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MAJESTIC GOLD CORP. ANNOUNCES PRIVATE PLACEMENT

Vancouver, British Columbia - December 9, 2016 - Majestic Gold Corp. ("Majestic" or the "Company") (TSX.V: MJS, FSE: A0BK1D) announces that it is proposing to sell by way of a non-brokered private placement up to 30 million units ("Units") at a price of C\$0.135 per Unit for gross proceeds of up to C\$4,050,000 (the "Offering"). Each Unit will comprise one common share (a "Share") of the Company and one common share purchase warrant (a "Warrant"). Each Warrant will be exercisable to acquire one additional Share at a price of C\$0.155 per Share for a period of two years from the closing.

Proceeds from the private placement will be used to partially fund construction of housing for inhabitants of two villages that are in close proximity to the Songjiagou open pit operation and for general working capital purposes.

Village Relocation

Majestic's subsidiary, Yantai Zhongjia Mining Co. Ltd. ("Zhongjia"), secured unanimous approval from residents of nearby Songjiagou and Fayunkang villages to relocate to a building site that is approximately two kilometers from the mine site. The two villages, both in close proximity to the active open pit at Songjiagou, include residences for about 240 families who are sustained by agriculture, primarily apple orchards. A third village was relocated several years ago to facilitate construction of the tailings disposal site.

The relocation plan became necessary when the size of the mine license was increased from 0.342 to 0.594 km² in the spring of 2015. Officials from the Company and its mining contractor have maintained a close relationship with representatives from the "New Village Relocation Construction Program," a government program that has encouraged village residential upgrading throughout the implementation of this program.

The development is comprised of six buildings, with sufficient capacity for up to 280 families. Construction of the buildings is currently ongoing, with completion slated for spring of 2017. A total of C\$18.8 Million has been budgeted to complete the relocation project, with the Company's share being about C\$14.1 Million. Villagers who relinquish their village leases will retain access to their farmland in return for a 75-year condominium lease.

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