MANAGEMENT DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in US dollars)

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") dated March 27, 2024, discusses the financial condition and results of operations of Majestic Gold Corp. (TSX-V: MJS) ("Majestic" or "the Company") for the year ended December 31, 2023. The MD&A should be read in conjunction with the accompanying audited consolidated financial statements of the Company and notes thereto for the year ended December 31, 2023 (the "Financial Report").

The financial information in this MD&A is derived from the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in US dollars unless otherwise indicated.

This discussion focuses on key statistics from the consolidated financial statements for the year ended December 31, 2023, and up to the date of this MD&A and pertains to known risks and uncertainties relating to the gold exploration and development and mining industry. This discussion should not be considered all-inclusive, as it excludes changes that may occur in general economic, political, and environmental conditions.

OUR BUSINESS

Majestic Gold Corp. is a Vancouver, Canada based gold mining company with mining operations in China and exploration and evaluation properties held directly or under option agreements in Australia, and Canada. The Company's main business involves the acquisition, exploration, and development of mineral properties. At December 31, 2023, and at the date of this MD&A, the Company's mineral property interests and mining operations are located in China, with the Songjiagou Gold Mines as the Company's flagship project as well holding directly or under options on early-stage exploration properties in Australia and Canada. The Company is a TSX Venture Exchange Tier One listed mining company trading under the symbol "MJS". For further information on the Company, visit the Company's website at www.majesticgold.com and on SEDAR at www.sedarplus.ca.

FULL YEAR HIGHLIGHTS

- ***Gold production*** was 30,837 ounces for FY2023, a decrease of 18% from 37,641 ounces produced for FY2022. FY2023 gold production was lower due to the expansion work at the SJG open pit, resulting in both lower gold grades and mining volume for the year. Gold production in FY2022 was a record high as the Company achieved a new high in mill throughput of 2 million tonnes for the year;
- ***Revenue*** was $55 million for FY2023, compared to $63.5 million for FY2022. The decrease in revenue is primarily attributed to the 20% decrease in gold sales in FY2023;
- ***Gross profit*** from mining operations decreased by 22% to $26.6 million in FY2023, from $33.9 million for FY2022;
- ***Net income*** was a $12.2 million for FY2023, a decrease of 30% from $17.4 million for FY2022;
- ***Cash flow from operating activities*** decreased by 19% to $24.5 million, from $30.3 million for FY2022;
- ***Strong financial position*** at December 31, 2023. The Company had cash of $98 million (FY2022 cash and short-term investments - $52.7 million) and working capital of $76.5 million (FY2022 - $36.4 million);
- ***Total cash costs and all-in sustaining costs*** *("AISC")* for FY2023 were $793 per ounce and $947 per ounce, compared to $657 per ounce and $751 per ounce for FY2022. For AISC computation details, refer to pages 16-18 of the MD&A for this Non-IFRS financial measure;
- ***Adjusted EBITDA*** for FY2023 was $25.4 million, compared to $35 million for FY2022. For EBITDA computation details, refer to pages 16-18 of the MD&A for this Non-IFRS financial measure; and
- **On December 22, 2023**, the Company successfully completed an initial public offering of 25% of the shares of its subsidiary, Persistence Resources Group Ltd. ("Persistence"), on the Main Board of The Stock Exchange of Hong Kong Limited (the "HKEX").

FOURTH QUARTER HIGHLIGHTS

- ***Gold production*** decreased by 5% to 7,543 ounces, from 7,924 ounces produced for the FY2022 comparative quarter;
- ***Revenue*** was $14.2 million, an increase of 9% from $13 million for the FY2022 comparative quarter;
- ***Gross profit*** from mining operations increased by 32% to $7.4 million, from $5.6 million for the FY2022 comparative quarter;
- ***Net income*** was $1.9 million, an increase from $1 million for the FY2022 comparative quarter;
- ***Total cash costs and all-in sustaining costs*** *("AISC")* were $787 per ounce and $1,018 per ounce, compared to $757 per ounce and $862 per ounce for the same quarter in FY2022; For AISC computation details, refer to pages 16-18 of the MD&A for this Non-IFRS financial measure; and
- ***Adjusted EBITDA*** was $5.5 million, compared to $5.2 million for the same quarter in FY2022. For EBITDA computation details, refer to pages 16-18 of the MD&A for this Non-IFRS financial measure.

CORPORATE DEVELOPMENTS

- On December 22, 2023, the Company successful completed the IPO with the listing of its subsidiary, Persistence, generating HK$275 million (USD$35.23 million) in gross proceeds from the issuance 500,000,000 shares of Persistence at HK$0.55 (USD$0.0705) per share, representing 25% of Persistence issued shares. Majestic owns 1.41 billion Persistence shares, representing 70.5% ownership of the outstanding shares of Persistence. The net IPO proceeds are designated for the operational activities of Persistence, with the allocation being as follows:
  - 55.0% will be allocated to acquisition of gold mining assets,
  - 20.4% towards its mine optimization plan;
  - 12.6%, for the repayment of existing bank loan guarantees
  - 10.0%, working capital, and
  - 2.0%, and additional exploration activities to upgrade gold reserves, respectively.

