

Mongolia Growth Group Ltd. Publishes Paul Byrne’s Introductory Letter to Shareholders

THUNDER BAY, CANADA, March 26, 2014 /FSC/ Mongolia Growth Group Ltd. (YAK – TSXV), 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, is pleased to announce the release of Paul Byrne’s Introductory Letter to Shareholders letter to shareholders.

To the Shareholders of Mongolia Growth Group Ltd.,

It has been three weeks since I was appointed CEO of Mongolia Growth Group and I thought it would be beneficial to more fully introduce myself, outline where I see MGG today and explain my longer term vision for the company.

I have been in the property sector for almost three decades and have had the opportunity to be involved in many of the world’s most exciting real estate developments and investments, ranging from major mixed-use developments and private equity property funds in the United States, to one of the highest profile property conglomerates in the Middle East, along with airports and rail. During this time, I have been fortunate to participate in leading dozens of real estate developments and infrastructure projects in emerging markets on various continents. It was while working on these real estate projects that I developed an appreciation for just how dynamic the emerging markets are and the speed at which they can progress and grow exponentially.

As you look around the globe, over the past few decades, the vast majority of countries have seen substantial development, leading to mature pricing of property sectors, with diminished future returns for investors. Countries that have not advanced, have often been held back by highly unethical leadership in government, instability, civil unrest or other factors that make them impossible to invest in successfully. Mongolia is one of very few emerging market opportunities remaining for a property investor where the opportunity still exists to achieve substantial returns with minimal risk through development and investment in a stable economy and country.

As I’ve explored the capital city of Ulaanbaatar, I’ve been struck by how much new property development is needed and just how much of the city will require redevelopment over the next ten years and beyond. Given the extraordinary wealth in mineral resources the country possesses, it is inevitable that economic development will be rapid. I see this situation creating an ideal opportunity for me, personally, to be positioned for the next upswing in Mongolian business activity, which is commencing as I write this to you and is the reason that I recently purchased CDN \$250,000 of MGG shares.

I have spent considerable time in the Gulf region over the past decade and prior to that in Hong Kong during the 1990s, where I observed the Asian emerging markets rise on the world stage. What I see in

Ulaanbaatar very much reminds me of that unique period of time and gives me a sound road-map for where I believe MGG needs to head as a business. The key is that we need to focus on where the city will be in ten years, and then make sure that MGG capitalizes on that rare opportunity during the next five years. The market is evolving rapidly, and the current generation of buildings is already becoming obsolete. In particular, I believe that MGG needs to re-focus its attention on segments of the market where it will have a competitive advantage and where supply is unlikely to be built. This naturally means the construction of modern retail and office buildings in downtown Ulaanbaatar.

During this past quarter, I have had a solid review of where MGG is today and where it needs to evolve to. Clearly, I'm impressed with what has been accomplished thus far or I would not have taken on the CEO responsibility and mandate. During the past 3 years, MGG has built one of the most credible property companies in Mongolia. The company has an excellent new development and redevelopment pipeline, including some of the choicest sites in Ulaanbaatar. Most importantly, the company has developed one of the only institutional asset management and development platforms with associated services in the country. This will be invaluable as the company moves onto the next phase of its growth and needs to attract non-dilutive forms of capital.

That said; there is work to do in terms of upgrading the portfolio and disposing of non-core assets. The process was underway before I arrived and I have focused on accelerating the disposition of properties that don't align with our updated vision and strategies. While these properties appear to offer attractive yields, their small size serves as a distraction to management, which somewhat dilutes their yield. Going forward, we will be re-investing in larger property assets that are more institutional grade and very bankable.

The other change that I am focused on is better use of the company's organizational resources. MGG's in-house asset management and development platforms are a substantial point of difference and should be seen as the most valuable enabling component going forward. As institutional investors begin to invest in Mongolian property assets, they will need a company to partner with that has a track record of success, along with audited financial statements. MGG is one of the only companies in Mongolia that has this sound track record, and the only one prepared for the unique needs of publicly listed companies.

