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual consolidated financial statements as at and for the year ended December 31, 2023.

These condensed interim consolidated financial statements should be read in conjunction with the Company’s annual financial statements for the year ending December 31, 2023.

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

4 Significant accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires Management to make estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgements 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 effect of a change in an accounting estimate is recognized prospectively by including it in net income (loss) in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

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

- 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. The Company presents results from trading marketable securities on both a realized and unrealized basis separately in the consolidated statements of operations. A realized gain or loss is recorded upon transfer of ownership of a marketable security, calculated as proceeds (net of broker fees) less its cost which is measured on a first-in-first-out ("FIFO") basis. Unrealized gains and losses are the fair value adjustments to positions still held at reporting dates.

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

5 Discontinued operations

During the year ended December 31, 2023, the Company disposed of its interests in all its Mongolian subsidiaries including; Biggie Industries LLC, Zulu LLC, Crescent City LLC, MGG Properties LLC, Big Sky LLC, Carrolton LLC and Oceanus LLC. As a result of the sale, the Mongolian property business has been classified as Discontinued operations.

Comprehensive Statement of Operations of Discontinued Operations

	For the quarter ended March 31 2024	For the quarter ended March 31 2023 \$
Revenue		
Rental income	-	184,838
Other revenue	-	3,624
Total Revenue	-	188,462
Expenses		
Salaries and wages	-	66,006
Other expenses	-	182,740
Depreciation	-	21,510
Total expenses	-	(270,256)
Foreign currency loss	-	(7,672)
Net loss before tax	-	(89,466)
Income tax recovery	-	31,801
Loss from discontinued operations	-	(57,665)

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

5 Discontinued operations (continued)

Cash flows from (used in) discontinued operations:

	March 31, 2024	March 31, 2023
	\$	\$
Net income for the year from discontinued operations	-	(57,665)
Depreciation	-	21,510
	<hr/>	<hr/>
	-	(36,155)
Changes in non-cash working capital items:		
Other assets	-	(16,033)
A/P accruals	-	29,958
	<hr/>	<hr/>
		13,925
Net cash used in operating activities	<hr/>	<hr/>
	-	(22,230)
Decrease in cash from discontinued operations	<hr/>	<hr/>
	-	(22,230)

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

6 Cash

Cash at banks earns interest at floating rates based on daily bank deposit rates. The component of cash accounts currently consists only of cash amounts held in banks or on hand.

The following table discloses the geographical location of cash:

	March 31, 2024	December 31, 2023
	\$	\$
Barbados	3,027,705	5,710,431
Canada	2,327,118	3,345,795
United States	735,333	678,998
	6,090,157	9,735,224

Cash is not collateralized. The carrying amount of cash approximates fair value.

The following table discloses the breakdown of cash and cash equivalents:

	March 31, 2024	December 31, 2023
	\$	\$
Cash	4,736,057	7,053,679
Cash equivalents*	1,354,100	2,681,545
Total cash and cash equivalents	6,090,157	9,735,224

*Cash equivalents are held in a GIC at a Canadian bank.

7 Credit facilities and due from and due to brokers

a) Credit facilities

During the year ended December 31, 2020, the Company qualified for a government-guaranteed line of credit (Canada Emergency Business Account “CEBA”) of \$40,000 which subsequently converted to a 0% interest term loan. On January 1, 2021 the Company qualified for an additional \$20,000 2-year, 0% interest term loan. The Company repaid \$40,000 in December 2023, and as part of the government program, the remaining \$20,000 was forgiven on January 2, 2024.

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

7 Credit facilities and due from and due to brokers (continued)

Short term debt

	March 31, 2024	December 31, 2023
	\$	\$
Current	-	20,000
	<u>-</u>	<u>20,000</u>

Due from and due to brokers

The Company has margin facilities with its prime brokers. As at March 31, 2024, 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. As at March 31, 2024, the Company had net margin borrowings of \$901,601 (Q1 2023 – \$5,450,924). 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.

Due from and due to brokers balances are presented on a net basis by broker in the consolidated statement of financial position. Under the prime broker agreements, the broker may upon events of default offset, net and/or regroup any amounts owed by the Company to the broker by amounts owed to the Company by the broker.

The following tables set out the offsetting of the Company's various accounts with prime brokers.

