

# **Mongolia Growth Group Ltd.**

Condensed Interim Consolidated Financial Statements  
(Unaudited)

For the six months ended

**June 30, 2024 and 2023**

(Expressed in Canadian dollars)

# Mongolia Growth Group Ltd.

## Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

As at June 30, 2024

(expressed in Canadian dollars)

	June 30, 2024 \$	December 31, 2023 \$	
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents (note 6)	4,995,748	9,735,224	
Marketable securities owned (note 8)	43,121,255	46,439,938	
Due from broker (note 7)	-	151	
Digital assets (note 10)	-	438,872	
Other assets (note 11)	739,110	67,896	
	<u>48,856,113</u>	<u>56,682,081</u>	
<b>Non-current assets</b>			
Property and equipment (note 13)	1,687,797	1,512,980	
	<u>1,687,797</u>	<u>1,512,980</u>	
<b>Total assets</b>	<b><u>50,543,910</u></b>	<b><u>58,195,061</u></b>	
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables and accrued liabilities (note 14)	318,838	415,386	
Unearned revenue (note 9)	1,131,720	1,126,439	
Due to broker (note 7)	400,076	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	
	<u>1,850,634</u>	<u>8,534,419</u>	
<b>Non-current liabilities</b>			
Deferred income tax liability	722,674	500,522	
	<u>722,674</u>	<u>500,522</u>	
<b>Total liabilities</b>	<b><u>2,573,308</u></b>	<b><u>9,034,941</u></b>	
<b>Equity</b>			
Share capital (note 15)	48,479,804	49,773,082	
Contributed surplus	6,849,976	6,849,976	
Accumulated other comprehensive loss	(95,841)	(46,663)	
Deficit	(7,263,337)	(7,416,275)	
	<u>47,970,602</u>	<u>49,160,120</u>	
<b>Total equity</b>	<b><u>47,970,602</u></b>	<b><u>49,160,120</u></b>	
<b>Total equity and liabilities</b>	<b><u>50,543,910</u></b>	<b><u>58,195,061</u></b>	
Commitment and contingencies (note 15)			
<b>Approved by the Board of Directors</b>			
"Harris Kupperman"	Director	"Jim 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 six month period ended June 30

(expressed in Canadian dollars)

	For the three months ended June 30		For the six months ended June 30	
	2024 \$	2023 \$	2024 \$	2023 \$
<b>Revenue</b>				
Rental income	25,000	20,211	50,627	51,999
Subscription revenue (note 8)	673,271	849,052	1,367,342	1,765,004
Other revenue	-	-	-	100
<b>Total revenue</b>	<b>698,271</b>	<b>869,263</b>	<b>1,417,969</b>	<b>1,817,103</b>
<b>Expenses</b>				
Salaries and wages	231,422	139,692	369,871	348,819
Other expenses (note 21)	700,895	729,310	1,310,005	1,287,332
Depreciation (note 12)	21,273	9,084	40,969	18,168
<b>Total operating expenses</b>	<b>(953,590)</b>	<b>(878,086)</b>	<b>(1,720,845)</b>	<b>(1,654,319)</b>
Interest income (expense)	7,180	(9,016)	48,195	1,850
Unrealized loss on short term investments (note 7)	(2,932,271)	(685,987)	(597,107)	(3,824,322)
Realized gain (loss) on short term investments (note 7)	833,403	(442,770)	1,455,414	(222,925)
Gain (loss) on digital assets (note 10)	23,736	26,173	(72,254)	36,378
Foreign currency gain (loss)	(20,668)	(16,328)	92,238	31,917
<b>Total other income (loss)</b>	<b>(2,088,620)</b>	<b>(1,127,928)</b>	<b>926,486</b>	<b>(3,977,102)</b>
<b>Net income (loss) before income taxes</b>	<b>(2,343,939)</b>	<b>(1,136,751)</b>	<b>623,610</b>	<b>(3,814,318)</b>
Income tax recovery (expense)	(269,961)	1,079,833	(470,672)	2,558,199
Income (loss) from continuing operations	(2,613,900)	(56,918)	152,938	(1,256,119)
Gain (loss) from discontinued operations (note 5)	-	48,760	-	(12,964)
<b>Net income (loss) for the period</b>	<b>(2,613,900)</b>	<b>(8,158)</b>	<b>152,938</b>	<b>(1,269,083)</b>
<b>Net income (loss) per share</b>				
Basic				
From net income (loss) for the period	(0.10)	0.00	0.01	(0.05)
Diluted				
From net income (loss) for the period	(0.10)	0.00	0.01	(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 six month period ended June 30**

