Mongolia Growth Group Ltd., Q3 2022 MD&A

Third Quarter 2022

MONGOLIA GROWTH GROUP LTD

TO THE SHAREHOLDERS OF MGG

The third quarter of 2022 continued upon our success achieved during the first two quarters. Our subscription data business (KEDM) continues to grow and has continued to exceed our modest initial expectations for it, and we maintain a very healthy capital base from which to reinvest for the future. More importantly, operating income exceeded operating expenses for the third consecutive quarter, despite substantial investments to grow and improve KEDM. Based on current subscriber trends at KEDM, we believe that our company will show positive operating income going forward (excluding one-time expenses). Our goal is to continue to grow operating income, while staying disciplined on the expense line.

We now segregate our business lines into three categories (Investment Properties, Subscription Business Products, and Corporate Division, which includes our investment portfolio).

Investment Properties:

The third quarter of 2022 continued to be difficult for our Mongolian property operations. During the quarter we reported $199,481 (2021- $190,912) of leasing revenue and $2,361 (2021 - $30,057) of other revenue (primarily 3rd party), offset by $166,610 (2021- $194,618) of expenses in Mongolia. Unfortunately, we have zero visibility into the future trajectory of the economic crisis in Mongolia.

Subscription Business Products:

During the third quarter, KEDM, our subscription data business, which tracks various Event-Driven strategies, recognized $857,492 of revenue at a very healthy margin while taking in $1,155,650 of gross subscription receipts, which represents revenue growth of 8% when compared to the second quarter. As the quarter continued, we began to experience an increase in overall subscriber churn. This level of churn has continued during October. We believe this churn is tied to a volatile investing environment where overall research budgets have been reduced amongst our subscribers. Additionally, we have seen a decline in new subscribers—offset by the increase in pricing that we initiated during the quarter. While it is too early to say that this is a permanent trend, we believe that most of the subscribers who have renewed at least once, are likely to remain paying subscribers in future years.

Despite these challenges, recognized revenue continued to increase each month sequentially and has continued to increase into the fourth quarter, though overall subscriber count has stayed relatively constant. As of the date of this letter, we have taken in over $5 million in gross subscription proceeds since inception. We intend to aggressively invest resources to improve KEDM and increase the overall value proposition for subscribers. Additionally, given the reception to KEDM amongst readers, we intend to increase our marketing to grow the subscriber base. We believe that these two initiatives may reduce the short-term profitability of the subscription business. However, we intend to keep spending at a pace that allows the business to remain profitable, while keeping in mind that the lifetime value of a KEDM subscriber dramatically exceeds the cost of acquiring a subscriber. This justifies an elevated level of spend, especially as we have numerous fixed costs of producing KEDM.

Given the success to date of KEDM, we believe that there are ancillary services that we can launch and monetize, providing further value to KEDM subscribers. It is likely that these services will be a cost center as they are conceived and grown before eventual monetization. To learn more about KEDM, go to www.KEDM.COM. Additionally, the company is considering acquiring other subscription products that would be complementary to KEDM.

Corporate Division:

During the third quarter, our corporate expenses increased primarily due to an increase in legal, tax and corporate structuring expenses. We expect this elevated level of expenses to trail off in the fourth quarter.

Our public securities portfolio produced a $2,869,227 unrealized loss and a $1,561,860 realized gain. I would like to caution you strongly that returns like we have recently experienced are highly unlikely to be repeated in future quarters and are likely to be rather volatile given our elevated exposure to oil futures call spreads, which have appreciated substantially since we acquired them. At the end of the quarter, our portfolio was concentrated in investments in oil futures and futures options (including fully offsetting futures call option spreads) energy services companies, uranium, and the housing sector. We view these investments as highly liquid, inflation protected, alternatives to holding cash and we intend to liquidate various investments should we find additional businesses to launch or acquire stakes in.

Business Update

For multiple years, I have mentioned that there are tax and regulatory reasons that our public securities portfolio cannot continue to increase. As a public company, we are required to have a substantial portion of our assets invested in operating businesses that we hold in excess of 25% of and exert some degree of control over. Unfortunately, we have been unable to find any such operating business that interests us, and this causes something of a dilemma as we cannot continue on the current path. As a result, we have invested substantial time and expense in finding a viable structure and path forward (hence the elevated spend on legal) and continue to explore various options. Unfortunately, we have struggled to find a viable path forward.

When Gen and I originally decided to diversify this business, we envisioned a company that would allow us to pivot between public and private investments, bridging the frequent gaps in valuation between them. We saw an enterprise that could incubate businesses and grow them so that they could one day be set free on public markets. We saw a world full of opportunity, but at the time, we lacked the capital to implement these dreams. Fast forward to today, and we are flush with capital and the opportunity set appears to have disappeared.

Unfortunately, the world has arrived in a place that we did not expect. With Private Equity aggressively bidding for private operating businesses, we simply cannot find anything in the private space that is attractive for our investment capital. Why would an intelligent owner ever sell 25% or more of a company to you for less than it was worth? Meanwhile, that scenario happens daily on the global stock exchanges, with the caveat that it is difficult to purchase 25% or more of a business. However, we can sometimes purchase a few percent for a stunningly good price.

Now, as the world looks to enter a recession, the gap between public and private valuations has become even more extreme as global equities have sold off dramatically, while Private Equity funds continue to raise record amounts of new capital to deploy. We do not know when or if this gap will swing back in the other direction, but we refuse to purchase a private business at a premium valuation to a comparable public business—particularly as a public markets business affords us instant liquidity, allowing us the optionality to redeploy capital into any future opportunity that presents itself.

We had hoped that this gap in valuation would swing back in the other direction eventually. Instead, it has become even more extreme. Unfortunately, we have something of a ticking clock on our business as we have to eventually own more private business assets or large stakes (25% or more) in public companies. Unfortunately, during 2023, hard decisions must be made. I refuse to make a bad investment decision simply to check a regulatory or tax box. As a result, if we cannot find anything intelligent to do, we'll be forced to begin returning capital to shareholders.

Unfortunately, we are subscale as a public company. Gen and I fought hard to get to this point where we have the heft to execute on our business plan. If we are forced to return capital, we'll never be in a position to execute on this business plan should an opportunity eventually come up. At the same time, it seems silly to burden our current equity holdings with the operating costs of a public company, spread amongst a much smaller capital base, as shareholders would be far better off investing in similar securities in their own personal accounts. As a result, if we start the process of returning capital, we'll likely end up returning a majority of the excess capital. I want to make it clear that we are not going to be forced sellers of any securities. If we do take the route of returning capital to shareholders, we'll only do so after individual investments have matured.

As we get closer to the moment where we have to deal with this issue, I wanted to more fully detail our current dilemma and thinking so that I can have more fulsome conversations with shareholders and seek out a possible solution to our conundrum. Our path here is not set in stone and we are hopeful that we can either find a solution or find an investment that interests us. However, it would be unfair to you if we sprung a large capital return on you, when you expected us to be growing this business instead. It would be even worse if we made a bad investment out of necessity to extend our timeline.

We had a dream of building a unique sort of business, but it may prove to be impossible due to regulatory limitations.

Conclusion

In summary, the third quarter of 2022 continued the prior year's successes. We have now incubated and launched KEDM with great success. KEDM has passed through the first renewal period and has proven that subscribers find dramatic value in it. Our public equity investments have succeeded beyond our wildest ambitions and as a result, we have some hard decisions to make during 2023.

