

Majescor Resources Inc.

(A development stage Company)

Notes to Consolidated Financial Statements

Three months ended May 31, 2009

16. Segmented information

The Company has determined that it only operates in one segment, being acquisition, exploration and development of mineral properties for economically recoverable reserves. Long term assets segmented by geographical area are as follows:

	May 31, 2009	February 28, 2009
	\$	\$
Canada	1,045,207	1,070,572
Haiti	460,994	-
Madagascar	476,506	476,506
Total	1,982,707	1,547,078

17. Comparative figures

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

18. Subsequent events

Non-brokered private placement

On June 17, 2009, the Company completed a non-brokered private placement for gross proceeds of \$600,000. The financing consisted of the issuance of 3,000,000 units at a price of \$0.20 per unit. Each unit consists of one common share of the Company and one common share purchase warrant, which entitles the holder to acquire one additional common share of the Company at a price of \$0.30 until June 17, 2010. These share purchase warrants are subject to an accelerated expiry if, at any time after October 17, 2009, the published closing trade price of the common shares on the TSX Venture Exchange Inc. is equal or superior to \$0.40 for any 10 consecutive trading days, in which event the Company may give the holder a written notice and the share purchase warrants will automatically expire, if not exercised, 30 days after receipt of such notice. An insider of the Company subscribed for 450,000 units for \$90,000.

Exercise of warrants

On July 2, 2009, 100,000 warrants at \$0.12 were exercised for total proceeds of \$12,000.

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12. Share capital (continued)

Also, 200,000 stock options were granted to the Company's investor relations consultant at an exercise price of \$0.15 per share, expiring on March 26, 2011 and vesting on a quarterly basis.

As at May 31, 2009 the following options were outstanding and exercisable:

Range of exercise price	Number outstanding	Weighted average remaining contractual life (years)	Number exercisable
\$0.15	385,000	3.44	185,000
\$1.50-\$1.70	428,516	2.67	428,516
\$2.80	112,500	3.00	112,500
	<u>926,016</u>		<u>726,016</u>

13. Contributed surplus

Contributed surplus consists of the following components:

	<u>\$</u>
Balance, February 28, 2009	1,707,523
Stock based compensation	<u>19,263</u>
Balance, May 31, 2009	<u><u>1,726,786</u></u>

14. Accumulated other comprehensive (gain) loss

Accumulated other comprehensive (gain) loss consists of the following components:

	<u>\$</u>
Balance, February 28, 2009	4,380
Increase in fair value of available for sale investments	<u>(49,826)</u>
Balance, May 31, 2009	<u><u>(45,446)</u></u>

15. Changes in non-cash working capital items

Changes in the non-cash working capital consists of the following items:

	Three months Ended May 31, 2009	Three months Ended May 31, 2008
	<u>\$</u>	<u>\$</u>
Accounts receivable	(7,157)	342,558
Advances to operators	-	6,708
Prepaid expenses	(8,566)	(54,478)
Accounts payable and accrued liabilities	45,387	58,242
Amount due to related parties	(38,006)	13,006
Amount due to operators	-	<u>(43,235)</u>
Total changes in non-cash working capital	<u><u>(8,342)</u></u>	<u><u>322,801</u></u>

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12. Share capital (continued)

- (1) On March 20, 2009, the Company completed a non-brokered private placement of 500,000 units at a price of \$0.10 each for gross proceeds of \$50,000. Each unit consists of one common share and one common share purchase warrant, which entitles the holder to acquire one additional common share at a price of \$0.13 until March 20, 2011. Warrants have been recorded at a value of \$16,881 based on the Black-Scholes option pricing model using the following assumptions: risk free interest of 1.02%, expected life of warrants of 2 years, annualized volatility rate of 88% and dividend rate of 0%. The value of the warrants and other issue costs for \$3,179 were presented as a reduction of share capital.

