502 – 535 Thurlow Street
Vancouver, B.C. CANADA V6E 3L2
Telephone: 604-681-4653
Facsimile: 604-568-4902
Email: info@majesticgold.net

February 1, 2013 TSX.V: MJS, FSE: A0BK1D

Majestic Gold Corporate Update

Vancouver, British Columbia - Majestic Gold Corp. (TSX.V: MJS, FSE: A0BK1D) ("Majestic" or the "Company") is pleased to announce the appointment of Mr. Gengshu Miao to the Company's Board of Directors.

Mr. Miao is a senior economist who spent his entire career in the mining and investment sectors in China. He has held a number of senior positions in the Chinese mining industry, including President of China National Metals and Minerals Import and Export Corporation (now China Minmetals Corp.) from September 1997 through December 2004. China Minmetals is an international metals and mining company with a business scope covering 26 nations and regions worldwide. It employs 17,700 employees and controls 9 listed companies with total assets of RMB 242.1 Billion (C$38 Billion). It ranks 169th among the Fortune Global 500 and 4th among metal companies (see www.minmetals.com). From May 1990 to September 1997 Mr. Miao served as Vice-Director of the Shanghai Foreign Economic and Trade Commission. Prior to that, he held several senior management positions at Shanghai Metals and Minerals Import and Export Corporation (1966 to 1990).

Mr. Miao also served as a member of The National Committee of the Chinese People's Political Consultative Conference, a political advisory body that typically meets annually to make important national level political decisions. He was also a Chairman of Sinotrans & CSC Holdings Co. Ltd. From 2005 to 2011, Sinotrans was engaged in the integrated logistics, shipping and ship building businesses in China (see www.sinotransship.com). Mr. Miao is currently the President of the China Council for International Investment Promotion ("CCIIP"), a position he has held since 2006. CCIIP is a national organization responsible for promoting China's inward and outward investment in a manner which is in line with China's economic strategies. CCIIP reports directly to the Ministry of Commerce (see www.cciip.org.ch).

"We are extremely honoured to have Mr. Miao join Majestic" said Rod Husband, President. "His participation in the Company is a confirmation of the Company's recognition in China. Mr. Miao will be actively assisting management in the pursuit of Company initiatives in China and Hong Kong, including dealings with the Chinese Government on permitting issues, merger and acquisition opportunities, potential financing for such opportunities within Asia and sponsorship for a potential application for listing on the Hong Kong Stock Exchange." For those services the Company will be compensating Mr. Miao C$10,000 per month. Mr. Miao will also receive an option grant when the Company next grants incentive stock options.

The Company's Board of Directors will now consist of Mr. Miao, Rod Husband, P. Geo, President and Chief Executive Officer, Mike Hibbitts, P. Geo, Rudy Brauer, Gurm Sangha and Shaohui Chen. Mr. Miao's appointment remains subject to acceptance by the TSX Venture

Exchange. Terry King has stepped down from the Board to create a vacancy for the appointment of Mr. Miao, but will continue as the Company's corporate legal counsel. Paul Reynolds, P. Geo, will continue as the Company's Chief Operating Officer and Tom Needham will continue as the Company's Chief Financial Officer. Messrs. Husband, Hibbitts, Brauer and Chen comprise the Company's Audit Committee, and Messrs. Hibbitts, Brauer and Sangha comprise the Company's Compensation Committee.

Song Jiagou Gold Mine – Production Results

Majestic is also pleased to announce that it has filed its audited financial statements for the year ended September 30, 2012. Highlights of the fourth quarter and of the current fiscal year are listed below. To review details of the financial statements and Management's Discussion & Analysis for the financial year ended September 30, 2012, please visit the Company's website at www.majesticgold.net or go to www.sedar.com. All dollar figures are in United States dollars unless otherwise indicated.

2012 Fourth Quarter Highlights

- Record gold revenue of $13.6 million
- Gold production of 4,849 ounces[1*]
- Gold sales of 8,204 ounces

2012 Highlights

- Revenue increased by 197% to $31,670,269 in 2012 from $10,651,076 in 2011
- Gold production from the Song Jiagou gold mine increased by 119% from 8,671 ounces in 2011 to 18,969 ounces in 2012
- Gold sales from the Song Jiagou gold mine increased by 152% from 7,398 ounces in 2011 to 18,607 ounces in 2012

Corporate Review and Update

Majestic is also pleased to provide the following review and to outline management's plans for 2013.