During the quarter, the company repurchased 4,500 shares under its Normal Course Issuer Bid. At quarter end, our share count was 27,759,299 or 22% fewer than during our peak share-count in 2016. To date, the company has repurchased a total of 7,812,700 shares.

Sincerely,

Harris Kupperman
CEO

MONGOLIA GROWTH GROUP LTD

Management Discussion & Analysis
September 30, 2022

The management of Mongolia Growth Group Ltd. (“MGG” or “the Corporation”) presents the Corporation’s management discussion and analysis for the nine months ended September 30, 2022 (the “MD&A”), compared with the nine months ended September 30, 2021. 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 November 15, 2022 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 nine months ended September 30, 2022 and September 30, 2021 together with all of the notes, risk factors and information contained therein, available on SEDAR at 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.

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

Section 1 – Overview

Financial and Operational Overview

The Corporation has three core focuses of operation: Investment Properties, Subscription Products, and Corporate.

Management believes that its Mongolian property operations are not at a sufficient scale to be cash flow positive. As such, the Corporation is looking at various investment opportunities outside of Mongolia, in order to diversify its business and has adopted a Merchant Bank model. Since 2017, the Corporation has spent substantial time evaluating a number of businesses for acquisition but has not decided to move forward on any acquisition. However, the Corporation has incubated and launched a Subscription Products business, which began to produce revenue during the third quarter of 2021.

The third quarter saw an increase in overall revenue primarily related to the increase in subscription products revenue. Additionally, the Corporation recognized realized and unrealized losses from its investment portfolio.

The Corporation's rental revenue during the quarter was back to pre-pandemic levels as discounts to tenants were discontinued. The Corporation continued to maintain a high occupancy rate, ending the quarter with full retail and office occupancy rates.

During the third quarter, the Company sold three properties for proceeds of $543,405 at a net loss of $146,545. It is anticipated that the Corporation will continue to dispose of non-core Mongolian properties in future quarters in order to fund future working capital needs, along with funding the start-up costs or capital cost of the acquisition of a business outside of Mongolia.

During the quarter, the Corporation recognized revenue of $857,492 (Q3 2021- $421,510) from its subscription data products business named KEDM. It is anticipated that KEDM related revenue will increase in future quarters as the number of subscribers increases and the Corporation adds additional services to the core KEDM platform. The increases in revenue will be somewhat offset by the expectation of additional costs in relation to marketing and producing KEDM. During the quarter and into October, the Corporation has seen an increase in subscriber churn and an overall slow-down in new subscriptions to KEDM as a result of equity market weakness and reduced research budgets amongst investors.

While the Corporation seeks out a business to build or acquire, the Corporation has invested its excess capital in publicly traded securities. During the quarter, the Corporation's investment portfolio experienced $1,561,860 of realized gains and $2,869,227 of unrealized losses. As of the end of September, the Corporation has in excess of $35 million of cash and net marketable securities with negligible debt (when excluding margin borrowings). The Corporation believes that over time, it will continue to dispose of Mongolian property assets to fund potential future investments outside Mongolia. The Corporation sees its public securities holdings as a source of capital to fund a future acquisition along with the working capital needs of the business. The Corporation may also be forced to take on additional borrowings or issue equity in order to finance a future acquisition.

Economic Overview

Starting in 2012, the Mongolian government initiated a program to restrict and inhibit foreign investment. Additionally, various government officials made statements designed to intimidate foreign investors, followed by arbitrary arrests of foreign employees and confiscations of foreign investments. These actions led to a dramatic slow-down in foreign direct investment (FDI) and an exodus of foreign investors. The economy would have entered a crisis sooner if not for expansionary fiscal policy and monetary stimulus from the Central Bank of Mongolia. However, by 2014, even this stimulus was insufficient to avert the economic crisis which is currently ongoing.

Despite official statistics that tended to show moderate economic growth, the Corporation is of the opinion that the economy had been in contraction from 2014 until mid-2018, though the rate of contraction had varied based on economic policy. During the second half of 2018, the Corporation noticed the first green shoots in many years.

Beginning in February of 2020, the Government of Mongolia undertook extraordinary actions in order to limit the spread of Covid-19. These actions included closing borders, closing schools, reducing gatherings and drastic limitations on business operations including the Corporation's operations. It is anticipated that these actions will continue to impact Mongolia's economic recovery. Since the initiation of these actions, the Corporation has experienced a material reduction in rental revenues received. Currently, there is no way to know the ultimate impact of these extraordinary actions upon the economy or the Corporation.

Management believes that the current economic crisis is the result of policies that have discouraged Foreign Direct Investment along with Covid-19. When the government takes the appropriate steps to stimulate FDI, it is expected that the economy can return to sustainable economic growth. Management remains a believer in the long-term growth potential of Mongolia.

Mongolia's economy is likely to be impacted by the Russian invasion of Ukraine as Russia is a substantial trading partner of Mongolia. Recent actions to restrict Russian access to SWIFT may have negative impacts upon Mongolia's ability to trade with Russia, which may negatively impact the Mongolian economy. To date, Mongolia has taken a neutral view regarding the Russian invasion. There is no way to know if Mongolia's stance will shift over time.

Mongolian Property Overview

During the boom years at the beginning of this decade, multiple sizable property developments were initiated. Despite an economic crisis that began in 2014, many of these developments were ultimately completed, while new projects have continually been initiated despite weak demand for these properties. There also remains a sizable shadow inventory of partially completed projects that may re-commence development at any time.

Before the economy was impacted by Covid-19, well-placed office and retail space in the city center was beginning to get absorbed and rental rates were starting to increase, for the first time in many years. Management continues to monitor and evaluate the ultimate impact of Covid-19 on property prices and the Mongolian economy.

Management cautions investors that it is focused on continuing to dispose of non-core property assets, when possible, in order to recycle capital.

Mongolian Property Business

During the past decade, Management and employees have worked hard to build up the infrastructure needed to manage MGG's institutional property platform. This platform is unique in Mongolia and is one of the only platforms capable of managing assets through the full cycle of ownership from acquisition through disposition and includes dedicated departments that manage maintenance, leasing, marketing, and tenant management. Management believes it has a strong team in place to manage the business on an ongoing basis.

Due to MGG's unique platform, the Corporation also offers third-party leasing and property management to its focus, in order to leverage its existing resources through its website at www.MGGproperties.com.

The Corporation has continued to have occupancy levels that are in excess of current market conditions, and it credits its leasing and property management teams with this success. Additionally, bad debt expense has remained below expectations.

Portfolio

Mongolia Growth Group's Mongolian properties are located in the Downtown and the Central Business District of Ulaanbaatar. During 2021, the Company purchased an office building in Rincon, Puerto Rico. Within the financial statements, MGG classifies properties in each of the following categories: Investment Properties, Property and Equipment, and Other Assets/Prepaid Deposits. Fluctuations in the values of the Corporation's property portfolio during the year can be attributed to changes in valuations, properties purchased and sold, and the change in value of the functional currency (Mongolian Tögrög) versus the Canadian dollar.