OUTLOOK

- The Company, through its 70.5% owned subsidiary, Persistence Resources Group Ltd., has entered into a letter of intent ("LOI") dated March 24, 2024, with a Vendor ("Vendor") and Target Company to acquire 70% of the issued share capital (the "Possible Acquisition") of the target company incorporated in the PRC (the "Target Company").

  The Company is currently conducting preliminary due diligence on the Target Company (the "Due Diligence"). Within a month of obtaining the results of the Due Diligence, the Company will then initiate negotiations with the Vendor for entering into a formal agreement and agree on specific terms in relation to the Possible Acquisition based on the results of the Due Diligence work.

  The Target Company is principally engaged in gold mining and processing, emergency rescue for mine accidents and preventive safety inspection, property leasing and investment with its own fund. The Target Company owns mining licenses of three gold mines located in Yantai City of the Shandong Province in the PRC. The consideration for the Possible Acquisition shall be determined following arm's length negotiations between the Company and the Vendor and shall be set out in the formal agreement.

- Phase 2 of the SJG Open-Pit Mine expansion program is in progress with the completion of benches at levels +117m ASL, +105m ASL, +93m ASL and with current expansion work focused on the completion of the benches at +81m ASL and +69m ASL in FY2024, followed by the completion of the +45m ASL bench in early FY2025 to complete the Phase 2 expansion work. Mining operations occurring in the open-pit during FY2024 and FY2025 will be conducted at levels between +69m ASL and down to -3m ASL, with forecasted tonnage of 1,900kt at an average grade of 0.53 g/t and 2,207kt at an average grade of 0.88 g/t for the respective years. During both years, ore through-put will be blended with lower grade material recovered during the expansion work.

MINERAL RESERVES AND MINERAL RESOURCES UPDATE

The Company provided a technical report titled **Qualified Person's** Report for the Songjiagou Gold Project, Shandong Province, People's Republic of China" (the "Report") dated December 14, 2023 by SRK Consulting China Ltd.

The Report includes an updated resource estimate of Indicated and Inferred Resources as well as possible Reserves at Songjiagou Gold Project as of June 30, 2023 are as follows:

Resource Estimate in the Report dated June 30, 2023 (1)(2)

Open Pit		Underground	
Indicated	**Inferred**	**Indicated**	**Inferred**
(0.30 g/t Au) cutoff	(0.30 g/t Au) cutoff	(0.70 g/t Au) cutoff	(0.70 g/t Au) cutoff
34.2 MT @ 1.1 g/t Au	36.7 MT @ 0.95 g/t Au	1.6 MT @ 1.38 g/t Au	3.0 MT @ 1.24 g/t Au

Mineral Reserve Statement in the Report dated June 30, 2023 (2)

Open Pit	
Probable	22.6 MT @ 1.17 g/t Au (0.30 g/t Au cutoff)
Underground	
Probable	530,000 T @ 1.39 g/t Au (0.70 g/t Au cutoff)

(1) The resource estimate is categorized as Indicated and Inferred as defined by the CIM guidelines for reporting. Mineral resources do not demonstrate economic viability, and there is no certainty that these mineral resources will be converted into mineable reserves once economic considerations are applied. The Mineral Reserves are within the Mineral Resource and are not added to the Mineral Resource.

(2) The Mineral Reserves and Mineral Resources stated above are as at June 30, 2023 and do not reflect any events subsequent to that date.

Key differences between the 2023 and 2016 Resource Estimate included the following:

- The addition of Mineral Reserves within the Mineral Resource;
- Increase in the area of the mining license from 0.3421 sq kms to 1.0077 sq kms.
- More data from new samples of new exploration programs were used in 2023 model, including 51 new diamond drill holes, 29 new trenches, and 19 underground channel samples;
- Larger open-pit limit optimized from the new mineral resource basis.

The Report is available on the Company's website at www.majesticgold.com and www.sedarplus.ca.

SONGJIAGOU OPEN-PIT MINE

The Company's principal gold mining operations are the SJG Open-Pit Mine and the SJG Underground Mine located in Shandong province, China. The Company commenced commercial gold production at the SJG Open-Pit Mine in May 2011. Majestic holds a 52.875% interest in the SJG Project through its 70.5% owned subsidiary Persistence, which holds a 75% interest in the SJG Project with the remaining 25% held by Yantai Dahedong Processing Co. Ltd. The Company's mining license for the SJG Open-Pit Mine is valid until May 17, 2031.

SONGJIAGOU UNDERGROUND MINE

The SJG Underground Mine lies immediately north of the SJG Open-Pit Mine. The area underlain by precious metal mineralized vein structures was converted to a five-year, 0.414 sq. km. mining license that was granted on February 18, 2016, was renewed on February 18, 2021 and is valid until February 18, 2031. The mining license area covers a continuation of the gold mineralization that is currently being developed in the adjacent SJG Open-Pit Mine. The Company commenced production at SJG Underground Mine in October 2019.

QUALIFIED PERSON

Stephen Kenwood, President and CEO of Majestic, is the Company's qualified person under the definitions established by NI 43-101("QP") and is the non-independent QP that has read and approved the technical information contained in this MD&A.

KEY PERFORMANCE DRIVERS

There is a range of key performance drivers that are critical to the successful implementation of Majestic's strategy and the achievement of its goals. The key internal drivers are production volumes, grade, and costs. The key external driver is the market price of gold.