(expressed in Canadian dollars)

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2024</b> \$	<b>2023</b> \$	<b>2024</b> \$	<b>2023</b> \$
<b>Net income (loss) for the period</b>	(2,613,900)	(8,158)	152,938	(1,269,083)
<b>Other comprehensive income (loss)</b>				
Items that may be subsequently reclassified to income or loss				
Unrealized gains (losses) on translation of financial statement operations with Mongolian Tögrög functional currency to Canadian dollar reporting currency	(47,195)	26,762	(49,178)	(197,652)
<b>Total comprehensive income (loss)</b>	<b>(2,661,095)</b>	<b>18,604</b>	<b>103,760</b>	<b>(1,466,735)</b>

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 six month period ended June 30

(expressed in Canadian dollars)

	Share capital \$	Contributed surplus \$	Accumulated other comprehensive loss \$	Deficit \$	Total \$
<b>Balance at</b>					
<b>January 1, 2023</b>	50,547,130	6,849,976	(17,037,309)	5,763,577	46,123,374
Net loss for the period	-	-	-	(1,269,083)	(1,269,083)
Other comprehensive loss	-	-	(197,652)	-	(197,652)
	50,547,130	6,849,976	(17,234,961)	4,494,494	44,656,639
Share repurchase	(461,655)	-	-	-	(461,655)
<b>Balance at</b>					
<b>June, 2023</b>	<b>50,085,475</b>	<b>6,849,976</b>	<b>(17,234,961)</b>	<b>4,494,494</b>	<b>44,194,984</b>
<b>Balance at</b>					
<b>January 1, 2024</b>	49,773,082	6,849,976	(46,663)	(7,416,275)	49,160,120
Net gain for the period	-	-	-	152,938	152,938
Other comprehensive loss	-	-	(49,178)	-	(49,178)
	49,773,082	6,849,976	(95,841)	(7,263,337)	49,263,880
Share repurchase	(1,293,278)	-	-	-	(1,293,278)
<b>Balance at</b>					
<b>June 30, 2024</b>	<b>48,479,804</b>	<b>6,849,976</b>	<b>(95,841)</b>	<b>(7,263,337)</b>	<b>47,970,602</b>

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 six month period ended June 30

(expressed in Canadian dollars)

	June 30, 2024 \$	June 30, 2023 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income (loss) for the period	152,938	(1,256,118)
Items not affecting cash		
Depreciation (note 13)	40,969	18,168
Deferred taxes	222,152	(2,625,558)
Unrealized loss on marketable securities (note 8)	597,107	3,824,322
Realized (gain) on marketable securities (note 8)	(1,455,414)	222,925
Loss (gain) on digital assets (note 10)	57,101	(36,378)
	<b>(385,147)</b>	<b>147,361</b>
Net change in non-cash working capital balances (note 19)	(7,329,124)	(5,656,309)
	<b>(7,714,271)</b>	<b>(5,508,948)</b>
Cash provided by (used in) discontinued operating activities (note 5)	-	<b>84,156</b>
<b>Financing activities</b>		
Share repurchase (note 15)	<b>(1,293,278)</b>	<b>(461,655)</b>
CEBA loan (note 8)	(20,000)	-
	<b>(1,313,278)</b>	<b>(461,655)</b>
<b>Investing activities</b>		
Net sale of marketable securities	4,171,266	8,805,582
Acquisition of property and equipment (note 13)	(160,682)	-
Net proceeds on sale of investment properties (note 12)	-	-
Sale (acquisition) of digital assets (note 10)	381,771	(134,332)
	<b>4,392,355</b>	<b>8,671,250</b>
Cash provided by (used in) discontinued investing activities (note 5)	-	<b>56,237</b>
<b>Increase (decrease) in cash from continued operations</b>	<b>(4,635,194)</b>	<b>2,700,647</b>
<b>Decrease in cash from discontinued operations</b>	-	<b>140,393</b>
<b>Effect of exchange rates on cash and cash equivalents</b>	(104,282)	(35,381)
<b>Increase (decrease) in cash</b>	(4,739,476)	2,805,659
<b>Cash and cash equivalents - Beginning of period</b>	9,735,224	2,051,245
<b>Cash and cash equivalents - End of period</b>	<b>4,995,748</b>	<b>4,856,904</b>

