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MAJESTIC GOLD CORP. CLARIFIES DISCLOSURE FOLLOWING BCSC REVIEW

Vancouver, British Columbia - December 21, 2015 - Majestic Gold Corp. ("Majestic" or the "Company") (TSX.V: MJS, FSE: A0BK1D) announces that as a result of a review by the British Columbia Securities Commission ("BCSC"), the Company is issuing this news release to clarify disclosure on its Songjiagou Project in China.

The Company has been requested to provide a new or amended technical report that corrects certain non-compliant NI 43-101 and Form 43-101F1 disclosure in the report titled "Independent Technical Report of Songjiagou Project, Shandong Province, The People's Republic of China" (the "PEA") dated August 2013 by SRK Consulting China Ltd., to address deficiencies in respect of: the Certificate of the Qualified Person; Reliance on Other Experts; Resource Estimates; and lack of cautionary language. More specifically, changes reflected in the Amended PEA will include the following:

- The certificates of qualified persons are to be amended to ensure that at least one qualified person is responsible for each section of the amended PEA;
- The method of analysis that determined the capping level at 40 g gold, and will disclose the amount and distribution of samples in the database that were reported as "missing";
- The resource estimate is to be amended to account for depletion by previous underground mining;
- How the resource estimate is compatible with the mineral deposit model, and how the resource estimate outside the current pit shell limit meet the CIM Definition for "reasonable prospects of eventual economic extraction";
- The amended PEA will include required cautionary language along with every statement of current resource estimates;
- The amended PEA will further explain assumptions that appear unreasonable including how pit limits extend outside the mining license, capacity of tailings storage, and size of waste dump;
- The amended PEA will include a discussion of the impact of taxes, royalties, and other government levies on the cash flow model and the resultant after-tax results.

These deficiencies are all anticipated to be addressed in an amended report that will be filed on SEDAR as soon as practicable. In the interim, investors are cautioned that the Company's mineral resource estimate and preliminary economic assessment is unsupported by a compliant NI 43-101 technical report, contrary to NI 43-101, and should not be relied on until independently verified and supported by an amended technical report.

The review also noted that the Company's website and the corporate presentation "Gold Production in Shandong Province, China" dated January 2015 (the corporate presentation) contain disclosure that is non-compliant to certain sections of NI 43-101. The Company did not include the following cautionary language as required by NI 43-101 in regard to the PEA: "The preliminary economic assessment is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized."

The Company's production decision was not based on a feasibility study of mineral reserves demonstrating economic and technical viability. The Company's production decision was based on the open pit optimization resource model set out in the PEA, which takes into account the relatively low mining costs negotiated by the Company. Mineral resources that are not mineral reserves have not yet demonstrated economic viability. Due to the uncertainty that may be attached to mineral resources, it cannot be assumed that all or any part of a mineral resource will be upgraded to mineral reserves. Therefore, there is no certainty that the results concluded in the PEA will be realized. The Company's investor presentation and website have now been updated to include required cautionary language.

The Company's corporate presentation also illustrated a 600,000 ounce gold quantity, designated as an "outside mineable resource", located outside of the pit shell. Reference to this quantity has been deleted from the slide. The amended technical report will consider the status of this quantity. At this time, use of the designation "mineable resource" is retracted.

The PEA, the Company's corporate presentation and website also contain references to resources that add Inferred Resources to other categories of Resources, which is not allowed under section 2.2 of NI 43-101. All disclosure has now been amended to conform to this section of NI 43-101.

In its corporate presentation, the Company fails to identify and disclose the relationship to the Company of the qualified person who prepared or supervised the preparation of, or approved the technical information it is disclosing. The presentation has been amended to comply with section 3.1 of NI 43-101. All technical information contained in this news release has been reviewed and approved by Stephen Kenwood, P. Geo., who is a director of the Company and a qualified person under the definitions established by NI 43-101.

About Majestic Gold

Currently focused solely in China, Majestic Gold Corp. is a British Columbia based company engaged in commercial gold production at the Songjiagou Gold Mine in eastern Shandong Province, China. Additional information on the Company and its projects is available at www.sedar.com and on the Company's website at www.majesticgold.com.

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Cautionary Notes

Certain statements contained herein may constitute forward-looking statements and are made pursuant to the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and Canadian securities laws. Forward-looking statements are statements which relate to future events. Such statements include estimates, forecasts and statements as to management's expectations with respect to, among other things, business and financial prospects, financial multiples and accretion estimates, future trends, plans, strategies, objectives and expectations, including with respect to production, exploration drilling, reserves and resources, exploitation activities and events or future operations. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when, and if, a project is actually developed.

In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, level of activity, performance or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggestions herein. Except as required by applicable law, Majestic Gold does not intend to update any forward-looking statements to conform these statements to actual results

Production Disclaimer

The Company's production decision was not based on a feasibility study of mineral reserves demonstrating economic and technical viability. The Company's production decision was made based on the open pit optimization resource model set out in the Preliminary Economic Assessment ("PEA"), which takes into account the relatively low mining costs negotiated by the Company. The pit optimization that was conducted in the preliminary assessment generated a production schedule summary at grade cut-off of 0.30 gram per tonne Au.

The PEA includes the inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary assessment will ever be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.