

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**

January 27, 2017

Item 3 **News Release**

A news release was issued on January 27, 2017 through FSC Wire.

Item 4 **Summary of Material Change**

Majestic Gold Corp. (“Majestic” or the “Company”) (TSX.V: MJS, FSE: A0BK1D) announces its financial and operational results for the year ended September 30, 2016. The following financial results are expressed in US dollars unless otherwise stated.

This release should be read in conjunction with the Company’s audited consolidated financial statements for the years ended September 30, 2016, and 2015 and associated Management Discussion and Analysis (“MD&A”) which are available on SEDAR www.sedar.com and on the Company’s website www.majesticgold.com.

Item 5 **Full Description of Material Change**

5.1 **Full Description of Material Change**

MAJESTIC GOLD CORP. REPORTS 2016 ANNUAL RESULTS

Vancouver, British Columbia – January 27, 2017 - Majestic Gold Corp. (“Majestic” or the “Company”) (TSX.V: MJS, FSE: A0BK1D) announces its financial and operational results for the year ended September 30, 2016. The following financial results are expressed in US dollars unless otherwise stated.

This release should be read in conjunction with the Company’s audited consolidated financial statements for the years ended September 30, 2016, and 2015 and associated Management Discussion and Analysis (“MD&A”) which are available on SEDAR www.sedar.com and on the Company’s website www.majesticgold.com.

OVERVIEW

- Gold production from the Songjiagou Gold Mine was 22,975 ounces for 2016 (2015 – 19,488), a 18% increase in production over the prior year;
- Gross profit for 2016 was \$1,741,197 compared to a gross loss of (\$1,824,830) for 2015, a gross profit increase of \$3,566,027, 195% increase over the prior year;
- Gold sales revenue was \$27.5 million for 2016, from the sale of 22,924 ounces, at an average realized gold price of \$1,198 per ounce, compared to gold sales revenue of \$22.4 million from the sale of 18,133 ounces, at an average realized gold price of \$1,235 per ounce, for 2015. The increase was due to increased gold sales and partially offset by the lower realized gold price;
- Net loss for 2016 was \$3,277,816 (2015 – (\$6,328,834)), a net loss decrease of \$3,051,018;
- Majestic’s adjusted EBITDA was \$1,851,687 for 2016, (2015 – (\$2,431,956)). Refer to pages 19-20 for the computation of this Non-IFRS financial measure;

- For 2016, cash costs were \$1,014 per ounce (2015 - \$1,210), and all-in sustaining costs (“AISC”) were \$1,174 per ounce (2015 - \$1,411);
- Tonnes milled for 2016 were 1,619,876 tonnes with an average head grade of 0.49 g/t, compared to 1,578,797 tonnes milled, with an average head grade of 0.43 g/t, for 2015;
- General and administrative (“G&A”) expenses were \$3,036,630 for 2016 (2015 -\$3,335,927); a decrease of 9% over the comparative year;
- 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; and
- On December 16, 2016, the Company closed a non-brokered private placement financing for total proceeds of \$9,787,500 by the issuance of 72,500,000 units at \$0.135 per unit. Each unit consisted of one common share and one common share purchase warrant entitling the holder to purchase an additional common share at \$0.155 for a period of two years after the closing. Proceeds from the private placement will be used to partially fund construction of housing for inhabitants of two villages that are being relocated due to their close proximity to the Songjiagou open pit operation and for general working capital purposes.

FINANCIAL INFORMATION

	Year ended September 30,	
	2016	2015
Operating data		
Gold produced (ozs)	22,975	19,488
Gold realized net of smelting fees (ozs)	21,644	17,986
Gold sold (ozs)	22,924	18,133
Average realized gold price (\$/oz sold)	\$ 1,198	\$ 1,235
Total cash costs (\$/oz sold) ⁽¹⁾	1,014	1,210
Total production costs (\$/oz sold) ⁽¹⁾	1,137	1,347
All-in sustaining costs (\$/oz sold) ⁽¹⁾	1,174	1,411
Financial data		
Total revenues	\$ 27,801,966	\$ 22,595,313
Gross profit (loss) ⁽²⁾	1,741,197	(1,824,830)
Adjusted EBITDA ⁽¹⁾	1,851,687	(2,431,956)
Net loss	(3,277,816)	(6,328,834)
Net loss attributable to shareholders	(2,914,351)	(4,855,689)
Basic and diluted loss per share	(0.00)	(0.01)
Cash and cash equivalents	9,037,258	6,981,718
Total assets	93,305,139	95,679,706
Total debt	33,038,286	30,297,103

PRODUCTION RESULTS

	Year ended September 30,	
	2016	2015
Production data		
Tonnes mined	1,662,583	1,673,484
Tonnes milled	1,619,876	1,578,797
Head grade (g/t)	0.49	0.43
Mill recovery	90%	88.6%
Gold produced (ozs)	22,975	19,488
Gold realized net of smelting fees (ozs)	21,644	17,986

All technical information contained in this news release has been reviewed and approved by Stephen Kenwood, P. Geo., who is a director of the Company and a qualified person under the definitions established by NI 43-101.

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 January 27, 2017.

Majestic Gold Corp.

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