



Mongolia Growth Group Acquires Centrally Located Retail Center

TORONTO, CANADA, May 29, 2014 /FSC/ - Mongolia Growth Group Ltd. (YAK - TSXV and MNGGF - USA) Mongolia Growth Group Ltd. (“MGG”) or (“the Company”) www.mongoliagrowthgroup.com, a real estate investment and development company participating in the dynamic growth of the Mongolian economy via ownership of institutional-quality commercial property assets in Ulaanbaatar, Mongolia, announces the acquisition of a centrally located retail center along with an adjoining development site in two separate transactions.

The total cost of the two transactions is approximately CDN \$8,300,000 consisting of approximately CDN \$5,950,000 in cash and the transfer of MGG’s two largest “held for sale” assets along with one of its development sites. It is expected that this transaction will be accretive to cash flow beginning in early 2015, as the three assets transferred in this transaction produced negligible operating income over the past year. MGG is currently finalizing plans to modernize and expand the recently acquired building structure and development site into a bustling retail shopping center.

MGG has partially financed the cash portion of the acquisition through a 5-year, US \$3 million dollar lending facility with one of the leading banks in Mongolia. To date, CDN \$1,304,120 (1,200,000 USD) has been drawn on this facility. It is anticipated that borrowings under the lending facility will be repaid through the continuation of planned asset sales.

“This transaction is the culmination of nearly nine months of negotiations and due diligence, where we have swapped mostly non-core assets for a premium retail asset and contiguous development site in downtown Ulaanbaatar,” said Harris Kupperman, Executive Chairman of MGG. “We are true believers that Mongolia’s economic development over the next few decades will fuel a retail spending boom. Following the success that we have experienced with our previous redevelopments, we intend to upgrade the existing building, expand its footprint and make it one of the busiest retail centers in Ulaanbaatar.”

“From a strategic and operational standpoint, it is substantially easier to manage one larger asset, compared to three smaller ones,” said Paul Byrne, CEO of MGG. “This transaction continues our process of disposing of smaller and marginal assets while we upgrade our



portfolio into high quality assets in prime locations. In the case of this asset, we have the potential to achieve accretive cash flows while we await the full blue-sky development potential of the site.

It is anticipated that the redevelopment of this location will begin during the second half of 2014.

For further information on MGG please visit our website: www.MongoliaGrowthGroup.com

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Forward-looking Information and Statements

Information and statements contained in this news release that are not historical facts are “forward-looking information” within the meaning of applicable Canadian securities legislation and involve risks and uncertainties. Forward-looking information and statements contained in this news release include information with respect to our intention to move forward into the construction of international standard properties in Mongolia.

Forward-looking information is necessarily based upon a number of assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. MGG cautions the reader that such forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to: risks associated with investment in and development of real property in Mongolia; competition, financing and refinancing risks; risks related to economic conditions; risks related to regulation of the real estate business in Mongolia; political risk in Mongolia; changes in Mongolian taxation rules; reliance on key personnel; environmental matters; tenant risks; and other risk factors more particularly described in in MGG's filings with Canadian securities regulators, which filings are available at www.sedar.com. Additional risks and uncertainties not presently known to MGG or that MGG currently believes to be less significant may also adversely affect MGG. Forward-looking information is designed to help you understand management’s current views of our near and longer term prospects, and it may not be appropriate for other purposes. MGG does not undertake any obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except to the extent legally required.

The TSXV has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.