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## **MAJESTIC GOLD CORP. ANNOUNCES INCREASE TO PRIVATE PLACEMENT**

**Vancouver, British Columbia - December 16, 2016 - Majestic Gold Corp.** ("Majestic" or the "Company") (TSX.V: MJS, FSE: A0BK1D) is pleased to announce that due to demand from investors, the previously announced non-brokered private placement of up to 30 million units ("Units") of the Company at a purchase price of C\$0.135 per Unit, has been fully subscribed and paid for. The Company now proposes to increase the size of the offering from C\$4.05 million to up to C\$10 million or 74,074,074 Units. The Units have the same terms as previously announced. Each Unit will comprise one common share (a "Share") of the Company and one common share purchase warrant (a "Warrant"). Each Warrant will be exercisable to acquire one additional Share at a price of C\$0.155 per Share for a period of two years from the closing.

Proceeds from the private placement will be used to partially fund construction of housing for inhabitants of two villages that are being relocated due to their close proximity to the Songjiagou open pit operation and for general working capital purposes.

The private placement is subject to regulatory approval, and all Shares issued in connection with the private placement will be subject to a four-month and one day hold period under applicable securities laws.

### **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](http://www.sedar.com) and on the Company's website at [www.majesticgold.com](http://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*