

**MAJESCOR RESOURCES INC.**  
**(A Development Stage Company)**  
***UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS***  
***For the three months ended November 30, 2006***  
**Stated in Canadian dollars**

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# Majescor Resources Inc.

(a development stage company)

## Interim Consolidated Balance Sheets

(Expressed in Canadian dollars)

	November 30, 2006	February 28, 2006
	\$	\$
	(unaudited)	(audited)
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,073,799	1,149,157
Marketable securities	-	9,500
Accounts receivable	470,072	573,066
Tax credit and mining duties receivable	347,923	879,983
Advances to operators	310,814	-
Prepaid expenses	23,967	8,162
	<u>3,226,575</u>	<u>2,619,868</u>
<b>Property, Plan and Equipment</b> (note 4)	11,863	11,224
<b>Mineral properties and deferred exploration expenses</b> (note 5)	6,280,956	4,658,399
	<u>9,519,393</u>	<u>7,289,491</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	79,630	705,194
Accounts payable - related parties (note 6)	63,617	132,460
Amount due to operators	129,475	22,279
	<u>272,722</u>	<u>859,933</u>
<b>Shareholders' Equity</b>		
Share Capital (note 7)	19,058,703	16,622,838
Warrants (note 7)	961,412	538,916
Contributed surplus (note 9)	1,017,018	466,889
Deficit	(11,790,460)	(11,199,085)
	<u>9,246,672</u>	<u>6,429,558</u>
	<u>9,519,393</u>	<u>7,289,491</u>

Going concern assumption (note 1)

(Signed) "André Audet"

André Audet, Director

(Signed) "Marc Carbonneau"

Marc Carbonneau, CFO

*The accompanying notes are an integral part of these interim consolidated financial statements*

# Majescor Resources Inc.

(a development stage company)

Interim Consolidated Statements of Deficit (unaudited)

(Expressed in Canadian dollars)

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	<b>Three Months Ended November 30, 2006</b>	<b>Three Months Ended November 30, 2005</b>	<b>Nine Months Ended November 30,2006</b>	<b>Nine Months Ended November 30,2005</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance – Beginning of period</b>	11,596,771	8,184,324	11,199,085	7,729,099
Net loss for the period	193,689	743,624	591,375	1,198,849
<b>Balance – End of period</b>	<b>11,790,460</b>	<b>8,927,948</b>	<b>11,790,460</b>	<b>8,927,948</b>

*The accompanying notes form an integral part of these interim consolidated financial statements*

# Majescor Resources Inc.

(a development stage company)

## Interim Consolidated Statements of Operations (unaudited)

(Expressed in Canadian dollars)

	Three Months Ended November 30, 2006 \$	Three Months Ended November 30, 2005 \$	Nine Months Ended November 30, 2006 \$	Nine Months Ended November 30, 2005 \$
<b>General and administrative expenses</b>				
Management and consulting fees	74,900	73,689	184,757	146,053
Salaries and benefits	31,454	5,114	132,584	16,006
Travel and promotion	32,034	41,603	44,307	60,225
Report to shareholders	1,526	3,903	16,072	30,391
Conferences and subscription	963	13,144	4,640	21,325
Stationary and office supplies	6,739	334	10,045	2,699
Professional fees	11,699	42,308	58,130	72,204
Insurance	2,590	2,095	9,236	2,486
Bank charges and interest	1,362	310	2,388	2,094
General expenses	27,179	19,531	67,652	48,142
Amortization	2,415	812	5,451	2,559
Total general and administrative expenses	192,860	202,845	535,261	404,185
Part XII.6 tax	830	-	13,449	-
Write-down of mining properties (note 5)	-	526,009	43,826	926,958
Write-down of Marketable Securities	-	15,000	-	24,400
Loss on sale of marketable securities	-	-	65	-
	193,689	743,854	592,601	1,355,543
<b>Other Income</b>				
Interest income	-	228	1,225	9,148
Gain on sale of fixed assets	-	-	-	380
Gain on sale of mining properties	-	-	-	147,164
Total other income	-	228	1,225	156,693
<b>Net loss for the period</b>	193,689	743,626	591,376	1,198,851
<b>Net loss per common share basic and diluted</b>	0.003	0.015	0.009	0.025
<b>Weighted average number of shares outstanding, basic and diluted</b>	77,237,205	48,303,763	66,862,577	48,059,357

