



TO THE SHAREHOLDERS OF MGG

The year 2023 was rather bittersweet for everyone at MGG. On one hand, we finalized the sale of our Mongolian property assets, a goal that was necessitated by our subscale size. While foreshadowed for quite some time, I was still saddened to crystalize this transaction. Mongolia has been part of my life for over a decade, and I always believed that we could somehow turn things around if we simply waited long enough for Mongolia's economic fortunes to recover. Unfortunately, this recovery has never arrived, and it became apparent that the time had come to extract our remaining capital and engage it in more lucrative purposes, especially as our Mongolian operations have mostly operated at a loss for the past few years.

At the same time, MGG had built a wonderful team that could accomplish anything, even under almost impossible circumstances—our most valuable assets, that never showed up on our balance sheet. Unfortunately, no one should toil away at a company that is slowly shrinking, and moving on is also for their own good, though I will miss them dearly. I will forever remember the loyalty and resourcefulness of our core team, many of whom have been with us since 2011. We accomplished incredible things during our time together, and while that has not translated into financial rewards for you as shareholders, I don't think you realize how much we really accomplished. I also don't think you realize how difficult things frequently were in Mongolia, only to have one of our employees find a creative way to save the day. Putting it differently, things could have turned out much worse for us as shareholders and we're happy that we were able to ultimately extract value from our Mongolian assets.

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

Given the complicated nature of the accounting for discontinued operations, I'm going to break with normal practices and simply summarize that we sold our seven remaining property assets, including our Mongolian headquarters for cash consideration of approximately \$10,800,000. Four of these properties were sold via the sale of subsidiaries outlined in Note 5 of the financial statements. During the 4th quarter, we completed the wind-down of our operations, and expect that all Mongolia-related expenses are reflected in these year-end financial statements.

Subsequent to the complete disposal of our Mongolian operations, we have four core assets remaining at MGG:

- Our Subscription Products Business.
- Our office property in Rincon, Puerto Rico.
- Our cash, net marketable securities, and digital assets.
- Canadian Tax assets related to the disposal of our Mongolian subsidiaries.

I have on many occasions noted that there are tax and regulatory reasons why we cannot be a publicly traded business where the primary assets are marketable securities. Therefore, we MUST purchase over 25% of an operating business in the very near future. Unfortunately, we have not been able to identify any attractive opportunities and have started to lose confidence that we will be able to identify a sufficiently attractive opportunity. If we cannot find a suitable acquisition in the near future, we will likely choose to liquidate this Company, so as not to burden shareholders with the costs of a public company.

In the meantime, we hope that future gains from our existing marketable securities portfolio can utilize our tax assets, maximizing the after-tax return to shareholders.

Subscription Business Products:

KEDM, our subscription business, which tracks various Event-Driven strategies, continued to produce income for our company. During the year, we recognized \$3,213,395 (2022-\$3,174,031) of revenue while taking in \$2,792,680 (2022-\$3,685,715) of gross subscription receipts, representing a 24% decline in subscription receipts when compared to the previous year. As noted previously, we believe that KEDM has reached a more mature state and that churn will likely remain above our ability to add new subscribers. We've tried a variety of methods to grow the subscriber base, but a weaker equity market, with reduced returns for investors, has led many subscribers to cancel their subscriptions.

Meanwhile, we've struggled to replace these subscribers. That said, we believe that there is a core base of subscribers that will likely continue to renew their subscriptions as they value the data that we provide. As KEDM shrinks into this core base, we believe that overall churn will stabilize at a lower level that is offset by new subscriber additions and we expect that KEDM will remain a profitable business for us.

As a reminder, as of January 1st of 2023, my Registered Investment Advisor, Praetorian PR LLC, is now contracting with MGG to produce KEDM. To learn more about KEDM, go to www.KEDM.COM.

Corporate Division:

Our public securities portfolio produced a \$4,050,104 unrealized gain and a \$518,828 realized gain during the year. I would like to caution you strongly that returns, as we have recently experienced, are highly unlikely to be repeated in future quarters. At year-end, our portfolio was concentrated in investments in oil futures and futures options, energy services companies, uranium equities, and a Florida landowner. Additionally, we own a small position in a cryptocurrency named Monero, that we added moderately to during the first quarter of 2023. 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.

Conclusion

In summary, the fiscal year 2023 was bittersweet. While we remain optimistic about Mongolia's long-term future, it remains mired in an economic crisis. As a result, we decided to finally wind down operations and dispose of our remaining property assets. We waited for over a decade for a recovery in Mongolia's economy. One day that recovery will come, but unfortunately, as shareholders, we will not take part. Gen and I made many life-long friends in Mongolia and will cherish our memories of operating in such a remarkable country. We want to wish all our friends and former employees the best in all of their endeavors.

Our public equity investments continue to succeed beyond our wildest ambitions, and we are in the best financial position we have been in since we started this adventure. Gen and I very much want to continue this adventure. We have big plans and even bigger ambitions for this company, as noted by our continued and aggressive insider purchases over the years. Unfortunately, various regulatory and tax authorities have put a roadblock in our way and despite speaking with multiple consultants and spending a veritable treasure chest of money on this problem, we cannot find a way forward. We haven't given up hope yet, but are also realists, hence we are making you aware of the likely return of a substantial portion of this company's capital.

During the year, the company repurchased 600,200 shares under its Normal Course Issuer Bid. At year-end, our share count was 26,980,699, or 24% fewer than during our peak share count in 2016. To date, the company has repurchased a total of 9,438,200 shares.

Sincerely,

Harris Kupperman



CEO