Milestones Achieved at Song Jiagou Gold Mine

Majestic reviews the following significant milestones in the development of the Song Jiagou Gold Mine, located near Yantai, in Shandong Province of China, since February 2010, when it negotiated an agreement for its subsidiary to acquire 100% ownership of Yantai Zhongia Mining Enterprise ("**JVCo**" or "Zhongia"), which in turn owns the Mine.

- April, 2010 – Majestic announced an updated NI 43-101 compliant resource estimate for the Song Jiagou property (24.9 million tonnes @ 1.25g/t) [1,002,694 oz Au] indicated and

---

[1*] The difference between the number of actual gold produced ounces vs. the number reported in the financial statements is due to the International Financial Reporting Standards where smelting and refining charges are not considered expenses, but are applied to reduce production

28.1 million tonnes @1.883 g/t [1,703,174 oz Au] inferred), which represented a 138% increase in tonnage and a 112% increase in contained gold from the 2006 reserve estimate (both prepared by Wardrop Engineering Inc.);

- August, 2010 – Majestic Yantai completed its acquisition of JVCo, giving Majestic a 94% indirect ownership interest in JVCo, and JVCo acquired the Mining Permit for Song Jiagou;
- August, 2010 - JVCo commenced commercial mining operations pursuant to a mining agreement with Dahedong Mill under which Dahedong agreed to provide all mining, transporting and processing services for the Mine, including the use of Dahedong's two ball mills (1,200 and 200 tonnes per day) and all of its mining machinery and equipment, and, in return, Dahedong became entitled to 25% of JVCo's net profits and a fixed fee of approximately C$11.50 per tonne to cover its mining costs;
- August, 2010 – Construction of a new 6,000 tonne per day mill commenced, with costs shared 75/25 between JVCo and Dahedong, and JVCo having the option to fund its share of costs through capital contributions by Majestic or by applying Majestic Yantai's 75% share of net profits from production, with a 10% carrying charge applying to capital costs covered by Dahedong and to be repaid from net profits;
- September, 2010 – JVCo completed "reclaimed mining" - i.e. clean-up of stopes underground and materials remaining in the open pit – and commenced open pit mining at the rate of 1,400 tonnes per day, while Majestic negotiated a reduction of the mining fee payable to Dahedong, and a sliding scale based on grade, to incent Dahedong to focus on mining higher grade material (news release dated Feb. 24, 2010);
- October, 2010 – based on the new formula for the mining fee, an updated NI 43-101 compliant resource estimate was announced (33.7 million tonnes @ 1.147g/t) [1,244,211 oz Au] indicated and 38.8 million tonnes @1.467 g/t [1,830,576 oz Au] inferred), which represented a significant increase in tonnage and contained gold from the updated resource announced in April, 2010 (both prepared by Wardrop Engineering Inc.);
- January, 2011 – Majestic published results for its financial year ended September 30, 2010 - Gold revenue from the Mine was $5.7 million on the sale of 4,399 ounces Au at an average realized price of $1,221 per ounce;
- January, 2011 – Majestic announced receipt of a Positive Preliminary Assessment from Wardrop which stipulated a net present value of US$525 million using a 10% discount rate, an internal rate of return of 78.6% and total gold production of 2.324 million ounces (average 105,645 oz/year) over a mine life of 22 years (new release dated January 20, 2011);
- March, 2011 - Majestic published results for the three month period ended December 31, 2010 - Gold revenue from the Mine was $1,899,832 on the sale of 1,403.48 ounces;
- April, 2011 – Majestic announced commissioning of the 6,000 tonne per day mill at an initial throughput of 3,000 tonnes per day to supplement the existing 200 tpd and 1,200 tpd mills already in operation;
- May, 2011 - Majestic published results for the three month period ended March 31, 2011 - Gold revenue from the mine was $1,217,359 on the sale of 1,036.86 ounces;
- August, 2011 - Majestic published results for the nine month period ended June 30, 2011 - $5,653,884 on the sale of 4,208 ounces ($2,536,693 on the sale of 1,767.66 ounces for the three month period ended June 30, 2011);
- January, 2012 - Majestic published results for its financial year ended September 30, 2011 -$11.2 million (2010 - $5.7 million) on the sale of 7,398 (2010 – 4,399) ounces at an average realized price of $1,518 (2010 – $1,221) per ounce. Mining continued to

constitute the cleanup of stopes underground and materials remaining in the open pit left by the former mine owner, and the Company continued the process of preparing its mining plan. The tailings dam was fully completed and all tailings lines and water return systems were in place and in use;