The accompanying notes form an integral part of these interim consolidated financial statements

# Majescor Resources Inc.

(a development stage company)

## Interim Consolidated Statements of Cash Flows (unaudited)

(Expressed in Canadian dollars)

	Three Months Ended November 30, 2006 \$	Three Months Ended November 30, 2005 \$	Nine Months Ended November 30, 2006 \$	Nine Months Ended November 30, 2005 \$
<b>Cash flows from (used in)</b>				
<b>Operating activities</b>				
Net loss	(193,689)	(743,624)	(591,375)	(1,198,849)
Items not affecting cash –				
Write-down of marketable securities	-	15,000	-	24,400
Amortization of property, plant and equipment	2,415	812	5,451	2,559
Write-down of mining properties sold or abandoned	-	526,009	43,826	928,006
Gain on sale of mining properties	-	-	-	(147,164)
Gain on sale of fixed assets	-	-	-	(380)
Loss on sale of marketable securities	-	-	65	-
Stock-based compensation	34,181	12,657	67,783	12,657
	<u>(157,093)</u>	<u>(189,146)</u>	<u>(474,250)</u>	<u>(378,771)</u>
Change in non-cash working capital items –				
Marketable securities		-	-	(127,500)
Amounts receivable	(141,582)	200,610	(207,820)	(17,250)
Prepaid expenses	(18,173)	(3,396)	(15,805)	(11,290)
Accounts payable and accrued liabilities	10,405	387,651	(59,942)	(385,247)
	<u>(306,443)</u>	<u>395,719</u>	<u>(757,817)</u>	<u>(920,058)</u>
<b>Financing activity</b>				
Issue of share capital net of share issuance costs	1,277,158	1,288,726	3,091,555	1,288,726
	<u>1,277,158</u>	<u>1,288,726</u>	<u>3,091,555</u>	<u>1,288,726</u>
<b>Investing activities</b>				
Sale of (Additions to) plant and equipment	(3,590)	-	(6,090)	(5,010)
Proceeds from sale of marketable securities	-	-	9,435	-
Proceeds from sale of mining properties	-	-	-	502,500
Acquisition of mining properties and exploration expenses	(1,195,364)	(316,927)	(1,998,363)	(1,929,447)
Tax credits and mining rights cashed	126,664	-	585,928	-
	<u>(1,072,290)</u>	<u>(316,927)</u>	<u>(1,409,090)</u>	<u>(1,431,957)</u>
<b>Net change in cash and cash equivalents</b>	(101,575)	1,367,518	924,648	(1,063,289)
<b>Cash and cash equivalents – Beginning of period</b>	2,175,376	254,907	1,149,157	2,685,714
<b>Cash and cash equivalents – End of period</b>	<u>2,073,799</u>	<u>1,622,425</u>	<u>2,073,799</u>	<u>1,622,425</u>
<b>Additional information</b>				
Purchase of mining properties included in/by issue of:				
accounts payable and accrued liabilities	193,460	(20,552)	(140,347)	(242,021)
shares	140,000	-	249,153	-
Issue of warrants during financing	12,354	-	904,842	-

*The accompanying notes form an integral part of these interim consolidated financial statements*

# Majescor Resources Inc.

(a development stage company)

## Interim Consolidated Statements of Mineral Properties (unaudited)

(Expressed in Canadian dollars)