The funds raised will be used to fund the Company's general working capital requirements. Directors of the Company participated in the private placement subscribing for 300,000 units for \$30,000.

b) Warrants

	Number of warrants	Weighted average exercise price	Black-Scholes Value
		\$	\$
Balance, February 28, 2009	2,900,116	1.31	753,177
Granted	500,000	0.13	16,881
Balance, May 31, 2009	3,400,116	0.62	770,058

As at May 31, 2009, the following stock purchase warrants were outstanding and exercisable:

Number	Exercise Price	Black-Scholes Value	Expiry Date
	\$	\$	
784,731	2.00	575,514	August 31, 2009
115,385	2.00	43,441	December 4, 2009
2,000,000	0.12	134,222	February 13, 2011
500,000	0.13	16,881	March 20, 2011
3,400,116		770,058	

c) Stock options

The following table reflects the continuity of stock options for the period ended May 31, 2009:

	Number of options	Weighted average exercise price
		\$
Balance, February 28, 2009	541,016	1.69
Granted (1)	385,000	0.15
Balance, May 31, 2009	926,016	1.05

- (1) On May 26, 2009, 185,000 stock options were granted to Officers, Directors and Employees of the Company at an exercise price of \$0.15 per share and expiring on March 26, 2014. The fair value of these options which amounts to \$19,263 was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 88%; risk-free interest rate of 2.43% and an expected average life of 5 years.

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10. Accounts payable and accrued liabilities

During fiscal 2006, the Company filed for flow-through renunciations totalling \$1,352,650 and recorded renounced exploration expenditures of \$711,000 as a reduction of share capital and an increase in future income tax liability. As at December 31, 2006, the Company had incurred \$718,256 of the required flow-through expenditures and a \$77,187 Part XII.6 tax expense on the monthly unspent balance of flow-through funds. Since the Company had not spent the entire \$1,352,650 of flow-through funds by December 31, 2006, the Company is potentially liable to its investors for an estimated amount of \$194,540 which has been accrued as a liability as at May 31, 2009.

11. Convertible debenture

On January 25, 2007, the Company completed a private placement of unsecured convertible debenture of \$150,000 to fund its Mirabelli project. The debenture matures on January 25, 2010 and bears interest at the rate of 12% per annum, payable semi-annually either in cash or in shares. The principal is convertible at the option of the holder into common shares of the Company at \$1.7 per unit. Each unit consists 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 \$2.

The debenture is accounted for in accordance with its substance and is presented in the financial statements in its component parts, measured at their respective fair values at the time of issue. The liability component has been calculated as the present value of the required principal and interest payments discounted at a rate approximating the interest rate that would have been applicable to non-convertible debt at the time the debenture was issued.

	Liability component	Equity component
	\$	\$
Balance, February 28, 2009	136,290	39,525
Interest accrued (1)	8,352	-
Balance, May 31, 2009	<u>144,642</u>	<u>39,525</u>

(1) Interest expense on the liability component also includes the accretion of the liability component.

12. Share capital

a) Authorized

Unlimited number of common shares without par value.

Issued

	Number of shares	\$
Balance - February 28, 2009	11,992,417	21,224,338
Shares issued for cash (net of issue costs of \$3,179) (1)	500,000	29,940
Shares issued to acquire interest in investee company	<u>2,000,000</u>	<u>300,000</u>
Balance - May 31, 2009	<u>14,492,417</u>	<u>21,554,278</u>

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8. Mineral properties and deferred exploration expenses (continued)

e) Madagascar

On September 15, 2008, the Company signed an option agreement with Sunridge Gold Corp ("Sunridge") by which Sunridge can acquire up to a 100% interest in the Company's 100% owned Malagasy subsidiary Daraina ("Daraina"). Sunridge can earn a 50% interest by spending \$2.0 million in qualifying expenditures over 2 years and issuing 500,000 of its common shares to the Company. Within 90 days following its initial obligations, Sunridge can obtain an additional 25% by expending an additional \$2,500,000 by the end of the third anniversary of the Agreement and by issuing an additional 500,000 of its common shares to the Company. Within one year following all of its obligations, Sunridge can obtain the remaining undivided 25% interest in Daraina by paying to Majescor the fair market value of the 25% interest in Daraina.