Production Volumes and Costs

For an analysis of the impact of production, grades volumes and costs for the three months and year ended December 31, 2023 relative to the prior-year periods, refer to the "Summary of Operations" section of this MD&A.

Gold Prices

The price of gold is the single largest factor affecting Majestic's profitability and operating cash flows. As such, the current and future financial performance of the Company is expected to be closely related to the prevailing price of gold.

For the three months ended December 31, 2023, Majestic's average realized gold price per ounce as $2,047, compared to the London Bullion Market ("LBMA") p.m. average gold price of $1,971 per ounce for the same period.

For the year ended December 31, 2023, Majestic's average realized gold price per ounce was $1,938, compared to the LBMA p.m. average gold price of $1,940 per ounce for the same period.

SELECTED ANNUAL FINANCIAL INFORMATION

The following table presents selected financial information for the last three audited fiscal years:

	Year ended December 31, 2023	**Year ended December 31, 2022**	**Year ended December 31, 2021**
Revenue	$55,025,192	$63,474,357	$38,445,273
Net income	$12,229,398	$17,422,560	$7,717,662
Net income per share	$0.01	$0.01	$0.01
Total assets	187,230,603	139,605,949	128,037,022
Total non-current liabilities	9,056,236	9,213,308	10,460,531
Dividends	-	-	-

SELECTED QUARTERLY AND FULL YEAR FINANCIAL AND OPERATING RESULTS

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Operating results				
Gold produced (ozs)	7,543	7,924	30,837	37,641
Gold realized net of smelting fees (ozs)	6,941	7,251	28,366	34,481
Gold sold (ozs)	6,850	7,589	28,044	34,880
Average realized gold price ($/oz sold)	$ 2,047	$ 1,680	$ 1,938	$ 1,775
Total cash costs ($/oz sold) (1)	787	757	793	657
All-in sustaining costs ($/oz sold) (1)	1,018	862	947	751
Financial results				
Revenue	$ 14,229,019	$ 12,972,456	$ 55,025,192	$ 63,474,357
Gross profit (2)	7,368,443	5,643,433	26,572,295	33,881,688
Adjusted EBITDA (1)	5,487,055	5,246,464	25,420,701	34,909,463
Net income	1,924,245	1,024,694	12,229,398	17,422,560
Net income attributable to shareholders	822,986	181,940	7,557,829	11,078,664
Basic and diluted income per share	0.00	0.00	0.01	0.01

(1) See "Additional Non-IFRS Financial Measures" on pages 16-18.
(2) "Gross profit" represents total revenues, net of cost of goods sold.

SUMMARY OF OPERATIONS

Gold Production

	Three months ended December 31,		Year ended December 31,	
(Ounces)	2023	2022	2023	2022
Songjiagou Operations				
SJG Open-Pit Mine	6,304	6,710	25,963	32,826
SJG Underground Mine	1,239	1,214	4,874	4,815
Total	7,543	7,924	30,837	37,641

A summary of SJG Project Operations for the three months and years ended December 31, 2023 and 2022 are as follows:

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Operating Results				
SJG Open-Pit Mine				
Ore mined	640,817	492,429	1,740,682	1,899,211
Ore processed	472,090	473,497	1,835,737	1,900,926
Average grade (g/t)	0.44	0.68	0.47	0.57
Gold recovery rate	93%	96%	94%	95%
Gold produced (ozs)	6,304	6,710	25,963	32,826
Gold realized net of smelting fees (ozs)	5,789	6,122	23,931	30,003
SJG Underground Mine				
Ore mined	22,797	22,707	89,999	89,974
Ore processed	22,797	22,707	89,999	89,974
Average grade (g/t)	1.72	1.71	1.71	1.69
Gold recovery rate	98%	98%	98%	98%
Gold produced (ozs)	1,239	1,214	4,874	4,815
Gold realized net of smelting fees (ozs)	1,152	1,129	4,435	4,478
Total SJG Project Operations				
Ore mined	663,613	515,137	1,830,682	1,989,184
Ore processed	494,887	496,204	1,925,736	1,990,900
Average grade (g/t)	0.50	0.69	0.53	0.62
Mill recovery	94%	96%	94%	95%
Gold produced (ozs)	7,543	7,924	30,837	37,641
Gold realized net of smelting fees (ozs)	6,941	7,251	28,366	34,481

Operating Results

Production

Gold production was 7,543 ounces for the fourth quarter of FY2023, from 494,887 tonnes of ore processed with an average grade of 0.50 g/t and a 94% recovery rate, compared to 7,924 ounces produced, from 496,204 tonnes processed with an average grade of 0.69 g/t and a 96% recovery rate, for the FY2022 comparative quarter. The decrease in average grade for the current period is partially due to low grade ore from the expansion work being added to the mill throughput during the period.

Gold production was 30,837 ounces for FY2023, from 1,925,736 tonnes of ore processed with an average grade of 0.53 g/t and a 94% recovery rate, compared to 37,641 ounces produced, from 1,990,900 tonnes processed with an average grade of 0.62 g/t and a 95% recovery rate, for the FY2022 comparative period.

The low gold production in FY2023 was due to the expansion work of SJG open pit resulting in lower gold grades and mining volume during the year.