	Three Months Ended November 30, 2006 \$	Three Months Ended November 30, 2005 \$	Nine Months Ended November 30, 2006 \$	Nine Months Ended November 30, 2005 \$
<b>Balance - Beginning of period</b>	5,194,050	7,203,093	4,658,398	6,211,943
Additions				
Drilling	72,196	153,843	448,475	1,218,801
Project Consulting	26,886	47,600	67,894	92,910
Geophysical Survey -ground	103,587	131,352	124,279	321,685
Geophysical Survey - airborne	751,359	5,099	897,526	5,099
Geological Survey	237,215	2,168	395,245	2,168
Geochemical Survey	11,261	-	22,453	9,472
Sampling	213,860	603,631	401,954	929,598
Assaying	8	662	7,937	34,037
Line Cutting	-	-	-	11,156
Report Preparation	32,368	10,699	64,668	28,720
Property evaluation	4,138	273	23,171	689
Renewal of Licences and Permits	128,661	199,482	176,001	250,369
General Field Expenses	112,308	18,023	161,842	101,070
Total Additions	1,693,846	1,172,831	2,791,443	3,005,774
Recoveries from joint venture partners	(791,942)	(835,354)	(1,454,738)	(835,354)
Acquisition of mining properties	240,000	-	383,544	-
	1,141,905	337,477	1,720,250	2,170,420
Deductions				
Write-down of mining properties sold or abandon	-	(526,009)	(43,826)	(1,254,414)
Cost of sold properties	-	-	-	(27,879)
Tax credit and mining duties	(54,998)	(2,257)	(53,866)	(87,763)
	1,086,906	(190,789)	1,622,557	800,364
<b>Balance - End of period</b>	6,280,955	7,012,307	6,280,955	7,012,307

*The accompanying notes form an integral part of these interim consolidated financial statements*

# Majescor Resources Inc.

## Notes to Interim Consolidated Financial Statements (unaudited)

(Expressed in Canadian dollars)

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### 1. Going concern assumption

Majescor Resources Inc. (the “Company”) is an exploration company. Until it is determined that the Company’s properties contain reserves or resources that can be economically mined, they are classified as exploration properties. The recoverability of deferred expenditures is dependent upon: the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; the ability to obtain necessary financing to complete exploration, development and construction of processing facilities; obtaining certain government approvals; and attaining profitable production.

These financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and discharge of liabilities in the normal course of business as they come due. These interim consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

For the three-months period ended November 30, 2006, the Company reported a loss of \$193,689 and an accumulated deficit of \$11.8 million at that date. In addition to ongoing working capital requirements, the Company must secure sufficient funding for its existing commitments for exploration and development programs and general and administration costs. These circumstances lend substantial doubt as to the ability of the Company to meet its commitments as they come due.

In recognition of these circumstances, the Company closed on November 10, 2006, a private placement for gross proceeds of \$1,340,000 to fund its projects, its general and administration costs. These undertakings are not sufficient in and of themselves to enable the Company to fund all aspects of its operations and, accordingly, management is pursuing other financing alternatives so it can continue as a going concern. While management expects that the Company will be able to secure the necessary financing through the issue of new equity or debt instruments and the entering into joint venture arrangements, there is no assurance that these initiatives will be successful.

These interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

### 2. Incorporation and Nature of Business

The Company was incorporated under the Canada Business Corporations Act on February 23, 1996. The principal activities of the Company comprise the acquisition and exploration of mining properties.

### 3. Basis of presentation

These interim consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles in Canada and use the same accounting policies and methods as in the preparation of the company’s most recent annual financial statements. All disclosures required for annual financial statements have not been included in these financial statements. Accordingly, these interim financial statements should be read in conjunction with the company’s most recent annual financial statements.

The financial information as at November 30, 2006 and November 30, 2005 is unaudited; however, in the opinion of management, all adjustments necessary to present fairly the results of these periods have been included. The adjustments made were of a normal recurring nature. Interim results may not necessarily be indicative of results anticipated for the year.