Due from and due to brokers

	March 31, 2024		
	Gross amounts due from brokers \$	Gross amounts due to brokers \$	Net amounts \$
Due from brokers	7,689	(1,545)	6,144
Due to brokers	-	(901,601)	(901,601)

	December 31, 2023		
	Gross amounts due from brokers \$	Gross amounts due to brokers \$	Net amounts \$
Due from brokers	22,172	(22,021)	151
Due to brokers	-	(5,536,537)	(5,536,537)

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

8 Equity investments and other holdings, securities sold short, derivatives and futures

Equity Investments and other holdings

	March 31, 2024	December 31, 2023
	\$	\$
Assets		
Equity securities	43,120,963	42,823,146
Options on futures	3,952,463	3,616,792
	47,073,426	46,439,938

Securities sold short and derivative liabilities

	March 31, 2024	December 31, 2023
	\$	\$
Liabilities		
Options on futures	-	5,724
	-	5,724

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

9 Subscription Revenue

The Company's revenue from contracts with customers is comprised of data analytics subscriptions. The Company has been working on building a data analytics service, named KEDM that tracks various event-driven strategies. The Company initiated a paywall on July 1, 2021 to start monetizing this service. Revenue earned during the period is classified as subscription revenue on the consolidated statement. Revenue collected that has not yet been earned, have been classified as unearned revenue and will be classified according to the Company's revenue policies described in note 3 of the December 31, 2023, consolidated financial statements.

Contract Liabilities:

As of March 31, 2024, the Company has unearned revenue of \$694,071 to be fully recognized by the end of February 2025, in accordance with contract terms (March 31, 2023 - \$974,469).

	March 31, 2024	December 31, 2023
	\$	\$
Opening balance	1,126,439	1,547,154
Additions	384,702	2,792,680
Revenue earned	(694,071)	(3,213,395)
Closing balance	817,070	1,126,439

When the Company first launched its subscription business, the Company engaged an arm's length company to compile and produce the KEDM report on an ongoing basis, while MGG acted as the distributor and marketer of the product. As a part of this engagement, MGG paid the direct and approved expenses related to producing KEDM in addition to 20% of quarterly earned revenues above a threshold of \$125,000 USD. Beginning on January 1, 2023, MGG has engaged Praetorian PR LLC (PPR), a Puerto Rican company owned by the MGG's Chairman and CEO to produce KEDM. Going forward, under the terms of the agreement, MGG will pay PPR a monthly fee of USD \$50,000 along with 20% of any quarterly revenue in excess of USD \$125,000. The Company paid \$102,089 in revenue share during the first quarter of 2024 (Q1 2023 - \$146,789), classified as subscription product expenses in note 20. Most of the expenses related to the unearned revenue have not yet been incurred and are not reflected in the Company's financial statements. MGG owns all intellectual property related to KEDM and PPR disclaims any ownership or rights to the intellectual property. The agreement can be discontinued by either party following a reasonable transition period and MGG can engage a substitute party to continue the production of KEDM.

10 Digital assets

	March 31, 2024	December 31, 2023
	\$	\$
Balance - beginning of year	438,872	284,253
Net purchases (sales)	(127,879)	134,332
Unrealized gain	1,887	29,313
Realized loss	(97,877)	-
Foreign currency gain	11,025	(9,026)
Balance - end of year	226,028	438,872

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

10 Digital assets (continued)

The Company has a digital currency account at Kraken Custody where it owns Monero (XMR) cryptocurrency. The Company presents results from trading digital assets on both a realized and unrealized basis separately in the consolidated statements of operations. A realized gain or loss is recorded upon transfer of ownership of a the digital assets, calculated as proceeds (net of broker fees) less its cost which is measured on a first-in-first-out (“FIFO”) basis. Unrealized gains and losses are the fair value adjustments to positions still held at reporting dates.

11 Other assets

Short term other assets

	March 31, 2024	December 31, 2023
	\$	\$
Accounts receivable	32,183	39,652
Prepaid expenses	52,885	28,244
	<u>85,068</u>	<u>67,896</u>

12 Investment properties

	March 31, 2024	December 31, 2023
	\$	\$
Balance - beginning of period	-	10,086,956
Disposals	-	(10,018,931)
Foreign exchange adjustments	-	(68,025)
	<u>-</u>	<u>-</u>

The Company disposed of all its investment properties during 2023.

