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MAJESTIC GOLD CORP. ANNOUNCES CLOSING OF PRIVATE PLACEMENT

Vancouver, British Columbia -December 21, 2016 - Majestic Gold Corp. (the "Company") (TSX.V: MJS, FSE: A0BK1D) is pleased to announce that the Company has closed its non-brokered private placement financing announced on December 16, 2016 for total proceeds of \$9,787,500 by the issuance of 72,500,000 units at \$0.135 per unit. Each unit consisted of one common share and one common share purchase warrant, entitling the holder to purchase an additional common share at \$0.155 for a period of two years after the closing.

Proceeds from the private placement will be used to partially fund construction of housing for inhabitants of two villages being relocated due to their close proximity to the Songjiagou open pit operation, and for general working capital purposes.

The securities issued in connection with this financing will be subject to a statutory hold period which expires on April 22, 2017.

About Majestic Gold Corp.

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