# Majescor Resources Inc.

Notes to Interim Consolidated Financial Statements (unaudited)

(Expressed in Canadian dollars)

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## 4. Property, plant and equipment

	Nine Months Ended November 30, 2006			Year Ended February 28, 2006		
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
	\$	\$	\$	\$	\$	\$
Office furniture and equipment	1,346	869	477	1,346	784	562
Computer equipment	9,899	6,005	3,894	9,899	4,875	5,024
Computer software	8,628	3,834	4,794	2,538	381	2,157
Analysis equipment	6,700	5,186	1,514	6,700	4,746	1,954
Web site development expenses	7,485	6,301	1,184	7,485	5,958	1,527
	<u>34,058</u>	<u>22,195</u>	<u>11,863</u>	<u>27,968</u>	<u>16,744</u>	<u>11,224</u>

## 5. Mining properties and deferred exploration expenses

# Majescor Resources Inc.

## Notes to Interim Consolidated Financial Statements (unaudited)

(Expressed in Canadian dollars)

	<b>Nine months Ended November 30, 2006</b>		<b>Year Ended February 28, 2006</b>	
	Acquisition Cost	Deferred Exploration Expenses	Acquisition Cost	Deferred Exploration Expenses
	\$	\$	\$	\$
Canada				
Québec				
Nottaway	597	47,372	1,073	76,945
Portage	234,884	1,690,037	234,884	1,692,964
Wemindji	317	30	2,075	-
Gayot	-	350	-	-
Mistassini	2,199	5,216	3,323	7,795
Laparre	44,408	62,335	44,408	56,542
Crater Quebec	-	27,479	-	27,479
Mirabelli	-	65,521	-	-
NWT				
Upper Carp Lake	-	141,926	-	91,665
Carat	-	303	-	-
Big Island	30,000	404,199	30,000	337,489
Hardy Lake	174,000	1,022,431	174,000	922,704
Ontario				
Crater Ontario	-	1,967	-	1,967
Nunavut				
Baker Lake	-	402,919	-	9,682
International				
Brauna/Brazil	2,552	718,113	2,552	333,686
Madagascar	240,500	747,105	500	585,315
Tres Marias Area	164,895	48,499	21,351	-
Centrafrique	-	800	-	-
	<u>894,353</u>	<u>5,386,603</u>	<u>514,166</u>	<u>4,144,233</u>
Deferred exploration expenses	<u>5,386,603</u>		<u>4,144,233</u>	
	<u>6,280,956</u>		<u>4,658,399</u>	

# Majescor Resources Inc.

Notes to Interim Consolidated Financial Statements (unaudited)

(Expressed in Canadian dollars)

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## 6. Related party transactions

Related party transactions not disclosed elsewhere in these interim consolidated financial statements are as follows:

Under an agreement between the Company and Everton Resources Inc., the Company reimburses the cost of shared salaries & benefits, rent and office expenses paid by Everton Resources Inc. (which shares a common CFO and Directors). Included in accounts payable is \$63,617 due to Everton Resources Inc. (\$132,460 as at February 28, 2006).

Under an agreement between the Company and its joint venture partner Forest Gate Resources Inc. (which share a common Director), the Company is the operator for Portage project. All exploration expenditures incurred on the project and paid by the Company are recovered from Forest Gate Resources Inc. in addition to 5%-10% management fees on these expenditures. Included in amount due to operators is \$59,765 due to Forest Gate Resources Inc. (\$521,312 in accounts receivable as at February 28, 2006).

Under a joint venture agreement between the Company and Uranium World Energy Inc (in which the Company detains a participation and shares a common Director), the Company is the operator for Uranium project. All exploration expenditures incurred on the project and paid by the Company are recovered at cost from Uranium World Energy Inc. Included in accounts receivable is \$320,872 due from Uranium World Energy Inc. ( Nil as at February 28, 2006).

Under an agreement between the Company and Orezone Resources Inc. (which shares a common Director), the Company shared an investigation of projects in Africa. Included in accounts receivable is \$10,000 due from Orezone Resources Inc. to reimburse expenses incurred for this mission at cost.

Also, during the period, the Company paid nil (2005- \$9,700) for shared office rental to Orezone Resources Inc.

Under an agreement between the Company and one of its Directors, the Company paid \$1,000 (2005-\$5,000) in consulting fees.