Investment Properties

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

The following table represents properties classified as Investment Properties, as of September 30, 2022:

		30-September-2022		31-December-2021
	# of Properties	$CDN	# of Properties	$CDN
Office	1	846,291	2	925,127
Retail	2	5,477,463	6	7,119,588
Land and Redevelopment	2	3,513,859	2	3,841,192
Total	**5**	**9,837,613**	**10**	**11,885,907**

Property and Equipment

Properties are classified as Property and Equipment if the Corporation occupies more than 10% of the property. Properties classified as Property and Equipment are measured at cost less accumulated depreciation, less any accumulated impairment losses. All repairs and maintenance costs to these properties are charged to the Consolidated Statement of Operations during the period in which they occur unless eligible for capitalization. The Corporation's Mongolian headquarters, purchased in October 2011, as well as the newly purchased, mixed-use property in Puerto Rico, fall within this category. The Corporation anticipates continuing capitalized expenditures for the renovation of the newly purchased property in Puerto Rico.

The following table represents properties classified as Property and Equipment, as of September 30, 2022:

		30-September-2022		31-December-2021
	# of Properties	$CDN	# of Properties	$CDN
Office	2	2,459,036	2	2,201,317
Retail	-	-	-	-
Land and Redevelopment	-	-	-	-
Total	**2**	**2,459,036**	**2**	**2,201,317**

Occupancy Rates

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

	30-September-2022	31 –December-2021	30-September-2021
	Occupancy Rate*	Occupancy Rate*	Occupancy Rate*
Office	100.0%	100.0%	98.7%
Retail	100.0%	84.2%	77.5%
Weighted Average**	**100.0%**	**91.0%**	**89.1%**

* Occupancy rates are calculated on a per meter basis and only include properties in the rental pool. It does not include those currently listed for sale.

** Weighted Average is calculated based on total meters available for lease

Demand for retail space has remained strong, despite a challenging economy. Occupancy levels for the Corporation's office space continues to be strong even while vacancy levels throughout the city have remained high as additional supply has entered the market.

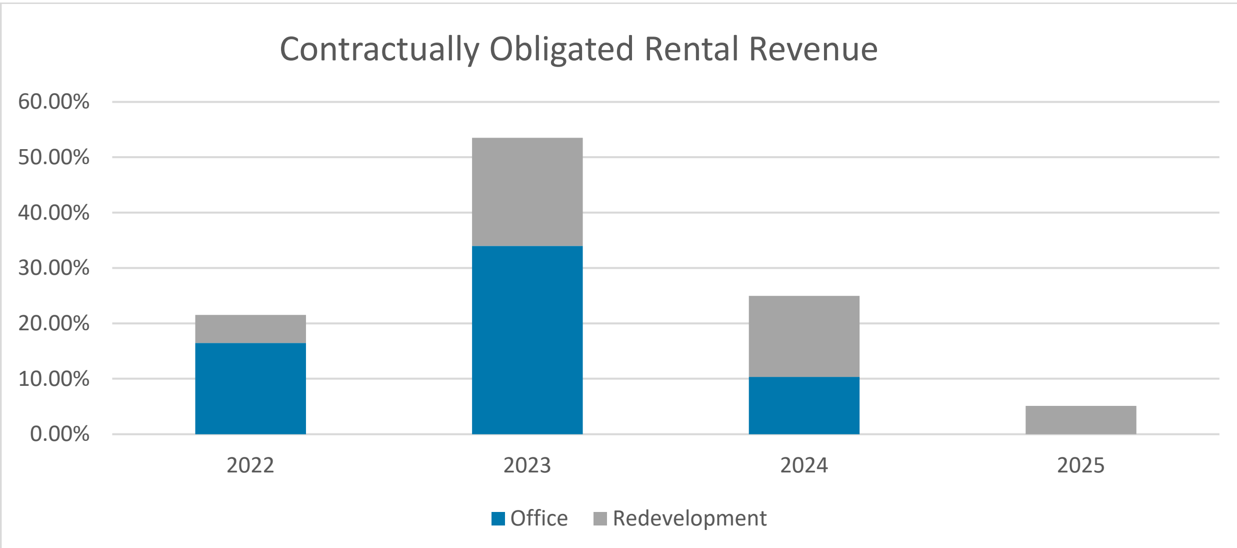
Leasing Schedule

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

A summary of the Corporation's lease signings by asset class is presented in the chart below (while these are contracted rates, it is anticipated that many tenants will pay reduced cash rates until the economic crisis concludes):

Most Recent Lease Signings					
Lease Type	**Lease Renewal Date**	**SqM**	**Old Price Per Meter (Mongolian Tögrög)**	**New Price Per Meter (Mongolian Tögrög)**	**Percent Increase (decrease)**
Office Lease	Jul-22	23	40,000	45,000	12.50%
Retail Lease	Aug-22	168	29,762	29,762	0.00%
Retail Lease	Aug-22	90	36,666	36,666	0.00%
Office Lease	Sep-22	84	45,000	45,000	0.00%

The weighted average remaining lease length, calculated as a percentage of monthly revenues, decreased slightly during the third quarter of 2022 to 10.9 months from 12 months at September 30, 2021.



Subscription Products

During the last two years, the Corporation has been building a financial data product known as KEDM, which helps investors to monitor various Event-Driven opportunities. The Corporation initiated a paywall on July 1, 2021, in order to monetize this service. During the quarter, the Corporation recognized $857,492 (Q3 2021 - $421,510) of subscription revenue. At the end of the quarter, the Corporation has $2,023,366 (Q3-2021 - $1,247,029) of unearned revenue related to subscription fees that have been collected and not earned. As of September 30, 2022, the Corporation had received $5,220,779 of total billings before fees since initiation of the paywall.

The Corporation intends to increase the marketing of KEDM along with investing to improve the scope and quality of the data. Should KEDM continue to perform acceptably, the Corporation may look to launch or acquire additional subscription products. Additionally, the Corporation is reviewing additional services that it can add to the core KEDM platform in order to increase revenues. The total KEDM subscriber base has continued to grow at an attractive rate since the end of the quarter. For more information on KEDM, go to http://www.KEDM.COM.

Investments

The Corporation has invested a portion of its excess capital in marketable securities. As of September 30, 2022, the Corporation held positions in multiple different publicly traded companies with the values of marketable securities owned of $42,016,367, securities sold short of $5,662,490 and $4,880,768 due to broker.

During the quarter, the Corporation had realized gains of $1,561,860 (Q3 2021- gain of $496,341) from sales of public securities and experienced unrealized losses of $2,869,227(Q3 2021 – gain of $3,561,291).

