

MAJESTIC GOLD CORP.

**Management Discussion and Analysis pertaining to the
Interim Financial Statements for the Six Months ended March 31, 2009**

1.1 DATE OF REPORT: JUNE 1, 2009

This Management Discussion and Analysis (“MD&A”) should be read in conjunction with the audited consolidated financial statements of Majestic Gold Corp. (“Majestic” or the “Company”) for the years ended September 30, 2008 and 2007, and the related notes thereto, and the unaudited interim consolidated financial statements for the six months ended March 31, 2009, and the related notes thereto, which are prepared in accordance with Canadian generally accepted accounting principles. All dollar amounts herein are expressed in Canadian Dollars unless stated otherwise.

Additional information about the Company and its business activities is available on SEDAR at www.sedar.com.

1.2 NATURE OF BUSINESS AND OVERALL PERFORMANCE

Majestic Gold Corp. is a TSX Venture Exchange listed company involved in mineral exploration. The Company is engaged in locating, acquiring, exploring and, if warranted, developing natural resource properties with a particular emphasis on properties which may contain economic reserves of precious metals. The properties in which the Company has an interest are currently in the exploration stage. As at March 31, 2009, all of the Company’s current property interests are in China.

As at March 31, 2009, the Company had current assets totaling \$272,960. During the six months ended March 31, 2009 (“interim 2009”), the Company incurred \$1,723,726 of cash expenditures on its mineral property interests bringing total mineral property interests to \$18,673,534.

Description of Company’s Mineral Property Interests

The Company believes that opportunities exist in China to participate in joint ventures with local companies to continue exploration of properties that were once funded by the central government.

Sawayaerdun Property

In August 2003 the Company entered into a letter of intent on the Sawayaerdun Gold Project in the northwestern Chinese province of Xinjiang, which was followed up by a joint venture contract that was signed on November 7, 2003 with the Xinjiang Bureau of Geology and Mineral Resources (“XBGMR”). Terms of the deal originally allowed for a 90% owned subsidiary of the Company to earn an undivided 90% interest on the Sawayaerdun property by making exploration expenditures of US\$2 million over four years. In further negotiation on the mineral license with XBGMR, an undivided 80% interest has been retained in the Sawayaerdun property for exploration.

The Sawayaerdun Gold Project is located in the Chinese province of Xinjiang, approximately 200 kilometres north of the city of Kashi, a major centre along the Silk Road. The property is within the Tian Shan Gold Belt, one of the world’s most prolific gold districts, hosting numerous large gold deposits including the 140 million ounce Muruntau deposit in Uzbekistan and the 17 million ounce Kumtor deposit in Kyrgyzstan.

The geology at Sawayaerdun consists of Silurian and Devonian aged carbon bearing and carbonaceous sandstones and phyllites. Dominant structures include: northeasterly trending anticlines and synclines; northeasterly trending thrust and strike-slip faults; and north-northwest trending block faulting which offset northeasterly structures. The main gold showing discovered during exploration by the XBGMR is

the #IV Zone, which can be traced on surface through outcrop and trenches for over 4.0 kilometres and represents a northeast trending fault zone.

The Sawayaerdun project currently hosts an indicated 17,967,204 tonnes grading 1.16 grams per tonne (667,196 ounces) and inferred resource 24,377,485 tonnes grading 1.09 grams per tonne (851,941 ounces) using 0.5-gram-per-tonne cut-off, contained in Zone IV, one of 22 mineralized shear zones that have been identified on the property.

This resource estimate was produced in accordance with National Instrument 43-101, and the Canadian Institute of Mining, Metallurgy and Petroleum standards on mineral resources, and mineral reserves definitions and guidelines by an independent third party, Wardrop Engineering Inc., Greg Z. Mosher, PGeo. The data used in this study were collected by Majestic Gold during its 2004 and 2005 exploration programs that included 8,939 metres of drilling in 46 holes and 20 trenches along a two-kilometre section of Zone IV.

On January 2, 2008, Majestic Gold Corp. released results from its 2007 exploration program on the Sawayaerdun gold project in Xinjiang province, western China. Included in the results from the program was a high-grade grab sample collected from an area known as Gargoyle gulch on the north side of the licence. A sample of thin massive sulphide (two centimetres to five centimetres thick) was collected from outcrop there containing 86.2 grams per tonne gold (2.77 ounces per tonne gold), 33,878 grams per tonne silver (1,089 ounces per tonne silver), and 29 per cent copper for a total value of approximately \$20,500 per tonne (*), as well as 25.2 per cent antimony.