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 six month period ended June 30**

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(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 a 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 June 30, 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 June 30, 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
		June 30, 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 June 30, 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 six month period ended June 30**

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(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 Aug 20, 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 six month period ended June 30**

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(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 six month period ended June 30**

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(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

	<b>For the six months ended June 30 2023 \$</b>
<b>Revenue</b>	
Rental income	365,143
Other revenue	14,339
Gain/loss on disposal of investment property	(8,748)
<b>Total Revenue</b>	<b>370,734</b>
<b>Expenses</b>	
Salaries and wages	132,012
Other expenses	270,121
Depreciation	43,157
<b>Total expenses</b>	<b>(445,290)</b>
Foreign currency loss	(2,010)
<b>Net loss before tax</b>	<b>(76,566)</b>
Income tax recovery	63,602
<b>Loss from discontinued operations</b>	<b>(12,964)</b>

# Mongolia Growth Group Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

**For the six month period ended June 30**

(expressed in Canadian dollars)

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### 5 Discontinued operations (continued)

#### Cash flows from (used in) discontinued operations:

	<b>Six months ended June 30 2023 \$</b>
Net income for the year from discontinued operations	(12,964)
Depreciation	43,157
Loss on disposal of IP	8,748
	<hr/> <b>38,941</b>
Changes in non-cash working capital items:	
Other assets	(2,492)
A/P accruals	47,707
	<hr/> <b>45,215</b>
<b>Net cash provided by operating activities</b>	<hr/> <b>84,156</b>
<b>Net cash provided by investing activities</b>	<b>56,237</b>
<b>Increase in cash from discontinued operations</b>	<hr/> <b>140,393</b>

# Mongolia Growth Group Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the six month period ended June 30

(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:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	\$	\$
Barbados	3,707,014	5,710,431
Canada	599,960	3,345,795
United States	688,774	678,998
	<b>4,995,748</b>	<b>9,735,224</b>

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

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

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	\$	\$
Cash	4,995,748	7,053,679
Cash equivalents*	-	2,681,545
<b>Total cash and cash equivalents</b>	<b>4,995,748</b>	<b>9,735,224</b>

\*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 six month period ended June 30

(expressed in Canadian dollars)

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

#### Short term debt

	June 30, 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 June 30, 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 June 30, 2024, the Company had net margin borrowings of \$nil (Q2 2023 – \$3,488,551). 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

			June 30, 2024
	Gross amounts due from brokers \$	Gross amounts due to brokers \$	Net amounts \$
Due from brokers	4,651	(4,651)	-
Due to brokers	-	(400,076)	<u>(400,076)</u>

			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)	<u>(5,536,537)</u>

# Mongolia Growth Group Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the six month period ended June 30

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(expressed in Canadian dollars)

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

#### Equity Investments and other holdings

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	\$	\$
<b>Assets</b>		
Equity securities	42,810,153	42,823,146
Options on futures	311,102	3,616,792
	<u>43,121,255</u>	<u>46,439,938</u>

#### Securities sold short and derivative liabilities

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	\$	\$
<b>Liabilities</b>		
Options on futures	-	5,724
	<u>-</u>	<u>5,724</u>

# Mongolia Growth Group Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the six month period ended June 30

(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 June 30, 2024, the Company has unearned revenue of \$1,131,720 to be fully recognized by the end of June 2025, in accordance with contract terms (June 30, 2023 - \$1,239,053).

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Opening balance	1,126,439	1,547,154
Additions	1,372,623	2,792,680
Revenue earned	(1,367,342)	(3,213,395)
<b>Closing balance</b>	<b>1,131,720</b>	<b>1,126,439</b>

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. 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 \$93,133 in revenue share during the second quarter of 2024 (Q2 2023 - \$128,916), 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

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Balance - beginning of year	438,872	284,253
Net purchases (sales)	(381,771)	134,332
Gain (loss) on digital assets	(72,254)	29,313
Foreign currency gain	15,153	(9,026)
Balance - end of year	<b>-</b>	<b>438,872</b>

# Mongolia Growth Group Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

**For the six month period ended June 30**

(expressed in Canadian dollars)

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### 10 Digital assets (continued)

The Company's digital currency assets were held in an account at Kraken Custody where it owned Monero (XMR) cryptocurrency. The Company has sold all of its Monero and transferred out all net proceeds during the quarter.

