

Form 51-102F3
Material Change Report
Under Subsection 7.1(1) of National Instrument 51-102

Item 1 **Reporting Issuer**

Majestic Gold Corp.
306 – 1688 152nd Street
Surrey, BC, V4A 4N2
(the “Company”)

Item 2 **Date of Material Change**

August 26, 2016

Item 3 **News Release**

A news release was issued on August 26, 2016 through FSC Wire.

Item 4 **Summary of Material Change**

Majestic Gold Corp. (“Majestic” or the “Company”) (TSX.V: MJS, FSE: A0BK1D) reports its financial and operational results for the third quarter ended June 30, 2016. This release should be read in conjunction with the Company’s unaudited condensed consolidated interim financial statements and associated management discussion and analysis for the same period that are available on SEDAR (www.sedar.com) and www.majesticgold.com. The following financial results are expressed in US dollars unless otherwise stated.

Item 5 **Full Description of Material Change**

5.1 **Full Description of Material Change**

MAJESTIC GOLD CORP. REPORTS THIRD QUARTER 2016 RESULTS

Vancouver, British Columbia – August 26, 2016 - Majestic Gold Corp. (“Majestic” or the “Company”) (TSX.V: MJS, FSE: A0BK1D) reports its financial and operational results for the third quarter ended June 30, 2016. This release should be read in conjunction with the Company’s unaudited condensed consolidated interim financial statements and associated management discussion and analysis for the same period that are available on SEDAR (www.sedar.com) and www.majesticgold.com. The following financial results are expressed in US dollars unless otherwise stated.

2016 THIRD QUARTER OVERVIEW

- Majestic’s adjusted EBITDA was \$901,633 in the third quarter of fiscal 2016, (2015 – (\$388,598)) based on improved gold production, and reduction in total cash costs per ounce. Total adjusted EBITDA for the nine months ended June 30, 2016, was \$1.6 million (2015 – (\$390,868)). Refer to pages 14-15 of the Company’s MD&A for the computation of this Non-IFRS financial measure;
- Gross profit for the third quarter ended June 30, 2016, was \$914,095 compared to a gross loss of \$436,386 for the third quarter of 2015. Gross profit for the nine months ended June 30, 2016, was \$1,293,586 (2015 - (\$293,474));
- Gold sales revenue was \$6.7 million for third quarter of fiscal 2016, from the sale of 5,305 ounces, at an average realized gold price of \$1,260 per ounce, compared to gold sales revenue of \$2.8 million from the sale of 2,251 ounces, at an average realized gold price of \$1,239 per ounce, for the third quarter of fiscal 2015;
- Gold production from the Songjiagou Gold Mine was 5,006 ounces for the third quarter of fiscal 2016, compared to 4,605 ounces produced in the third quarter of fiscal 2015;
- For the third quarter of fiscal 2016, cash costs were \$976 per ounce (2015 - \$1,290), and all-in sustaining costs (“AISC”) were \$1,272 per ounce (2015 - \$1,551);

- Tonnes milled for the third quarter of 2016, were 340,225 tonnes with an average head grade of 0.50 g/t, compared to 374,457 tonnes milled, with an average head grade of 0.43 g/t, for the third quarter of 2015;
- General and administrative (“G&A”) expenses were \$716,261 for the third quarter of fiscal 2016 (2015 Q3 - \$637,416); and
- The Company entered into a new two year non-binding Letter of Intent (“LOI”) with Yantai Baiheng Gold Mining Co. Ltd. (“Baiheng”) on July 11, 2016, The July 11, 2016 LOI supersedes the August 6, 2015 LOI and allows the Company an additional 24 months for due diligence on the Shuang Shan Tun and Xia Yu Cun properties, located in the Muping-Rushan Gold Belt in Shandong Province, China.

PRODUCTION RESULTS

	Three months ended June 30,		Nine months ended June 30,	
	2016	2015	2016	2015
Production data				
Tonnes mined	344,470	386,408	1,262,942	1,205,445
Tonnes milled	340,225	374,457	1,201,106	1,170,375
Head grade (g/t)	0.50	0.43	0.51	0.42
Mill recovery	90%	89%	90%	88%
Gold produced (ozs)	5,006	4,605	17,717	14,476
Gold realized, net of smelting fees (ozs)	4,661	4,246	16,844	13,517

FINANCIAL INFORMATION

	Three months ended June 30,		Nine months ended June 30,	
	2016	2015	2016	2015
Operating data				
Gold produced (ozs)	5,006	4,605	17,717	14,476
Gold realized net of smelting fees (ozs)	4,661	4,246	16,844	13,517
Gold sold (ozs)	5,305	2,251	18,101	12,217
Average realized gold price (\$/oz sold)	\$ 1,260	\$ 1,239	\$ 1,181	\$ 1,264
Total cash costs (\$/oz sold) ⁽¹⁾	976	1,290	1,002	1,165
Total production costs (\$/oz sold) ⁽¹⁾	1,099	1,432	1,123	1,288
All-in sustaining costs (\$/oz sold) ⁽¹⁾	1,272	1,551	1,219	1,333
Financial data				
Total revenues	\$ 6,744,418	\$ 2,787,430	\$ 21,623,821	\$ 15,440,165
Gross profit ⁽²⁾	914,095	(436,386)	1,293,586	(293,474)
Adjusted EBITDA ⁽¹⁾	901,633	(388,598)	1,636,257	(390,868)
Net loss attributable to shareholders	(310,520)	(903,034)	(2,313,552)	(2,371,478)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
			June 30,	September 30,
			2016	2015
Cash and cash equivalents			\$ 10,330,617	\$ 6,981,718
Total assets			93,432,975	95,679,706
Total debt			31,970,515	30,297,103

(1) See “Additional Non-IFRS Financial Measures” in the Company’s MD&A.

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

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 that has reviewed and approved the technical information contained in 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.

5.2 Disclosure for Restructuring Transactions

Not Applicable

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

This report is not being filed on a confidential basis

Item 7 Omitted Information

No information has been intentionally omitted from this form.

Item 8 Senior Officers

For further information, contact James Mackie, Chief Financial Officer & Corporate Secretary of the Company at 604-560-9060.

Item 9 Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Surrey, British Columbia, on August 26, 2016.

Majestic Gold Corp.

By: "James Mackie"
James Mackie,
CFO and Corporate Secretary