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NEWS RELEASE

GOLD PRODUCTION UPDATE

Vancouver, British Columbia, February 23rd, 2012. Majestic Gold Corp. (the “Company”) (TSX.V:MJS, Frankfurt:P5E) is pleased to announce quarterly gold production results of its Chinese subsidiary, Yantai Zhongjia Mining Company Limited (“Zhongjia”) at the Song Jiagou property for the past five fiscal quarters beginning October 1, 2010 and ending December 31, 2011.

The following table highlights information relating to the operations at the Song Jiagou project:

	Quarter Ended				Total	Quarter Ended
	31-Dec-10	31-Mar-11	30-Jun-11	30-Sep-11	FY 2011	31-Dec-11
Milled (t)	116,584	118,488	284,131	454,183	973,386	397,739
Head grade (g/t)	0.364	0.262	0.309	0.277	0.295	0.330
Effective grade (g/t)	0.368	0.338	0.279	0.387	0.347	0.427
Concentrate produced (t)	1,255	1,084	2,693	6,653	11,685	6,009
Gold in concentrate (kg)	37.14	34.13	65.13	153.58	289.99	150.35
Gold for Sale (kg)	34.54	31.75	60.57	142.83	269.69	139.83
Gold for Sale (oz)	1,111	1,021	1,947	4,592	8,671	4,496
Gold Sold (kg)	37.65	28.35	58.88	105.22	230.10	120.10
Gold Sold (oz)	1,211	912	1,893	3,383	7,398	3,861

Notes:

- Increase in tonnes milled between the quarter ended 31-Mar-11 and the quarters ended 30-Jun-11 and 30-Sep-11 was a result of the commissioning of the new 6,000 tpd mill in May 2011. This mill was operated at various levels to properly test and fine-tune its operation through to the end of June.
- Effective grade is the net real grade or the mill through-put and is calculated by taking the sum of gold in concentrate plus gold lost to tails and dividing by tonnes milled. This grade has been significantly higher than the assayed values of the head grade. It is believed to be a

result of a significant free-gold component in the rock, which results in the nugget-effect on samples. The Company is looking to implement more detailed head grade sampling and assay procedures in an effort to reduce this error. (There is a good chance this error also occurs in the drill holes, as it is very hard to get representative holes).

- The slight decline in tonnes milled for the period ended 31-Dec-2011 is a result of the mill being shut down for maintenance for 7 days in October 2011.
- Total mill throughput averaged 4,925 tpd for the six months ended 31-Dec-11 or approximately 66.5% of total capacity.
- Gold production results were in line with the block model estimates and schedule provided by Wardrop in the Preliminary Assessment Technical Report ("PEA Report") released January 20, 2011. The Company is currently producing from areas considered to be waste in the PEA Report but given the price of gold and the contract mining agreement it has been determined that this material can be mined and generate positive cash flows. Once this material has been removed and either milled or stockpiled, the Company will commence mining the higher-grade material situated below it. During the calendar year ended December 31, 2011, the Company was processed all of the material that was mined from the pit. This was due to the lack of land where waste or low-grade material could be stockpiled. Recently, the Company secured an area to dump waste and low-grade material and plans are being initiated to increase the total tonnes removed from the pit. Majestic will continue to process the low-grade material to generate cash flows but expects to see a slow and steady increase in throughput and grade.

The geological and technical information contained in this news release has been reviewed and approved by Mike Hibbitts, P.Geo., who is a qualified person under the definitions established by National Instrument 43-101.

**On Behalf of the Board of Directors
MAJESTIC GOLD CORP.**

Signed "Rod Husband"

Rod Husband, P.Geo
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