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MAJESTIC ANNOUNCES CHANGE IN USE OF THE NET PROCEEDS FROM GLOBAL OFFERING

Vancouver, British Columbia – August 23, 2024 - Majestic Gold Corp. (TSX.V: MJS, FSE: A0BK1D) (“**Majestic**”, together with its subsidiaries, the “**Company**”) announces with reference made to (i) the prospectus of Persistence Resources Group Ltd (the “**Persistence**”) dated December 14, 2023 in relation to the Global Offering (the “**Prospectus**”); (ii) the news release dated March 25, 2024 in relation to an LOI to acquire gold project through use of the net proceeds from Global Offering (the “**Net Proceeds**”); and (iii) the 2023 annual report of the Company dated March 28, 2024 (the “**Annual Report**”).

The Company hereby announces that after careful consideration and detailed evaluation of the Company’s operations and business strategy, it has resolved to change the use of the unutilised portion of the Net Proceeds in the manner as set out below.

CHANGE IN USE OF UNUTILISED NET PROCEEDS FROM GLOBAL OFFERING

The original intended purposes and uses of the Net Proceeds, which amounted to approximately HK\$218.3 million, were disclosed in the section headed “Future Plans and Use of Proceeds – Use of Proceeds” in the Prospectus, and further updated in the section headed “Management Discussion and Analysis – Use of Proceeds from Global Offering” in the Annual Report.

As at June 30, 2024, the Company has utilised approximately HK\$24.9 million of the Net Proceeds and the unutilised portion of the Net Proceeds amounted to approximately HK\$193.4 million (the “Unutilised Net Proceeds”). The original and revised allocation of the Net Proceeds is as follows:

Net Proceeds and utilisation

Business objective as stated in the Prospectus	% of the Net Proceeds	Actual amount available for utilisation <i>HK\$ million</i>	Utilised amount as of 30 June 2024 <i>HK\$ million</i>	Unutilised Net Proceeds as of 30 June 2024 <i>HK\$ million</i>	Revised allocation <i>HK\$ million</i>	Expected timeline for utilisation
Further construction of mining infrastructure in accordance with the mine optimisation plan of the Persistence	20.4%	44.5	15.3	29.2	29.2	By June 2025
Upgrade gold reserves to increase LoM through additional exploration activities at the existing mine area of the Persistence	2.0%	4.4	0	4.4	4.4	By December 2024
Expand the business of the Persistence through selective acquisitions of gold mining assets	55.0%	120.1	0	120.1	147.6	By February 2025
Repayment of existing bank loans guarantees	12.6%	27.5	0	27.5	Reallocated to acquisitions	N/A
Working Capital	10.0%	<u>21.8</u>	<u>9.6</u>	<u>12.2</u>	<u>12.2</u>	By December 2025
Total	100.0%	<u>218.30</u>	<u>24.9</u>	<u>193.4</u>	<u>193.4</u>	

Note: The portion initially allocated for repayment of existing bank loans guarantees is reallocated to the expansion of the business of the Persistence through selective acquisitions of gold mining assets. Other than that, the Group has no other changes to the use of the Unutilised Net Proceeds.

On the basis of the change in use of Unutilised Net Proceeds as set out in the table above, the Company currently expects to fully utilise the Unutilised Net Proceeds by December 31, 2025. The expected timeline for utilising the Unutilised Net Proceeds is based on the best estimation of the commercial market situations made by the Company and may be subject to changes based on the market conditions.

REASONS FOR THE CHANGE IN USE OF PROCEEDS

As originally disclosed in the section headed “Future Plans and Use of Proceeds – Use of Proceeds” in the Prospectus, approximately 12.6% of the Net Proceeds was allocated to repay certain borrowings of the Company from Huaxia Bank Co., Ltd. Yantai Branch (the “**Original Repayment Plan**”).

However, pursuant to the recent regulatory updates from the State Administration of Foreign Exchange of the PRC or its local branch (the “SAFE”), the whole application process of the Original Repayment Plan has been significantly extended. As such, the Company has resolved to (i) use internal source of fund (denominated in RMB) of the Company for the repayment of existing bank loans, in order to comply with the repayment schedule of such existing bank loans; and (ii) reallocate the whole portion of the Unutilised Net Proceeds which is originally intended for loan repayment to the expansion of the business of the Company through selective acquisitions of gold mining assets, resulting an increase of such portion from approximately HK\$120.1 million to approximately HK\$147.6 million.

The Company confirms that there are no material changes in the nature of the business of the Company as set out in the Prospectus. The Company believes that the above change in the use of the Unutilised Net Proceeds will not have any material adverse impact on the operations of the Company, and such change will allow the Company to deploy its financial resources more efficiently and enhance the business performance in the long run. The Company has no other changes to the plan for utilising the remaining net proceeds from Global Offering other than as disclosed in this announcement.

About Majestic Gold

Currently focused 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.sedarplus.ca 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