

Mongolia Growth Group Ltd.

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the nine months ended

September 30, 2024 and 2023

(Expressed in Canadian dollars)

Mongolia Growth Group Ltd.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

As at September 30, 2024

(expressed in Canadian dollars)

	September 30, 2024	December 31, 2023	
	\$	\$	
Assets			
Current assets			
Cash and cash equivalents (note 6)	4,173,638	9,735,224	
Marketable securities owned (note 8)	43,203,738	46,439,938	
Due from broker (note 7)	3,641	151	
Digital assets (note 10)	-	438,872	
Other assets (note 11)	70,138	67,896	
	47,451,155	56,682,081	
Non-current assets			
Property and equipment (note 13)	1,684,591	1,512,980	
	1,684,591	1,512,980	
Total assets	49,135,746	58,195,061	
Liabilities			
Current liabilities			
Trade payables and accrued liabilities (note 14)	347,741	415,386	
Unearned revenue (note 9)	1,218,589	1,126,439	
Due to broker (note 7)	13,907	5,536,537	
Marketable securities sold short (note 8)	23,669	5,724	
Short Term CEBA loan (note 7)	-	20,000	
Income taxes payable	-	1,430,333	
	1,603,906	8,534,419	
Non-current liabilities			
Deferred income tax liability	476,515	500,522	
Total liabilities	2,080,421	9,034,941	
Equity			
Share capital (note 15)	48,257,196	49,773,082	
Contributed surplus	6,849,976	6,849,976	
Accumulated other comprehensive loss	(27,357)	(46,663)	
Deficit	(8,024,490)	(7,416,275)	
Total equity	47,055,325	49,160,120	
Total equity and liabilities	49,135,746	58,195,061	
Commitment and contingencies (note 18)			
Approved by the Board of Directors			
<u>"Harris Kupperman"</u>	Director	<u>"James Dwyer"</u>	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 nine month period ended September 30

(expressed in Canadian dollars)

	For the three months ended September 30		For the nine months ended September 30	
	2024 \$	2023 \$	2024 \$	2023 \$
Revenue				
Rental income	24,195	20,114	74,822	72,112
Subscription revenue (note 9)	634,104	727,496	2,001,446	2,492,500
Other revenue	-	-	-	100
Total revenue	658,299	747,610	2,076,268	2,564,712
Expenses				
Salaries and wages	83,083	61,243	452,954	216,704
Other expenses (note 21)	857,101	828,304	2,167,106	2,209,004
Depreciation (note 13)	20,893	9,084	61,862	27,253
Total operating expenses	(961,077)	(898,631)	(2,681,922)	(2,452,961)
Interest income (expense)	(84,042)	474	(35,847)	3,246
Unrealized loss on short term investments (note 8)	(552,035)	7,511,239	(1,149,142)	3,686,917
Realized gain (loss) on short term investments (note 8)	(11,931)	449,077	1,443,483	226,152
Loss on digital assets (note 10)	-	(58,450)	(72,254)	(22,072)
Foreign currency gain (loss)	(49,558)	128,006	42,680	160,040
Total other income (loss)	(697,566)	8,030,346	228,920	4,054,283
Net income (loss) before income taxes	(1,000,344)	7,879,325	(376,734)	4,166,034
Income tax recovery (expense)	239,191	(1,708,558)	(231,481)	909,138
Income (loss) from continuing operations	(761,153)	6,170,767	(608,215)	5,075,172
Income from discontinued operations (note 5)	-	1,708,921	-	1,535,437
Net income (loss) for the period	(761,153)	7,879,688	(608,215)	6,610,609
Net income (loss) per share				
Basic				
From continuing operations	(0.03)	0.23	(0.02)	0.18
From discontinued operations	-	0.06	-	0.06
From net income (loss) for the period	(0.03)	0.29	(0.02)	0.24
Diluted				
From continuing operations	(0.03)	0.23	(0.02)	0.18
From discontinued operations	-	0.06	-	0.06
From net income (loss) for the period	(0.03)	0.29	(0.02)	0.24

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 nine month period ended September 30

(expressed in Canadian dollars)