Revenue

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Gold				
Ounces sold	6,850	7,589	28,044	34,880
Average realized price ($/oz)	$ 2,047	$ 1,680	$ 1,938	$ 1,775
Revenues				
Gold	$ 14,019,843	$ 12,751,895	$ 54,347,250	$ 61,920,102
Sulphur	209,176	220,561	677,942	1,554,255
	$ 14,229,019	$ 12,972,456	$ 55,025,192	$ 63,474,357

Gold revenue for the fourth quarter of FY2023 was $14 million, from the sale of 6,850 ounces, at an average realized gold price of $2,047 per ounce, compared to gold sales revenue of $12.8 million for the FY2022 comparative quarter, from the sale of 7,589 ounces, at an average realized gold price of $1,680 per ounce.

Gold revenue for FY2023 was $54.3 million, from the sale of 28,044 ounces, at an average realized gold price of $1,938 per ounce, compared to gold sales revenue of $61.9 million for FY2022, from the sale of 34,880 ounces, at an average realized gold price of $1,775 per ounce.

Revenues also include sulfur sales of $209,176 for the fourth quarter of fiscal 2023 and for $677,942 for the FY2023. The sulfur revenue is earned from the sale of sulfur recovered from gold concentrate during the smelting process. The Company entered into a March 16, 2022 agreement with its smelter whereby the Company sells its sulfur recovered during the smelting process.

Cost of Sales

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Ounces sold	6,850	7,589	28,044	34,880
Per ounce of gold sold (1)				
Cash costs	$ 787	$ 757	$ 793	$ 657
Production costs	1,002	966	1,015	848
Cost of Goods Sold				
Total cash costs	$ 5,390,555	$ 5,741,255	$ 22,227,515	$ 22,913,991
Total production costs	6,860,576	7,329,023	28,452,897	29,592,669

(1) See "Additional Non-IFRS Financial Measures" on pages 16-18.

Cash costs were $787 per ounce for the fourth quarter of FY2023, compared to $757 for the FY2022 comparative quarter. Production costs were $1,002 per ounce for the fourth quarter of FY2022, compared to $966 per ounce for the FY2022 comparative quarter.

Cash costs were $793 per ounce for FY2023, compared to $657 for FY2022. Production costs were $1,015 per ounce for FY2023, compared to $848 per ounce for FY2023.

The Company's average cash cost are higher due to the lower grades achieved and increased costs as result of the ongoing SJG Open-Pit expansion work, following its completion the Company expects average cash costs to return to prior levels of below $700 per ounce.

General and Administrative

The details of the changes in the consolidated general and administrative expenses ("G&A") for the three months and years ended December 31, 2023 and 2022 are as follows:

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Consulting and management fees	$ 424,300	$ 168,258	$ 946,708	$ 770,005
Financial advisory	1,562,249	401,451	2,252,215	1,235,747
Depreciation	59,852	12,014	334,998	324,196
Office and general	267,603	77,379	821,419	744,282
Professional fees	296,068	101,905	358,491	153,544
Research and development	203,769	780,485	1,191,540	1,443,745
Salaries	336,751	341,323	1,120,224	893,086
Shareholder communications	18,448	8,475	53,785	43,971
Travel	242,221	105,461	632,594	366,523
Total	$ 3,411,261	$ 1,996,751	$ 7,711,974	$ 5,975,099

The Company's G&A expenditures were $3,411,261 for the fourth quarter of FY2023, an increase of 71% from $1,996,751 for the FY2022 comparative quarter.

The Company's general and administrative expenses ("G&A") expenditures for FY2023, were $7,711,974 compared to $5,975,099 for FY2022.

The significant variances for the years ended December 31, 2023 and 2022 are as follows:

Financial advisory expenditures for FY2023 $2,252,215 (FY2022 - $1,235,747). The increase in financial advisory fees for the current year was due to completion and filing of the HKEX listing application as well as the cost incurred through the ongoing listing application due diligence process.

Research and development expenditures for 2023 were $1,191,540 (FY2022 - $1,443,745). These costs are related to the Company's initiative in developing and implementing new technologies in its mining operations, with the expectation of improving its recovery rates, milling, and mining efficiencies and lowering environmental impact of its processing and mining activities.

The remaining G&A expenses recorded in the statement of operations reflect the normal corporate business cycle. The Company strives to provide efficient and cost-effective administrative support to management's ongoing efforts to monitor production costs and increase shareholder value.

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures for the year ended December 31, 2023 and 2022, were $29,076 and $49,148, respectively. These costs are related to the Company's preliminary exploration work on the four Western Australian tenements held under a LOI.

Other Items

The details of the changes in the consolidated finance expense for the three months and years ended December 31, 2023 and 2022 are as follows:

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Interest expenses and finance charges for loans payable	$ 40,515	$ 52,968	$ 186,453	$ 139,608
Interest expense for leases	853	1,090	3,446	4,551
Interest expense for other long-term liabilities	40,347	50,006	167,298	200,448
Accretion of asset retirement obligation	24,198	23,260	97,694	98,201
Total	$ 105,913	$ 127,324	$ 454,891	$ 442,808

FINANCIAL CONDITION REVIEW

Balance Sheet Review

	December 31, 2023	December 31, 2022
Balance Sheet Information		
Cash and short-term investments	$ 97,971,465	$ 52,745,546
Other current assets	4,358,471	4,691,848
Non-current assets	84,900,667	82,168,555
Total assets	$ 187,230,603	$ 139,605,949
Current liabilities	$ 25,873,002	$ 21,059,237
Non-current liabilities	9,056,236	9,213,308
Total liabilities	34,929,238	30,272,545
Total equity	152,301,365	109,333,404
Total liabilities and equity	$ 187,230,603	$ 139,605,949

Assets

Cash and short-term investments

Cash increased relative to December 31, 2022, due to cash generated from its operating activities and the net proceeds from HKEX IPO.