This zone was previously unrecognized and was discovered in 2006 by the company's surface prospecting. "We are very encouraged by this new discovery at Sawayaerdun, the high-grade grab sample demonstrates that it is possible to find a much higher-grade resource on the project than previously thought," said John Zimmerman, head of exploration.

Majestic also completed a 648-metre, six-hole surface core drill program at Sawayaerdun thus far. Drilling tested the possible continuation of Zone IV to the southeast, as well as one hole each into Zone I-I, Zone V and Zone XVI. Hole SWD07-56 tested Zone IV approximately 190 metres south of the nearest intercept and intersected 21 metres of 1.01 grams per tonne gold from 47 metres to 68 metres. Hole SWD07-55 was drilled on Zone V, an untested shear zone just southwest of Zone IV, and intersected 18 metres of 1.71 grams per tonne gold from 59 to 77 metres. The other four drill holes did not return significant assay results.

In addition, Majestic conducted sampling along paths cut for drill access. These returned significant anomalies around the southern extension of Zone IV and near Zone I. Samples were collected from outcrop and subcrop, and contained values individual assays of up to 3.1 grams per tonne gold from three metres of material.

All core from the 2007 drill program was logged, split, stored and shipped under the supervision of Dr. John Doucette, PhD (Geol). All samples were stored in Majestic's local office, and packaged and freighted directly to SGS Tianjin Geochem Lab, China, for analysis. The samples were assayed using a standard six-element ICP package and gold analysis was conducted by standard fire assay.

(*) Metal value is not indicative of economic feasibility or of the grade of any deposit or mine. Results from historic samples and assays are not 43-101-compliant and readers are advised to use caution. Future results may differ materially from historic results.

On January 9, 2008, Majestic Gold Corp. announced that it had engaged a Chinese engineering firm, China ENFI Engineering Corporation, to complete a technical report on its Sawayaerdun gold project in Xinjiang province, western China.

The technical report, dated December 2007, was done to Chinese standards and will provide information to help the company formulate its plans to further advance the project to a stage where a development decision can be made.

In addition, Majestic has also begun construction of a year-round access road to the Sawayaerdun project in order to allow for work to continue without interruptions. The continuous access to Sawayaerdun will allow the company to expedite the project plans and shorten its timelines significantly. Construction of this 35km all-weather road was completed in the Spring/Summer 2008. Connecting the town of Ulugqat with the property, the road allows for year-round access, isn't reliant on low water conditions and will result in a smaller impact on the environment by keeping vehicles outside of the river channels.

In the fall of 2008, a trenching program begun, as well as focusing on improving access to the Gargoyle Gorge area in the Northern portion of the property. 8 small trenches along the ridge line of the steep Gargoyle Gorge were dug. Access was extremely difficult due to the rugged and steep terrain of the area which prevented trenches from being fully realized. A 1.5 kilometre, 4 x 4 access road was built to an elevation of 3,800 metres to provide access to the area.

Trenching results were limited in scope and value. The road and trenches exposed few areas of geologic/mineralogic interest. Assay results were sent to SGS in Tianjin, but failed to provide meaningful results.

It is management's belief that the Sawayaerdun project has excellent potential for a production situation and our goal is to advance it as quickly as possible. The Chinese technical report would form an excellent baseline to work from in terms of areas to focus our efforts for ongoing exploration and development

Shandong Properties

In May 2004, 90% owned subsidiaries of the Company entered into cooperation agreements on two gold projects in the Chinese province of Shandong. The Fushan and Muping projects are situated on the Jiaodong peninsula in Shandong Province, along the southeastern margin of the North China craton.

The Fushan agreement covers a 17 square kilometre exploration license underlain by cretaceous granites where gold is hosted in shear zones. Under the terms of the agreement with Shandong Yantai Fushan DJY Gold Mine, China ("DJY"), a 90% owned subsidiary of Majestic has the right to earn a 60% interest in the mineral property by contributing exploration and development costs to Yantai Jinfu Mining Inc., a Chinese co-operation company. Yantia Jinfu Mining Inc. will hold a 100% interest in the property and geological information to be contributed by the current owner, DJY. Majestic's subsidiary has fully vested at 60% in the co-operation company, having spent a minimum of approximately US\$2.44 million in exploration and/or development. Majestic and DJY received final Chinese government approval for this co-operation company in early March 2005. During the three months ended December 31, 2007, the Company abandoned the Fushan property.