As at May 31, 2009, the remaining commitments are as follows:

	Exploration Expenses	Common Shares
	\$	
On or before September 15, 2010	500,000 (1)	-
On or before September 15, 2011	1,500,000	300,000
	<u>2,000,000</u>	<u>300,000</u>

(1) In July 2009, the Company granted one additional year to Sunridge to fulfill its work commitment in consideration for the issuance of 200,000 common shares of Sunridge to the Company, subject to regulatory approval. Under this amendment, all other dates in the agreement are postponed by one year.

9. Related party transactions

Related party transactions not disclosed elsewhere in these unaudited 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 and benefits, rent and office expenses paid by Everton Resources Inc. (which shares common management). During the period, the cost of shared salaries and benefits was \$14,250 (2008 - \$27,888) and rent and office expenses were \$714 (2008 - \$10,600). Included in Amount due to related party is \$5,000 due to Everton Resources Inc. (\$43,006 as at February 28, 2009).

Under a joint venture agreement between the Company and Uranium World Energy Inc. ("UWE") (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 to UWE, in addition to a 10% management fee. As at May 31, 2009, the amount due from UWE was \$82,132 for which a 100% allowance for bad debt was previously recorded.

Under an agreement between the Company and Woodcliff Capital Inc. ("Woodcliff") (whose President is Chairman of Majescor and also a shareholder and director of SIMACT), the Company paid consulting fees for \$17,500 (2008 - nil) to Woodcliff.

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 (to) related parties are without interest and terms of repayment.

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8. Mineral properties and deferred exploration expenses (continued)

In February 2008, the Company entered into an option agreement allowing Strateco Resources Inc. to acquire an option to earn an undivided 60% interest in Majescor's uranium rights on the Mistassini property by incurring a total of \$1.3 million in exploration expenditures over three years.

As at May 31, 2009, the remaining commitments are as follows:

	<u>Exploration Expenses</u>
	\$
On or before February 14, 2010	400,000
On or before February 14, 2011	400,000
	<u>800,000</u>

c) Lac Laparre

On February 19, 2007, the Company entered into an agreement to option up to a 66 2/3% interest in the uranium rights on its Lac Laparre property to a Uranium Joint Venture comprised of Santoy Resources Inc. ("Santoy") and its 50% partner Melkior Resources Inc. ("Melkior") (solely Santoy starting March 31, 2009). The Company will retain exclusive rights for diamonds. The terms of the Option Agreement call for an exploration work commitment of \$2.5 million over five years (with a guaranteed minimum of \$300,000 in year one), an up-front cash payment of \$50,000, the issuance of 200,000 shares of Melkior and 60,000 shares of Santoy in tranches over a one year period, and the retention of a 1.5% Net Smelter Return royalty interest, one half of which can be purchased at any time prior to commercial production for \$1 million. As at May 31, 2009, the Company had received \$50,000 in cash, 200,000 shares of Melkior and 60,000 shares of Santoy.

d) Baker Lake

On October 8, 2005, the Company and De Beers Canada Inc. entered into an option agreement and a letter agreement whereby the Company could acquire an 80% interest in the Mineral Rights for diamonds and uranium by carrying out exploration and development work on the Mineral Rights.

In August 2006, the Company entered into an option agreement with Uranium World Energy Inc. whereby Uranium World Energy Inc. could acquire an 80% interest in the Company's Baker Lake property uranium rights which had previously been optioned by the Company from De Beers Canada Inc. The property consists of two continuous claim blocks totalling 19 permits which are still held by De Beers Canada Exploration Inc. To earn its 80% interest, Uranium World Energy Inc. was to incur \$640,000 in exploration expenses, issue 3,600,000 of its common shares to the Company and have its common shares traded in the TSX Venture Exchange no later than January 31, 2007. As the last condition was not satisfied, the Option Agreement was terminated effective April 1, 2008.

