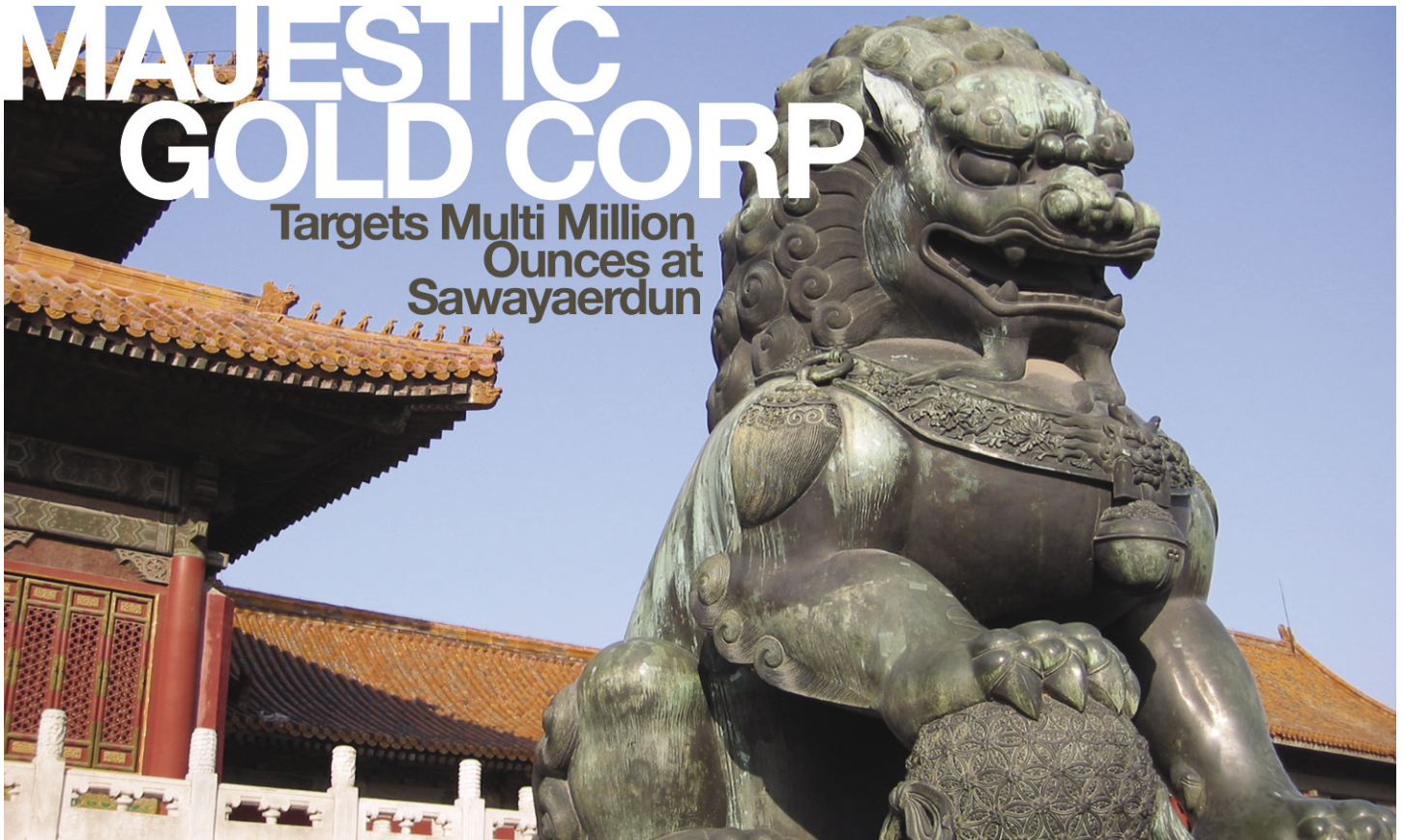


MAJESTIC GOLD CORP

Targets Multi Million
Ounces at
Sawayaerdun



by Gary Brooks

During the mid nineties China began instituting strict controls on foreign investment in the mining sector. The move proved counter-productive as major mining companies, followed by junior explorers decamped bringing mining exploration to a halt. Historically low gold and base metal prices forced the mining sector into a deep sleep.

The sector reawakened following the bursting of the dual bubbles in the Wall Street financial and tech sectors. The protracted disinvestment in mining and exploration led to the inevitable draw down in metal inventories and market fundamentals once again favoured the sector.

By a remarkable coincidence the Chinese economy took off on the heels of a radical transformation in economic policy by a new generation of Chinese leaders. Personal wealth became the new mantra of the Chinese leadership.