	For the three months ended September 30		For the nine months ended September 30	
	2024 \$	2023 \$	2024 \$	2023 \$
Net income (loss) for the period	(761,153)	7,879,688	(608,215)	6,610,609
Other comprehensive income (loss)				
Items that may be subsequently reclassified to income or loss				
Unrealized gains on translation of financial statement operations with Mongolian Tögrög (2023) and US Dollar functional currencies to Canadian dollar reporting currency	68,484	338,109	19,306	140,457
Recycle of translation difference on disposal of subsidiaries	-	(2,736,845)	-	(2,736,845)
Total comprehensive income (loss)	(692,669)	5,480,952	(588,909)	4,014,221

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 nine month period ended September 30

(expressed in Canadian dollars)

	Share capital \$	Contributed surplus \$	Accumulated other comprehensive loss \$	Deficit \$	Total \$
Balance at					
January 1, 2023	50,547,129	6,849,976	(17,037,307)	5,763,576	46,123,374
Net income for the period	-	-	-	6,610,609	6,610,609
Reclassification (note 5)	-	-	(2,736,845)	-	(2,736,845)
Other comprehensive gain	-	-	140,457	-	140,457
	<u>50,547,129</u>	<u>6,849,976</u>	<u>(19,633,695)</u>	<u>12,374,185</u>	<u>50,137,595</u>
Share repurchase	(628,375)	-	-	-	(628,375)
Balance at					
September, 2023	<u>49,918,754</u>	<u>6,849,976</u>	<u>(19,633,695)</u>	<u>12,374,185</u>	<u>49,509,220</u>

	Share capital \$	Contributed surplus \$	Accumulated other comprehensive loss \$	Deficit \$	Total \$
Balance at					
January 1, 2024	49,773,082	6,849,976	(46,663)	(7,416,275)	49,160,120
Net loss for the period	-	-	-	(608,215)	(608,215)
Other comprehensive gain	-	-	19,306	-	19,306
	<u>49,773,082</u>	<u>6,849,976</u>	<u>(27,357)</u>	<u>(8,024,490)</u>	<u>48,571,211</u>
Share repurchase	(1,515,886)	-	-	-	(1,515,886)
Balance at					
September 30, 2024	<u>48,257,196</u>	<u>6,849,976</u>	<u>(27,357)</u>	<u>(8,024,490)</u>	<u>47,055,325</u>

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 nine month period ended September 30

(expressed in Canadian dollars)

	September 30, 2024	September 30, 2023
	\$	\$
Cash provided by (used in)		
Operating activities		
Net income (loss) for the period	(608,215)	6,610,609
Items not affecting cash		
Depreciation (note 13)	61,862	27,253
Deferred taxes	(24,007)	(1,097,036)
Unrealized loss on marketable securities (note 8)	1,149,142	(3,686,917)
Realized (gain) on marketable securities (note 8)	(1,443,483)	(226,152)
Loss (gain) on digital assets (note 10)	72,254	22,072
	(792,447)	1,649,829
Net change in non-cash working capital balances (note 19)	(6,934,190)	2,825,221
	(7,726,637)	4,475,050
Cash provided by (used in) discontinued operating activities (note 5)	-	(1,371,410)
Financing activities		
Share repurchase (note 15)	(1,515,886)	(628,375)
CEBA loan repayment (note 7)	(20,000)	-
	(1,535,886)	(628,375)
Investing activities		
Net sale of marketable securities	3,548,486	2,386,541
Acquisition of property and equipment (note 13)	(203,018)	-
Sale (acquisition) of digital assets (note 10)	381,771	(134,332)
	3,727,239	2,252,209
Cash provided by (used in) discontinued investing activities (note 5)	-	5,384,880
Increase (decrease) in cash from continued operations	(5,535,284)	6,098,884
Increase in cash from discontinued operations	-	4,013,470
Effect of exchange rates on cash and cash equivalents	(26,302)	462,098
Increase (decrease) in cash	(5,561,586)	10,574,452
Cash and cash equivalents - Beginning of period	9,735,224	2,051,245
Cash and cash equivalents - End of period	4,173,638	12,625,697

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 nine month period ended September 30

(expressed in Canadian dollars)

1 Corporate Information

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

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

MGG has three wholly-owned subsidiaries as of September 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 September 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
		September 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 September 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 nine month period ended September 30

