

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The following Management Discussion and Analysis (“MD&A”) of the operating results, financial condition and future prospects of Majescor Resources Inc. (the “Company” or “Majescor”), current as of October 27, 2008 should be read in conjunction with the unaudited consolidated financial statements for the three-month and six-month period ended August 31, 2008 and the audited consolidated financial statements of the Company and notes to the consolidated financial statements for the fiscal years ended February 29, 2008 and February 28, 2007. Said financial statements were prepared in accordance with Canadian generally accepted accounting principles. The reporting currency is in Canadian dollars. Unless specified as \$US, references in this MD&A to dollars are to Canadian dollars.

This MD&A contains certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address future exploration drilling activities and events or developments that the Company expects, are forward-looking statements. Such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, continued availability of capital and financing and general economic, market or business conditions.

### ***Nature of Business***

Majescor Resources Inc. (the “Company” or “Majescor”) is a Canadian mineral exploration and development company incorporated under the *Canada Business Corporations Act*. The Company is engaged in the acquisition, exploration and development of mineral properties, primarily in Canada and Madagascar, with the aim of discovering commercially exploitable deposits of minerals which can either be placed into production by the Company or disposed of for a profit to companies that wish to place such deposits into commercial production. It has not yet determined whether its properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for mining properties is dependent on the existence of economically recoverable reserves, of the Company’s ability to obtain necessary financing to complete the exploration and development of its properties, and upon the future profitable production or proceeds from the disposal of properties. The Company will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Common shares of the Company are listed for trading on the TSX-V under the symbol “MAJ”. Majescor’s head office is in Montreal, Quebec.

Majescor is a dedicated uranium explorer focusing on emerging uranium districts. Majescor holds significant land positions in three emerging uranium districts of Quebec. The Company also holds 100% mineral rights in a highly prospective uranium property located in the Thelon basin area of Nunavut. In addition to uranium, Majescor holds 100% mineral rights in a gold and base metal property in the James Bay Territory of Quebec as well as 100% mineral rights in four properties with gold and base metal potential in Madagascar.

### **Corporate**

- On October 2, Majescor announces it will seek shareholder approval to consolidate its common shares at a rate of one (1) new common share for each tranche of ten (10) outstanding common shares. The Board of Director’s believes the Company’s existing issued and outstanding common share structure is not conducive to securing additional equity financing and that a restructuring is warranted in order to facilitate attracting new investments to the Company. Implementing the restructuring process in a timely manner will also put Majescor in a much stronger position to take advantage of potential value-added opportunities. As a result, the Company suspends the private placement offering announced on August 29 and cancels the planned fall reconnaissance uranium prospecting program at its recently acquired Baker Lake property, in Nunavut.

- On August 29, the Company announces that it has entered into a letter of engagement with Becher McMahon Capital Markets ("Becher"), a limited market dealer, pursuant to which Becher shall act as the agent in connection with a private placement offering to raise proceeds of up to \$2,250,000, on a reasonable commercial efforts basis. The funds raised pursuant to the Offering were to be used by the Company to finance exploration and development activities on its Quebec and Nunavut properties and for general working capital purposes. The private placement offering is suspended in October owing to difficult market conditions and the decision by the Board of directors to propose a share consolidation.
- In June, Majescor receives cash and share payments from Vaaldiam Resources Ltd ("Vaaldiam") for the purchase by Vaaldiam of the Company's Tres Marias diamond property, located in Brazil.

### **Exploration**

Majescor's exploration activities cover three regions of interest, i.e. Quebec, Nunavut, and Madagascar. During the second quarter of 2008, five uranium projects saw active exploration work, namely ground prospecting, radiometric surveying and geochemical sampling (South Rae; West Minto; Mistassini and Lac Laparre, Quebec); lake bottom sediment and radon gas geochemical sampling (Lac Laparre, Quebec); and shallow core drilling (South Rae, Quebec); and geological data analysis and compilation (Baker Lake Nunavut). Gross exploration expenditures for the reporting period (before deduction of write-downs of mineral properties and deferred exploration expenses, tax credits and mining duties) totalled \$ 952,793 (\$ 1,188,238 for 2007). The level of expenditures incurred is lower in 2008 as compared to 2007.