On June 5, 2008, in replacement of the option agreement and letter agreement, the Company signed an acquisition agreement with De Beers Canada Inc. whereby the Company acquired a 100% interest in the Mineral Rights for diamonds and uranium at the Baker Lake property in exchange for Majescor common shares with an aggregate value of \$50,000. On July 4, 2008, the Company issued 36,231 common shares at a price of \$1.38 for a total value of \$50,000.

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7. Property, plant and equipment

	May 31, 2009		February 28, 2009	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Office furniture and equipment	10,392	3,931	6,461	6,801
Computer equipment	26,081	15,581	10,500	13,416
Computer software	12,462	12,462	-	1,175
Analysis and drilling equipment	114,458	22,033	92,425	113,320
Web site development expenses	7,485	7,000	485	524
	<u>170,878</u>	<u>61,007</u>	<u>109,871</u>	<u>135,236</u>

The cost and accumulated amortization was \$197,571 and \$62,335 respectively as at February 28, 2009.

8. Mineral properties and deferred exploration expenses

	May 31, 2009		February 28, 2009	
	Acquisition Cost	Deferred Exploration Expenses	Acquisition Cost	Deferred Exploration Expenses
	\$	\$	\$	\$
Canada				
Québec				
a) Mirabelli	4,842	250,133	4,842	250,133
b) Mistassini	1,921	124,630	1,921	124,630
c) Lac Laparre	-	-	-	-
Nunavut				
d) Baker Lake	50,000	503,810	50,000	503,810
International				
e) Madagascar	228,054	248,452	228,054	248,452
	<u>284,817</u>	<u>1,127,025</u>	<u>284,817</u>	<u>1,127,025</u>

a) Mirabelli

In September 2006, the Company entered into an option agreement with De Beers Canada Exploration Inc. ("De Beers") on the Mirabelli property in Northern Quebec to form a 51:49 Joint Venture by spending \$3.0 million on diamond exploration and to earn an 80% interest by spending \$1.9 million on gold and base metals exploration. Effective March 31, 2008, the option agreement between the Company and "De Beers" on the Mirabelli property was terminated, and replaced with an acquisition agreement effective April 1, 2008, which grants 100% ownership of the property to the Company in consideration for a 1% royalty on any diamond or non-diamond project developed to commercial production by the Company over the property.

b) Mistassini

In March 2007, the Company entered into an agreement with its joint-venture partner Northern Superior Resources Inc. ("Northern Superior") to acquire 100% of the uranium rights on the Mistassini property located in the Otish Mountains district of Quebec. Northern Superior retained 100% of the diamonds rights on the property. The terms of the Agreement stipulate that in exchange for providing 100% of the rights for uranium to Majescor, Northern Superior retains 100% of the diamonds rights and a 2% Yellow Cake Royalty for uranium. Majescor retains a 2% royalty for diamonds. If minerals other than diamonds or uranium are discovered on the property, Northern Superior will have a 50.5% interest and Majescor will have a 49.5% interest in such minerals, and the parties shall jointly explore and exploit for such minerals.

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5. Long term investment (continued)

- (2) Concurrently with the initial acquisition, Majescor was granted an option (“the Option”) in consideration of a cash payment of \$200,000 and the carrying out by Majescor of \$600,000 in exploration work on the SOMINE Property within 8 months following the execution of the Agreement, to purchase the remaining 90% interest in SIMACT in consideration for the issuance of 10,000,000 common shares of Majescor. This Option, which is also subject to complete and satisfactory due diligence, may be exercised by Majescor within 12 months from the date hereof.
- (3) Furthermore, in the event that within a period of two years following the exercise of the Option, a NI 43-101 technical report determines indicated mineral resources on the SOMINE Property to be between 1,000,000 and 2,000,000 ounces of gold, or its equivalent in copper, Majescor shall, within 30 days of the report, issue an additional 3,000,000 common shares to SIMACT. In the event that the indicated mineral resources on the SOMINE Property are determined by the Report to be equal to or greater than 2,000,000 ounces of gold or its equivalent in copper, Majescor shall, within 30 days of the Report issue another 3,000,000 common shares to SIMACT. These additional issuances of common shares will also be subject to all required corporate and regulatory approvals.