(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 November 18, 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 nine month period ended September 30

(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 nine month period ended September 30

(expressed in Canadian dollars)

5 Discontinued operations

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

Comprehensive Statement of Operations of Discontinued Operations

	For the three months ended September 30	
	2023	2022
	\$	\$
Revenue		
Rental income	181,127	199,481
Other revenue	2,908	2,361
Gain (loss) on disposal of investment property	724,240	(146,545)
Total revenue	908,275	55,297
Expenses		
Salaries and wages	388,003	166,610
Other expenses	546,957	40,162
Depreciation	21,743	23,043
Total expenses	(956,703)	(229,815)
Reclassification of accumulated other comprehensive income on disposal of properties and subsidiaries	2,736,845	-
Unrealized loss on investment property	(77,742)	-
Loss on disposal of property and equipment	(784,589)	-
Foreign currency gain (loss)	(15,860)	84,790
Total other income loss	1,858,654	84,790
Net income loss before tax	1,810,226	(89,728)
Income taxes	(101,305)	-
Net income (loss) for the period	1,708,921	(89,728)

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine month period ended September 30

(expressed in Canadian dollars)

5 Discontinued operations (continued)

	For the nine months ended September 30	
	2023	2022
	\$	\$
Revenue		
Rental income	546,271	604,568
Other revenue	17,247	88,158
Gain (loss) on disposal of investment property	715,492	(146,545)
Total Revenue	1,279,010	546,181
Expenses		
Salaries and wages	714,354	562,690
Other expenses	723,708	145,440
Depreciation	64,899	50,820
Total expenses	(1,502,961)	(758,950)
Reclassification of accumulated other comprehensive income on disposal of subsidiary	2,736,845	-
Unrealized loss on investment property	(77,742)	-
Loss on disposal of property and equipment	(784,589)	-
Foreign currency gain (loss)	(17,925)	76,446
Total other income	1,856,589	76,446
Net income loss before tax	1,632,638	(136,323)
Income taxes	(97,201)	(4,156)
Net income (loss) for the period	1,535,437	(140,479)

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine month period ended September 30

(expressed in Canadian dollars)

5 Discontinued operations (continued)

Cash flows from (used in) discontinued operations:

	Nine months ending September 30, 2023 \$	Nine months ending September 30, 2022 \$
Net cash from operating activities:		
Depreciation	64,899	50,820
(Gain) loss on disposal of investment properties	(715,492)	146,545
Loss on property and equipment	784,589	-
Unrealized loss on investment properties	77,742	-
Reclassification of other comprehensive income	(2,736,845)	-
Net cash from operating activities	(2,525,107)	197,365
Changes in non-cash working capital items:		
Other assets	(24,146)	13,024
A/P accruals	1,243,367	(93,133)
Income tax payable	(65,524)	(4,274)
	1,153,697	(84,383)
Cash provided by (used in) discontinued operating activities	(1,371,410)	112,982
Net cash proceeds from investing activities		
Disposal of PPE	404,869	-
Net proceeds on sale of IP	4,980,011	919,620
Net cash used from investing activities	5,384,880	919,620
Increase in cash from discontinued operations	4,013,470	1,032,602

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine month period ended September 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:

	September 30, 2024	December 31, 2023
	\$	\$
Barbados	2,617,244	5,710,431
Canada	1,038,311	3,345,795
United States	518,083	678,998
	<u>4,173,638</u>	<u>9,735,224</u>

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

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

	September 30, 2024	December 31, 2023
	\$	\$
Cash	4,173,638	7,053,679
Cash equivalents*	-	2,681,545
Total cash and cash equivalents	<u>4,173,638</u>	<u>9,735,224</u>

*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 nine month period ended September 30

(expressed in Canadian dollars)

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

Short term debt

	September 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 September 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 September 30, 2024, the Company had net margin borrowings of \$nil (Q4 2023 –\$5,536,537). 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

	September 30, 2024		
	Gross amounts due from brokers \$	Gross amounts due to brokers \$	Net amounts \$
Due from brokers	3,734	(93)	3,641
Due to brokers	-	(13,907)	(13,907)

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

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine month period ended September 30

(expressed in Canadian dollars)

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

Equity Investments and other holdings

	September 30, 2024 \$	December 31, 2023 \$
Assets		
Equity securities	43,041,844	42,823,146
Options on futures	161,894	3,616,792
	<u>43,203,738</u>	<u>46,439,938</u>

Securities sold short and derivative liabilities

	September 30, 2024 \$	December 31, 2023 \$
Liabilities		
Puts	23,669	5,724
	<u>23,669</u>	<u>5,724</u>

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine month period ended September 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 September 30, 2024, the Company has unearned revenue of \$1,218,589 to be fully recognized by the end of September 2025, in accordance with contract terms (September 30, 2023 - \$1,410,155).