At the end of the quarter, the portfolio's holdings with a weighting in excess of 10% of the brokerage account's equity were:

Top Holdings (Long and Short)		
Holdings	Shares	%
Crude Oil Futures Calls	-	42.9%
Sprott Uranium Trust (U-U – Canada)	363,340	18.6%
Valaris PLC (VAL – USA)	76,230	16.2%
St Joe Company (JOE – USA)	73,346	10.2%
Crude Oil Futures	-	6.2%
Short Crude Oil Futures Calls	-	-17.5%

The Corporation's public securities as of September 30, 2022, are broken out in the following sectors:

Long Portfolio	
Industry Sector	Percentage
Crude Oil Futures Calls	42.9%
Energy Services	26.3%
Uranium	22.1%
Media and Communications	11.5%
Land	10.2%
Building Products and Equipment	8.6%
Brent Oil ETF	6.4%
Crude Oil Futures	6.2%
Other long equities	3.8%
Other long calls	0.0%

Short Portfolio	
Industry Sector	Percentage
Short Crude Oil Calls	-17.5%
Short Puts	-0.2%

The Corporation believes that public securities are an inflation protected, highly liquid alternative to holding cash while seeking out additional businesses to launch or acquire. The Corporation intends to sell its holdings to fund such future businesses. There are tax and regulatory reasons that public securities should not be thought of as the future of the Corporation. The Corporation cautions investors that the public securities portfolio is likely to be more volatile than the overall market or a money market account. Additionally, investing in public securities entails substantial risks, far beyond the risks of investing excess cash into a bank account. The Corporation does not expect the recent returns to be repeatable, sustainable or indicative of future returns from the public securities portfolio.

The Company's largest position continues to be a number of crude oil call spreads which are expressed in the Company's financials as separate long and short positions, however Management views this as one fully-offset position. This position has grown substantial in magnitude since it was initiated by management, as the net equity value of the spread increased in value by over 300%. Management believes this position will be highly volatile and may require adjustments to this position over time. Given the size and concentration of this position, management anticipates that the value of the Corporation's marketable securities will continue to be highly volatile.

During the first quarter of 2022, the Company purchased Russian GDRs and ETF securities which were subsequently marked down to zero. At the end of Q3, 2022, these Russian securities continued to be marked to zero as Management does not expect to recoup any value from these securities due to current sanctions, despite these Russian shares continuing to trade on the MOEX.

During the third quarter, the Corporation did not withdraw any funds from the public securities portfolio to fund working capital needs. As of October 31, 2022, the public securities portfolio had a net equity value of approximately $37,400,000 when compared to a net equity value of approximately $31,900,000 at September 30, 2022.

Due from and due to brokers

The Company has margin facilities with its prime brokers. As at September 30, 2022 and 2021, 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 September 30, 2022, the Company had net margin borrowings of $4,459,092 (Q3 2021 –$3,454,880). 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.

Q3 2022

	Gross amounts due from brokers $	Gross amounts due to brokers $	Net amounts $
Due from brokers	6,035	-	6,035
Due to brokers	-	(4,880,768)	(4,880,768)

Q4 2021

	Gross amounts due from brokers $	Gross amounts due to brokers $	Net amounts $
Due from brokers	6,872	(4,552)	2,320
Due to brokers	-	(9,173,869)	(9,173,869)

Digital Assets

During the year ended December 31, 2021, the Corporation opened a digital currency account at Kraken Custody and purchased Monero (XMR) cryptocurrency. At the end of the quarter, the Monero holding was worth $287,734 as it experienced an unrealized gain of $62,683 and a currency gain of $17,994 during the quarter (Q3 2021-$15,954 unrealized loss, and $4,461 currency loss). The Corporation currently owns 1,425 Monero coins with a cost of $409,329. The Corporation believe that Monero is a suitable alternative to holding rapidly depreciating cash.

Section 2 - Results of Operations

Selected Quarterly Financial Information (CAD)

	Quarter ended 30-September-2022 ($)	Quarter ended 30-September-2021 ($)	Quarter ended 30-September-2020 ($)
Revenue and other income	912,789	708,530	324,695
Income			
Net income (loss) attributable to equity holders of the Corporation	(344,086)	3,859,343	1,048,297
Total Comprehensive income/ (loss) attributable to equity holders of the Corporation	(407,871)	4,246,350	556,567
Basic earnings per share ("EPS") (in CAD)			
Net income/ (loss)	(0.01)	0.13	0.03
Diluted EPS (in CAD)			
Net Income/ (loss)	(0.01)	0.13	0.03
Balance Sheet			
Total assets	58,523,283	41,322,146	23,992,584
Total liabilities	15,786,884	2,679,227	1,318,599
Total equity	42,736,399	38,642,919	22,673,985
Shares outstanding at quarter end	27,759,299	28,415,999	31,856,999
Book value per share	1.54	1.36	0.71

Rental Revenue from Investment Properties

Rental revenue from Investment Properties increased from $190,912 in the third quarter of 2021 to $199,481 in the third quarter of 2022 as the number of discounts given to tenants due to Covid-19 restrictions during the quarter were significantly reduced offset by fewer investment properties.

Revenue from Subscriptions

In 2021, the Company developed 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 from subscriptions consists of fees earned through our data analytics subscriptions. For the quarter ending September 30, 2022, revenues from subscriptions were $857,492 compared to $421,510 in Q3 2021 as KEDM continues to gain traction. During the end of the second quarter and beginning of the third quarter of 2022, the Corporation ran a promotion that allowed existing subscribers to renew their subscriptions prior to expiration of those subscriptions in order to lock in a reduced subscription rate. The Corporation believes that this promotion brought forward subscription receipts from future periods and increased unearned revenue above the normal run-rate level.

	30-September-2022 $	30-June-2022 $	31-March-2022 $	31–December-2021 $	12 Month Total $
Net subscription receipts	1,155,650	1,682,752	402,466	311,342	3,552,210
Earned Revenue	857,492	790,803	604,677	522,931	2,775,903

Unearned Revenue

Revenue collected from the subscription service 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 2021 consolidated financial statements.

As of September 30, 2022, the Company has unearned revenue of $2,023,366 (September 30, 2021 - $1,247,029).

MGG has engaged an arm's length company to compile and produce the KEDM report on an ongoing basis, while MGG will act as the distributor and marketer of the product. As a part of this engagement, MGG has agreed to pay certain direct and approved expenses related to producing KEDM in addition to 20% of quarterly earned revenues above a threshold. Expenses related to the unearned revenue have generally not yet been incurred and are not reflected in the Company's financial statements. MGG owns all intellectual property related to KEDM and the arm's length company 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. For more information about KEDM, go to www.KEDM.com.

Revenue from Other Sources

Revenue from other sources consist of late fees and fees earned for third party leasing, and property management. For the third quarter of 2022, revenues from other sources decreased to $2,361 compared to $30,057 for the third quarter of 2021 as the number of transactions stalled during the quarter.

Gain/Loss on disposal of Investment Properties

During the quarter, the Corporation sold three investment properties at a loss of $146,545 (Q3 2021 –five properties sold for a gain of $66,051).

Fair Value Adjustment on Investment Properties

The estimate of fair value of investment properties is a critical accounting estimate to the Corporation. An external appraiser estimates the fair value of the majority of the Investment Properties annually, the remainder are appraised internally by Management. The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value of investment properties represents an estimate of the price that would be made in an arm's length transaction between knowledgeable, willing parties. The Corporation operates in the emerging real estate market of Mongolia, which given its current economic and industry conditions, has an increased inherent risk given the lack of reliable and comparable market information. For the quarter ended September 30, 2022, the Corporation did not record any valuation gain/loss (Q3 2021 – $nil). Management continues to evaluate the impacts of Covid-19 on property prices.

Unrealized public securities investment gain/loss

During the quarter, the Corporation had an unrealized public securities investment loss of $2,869,227 compared to an unrealized public securities investment gain of $3,561,291 during the third quarter of 2021.

Realized public securities investment gain/loss

During the quarter, the Corporation had realized investment gains of $1,561,860 compared to a realized investment gain of $496,341 in Q3 2021.