### 11 Other assets

#### Short term other assets

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	\$	\$
Accounts receivable	695,404	39,652
Prepaid expenses	43,706	28,244
	<u>739,110</u>	<u>67,896</u>

### 12 Investment properties

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	\$	\$
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 six month period ended June 30

(expressed in Canadian dollars)

### 13 Property and equipment

	<b>2023</b>			
	<b>Furniture and fixtures</b>	<b>Equipment</b>	<b>Buildings</b>	<b>Total</b>
	\$	\$	\$	\$
<b>December 31</b>				
Cost	150,329	46,583	1,453,502	1,650,414
Accumulated depreciation	44,390	25,197	67,847	137,434
<b>Net book value</b>	<b>105,939</b>	<b>21,386</b>	<b>1,385,655</b>	<b>1,512,980</b>
	<b>2024</b>			
	<b>Furniture and fixtures</b>	<b>Equipment</b>	<b>Buildings</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Cost</b>				
<b>At January 1</b>	150,329	46,583	1,453,502	1,650,414
Additions	-	-	160,682	160,682
Foreign exchange adjustment	5,236	1,656	62,567	69,459
<b>At June 30</b>	<b>155,565</b>	<b>48,239</b>	<b>1,676,751</b>	<b>1,880,555</b>
	<b>2024</b>			
	<b>Furniture and fixtures</b>	<b>Equipment</b>	<b>Buildings</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Accumulated depreciation</b>				
<b>At January 1</b>	44,390	25,197	67,847	137,434
Depreciation	15,538	4,915	20,516	40,969
Disposals	-	-	-	-
Foreign exchange adjustment	1,555	545	12,255	14,355
<b>At June 30</b>	<b>61,483</b>	<b>30,657</b>	<b>100,618</b>	<b>192,758</b>
<b>Net book value at June 30</b>	<b>94,082</b>	<b>17,582</b>	<b>1,576,133</b>	<b>1,687,797</b>

# Mongolia Growth Group Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the six month period ended June 30

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(expressed in Canadian dollars)

### 14 Trade payables and accrued liabilities

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	\$	\$
Trade and accrued payables	311,994	408,773
Security deposits	6,844	6,613
	<hr/>	<hr/>
	<b>318,838</b>	<b>415,386</b>
	<hr/>	<hr/>

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:

	<b>Number of shares</b>	<b>Amount \$</b>
Balance, December 31, 2023	26,980,699	49,773,082
Shares re-purchased	-	(1,293,278)
Treasury stock cancelled	(886,300)	-
	<hr/>	<hr/>
<b>Balance June 30, 2024</b>	<b>26,094,399</b>	<b>48,479,804</b>

As at June 30, 2024, the Company held 83,000 (Q2 2023-188,600) shares in Treasury.

# Mongolia Growth Group Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the six month period ended June 30

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(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:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	\$	\$
Weighted average number of shares – basic	26,326,765	27,243,468
Effect of dilutive stock options	-	-
	<hr/>	<hr/>
Weighted average number of shares – diluted	<b>26,326,765</b>	<b>27,243,468</b>

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.

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	\$	\$
Current assets	48,856,113	56,682,081
Current liabilities	(1,850,634)	(8,534,419)
	<hr/>	<hr/>
<b>Working capital</b>	<b>47,005,479</b>	<b>48,147,662</b>

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 six month period ended June 30

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(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:

	<b>Six months ending June 30, 2024</b>	<b>Six months ending June 30, 2023</b>
	\$	\$
Salaries and other short-term employee benefits	183,862	196,656
Salaries to other related parties	54,712	33,713
KEDM production expense and revenue share paid to an entity controlled by the Chairman	602,807*	575,705*
Director fees	30,000	30,000
	<b>871,381</b>	<b>836,074</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 8 and the MD&A.