The Muping agreement was originally comprised of 13 exploration licenses and 2 mining licenses that cover over 75 square kilometres and are located proximal to three major northeast-southwest trending faults and are underlain by both the Archean and Proterozoic basement and granite intrusions. Currently, small scale mining at Muping is taking place on two of the licenses, where the Company's partner is

extracting gold ore from quartz veins and from sulfide rich shears formed in Cretaceous conglomerates overlying the basement rocks. Grades in the veins ranges from 5 to 9 grams per tonne and grades in the sulfide rich shears range from 3 to 5 grams per tonne. Terms of the agreement provide a 90% owned subsidiary of Majestic with the ability to earn a 60% interest in a co-operation company, Yantai Zhongjia Mining Inc., which will hold a 100% interest in the property that will be contributed by the current owner, Shandong Yantai Muping Gold Mine. The Company received final Chinese government approval for this co-operation company in early March 2005. Majestic's subsidiary will vest at 60% in the co-operation company after completing a minimum of approximately US\$4.26 million in exploration and/or development over four years.

Majestic also has an interest in three additional exploration licenses in the Shandong Province. This interest is held through Majestic Zhaoyuan Gold Ltd. ("Zhaoyuan"), a 90% owned subsidiary of Majestic. Zhaoyuan has a 70% interest in Yantai Ludi Jingang Gold Mining Inc., an unincorporated Chinese entity. The other 30% is held by the Chinese partner, China Shandong No. 3 Mineral and Geological Exploration Institute (the "No. 3 Institute"). The No. 3 Institute holds the three exploration licenses which will be transferred to Yantai Ludi Jingang Gold Mining Inc. once it meets the minimum investment contributions which are required to be made for it to qualify as a formally established entity. TSA has an option to acquire 50% of Majestic's interest in these licenses.

On October 17, 2007 Majestic Gold Corp. announced that it had received final results from the revised National Instrument 43-101 resource estimate on its Song Jiagou project, located in the Shandong province of Eastern China. The revised estimate increases the Song Jiagou resource by 285 per cent to 1,174,460 ounces of gold from 413,900 ounces (Majestic news in Stockwatch dated April 25, 2006).

Included in the revised resource estimate are indicated 8,007,999 tonnes at 1.668 grams per tonne gold (429,497 ounces) and inferred 18,142,799 tonnes at 1.277 g/t (744,963 ounces), using a 0.5-gram-per-tonne cut-off based on an inverse distance squared interpolation. This brings the total gold resource within Majestic's joint venture projects to 2.7 million ounces, including its 1,519,137-ounce Sawayaerdun deposit in Xinjiang province in Western China (Stockwatch news dated May 17, 2006). A total of three statistical methods were used to calculate the resource and each produced similar results as shown in the table.

The revised resource estimate was produced in accordance with National Instrument 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum standards on mineral resources and mineral reserves definitions and guidelines by an independent third party, Wardrop Engineering Inc., Greg Z. Mosher, PGeo. The data used were collected by Majestic in its 2004, 2005 and 2006 exploration programs, in addition to data collected by joint venture partner Shandong Yantai Muping Gold Mine (Muping Mining), and totaled 14,881 gold assays.

Song Jiagou Revised Resource Estimate at 0.5 g/t Cut-Off

Calculation Method	Category	Tonnes (t)	Ounces (oz)	Grade (g/t)
Inverse Distance	Indicated	8,007,999	429,497	1.668
	Squared Interpolation	18,142,799	744,963	1.277
Kriged Method	Indicated	8,780,199	412,754	1.462
	Inferred	18,186,999	736,252	1.259

Nearest Neighbour	Indicated	6,705,399	423,453	1.964
	Inferred	17,685,199	784,745	1.380

The management of the Company is very pleased to see the gold resources are consistent with our expectations for the property. In the coming months, the management intends to move towards production at our Song Jiagou project and this resource estimate reinforces our belief this deposit is a candidate for a bulk-tonnage open pit operation.

In 2007, the exploration program included drilling of 1834 meters and trenching of 3238 meters to further define the mineralized zone. Results of this program are expected to be released shortly.

The company has been pilot milling at a rate of approximately 250 tonnes per day since October 2007. The material has come from a pit rehabilitation phase where the segregation of ore and waste have been impractical and so the results, while encouraging, are not suitable for release.

The company has engaged Wardrop Engineering Inc. to provide a revised resource estimate in accordance with National Instrument 43-101 and Canadian Institute of Mining, Metallurgy and Petroleum standards on mineral resources and mineral reserves definitions and guidelines.