The economic boom that resulted pushed China into the forefront as the world's second largest consumer of commodities. China's emergence as the fastest growing economy in the world, to a large extent, financed by record balance

of trade surpluses with the US, has put irresistible upward pressure on world commodity prices. More importantly China's rapid growth put downward pressure on the US dollar.

Gold was the first and principle benefactor of this historic reversal of fortunes and the mining sector, once again, turned its attention towards China's rich gold resources following regulatory liberalization in 2002.

The traditional gold mining regions saw the return of much needed investment in existing but moribund operations. On the exploration side the prolific, yet under explored, Tian Shan gold/copper belt caught the attention of junior explorers hungry to exploit new large tonnage mining opportunities in a market newly flush with cash.

Typically the charge was led by Canadian Juniors.

Vancouver based, Majestic Gold responded to the new business climate in China and has quickly become one of the most dynamic and committed junior exploration companies working in the country.

The Company has concentrated, since

2003, on assembling a substantial portfolio of advanced stage exploration properties in joint ventures with Chinese partners.

Two of the three joint ventures in the pipeline are located on the prolific Jiaodong Peninsula of Shandong Province in northeastern China. The Jiaodong Peninsula accounts for over 25% of China's annual gold production. (Approx. 1.75 million oz/yr).

Both the Muping and Fushan Projects are located in close proximity to one another on the Muping-Rushan Gold Belt on the eastern Jiaodong Peninsula. Gold deposits in this belt account for 20% of the known reserves on the Jiaodong Peninsula. The region is hosted by the Jingjingding batholith and is structurally controlled by the Jinniushan Fault. The Muping claims are proximal to or lie over the Jinniushan Fault. The Donggezhuang Deposit at Muping (890,000 oz; 1992) is one of the largest gold deposits in the belt.

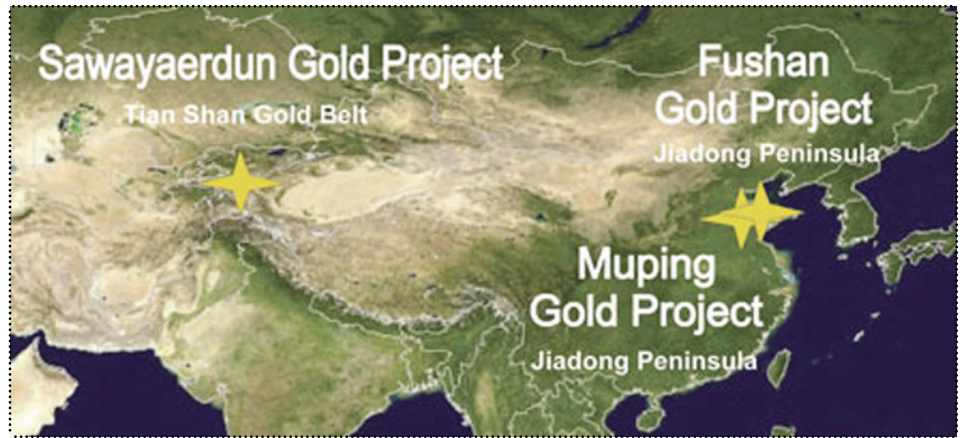
The Muping Project is a joint venture with a gold producer, Shandong Yantai Muping Gold Mine Company (Majestic 60% and "Muping Mining" 40%) and consists of 13 mineral exploration permits

covering an area of 75.03 km². Recent results indicate potential bulk mineable resource on one of these licenses at the Song Jiagou Mine. Majestic just released a resource calculation for Song Jiagou that includes 380,000 ounces of gold at a grade of 0.88 g/t Au and a cut-off of 0.5 g/t. At a cut-off of 0.1 g/t, there are 68,000,000 tonnes of material with a grade of 0.36 g/t. In calculating this resource, high grade values were cut considerably, and as a result, Majestic believes that this larger volume is more indicative of the overall property potential and that with further work, especially by identifying high-grade controls and metallurgical characteristics, that an economic grade can be established for this larger volume.

The Fushan Gold Property consists of a 17.03 km² mineral exploration permit. It is located on the western edge Muping-Fushan Gold Belt. A small drill program has just concluded there with positive visual results; assays should be available within a month.

The jewel in Majestic's crown is the Sawayaerdun Project, which has been on the front burner of the project pipeline since the property was acquired in September 2003.

Sawayaerdun is being developed in a joint venture with the Xinjiang Bureau of Geology and Mineral Resources (XBGMR). Under the terms of the agreement, Majestic has a 90% earn in position in exchange for assuming 100% of the explo-



ration and development costs. XBGMR agreed to sign over the mineral rights and all historical data to Majestic as part of the agreement.