On May 26, 2009, all the conditions under (1) above were met and the Company issued 2,000,000 shares to SIMACT (valued at \$300,000) and acquired a 10% interest in SIMACT (valued at \$360,994).

In addition, as at May 31, 2009, the Company made cash payments totalling \$100,000 to SIMACT, presented as option payments, (and additional cash payments totalling \$100,000 subsequent to quarter end) with respect to the conditions under (2) above.

Uranium World Energy Inc.

The Company owns 3,000,000 common shares of Uranium World Energy Inc. (“UWE”) (a privately-held company) representing approximately 29% of its issued and outstanding shares. The cost of these shares was written down to nil in a prior period as UWE is inactive.

6. Marketable securities

	May 31, 2009				February 28, 2009	
	Cost	Impairment	Unrealized gain	Fair value	Cost	Fair value
	\$	\$	\$	\$	\$	\$
234,023 common shares of Vaaldiam Resources Inc.	130,000	(118,299)	1,171	12,872	130,000	7,021
42,500 common shares of Diamonds North Resources Ltd.	37,400	(31,025)	1,275	7,650	37,400	4,675
200,000 common shares of Sunridge Gold Corp.	29,000	-	43,000	72,000	29,000	31,000
	<u>196,400</u>	<u>(149,324)</u>	<u>45,446</u>	<u>92,522</u>	<u>196,400</u>	<u>42,696</u>

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4. Financial instruments, risk management and capital management (continued)

Currency risk

The Company has limited exposure to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has not entered into any derivative contracts to manage this risk.

The Company's policy as it relates to its cash balances is to invest excess cash in highly liquid, low-risk, short-term interest-bearing investments (such as banker's acceptances, term deposits, guaranteed investment certificates or treasury bills) with maturities of 180 days or less from the original date of acquisition.

Political risk

The Company carries out some of its exploration activities in Haiti. These activities may be subject to political, economical or other risks that could influence the Company's exploration activities and future financial situation.

Capital management

The Company manages its capital to ensure its ability to continue as a going concern and to provide an adequate return to its shareholders. In the management of capital, the Company includes the components of shareholders' equity and the debenture. As long as the Company is in the exploration stage of its mining properties, it is not the intention of the Company to contract additional debt obligations to finance its work programs. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets. The Company is not subject to any externally imposed capital requirements. In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

5. Long term investment

SIMACT Alliance Copper Gold

On April 23, 2009, the Company signed an agreement (the "Agreement") with SIMACT Alliance Copper Gold Inc. ("SIMACT") (in which Andre Audet, Chairman of Majescor, is also a shareholder and director of SIMACT) and its principal shareholders (the "Principals") whereby the Company could acquire a 10% interest in SIMACT, as well as an option to acquire all of the remaining outstanding shares of SIMACT. SIMACT, through its 68.7%-owned Haitian affiliate mining company, Société Minière du Nord-Est S.A. ("SOMINE"), controls a gold and copper-bearing mineral exploration property, (the "SOMINE Property") located in the North-East mineral district of Haiti and whose mineral rights and obligations have been assigned under a mining convention with the State of Haiti on May 5, 2005 renewable on May 5, 2010. The terms of the Agreement with SIMACT and the Principals can be summarized as follows:

- (1) The initial acquisition by Majescor of a 10% interest in SIMACT for the issuance of 2,000,000 common shares of Majescor is subject to, among other things: (1) a satisfactory technical and legal due diligence on SIMACT, SOMINE and the SOMINE Property, (2) all SIMACT shareholders accepting to be bound by the terms of the Agreement and (3), all legal and regulatory approvals.

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3. Changes in accounting policies

The accompanying unaudited interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). They are consistent with the policies and practices used in the preparation of the Company's audited annual consolidated financial statements, except for the adoption of the new abstract described in the following paragraph. These unaudited interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended February 28, 2009 and February 29, 2008.

On March 27, 2009, the EIC issued Abstract EIC-174, Mining exploration costs regarding the capitalization and impairment of exploration costs. This abstract is to be applied to all financial statements issued after March 27, 2009. The company has taken into account the consensus reached in this abstract in preparing its unaudited interim consolidated financial statements.

