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MAJESTIC GOLD CORP. REPORTS 2015 ANNUAL RESULTS AND OPTION GRANT

Vancouver, British Columbia – January 28, 2016 - Majestic Gold Corp. (“Majestic” or the “Company”) (TSX.V: MJS, FSE: A0BK1D) announces its financial and operational results for the year ended September 30, 2015. The following financial results are expressed in US dollars unless otherwise stated.

This release should be read in conjunction with the Company’s audited consolidated financial statements for the years ended September 30, 2015, and 2014 and associated Management Discussion and Analysis (“MD&A”) which are available on SEDAR www.sedar.com and on the Company’s website www.majesticgold.com.

OVERVIEW

- Gold production from the Songjiagou Gold Mine was 19,488 ounces in fiscal 2015, a 1% decrease in production, compared to 19,630 ounces produced in the fiscal 2014;
- Tonnes of ore milled was 1.6 million tonnes in fiscal 2015, with an average head grade of 0.43 g/t, compared to 1.6 million tonnes milled, with an average head grade of 0.42 g/t, in fiscal 2014;
- Gold sales revenue was \$22.4 million in fiscal 2015, from the sale of 18,133 ounces, at an average realized gold price of \$1,235 per ounce, compared to gold sales revenue of \$23.5 million in fiscal 2014, from the sale of 18,165 ounces, at an average realized gold price of \$1,291 per ounce. The average realized gold price in fiscal 2015 decreased by 4%, over the comparative year, reflecting the continued decline in the gold price during the current year;
- Total cash costs were \$1,210 per ounce and total production costs were \$1,347 per ounce in fiscal 2015, compared to cash costs of \$1,165 per ounce and production costs of \$1,302 per ounce in fiscal 2014. The 4% increase cash and production costs, in fiscal 2015, were due primarily to an increase in waste removal costs. Fiscal 2015 had a full 12 months of waste removal costs, compared to only 6 months in fiscal 2014 as the Company did not begin implementation of its grade control program until April 2014. The Company expects the grade control program to allow for improvement of the average head grade, and thereby lowering the average cash and production costs per ounce;
- General and administrative expenses (“G&A”) were \$3.3 million in fiscal 2015, a 42% decrease when compared to \$5.7 million of G&A expenses for fiscal 2014. The decrease reflects the Company’s continued efforts of spending reductions implemented in fiscal 2014;
- On August 12, 2015, the Company announced receiving final government approval to expand its Mining License at Songjiagou, expanding the Mining License boundaries from 0.342 km² to 0.594 km²;
- On January 21, 2016 the Company announced it had filed an amended technical report titled "Independent Technical Report of Songjiagou Project, Shandong Province, The People's Republic of China" dated January 19, 2016 as prepared by SRK Consulting (China) Ltd.

FINANCIAL INFORMATION

	Year ended September 30, 2015	Year ended September 30, 2014
Operating data		
Gold produced (ozs)	19,488	19,630
Gold realized net of smelting fees (ozs)	17,986	18,320
Gold sold (ozs)	18,133	18,165
Average realized gold price (\$/oz sold)	\$ 1,235	\$ 1,291
Total cash costs (\$/oz sold) ⁽¹⁾	1,210	1,165
All-in sustaining costs per ounce (\$/oz sold) ⁽¹⁾		
Financial data		
Total revenues	\$ 22,595,313	\$ 23,816,403
Gross profit ⁽²⁾	(1,824,830)	168,615
Net loss attributable to shareholders	(4,855,689)	(6,309,931)
Basic and diluted loss per share	(0.01)	(0.01)
Cash and cash equivalents	6,981,718	8,812,166
Total assets	95,679,706	96,725,413
Total debt	30,297,103	22,311,047

(1) See "Additional Financial Measures" in the Company's MD&A.

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

PRODUCTION RESULTS

	Year ended September 30, 2015	Year ended September 30, 2014
Production data		
Tonnes mined	1,673,484	1,714,722
Tonnes milled	1,578,797	1,628,609
Head grade (g/t)	0.43	0.42
Mill recovery	88.6%	88.2%
Gold produced (ozs)	19,488	19,630
Gold realized, net of smelting fees (ozs)	17,986	18,320

OPTION GRANT

Majestic further reports that pursuant to the Company's shareholder approved stock option plan, the Directors have today granted stock options to directors, employees and consultants on 27,700,000 shares of the Company's capital stock, exercisable for up to five years at a price of \$0.12 per share. The options granted will vest under normal vesting terms and will be subject to any applicable regulatory hold periods.

All technical information contained in this news release has been reviewed and approved by Stephen Kenwood, P. Geo., who is a director of the Company and a qualified person under the definitions established by NI 43-101.

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:

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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