### **Exploration highlights**

*South Rae, Nunavik, Quebec (uranium); Option from Azimut Resources Inc.*

- In August, Majescor and contractor IOS Services Géoscientifiques Inc. ("IOS") complete a six-week ground exploration program at the South Rae uranium property comprising of reconnaissance and target-specific radiometric prospecting, geological mapping, geochemical sampling and shallow-core drilling. Three shallow inclined core drill holes (total 147 m) are completed with the Company's heliportable drill rig. The drill program was designed to start testing the continuity of the surface mineralization within the first 50 m from the surface and to evaluate the performance of the drilling equipment. Anomalous radiometric readings were recorded (200-2,400 CPS) over core lengths varying from 0.5 m to 1.45 m. Assay results from the drill program are expected in November.
- On August 8, Majescor and partner Azimut Resources Inc. ("Azimut") report that detailed ground radiometric surveying within the 30 km-long prospective corridor identified in 2007 on the South Rae property has outlined two uranium-bearing outcropping zones greater than 4 km long by up to 400 m wide. At the Qairajutait Zone, located at the north end of the 30 km-long prospective corridor, hand-held spectrometer readings taken along lines on a 30 m-spaced grid in the vicinity of last year's best grab sample (0.65% U<sub>3</sub>O<sub>8</sub>) defined a 4.7 km long by 200-400 m wide uranium-bearing zone hosting several new showings as defined by spectrometer readings ranging from 1,500 to 27,000 counts per second ("CPS"). Additional systematic ground radiometric surveying focussed on an area located 21 km southeast of the Qairajutait Zone called the Tunulic Zone, where assays of up to 0.50% U<sub>3</sub>O<sub>8</sub> were recovered from grab samples in 2007. The detailed ground surveying at the Tunulic Zone succeeded in outlining a 5 km by up to 400 m wide outcrop zone, hosting new showings with spectrometer readings ranging from 2,100 to 14,000 CPS. Anomalous radiometric readings ranging from 1,000 to 10,000 CPS were also recorded along a 60 m-long outcrop zone located approximately 4 km to the

east-southeast of the Qairajutait Zone. A detailed examination of the first vertical derivative airborne magnetic data indicates that the Qairajutait Zone, the eastern extension of the Qairajutait Zone and the Tunulic Zone all fall within the same magnetic low area bounded on both sides by well defined and continuous narrow magnetic highs. This restricted magnetic low area continues to the north of the Qairajutait Zone for at least 33 km on the property, and to the south of the Tunulic Zone for at least another 15 km.

- Based on the results of the summer 2008 radiometric prospecting program at the South Rae property, the total number of property claims is reduced by 377 to 2,477 map-designated claim cells covering a total surface area of 1,141 km<sup>2</sup>.

*West Minto, Nunavik, Quebec (Uranium): Option from Azimut Resources Inc.*

- On September 11, Majescor and Azimut report grades of up to 0.90% U<sub>3</sub>O<sub>8</sub> in Outcrop at the West Minto uranium property. During the course of a 10-day field program, uranium mineralization was uncovered in both outcrop and in boulders across a 30-km portion of the AB property claim block, with assays of up to 0.90% U<sub>3</sub>O<sub>8</sub> in outcrop and up to 0.32% U<sub>3</sub>O<sub>8</sub> in boulders. U/Th ratios are considered favourable averaging 9.5 for the 55 samples assayed including one sample exceeding a ratio of 90. Of the 55 samples collected, 49 come from mineralized angular to sub-angular boulders spread across the entire property with a concentration in the southwest portion of the AB property Block. Many of the anomalous uranium zones appear to be concentrated along the flanks of a felsic metavolcanic unit. The best uranium assay (0.90% U<sub>3</sub>O<sub>8</sub>) comes from a foliated pegmatitic granite outcrop with elevated concentrations of biotite.
- In June, Majescor and contractor IOS complete a two-week ground exploration program at the West Minto property. In 2007, Majescor conducted a detailed airborne magnetic and radiometric survey of the property (4,610 line-km at 100 m line spacing) and outlined a total of 71 "high priority" uranium targets, forming 17 distinct anomalous zones on the property. The anomalous radiometric uranium trend on the main property block delineates a 45 km-long corridor prospective for uranium. Bedrock and boulder samples collected on the property have been forwarded to IOS in preparation for shipment to an external analytical laboratory.