Recently issued accounting pronouncement

The Accounting Standards Board of the CICA requires all public companies to adopt International Financial Reporting Standards ("IFRS") for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal period. The transition from Canadian Generally Accepted Accounting Principles to IFRS will be applicable for the Company's first quarter period ending May 31, 2011. The Company is assessing the impact of implementing IFRS and is developing plans to facilitate a timely conversion.

4. Financial instruments, risk management and capital management

Financial instruments

The Company's financial instruments at May 31, 2009 consist of cash, marketable securities, accounts receivable, accounts payable and accrued liabilities, amount due to a related party and debenture. The fair value of these financial instruments approximates their carrying value. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

Risk management

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk, currency risk, interest rate risk and political risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's financial assets exposed to credit risk are primarily composed of cash and an amount receivable from the sale of marketable securities. To mitigate exposure to credit risk, the Company has revised its policy to limit the concentration of credit risk, to ensure counterparties demonstrate minimum acceptable worthiness, and to ensure liquidity of available funds. The Company's cash is held at one large financial institution.

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 manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. The Company's working capital totals \$603,813 at May 31, 2009, including cash of \$128,518 and current liabilities totalling \$383,211, due within the next 12 months. Given its limited financial resources, the Company's ability to continue its exploration program on the SOMINE property (note 5), to fund exploration programs on its other exploration properties and to meet its corporate and administrative obligations on a continuous basis is dependent on its obtaining additional financing, through various means including but not limited to equity financing (note 2). The amount and timing of additional funding will be impacted by, among others, the strength of the capital markets.

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Majescor Resources Inc. (the "Company" or "Majescor") was incorporated under the Canada Business Corporations Act (Alberta) on February 23, 1996. The current nature of operations involves the acquisition, exploration and development of mineral resource properties. The Company is in the exploration stage and does not derive any revenue from the development of its properties.

Until it is determined that the Company's properties contain mineral reserves or resources that can be economically mined, they are classified as mineral exploration properties. The recoverability of mineral exploration property costs and deferred exploration expenses 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.

On December 4, 2008, the Company consolidated its issued and outstanding common shares on a one common share for ten common shares basis. As a result, all references to shares in these unaudited interim consolidated financial statements have been restated to reflect this share consolidation.

2. Going concern assumption

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and on the basis of a going concern assumption meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. However, certain conditions may cast significant doubt as to the appropriateness of the going concern assumption. Specifically, given that the Company has not yet found a mineral property containing mineral deposits that are economically recoverable, the Company has not generated any income or cash flows from operations and at May 31, 2009, had an accumulated deficit of \$21,694,215. The Company conducted extensive exploration work programs on its properties over the last few years and based on the analysis of the data collected during this period, the Company decided either to sell, option and/or write-down accumulated costs on most of its properties. Also, as a result of the Company's limited financial resources, most of the Company's exploration projects have been put on a care and maintenance program as the Company currently has insufficient cash resources to undertake significant exploration programs on its exploration properties.

At May 31, 2009, the Company had a working capital of \$603,813, including \$128,518 in cash. Together with the proceeds from the non-brokered private placement completed subsequent to quarter-end for an amount of \$600,000 (note 18) and the expected receipt of provincial tax credits later in 2009, the Company anticipates having sufficient cash to meet its current obligations, undertake a portion of the exploration work on the SOMINE property in Haiti (note 5) and meet its corporate administrative expenses for several months. However, the Company will require additional financing, through various means including but not limited to equity financing, to continue the exploration program on the SOMINE property, to undertake exploration programs on its other properties and/or to acquire additional exploration properties and to meet all of its general and administrative costs. There is no assurance that the Company will be successful in raising the additional required funds.

The carrying amounts of assets, liabilities and expenses presented in these unaudited interim consolidated financial statements and the balance sheet classifications have not been adjusted as would be required if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for these consolidated financial statements, adjustments to the carrying value of assets and liabilities and expenses and balance sheet classification, which could be material, may be necessary.