- February, 2012 – Majestic published results for the three month period ended December 31, 2011 - Gold revenue from the Mine was $6,675,058 on the sale of 3,861 ounces; Majestic also announced that mill throughput averaged 4,925 tpd for the six months ended December 31, 2011, that gold production results were in line with the block model estimates and schedule set out in the Preliminary Assessment, and that it intended to implement more detailed head grade sampling and assay procedures in an effort to reduce discrepancies between the assayed value of the head grade ore and the higher effective grade determined from assays of concentrate, believed to be the result of significant free-gold component in the rock;
- May, 2012 - Majestic published results for the three month period ended March 31, 2012 - Gold revenue from the Mine was $5,838,648 (2011 - $1,235,254) on the sale of 3,327 ounces (2011 – 1,037 ounces);
- August, 2012 - Majestic published results for the three month period ended June 30, 2012 - Gold revenue from the Mine was $6,797,853 (2011 - $2,620,658) on the sale of 3,215 ounces (2011 – 1,893 ounces); (Additional results are summarized in news releases dated August 30, 2012 and November 14, 2012).

A Preliminary Economic Assessment in the form of an NI 43-101 Technical Report dated February 2011 forecasts an average production for the life of mine at a rate in excess of 100,000 ounces of gold per year based on certain assumptions. (Wardrop Engineering Inc. NI 43-101 Technical Report dated February 2011). Pursuant to the terms of the Zhongjia joint venture, Majestic is entitled to 70.5% of net profits from gold sales.

The Company continues to follow its mine plan developed in July 2011 and is currently mining and processing low grade material from the top of the main ore body. Production for the year ended September 30, 2012 totaled 18,969 oz gold. Currently all mined material is being processed regardless of grade until the Company completes its planned upgrade to the on-site assay lab. The upgrade was on hold for some period now due to the absence of the Company's Vice-President, Exploration as a result of illness and given the difficulty in obtaining qualified personnel to replace him. The upcoming upgrade is expected to allow the mill operators to more closely monitor grades and direct mining activities. Additional personnel have now been retained and management recently returned from Yantai where meetings were held with the operator to finalize plans for the lab and look at possible improvements to quality assurance programs. It is not expected that the Vice-President, Exploration will be able to return to work in the near term. Nonetheless, the Company anticipates contracting the work for the proposed upgrades in early 2013. The objective is to lower cut-off grade, improve waste management and increase mill throughput using the pit optimization model developed by Wardrop, with the intention of ultimately ramping up production to the 100,000 oz/year range. In that regard, the Company's representatives in China continue to work closely with SRK Beijing on an application to the Chinese Government to expand the mining zone and mining permit to 7,400 tpd.

Sawayerdun Sale - Final Payment Received

Majestic Gold is pleased to report that it has received the final installment of the purchase price payable to it, pursuant to the sale of its interest in the Sawayaerdun gold project in China in 2009.

On April 21, 2009, the Company announced that it had entered into an agreement to sell its 72% interest in the Sawayerdun project to its Chinese co-venturers. That agreement, which provided for payment of the purchase price in three installments, was accepted for filing by the TSX Venture Exchange (the "TSXV") on May 14, 2009. The Company subsequently received payments of ¥22,500,000 (~C$3,513,922) and ¥13,500,000 (~C$2,108,353), and it has now received the final payment of ¥4,950,000 (~$C790,000). Those funds have been paid to the JV Company controlled by Majestic and will remain on deposit with the JV Company, in China, until the Company's representatives have complete the procedures required to facilitate payment to the Company in Canada. That process is under way.

Financial Review

Majestic has raised a total of approximately $73,000,000 since September 30, 2010. The following are the milestones in that regard:

At September 30, 2009, the Company had working capital of $2,438,396 after taking into account its obligation to repay the $1,656,389 balance of an outstanding at the time unsecured note issued during 2008. The Company did not raise additional capital during its financial year ended September 30, 2010, and as of that date, the loan obligation, including principal, accrued interest and unpaid fees, totaled $2,215,615. As a result, with cash of $1,791,845 on hand, the Company had a working capital deficiency of $975,436 as at September 30, 2010.