The Agreement calls for Majestic to incur minimum cumulative exploration expenditures over 4 years of US \$2 million.

HISTORY OF THE ACQUISITION

“Richard Shao was introduced to the Company in mid 2003. Richard is an independent consultant with a PhD in Metallurgy from the University of Beijing, where he served as a research assistant and instructor for about ten years. Many of his classmates and students are now working in the various levels of government and geological brigades, so he has excellent industry contacts, commented Husband.

Seeing the developments in China and the indications of an early gold market,

we became very interested in establishing ourselves in China and asked him to help us identify gold projects. Richard identified several projects, and we focused on acquiring what we felt were the best ones. Richard continues to play a key role in assisting us with our operations on these projects.

We quickly narrowed our search according to our mandate which is to focus on advanced stage projects.”

While the investment climate has improved over the last few years, the capital intensive nature of large scale mining has prevented the major mining companies from adding new projects to their project pipelines. When the majors do move on new acquisitions it will be advanced stage junior projects that will be high on their list.

The Majestic business model focuses

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AD

ZONE IV HIGHLIGHTS:

HOLE	FROM	TO	DRILLED WIDTH (M)	TRUE WIDTH (M)	AU G/T
SWD-05-24	60	96	36	29.5	2.54
INCLUDES	67	83	16	13.1	4.03
INCLUDES	73	75	2	1.6	8.04
SWD-05-26	65	96	31	23.7	2.45
INCLUDES	83	90	7	5.4	5.82
COMBINED ALL*			62	47.5	1.87
SWD-05-09	59	108	49	40.1	1.90
INCLUDES	75	80	5	4.1	4.64

ZONE I HIGHLIGHTS:

HOLE	FROM	TO	DRILLED WIDTH (M)	TRUE WIDTH (M)	AU G/T
SWD-05-48	76	101	25	8.6	2.31
SWD-05-49	46	60	14	11.5	1.46
	66	70	4	3.3	1.65
COMBINED ALL*				14.7	1.50

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on advanced stage projects where quality targets have already been identified. The Company then concentrates its efforts on drilling to establish a NI 43-101 compliant resource estimate. Once the size and scope of the project has been identified the Company will then decide on its next step which may involve a potential joint venture by a major mining company.

Rod Husband, P. Geo and President of Majestic sees the Sawayaerdun Project as a prime take out target.

"The project is very advanced," says Husband, "The Chinese had worked on it since the mid nineties. They began with a regional geochemical survey and identified a broad 5 kilometer by 2 kilometer anomaly. They did a lot of mapping and surface trenching for about three years and identified over 22 gold zones in the region. Four large zones were identified which can be traced for a combine 11.5 kilometers on surface.

These are structurally controlled gold zones, very similar in nature to those that occur at Kumtor and Muruntau."

Majestic has completed a 43-101 compliant resource estimate going into the summer drill season with a combine indicated and inferred resource of between 1.3 and 1.4 million ounces with a grade of 1.0 to 1.2 g/t average. Almost a million ounces have graded over 1.7 g/t. This is consistent with previous results, which is highly significant as the company works toward a target of at least a 3 to 5 million ounce resource.

The present resource estimate is based on 41 holes drilled and assayed so far. The bulk of the Company's exploration efforts have been on Zone IV, but Zone I also returned encouraging results following the 2005 drill campaign and the highlights are tabulated in the adjoining tables.

The summer 2006 drill program is presently underway and plans call for 10,000 meters of drilling, 4,000 meters of step



out and in-fill diamond drilling in Zone IV and the remainder in Zones I, 1-1, and 11. Some bulk sampling, metallurgical work and bio leach testing are also planned.

"In zone IV we'll do step out drilling and expand our resource to the north and south," commented Husband, "We will do additional drilling on between 100 and 200 meter centers over 7 kilometers of untested ground in the 3 additional main zones. We have a target of 3 to 5 million ounces and hope to collect enough information to complete an additional resource estimate in that range."

Majestic is putting strong emphasis on gold recovery to maximize the economic value of their reserves before making a production decision downstream. The Company is working towards a goal of 80% recovery from both oxides and sulfides by implementing an intermediate bio leach on the sulfide portion before final processing. The test program will begin with a small bulk sample at the end of the summer with the guidance of a Vancouver engineering firm.

Majestic has assembled a large and valuable land position in China in short order. The Company's focus on late stage projects and highly disciplined development plan has attracted the attention of major mining companies and institutional investors. Their approach is both ambitious and highly conservative compared to green grass exploration plays making Majestic a solid investment in the middle to long term. For investors who wish to leverage both gold and Chinese economic growth. Majestic Gold Corp is a good place to start.

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