Majescor Resources Inc.
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Consolidated Cash Flows (unaudited)

	Three months Ended May 31, 2009	Three months Ended May 31, 2008
	\$	\$
OPERATING ACTIVITIES		
Net loss	(146,747)	(332,379)
Non-cash items		
Amortization of property, plant and equipment	7,338	6,670
Stock-based compensation	19,263	52,073
Interest on convertible debenture	8,352	7,543
Unrealized (gain) loss on foreign exchange	(894)	274
Allowance for bad debt	-	10,990
Write-down of mineral exploration properties and deferred exploration expenses	-	12,058
Loss on sale of property, plant and equipment	3,527	-
Changes in non-cash working capital items (Note 15)	(8,342)	322,801
Cash flows (used in) from operating activities	<u>(117,503)</u>	<u>80,030</u>
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	14,500	-
Acquisition of property, plant and equipment	-	(104,611)
Long-term investment	(60,994)	-
Option payments	(100,000)	12,500
Mineral exploration properties and deferred exploration expenses	(10,000)	(336,326)
Cash flows used in investing activities	<u>(156,494)</u>	<u>(428,437)</u>
FINANCING ACTIVITIES		
Common shares issued	50,000	-
Share issue costs	(3,179)	-
Cash flows from financing activities	<u>46,821</u>	<u>-</u>
Decrease in cash and cash equivalents	(227,176)	(348,407)
Cash and cash equivalents, beginning of the period	<u>355,694</u>	<u>1,084,874</u>
Cash and cash equivalents, end of the period	<u><u>128,518</u></u>	<u><u>736,467</u></u>
Cash and cash equivalents:		
Cash	128,518	372,559
Cash equivalents	-	363,908
	<u><u>128,518</u></u>	<u><u>736,467</u></u>
Non-cash supplemental information:		
Deferred exploration expenses included in accounts payable	32,741	45,045
Common shares issued to increase interest in mineral exploration properties	-	43,200
Common shares issued to acquire interest in investee company	300,000	-

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

1. Governing statutes and nature of operations

Majescor Resources Inc.

(A development stage Company)

Consolidated Comprehensive Loss and Deficit (unaudited)

	Three months Ended May 31, 2009	Three months Ended May 31, 2008
	\$	\$
COMPREHENSIVE LOSS		
Net loss for the period	146,747	332,379
Other comprehensive (gain) loss (Increase) decrease in fair value of available-for-sale investments	<u>(49,826)</u>	<u>330,789</u>
Comprehensive loss	<u>96,921</u>	<u>663,168</u>
DEFICIT		
Balance, beginning of the period	21,547,468	14,348,398
Net loss	146,747	332,379
Balance, end of the period	<u>21,694,215</u>	<u>14,680,777</u>
Accumulated other comprehensive (gain) loss (Note 14)	<u>(45,446)</u>	<u>976,407</u>
Total deficit and accumulated other comprehensive loss	<u>21,648,769</u>	<u>15,657,184</u>

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

Majescor Resources Inc.

(A development stage Company)

Consolidated Mineral Exploration Properties and Deferred Exploration Expenses (unaudited)

	Three months Ended May 31, 2009	Three months Ended May 31, 2008
	\$	\$
Balance, beginning of the period	1,411,842	4,931,663
Additions		
Drilling	-	17,003
Project consulting	-	11,923
Geophysical survey	-	8,634
Geological survey	-	52,867
Report preparation	-	26,462
Property evaluation	-	39,972
Renewal of licenses and permits	-	188,969
General field expenses	-	23,346
	-	369,176
Contribution from partners	-	(74,801)
Write-down of mineral exploration properties and deferred exploration expenses	-	(12,058)
Acquisition of mineral exploration properties	-	93,200
Option payments	-	(12,500)
Tax credits and mining duties	-	(58,402)
	-	304,615
Balance, end of the period	1,411,842	5,236,278

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

Majescor Resources Inc.
(A development stage Company)
Consolidated Operations (unaudited)