Realized foreign currency gain/loss

During the quarter, the Corporation had a realized foreign currency gain of $431,125 compared to a realized foreign currency gain of $18,082 in Q3 2021.

Share Repurchase

During the quarter, the Corporation repurchased 4,500 common shares with average price of $1.54 under its Normal Course Issuer Bid (NCIB) (Q3 2021-832,100, $1.02 average price). As at September 30, 2022, the Corporation held 4,500 shares in Treasury to be cancelled during the fourth quarter of 2022 (Q3 2021- 398,600 shares).

Property Operating Expenses

Property Operating Expenses consist of repairs and maintenance, bad debts, utilities, salaries, as well as land and property taxes. For the quarter ending September 30, 2022, property operating expenses were $166,610 compared to $194,618 during the same period in 2021 due to a decrease in the number of investment properties.

Subscription Product Expenses

During the quarter, The Corporation incurred $42,724 in processing fees compared to $10,754 during the same period in 2021 due to an increase in transactions. In addition, during the quarter, the Corporation incurred $165,227 in expenses directly related to the production of the subscription product (Q3 2021 $116,106).

Corporate Expenses

Corporate expenses include senior management and board of directors' compensation, listing fees, professional fees, technology, travel, investment research expenses, KEDM.COM development costs and administrative costs.

For the quarter ending September 30, 2022, general and administration expenses have decreased slightly from $517,609 in 2021 to $499,816 in 2022. This currently elevated level of expenses is primarily driven by an increase in various legal, corporate structuring, and tax planning expenses as it evaluates the current corporate structure for optimization along with increased management compensation and expenses related to the production of KEDM.

Management considers the majority of the legal expenses to be non-recurring but cautions investors that such expenses may remain at an elevated level for the next few quarters.

Unrealized digital assets investment gain/loss

During the quarter, the Corporation had an unrealized digital assets investment gain of $62,683 and a currency gain of $17,994 (2021 – $15,954, currency loss- $4,461).

Currency

The Mongolian Tögrög has fluctuated significantly over the past ten years and continued on its downward trend from 2,237 MNT/CAD at the end of December 31, 2021 to 2,446 MNT/CAD at September 30, 2022. The fluctuation in the currency is reflected in the Corporation's financial statements, most notably in the investment property portfolio. Note 11 in the financial statements discloses the foreign exchange adjustment, which flows through the investment property classification during each period. As at September 30, 2022, the Corporation recognized a foreign exchange adjustment loss of $982,129 (Q3 2021 - loss of $63,675) due to the timing of the sales of investment property portfolio.

Net Income

For the quarter ended September 30, 2022, the Corporation had a net loss of $344,086 compared to a net income of $3,859,343 for the quarter ending September 30, 2021. This decrease versus the same period last year is primarily due to the unrealized loss on marketable securities of $2,869,227 and realized gain of $1,561,860 as well as the subscription revenue of $857,492 earned during the period. Management cautions investors that the Corporation is primarily focused on increasing shareholder value on a per share basis. This means that operationally, Management is more concerned with long-term asset appreciation at the expense of short-term cash flow. Management expects this to be the case for the foreseeable future.

Section 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 nine month period ended September 30, 2022 and 2021.

	30-September-2022 $	30-September-2021 $
Net change in cash related to:		
Operating	(3,227,600)	12,869
Investing	4,255,360	(2,437,046)
Financing	(38,507)	1,610,545
Effects of exchange rates on cash	(53,572)	287,281
Net change in cash during the period	**935,681**	**(526,351)**

Overall, the Corporation had cash inflow of $935,681 during the first nine months of 2022 primarily due to significant cash inflows from investing activities. The changes in components of cash flows for the period ended September 30, 2022, compared to the period ended September 30, 2021, were the result of the following factors:

- **Operating** – Operating cash outflows increased during the first nine months of 2022 compared to cash inflows during the same period in the previous year due to a decrease in non-cash working capital balances compared to the prior year.
- **Investing** – Investing cash inflows occurred from a significant sale of marketable securities during the period compared to a purchase of marketable securities during the same period of the previous year.
- **Financing** – Financing cash outflows occurred due to the repurchase of 4,500 shares during the quarter while the Company repurchased 832,100 shares during Q3 2021 offset by significant margin borrowings.

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 September 30, 2022, the Corporation had $3,331,992 (Q3 2021 - $835,420) in cash and cash equivalents. Management considers its marketable securities holdings to be fairly liquid and can be sold should the Corporation need to increase its cash position.

Total Assets

As of September 30, 2022, the Corporation had $45,942,734 (Q4 2021 - $40,809,029) in current assets of which $3,331,992 were held in cash and cash equivalents (Q4 2021 – $2,396,311) and $42,016,367 were held in marketable securities (Q4 2021 - $37,802,853), $284,175 were unrealized gains on futures contract (Q4 2021 – 311,437), $287,734 were held in digital assets (Q4 2021 - $266,890), and $16,431 were held in other assets (Q4 2021 - $29,218). The increase in marketable securities is due to gains in marketable securities during the nine-month period.

Investment properties are classified as non-current assets and are carried at fair market value. During the quarter, Investment properties decreased to $9,837,613 (Q4 2021 - $11,885,907) due to a decrease in the total number of properties held as well as a foreign exchange adjustment loss during the period.

Property and equipment, which primarily consists of properties that are measured at their cost base, increased slightly from $2,220,207 as at December 31, 2021 to $2,640,733 as at September 30, 2022 due to improvements done on the Company's property in Puerto Rico.

On June 22, 2022, the Corporation signed a sales and purchase agreement for the sale of four investment properties as well as a property classified as Property and Equipment for a sum of approximately $11.8M CAD before deductions for various taxes and transaction expenses. The sales and purchase agreement was cancelled during the quarter as the buyer no longer had the funds to complete this transaction.

Total Liabilities

As of September 30, 2022, the Corporation had current liabilities of $13,634,323 (Q4 2021 – $13,839,334) consisting primarily of marketable securities sold short of $5,662,490 amounts due to broker of $4,880,768, payables of $694,851, and unearned revenue of $2,023,366 (Q4 2021-$1,035,471) and income tax payable of $312,848 (Q4 2021- $4,274)

At the end of December 31, 2021, the $60,000 CEBA loan was reclassified from long term to short term.

As of September 30, 2022, the non-current liabilities on the balance sheet were deferred income taxes of $2,152,561 (Q4 2021 - $1,010,244).

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 $42,736,399 at September 30, 2022 from $43,151,199 at June 30, 2022.

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

Outstanding	30-September-2022	31-December-2021
Common shares	27,759,299*	27,778,499*
Options to buy common shares	-	-

* As at September 30, 2022, the Corporation held 4,500 common shares in Treasury to be cancelled during the fourth quarter of 2022 (Q3 2021-398,600).
* As at October 31, 2022 the Corporation had 27,754,799 shares outstanding, 34,900 held in treasury and no options outstanding.

Acquisitions and Dispositions

During the third quarter, the Company sold three properties for a loss of $146,545.

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	30-September-2022 $	30-September-2021 $
Salaries and other short-term benefits to officers	394,572	407,422
Director fees	45,000	45,000
Total	**439,572**	**452,422**

Starting in 2019, certain entities affiliated with Harris Kupperman, the Corporation's Chairman and CEO, have agreed to share certain expenses related to the Corporation's investments in public securities. Management expects that this will reduce MGG's investment-related expenses for a similar level of research capabilities.

