

## Majestic Gold active on two Chinese projects

by Ellsworth Dickson

Since 2003, Vancouver, BC-based **Majestic Gold Corp.** [MJS-TSXV] has been involved in two advanced gold projects at opposite ends of China, one of which is already in production. Both project areas are situated in prolific gold camps: the Tian Shan Gold Belt in the west and the country's largest gold producing region in the east, Shandong province on the Jiaodong Peninsula (accounting for 25%, or 1.75 million ounces of gold mined in China).

In the east located near Yantai City, a 90% owned subsidiary of Majestic Gold can earn a 60% interest in 14 exploration licences, including the Muping and Fushan Gold projects. The Muping Project includes the Song Jiaguo Mine which is currently producing at a rate of 120 tonnes per day from underground operations by the company's joint venture partner, a local mining corporation. The Song Jiaguo Mine features four underground levels that have been explored to depths of 258 metres with two drifts and

two cross-cuts per level. It hosts multiple high-grade, gold-bearing structures grading between 3 to 7 grams gold/tonne. Current gold recoveries average about 96% while Majestic's results indicate up to 99%.

At a cut-off grade of 0.5 grams gold/tonne, a NI 43-101 compliant inferred resource estimate by Wardrop Engineering totals 13,223,000 tonnes grading 0.97 grams/tonne at a 0.5 grams/tonne cut-off. Current operational costs at Song Jiaguo are about \$3.70/tonne for mining, \$4.30/tonne for processing and \$3.28/tonne for refining etc.

A substantial amount of exploration completed in 2006 included 3,700 metres of surface infill diamond drilling, 1,000 metres of underground core drilling, channel sampling, an IP survey and soil sampling.

Majestic plans to increase gold production by expanding mining operations, carrying out infill drilling, testing extensions of known mineralization, evaluating the remainder of the property and preparing a scoping study for increased production and improved economics. The company hopes to increase gold resources to between 1.5-3 million ounces.

In a related development, Majestic Gold has amended an agreement with **Trans America Industries Ltd.** [TSA-TSXV] covering certain exploration licences in Shandong province. Under the new terms, Trans America can earn 50% of Majestic's

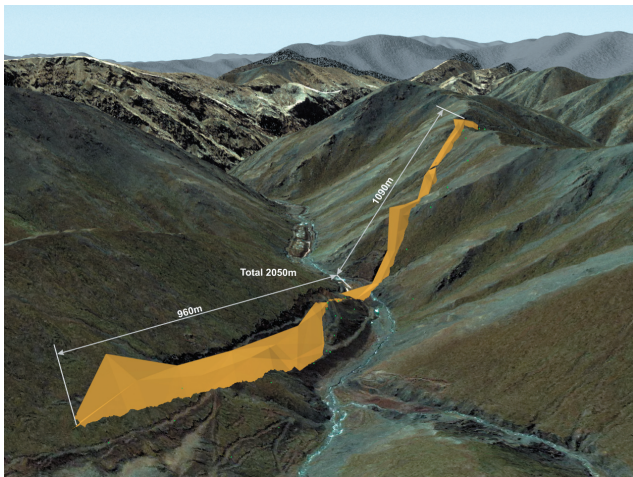
interests in the Jing Cheng licences by providing funding of \$750,000. The licences are adjacent to the Song Jiaguo Mine property.

At Fushan, Henutai-Zaodao and the other licences, exploration is ongoing in areas of known gold mineralization with encouraging results to date, including surface samples grading up to 44 grams gold/tonne at XuGeZhuang.

In western China, Majestic Gold has been exploring the Sawayaerdun Gold Project in the Tian Shan Gold Belt, Xinjiang province, where there are numerous world class gold deposits such as Murantau at 140 million ounces. In a joint venture with the Xinjiang Bureau of Geology and Mineral Resources, Majestic Gold can earn a 90% interest by funding 100% of exploration and development.

The Sawayaerdun Gold Project hosts a Zone IV NI 43-101 compliant indicated resource of 15,317,324 tonnes grading 1.30 grams gold/tonne at a 0.5 grams/tonne cut-off which includes 7,834,445 tonnes grading 1.82 grams gold/tonne at a 1.0 grams/tonne cut-off. Inferred resources stand at 20,730,150 tonnes grading 1.25 grams gold/tonne at a 0.5 grams/tonne cut-off which includes 11,163,553 tonnes grading 1.71 grams gold/tonne at a 1.0 grams/tonne cut-off.

Exploration has been underway since 2004 and has included extensive drilling, trenching, soil sampling geophysical surveys and bulk sampling. Over 120 trenches have identified 22 gold zones on surface. Plans for Sawayaerdun include further drilling to expand known resources, bulk sampling, test mining, finalizing metallurgy, revising resource estimates and engineering studies. Rod Husband, P.Geo., President, says Majestic Gold has a target of developing 5 million ounces of gold. ■



The gold mineralized trend at the Sawayaerdun Gold Project in the Tian Shan Gold Belt of western China. Photo-illustration courtesy Majestic Gold Corp.