	September 30, 2024	December 31, 2023
	\$	\$
Opening balance	1,126,439	1,547,154
Additions	2,093,596	2,792,680
Revenue earned	(2,001,446)	(3,213,395)
Closing balance	1,218,589	1,126,439

When the Company first launched its subscription business, the Company engaged an arm's length company to compile and produce the KEDM report on an ongoing basis, while MGG acted as the distributor and marketer of the product. As a part of this engagement, MGG paid the direct and approved expenses related to producing KEDM in addition to 20% of quarterly earned revenues above a threshold of \$125,000 USD. Beginning on January 1, 2023, MGG has engaged Praetorian PR LLC (PPR), a Puerto Rican company owned by the MGG's Chairman and CEO to produce KEDM. 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 \$87,742 in revenue share during the third quarter of 2024 (Q3 2023 - \$105,474), 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

	September 30, 2024	December 31, 2023
	\$	\$
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 period	-	438,872

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine month period ended September 30

(expressed in Canadian dollars)

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 second quarter.

11 Other assets

Short term other assets

	September 30, 2024	December 31, 2023
	\$	\$
Accounts receivable	34,885	39,652
Prepaid expenses	35,253	28,244
	<hr/> 70,138	<hr/> 67,896

12 Investment properties

	September 30, 2024	December 31, 2023
	\$	\$
Balance - beginning of period	-	10,086,956
Disposals	-	(10,018,931)
Foreign exchange adjustments	-	(68,025)
	<hr/>	<hr/>
Balance - end of period	-	-

The Company disposed of all its investment properties during 2023.

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine month period ended September 30

(expressed in Canadian dollars)

13 Property and equipment

	2023			
	Furniture and fixtures	Equipment	Buildings	Total
	\$	\$	\$	\$
December 31				
Cost	150,329	46,583	1,453,502	1,650,414
Accumulated depreciation	44,390	25,197	67,847	137,434
Net book value	105,939	21,386	1,385,655	1,512,980
	2024			
	Furniture and fixtures	Equipment	Buildings	Total
	\$	\$	\$	\$
Cost				
At January 1	150,329	46,583	1,453,502	1,650,414
Additions	-	-	203,018	203,018
Foreign exchange adjustment	3,101	981	38,285	42,367
At September 30	153,430	47,564	1,694,805	1,895,799
	2024			
	Furniture and fixtures	Equipment	Buildings	Total
	\$	\$	\$	\$
Accumulated depreciation At January 1				
Depreciation	44,390	25,197	67,847	137,434
Foreign exchange adjustment	23,173	7,330	31,359	61,862
	741	264	10,907	11,912
At September 30	68,304	32,791	110,113	211,208
Net book value at September 30	85,126	14,773	1,584,692	1,684,591

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine month period ended September 30

(expressed in Canadian dollars)

14 Trade payables and accrued liabilities

	September 30, 2024	December 31, 2023
	\$	\$
Trade and accrued payables	340,992	408,773
Security deposits	6,749	6,613
	347,741	415,386

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

15 Share capital and contributed surplus

Common shares

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

The issued and outstanding common shares are as follows:

	Number of shares	Amount \$
Balance, December 31, 2023	26,980,699	49,773,082
Shares re-purchased	-	(1,515,886)
Treasury stock cancelled	(1,041,400)	-
Balance September 30, 2024	25,939,299	48,257,196

As at September 30, 2024, the Company held 87,100 (Q3 2023-84,500) shares in Treasury.