*Lac Laparre, Otish Mountains, Quebec (Uranium): Optioned to the Santoy-Otish Energy JV*

- In September Majescor and the 50/50 Joint Venture ("JV") formed by Santoy Resources Ltd. ("Santoy") and Otish Energy Inc. ("Santoy-Otish Energy JV") relinquish 55 claims at the Company's Lac Laparre property. The claims, which lie within the limits of the Témiscamie River State Land Reserve, were subject to special exploration restrictions, including the definition by January of 2009 of inferred mineral resources, as defined by the Canadian Institute of Mining, Metallurgy and Petroleum.
- In August the Santoy-Otish Energy JV complete a limited uranium exploration program on the property comprising of a 180 line-km airborne radiometric-magnetic survey over the northeast property block (NTS 23-D5, D6), and systematic ground radiometric prospecting and geochemical sampling. Survey results are pending.

- In June, the Santoy-Otish Energy JV completes a high density lake bottom sediment and water radon sampling survey. Analytical results for the 324 lake bottom sediment samples and 157 lake water samples are currently being compiled.

*Mistassini, Otish Mountains, Quebec (Uranium): Uranium rights optioned to Strateco Resources Inc.*

- In July, Strateco Resources Inc. ("Strateco") undertakes a 10-day ground radiometric prospecting program focussing on the area of the Lac Mantouchiche uranium showing at the Company's Mistassini-Uranium property. A total of 47 rock samples were collected and submitted for multi-element geochemical analysis. Assay results are pending.
- In June, Majescor and Northern Superior Resources Inc. ("Northern Superior") are awarded 3 map-designated claims through a lottery process held by the Quebec ministry of Natural Resources and Wildlife ("MRNF"). The three claims are part of a group of 22 claims contiguous to the Mistassini released for staking by the MNRF in February 2008.

*Baker Lake, East Thelon Basin Area, Nunavut (Uranium); 100% Majescor*

- On August 6, Majescor reports the results from the reprocessing of proprietary geophysical data from a 6,302 line-km airborne magnetic, electromagnetic and gamma-ray spectrometric survey flown in 2006 across portions of the Company's Baker Lake uranium property. A total of 2,394 discrete radiometric anomalies ranging up to 11.95 ppm U and forming 74 clusters of anomalies are defined over four survey blocks. "High-Priority" uranium radiometric anomalies have been outlined in all four blocks. The strongest of these are recorded in the South block, host to nine out of ten of the property's historical uranium in bedrock showings, including the JB/79 Showing (6.71 m of 0.13% U<sub>3</sub>O<sub>8</sub>). Of particular interest, only two of the known uranium showings have a corresponding airborne radiometric anomaly, suggesting potential for a number of additional uranium discoveries. Based on government surficial sediment distribution maps, a large proportion of the high-priority anomalies are interpreted to lie on bedrock-dominated terrain. The Company starts planning a focused ground exploration program on the property to start in September. The focused ground exploration program planned on the property in the fall is cancelled when financing efforts are suspended by the Company.
- In June, Majescor contracts geophysical consultant MB Geosolutions of Quebec-city to reprocess radiometric, magnetic and electromagnetic data from a proprietary 5,992 line-km airborne geophysical survey of the Baker Lake property conducted in 2006. The reprocessing of geophysical data is part of a comprehensive review and analysis of previous exploration results on the Baker Lake property.
- On June 19, the Company announces that it has acquired the remaining mineral rights from De Beers Canada Inc ("De Beers") for the Baker Lake property. The Company now holds 100% of the mineral rights on the property. In consideration for the acquisition of the mineral claims and mineral rights, Majescor issued 362,319 common shares at a price of \$0.138 to De Beers for an aggregate value of \$50,000. The Baker Lake property lies 30 km to the South of the Kiggavik group of uranium deposits held predominantly by Areva Resources Canada Inc. The property hosts 12 historical uranium showings in bedrock, ranging from grab sample assays as high as 14.07% U<sub>3</sub>O<sub>8</sub> and chip sample sections of up to 0.13% U<sub>3</sub>O<sub>8</sub> over 6.71 m. A fist-pass ground exploration program aimed at (a) starting the inspection of high priority uranium radiometric targets from a proprietary airborne survey of

