MAJESTIC GOLD CORP.

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

(Amended)

This Management's Discussion and Analysis has been prepared as at September 1, 2009 and contains certain "Forward-Looking Statements" within the meaning of the Canadian Securities laws. All statements, other than statements of historical fact, included herein, including without limitation statements regarding potential mineralization, exploration results and future plans and objectives of Majestic Gold Corp. (the "Company") are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The following discussion of the operating results and financial position of the Company should be read in conjunction with the unaudited interim consolidated financial statements and the notes thereto of the Company for the six months ended March 31, 2009 and the audited consolidated financial statements of the Company and the notes thereto for the year ended September 30, 2008. These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and all amounts are expressed in Canadian dollars, unless otherwise stated.

GENERAL

This Management's Discussion and Analysis ("MD&A") of Majestic Gold Corp. ("Majestic" or "the Company") is dated October 20, 2009 and provides an analysis of Majestic's unaudited financial results for the quarter ended March 31, 2009 compared to the same period in the previous year. At October 20, 2009, the Company had 30,494,902 common shares issued and outstanding.

The following information should be read in conjunction with the Company's March 31, 2009 unaudited consolidated financial statements and related notes and with the Company's audited consolidated financial statements and related notes for the year ended September 30, 2008, which were prepared in accordance with generally accepted accounting principles in Canada ("Canadian GAAP"). The accounting policies have been consistently followed in preparation of these financial statements except that the Company has adopted the CICA standards outlined in the new accounting pronouncements section below effective for the Company's first quarter commencing January 1, 2009. All amounts are in Canadian dollars unless otherwise stated. Additional information related to Majestic is available on SEDAR at www.sedar.com.

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.

On June 30, 2009 the Company appointed Mr. Glenn Greig, B.Comm., as Chief Financial Officer, and Mrs. Penny Johnson as Corporate Secretary.

On July 9, 2009 the Company was reinstated to trading by the TSXV after scrutiny by the TSXV found the Company to be in compliance with TSXV guidelines.

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 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 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.

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.

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

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 listing 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 Son Jiagou project.

Approval of the sale was accepted by the TSX V on May 14 2009, by paying approximately 7,350,000 in cash, 40,500,000 RMB (yuan) at an exchange rate of a then $1.00 CDN equals 5.51 RMB (yuan).

On May 15, 2009 the company arranged to sell 7,299,270 units by non brokered private placement at a price of $0.05 CDN in order to raise $364,963 CDN. Each unit will consist of 1 common share and one transferable warrant at $0.10 CDN with a four month holding period for 2 years after closing.

A finders fee will be paid on closing in accordance with TSXV guidelines. The funds will be used for general capital requirements.

On July 7, 2009 the Company provided an update on the proposed sale of its 72% joint venture interest (the "JV Interest") in the Sawayaerdun gold project in Tianshan Province, China, as well as its more recently announced private placement financings.

The co-venturers became obligated to pay overdue exploration and mining permit fees and future expenses associated with the ongoing maintenance of the Sawayaerdun permits on execution of the purchase agreement (the "Agreement"), but will not become obligated to complete the purchase until that Agreement has been approved by the Xinjiang Geography & Mine Exploration and Development Bureau (the "Bureau"). The Bureau meets approximately monthly, but it is responsible for a large number of projects in China and the Company understands that the Agreement has not been on the agenda for consideration by the Bureau at the meeting held since the Agreement was signed. There can be no assurance that such approval will be obtained or that the sale will complete. The Agreement was accepted for filing by the TSX Venture Exchange on May 14, 2009.

The purchase agreement provides for payment of the ¥45,500,000 purchase price in installments as follows, for a total purchase price of approximately C$7,735,000 using the current exchange rate of ¥5.8776 to C$1.00:

(a) ¥25,000,000 (~C$4,250,000) within 5 business days after Bureau approval;

(b) an additional ¥15,000,000 (~C$2,550,000) within 5 business days after the Bureau receives all documents required to facilitate the transfer of the exploration and mining permits; and

(c) the remaining ¥5,500,000 (~C$935,000) within 10 business days after the exploration and mining permits are transferred and registration of the joint venture company with the Industry and Commerce and Tax Bureau is cancelled.

Subject to approval by the Bureau, the second payment is expected to be received within a few weeks after the approval date. The third payment is expected to be received between six and nine months after the second payment, as the process for winding up the joint venture company requires publication of notice of the intended wind-up twice in a six month period.