# Majescor Resources Inc.

## Notes to Interim Consolidated Financial Statements (unaudited)

(Expressed in Canadian dollars)

### 7. Share capital

a) Authorized

Unlimited number of common shares without par value.

b) Issued

	Three Months Ended November 30, 2006		Nine Months Ended November 30, 2006	
	Number of Shares	\$	Number of Shares	\$
<b>Balance - Beginning of period</b>	74,568,249	17,653,899	59,018,639	16,622,838
Shares issued for cash (net of issue costs and fair value of warrants)	8,375,000	1,264,804	22,932,310	2,186,712
Shares issued to increase participation in mineral properties	1,000,000	140,000	1,992,300	249,153
<b>Balance - End of period</b>	<b>83,943,249</b>	<b>19,058,703</b>	<b>83,943,249</b>	<b>19,058,703</b>

The following table summarizes information about the common shares issued during the period ended November 30, 2006:

Date	Number	Price \$	\$	Consideration
September-06	1,000,000	0.14	140,000	Purchase of mining properties
November-06	8,375,000	0.16	1,264,804 (1)	Private placement

(1) This amount is net of share issuance costs of \$62,842 and net of the fair value of the 306,250 agent warrants for \$12,354

c) Warrants

	Three Months Ended November 30, 2006		Nine Months Ended November 30, 2006	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
<b>Balance – Beginning of period</b>	19,040,276	0.22	7,730,166	0.35
Granted	306,250	0.16	15,041,360	0.20
Expired	(3,164,666)	0.35	(6,589,666)	0.38
<b>Balance – End of period</b>	<b>16,181,860</b>	<b>0.20</b>	<b>16,181,860</b>	<b>0.20</b>

# Majescor Resources Inc.

## Notes to Interim Consolidated Financial Statements (unaudited)

(Expressed in Canadian dollars)

As at November 30, 2006, the following stock purchase warrants were outstanding and exercisable:

Number	Exercise Price \$	Black-Scholes Value \$	Expiry Date
50,000	0.40	4,286	January 22, 2007
50,000	0.45	3,166	January 23, 2008
1,040,500	0.15	49,118	November 28, 2007
2,540,000	0.20	109,272	April 4, 2008
177,800	0.15	9,781	April 4, 2008
12,017,310	0.20	773,435	August 31, 2008
306,250	0.16	12,354	November 10, 2008
<b>16,181,860</b>		<b>961,412</b>	

Warrants issued are measured and recognized at the date of grant using the Black-Scholes pricing model with the following weighted average assumptions:

	November 30, 2006	February 28, 2006
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	69%	71%
Risk-free interest rate	3.98%	3.72%
Expected life of warrants	2 years	2 years
Weighted average fair value	\$0.04	\$0.05

### 8. Stock option plan

The Company established a stock option plan under which certain key employees, officers, directors and consultants may be granted stock options of the Company. A maximum of 4,793,848 stock options (maximum of 5% of the number of common shares outstanding in favour of one person) may be granted.

Options granted expire after a maximum of ten years after the grant date.

	Three Months ended November 30, 2006		Nine Months ended November 30, 2006	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
<b>Balance – beginning of period</b>	3,623,162	0.15 (1)	3,778,162	0.15
Granted	200,000	0.15	500,000	0.15
Expired / cancelled	-	-	(455,000)	0.15
<b>Balance – ending of period</b>	<b>3,823,162</b>	<b>0.15</b>	<b>3,823,162</b>	<b>0.15</b>

(1) A repricing of options at a price of \$0.15 was performed in July 2006. An adjustment to stock based compensation was recorded as at November 30, 2006 for the amount of \$24,811 (see note 9)

# Majescor Resources Inc.

## Notes to Interim Consolidated Financial Statements (unaudited)

(Expressed in Canadian dollars)

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The Company's granted options vest at a rate of 25% after each quarter. During the period, the Company granted options to purchase up to 200,000 shares (of which none have vested in the period) of the Company's stock to a consultant at an exercise price of \$0.15 per share, with an estimated fair value of \$0.07 per share on the grant date. The company has recorded the following amounts as stock based compensation:

