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## SHAREHOLDER UPDATE

**Vancouver, British Columbia – August 12, 2015 - Majestic Gold Corp.** (“Majestic” or the “Company”) (TSX.V: MJS, FSE: A0BK1D) is pleased to provide the following shareholder update.

Majestic’s subsidiary, Majestic China Holdings Corp. (“Majestic China”), has entered into a non-binding Letter of Intent (“LOI”) with Yantai Baiheng Gold Mining Co. Ltd. (“Baiheng”) on the Shuang Shan Tun and Xia Yu Cun properties, located in the Muping-Rushan Gold Belt in Shandong Province, China.

The LOI is principally a due diligence agreement that allows Majestic China a 12 month detailed due diligence period, after which Majestic China has the option to enter into a definitive agreement for one or both of the properties. During the due diligence period, Majestic China will also hold the right of first refusal over any third party proposal similar in nature to those being contemplated.

Shuang Shan Tun and Xia Yu Cun are both small tonnage, medium-high grade underground gold projects that have been developed as small scale producers. Majestic China intends to determine the economic viability of larger scale development of either property on a joint venture basis.

The completion of the joint venture is subject to the completion of due diligence on exploration and development work completed on the properties to date, the completion of a scoping study-level evaluation of the properties, as well as the approval of the TSX Venture Exchange and all other required regulatory, corporate and security holder approvals. During the due diligence period and prior to entering into a definitive agreement with Baiheng, Majestic China does not have any obligations to Baiheng.

Further to the Company’s news release on August 6, 2014, Majestic’s operating subsidiary, Yantai Zhongjia Mining Co. Ltd. has received final government approval to expand its Mining License at its Songjiagou Gold Mine (“Songjiagou”) from 0.342 km<sup>2</sup> to 0.594 km<sup>2</sup>. In advance of this, work in the pit at Songjiagou has included the development of a second access road into the pit to enable increased haulage of waste to two new waste dump areas that have been acquired in close proximity to the pit.

All data contained in this news release has been reviewed and approved by Stephen Kenwood, P. Geo., who is a qualified person under the definitions established by National Instrument 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](http://www.sedar.com) and on the Company’s website at [www.majesticgold.com](http://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.*