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## **MAJESTIC ANNOUNCES DETAILS OF PROPOSED LISTING ON HKEX FOR IPO OF SUBSIDIARY PERSISTENCE RESOURCES**

**Vancouver, British Columbia- December 14, 2023 - Majestic Gold Corp.** (“Majestic” or the “Company”) (TSX.V: MJS; FSE: A0BK1D) is pleased to announce that Majestic’s 94% owned subsidiary, Persistence Resources Group Ltd. (“Persistence”), has issued its prospectus in respect of its listing of shares in the capital of Persistence (the "Shares") on the Main Board of The Stock Exchange of Hong Kong Limited (the "HKEX") and the initial public offering (the "IPO") of newly issued Shares of Persistence representing 25% of its total issued and paid-up Shares upon successful listing of the Shares.

As previously announced, Persistence filed its listing application with the HKEX on March 30, 2022. Through its subsidiary, Persistence owns a 75% indirect interest in Yantai Zhongjia Mining Co. Ltd., which operates the Songjiagou Gold Mine (the "Property") located in the eastern part of the Shandong Province, China. While Majestic will continue to own approximately 70.5% of total issued and paid-up Shares of Persistence upon successful listing of the Shares, which could materially dilute Majestic’s ownership in the Property. Subsequent to the successful listing of the Shares on the HKEX, Persistence could issue additional Shares, which may further dilute Majestic's cumulative effective interest in the Property to less than 50%. The Board of Directors of Majestic, with the advice from its legal and financial advisors, have considered the potential dilutive effects and determined that a listing on the HKEX by Persistence may achieve a greater valuation for Persistence, which would help to better access capital for its future needs. Accordingly, the Board of Directors of Majestic unanimously approved the IPO.

### **Offering Details**

Persistence plans to offer a total of 500,000,000 Shares (subject to the over-allotment option), of which 450,000,000 are international offer shares (subject to reallocation and the over-allotment option) and 50,000,000 are Hong Kong offer shares (subject to reallocation). The indicative offer price per offer share ranges from HK\$0.55 to HK\$0.75 (subject to downward offer price adjustment of up to 10% below the bottom end of the indicative offer price range). After deducting the underwriting fees and other estimated expenses relating to the global offering, and assuming that the over-allotment option is not exercised and the offer price is set at HK\$0.65 per share (being the mid-point of the indicative offer price range), the aggregate net proceeds from the global offering are estimated to be approximately HK\$265 million.

The Hong Kong public offering will commence at 9:00 a.m. HKT on 14 December 2023 and end at 12 p.m. HKT on 19 December 2023. The final offer price and allotment results will be announced on 21 December 2023. Trading in the Shares of Persistence is expected to commence on the Main Board of the HKEX on 22 December 2023 under the stock code 02489. The Shares will be traded in board lots of 5,000 Shares each.

Innovax Capital Limited is the Sole Sponsor and Innovax Securities Limited is the Overall Coordinator, Sole Global Coordinator, Joint Bookrunner and Joint Lead Manager of the global offering.

## Use of Proceeds

Based on the offer price of HK\$0.65 per offer share (being the mid-point of the indicative offer price range of HK\$0.55 to HK\$0.75), Persistence estimates that the net proceeds from the global offering (after deducting the underwriting fees and other estimated expenses relating to the global offering) will be approximately HK\$265 million before the over-allotment option is exercised, which will be utilised as follows:

Use of Proceeds	Percentage
• Selective acquisition of gold mining assets	55.0%
• Mine optimization plan	20.4%
• Repayment of existing bank loans guarantees	12.6%
• Working capital	10.0%
• Additional exploration activities to upgrade gold reserves	2.0%

## Future Growth Strategies

### *Selective acquisition of gold mining assets to increase market share*

Persistence plans to expand its mineral resources and increase its market share through acquisition of surrounding high-quality gold mining assets. The criteria for acquisition targets include mines located in Shandong Province with potential gold resources of at least 10 tonnes at a depth of less than 1,000 meters, a life of mine (“LoM”) of more than five years and a payback period of less than 10 years.

### *Mine optimization plan*

Persistence is actively implementing the mine optimization plan, which includes expanding the mining surface area around 150 meters south of the existing boundary of Songjiagou Open-Pit Mine so as to increase the pit opening area from 0.34 square kilometers to 0.46 square meters and to deepen the depth of the pit to –171 meters above sea level. For this purpose, Persistence will construct new benches and plans to construct a water storage pool and drainage system to dewater groundwater, set up substations and topsoil storage yards, and acquire three excavators for the new mining area.

### *Additional exploration at existing mine area to increase gold reserves*

According to the 2023 SRK Technical Report, the Songjiagou Open-Pit Mine area has potential for exploration and upgrading of its mineral resource. Persistence plans to identify additional mineral resources in the unmined areas adjacent to and below the current pit opening area covered by the mining license of its Songjiagou Open-Pit Mine by conducting further exploration work, which includes 26 drilling surveys in three phases at various depths ranging from 0 to 550 meters with a total depth of over 6,500 meters, so as to increase its gold mineral resources and to increase the LoM of its Songjiagou Open-Pit Mine.

## Fully electronic application process

Persistence has adopted a fully electronic application process for the Hong Kong public offering. No printed copies of the prospectus or any application forms will be made available. The prospectus has been published on the Stock Exchange website at [www.hkexnews.hk](http://www.hkexnews.hk) under “HKEXnews (New Listings) New Listing Information” and Majestic’s website [www.majesticgold.com](http://www.majesticgold.com) and Persistence’s website [www.persistenceresource.com](http://www.persistenceresource.com).

The closing of the proposed listing is subject to obtaining all required approvals, including the TSX.V and HKEX and any other regulatory approvals required.

## **About Majestic Gold**

Currently focused 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. Majestic is the third largest gold producing mining company <sup>(1)</sup> in Shandong Province. Additional information on the Company and its projects is available at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.majesticgold.com](http://www.majesticgold.com).

<sup>(1)</sup> Source: Frost & Sullivan Report, based on mine production volume in 2022

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Majestic invites the public to visit its website at [www.majesticgold.com](http://www.majesticgold.com) or e-mail the company at [info@majesticgold.com](mailto:info@majesticgold.com) to be added to the company's e-mail list for press releases and updates.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

### ***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 does not intend to update any forward-looking statements to conform these statements to actual results.*