As at June 30, 2024, amounts due to related parties totaled approximately \$168,535 (Q2 2023 - \$135,528) 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 six month period ended June 30

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(expressed in Canadian dollars)

### 19 Supplementary cash flow information

	Six months ending June 30, 2024	Six months ending June 30, 2023
	\$	\$
Changes in non-working capital arising from		
Unearned revenue	5,281	(308,100)
Other assets	(671,214)	(808,469)
Net due to/(from) broker	(5,136,310)	(3,896,345)
Trade payables and accrued liabilities	(96,548)	(4,654)
Income tax payable	(1,430,333)	(638,741)
<b>Changes in non-cash working capital from operating activities</b>	<b>(7,329,124)</b>	<b>(5,656,309)</b>

Income tax paid during the quarter was \$1,694,332 (Q2-2023 \$651,920).

### 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 six month period ended June 30

(expressed in Canadian dollars)

### 20 Segment information (continued)

	<b>Three months ended June 30, 2024</b>			
	<b>Investment Property</b>	<b>Corporate</b>	<b>Subscription Products</b>	<b>Total</b>
	\$	\$	\$	\$
Rental income	-	25,000	-	25,000
Subscription revenue	-	-	673,271	673,271
Salaries and wages	-	(231,422)	-	(231,422)
Other expenses	-	(365,975)	(334,920)	(700,895)
Depreciation	-	(21,273)	-	(21,273)
Interest Income	-	7,179	-	7,179
Unrealized loss on short term investments	-	(2,932,271)	-	(2,932,271)
Realized gain on short term investments	-	833,402	-	833,402
Gain on digital assets	-	23,736	-	25,623
Foreign currency gain (loss)	-	(20,666)	-	(20,666)
<b>Net income (loss) before income taxes</b>	<b>-</b>	<b>(2,682,290)</b>	<b>338,351</b>	<b>(2,343,939)</b>

	<b>Three months ended June 30, 2023</b>			
	<b>Investment Property</b>	<b>Corporate</b>	<b>Subscription Products</b>	<b>Total</b>
	\$	\$	\$	\$
Rental income	184,365	20,211	-	204,576
Subscription revenue	-	-	849,052	849,052
Property operating expenses	(166,975)	(3,246)	-	(170,221)
Unrealized mark to market loss	-	(685,987)	-	(685,987)
Gain on digital assets	-	26,173	-	26,173
Other expenses	(87,381)	(335,026)	(390,769)	(813,176)
Net investment expense	59	(9,017)	-	(8,958)
Subscription processing fees	-	-	(38,991)	(38,991)
Loss on disposal of IP	(8,748)	-	-	(8,748)
Depreciation	(21,648)	(9,084)	-	(30,732)
Other revenue	10,715	-	-	10,715
Realized loss on marketable securities	-	(442,770)	-	(442,770)
Foreign currency gain (loss)	5,603	(16,328)	-	(10,725)
<b>Net income (loss) before income taxes</b>	<b>(84,010)</b>	<b>(1,455,074)</b>	<b>419,292</b>	<b>(1,119,792)</b>

# Mongolia Growth Group Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

**For the six month period ended June 30**

(expressed in Canadian dollars)

### 20 Segment information (continued)

	<b>Six months ended June 30, 2024</b>			
	<b>Investment Property</b>	<b>Corporate</b>	<b>Subscription Products</b>	<b>Total</b>
	\$	\$	\$	\$
Rental income	-	50,627	-	50,627
Subscription revenue	-	-	1,367,342	1,367,342
Salaries and wages	-	(369,871)	-	(369,871)
Other expenses	-	(655,686)	(654,319)	(1,310,005)
Depreciation	-	(40,969)	-	(40,969)
Interest Income	-	48,195	-	48,195
Unrealized loss on short term investments	-	(597,107)	-	(597,107)
Realized gain on short term investments	-	1,455,414	-	1,455,414
Loss on digital assets	-	(72,254)	-	(72,254)
Foreign currency gain (loss)	-	92,238	-	92,238
<b>Net income (loss) before income taxes</b>	<b>-</b>	<b>(89,413)</b>	<b>713,023</b>	<b>623,610</b>