Other current assets

Other current assets consist primarily of receivables, deposits and prepaid expenses, inventories, and current portion of other long-term assets. Other current assets decreased can be attributed to the expensing of listing costs included in prepaid expenses in December 2023 upon the completion of the HKEX IPO.

Non-current assets

Non-current assets primarily consist of property plant and equipment mining interests, which include the Company's mineral properties, and property, plant, and equipment. The increase relative to December 31, 2022 is primarily attributable to the Company's capitalized SJG Open-Pit expansion costs.

Current liabilities

Current liabilities consist primarily of trade and other payables and income tax payable. Current liabilities increased relative to FY2022 due to an increase in the income taxes payable outstanding.

Non-current liabilities

Non-current liabilities consist primarily of asset retirement obligation, deferred tax liabilities and other long-term-obligations. The Company's long-term obligations decreased in FY2023 attributable to local village and annual mining license payments and partially off-set by an increase in deferred tax liability.

SUMMARY OF QUARTERLY RESULTS

The financial results for each of the eight most recently completed quarters are summarized below:

	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Revenues	$14,229,019	$ 12,236,549	$14,591,796	$13,967,828
Net income	1,924,245	$3,012,848	$3,263,943	$4,028,362
Income per share attributable to owners of the parent	0.00	0.00	0.00	0.00
	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Revenues	$12,972,456	$16,044,230	$17,092,248	$17,365,423
Net income	1,024,694	$5,135,207	$5,844,799	$5,417,860
Income per share attributable to owners of the parent	0.00	0.00	0.00	0.00

Significant variations in revenues and net income between periods for FY2023 and FY2022 are primarily due to variances in gold sales, the volatility of gold prices as well as the current expansion operations.

LIQUIDITY AND CASH FLOW

Majestic continues to maintain a strong financial position and liquidity. At December 31, 2023, the Company had cash and cash equivalents of $98 million, compared to $52.7 million at December 31, 2022.

The Company's liquidity requirements arise principally from the need for working capital to finance expansion of its mining and processing operations. The Company's principal sources of funds have been cash generated from operations, proceeds from the borrowing from various financial institutions in China, and equity financings. The Company's liquidity depends primarily on its ability to generate cash flow from its operations and to obtain external financing to meet its debt obligations as they become due, as well as the Company's future operating and capital expenditure requirements.

The Company had working capital of $76.5 million at December 31, 2023, improving from a working capital of $36.4 million at December 31, 2022, of which the key components included:

- *Cash* - was $98 million; up $52.6 million from the end of fiscal 2022;
- *Short-term investments* - was $nil as all investments matured, down $7.4 from the end of fiscal 2022;
- *Deposits and prepaid expenses* - was $0.3 million, down $0.5 million from the end of fiscal 2022;
- *Inventories* - was $3 million*,* up $0.4 million from the end of fiscal 2022;
- *Accounts payable and accrued liabilities* - was $6.5 million, up $1.4 million from the end of fiscal 2022;
- *Current portion of long-term liabilities* - was $1.1 million, down $0.01 million from the end of fiscal 2022;
- *Income tax payable* - was $14.1 million, up $3.5 million from the end of fiscal 2022; and
- *Loans payable* - was $4.2 million, down $0.07 million from the end of fiscal 2022.

The Company's cash flows from operating, investing, and financing activities, as presented in the consolidated statements of cash flows, are summarized for the three months and year ended December 31, 2023 and 2022 as follows:

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Cash Flow Information				
Net cash provided from operating activities	4,098,008	5,264,771	24,489,794	30,285,213
Net cash provided from (used for) investing activities	4,772,765	(10,496,372)	(3,666,134)	(15,103,198)
Net cash provided from (used for) financing activities	32,169,078	(1,305,707)	32,035,138	(1,483,083)
Effect of foreign exchange on cash	1,065,812	381,062	(249,879)	(3,204,217)
Net increase in cash	42,105,663	(6,156,246)	52,608,919	10,494,715
Cash, beginning	55,865,802	51,518,792	45,362,546	34,867,831
Cash, ending	97,971,465	45,362,546	97,971,465	45,362,546

Majestic began fiscal 2023, with $45.4 million in cash. During the year ended December 31, 2023, the Company generated $24.5 million from the Company's operating activities, net of working capital changes, expended $3.7 million in net investing activities and $32 million in net financing activities, and had a foreign exchange gain of $0.25 million, to end at December 31, 2023 with $98 million in cash.

Operating Activities

For the three months and year ended December 31, 2023, decrease in cash generated from operating activities was primarily due to lower gold sales, and partially offset by higher gold price.

