



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

June 20, 2012

NEWS RELEASE

MAJESTIC NEGOTIATES \$35,550,000 EQUITY FINANCING

Vancouver, B.C. – June 20, 2012 – Majestic Gold Corp. (“Majestic” or the “Company”) (TSX.V: MJS) is pleased to announce it has negotiated a non-brokered private placement (the “Offering”) of \$35,550,000 through the sale of 197,500,000 units (“Units”) at the price of \$0.18 per Unit.

Each Unit will consist of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company for a period of 24 months from closing at an exercise price of \$0.20.

The Offering will be led by NewMargin Ventures, a leading venture capital management company in China. Several other Asian-based investors will subscribe for the remaining portion of the Offering.

About NewMargin

NewMargin's team consists of seasoned professionals with a combination of deep industry knowledge and strong investment experience. They are headquartered in Shanghai and have offices in Beijing.

Founded in July 1999, NewMargin Ventures offers a unique and compelling combination of strong local and national government support within an organizational culture defined by independent decision-making, professionalism, and teamwork. NewMargin currently has about \$1.5 billion under management with a high quality list of domestic and foreign investors. They are the first venture capital management company in China that manages and advises both domestic and offshore funds.

Financial Advisor to the Company

Majestic is pleased to announce it has further engaged Deloitte to act as its financial advisor to pursue M&A transactions that will maximize shareholder value. Potential transactions may include the acquisition of Asia Pacific gold projects with the aim of building a strong gold-focused group in the region. Deloitte also advised Majestic on the financing as part of its current mandate.

Majestic President and CEO Rod Husband stated, "we are very pleased to have concluded this financing with such a highly respected group as NewMargin as lead investor. This has enabled us to build a strong Asian shareholder base as we look to expand our presence in the region. We are also pleased to be working with Deloitte on this important advisory mandate to build a world-class portfolio of projects. Deloitte has a leading global M&A franchise focused on the mining sector. Their strong presence in critical Asian markets is especially important as Majestic looks to add further projects and grow both its gold production and development-stage project pipelines. The combination of strong financing partners and the knowledge and expertise of Deloitte have all of us at Majestic very excited about the future."

Jeremy South, Deloitte's Global Mining M&A Leader commented "Our team of Mining M&A professionals in Asia will work closely with the Majestic management team to deliver its goal of building an intermediate gold producer in Asia Pacific. We look forward to leveraging our global reach and expertise to assist Majestic."

Completion of the Offering is subject to TSX Venture Exchange acceptance. The Company will pay finders' fees in cash and securities in connection with the Offering, in accordance with Exchange Policy. All securities issued pursuant to the Offering will be subject to a four-month hold period from the closing date. The proceeds from the private placement will be used to finance capital expenditures at the Company's Song Jiagou mineral project, for evaluation and acquisition of additional projects and/or companies, and for general working capital.

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

Neither 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.