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine month period ended September 30

(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:

	September 30, 2024	December 31, 2023
	\$	\$
Weighted average number of shares – basic	26,216,093	27,243,468
Effect of dilutive stock options	-	-
	<hr/>	<hr/>
Weighted average number of shares – diluted	26,216,093	27,243,468

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

16 Management of capital structure

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

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

	September 30, 2024	December 31, 2023
	\$	\$
Current assets	47,451,155	56,682,081
Current liabilities	(1,603,906)	(8,534,419)
	<hr/>	<hr/>
Working capital	45,847,249	48,147,662

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 nine month period ended September 30

(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:

	Nine months ending September 30, 2024	Nine months ending September 30, 2023
	\$	\$
Salaries and other short-term employee benefits	276,507	353,319
Salaries to other related parties	54,712	60,569
KEDM production expense and revenue share paid to an entity controlled by the Chairman	895,144*	985,389*
Director fees	45,000	45,000
	1,271,363	1,444,277

*Beginning on January 1, 2023, MGG engaged Praetorian PR LLC (PPR), a Puerto Rican company owned by MGG's Chairman and CEO to produce KEDM. Further details on the fee arrangement can be found in note 9 and the MD&A.

As at September 30, 2024, amounts due to related parties totaled approximately \$162,774 (Q3 2023 - \$123,534) 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 nine month period ended September 30

(expressed in Canadian dollars)

19 Supplementary cash flow information

	Nine months ending September 30, 2024 \$	Nine months ending September 30, 2023 \$
Changes in non-working capital arising from		
Unearned revenue	92,150	(136,998)
Other assets	(2,242)	(114,419)
Net due to/(from) broker	(5,526,120)	3,182,444
Trade payables and accrued liabilities	(67,645)	405,983
Income tax payable	(1,430,333)	(511,789)
Changes in non-cash working capital from operating activities	(6,934,190)	2,825,221

Income tax paid during the quarter was \$nil (Q3-2023 \$4,096).

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 nine month period ended September 30

(expressed in Canadian dollars)

20 Segment information (continued)

	Three months ended September 30, 2024			
	Investment Property \$	Corporate \$	Subscription Products \$	Total \$
Rental income	-	24,195	-	24,195
Subscription revenue	-	-	634,104	634,104
Salaries and wages	-	(83,083)	-	(83,083)
Other expenses	-	(537,801)	(319,300)	(857,101)
Depreciation	-	(20,893)	-	(20,893)
Interest Expense	-	(84,042)	-	(84,042)
Unrealized loss on short term investments	-	(552,035)	-	(552,035)
Realized loss on short term investments	-	(11,931)	-	(11,931)
Foreign currency gain (loss)	-	(49,558)	-	(49,558)
Net income (loss) before income taxes	-	(1,315,148)	314,804	(1,000,344)

	Three months ended September 30, 2023			
	Investment Property \$	Corporate \$	Subscription Products \$	Total \$
Rental income	181,127	20,114	-	201,241
Subscription revenue	-	-	727,496	727,496
Property operating expenses	(388,003)	(3,043)	-	(391,046)
Unrealized mark to market gain	-	7,511,239	-	7,511,239
Loss on digital assets	-	(58,450)	-	(58,450)
Unrealized loss on investment properties	(77,742)	-	-	(77,742)
Other expenses	(546,959)	(451,581)	(404,773)	(1,403,313)
Net investment expense	-	1,452	-	1,452
Subscription processing fees	-	-	(31,126)	(31,126)
Gain on disposal of IP	724,240	-	-	724,240
Loss on disposal of PPE	(784,589)	-	-	(784,589)
Depreciation	(21,743)	(9,084)	-	(30,827)
Other revenue	2,908	-	-	2,908
Realized gain on marketable securities	-	449,077	-	449,077
Foreign currency gain (loss)	(15,860)	128,006	-	112,146
Reclassification of accumulated other comprehensive income on disposal of subsidiary	2,736,845	-	-	2,736,845
Net income (loss) before income taxes	1,810,224	7,587,730	291,597	9,689,551

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine month period ended September 30

(expressed in Canadian dollars)

