



Harris Kupperman
CEO and Chairman of the Board

Letter to Shareholders

Q1 2016 Letter to Shareholders - MD&A

Dear Shareholders,

The first quarter of 2016 has seen us demonstrate continued progress in terms of reducing costs and improving efficiencies.

On the cost side, the first quarter of 2016 showed a \$195,824 (25%) reduction in costs before depreciation and equity compensation when compared with the first quarter of 2015. We believe that there are additional cost cuts that can be realized going forward.

Adjusted Funds From Operations (AFFO) improved significantly year over year from a loss of \$290,744 in Q1 2015 to a loss of \$119,712 in Q1 2016.

Offsetting these improvements in our overall operations, our revenues in Mongolian Tögrög terms have continued to slide throughout 2016. This has been caused by a weak economy, increased tenant turnover and heightened bad debt expense as tenants are unable to sustain their businesses due to the economy. Despite the continued decline in the Mongolian economy, we believe that our shares are undervalued and have initiated an NCIB to repurchase shares as we believe that the accelerating weakness in the economy may give us an opportunity to purchase shares at advantageous prices in the future.

However, to date, our purchases have been minimal due to a lack of cash and a belief that better prices may be available in the future.

Rest assured, we are doing all that we can to lose less money and preserve the value of our company, but between the rapid decline in market rental rates along with the movement in the Canadian Dollar to Mongolian Tögrög exchange rate, our current quarterly rate of loss may be the best that can be achieved until the economy recovers.

Sincerely,

Harris Kupperman
CEO and Chairman of the Board