	Three months Ended May 31, 2009	Three months Ended May 31, 2008
	\$	\$
Expenses		
Management and consulting fees	45,055	53,853
Stock-based compensation	19,263	52,073
Salaries and benefits	23,454	48,862
Travel and promotion	828	17,524
Report to shareholders	1,882	4,887
Professional fees	26,196	93,328
General expenses	11,961	31,019
Amortization of property, plant and equipment	7,338	6,670
	<u>135,977</u>	<u>308,216</u>
Other items		
Interest income	(215)	(7,042)
Interest on convertible debenture	8,352	7,543
Allowance for bad debt	-	10,990
Loss on sale of property, plant and equipment	3,527	-
Write-down of mineral exploration properties and deferred exploration expenses	-	12,058
(Gain) loss on foreign exchange	(894)	614
	<u>10,770</u>	<u>24,163</u>
Net loss	<u>146,747</u>	<u>332,379</u>
Basic and diluted net loss per common share	<u>0.01</u>	<u>0.03</u>
Basic and diluted weighted average number of common shares outstanding	<u>12,519,591</u>	<u>9,945,131</u>

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

Majescor Resources Inc.

(A development stage Company)

Consolidated Balance Sheets (unaudited)

As at

	May 31, 2009	February 28, 2009
	\$	\$
ASSETS		
Current assets		
Cash	128,518	355,694
Marketable securities (Note 6)	92,522	42,696
Accounts receivable	34,888	27,731
Tax credits and mining duties receivable	715,677	715,677
Prepaid expenses	15,419	6,853
	<u>987,024</u>	<u>1,148,651</u>
Long-term investment (Note 5)	360,994	-
Option payments (Note 5)	100,000	-
Property, plant and equipment (Note 7)	109,871	135,236
Mineral exploration properties (Note 8)	284,817	284,817
Deferred exploration expenses (Note 8)	1,127,025	1,127,025
	<u>2,969,731</u>	<u>2,695,729</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	378,211	343,718
Amount due to a related party (Note 9)	5,000	43,006
	<u>383,211</u>	<u>386,724</u>
Long-term liabilities		
Liability component of debenture (Note 11)	144,642	136,290
	<u>527,853</u>	<u>523,014</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 12)	21,554,278	21,224,338
Warrants (Note 12)	770,058	753,177
Contributed surplus (Note 13)	1,726,786	1,707,523
Equity component of debenture (Note 11)	39,525	39,525
Deficit	(21,694,215)	(21,547,468)
Accumulated other comprehensive gain (loss) (Note 14)	45,446	(4,380)
	<u>2,441,878</u>	<u>2,172,715</u>
	<u>2,969,731</u>	<u>2,695,729</u>

*Going concern assumption (Note 2)**The accompanying notes are an integral part of these interim consolidated financial statements.*

On behalf of the Board,

(signed) "Marc-André Bernier"

Marc-André Bernier, Director

(signed) "Alain Krushnisky"

Alain Krushnisky, Director

Management's Responsibility for Interim Financial Statements

To the Shareholders of Majescor Resources Inc.

The unaudited interim consolidated financial statements and the notes thereto for the three month period ended May 31, 2009 are the responsibility of the management of Majescor Resources Inc. These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles, using management's best estimates and judgements where appropriate.

Management has developed and maintained a system of internal controls to provide reasonable assurance that all assets are safeguarded and to facilitate the preparation of relevant, reliable and timely financial information.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the unaudited interim consolidated financial statements together with other financial information. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process and the unaudited interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

The auditors of Majescor Resources Inc. have not performed a review of the consolidated financial statements for the three month period ended May 31, 2009.

On recommendation of the Audit Committee, the Board of Directors approved the Company's unaudited interim consolidated financial statements.

(signed) Marc-André Bernier
Marc-André Bernier, CEO

(signed) Khadija Abounaim
Khadija Abounaim, CFO

July 22, 2009

MAJESCOR RESOURCES INC.
(A development stage Company)

Interim Consolidated Financial Statements

For the three months ended May 31, 2009

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