20 Segment information (continued)

	Nine months ended September 30, 2024			
	Investment Property	Corporate	Subscription Products	Total
	\$	\$	\$	\$
Rental income	-	74,822	-	74,822
Subscription revenue	-	-	2,001,446	2,001,446
Salaries and wages	-	(452,954)	-	(452,954)
Other expenses	-	(1,193,487)	(973,619)	(2,167,106)
Depreciation	-	(61,862)	-	(61,862)
Interest expense	-	(35,847)	-	(35,847)
Unrealized loss on short term investments	-	(1,149,142)	-	(1,149,142)
Realized gain on short term investments	-	1,443,483	-	1,443,483
Loss on digital assets	-	(72,254)	-	(72,254)
Foreign currency gain (loss)	-	42,680	-	42,680
Net income (loss) before income taxes	-	(1,404,561)	1,027,827	(376,734)

	Nine months ended September 30, 2023			
	Investment Property	Corporate	Subscription Products	Total
	\$	\$	\$	\$
Rental income	546,271	72,112	-	618,383
Subscription revenue	-	-	2,492,500	2,492,500
Property operating expenses	(714,354)	(25,151)	-	(739,505)
Unrealized mark to market loss	-	3,686,917	-	3,686,917
Loss on digital assets	-	(22,072)	-	(22,072)
Unrealized loss on investment properties	(77,742)	-	-	(77,742)
Other expenses	(723,708)	(1,134,600)	(1,182,992)	(3,041,300)
Net investment income	-	3,246	-	3,246
Subscription processing fees	-	-	(82,963)	(82,963)
Gain on disposal of IP	715,492	-	-	715,492
Loss on disposal of PPE	(784,589)	-	-	(784,589)
Depreciation	(64,899)	(27,253)	-	(92,152)
Other revenue	17,247	100	-	17,347
Realized loss on marketable securities	-	225,778	-	225,778
Foreign currency gain (loss)	(17,925)	160,412	-	142,487
Reclassification of accumulated other comprehensive income on disposal of subsidiary	2,736,845	-	-	2,736,845
Net income (loss) before income taxes	1,632,638	2,939,489	1,226,545	5,798,672

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine month period ended September 30

(expressed in Canadian dollars)

20 Segment information (continued)

	Balance as of September 30, 2024			
	Investment Property	Subscription Products	Corporate	Total
	\$	\$	\$	\$
Total assets	-	-	49,135,746	49,135,746
Property and equipment	-	-	1,684,591	1,684,591
Investment properties	-	-	-	-
Total Liabilities	-	1,218,589	861,832	2,080,421

	Balance as of September 30, 2023			
	Investment Property	Subscription Products	Corporate	Total
	\$	\$	\$	\$
Total assets	5,792,098	-	59,988,482	65,780,580
Property and equipment	6,797	-	1,531,910	1,538,707
Investment properties	5,364,223	-	-	5,364,223
Total Liabilities	1,477,631	1,410,155	13,383,574	16,271,360

	Revenue		Property and equipment		Investment property	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	\$	\$	\$	\$	\$	\$
Canada	2,001,446	2,492,500	-	-	-	-
USA	74,822	72,212	1,684,591	1,531,910	-	-
Mongolia	-	-	-	6,797	-	9,837,613
	2,076,268	2,564,712	1,684,591	1,538,707	-	9,837,613

Mongolia Growth Group Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

For the nine month period ended September 30

(expressed in Canadian dollars)

21 Other expenses

	For the three months ended September 30	
	2024	2023
	\$	\$
Investor relations	8,250	8,250
Office	29,273	31,877
Professional fees	366,624	310,263
Travel	35,392	26,902
Advertising	1,298	-
Land and property tax	571	-
Insurance	7,864	8,025
Utilities	4,143	2,601
Other	84,385	4,487
Subscription processing fees	26,769	31,126
Subscription product expenses	292,532	404,773
	857,101	828,304

	For the nine months ended September 30	
	2024	2023
	\$	\$
Investor relations	24,750	24,750
Repairs and maintenance	2,589	-
Office	89,804	79,460
Professional fees	750,268	755,961
Travel	36,290	32,700
Advertising	4,073	-
Land and property tax	5,596	-
Insurance	51,778	23,941
Utilities	10,833	8,638
Other	191,480	17,599
Subscription processing fees	77,539	82,963
Subscription product expenses	922,106	1,182,992
	2,167,106	2,209,004