Off-Balance Sheet Items

As of September 30, 2022 the Corporation had no off-balance sheet items.

Events Subsequent to Quarter End

Subsequent to quarter end, the Company has repurchased 34,900 shares under its Normal Course Issuer Bid (NCIB) at an average price of $1.60 and cancelled 4,500 shares held in treasury at quarter end.

Section 5 - Quarterly Information

Quarterly Results

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

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Revenue	912,789	1,046,757	839,606	638,904	708,530	179,416	249,861	182,989
Net income (loss)	(344,086)	(2,218,219)	6,280,804	1,817,849	3,859,343	3,756,952	6,115,162	5,257,076
Income (loss) per common share	(0.01)	(0.08)	0.23	0.07	0.13	0.13	0.20	0.17
Total Assets	58,523,283	62,823,647	67,714,593	55,026,865	41,322,146	38,950,727	33,756,541	27,970,421
Weighted Average Shares (No.)	27,771,511	27,777,752	27,778,499	29,309,116	29,667,449	30,220,380	30,756,617	32,102,372
Ending Shares (No.)	27,759,299	27,759,299	27,778,499	27,778,499	28,415,999	28,849,499	30,028,499	31,281,499

Section 6 – Critical Estimates

Critical Accounting Estimates

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

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

Fair Value Adjustment on Investment Properties

The estimate of fair value of investment properties is the most critical accounting estimate to the Corporation. An external appraiser estimates the fair value of the majority of the Investment Properties annually, the remainder are appraised internally by Management. The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value of investment properties represents an estimate of the price that would be made in an arm's length transaction between knowledgeable, willing parties. The Corporation operates in the emerging real estate market of Mongolia, which given its current economic and industry conditions, has an increased inherent risk given the lack of reliable and comparable market information. For the three-month period ending September 30, 2022, the Corporation did not record a fair value impairment loss (Q3 2021 – $nil).

Operating Environment of the Corporation

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

Recently, the Corporation has experienced difficulty in converting Mongolian Tögrög to U.S. Dollars at large Mongolian banks. There can be no certainty regarding the ability to convert or wire money from Mongolia in the future.

In recent years, Mongolia signed an agreement with the IMF. There is no certainty regarding the demands that the IMF may make upon Mongolia for austerity or the impacts that this may have on the economy of Mongolia.

During October 2019, Mongolia was added to the FATF "grey-list" for countries with weak anti-money laundering laws and prevention practices. Though Mongolia was recently removed from the "grey-list," the Corporation is unsure of how this will impact its ability to convert currency or transfer funds internationally. Additionally, the Corporation is unsure of what other impacts this may have upon its business.

Due to the economic crisis, businesses are increasingly paying for transactions using various forms of barter such as used equipment, apartments, vehicles, future services and livestock. To date, the Corporation has only agreed to receive barter items in extreme circumstances and has a strong preference to avoid using barter in transactions. As the economic crisis has worsened, barter transactions have become a more substantial percentage of overall economic transactions. As a result, the Corporation may be forced to receive barter items at a higher frequency. These barter items are often difficult to value and monetize and may cause other difficulties for the Corporation that are impossible to predict.

On February 24, 2022, Russia invaded Ukraine. Mongolia's economy is likely to be impacted by the Russian invasion of Ukraine as Russia is a substantial trading partner of Mongolia. Recent actions to restrict Russian access to SWIFT may have negative impacts upon Mongolia's ability to trade with Russia, which may negatively impact the Mongolian economy. To date, Mongolia has taken a neutral view regarding the Russian invasion. There is no way to know if Mongolia's stance will shift over time.

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.

As at September 30, 2022, Management has made the judgment that none of the Company's assets meet the criteria to be classified as held for sale. While this is due to a number of factors, a primary reason is that due to the conditions of the Mongolian economy and the lack of liquidity in the market. Management was unable to conclude that the sale of any significant sized asset could be considered highly probable.

Judgement is required in determining whether the Company's Investment Property and land use rights titles are at risk. As at September 30, 2022 and 2021, Management has made the judgment that Investment Properties for which the land title has recently expired, but is expected to be renewed in the near future should continue to be classified as Investment Properties. Properties for which Management judges that the Company's titles are at risk, have been impaired to reflect the level of risk estimated by Management.

Section 7 – Risk Management

Credit Risk

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

The Corporation is exposed to credit risk as an owner of real estate in which tenants may become unable to pay contracted rents. The Corporation mitigates this risk by carrying out due diligence on significant tenants. The Corporation's properties are diversified across residential and commercial classes. Historically, bad debts have not been a substantial expense for the Corporation. Recently, the Corporation has experienced an increase in late rental payments. The Corporation believes that it will collect all of this debt, but there is no certainty that this will occur.

Liquidity Risk

Under certain market conditions, such as during volatile markets or when trading in a security or market is otherwise impaired, the liquidity of the Corporation's portfolio positions may be reduced. In addition, the Corporation may from time to time hold large positions with respect to a specific type of financial instrument, which may reduce the Corporation's liquidity. During such times, the Corporation may be unable to dispose of certain financial instruments, including longer-term financial instruments, which would adversely affect its ability to rebalance its portfolio. In addition, such circumstances may force the Corporation to dispose of financial instruments at reduced prices, thereby adversely affecting its performance. If there are other market participants seeking to dispose of similar financial instruments at the same time, the Corporation may be unable to sell such financial instruments or prevent losses relating to such financial instruments. Furthermore, if the Corporation incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In addition, in conjunction with a market downturn, the Corporation's counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Corporation's exposure to their credit risk.

The Corporation does not believe its current maturity profile lends itself to any material liquidity risk, taking into account the level of cash and cash equivalents, investments and marketable securities as at September 30, 2022.

As at September 30, 2022, the Corporation had working capital of $32,308,411 (Q3 2021 - $24,295,292) comprised of cash and cash equivalents, other assets, net of trade and accrued liabilities, income taxes payable and short-term bank loan. Management considers the funds on hand to be sufficient to meet its ongoing obligations.

Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Corporation's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Corporation is exposed to market risk in trading its investments and unfavorable market conditions could result in dispositions of investments at less than favorable prices.

Property Title Risk

Mongolian law has strong protections for property assets; however, implementation of Mongolian law is often arbitrary, with high degrees of corruption and incompetence. Additionally, laws frequently change, which can invalidate a property title. To date, the Corporation has only had one of its property assets confiscated by the Government of Mongolia; however, Management believes that there is a possibility that it will have additional assets confiscated by the Government of Mongolia or stolen by private individuals during future periods. The Corporation is currently not aware of any individual asset that is in imminent danger of being confiscated or stolen.

Catastrophe risk

The Company has obtained insurance on buildings and all permanent fixtures totaling approximately $8,400,000 effective May 7th, 2022 ($8,300,00 - May 7th, 2021). To date the Company has not been able to obtain insurance on its Puerto Rican property with value of approximately $980,000 at December 31, 2021. As the property is located adjacent to the ocean, it is at risk of significant hurricane damage or other natural disasters which could result in a significant impairment to its value.