	Three Months Ended November 30, 2006 \$	Three Months Ended November 30, 2005 \$	Nine Months Ended November 30, 2006 \$	Nine Months Ended November 30, 2005 \$
Salaries and benefits	5,948	3,068	16,950	3,068
Management and consulting fees	28,233	9,589	50,832	9,589
Total stock based compensation	34,181	12,657	67,782	12,657

The fair value of options granted was estimated using the Black-Scholes options pricing model with the following weighted average assumptions:

	November 30, 2006	February 28, 2006
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	69%	72%
Risk-free interest rate	3.94%	3.94%
Expected life of options	5 years	5 years
Weighted average fair value	\$0.07	\$0.08

### 9. Contributed Surplus

Contributed surplus consists of the following components:

# Majescor Resources Inc.

## Notes to Interim Consolidated Financial Statements (unaudited)

(Expressed in Canadian dollars)

	Three Months Ended November 30, 2006 \$	Three Months Ended November 30, 2005 \$	Nine Months Ended November 30, 2006 \$	Nine Months Ended November 30, 2005 \$
Balance – beginning of period	772,868	258,719	466,889	258,719
Stock options granted (note 8)	9,370		42,971	-
Adjustment - Repriced options	24,811	-	24,811	-
Black-Scholes value of expired warrants	209,969	-	482,347	-
Balance – end of period	1,017,018	258,719	1,017,018	258,719

### 10. Segmented information

The Company operated in one segment being the acquisition and exploration of mining properties in order to search for economically recoverable reserves. A breakdown of total assets by geographic segment is as follows:

	Canada \$	Brazil \$	Madagascar \$	Other	Consolidated \$
November 30, 2006	7,303,284	1,182,850	1,032,459	800	9,519,393
February 28, 2006	6,339,049	357,589	592,851	-	7,289,489

### 11 Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

### 12. Subsequent events

- In December 2006, the Company closed a non-brokered private placement of 5,500,000 flow through shares at a price of \$0.16 per share, for total proceeds of \$880,000. The flow-through shares issued pursuant to the Offering are subject to a four month hold period expiring on April 29, 2007. A finder's fee was paid to Desjardins Securities.

- In December 2006, the Company closed a non-brokered private placement totalling \$150,000 with Sodémex II, a limited partnership sponsored by the Caisse de dépôt et placement du Québec. The gross proceeds of the private placement will be used for general corporate purposes.

In total, the Company issued 1,153,846 common shares at a price of \$0.13 per share and 1,153,846 warrants, each warrant entitling Sodémex II to purchase one additional common share of the Company at a price of \$0.20 per share until December 4, 2008. The securities issued pursuant to the private placement are subject to a four-month hold period expiring on April 5, 2007.

# **Majescor Resources Inc.**

## Notes to Interim Consolidated Financial Statements (unaudited)

(Expressed in Canadian dollars)

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- In December 2006, the Company appointed Raymond Chabot Grant and Thornton as new Auditor of the Company.
  
- In January 2007, the Company closed a non-brokered private placement totalling \$150,000 with SIDEX. The Diversification of Exploration Investment Partnership (SIDEX Limited Partnership) was established by the Government of Quebec and the Solidarity Fund QFL. The gross proceeds of the private placement will be used for exploration work on the Mirabelli property in Quebec.  
The private placement, which is scheduled to close on Thursday, January 25, 2007, consists of a \$150,000 unsecured convertible debenture with a conversion price of \$0.17 per unit. Each unit is composed of one common share and one share subscription warrant entitling the owner to subscribe to one common share of the Company for 24 months at a price of \$0.20. The term of the unsecured convertible debenture is 24 months, the interest rate is 12% nominal, payable twice a year in cash or in shares, and is subject to TSX Venture Exchange approval.
  
- In January 2007, the Company decided to drop two projects : Hardy Lake and Upper Carp Lake as they no longer fit the Company's development strategy. The total cost of these two projects included in mineral properties properties is \$1,338,357 as at November 30, 2006.