the property conducted over select portions of the property in 2006 and (b) locating and resampling the historical uranium showings, is at the planning stage.

*Madagascar gold and base metal properties: Optioned to Sunridge Gold Corp.*

- In October, Sunridge Gold Corp. (“Sunridge”) announces it has acquired airborne electromagnetic and magnetic data for the Besakoa gold and base metal property in southern Madagascar. The survey shows numerous conductors which cross the property, several of which are kilometers in length. Sunridge exploration plans call for geological mapping and prospecting, together with ground gravity and electromagnetic surveying focussing on high-priority airborne geophysical targets coincident with gossan showings.
- In September Majescor, its Malagasy affiliate company, Daraina Exploration SARL, and Sunridge Gold Corp. (“Sunridge”) execute the option agreement for the Besakoa, Daraina, Analalava and Ankaramy gold and base metal properties in Madagascar.

Qualified person

The above technical information was confirmed and/or reviewed by Marc-André Bernier, M.Sc., P.Geo., President of Majescor Resources Inc., a qualified person under NI 43-101.

## **Financial Information**

The following selected financial data is derived from the quarterly consolidated financial statements of the Company that were prepared in accordance with Canadian generally accepted principles:

### **Selected Consolidated Financial Information (unaudited)**

	Three months Ended August 31, 2008 \$	Three months Ended August 31, 2007 \$	Six months Ended August 31, 2008 \$	Six months Ended August 31, 2007 \$
<b>Operations</b>				
Write-down of mining properties and deferred exploration expenses	508,961	-	521,019	505,031
Gain on sale of mineral properties	-	497,377	-	3,053,343
Loss on sale of marketable securities	1,339,292	-	1,339,292	-
Earnings (loss) from operations	(780,824)	162,268	(1,120,245)	1,831,474
Net earnings (loss)	(2,160,796)	162,691	(2,493,175)	1,326,315
Basic and diluted net earnings (loss) per common share	(0.02)	0.01	(0.03)	0.01
Weighted average number of common shares outstanding	99,739,770	97,752,595	99,595,541	97,144,985
<b>Deferred Exploration Expenses</b>				
Deferred exploration expenses before write-down, tax credits and mining duties and option payment	952,793	1,188,238	1,247,168	1,646,804
<b>Cash Flows</b>				
Cash flows used in operating activities	250,157	354,584	170,126	898,663
Cash flows used in investing activities	163,402	817,216	591,840	282,985
Cash flows from financing activities	-	-	-	565,488
Decrease in cash and cash equivalents	413,559	1,171,800	761,966	50,191

	August 31, 2008 \$ (unaudited)	February 29, 2008 \$ (Audited)
<b>Balance Sheet</b>		
Cash and cash equivalents	322,908	1,084,874
Marketable securities	308,703	1,590,382
Mineral exploration properties	1,193,478	1,110,082
Deferred exploration expenses	4,126,835	3,821,581
Long term liabilities	129,353	123,139
Shareholders' equity	6,508,818	8,291,931
Total assets	7,163,740	8,866,962

