

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**

February 24, 2017

Item 3 **News Release**

A news release was issued on February 24, 2017 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 first quarter, ended December 31, 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 2016 ANNUAL RESULTS

Vancouver, British Columbia – February 24, 2017 - Majestic Gold Corp. (“Majestic” or the “Company”) (TSX.V: MJS, FSE: A0BK1D) reports its financial and operational results for the first quarter, ended December 31, 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.

OVERVIEW

- Gold production from the Songjiagou Gold Mine for the three months ended December 31, 2016, was 5,841 ounces, compared to 7,213 ounces produced for the comparative period. The decrease in gold production in the current period over the comparative period is primarily attributed to approximately 30,000 tonnes of higher grade fine fraction material that was processed in the comparative period;
- Tonnes milled for the three months ended December 31, 2016, were 413,310 tonnes with an average head grade of 0.48 g/t, compared to 418,550 tonnes milled, with an average head grade of 0.58 g/t, for the comparative period. The lower average head grade, for the current period over the comparative period, is due to the processing of approximately 30,000 tonnes of higher grade fine fraction material at the mill in the comparative period;
- Gold sales revenue for the three months ended December 31, 2016 was \$4.1 million, from the sale of 3,119 ounces, at an average realized gold price of \$1,280 per ounce, compared to gold sales revenue, for the comparative period, of \$4.4 million from the sale of 3,537 ounces, at an average realized gold price of \$1,233 per ounce. The 8% decrease in gold sales revenue for the current period is due to a 12% drop in the number of ounces and partially offset by a 4% increase in the average realized gold price over the comparative period;

- Cash costs were \$854 per ounce and production costs were \$1,009 per ounce for the three months ended December 31, 2016, compared to cash costs of \$1,033 per ounce and production costs of \$1,284 per ounce for the comparative period. The decrease in both the cash and production costs for the current period over the comparative, is due primarily to a lower volume of waste material produced at mine and thereby reducing waste removal costs;
- General and administrative (“G&A”) expenses were \$684,746 for three months ended December 31, 2016, compared to \$707,370 for the comparative period;
- On December 21, 2016, the Company closed a non-brokered private placement financing of 72,500,000 units at CAD\$0.135 per unit for total subscription proceeds of CAD\$9,787,500. Each unit consisted of one common share and one common share purchase warrant entitling the holder to purchase an additional common share at CAD\$0.155 for a period of two years after the closing. The 72,500,000 units were issued in January 2017. 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; and
- During the current period, the Company began development on the Songjiagou North property.

FINANCIAL INFORMATION

	Three months ended December 31, 2016	Three months ended December 31, 2015
Operating data		
Gold produced (ozs)	5,841	7,213
Gold realized net of smelting fees (ozs)	5,408	6,976
Gold sold (ozs)	3,119	3,537
Average realized gold price (\$/oz sold)	\$ 1,280	\$ 1,233
Total cash costs (\$/oz sold) ⁽¹⁾	854	1,033
Total production costs (\$/oz sold) ⁽¹⁾	1,009	1,284
All-in sustaining costs (\$/oz sold) ⁽¹⁾	1,053	1,219
Financial data		
Total revenues	\$ 4,078,820	\$ 4,444,460
Gross profit (loss) ⁽²⁾	933,189	(96,178)
Adjusted EBITDA ⁽¹⁾	811,703	165,067
Net profit (loss)	319,700	(662,080)
Net profit (loss) attributable to shareholders	146,491	(548,999)
Basic and diluted loss per share	0.00	(0.00)
	December 31,	September 30,
Balance Sheet		
Cash and cash equivalents	\$ 5,274,060	\$ 9,037,258
Total assets	97,990,089	93,305,139
Total debt	32,525,305	33,038,286

PRODUCTION RESULTS

	Three months ended December 31, 2016	Three months ended December 31, 2015
Production data		
Tonnes mined	437,022	540,605
Tonnes milled	413,310	418,550
Head grade (g/t)	0.48	0.58
Mill recovery	90%	91%
Gold produced (ozs)	5,841	7,213
Gold realized, net of smelting fees (ozs)	5,408	6,976

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 February 24, 2017.

Majestic Gold Corp.

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