In October 2010, the Company received proceeds of $9,554,014 from the exercise of 95,540,140 share purchase warrants. On November 3, 2010, the Company repaid the loan and accrued interest and fees in its entirety.

On August 10, 2011, the Company completed a non-brokered private placement consisting of 14,000,000 common shares at CAD$0.20 per share for gross proceeds of $2,800,000. Thereafter, 151,979,413 share purchase warrants were exercised for gross proceeds of $15,197,941.

On July 26, 2011 the Company arranged a $10,000,000 convertible loan. A total of $9,000,000 from the proceeds from the loan were used to advance the Song Jiagou project, including capital expenses associated with mill construction, and the balance of $1,000,000 was reserved for general working capital purposes. On November 3, 2011, the $10,000,000 loan and loan interest in the amount of $437,500 was converted into common shares of the Company at $0.205 per share.

Pursuant to the non-brokered private placement announced on June 20, 2012, the Company distributed 197,500,000 units ("Units") at a price of CAD$0.18 per Unit to raise gross proceeds of $35,550,000.

As a result, the Company has paid off the majority of its 75% share of capital expenses associated with the construction of the new Mill at Song Jiagou gold mine, estimated at approximately $45,000,000, leaving it with approximately $3,800,000 remaining to be paid. In addition, Zhongia remains indebted to three Chinese banks for approximately $13,316,710 used to fund capital expenditures.

Corporate Matters

The Company, encouraged by its Asian investors and its financial advisors, has for some time been making investigations into the requirements for a Hong Kong Stock Exchange listing. The Company's financial advisors have suggested that the Company's value will be more readily recognized in Hong Kong and China than has been the case in North America, where a "China discount" seems to apply. The Company has increased its efforts in that regard since completing its equity financing during July, 2012. To date, Company representatives have met with prospective sponsors and lawyers, and have identified the requirements to be met to qualify for a listing in Hong Kong. One of those requirements is considered to be the issuance of a mining permit which will increase the permitted tonnage from 1,400 tonnes per day to 7,400 tonnes per day. In addition, it has been recommended that the Company wait until results from mining operations have proved the Optimized Pit Model on which the PEA is based. The Company has therefore determined that it is premature at this time to make a formal application for listing, but such a listing would greatly enhance the Company's exposure in Asia, and in China in particular, and management intends to continue to work with its contacts in Hong Kong with the objective of satisfying the listing requirements as soon as practicable. However, there can be no assurance that the Company will make an application for such a listing or, if such an application is made, that it will be successful.

Also on advice from its financial advisors and prospective sponsors, the Company has initiated a formal search for potential merger and acquisition opportunities ("M&A"). The principal purpose of any such transaction would be primarily to add ounces and grow the Company's assets. Ancillary benefits might include additions to management and additional financial resources, and the Company is working with its Asian contacts to establish a basis for M&A financing in the event that a suitable opportunity is presented. In that regard, Majestic continues to receive the services of Deloitte & Touche Finance Advisory Services Limited, Beijing Branch in respect of M&A activities, particularly in the nature of identifying and analyzing potential targets. Under the terms of that arrangement, Majestic has committed to pay Deloitte a Work Fee of $30,000 per month until July 31, 2013. If Deloitte introduces Majestic to a target company that ultimately becomes the subject of an M&A transaction with Majestic, Majestic has agreed, subject to acceptance by the TSX Venture Exchange, to pay Deloitte a Success Fee equal to:

- 3% of the Transaction Consideration where the Transaction Consideration is less than or equal to C$50 million;
- 2.5% of the Transaction Consideration where the Transaction Consideration is greater than C$50 million but less than or equal to C$100 million;
- 2.0% of the Transaction Consideration where the Transaction Consideration is greater than C$100 million, subject to a maximum of $4,000,000.

For this purpose, "Transaction Consideration" means the aggregate value of all consideration paid to security holders and/or creditors of the Target. All Work Fees will be deducted from any Success Fee otherwise payable in respect of the M&A transaction. If a Fairness Opinion is required in connection with an M&A transaction, Deloitte will arrange for an affiliated office to provide it and any fee payable to that office will also be deducted from the Success Fee.