The cash generated by operations is highly dependent on gold price, as well as other factors, including grade and production volumes.

Investing Activities

Cash used in investing activities is primarily for the continued capital investment in the Company's SJG Gold Mine, which includes the capitalized expansion cost incurred in FY2023. Cash provided from investing activities for the three months ended December 31, 2023 was primarily due to the maturity of the short-term investment during the period.

Financing Activities

For the three months and year ended December 31, 2023, cash generated from financing activities was $32 million. The increase was primarily due to cash generated from the HKEX IPO as discussed under the "Corporate Developments" section.

Management considers its operating cash flows to be sufficient for the next twelve months to meet its planned development, operational activities, and its current outstanding debts. The Company has been achieving consistent profits from its operations and expects growth through increased production under the expanded mining permit and achieving higher head grades with the completion of the expansion work at SJG Open-Pit.

As at the date of this MD&A, other than as described herein and in the Financial Report, the Company has no other arrangements for sources of financing.

In management's view, given the nature of the Company's operations, which consists of exploration, mining 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 dependent upon factors beyond the Company's control, including the market value of the metals to be produced.

OUTSTANDING SHARE DATA AS AT THE DATE OF THIS MD&A

Authorized: an unlimited number of common shares without par value.	Common shares issued and outstanding
Outstanding at December 31, 2023 and at the date of this MD&A	1,042,664,381

TRANSACTIONS WITH RELATED PARTIES

Related party transactions

The Company incurred the following related party transactions during the three months and years ended December 31, 2023 and 2022:

	Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
Consulting fees charged by companies controlled by directors and officers of the Company - include key management personnel compensation	$ 370,786	$ 182,983	$ 837,869	$ 719,172

Compensation of key management personnel

The remuneration of directors and other members of key management personnel, which are included in the amounts disclosed above, were as follows:

	Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
Short-term employee benefits–management fees	$ 332,656	$ 45,946	$ 473,159	$ 226,057
Director fees	30,533	3,208	41,127	21,530
Total	$ 363,189	$ 49,154	$ 514,286	$ 247,587

Key management included the Company's directors, executive officers, and senior management. These transactions occurred in the normal course of operations and are measured at their exchange amounts, which is the amount of consideration established and agreed to by the parties.

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET APPLIED

More detail on these new standards, interpretations, and amendments and future IFRS pronouncements are provided in Note 3 of the Company's Financial Report.

COMMITMENT AND CONTINGENCIES

Commitments and contingencies include principal and interest payments of Company's bank loans, expenditure commitments on its mineral properties, and future aggregate minimum operating lease payments required under the operating leases as described in the Notes 12, 13, and 14 to the Financial Report.

OFF-BALANCE SHEET ARRANGEMENTS

The Company from time to time enters into various off-balance sheet arrangements in the ordinary course of business. At December 31, 2023, the Company does not have any off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. Equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The Company classifies its cash, receivables, restricted cash, and reclamation deposits at amortized cost.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed, but not exceeding what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. The Company classifies its accounts payable, loans payable, security for financial guarantee and other long-term liabilities at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and

/ or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Fair value

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.: as prices) or indirectly (i.e.: derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

			Year ended December 31,		
Financial assets	Level		2023		2022
Cash	1	$	97,971,465	$	45,362,546
Short-term investments	1		-		7,383,000
Reclamation deposits	1		2,715,302		2,526,227
Receivables (1)	2		957,588		1,159,300
Other long-term assets	2		526,970		937,093
Total		$	102,171,325	$	57,368,166

(1) Receivables exclude sales and income tax receivables.

			Year ended December 31,		
Financial liabilities	Level		2023		2022
Accounts payable and accrued liabilities	2	$	6,463,884	$	5,093,822
Interest-bearing bank borrowings	2		4,235,673		4,307,498
Other long-term liabilities	2		4,467,011		5,452,164
Total		$	15,166,568	$	14,853,484

Risk Management

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and reclamation deposits held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and China. The credit risk associated with cash held in Canada is reduced by management ensuring that the Company uses a major Canadian financial institution with strong investment grade ratings by a primary ratings agency. The credit risk associated with cash held in China is reduced, but not fully mitigated, by management using a financial institution that is operated by the Government of China.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company plans to ensure that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in interest bearing accounts which are available on demand. Management believes the Company has sufficient cash on hand to finance operations for the next twelve months. The Company's accounts payable and accrued liabilities are generally due on demand. The maturity of the Company's loans are disclosed in Note 12 of the Financial Report. The following summarizes the undiscounted amount of the remaining contractual maturities of the Company's financial liabilities.

	December 31, 2023				December 31, 2022
	Within a year	2-5 years	Over five years	Total	Total
Accounts payable and accrued liabilities	$ 6,463,884	$ -	$ -	$ 6,463,884	$ 5,093,822
Loans	4,235,673	-	-	4,235,673	4,307,498
Other long-term liabilities	1,067,795	3,304,054	603,612	4,975,460	6,141,995
Total	$ 11,767,352	$ 3,304,054	$ 603,612	$ 15,675,017	$ 15,543,315

Industry Risk

The Company is a mining company with a property and mining operations in China. Its mining activities involve numerous inherent risks. The Company is subject to various financial, equities markets, operational and political risks that could significantly affect its operations and cash flows. These risks include changes in local laws affecting the mining industry, a decline in the price of commodities, uncertainties inherent in estimating mineral resources and fluctuations in the foreign currencies against the US dollar. The Company does not use derivatives or hedging to mitigate the risk of changes in the price of gold or currency fluctuations.