Since its incorporation, the Company has not paid any cash dividends on its outstanding common shares. Any future dividend payment will depend on the Company's financial needs to fund its exploration programs and its future growth, and any other factor that the board may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

### Results of Operations for the three months ended August 31, 2008 and 2007

Net loss for the three-month period ended August 31, 2008 is \$2,160,796 as compared to total earnings of \$162,691 for the three-month period ended August 31, 2007. This decrease is mostly attributable to write-down of mineral properties and deferred exploration expenses during the period for \$508,961 (\$Nil in 2007), a loss on sale of marketable securities for \$1,339,292 (\$Nil in 2007) and the absence of sale of mining properties during the period as compared to 2007 where the Company had realized a gain on sale of mining properties for \$497,377.

### Results of Operations for the six months ended August 31, 2008 and 2007

Net loss for the six-month period ended August 31, 2008 is \$2,493,175 as compared to total earnings of \$1,326,315 for the six-month period ended August 31, 2007. This decrease is mostly attributable to a loss on sale of marketable securities for \$1,339,292 (\$Nil in 2007) and the absence of sale of mining properties during the six-month period ended August 31, 2008 as compared to 2007 where the Company had realized a gain on sale of mining properties for \$3,053,343 and had paid \$505,657 in foreign income tax.

### Quarterly information

The following selected financial data is derived from the unaudited consolidated interim financial statements of the Company, which were prepared in accordance with Canadian generally accepted accounting principles.

Quarter Ended	Other Income	Net Earnings (Loss)	Basic and diluted Net Earnings (Loss) per common share
	\$	\$	\$
31/08/2008	4,401	(2,160,796)	(0.02)
31/05/2008	7,042	(332,379)	(0.01)
29/02/2008	11,182	(1,731,844)	(0.01)
30/11/2007	372	(910,410)	(0.01)
31/08/2007	423	107,292	0.01
31/05/2007	75	1,163,624	0.01
28/02/2007	1,225	(1,186,600)	(0.01)
30/11/2006	-	(193,689)	(0.01)

Net loss was higher during the quarters ended August 31, 2008, February 29, 2008, November 30, 2007 and February 28, 2007 due to a loss on sale of marketable securities for \$1,339,292 during the period ended August 31, 2008 and higher write-downs of mining properties and deferred exploration expenses which were \$508,961, \$1,274,637, \$680,590 and \$1,390,669, respectively,

During the quarters ended May 31, 2007 and August 31, 2007, the Company realized net earnings of respectively \$107,292 and \$1,163,624 due to the sale of its 40% interest in the Brauna property and its 50% interest in the Banks property.

### **Liquidity and Capital Resources**

The Company's working capital stands at \$1,130,616 as at August 31, 2008, as compared to \$ 3,368,526 at February 29, 2008. This decrease is mostly due to the advancement of the Company in its exploration program for approximately \$1.2 million and a loss of approximately \$1.3 million on the sale of marketable securities during the three.

The Company has an unsecured convertible debenture presented in the financial statements in its liability component for \$129,353 and in its equity component for \$39,525.

The Company's principal requirements for cash during the remainder of the year ending February 28, 2009 will be general and administrative expenses for approximately \$350,000. Subsequent to quarter end, the Company sold marketable securities for net proceeds of approximately \$187,000 and received a tax credit refund of \$172,000. 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. Management is evaluating other alternatives to secure the necessary financing so that the Company can continue as a going concern. Nevertheless, there is no assurance that these initiatives will be successful.

### **Off Balance Sheet Arrangements**

As of August 31, 2008, the Company has no off balance sheet arrangements.

### **Related Party Transactions**

Under an agreement between the Company and Everton Resources Inc., the Company reimburses the cost of shared salaries and benefits, rent and office expenses paid by Everton Resources Inc. (which shares common management). During the three-month and six-month periods ended August 31, 2008, the cost of shared salaries and benefits were respectively \$27,888 and \$55,776 (\$40,130 and \$94,761 in 2007) and rent and office expenses were respectively \$10,600 and \$21,200 (\$8,280 and \$16,560 in 2007). Included in Amount due to related party is \$13,006 due to Everton Resources Inc. (Nil as at February 29, 2008).