Also on advice from its financial advisors and prospective sponsors, the Company has initiated discussions to exchange a 25% interest in JVCo for the 25% net profits interest currently held by Dahedong. Management is of the view that such an exchange will benefit the Company by obligating Dahedong to contribute 25% of future capital expenses and, ultimately, to simplify the corporate structure, including for the Mining Permit application and presentation to the Hong Kong Stock Exchange. The Company has engaged in discussions with Dahedong, but has not yet reached any agreement with Dahedong on this matter. Any agreement which is reached will be subject to acceptance by the TSXV. There can be no assurance that any such agreement will be reached or that, if an agreement is reached, it will be acceptable to the TSXV.

In response to various internet postings which have been brought to its attention, the Company advises that it does not have undisclosed drill results from Song Jiagou. During 2009, a small amount of drilling was done by contractors for Muping, the Company's former JV partner. This was primarily a geotechnical drill program designed around a Chinese prepared underground mine plan. Majestic was not involved with the drill program, did not have a Qualified Person ("QP") on site and did not approve or participate in the drill program. Majestic also attributed little merit to any plan for an underground mine. Subsequent to the drill program, selected samples were analyzed by Muping. Some of those results were provided to Majestic, but to the extent they could be relied upon (as results obtained by a third party) they simply confirmed the presence of low grade gold mineralization in quantities similar to the average grade of the deposit, which had previously been disclosed by Majestic in NI 43-101 compliant reports. They were therefore not material and they were not published. All NI 43-101 compliant results from Song Jiagou have been disclosed and are reflected in the PEA.

Goals for 2013:

1. Continue to increase production levels at Song Jiagou towards our production goal of 100,000 ounces per year through grade control:
   - Removal of low-grade material at top of resource (nearing completion);
   - Construction of modern and large capacity assay lab on site to accommodate sufficient blast hole assays (in progress);
   - Completion of detailed topographical surveys for detailed pit modeling (in progress).
2. The Company is working closely with SRK Beijing on an application to the Chinese Government to expand the mining zone and mining permit to 7,400 tpd this fall.
3. The Company will continue to search out potential merger and acquisition opportunities.
4. The Company is investigating a potential listing on the Hong Kong Stock Exchange ("HKSE") for better valuations and reduced share dilution in future M&A's.

There can be no assurance that the aforementioned goals and objectives will be achieved.

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

About Majestic Gold

Currently focused solely in China, Majestic Gold Corp. is a Vancouver, BC based company engaged in commercial gold production at the Song Jiagou gold mine in Yantai, China. Majestic Gold has forecast an average production for the life of mine at a rate in excess of 100,000 ounces of gold per year. (Wardrop Engineering Inc. NI 43-101 Technical Report dated February 2011). Additional information on the Company and its projects is available at www.sedar.com and on the Company's website at www.majesticgold.net.

On Behalf of the Board of Directors
MAJESTIC GOLD CORP.

Signed *"Rod Husband"*

Rod Husband, P.Geo
President

Contact:
Investor Relations: (604) 681-4653 or 1-866-282-8398
Email: info@majesticgold.net or visit our Website: www.majesticgold.net

Cautionary Notes

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore, involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.

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.

Open pit optimization was carried out using Whittle 4.3 which uses a series of Lerchs Grossman (LG) pit shells at different prices of gold to optimize the size of the pit while maximizing net present value (NVP) of the deposit. The resulting LG shells generated the highest discounted cash flow from the ore body at *varying prices of gold. The LG shell used for optimization does not apply practical mining considerations and constraints.*

The strategic planning using the generated LG pit resulted in Wardrop identifying the "potentially minable" resources within the proposed preliminary production schedule.

The optimization was based on a gold price of $973 per ounce and an exchange rate of $1.000 (U.S.) to $1.087 (Canadian).

The Song Jiagou resource estimate was carried out using industry--standard procedures and a geological interpretation of the deposit that, to the extent possible, reflected observations of grade distributions. Modeling of the deposit is uncertain, however, because it is difficult to establish with a high level of confidence the area of influence of higher--grade gold values. The risk remains, therefore, that the geological model may overstate the distribution of high--grade gold values. If future mining demonstrates that this is in fact the case, then the model may overstate anticipated gold grades. Because the probability of this outcome is unknown, the level of uncertainty must also be unknown.

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, the Company does not intend to update any forward-looking statements to conform these statements to actual results.