When you consider a traditional publicly traded property company, the business plan involves issuing shares and then acquiring property assets, followed by the issuance of more shares to acquire more assets. In a rising market, this would be an attractive model, but it does not allow shareholders sufficient leverage, while creating substantial dilution. I want to lead MGG towards a more rewarding business model with higher returns on invested capital. This model focuses on utilizing MGG's in-house capabilities and redirects the company into additional revenue streams creating a fee-for-service business model, which allows the company to leverage its existing infrastructure. On the less involved side of the spectrum, these services include strategic property advisory, leasing and brokerage. The complexity then moves on to third-party asset management and property management and finally into the highly lucrative field of funds management, where we manage property funds owned by third party investors.

In essence, MGG will become a nimble Asset Management and Development Company offering fee-based services, engaging in high margin development and value added re-development along with owning residual interests in the resulting property assets.

Important to the above, we are contemplating a longer term goal of developing an in-house REIT. This REIT would serve as the ultimate repository of MGG's stabilized property assets, including; the existing stabilized portfolio, the property assets resulting from MGG's unique ability to source and improve the returns on distressed assets, along with those assets created from its development pipeline. This REIT would have periodic liquidity events and be open to external investors looking for direct exposure to the Mongolian property market. By the nature of the investment vehicle, MGG is guaranteed to remain a substantial investor in it, aligning the interests of all involved. Ultimately, this would allow MGG to; recycle capital from successful projects into new ones, earn fee revenue off the management of the existing portfolio and retain a sizable ownership position in its past successes.

Concurrent with the in-house REIT, MGG would seek out joint-venture partners who wish to co-develop our very attractive pipeline of current and future development projects. In this scenario, investors would have the assurance that a professional team will undertake the projects and have the property management team in place to add value after the development process finishes. Finally, should a liquidity event be desired, there will be confidence that the asset can be exchanged at market prices for shares in the REIT. This will be a substantial differentiating factor for those co-investing with MGG, compared to the current Mongolian property market, which lacks liquidity for sizable assets.

In this way, MGG will be able to separate the asset intensive side of the business, from the much higher return on capital side of the business that utilizes our intellectual capital. Furthermore, this will reduce MGG's need for organizational capital at the holding company level as MGG has relied too much on the issuance of shares in the past to grow the business.

Ultimately, I want to lead MGG into becoming very much like the highly successful Dubai based, Majid Al Futtaim (MAF) Properties, which I led. MAF was an Asset Management and Development Company that used the strategies mentioned above to leverage its internal infrastructure into abnormally high returns on capital for the holding company—while utilizing usual industry financial leverage. As a company, we now endeavor to pursue the corporate ethos of using our capital sparingly as co-investors in our own projects, while then earning fee revenue in perpetuity for managing those assets once completed.

I am a very strong believer in the future of Mongolia and the future of MGG and am excited to embark on this corporate mission. I will be spending the month of April in North America, meeting with interested parties, including shareholders and I invite you to attend one of our four scheduled events, where I will discuss MGG's evolving strategy in more detail. Details on the events can be found at the following linked press release:

<http://mongoliagrowthgroup.com/mongolia-growth-group-ltd-newly-appointed-ceo-announces-multi-city-roadshow>

Sincerely,

Paul J. Byrne

Chief Executive Officer of Mongolia Growth Group Ltd.

For further details on the foregoing document, please refer to the Corporation's filing on SEDAR.

For more information on Mongolia Growth Group Ltd., please see our website:

www.MongoliaGrowthGroup.com

Or contact:

Genevieve Walkden GWalkden@mongoliagrowthgroup.com

Mongolia Growth Group Ltd. is a publicly traded and leading property investment and development company in Ulaanbaatar, Mongolia. MGG owns an extensive property portfolio, in diversified segments of the property market, with an emphasis on institutional-grade commercial assets.

MGG undertakes its own property acquisitions, develops brownfield land assets and repositions outdated properties, relying on in-house services for all facets of both the investment portfolio and development side of the business. In addition, MGG acts as a full-service third party provider for institutional clients and tailors transactions covering acquisition-to-suit, build-to-suit, as well as refurbish-to-suit, for property owners and major tenants.

Forward-looking Information Cautionary Statement

Information and statements contained in this Letter to Shareholders 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 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 redevelopment of real property in Mongolia; competition, financing and refinancing risks; risks to the consumer mortgage market; a lack of correlation between disposable income and consumption; risks related to economic conditions; risks related to mining and mining development in Mongolia; risks related to regulation of the real estate 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 Letter to Shareholders.