On November 14, 2007 Majestic Gold Corp. announced that it entered into an agreement to allow for the commencement of a bulk sampling program on its Song Jiagou project. The three-party agreement is between Yantai Zhongjia Mine Development Enterprise (Majestic's 60-per-cent Chinese joint venture company), Muping Gold Mine (Majestic's joint venture partner) and Dahedong Smelter Mill.

The agreement can be summarized as follows:

- Dahedong will provide immediate access to one 300-tonne-per-day mill (mill No. 1) and access, from Aug. 1, 2008, to one 1,200-tonne-per-day mill (mill No. 2) for the exclusive use of Zhongjia.
- The exclusive use on the mills is temporarily set as 30 years. As consideration for providing access to the mills, Dahedong will be entitled to 20 per cent of the net profit, after tax, of mill No. 2.
- Once the total output of the mills (the total output of mills No. 1 and No. 2, and any new mills established on the property, reaches 3,000 tonnes a day, Zhongjia shall have the right to continue paying Dahedong 20 per cent of the net profit of mill No. 2 (the after-tax profit) as the royalty or negotiate for the purchase of all of the land and equipment owned by Dahedong.
- During the term of exclusive use, Dahedong warrants that the operation costs for all the mills will not exceed 70 yuan per tonne. The operation costs hereunder includes the costs and expenses incurred in mining, transportation, milling, and tailing and disposal of solid waste, in addition to any other costs and expenses arising from the mining and processing operations.

The management is very pleased to have come to terms on an exclusive agreement for access to existing mills to allow for processing of material from the Song Jiagou project. The bulk sampling program will provide excellent data to be used to assist in the preparation of prefeasibility reports.

Prior to the commencement of the bulk sampling program, the company installed certain quality assurance/quality control equipment to monitor the program, including a Knelson concentrator, truck

scale and belt scales, and initiated a detailed sampling program. Concentrate produced from the milling of the bulk sample will be shipped to a local smelter for refining. Results of this program will be released as they become known.

In September 2008, the Company requested a Conceptual Mining study on the Song Jiagou property. Using the latest block model (May 2008) this pit optimization work was done to explore the mining opportunity for the Song Jiagou gold deposit. Inputs for the pit optimization were mainly provided by the Company using records from the existing operations and other local information. A set of gold prices was used from \$300/oz to \$1200/oz in \$25/oz increments

For the base case and under current conditions the optimum pit shell contains 20.3 Mt of ore at 1.32 g/t Au, 25% of which are inferred materials. In mine life a total of 863,000 ounces of gold will be mined. The stripping ratio is 3.14: 1 (waste:ore).

For production scheduling and economic analysis two different scenarios for mill throughput were examined: 4,000 t/day and 6,000 t/day. With a 6,000 t/day operation there will be a mine life of 10 years. Using a 8% discount rate and \$20M capital, the NPV was calculated to be \$86M. The main assumption is that there are enough capacity available in nearby gold processing plants that can be utilized. Also, there are mining contractors available and to initiate the project only \$20M capital is required.

If the long term gold price stays above \$775/oz, without any changes in operating costs, then the throughput can be increased to 10,000 t/day. The total ore would increase to 37.8Mt at 1.10 g/t Au. For this case the stripping ratio would be 3.2:1 (waste:ore).

Further to the bulk sampling program, the company continues its exploration program on the Song Jiagou project. The current program consists of surface trenching to better define the near-surface gold mineralization. The company has also engaged the third geological brigade of Yantai to prepare a Chinese engineering report to allow for the expansion of the existing mining license on the property. Once the results from the current exploration program and sufficient information have been collected from the bulk sampling program, the third geological brigade will prepare this report.

As a result of the decline in production, the company has decided to halt major operations and reduce spending so as to limit the potential debts owed by the company. Underground operations have been temporarily halted, and the Chinese offices have been scaled back as a cost cutting measure. Contracts with employees were severed as of December 31, 2008.

In 2004, the company signed an agreement with Muping comprising 13 exploration licenses. Since that time, 9 of these licenses have been abandoned after exploration results did not confirm potential worthy of further exploration. In addition, two of the licenses were merged into one larger license leaving a total of 3 exploration licenses. These licenses, named herein as Heiniutai, Zhaodaoshan Helizhuang, have seen periodic grassroots exploration sampling and mapping to identify the areas that have the best potential to warrant further exploration and development.

Similarly to the agreement with Muping, the Company has also signed an agreement with Yantai Jinze property comprising 2 exploration licenses, namely Xianiantoudiqu and Beimadiqu. As with Heiniutai, Zhaodaoshan Helizhuang, they have seen periodic grassroots exploration sampling and mapping to identify the areas that have the best potential to warrant further exploration and development.