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

13 Property and equipment

	2023			
	Furniture and fixtures	Equipment	Buildings	Total
	\$	\$	\$	\$
December 31				
Cost	150,329	46,583	1,453,502	1,650,414
Accumulated depreciation	44,390	25,197	67,847	137,434
Net book value	105,939	21,386	1,385,655	1,512,980
	2024			
	Furniture and fixtures	Equipment	Buildings	Total
	\$	\$	\$	\$
Cost				
At January 1	150,329	46,583	1,453,502	1,650,414
Additions	-	-	-	-
Disposals	-	-	-	-
Impairment	-	-	-	-
Foreign exchange adjustment	3,545	2,090	45,721	51,356
At March 31	153,874	48,673	1,499,223	1,701,770
	2024			
	Furniture and fixtures	Equipment	Buildings	Total
	\$	\$	\$	\$
Accumulated depreciation				
At January 1	44,390	25,197	67,847	137,434
Depreciation	7,658	2,423	9,615	19,696
Disposals	-	-	-	-
Foreign exchange adjustment	1,126	397	11,492	13,015
At March 31	53,174	28,017	88,954	170,145
Net book value at March 31	100,700	20,656	1,410,269	1,531,625

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

14 Trade payables and accrued liabilities

	2024	2023
	\$	\$
Trade and accrued payables	386,165	408,773
Security deposits	6,775	6,613
	<u>392,940</u>	<u>415,386</u>

The carrying amounts above reasonably approximate fair value at the consolidated statement of financial position date. All trade and other payables are current.

15 Share capital and contributed surplus

Common shares

The Company is authorized to issue an unlimited number of common and preferred shares.

The issued and outstanding common shares are as follows:

	Number of shares	Amount \$
Balance, December 31, 2023	26,980,699	49,773,082
Shares re-purchased	-	(1,168,827)
Treasury stock cancelled	(886,300)	-
Balance March 31, 2024	26,094,399	48,604,255

As at March 31, 2024, the Company held nil (Q1 2023-nil) shares in Treasury.

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

15 Share capital and contributed surplus (continued)

Earnings per share

The following table summarizes the shares used in calculating earnings (loss) per share:

	March 31, 2024	December 31, 2023
	\$	\$
Weighted average number of shares – basic	26,561,712	27,243,468
Effect of dilutive stock options	-	-
	<hr/>	<hr/>
Weighted average number of shares – diluted	26,561,712	27,243,468

Basic earnings (loss) per share are derived by dividing net income (loss) for the period by the weighted average number of common shares outstanding for the period.

16 Management of capital structure

The Company's objective when managing capital is to ensure the Company is capitalized in a manner which provides a strong financial position for its shareholders.

The Company's capital structure includes equity and working capital. In managing its capital structure, the Company considers future investment and acquisition opportunities, potential credit available and potential issuances of new equity. The Company's objective is to maintain a flexible capital structure that will allow it to execute its stated business. Upon acquiring investment properties and operating businesses, the Company will strive to balance its proportion of debt and equity within its capital structure in accordance with the needs of the continuing business. The Company may, from time to time, issue shares and adjust its spending to manage current and projected proportions as deemed appropriate.

	March 31, 2024	December 31, 2023
	\$	\$
Current assets	53,480,823	56,682,081
Current liabilities	(3,541,944)	(8,534,419)
	<hr/>	<hr/>
Working capital	49,938,879	32,065,089

The method used by the Company to monitor its capital is based on an assessment of the Company's working capital position relative to its projected obligations.

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

17 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 Company include all directors, executive management and persons directly related to directors and executive management. The summary of compensation for key management personnel is as follows:

	Three months ending March 31, 2024	Three months ending March 31, 2023
	\$	\$
Salaries and other short-term employee benefits	118,024	118,283
Salaries to other related parties	54,156	20,277
KEDM production expense and revenue share paid to an entity controlled by the Chairman	355,027*	349,174*
Director fees	15,000	15,000
	542,207	502,734

*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 8 and the MD&A.

As at March 31, 2024, amounts due to related parties totaled approximately \$236,011 (Q1 2023 - \$161,789) 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.

18 Commitments and contingencies

From time to time and in the normal course of business, claims against the Company may be received. On the basis of management's assessments and professional legal advice, management is of the opinion that no material losses will be incurred and no provision or disclosure has been made in these consolidated financial statements.

The Company indemnifies its directors and officers against any and all claims or losses reasonably incurred in the performance of their service to the Company to the extent permitted by law.

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

19 Supplementary cash flow information

	Three months ending March 31, 2024	Three months ending March 31, 2023
	\$	\$
Changes in non-working capital arising from		
Unearned revenue	(309,369)	(572,685)
Other assets	(17,172)	(52,975)
Net due to/(from) broker	(4,640,929)	(1,926,348)
Trade payables and accrued liabilities	(22,446)	11,227
Income tax payable	-	1,101,487
Changes in non-cash working capital from operating activities	(4,989,916)	(1,439,294)

Income tax paid during the quarter was \$nil (Q1-2023 \$6,108).