Under a joint venture agreement between the Company and Uranium World Energy Inc (in which the Company retains a participation and shares a common director and CFO), the Company is the operator for Uranium project. All exploration expenditures incurred on the project and paid by the Company were invoiced in addition to 10% management fees to Uranium World Energy Inc. Included in amount due from related parties is \$95,466 due from Uranium World Energy Inc. (\$98,466 as at February 29, 2008). As at February 29, 2008, the Company recorded a 100% allowance for bad debt for this amount, and as at August 31, 2008, the Company recovered \$3,000 of the amount receivable, and reversed the allowance for the same amount.

These transactions were measured at the exchange amount, that is the amount established and accepted by the parties and were conducted in the normal course of business.

The amounts due from related parties are without interest and terms of repayment.

### **Mining Property Book Values**

At the end of each quarter, management reviews the carrying values of its resource properties to determine whether any write-downs are necessary. Following this analysis, during the three month and six-month periods ended August 31, 2008, the Company recorded a write-down of \$508,961 and \$521,019, respectively, (attributable to the abandonment of the portage property as it no longer fits the company's strategy), as compared to \$Nil and \$505,031 respectively in 2007 (attributable to the abandonment of 25% of the Portage Property claims).

### **Changes in Accounting Policies**

Effective March 1, 2008, in accordance with the applicable transitional provisions, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) related to going concern, capital disclosures and financial instruments. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are fully described in Note 3 to the interim consolidated financial statements.

### **Outstanding Share Data**

Common shares and convertible securities outstanding at October 27, 2008 are as follows:

<b>Securities</b>	<b>Expiry date</b>	<b>Exercise price</b>	<b>Securities outstanding</b>
Common shares	-	-	99,924,175
Warrants	Up to August 31, 2009	\$0.20	9,001,156
Options	Up to January 25, 2013	\$0.15 to \$0.28	5,675,162

### **Subsequent events**

On October 16, 2008, further to the execution of the option agreement with Sunridge Gold on the Daraina property, the Company received 200,000 common shares of Sundridge Gold.

### **Risk and uncertainties**

Exploration of minerals and development of mineral properties involve significant risks, many of which are outside of the Company's control. In addition to the normal and usual risks of exploration and mining, the Company often works in remote locations that lack the benefit of infrastructure and easy access.

#### *Financial risk*

The Company is considered to be in the exploration stage, that it is dependant on obtaining regular financing in order to continue exploration. Despite previous success in acquiring this financing, there is no guarantee of obtaining any future financing, or that it will be available on acceptable terms.

The prices of metals fluctuate widely and are affected by many factors outside of the Company's control. The relative prices of metals and future expectations for such prices have a significant impact on the market sentiment for investment in mining and mining exploration companies.

#### *Foreign exchange risk*

Some of the Company's expenditures are in US dollars or in MGA (Magalasy Ariary). Movement in the Canadian dollar against these currencies therefore has a direct impact on the Company's cost base. The Company does not use derivative instruments to reduce its exposure to foreign exchange risks.

#### *Risk on the uncertainty of title*

Although the Company has taken steps to verify title to mining properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title.

*Environmental risk*

The Company is subject to various environmental incidents that can occur during exploration work. The Company maintains an environmental management system including operational plans and practices.

**Additional information and continuous disclosure**

This Management's Discussion and Analysis has been prepared as of October 27, 2008. Additional information on the company is available through regular filings of press releases, financial statements and its annual information form on SEDAR ([www.sedar.com](http://www.sedar.com)).

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(s) Marc-André Bernier

Marc-André Bernier, Chief Executive Officer

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(s) "Marc Carbonneau"

Marc Carbonneau, Chief Financial Officer