In October 2007, Majestic Gold Corp. engaged a Chinese engineering firm, China ENFI Engineering Corporation, to complete a technical report on its Song Jiagou gold project. The technical report will be done to Chinese standards and will provide information to help the company formulate its plans to further advance the project to a stage where a development decision can be made.

As at September 30, 2007, the Company wrote off \$995,239, the entire capitalized costs incurred to that date on its Fushan property. Subsequent to September 30, 2007, the Company abandoned all rights and interests in the Fushan property. Subsequent immaterial expenditures will be written off as incurred.

1.3 SELECTED ANNUAL INFORMATION

	Year Ended		
	September 30, 2008	September 30, 2007	September 30, 2006
Total interest income	\$ 3,666	\$ 46,716	\$ 65,343
Loss for the year	\$ 3,432,487	\$ 3,126,312	\$ 1,783,992
Basic and diluted loss per share	\$ 0.05	\$ 0.07	\$ 0.04
Total assets	\$ 18,046,578	\$ 14,250,665	\$ 11,595,490
Total long-term financial liabilities	\$ -	\$ -	\$ -
Cash dividends declared per share	\$ -	\$ -	\$ -

During the 2008, 2007 and 2006 fiscal year end, the Company received interest income on cash and cash equivalents. The interest amounts earned fluctuate with changing amounts on deposit and with changing interest rates. These interest amounts are used to offset administrative operating expenses. The growth in total assets for the year ended September 30, 2008 is primarily the result of capitalized exploration expenditures incurred during the year.

1.4 RESULTS OF OPERATIONS

The Company incurred a net loss of \$207,217 during the six months ended March 31, 2009 (“interim 2009”) compared to a net loss of \$1,374,448 for the comparative period ended March 31, 2008 (“interim 2008”). The decrease in net loss of \$1,167,231 is largely due to a decrease in consulting fees of \$732,100, a decrease in management services of \$225,305, and a decrease in shareholder relations, travel and entertainment of \$293,603.

1.5 SUMMARY OF QUARTERLY RESULTS (UNAUDITED)

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending March 31, 2009. Financial information is prepared according to GAAP and is reported in Canadian dollars.

Description	Mar 31 2009 \$	Dec 31 2008 \$	Sep 30 2008 \$	Jun 30 2008 \$	Mar 31 2008 \$	Dec. 31 2007 \$	Sep 30 2007 \$	Jun 30 2007 \$
<i>Interest income:</i>	Nil	5,646	3,666	1,533	416	1,038	11,253	14,293
Net income (loss)	(207,217)	(446,954)	(741,741)	(956,072)	(368,126)	(1,420,973)	(1,994,004)	(323,067)
Per share	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)	(0.02)	\$(0.04)	\$(0.01)

- (1) Income (loss) before discontinued operations and extraordinary items is the same as Net Income (Loss) as there are no discontinued operations or extraordinary items in 2009, 2008, or 2007. Fully diluted earnings (loss) per share are not presented as the exercise of warrants and stock options would be anti-dilutive.

Quarterly operating results can also fluctuate based on the timing of stock option grants as the Company expenses the fair value of all stock options over their vesting periods using a Black Scholes option pricing model and also due to the timing of write down of mineral property acquisition and deferred exploration costs.

1.6 LIQUIDITY

The Company has financed operations and capital costs through sale of shares and will continue to secure needed operating and investment capital in this manner.

At March 31, 2009, the Company had cash and cash equivalents of \$110,761 compared to \$268,820 at September 30, 2008. Working capital was negative \$3,835,036 at March 31, 2009, as compared to negative \$3,038,951 at September 30, 2008. The Company believes it will be able to continue to raise sufficient capital through private placements and the exercising of warrants and options to finance its corporate activities and exploration programs.

As at March 31, 2009, the Company has no long-term debt, capital lease obligations, material operating leases, or purchase or other long-term obligations.

On April 1, 2008 the Company arranged with RAB Special Situations (Master) Fund Limited (lender), to borrow \$2,000,000 for the purpose of making the Company's final capital contribution to Yantai Zhongjia Mining Inc., the Chinese joint venture company that holds the rights to Song Jiaguo gold project, located on the Jiadong Peninsula of Shandong Province in eastern China. This advance will bring Majestic's total investment in the joint venture to US\$4,263,094, and give Majestic a 60% vested interest in the Song Jiaguo project.