	<b>Six months ended June 30, 2023</b>			
	<b>Investment Property</b>	<b>Corporate</b>	<b>Subscription Products</b>	<b>Total</b>
	\$	\$	\$	\$
Rental income	365,143	51,998	-	417,142
Subscription revenue	-	-	1,765,004	1,765,004
Property operating expenses	(326,351)	(22,108)	-	(348,459)
Unrealized mark to market loss	-	(3,824,322)	-	(3,824,322)
Gain on digital assets	-	36,378	-	36,378
Other expenses	(176,751)	(683,019)	(778,219)	(1,637,989)
Net investment income	58	1,735	-	1,793
Subscription processing fees	-	-	(51,837)	(51,837)
Loss on disposal of IP	(8,748)	-	-	(8,748)
Depreciation	(43,157)	(18,169)	-	(61,326)
Other revenue	14,339	100	-	14,439
Realized loss on marketable securities	-	(222,925)	-	(222,925)
Foreign currency gain (loss)	(2,068)	32,035	-	29,966
<b>Net income (loss) before income taxes</b>	<b>(177,535)</b>	<b>(4,648,297)</b>	<b>934,948</b>	<b>(3,890,884)</b>

# Mongolia Growth Group Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the six month period ended June 30

(expressed in Canadian dollars)

### 20 Segment information (continued)

	<b>Balance as of June 30, 2024</b>			
	<b>Investment Property</b>	<b>Subscription Products</b>	<b>Corporate</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Total assets</b>	-	-	<b>50,543,910</b>	<b>50,543,910</b>
Property and equipment	-	-	1,687,797	1,687,797
Investment properties	-	-	-	-
Expenditures				
Property and equipment	-	-	-	-
<b>Total Liabilities</b>	-	<b>1,131,720</b>	<b>1,441,588</b>	<b>2,573,308</b>

	<b>Balance as of June 30, 2023</b>			
	<b>Investment Property</b>	<b>Subscription Products</b>	<b>Corporate</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Total assets</b>	<b>11,448,694</b>	-	<b>38,892,340</b>	<b>50,341,034</b>
Property and equipment	1,269,829	-	1,453,502	2,723,331
Investment properties	9,843,936	-	-	9,843,936
Expenditures				
Property and equipment	-	-	-	-
<b>Total Liabilities</b>	<b>358,568</b>	<b>1,239,053</b>	<b>4,548,429</b>	<b>6,146,050</b>

	<b>Revenue</b>		<b>Property and equipment</b>		<b>Investment property</b>	
	<b>June 30, 2024</b>	<b>June 30, 2023</b>	<b>June 30, 2024</b>	<b>June 30, 2023</b>	<b>June 30, 2024</b>	<b>June 30, 2023</b>
	\$	\$	\$	\$	\$	\$
Canada	1,295,088	1,765,104	-	-	-	-
USA	50,627	51,999	1,687,797	1,550,840	-	-
Mongolia	-	370,734	-	1,172,491	-	9,843,936
	<b>1,345,715</b>	<b>2,187,837</b>	<b>1,687,797</b>	<b>2,723,331</b>	-	<b>9,843,936</b>



# Mongolia Growth Group Ltd.

## Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the six month period ended June 30

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(expressed in Canadian dollars)

### 21 Other expenses

	For the three months ended June 30	
	2024	2023
	\$	\$
Investor relations	8,250	8,250
Repairs and maintenance	442	8,626
Office	33,173	32,181
Professional fees	207,139	209,853
Travel	898	3,564
Advertising	1,650	1,103
Land and property tax	5,025	12,594
Insurance	35,889	46,181
Utilities	3,716	32,599
Other	69,795	36,004
Subscription processing fees	36,517	38,991
Subscription product expenses	298,401	386,745
	<hr/>	<hr/>
	<b>700,895</b>	<b>816,691</b>

	For the six months ended June 30	
	2024	2023
	\$	\$
Investor relations	16,500	16,500
Repairs and maintenance	2,604	17,413
Office	60,532	86,017
Professional fees	383,644	346,015
Travel	898	6,973
Advertising	2,776	2,553
Land and property tax	5,025	37,392
Insurance	43,914	55,495
Utilities	6,690	71,277
Other	107,077	82,972
Subscription processing fees	50,770	51,837
Subscription product expenses	629,575	783,010
	<hr/>	<hr/>
	<b>1,310,005</b>	<b>1,557,454</b>