20 Segment information

The Company's operations are conducted in three reportable segments; Investment Property Operations (discontinued), Corporate, and Subscription Products. The Company reports information about its operating segments based on the way management organizes and reports the segments within the organization for making operating decisions and evaluating performance.

Investment Property Operations consist of commercial and residential investment property in Mongolia held for the purposes of rental revenue, capital appreciation or redevelopment. These properties are managed by Big Sky Capital LLC and its subsidiaries. This segment has been classified as discontinued operations as of December 31, 2023, however, was included in the charts below for information purposes.

The Company evaluates performance based on net income (loss) before income taxes.

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

20 Segment information (continued)

	Three months ended March 31, 2024			
	Investment Property	Corporate	Subscription Products	Total
	\$	\$	\$	\$
Rental income	-	25,627	-	25,627
Subscription revenue	-	-	694,071	694,071
Salaries and wages	-	(138,449)	-	(138,449)
Other expenses	-	(289,711)	(319,399)	(609,110)
Depreciation	-	(19,696)	-	(19,696)
Interest Income	-	41,015	-	41,015
Unrealized gain on short term investments	-	2,335,164	-	2,335,164
Realized gain on short term investments	-	622,011	-	622,011
Unrealized gain on digital assets	-	1,887	-	1,887
Loss on disposal of digital asset	-	(97,877)	-	(97,877)
Foreign currency gain (loss)	-	112,906	-	112,906
Net income (loss) before income taxes	-	2,592,877	374,672	2,967,549

	Three months ended March 31, 2023			
	Investment Property	Corporate	Subscription Products	Total
	\$	\$	\$	\$
Rental income	184,838	27,728	-	212,566
Other revenue	3,624	100	-	3,724
Subscription revenue	-	-	915,952	915,952
Salaries and wages	(66,006)	(209,127)	-	(275,133)
Other expenses	(182,740)	(157,727)	(400,295)	(740,762)
Depreciation	(21,510)	(9,084)	-	(30,594)
Interest income	-	10,866	-	10,866
Unrealized gain on short term investments	-	(3,138,334)	-	(3,138,334)
Realized gain on short term investments	-	219,845	-	219,845
Unrealized gain on digital assets	-	10,205	-	10,205
Foreign Currency loss	(7,672)	48,246	-	40,574
Net income (loss) before income taxes	(89,466)	(3,197,282)	515,657	(2,771,091)

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

20 Segment information (continued)

	Balance as of March 31, 2024			
	Investment Property	Subscription Products	Corporate	Total
	\$	\$	\$	\$
Total assets	-	-	55,012,448	55,012,448
Property and equipment	-	-	1,531,625	1,531,625
Investment properties	-	-	-	-
Expenditures				
Property and equipment	-	-	-	-
Total Liabilities	-	817,070	3,439,230	4,256,300

	Balance as of March 31, 2023			
	Investment Property	Subscription Products	Corporate	Total
	\$	\$	\$	\$
Total assets	11,417,783	-	44,081,870	55,499,653
Property and equipment	1,296,200	-	1,453,502	2,750,102
Investment properties	9,876,111	-	-	9,876,111
Expenditures				
Property and equipment	-	-	-	-
Total Liabilities	740,447	974,469	9,392,393	11,107,309

	Revenue		Property and equipment		Investment property	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	\$	\$	\$	\$	\$	\$
Canada	694,071	916,052	-	-	-	-
USA	25,627	27,728	1,531,625	1,453,902	-	-
Mongolia	-	188,462	-	1,296,200	-	9,876,111
	719,698	1,132,242	1,531,625	2,750,102	-	9,876,111

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three month period ended March 31

(expressed in Canadian dollars)

21 Other expenses

	For the three months ended March 31	
	2024	2023
	\$	\$
Investor relations	8,250	8,250
Investment research expense	26,026	8,815
Repairs and maintenance	2,162	8,787
Office	27,358	53,835
Professional fees	176,504	136,162
Travel	-	3,408
Advertising	1,125	1,450
Land and property tax	-	24,798
Insurance	8,025	9,314
Utilities	2,974	38,679
Subscription processing fees	14,252	12,845
Subscription product expenses	305,147	387,450
Other	37,287	46,969
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	609,110	740,762