The Loan proceeds have been advanced to the Company on the following terms:

- (a) the Loan proceeds have been advanced immediately upon acceptance of a filing to be made by the Company with the TSX Venture Exchange and will be repayable together with accrued interest on September 30, 2008, subject to the right of the Company to prepay the loan in whole or in part after the "Interest Initiation Date" and subject to the right of the lender to require

prepayment of all or a portion of the Loan on not less than 10 days notice after the Interest Initiation Date;

- (b) the loan will not bear interest until the Interest Initiation Date, which will be four months and one week after the date of the loan advance, or approximately August 1, 2008;
- (c) the loan bears interest at the rate of 30% per annum from and after the Interest Initiation Date so that, assuming an Interest Initiation Date of approximately August 1, 2008 and repayment on or before September 30, 2008, interest will be paid for not more than two months (with the intention on the part of the Company to prepay the loan principal as soon as possible after the Interest Initiation Date to minimize the interest payable);
- (d) If the loan is not repaid by the due date, in addition to the interest, the Company will be required to pay a \$25,000 re-commitment fee at the beginning of each month during which the loan thereafter remains outstanding. In addition to the above, there is a due diligence and legal fee of up to a maximum of \$20,000 payable to the lender.
- (e) the loan is evidenced by a promissory note and is unsecured; and
- (f) the Company issued to the lender, as an incentive and bonus for making the loan, 6,250,000 shares of the Company at the deemed price of \$0.064 per share.

On April 8, 2008, the loan arrangements were approved by the TSX Venture Exchange. As at March 31, 2009, the remaining balance is \$2,275,000.

1.7 CAPITAL RESOURCES

In order for the Company to earn its interest in mineral properties under option, the Company must meet certain exploration spending thresholds as previously disclosed in Section 1.2 of this MD&A.

In management's view, given the nature of the Company's operations, which consists of exploration and evaluation of mining properties, the most relevant financial information relates primarily to current liquidity, solvency and planned property expenditures. The Company's financial success will be dependent upon the extent to which it can discover mineralization and the economic viability of developing its properties. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine. The sales value of any minerals discovered by the Company is largely dependant upon factors beyond the Company's control, including the market value of the metals to be produced. The Company does not expect to receive significant income from any of its properties in the foreseeable future.

1.8 OFF-BALANCE SHEET ARRANGEMENTS

At March 31, 2009, the Company had no off-balance sheet arrangement such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

1.9 TRANSACTIONS WITH RELATED PARTIES

During the six months ended December 31, 2008, the Company was charged management and consulting fees of \$57,500 by directors or corporations controlled by directors of the Company

1.10 SECOND QUARTER

The Company incurred a net loss of \$207,217 during the six months ended March 31, 2009 (“interim 2009”) compared to a net loss of \$1,374,448 for the comparative period ended March 31, 2008 (“interim 2008”). The decrease in net loss of \$1,167,231 is largely due to a decrease in consulting fees of \$732,100, a decrease in management services of \$225,305, and a decrease in shareholder relations, travel and entertainment of \$293,603.

1.11 PROPOSED TRANSACTIONS

Subsequent to March 31, 2009:

(a)

On April 21, 2009, the Company announced that it has negotiated an agreement to sell its 72% joint venture interest in the Sawayaerdun gold project in Tianshan Province, China to its Chinese co-venturers for approximately C\$7,350,000.

The vendor under the agreement is Majestic Tianshan Gold Inc., a subsidiary of the Company. The Company holds a 90% interest in Majestic Tianshan, and Majestic Tianshan owns an 80% interest in Xinjiang Majes Mining Inc. Majes Mining is the Chinese joint venture company established by the Company and Xinjiang Baodi Mining Ltd. to develop the Sawayaerdun project. Xinjiang Baodi and Brigade No. 2 of Xinjiang Geography & Mine Exploration and Development Bureau, the purchasers, own the remaining 20% of Majes Mining. Richard’s Resource Technologies Inc. owns the other 10% of Majestic Tianshan. As a result, the Company’s indirect interest in Majes Mining is 72% and its share of the purchase price for the 80% interest of Majestic Tianshan in Majes Mining will be CNY ¥40,500,000 or approximately CAD \$7,350,000. The Company and the purchasers are at arm’s length, and the sale will not constitute the sale of more than 50% of the Company’s assets or undertaking.