Cryptocurrencies Risk

Cryptocurrencies are measured at fair value less cost to sell. Cryptocurrency prices are affected by various forces including global supply and demand, interest rates, exchanges rates, inflation or deflation and political and economic conditions. Further, cryptocurrencies have no underlying backing or contracts to enforce recovery of invested amounts. The profitability of the Corporation is related to the current and future market price of cryptocurrencies; in addition, the Corporation may not be able to liquidate its inventory of cryptocurrencies at its desired price if necessary. Investing in cryptocurrencies is speculative, prices are volatile, and market movements are difficult to predict. Supply and demand for such currencies change rapidly and are affected by a variety of factors, including regulation and general economic trends.

Cryptocurrencies have a limited history; their fair values have historically been volatile, and the value of cryptocurrencies held by the Corporation could decline rapidly. A decline in the market prices of cryptocurrencies could negatively impact the Corporation's future operations. Historical performance of cryptocurrencies is not indicative of their future performance.

Many cryptocurrency networks are online end-user-to-end-user networks that host a public transaction ledger (blockchain) and the source code that comprises the basis for the cryptographic and algorithmic protocols governing such networks. In many cryptocurrency transactions, the recipient or the buyer must provide its public key, which serves as an address for a digital wallet, to the seller. In the data packets distributed from cryptocurrency software programs to confirm transaction activity, each party to the transaction user must sign transactions with a data code derived from entering the private key into a hashing algorithm, which signature serves as validation that the transaction has been authorized by the owner of the cryptocurrency. This process is vulnerable to hacking and malware and could lead to theft of the Corporation’s digital wallets and the loss of the Corporation’s cryptocurrency.

Cryptocurrencies are loosely regulated and there is no central marketplace for exchange. Supply is determined by a computer code, not a central bank. Additionally, exchanges may suffer from operational issues, such as delayed execution, that could have an adverse effect on the Corporation.

The cryptocurrency exchanges on which the Corporation may trade on are relatively new and, in many cases, largely unregulated, and therefore may be more exposed to fraud and failure than regulated exchanges for other assets. Any financial, security, or operational difficulties experienced by such exchanges may result in an inability of the Corporation to recover money or cryptocurrencies being held on the exchange. Further, the Corporation may be unable to recover cryptocurrencies awaiting transmission into or out of the exchange, all of which could adversely affect an investment of the Corporation. Additionally, to the extent that the digital asset exchanges representing a substantial portion of the volume in digital asset trading are involved in fraud or experience security failures or other operational issues, such digital asset exchanges' failures may result in loss or less favorable prices of cryptocurrencies, or may adversely affect the Corporation, its operations, and its investments.

Furthermore, crypto-exchanges comingle their client’s assets in exchange wallets. When crypto-assets are commingled, transactions are not recorded on the applicable blockchain ledger but are only recorded by the exchange. Therefore, there is a risk around the occurrence of transactions or existence of period end balances represented by exchanges.

Loss of access risk

The loss of access to the private keys associated with the Corporation's cryptocurrency holdings may be irreversible and could adversely affect an investment. Cryptocurrencies are controllable only by an individual that possess both the unique public key and private key or keys relating to the "digital wallet" in which the cryptocurrency is held. To the extent a private key is lost, destroyed, or otherwise compromised and no backup is accessible the Corporation may be unable to access the cryptocurrency.

Irrevocability of transactions
Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred cryptocurrencies may be irretrievable. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer or theft generally will not be reversible, and the Corporation may not be capable of seeking compensation.

Hard fork and air drop risks
Hard forks may occur for a variety of reasons including, but not limited to, disputes over proposed changes to the protocol, significant security breach, or an unanticipated software flaw in the multiple versions of otherwise compatible software. In the event of a hard fork in a cryptocurrency held by the Corporation, it is expected that the Corporation would hold an equivalent amount of the old and new cryptocurrency following the hard fork. Air drops occur when the promoters of a new cryptocurrency send amounts of the new cryptocurrency to holders of another cryptocurrency that they will be able to claim a certain amount of the new cryptocurrency for free. The Corporation may not be able to realize the economic benefit of a hard fork or air drop, either immediately or ever, for various reasons. For instance, the Corporation may not have any systems in place to monitor or participate in hard forks or airdrops.

Currency Risk
The Corporation owns properties located in Mongolia and collects rental revenue in Mongolian Tögrög and is therefore subject to foreign currency fluctuations that may impact its financial position and results. Changes in the Mongolian Tögrög, U.S. dollar and Canadian dollar foreign currency exchange rates impact the fair value of securities denominated in Mongolian Tögrög and in U.S. dollars. The Corporation's rental revenues are received in Mongolian Tögrög while approximately half of the Corporation's expenses are incurred in U.S. and Canadian Dollars. Therefore, a depreciation in the Mongolian Tögrög against the US and Canadian Dollar will reduce net income. The exchange rate continues to be volatile and there is an expectation that volatility may continue for the foreseeable future.

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.

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

Preliminary growth estimates according to the National Statistics Office as of September 2022 were an increase of 1.9% year-over-year, while inflation estimates were 13.8% according to Mongol Bank. Management cautions investors that official economic numbers often deviate materially from actual underlying economic conditions. Additionally, the Corporation is not able to accurately predict the ultimate impact of COVID-19 on the economy of Mongolia.

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

The Corporation is currently suffering the effects of Covid-19 on both its property portfolio and investment portfolio. There can be no certainty as to the ultimate impact caused by Covid-19 or the government's response to it in Mongolia and globally.

Risks and Uncertainties

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

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.

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. Management believes that there are material currency risks associated with certain Financial Instruments of the Corporation as they are held in Mongolian Tögrög. For further discussion of financial instrument risks, see the Insurance and Financial Risk Management note (Note 17 on December 31, 2021 Financial Statements).

Unless the context otherwise requires, references to the "Corporation" include the Corporation and its subsidiaries and affiliates collectively.

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.

Liquidation or Wind-Up Costs

In the event that the Corporation liquidates all of its assets, there may be significant costs and expenses associated with the liquidation and investors may not recover every penny of book value upon wind-up.

Property Specific Risk

The Corporation currently has a standing agreement with the owner of a 42 sq. meter apartment in Mongolia which has been included in one of the Corporation's properties classified as land and development. The agreement entitles the owner of the apartment to 84 sq. meters of space on the first floor of a new building to be built on this land. In this agreement, the Corporation had an obligation to complete the construction of a new building by the end of 2017 and the agreement was not extended. A liability of $241,198 (Q4 2021 - $263,667) is currently included in the Corporation's balance sheet to reflect this liability. In addition, the Corporation has recognized a $995,949 unrealized fair value loss on this property in excess of the fair value adjustment calculated using the valuation approaches described. This adjustment is Management's estimate of the market's perception of the risk related to this agreement. While the Corporation has received legal advice that it is not at a substantial risk of losing the property in question, interpretations of Mongolian law can be varied and arbitrary. The Corporation cautions investors that should it lose this property, it would result in a material reduction in the Corporation's overall assets and fair value (3.3 million dollars current carrying value). In addition, there is the potential that the 84 sq. meter liability could inhibit the sale or development of this asset in future periods. The Corporation was not able to obtain any insurance on its Puerto

Rican property. There is a risk that the property could be significantly or completely impaired in the event of a hurricane, earthquake or any other natural disaster.