Pending notification from the Bureau, the Company has made arrangements for private placement financing to pay debts, including $1,250,000 of its indebtedness to RAB Special Situations (Master) Fund Limited, to make property maintenance payments and for general working capital. On May 15 and 28, 2009 the Company announced that it had arranged private placements of $364,963.50 and $2,450,000 respectively. Filings in respect of both private placements have been made with the TSX Venture Exchange, but the acceptability of the proposed $0.05 pricing cannot be determined until such time as the Company's shares have been reinstated for trading and several trading days have passed. The Company is working with the Exchange to have its shares reinstated.

At September 18th, 2009, the Bureau has approved the sale of the JV Interests to the Purchasers and the Purchasers have made their first installment payment on account of the Purchase Price. Majestic's share of that installment payment is 90%, or ¥22,500,000 (~C$3,513,922 @ ¥6.4031 to C$1.00). Those funds have been paid to the JV Company controlled by Majestic and will remain on deposit with the JV Company, in China, until the Company's representatives have arranged for remittance of applicable taxes to the Chinese government and made the government filings required to facilitate the payment of the balance of such funds to the Company in Canada. That process is under way.

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 totalled 14,881 gold assays.

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 has 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.

Further to the bulk sampling program, the company continues its exploration program on the Song Jiagou project. The current program consists of surface trenching and a 2500-metre shallow drill program 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.

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.

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.

RESULTS OF OPERATIONS

For the three-month period ended March 31, 2009, the Company reported a net loss of $273,333 (or $0.002 basic and diluted loss per share) compared to net loss of $1,420,973 (or $0.02 basic and diluted loss per share) for the corresponding period in 2008. The $1,147,640 reduction in losses when comparing the second quarters of 2009 and 2008 is primarily due to a decrease in consulting fees of $(40,395) (2008- $733,860), shareholder relations, travel and promotion - $13,861 (2008-$293,603), office and management services of $8,631 (2008- $295,772). Professional fees increased from $20,683 for the three-month period ended in March 31, 2008 to $83,692 for the same period in 2009 due to an increase in audit and accounting fees.

The Company incurred a net loss (gain) of $720,287 during the six months ended March 31, 2009 (“interim 2009”) compared to a net loss of $1,746,467 for the comparative period ended March 31, 2008 (“interim 2008”). The variance is largely due to a decrease in consulting fees of $nil (2008 - $1,061,800). In interim 2008, $691,560 of the total stock based compensation expense of $915,300, for new options granted to purchase 4,500,000 shares, was allocated to consulting fees. There was no similar stock based compensation expense during interim 2009. The remaining allocation of $223,740 of stock based compensation in fiscal 2008 was allocated to office supplies and management services. As a bonus incentive, 6,250,000 shares were issued during interim 2008 (interim 2009 - $nil), for a net cost of $400,000, for the RAB loan of $2,000,000 to finance the Song Jiaguo gold project. During interim 2009, shareholder relations, travel and entertainment expenses amounted to $15,000 compared to $443,185 during interim 2008 due to less promotional activities being undertaken consistent with decreased mining activity. Professional fees increased from $84,666 in 2008 to $213,439 due to an increase in audit and accounting fees.

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 $	June 30 2007 $
Net revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss)	(273,333)	(446,954)	(650,080)	(956,072)	(325,494)	(1,420,973)	(1,923,510)	(323,067)
Per share	$(0.002)	$(0.003)	$(0.01)	$(0.02)	$(0.01)	$(0.01)	$(0.03)	$(0.01)

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.

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.

	# of Shares	Amount
Balance, September 30 2008	**67,030,809**	**$26,334,634**
Issued in respect of private placement	98,240,140	4,912,007
As finders' fee	5,999,840	-
Private placement fees	-	(78,739)
Balance, March 31, 2009	171,270,789	$31,167,902

On March 31, 2009, the Company had cash and cash equivalents of $399,925 compared to $268,820 at September 30, 2008. Working capital deficiency was $4,882,075 at March 31, 2009, as compared to $3,038,951 at September 30, 2008.

On July 21, 2009, the Company completed a $2,450,000 non-brokered private placement consisting of 49,000,000 units at $0.05 per unit ($2,543,556 was received prior to March 31, 2009). On July 21, 2009, the Company completed a $364,963.50 non-brokered private placement consisting of 7,299,270 units at $0.05 per unit.

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.

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 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.

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.

TRANSACTIONS WITH RELATED PARTIES

During the six months ended March 31, 2009, the Company was charged consulting fees of $15,307 (2008 - $45,397) and provided with loans for $42,500 (2008 - $Nil) by directors or corporations controlled by directors of the Company.

SECOND QUARTER

Expenses for the second quarter of the current fiscal year were $156,086 compared to $1,368,687 for the comparative quarter in 2008. The majority of the variations relates to a decrease in consulting fees of $774,255, office and management services of 287,141 and Shareholder relations, travel and promotion of $279,742.