The Company determined to sell its interest in Sawayaerdun to favourably resolve two fundamental issues. Under its joint venture agreement with the Purchasers, Majestic Tianshan is obligated to fund the Sawayaerdun Mining Permit on an annual basis, and the Company is responsible for funding Majestic Tianshan. Due to its financial situation, the Company was not able to fund Majestic Tianshan to permit it to meet its obligation to pay CNY ¥1,150,000 (~CAD \$220,000) due on February 28, 2009. As a result, the Sawayaerdun mining permit was in danger of being lost for non-payment. The sale of the Company’s interest in the project relieves it of that responsibility. In addition, the Company has current liabilities in excess of CAD \$3,000,000 which it needs to pay to meet Tier 2 listings maintenance requirements of the TSX Venture Exchange. The proposed sale will leave the Company with close to CAD \$5,000,000 in working capital and therefore permit it to meet the working capital requirements for a Tier 2 listing. The Company therefore determined to sell its interest in Sawayaerdun and focus on its other projects in China, including in particular its flagship Song Jiagou project.

The sale of the Company's interest in the Sawayaerdun project is subject to acceptance by the TSX Venture Exchange.

(b)

On May 15, 2009, the Company announced that it has arranged sell 7,299,270 Units by way of non-brokered private placement at the price of \$0.05 per Unit to raise gross proceeds of \$364,963.50. Each Unit will consist of one common share and one non-transferable share purchase warrant. Each warrant will be exercisable to acquire one additional common share of the Company for \$0.10 for 2 years after closing.

No new insiders and no control persons will be created as a result of the private placement. All shares comprised in the Units and any shares issued on exercise of the warrants will be subject to a four month hold period. On closing, the Company will pay finder's fees in respect of a portion of the private placement in accordance with TSX Venture Exchange policies.

The proceeds from the private placement will be used for general working capital. The private placement is subject to acceptance of a filing to be made in respect of same by the TSX Venture Exchange.

(c)

On May 28, 2009, the Company announced that it has arranged sell 49,000,000 Units by way of non-brokered private placement at the price of \$0.05 per Unit to raise gross proceeds of \$2,450,000. Each Unit will consist of one common share and one non-transferable share purchase warrant. Each warrant will be exercisable by the holder to acquire one additional common share of the Company for \$0.10 for two year after closing.

The private placement will result in the creation of one new insider, but no control persons will be created as a result of the private placement. All shares comprised in the Units and any shares issued on exercise of the warrants will be subject to a four month hold period. On closing, the Company will pay finder's fees in respect of the private placement in accordance with TSX Venture Exchange policies.

The proceeds from the private placement will be used for general working capital. The private placement is subject to acceptance of a filing to be made in respect of same by the TSX Venture Exchange

1.12 CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statement in conformity with Canadian generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Significant estimates and assumptions are used in determining the application of the going concern concept, the deferral of costs incurred for mineral properties and deferred exploration, assumptions used to determine the fair value of stock-based compensation and the

determination of future income taxes. The Company evaluates its estimates on an ongoing basis and bases them on various assumptions that are believed to be reasonable under the circumstances. The Company's estimates form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Company believes the policies for going concern, mineral properties, stock-based compensation, and future income taxes are critical accounting policies which involve significant judgments and estimates used in the preparation of the Company's financial statements.

The Company considers that its mineral properties have the characteristics of property, plant and equipment, and, accordingly defers acquisition and exploration costs under Canadian generally accepted accounting principles. The recoverability of mineral property acquisition and deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves and on the future profitable production, or proceeds from disposition, of the Company's properties. The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain mineral reserves that are economically recoverable. Development of any property may take years to complete and the amount of resulting income, if any, is difficult to determine with any certainty. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control, such as the market value of the minerals recovered.

Changes in circumstances in the future, many of which are outside of management's control, will impact on the Company's estimates of future recoverability of net amounts to be realized from their assets. Such factors include, but are not limited to, the availability of financing, the identification of economically recoverable reserves, co-venturer decisions and developments, market prices of minerals, the Company's plans and intentions with respect to its assets and other industry and competitor developments.

The consolidated financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles, which assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Failure to discover economically recoverable reserves will require the Company to write-off costs capitalized to date and will result in further reported losses.

The Company believes that it has the ability to obtain the necessary financing to meet commitments and liabilities as they become payable.

The Company uses the Black-Scholes option pricing method to determine the fair value of stock-based compensation recognized. Estimates and assumptions are required under the model, including those related to the Company's stock volatility, expected life of options granted, and the risk free interest rate. The Company believes that its estimates used in arriving at stock-based compensation are reasonable under the circumstances.

The determination of the tax basis of deferred exploration costs in foreign jurisdictions and the determination of the appropriate valuation allowance against tax assets are areas requiring management estimates.