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 Corporate is determined to be a PFIC.

Use of Derivatives

The Corporation may use derivative instruments. The use of derivatives in general presents additional risks to those applicable to trading only in the underlying assets. To the extent of the Corporation's investment in derivatives it may take a credit risk with respect to parties with whom it trades and may also bear the risk of settlement default. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Corporation from achieving the intended hedge effect or expose the Corporation to the risk of loss. In addition, derivative instruments may not be liquid at all times so that in volatile markets the Corporation may not be able to close out a position without incurring a loss. No assurance can be given that short sales, hedging, leverage and other techniques and strategies utilized by the Corporation to hedge its exposure will not result in material losses.

Custody Risk and Broker or Dealer Insolvency

The Corporation does not control the custodianship of all of its assets. The Corporation's assets will be held in one or more accounts maintained for the Corporation by its broker or brokers. Such brokers are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Corporation's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a broker or any sub-custodians, agents or affiliates, it is impossible to generalize about the effect of their insolvency on the Corporation and its assets. Investors should assume that the insolvency of any of the brokers or such other service providers would result in the loss of all or a substantial portion of the Corporation's assets held by or through such brokers and/or the delay in the payment of withdrawal proceeds. The Corporation's cryptocurrency is currently being held at Kraken Custody. There is a risk that the custodian loses the Corporation's cryptocurrency. Refer to the cryptocurrency risk section for further cryptocurrency risks.

Investment and Trading Risks in General

All trades made by the Corporation risk the loss of capital. The Corporation may utilize trading techniques or instruments, which can, in certain circumstances, maximize the adverse impact to which a client's account may be subject. No guarantee or representation is made that the Corporation's investment program will be successful, and investment results may vary substantially over time. Many unforeseeable events, including actions by various government agencies, and domestic and international economic and political developments may cause sharp market fluctuations which could adversely affect the Corporation's portfolio and performance.

General Economic and Market Conditions

The success of the Corporation's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Corporation's investments. Unexpected volatility or illiquidity could impair the Corporation's profitability or result in losses.

Issuer–Specific Changes

The value of an individual security or particular type of security can be more volatile than and can perform differently from the market as a whole.

Portfolio Turnover

The Corporation has not placed any limits on the rate of portfolio turnover and portfolio securities may be sold without regard to the time they have been held when, in the opinion of the Corporation, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate.

Liquidity of Underlying Investments

Some of the securities in which the Corporation may invest may be thinly traded. There are no restrictions on the investment of the Corporation in illiquid securities. It is possible that the Corporation may not be able to sell or repurchase significant portions of such positions without facing substantially adverse prices. If the Corporation is required to transact in such securities before its intended investment horizon, the performance of the Corporation could suffer.

Highly Volatile Markets

The prices of financial instruments in which the Corporation's assets may be invested can be highly volatile and may be influenced by, among other things, specific corporate developments, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Corporation is subject to the risk of the failure of any of the exchanges on which the Corporation's positions trade or of their clearinghouses.

Emerging Markets

The Corporation may invest in the securities of companies which operate in some emerging markets. Operating in emerging markets involves additional risks because companies in emerging markets may be less regulated and not subject to the same standards, reporting practices and disclosure requirements that apply in more developed markets. In addition, some emerging markets and legal systems may not adequately protect investor rights.

Small- to Medium- Capitalization Companies

The Corporation may invest a portion of its assets in the securities of companies with small- to medium-sized market capitalizations. While the Corporation believes these investments often provide significant potential for appreciation, those securities may involve higher risks in some respects than do investments in securities of larger companies. For example, while smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations. When making large sales, the Corporation may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the trading volume of smaller Corporation securities.

Fixed Income Securities

The Corporation may occasionally invest in bonds or other fixed income securities of issuers, including, without limitation, bonds, notes and debentures issued by corporations. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities in which the Corporation invests will change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). If fixed income investments are not held to maturity, the Corporation may suffer a loss at the time of sale of such securities.

Equity Securities

To the extent that the Corporation holds equity portfolio investments, or short positions in equities, it will be influenced by stock market conditions in those jurisdictions where the securities held by the Corporation, are listed for trading, and by changes in the circumstances of the issuers whose securities are held by the Corporation.

Options
Selling call and put options is a highly specialized activity and entails greater than ordinary investment risk. The risk of loss when purchasing an option is limited to the amount of the purchase price of the option; however, investment in an option may be subject to greater fluctuation than an investment in the underlying security. In the case of the sale of an uncovered option there can be potential for an unlimited loss. To some extent this risk may be hedged by the purchase or sale of the underlying security.

Shorting
Selling a security short ("shorting") involves borrowing a security from an existing holder and selling the security in the market with a promise to return it at a later date. Should the security increase in value during the shorting period, losses will incur to the Corporation. There is in theory no upper limit to how high the price of a security may go. Another risk involved in shorting is the loss of a borrow; a situation where the lender of the security requests its return. In cases like this, the Corporation must either find securities to replace those borrowed or step into the market and repurchase the securities. Depending on the liquidity of the security shorted, if there are insufficient securities available at current market prices, the Corporation may have to bid up the price of the security in order to cover the short position, resulting in losses to the Corporation.

Trading Costs
The Corporation may engage in a high rate of trading activity resulting in correspondingly high costs being borne by the Corporation.

Currency and Exchange Rate Risks
The Corporation's assets will be denominated in multiple currencies. The Corporation will report their results in Canadian dollars. The Corporation expects to report allocations of profit and loss for income tax purposes in Canadian dollars. Changes in currency exchange rates may affect the value of the Corporation's portfolio and the unrealized appreciation or depreciation of investments.

Leverage
The Corporation may use financial leverage by borrowing funds against the assets of the Corporation. Leverage increases both the possibilities for profit and the risk of loss for the Corporation. From time to time, the credit markets are subject to periods in which there is a severe contraction of both liquidity and available leverage. The combination of these two factors can result in leveraged strategies being required to sell positions typically at highly disadvantageous prices in order to meet margin requirements, contributing to a general decline in a wide range of different securities. Illiquidity can be particularly damaging to leveraged strategies because of the essentially discretionary ability of dealers to raise margin requirements, requiring leveraged strategy to attempt to sell positions to comply with such requirements at a time when there are effectively no buyers in the market at all or at any but highly distressed prices. These market conditions have in the past resulted in major losses. Such conditions, although unpredictable, can be expected to recur.

Future Acquisitions and Business Diversification
Management is currently evaluating future acquisitions of businesses and operating assets that are not related to investments within Mongolia. There can be no certainty that the Corporation will acquire any business. Additionally, if the Corporation acquires part or all of a business outside of Mongolia, it may dilute Management's focus on current operations within Mongolia. Additionally, shareholders who desire a Mongolia focused investment vehicle may sell shares of the Corporation if they do not desire investments outside of Mongolia. There can be no certainty that the Corporation can raise adequate funding to finance an acquisition of a business outside of Mongolia or that diversification of the Corporation's business is in the best interest of the Corporation. Capital spent on researching businesses outside of Mongolia will increase operating expenses and operating losses as long as such due diligence is ongoing.

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 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.

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, 2021.

Additional Information

Additional information relating to Mongolia Growth Group Ltd., including its Interim Financial Statements, are available on SEDAR at www.sedar.com.