The Company's business is highly dependent on the price of gold and venture capital markets, which are impacted by volatility factors the Company cannot control. A decrease in the price of gold could adversely affect the Company's financial condition, results of operations and cash flows. Lower gold prices may result in asset impairment, write-downs of mineral property carrying values and limitations in access to capital.

The Company operates in China and is exposed to the laws governing the mining industry in China. The Chinese government is currently supportive of the mining industry but there is uncertainty in future changes to government policies and regulations including taxation, repatriation of profits, restrictions on production, export controls, environmental compliance, and expropriation. These factors could adversely affect the Company's exploration efforts and production plans.

The Company's property is located in an area that can experience severe winter weather conditions which could adversely affect mining operations. In addition, the Company is subject to changes in environmental laws and regulations that may result in unexpected costs.

Market Risk

The significant market risks to which the Company is exposed are interest rate risk, currency risk and other commodity price risk. These are discussed further below:

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's cash consists of cash and reclamation deposits held in bank accounts that earn interest at variable interest rates. The Company's loans payable accrues interest at fixed rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value as of December 31, 2023.

Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the functional currency of the entity completing the transaction or holding the funds. The Company does not manage currency risks through hedging or other currency-based derivatives. The Company and its subsidiaries do not have significant transactions or hold significant cash denominated in currencies other than their functional currencies. Therefore, this risk is considered minimal.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing, and exploring mineral properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest, which they may have, in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Audit Committee of the Board of Directors. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of independent directors.

RISKS AND UNCERTAINTIES

Risks and uncertainties information concerning risks specific to the Company and its industry, which are required to be included in this MD&A are incorporated by reference to the Company's annual MD&A for the year ended December 31, 2023.

ADDITIONAL NON-IFRS FINANCIAL MEASURES

The Company has included additional financial performance measures in this MD&A, such as cash flows from operating activities, excluding changes in non-cash working capital, adjusted EBITDA, total cash costs, total production costs and AISC. The Company reports total cash costs, production costs, and AISC on a per gold ounce sold basis. In the gold mining industry, this is a common performance measure but does not have any standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

"*Cash flows from operating activities, excluding changes in non-cash working capital*" is calculated by excluding changes in non-cash working capital. The Company presents cash flows from operating activities excluding changes in non-cash working capital, as it believes that certain investors use this information to evaluate the Company's performance in comparison to other companies in the precious metals mining industry that present results on a similar basis.

"Adjusted EBITDA" represents earnings before interest (including non-cash accretion of financial obligations), income taxes and depreciation and depletion ("EBITDA"), adjusted to exclude impairment charges, allowance for doubtful accounts, gains or losses on asset dispositions, share-based compensation, gains/losses on financial instruments and foreign exchange gains/losses.

"Total cash costs per ounce" is calculated from operation's cash costs, which include resource taxes, and dividing the sum by the number of gold ounces sold. Operations cash costs include mining, milling, smelter and other direct costs.

"Total production costs per ounce" are calculated by adding depreciation and depletion to total cash costs and dividing the sum by the number of ounces of gold sold.

"All-in sustaining cash costs per ounce" ("AISC") is a performance measure that reflects the expenditures that are required to produce an ounce of gold from current operations. While there is no standardized meaning of the measure across the industry, the Company's definition is derived from the definition, as set out by the World Gold Council in its guidance dated November 16, 2018, respectively. The World Gold Council is a non-regulatory, non-profit organization established in 1987 whose members include global senior mining companies. The Company believes that this measure is useful to external users in assessing operating performance and the ability to generate free cash flow from operations. Majestic defines AISC as the sum of Total Cash Costs per ounce (as defined above) and adds the sum of G&A, share-based compensation, sustaining capital expenditures and certain exploration and evaluation costs, all divided by the number of ounces sold. As this measure seeks to reflect the full cost of gold production from current operations, new project capital is not included in the calculation of all-in sustaining costs per ounce. Additionally, certain other cash expenditures, including income tax payments and financing costs, are not included.

The following table provides the computation of cash flows from operating activities, excluding changes in non-cash working capital for the three months and years ended December 31, 2023 and 2022:

	Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
Cash provided from operating activities	$ 4,098,008	$ 5,264,771	$ 24,489,794	$ 30,285,213
Less:				
Changes in non-cash working capital	(414,082)	1,416,541	961,098	1,106,147
Cash provided from operating activities, excluding changes in non-cash working capital	$ 4,512,090	$ 3,848,230	$ 23,528,696	$ 29,179,066

The following table provides details of the primary components of adjusted EBITDA for the three months and years ended December 31, 2023 and 2022:

	Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
Revenue	$ 14,229,019	$ 12,972,456	$ 55,025,192	$ 63,474,357
Cost of sales, net of depreciation and depletion	(5,390,555)	(5,741,255)	(22,227,515)	(22,913,991)
G&A, net of depreciation	(3,351,409)	(1,984,737)	(7,376,976)	(5,650,903)
Adjusted EBITDA	$ 5,487,055	$ 5,246,464	$ 25,420,701	$ 34,909,463