1.13 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Effective October 1, 2006, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) relating to financial instruments. These new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

a) Financial Instruments – Recognition and Measurement (Section 3855)

This standard sets out criteria for the recognition and measurement of financial instruments for fiscal years beginning on or after October 1, 2006. This standard requires all financial instruments within its scope, including derivatives, to be included on a Company’s balance sheet and measured either at fair value or, in certain circumstances when fair value may not be considered most relevant, at cost or amortized cost. Changes in fair value are to be recognized in the statements of operations and comprehensive income.

All financial assets and liabilities are recognized when the entity becomes a party to the contract creating the item. As such, any of the Company’s outstanding financial assets and liabilities at the effective date of adoption are recognized and measured in accordance with the new requirements as if these requirements had always been in effect. Any changes to the fair values of assets and liabilities prior to October 1, 2006 are recognized by adjusting opening deficit or opening accumulated other comprehensive income.

All financial instruments are classified into one of the following five categories: held for trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification:

- Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and losses due to impairment are included in current period net earnings.
- Available-for-sale financial assets are measured at fair value. Revaluation gains and losses are included in other comprehensive income until the asset is removed from the balance sheet.
- Held for trading financial instruments are measured at fair value. All gains and losses are included in net earnings in the period in which they arise.
- All derivative financial instruments are classified as held for trading financial instruments are measured at fair value, even when they are part of a hedging relationship. All gains and losses are included in net earnings in the period in which they arise.

In accordance with this new standard, the Company has classified its financial instrument as follows:

- Marketable securities are classified as available-for-sale securities. Such securities are measured at fair market value in the consolidated financial statements with unrealized gains or losses recorded in comprehensive income (loss). At the time securities are sold or otherwise disposed of, gains or losses are included in net earnings (loss).

b) Hedging (Section 3865)

This new standard specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company currently does not have any hedges.

c) Comprehensive Income (Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events from non-owner sources. This standard requires certain gains and losses that would otherwise be recorded as part of net earnings, to be presented in "other comprehensive income" until it is considered appropriate to recognize into net earnings. This standard requires the presentation of comprehensive income and its components in a separate financial statement that is displayed with the same prominence as other financial statements.

Accordingly, the Company now reports a consolidated statement of comprehensive income (loss) and includes the account "accumulated other comprehensive income" in the shareholders' equity section of the consolidated balance sheet.

1.14 FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's current financial instruments consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair market values of these financial instruments approximate their carrying values due to their short term to maturity.

In conducting business, the principal risks and uncertainties faced by the Company center around exploration and development, metal prices and market sentiment.

Exploration for minerals and development of mining operations involve many risks, many of which are outside the Company's control. In addition to the normal and usual risks of exploration and mining, the Company often works in remote locations that lack the benefit of infrastructure or easy access.

The prices of metals fluctuate and are affected by many factors outside of the Company's control. The relative prices of metals and future expectations for such prices have a significant impact on the market sentiment for investment in mining and mineral exploration companies. The Company relies on equity financing for its working capital requirements and to fund its exploration programs. The Company does not have sufficient funds to put any of its resource interests into production from its own financial resources. There is no assurance that such financing will be available to the Company, or that it will be available on acceptable terms.

1.15 OTHER INFORMATION

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in the foregoing Management's Discussion and Analysis and elsewhere constitute forward-looking statements. Such forward-looking statements involved a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date the statements

were made, and readers are advised to consider such forward-looking statements in light of the risk set above.

1.15.1 DISCLOSURE OF INTERNAL CONTROLS AND PROCEDURES

Internal control over financial reporting is a process designed to provide reasonable assurance about the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. The process includes policies and procedures to maintain records that accurately and fairly reflect transactions and dispositions of assets, to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements and that receipts and expenditures are being made with proper authorization, and to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions that could have a material effect on the financial statements.

Internal control weaknesses for most junior mining companies are related to the size of the company and the lack of staff. A preliminary review of the Company's internal controls indicated a common material internal control weakness:

- 1) Due to the limited number of staff at Majestic Gold Corp., it is not possible to achieve a complete segregation of duties.

This weakness in the Company's internal control over financial reporting result in a more than remote likelihood that a material misstatement would not be prevented or detected. Management and the board of directors work to mitigate the risk of a material misstatement in financial reporting by segregating duties as much as possible under the current circumstances. In spite of management's best efforts, there can be no assurance that this risk can be reduced to less than a remote likelihood of a material misstatement.

Management is also responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

A control system, no matter how well conceived or operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met.

MAJESTIC GOLD CORP.

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Symbol	MJS
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