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MAJESTIC GOLD CORP. PROVIDES UPDATE ON PRODUCTION OPTIMIZATION PROGRAM AT SONGJIAGOU GOLD MINE

Vancouver, British Columbia – January 8, 2015 - Majestic Gold Corp. (“Majestic” or the “Company”) (TSX.V: MJS, FSE: A0BK1D) is pleased to provide a corporate update for its Songjiagou Gold Mine (“Songjiagou”) operations in Shandong Province, China.

The Company's main priority in 2015 will be the optimization of commercial gold production at Songjiagou through the adoption of strict grade control and mining procedures that are intended to facilitate higher gold output and the realization of lower production costs.

This optimization program has become even more important given the fact the Company recently obtained approval for a 42% expansion in the area available for open pit mining operations.

Management's longer term objective is to become a China-based mid-tier gold producer through incremental production increases at Songjiagou and by way of acquisitions and/or strategic alliances.

Additions to Technical Team

The Company has strengthened its technical team at Songjiagou with the addition of former staff from the consulting firm SRK (China) (“SRK”).

The additions to the Songjiagou technical team include Yong Huang (senior mining engineer), Zhenxing Deng (geologist), Xiangyu Yue (mining engineer) and Yunhe Liu (computer engineer).

Mr. Huang is a senior mining engineer with extensive production experience and will assume the role of Advisor to Majestic. Mr. Deng is a senior geologist with resource calculation and production experience, while Mr. Liu has extensive geotechnical and mining software experience. Both Mr. Deng and Mr. Liu have been employed full time by Yantai Zhongjia Mining Co. Ltd. (“Zhongjia”), a subsidiary of Majestic. While at SRK, they worked with Mr. Huang on both the Songjiagou Preliminary Economic Assessment (see news release issued August 21, 2013) and are therefore very familiar with the project

Significant progress has already been made in the optimization program at the mine including the installation of a comprehensive modeling and mine planning software platform. The new staff members are working with existing engineering and geological personnel to ramp-up the grade control program and to complete a more comprehensive mine plan that will factor in the increase in size of the open pit. To that end, a new survey team has completed a more accurate 3D-laser survey of the entire mining license and the villages on either side of the pit. All survey and blast hole assay data are now being inputted into the modeling and mine planning software and will form the basis of the updated mine plan.

"The addition of these former SRK professionals to our team at Songjiagou will provide ongoing site-based technical support to mine operations, while allowing for the timely implementation and completion of our optimization program," said Stephen Kenwood, President and CEO of Majestic Gold Corp.

"Currently mill head grades are averaging about 0.4 g/t, about one third of the calculated resource grade, so our initial goal of achieving an increase in head grade of 50-100% would have a very positive impact on production costs and overall profitability," Kenwood reiterated.

Village Relocation

Majestic's subsidiary, Zhongjia, has secured approval from residents of nearby Songjiagou and Fayunkang villages to relocate to a site that has been approved for residential construction. A third village was relocated several years ago to facilitate construction of the tailings disposal site. The current village relocation plan is necessary due to their close proximity to the active open pit which is in the process of being expanded from 0.342 to 0.594 km².

The two villages include the residences of approximately 180 families who are sustained by agriculture, primarily apple orchards. A new site has been purchased to facilitate construction of condominiums for the village residents who will relinquish their village leases but will retain their farmland in return for a 75 year condominium lease.

Officials from the Company and its mining contractor have had preliminary discussions with local banks and representatives from the "New Village Relocation Construction Program," a government program that encourages village residential upgrading, concerning the village relocation scheme.

Stephen Kenwood, President and CEO of Majestic Gold Corp. is the Company's Qualified Person as defined by National Instrument 43-101 and is the non-independent Qualified Person responsible for the preparation of this news release.

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.

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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

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