The following table provides a reconciliation of adjusted EBITDA to the consolidated financial statements for the three months and years ended December 31, 2023 and 2022:

	Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
Net Income	$ 1,924,245	$ 1,024,694	$ 12,229,398	$ 17,422,560
Depreciation and depletion	1,529,873	1,599,782	6,560,380	7,002,874
Exploration and evaluation expenditures	2,646	12,634	29,076	49,148
Finance expense, net of finance income	(240,036)	(448,643)	(782,787)	(133,159)
Foreign exchange income	184,812	1,351,973	116,808	1,182,347
(Gain) / Loss on sale of assets	-	(860,089)	716	(1,754)
Write-down of long-term assets	59,639	-	59,639	-
Other expenses	1,372	208,547	1,441	147,988
Income tax expense	2,024,504	2,357,566	7,206,030	9,239,459
Adjusted EBITDA	$ 5,487,055	$ 5,246,464	$ 25,420,701	$ 34,909,463

The following tables provide reconciliation to the consolidated financial statements of total cash costs per ounce, and total production costs per ounce as disclosed in this MD&A to the consolidate financial statements for the three months and years ended December 31, 2023 and 2022:

	Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
Gold sold (ozs)	6,850	7,589	28,044	34,880
Total cash costs per ounce				
Mining and Milling fees	$ 5,304,860	$ 4,750,603	$ 18,838,321	$ 18,385,811
Smelting costs	472,736	471,808	$ 1,532,148	$ 2,020,779
Resource taxes	504,783	459,798	$ 1,954,098	$ 2,225,547
Other direct costs	12,371	3,146	$ 44,108	$ 21,264
Changes in ending gold concentrate inventory	(904,195)	55,900	$ (141,160)	$ 260,590
Total cash costs	$ 5,390,555	$ 5,741,255	$ 22,227,515	$ 22,913,991
Per ounce sold	$ 787	$ 757	$ 793	$ 657
Total production costs per ounce				
Total cash costs	$ 5,390,555	$ 5,741,255	$ 22,227,515	$ 22,913,991
Depreciation and depletion	1,470,021	1,587,768	6,225,382	6,678,678
Total production costs	$ 6,860,576	$ 7,329,023	$ 28,452,897	$ 29,592,669
Per ounce sold	$ 1,002	$ 966	$ 1,015	$ 848
All-in sustaining costs per ounce				
Total cash costs	$ 5,390,555	$ 5,741,255	$ 22,227,515	$ 22,913,991
G&A, net of depreciation, R&D and financial advisory expenses	1,585,391	802,801	3,933,221	2,971,411
Sustaining capital expenditures (1)	336	(2,067)	410,469	302,082
All-in sustaining costs	$ 6,976,282	$ 6,541,989	$ 26,571,205	$ 26,187,484
Per ounce sold	$ 1,018	$ 862	$ 947	$ 751

(1) Sustaining capital expenditures are defined those expenditures which do not increase annual gold ounce production and excludes certain expenditures at the Company's operations which are deemed expansionary in nature. Capital expenditures include unpaid capital expenditures incurred in the period.

The following table reconciles sustaining capital expenditures to the Company's total additions as reported in the consolidated statements of cash flows for the three months and years ended December 31, 2023 and 2022:

	Three months ended December 31, 2023	Three months ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
Additions to property, plant and equipment				
SJG Project	$ 2,667,894	$ 2,743,232	$ 10,599,879	$ 6,711,279
Sustaining capital	336	(2,067)	410,469	302,082
	$ 2,668,230	$ 2,741,165	$ 11,010,348	$ 7,013,361

FORWARD-LOOKING STATEMENTS

This MD&A contains or incorporates by reference "forward-looking statements" within the meaning of applicable Canadian securities legislation. Except for statements of historical fact relating to the Company, information contained herein constitutes forward-looking statements, including any information as to the Company's strategy, plans or future financial or operating performance. Forward-looking statements are characterized by words such as "plan", "expect", "budget", "target", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the impact of general business and economic conditions, global liquidity and credit availability on the timing of cash flows and the values of assets and liabilities based on projected future conditions, fluctuating gold prices, currency exchange rates, possible variations in ore grade or recovery rates, changes in accounting policies, changes in the Company's corporate resources, changes in project parameters as plans continue to be refined, changes in project development, construction, production and commissioning time frames, risk related to joint venture operations, the possibility of project cost overruns or unanticipated costs and expenses, higher prices for fuel, steel, power, labor and other consumables contributing to higher costs and general risks of the mining industry, failure of plant, equipment or processes to operate as anticipated, unexpected changes in mine life, unanticipated results of future studies, seasonality and unanticipated weather changes, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending litigation and labour disputes, as well as those risk factors discussed or referred to in the Company's Management's Discussion and Analysis for the year ended December 31, 2023, filed with the applicable securities regulatory authorities and available at SEDAR www.sedarplus.ca. Although the Company has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated, or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates, assumptions or opinions should change, except as required by applicable law. The reader is cautioned not to place undue reliance on forward-looking statements. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company's expected financial and operational performance and results as at and for the periods ended on the dates presented in the Company's plans and objectives, and may not be appropriate for other purposes.