

Vancouver, British Columbia / TheNewswire / February 29, 2016 - [Majestic Gold Corp.](#) ("Majestic" or the "Company") (TSX.V: MJS, FSE: A0BK1D) reports its financial and operational results for the first quarter, ended December 31, 2015. This release should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and associated management discussion and analysis 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 from the Songjiagou Gold Mine was 7,213 ounces for the three months ended December 31, 2015, compared to 5,064 ounces produced for the comparative period. The increase of gold production for the current period can be primarily attributed to the recovery and processing of approximately 30,000 tonnes of fine fraction material of a higher grade than the overall grade of ore throughput to the mill for the current period. The fine fraction material was recovered following the crushing process of waste material (less than 0.30 g/t Au), that was sold to a third party for road construction. The crushing process of the waste material creates both a coarse fraction material, which is used for road building, as well as a fine fraction material that is mainly comprised of the matrix of the conglomerate, where gold mineralization is concentrated at Songjiagou Gold Mine. The Company expects gold production to return a quarterly production range of 5,000 ounces until it has fully implemented its grade control program and optimized mine plan;

-Tonnes milled for the three months ended December 31, 2015, were 418,550 tonnes with an average head grade of 0.58 g/t, compared to 431,686 tonnes milled, with an average head grade of 0.42 g/t, for the comparative period. The tonnes milled for the current quarter included approximately 30,000 tonnes of fine fraction material of a higher grade than the overall grade of ore throughput at the mill thereby increasing the average head grade for the current period. The Company estimates the average head grade will decrease to the range of 0.45 g/t ounces in the subsequent quarters until the grade control program and optimized mine plan are in place;

-Gold sales revenue was \$4.4 million for the three months ended December 31, 2015, from the sale of 3,537 ounces, at an average realized gold price of \$1,233 per ounce, compared to gold sales revenue of \$6.8 million from the sale of 5,466 ounces, at an average realized gold price of \$1,237 per ounce, for the comparative period. Gold revenue decreased in the current period due to 1,929 fewer ounces being sold as compared to the prior period;

-Total cash costs were \$1,033 per ounce and total production costs were \$1,284 per ounce for the three months ended December 31, 2015, compared to cash costs of \$1,138 per ounce and production costs of \$1,254 per ounce for the comparative period. The decrease in cash costs for the current period, over the comparative period, is due primarily to the increased average head grade, thereby lowering the average cost per ounce produced. The Company expects the grade control program will allow for continued improvement in the average head grade during 2016, thereby lowering the average cash cost per ounce;

-The Company continues to control its general and administrative ("G&A") expenses which were \$707,370 for three months ended December 31, 2015, compared to \$753,718 for the comparative period; and

-On January 28, 2016, the Company granted 27,700,000 stock options at an exercise price of CAD\$0.12 exercisable for a term of five years under normal vesting terms.

FINANCIAL INFORMATION

	Three months ended	Three months ended
	December 31,	December 31,
	2015	2014
Operating data		
Gold produced (ozs)	7,213	5,064
Gold realized net of smelting fees (ozs)	6,976	4,795
Gold sold (ozs)	3,537	5,466
Average realized gold price (\$/oz sold)	\$ 1,233	\$ 1,237
Total cash costs (\$/oz sold) (1)	1,033	1,138

All-in sustaining costs (\$/oz sold) (1)	1,242	1,276
Financial data		
Total revenues	\$ 4,444,460	\$ 6,762,892
Gross profit (loss) (2)	(96,178)	(92,371)
Net loss attributable to shareholders	(548,999)	(924,188)
Basic and diluted loss per share	(0.00)	(0.00)
	December 31,	September 30,
	2015	2015

Balance Sheet

Cash and cash equivalents	5,260,025	9,679,291
Total assets	94,318,685	96,825,793
Total debt	30,998,442	23,595,001

1. (1) See "Additional Non-IFRS Financial Measures" in the Company's MD&A.
2. (2) "Gross profit (loss)" represents total revenues, net of cost of goods sold.

PRODUCTION RESULTS

	Three months ended December 31, 2015	Three months ended December 31, 2014
Production data		
Tonnes mined	540,605	434,092
Tonnes milled	418,550	431,686
Head grade (g/t)	0.58	0.42
Mill recovery	91%	88%
Gold produced (ozs)	7,213	5,064
Gold realized, net of smelting fees (ozs)	6,976	4,795

Stephen Kenwood, President and CEO of [Majestic Gold Corp.](#), is the Company's Qualified Person as defined by National Instrument 43-101 and is the non-independent Qualified Person that has reviewed and approved the technical information contained in this news release.

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.

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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

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