



306 - 1688 152nd Street
Surrey, British Columbia
Canada, V4A 4N2
Telephone: 604-560-9060
Facsimile: 604-560-9062
Email: info@majesticgold.com

MAJESTIC GOLD CORP. REPORTS 2017 Q3 RESULTS

Vancouver, British Columbia – August 24, 2017 - Majestic Gold Corp. (“Majestic” or the “Company”) (TSX.V: MJS, FSE: A0BK1D) reports its financial and operational results for the third quarter ended June 30, 2017. This release should be read in conjunction with the Company’s unaudited condensed consolidated interim financial statements and associated management discussion and analysis (“MD&A”) for the same period that are available on SEDAR (www.sedar.com) and www.majesticgold.com. The following financial results are expressed in US dollars unless otherwise stated.

OVERVIEW

- Gold production for the third quarter of 2017 was 6,977 ounces, a 39% increase over the third quarter of 2016, bringing total gold production for the nine month period ended June 30, 2017, to 18,630 ounces, a 5% increase over the 17,717 ounces produced in the 2016 comparative nine month period. Increased gold production can be attributed to the continued optimization of mining operations at the Songjiagou Gold Mine. The 2016 nine month comparative period had a one-time processing of approximately 30,000 tonnes of higher grade fine fraction material during the first quarter;
- Tonnes milled for the third quarter of 2017 were 366,240 tonnes with an average head grade of 0.58 g/t compared to 340,225 tonnes milled with an average head grade of 0.50 g/t for the 2016 comparative quarter. Tonnes milled for the nine months ended June 30, 2017, was 1,192,764 tonnes with an average head grade of 0.54 g/t compared to 1,201,106 tonnes milled with an average head grade of 0.51 g/t for the 2016 nine month comparative period;
- Gold sales revenue for third quarter of 2017 was \$8.1 million from the sale of 6,430 ounces at an average realized gold price of \$1,261 per ounce compared to gold sales revenue for the third quarter of 2016 of \$6.7 million from the sale of 5,305 ounces at an average realized gold price of \$1,260 per ounce. The 21% increase in gold sales revenue is due to the increase in the ounces sold. Total gold sales revenue for the first nine months of 2017 is \$21.6 million compared to the \$21.4 million for the 2016 comparative period;
- Total cash costs decreased by 29% to \$690 per ounce for the third quarter of 2017 compared to cash costs of \$976 per ounce for the third quarter of 2016. Total cash costs for the nine months ended June 30, 2017, were \$751, a 25% decrease compared to \$1,002 for the 2016 comparative nine month period. The decrease in cash costs also contributed to a 37% decrease of all-in sustaining costs (“AISC”) to \$789 per ounce for the third quarter of 2017 and a 22% decrease in AISC to \$863 for the nine month period ended June 30, 2017. The Company has been able to achieve lower total cash costs and AISC in fiscal 2017 through a combination of improved mining operations and renegotiation of its mining and milling agreement thereby lowering its overall mining and processing fees. See pages 14-15 of the Company’s MD&A for calculation of these “Additional Non-IFRS Financial Measures”;
- General and administrative (“G&A”) expenses were \$629,091 for third quarter of 2017 compared to \$716,261 for the 2016 comparative quarter; and

- The Company continues its underground development on the Songjiagou North property and has progressed in developing 1,000 meters of the 2,075 meter ramp. The Company anticipates the development to be completed at Songjiagou North in late fiscal 2018 or early fiscal 2019.

FINANCIAL INFORMATION

	Three months ended June 30,		Nine months ended June 30,	
	2017	2016	2017	2016
Operating data				
Gold produced (ozs)	6,977	5,007	18,630	17,717
Gold realized net of smelting fees (ozs)	6,531	4,661	17,302	16,844
Gold sold (ozs)	6,430	5,305	17,265	18,101
Average realized gold price (\$/oz sold) \$	1,261	\$ 1,260	\$ 1,252	\$ 1,181
Total cash costs (\$/oz sold) ⁽¹⁾	690	976	751	1,002
All-in sustaining costs (\$/oz sold) ⁽¹⁾	789	1,245	863	1,104
Financial data				
Total revenues	\$ 8,193,464	\$ 6,744,418	\$ 21,874,961	\$ 21,623,821
Gross profit ⁽²⁾	2,944,197	914,095	6,583,370	1,293,586
Adjusted EBITDA ⁽¹⁾	3,135,886	954,996	7,019,384	1,636,257
Net profit (loss)	1,477,267	(330,993)	3,182,823	(2,475,919)
Net profit (loss) attributable to shareholders	955,067	(310,520)	1,988,793	(2,313,552)
Basic and diluted gain (loss) per share	0.00	(0.00)	0.00	(0.00)
			June 30, 2017	September 30, 2016
Cash and cash equivalents			\$8,928,130	\$9,037,258
Total assets			100,221,243	93,305,139
Total debt			28,003,833	33,038,286

(1) See “Additional Non-IFRS Financial Measures” on pages 14-15 of the Company’s MD&A.

(2) “Gross profit” represents total revenues, net of cost of goods sold.

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.

For further information, please contact:

Stephen Kenwood, P.Geol., President and CEO

Telephone: (604) 560-9060

Email: info@majesticgold.com

Website: www.majesticgold.com

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 does not intend to update any forward-looking statements to conform these statements to actual results.