CRITICAL ACCOUNTING ESTIMATES

The Company's accounting policies are described in Notes 2 of its audited consolidated financial statements as at September 30, 2008. 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.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The accounting policies followed by the Company are set out in note 2 to the audited consolidated financial statements for the year ended September 30, 2008, and have been consistently followed in the preparation of these consolidated financial statements.

Accounting policies to be implemented

Section 1582 Business Combinations, Section 1601 Consolidated Financial statements and Section 1602 Non-Controlling Interests

In January 2009, the AcSB issued Section 1582 “Business Combinations”, Section 1601 “Consolidations” and Section 1602 “Non-Controlling Interests”. Section 1582 replaces Section 1581 “Business Combinations” and provides the Canadian equivalent to IFRS 3 Business Combinations. Section 1601 and Section 1602 replace Section 1600 “Consolidated Financial Statements”. Section 1602 provides the Canadian equivalent to International Accounting Standard (“IAS”) 27 “Consolidated and Separate Financial Statements”, for non-controlling interests. These standards align Canadian GAAP with IFRS and are effective January 1, 2011. The effect on the Company’s financial statements is not expected to be material.

Section 3064, Goodwill and Intangible Assets

In January 2008, Section 3064 “Goodwill and Intangible Assets” was issued to replace Section 3062 “Goodwill and Other Intangible Assets” and Section 3450 “Research and Development Costs”. In addition, Section 1000 “Financial Statement Concepts” and Accounting Guideline AcG 11 “Enterprises in the Development Stage” were amended. The new and amended material clarifies that costs may only be deferred when they relate to an item that meets the definition of an asset.

The practice of matching revenues and expenses remains appropriate only for allocating the cost of an asset that is consumed in generating revenue over multiple reporting periods. Section 3064 provides extensive guidance on when expenditures qualify for recognition as intangible assets, aligns Canadian GAAP with IFRS and is required to be adopted by fiscal years beginning on or after October 1, 2008. The effect on the Company’s financial statements is not expected to be material.

Convergence with International Financial Reporting Standards (“IFRS”)

In 2005, the AcSB announced that accounting standards in Canada are to converge with IFRS. The AcSB has indicated that Canadian entities will need to begin reporting under IFRS by the first quarter of 2011 with appropriate comparative data from the prior year. Under IFRS, the primary audience is capital markets and as a result, there is significantly more disclosure required, specifically for quarterly reporting. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policy which must be addressed.

The Company is currently developing its IFRS conversion plan and is evaluating the effect of the new standard on its consolidated financial statements.

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 Canadian dollars

	March 31, 2009	September 30, 2008
Cash and cash equivalents	399,925	268,820
Accounts receivable	-	19,393
GST receivable	25,076	14,373
Investments	91,687	158,492
Accounts payable and accrued liabilities	3,098,979	1,049,210
Loans payable	2,050,000	2,050,000
Due to related parties	253,741	410,823

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

Exploration and development

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.

Reserves and resource estimates

There is a degree of uncertainty attributable to the calculation of reserves and resources and the corresponding grades. Reserve and resource estimates are dependent partially on statistical inferences drawn from drilling, sampling and other data. Reserve and resource figures set forth by the Company are estimates, and there is no certainty that the mineral deposits would yield the production of metals indicated by reserve and resource estimates. Declines in the market price for metals may adversely affect the economics of a deposit and may require the Company to reduce its estimates.

Price volatility – gold, copper and other metals

The market price for gold, copper and other metals is volatile and cannot be controlled. There is no assurance that if commercial quantities of gold, copper and other metals are discovered, a profitable market may exist or continue to exist for a production decision to be made or for the ultimate sale of the metals. As the Company is currently not in production, no sensitivity analysis for price changes has been provided or carried out.

Foreign Countries and Laws and Regulations

The Company has interests in properties that are located in China, a developing country, and the mineral exploration and mining activities of the Company may be affected in varying degrees by political instability and government regulations relating to foreign investment and the mining industry. Any changes in regulations or shifts in political conditions or attitudes are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

CAUTION ON FORWARD-LOOKING INFORMATION

This management's discussion and analysis includes forward-looking statements, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

MAJESTIC GOLD CORP.

Stock Exchange	TSX Venture Exchange
Symbol	MJS
Management Team	Rod Husband, P. Geo., President and CEO Rod Husband, P. Geo, President and Acting CFO Penny Johnson, Corporate Secretary
Independent Directors	Al Korelin Shaohui Chen Dan Pisenti
Auditors	Smythe Ratcliffe Chartered Accountants Vancouver, British Columbia
Transfer Agent	Computershare Trust Company of Canada Vancouver, British Columbia
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