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## SHAREHOLDER UPDATE

**Vancouver, British Columbia – August 6, 2014 - Majestic Gold Corp.** (“Majestic” or the “Company”) (TSX.V: MJS, FSE: AOBK1D) is pleased to announce an update on activity at the Company’s Songjiagou Gold Mine (“Songjiagou”) located in Shandong Province, China.

Majestic is working toward executing on a development scenario from the August 2013 SRK Consulting (China) Ltd. Preliminary Economic Assessment (“PEA”) that envisioned production of up to 7,400 tpd utilizing existing infrastructure. It has been determined that the other scenarios outlined in the SRK PEA are not attainable without significant capital investment and will therefore not be considered for the foreseeable future.

Majestic continues to work on the implementation of a grade control program, for which the Company has increased its mining personnel with the addition of mining engineers, surveyors, samplers, as well as adding several staff members to the onsite assay facility. The assay facility currently handles approximately 50 mill process samples per day and has an approximate daily processing capacity of 150 samples. It is expected that the additional staff will allow for additional daily blast hole samples to be prepped and assayed onsite. To that end, the Company is working with the drilling contractor to make final adjustments to the blast hole drills in order to collect samples from each of the blast holes.

The blast hole sampling forms the basis of the grade control program, assays from the blast holes will be immediately available during the loading cycle allowing lower grade material to be separated from the throughput to the mill and removed as waste. This is particularly crucial at Songjiagou as visually ore and waste are not discernibly discrete. The operation’s mining contractor, Yantai Dahedong Processing Co. Ltd. has also identified a nearby waste disposal area allowing for the disposal of Songjiagou’s waste material.

In addition, Majestic’s operating subsidiary, Yantai Zhongjia Mining Co. Ltd. (“Zhongjia”) has received preliminary government approval to expand the footprint of the open pit at Songjiagou to the boundaries of the Mining License, from 0.342 km<sup>2</sup> to 0.594 km<sup>2</sup>. Zhongjia is working with the government through the approval process and anticipates receiving final approval during the next four to six months. In anticipation of receiving approval, aspects of the current mining activity are being directed toward readying the pit for the expansion.

The geological and technical information contained in this news release has been reviewed and approved by Stephen Kenwood, P. Geo., who is a qualified person under the definitions established by National Instrument 43-101.

### **About Majestic Gold**

Majestic Gold Corp. is a Vancouver, BC based company currently focused solely in China and engaged in commercial gold production at the Songjiagou Gold Mine in Yantai, China. The mine is an open pit and underground operation. 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*

### **Production Disclaimer**

*The Company's production decision was not based on a feasibility study of mineral reserves demonstrating economic and technical viability. The Company's production decision was made based on the open pit optimization resource model set out in the Preliminary Economic Assessment ("PEA"), which takes into account the relatively low mining costs negotiated by the Company. The pit optimization that was conducted in the preliminary assessment generated a production schedule summary at grade cut-off of 0.30 gram per tonne Au.*

*The PEA includes the inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary assessment will ever be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.*