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NEWS RELEASE

MAJESTIC COMPLETES \$10,000,000 LOAN FINANCING AND \$2,800,000 EQUITY FINANCING

Vancouver, B.C. – August 25, 2011 – Majestic Gold Corp. (the “Company”) (TSX.V: MJS.V) is pleased to announce that it has completed the convertible loan and equity financings announced in its news release of July 26, 2011. The Company derived gross proceeds of \$10,000,000 from the loan financing and issued 14,000,000 shares at the price of \$0.20 per share to derive gross proceeds of \$2,800,000 from the equity financing. No warrants were included in either financing.

In accordance with the loan agreement, loan proceeds of \$9,000,000 have been advanced by the Company to fund its Song Jiagou gold project in China. The Company has paid cash finders’ fees equal to 2.5% of the gross proceeds from the loan financing and 10% of the gross proceeds from the equity financing. The balance of the proceeds from the financings will be used for the Song Jiagou project and for general working capital purposes.

All shares issuable pursuant to the conversion of loan principal or interest will be subject to resale restrictions until December 11, 2011. All shares issued pursuant to the private placement will be subject to resale restrictions until December 16, 2011.

On behalf of the Board of Directors

MAJESTIC GOLD CORP.

Signed "Rod Husband"

Rod Husband, P.Ge
President

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