

MAJESCOR RESOURCES INC.
(A development stage Company)

Interim Consolidated Financial Statements

For the three and six month periods ended August 31, 2009

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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 and six month periods ended August 31, 2009 are the responsibility of the management of Majescor Resources Inc. These unaudited interim consolidated 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 interim consolidated financial statements for the three and six month periods ended August 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

October 28, 2009

Majescor Resources Inc.
(A development stage Company)
Consolidated Balance Sheets
As at

	August 31, 2009	February 28, 2009
	\$ (Unaudited)	\$ (Audited)
ASSETS		
Current assets		
Cash	276,366	355,694
Marketable securities (Note 6)	203,737	42,696
Accounts receivable	30,764	27,731
Tax credits and mining duties receivable	726,361	715,677
Prepaid expenses	6,084	6,853
	<u>1,243,312</u>	<u>1,148,651</u>
Long-term investments (Note 5)	774,259	-
Property, plant and equipment (Note 7)	103,776	135,236
Mineral exploration properties (Note 8)	191,687	284,817
Deferred exploration expenses (Note 8)	331,371	1,127,025
	<u>2,644,405</u>	<u>2,695,729</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	323,643	343,718
Amount due to a related party (Note 9)	5,000	43,006
	<u>328,643</u>	<u>386,724</u>
Long-term liabilities		
Liability component of debenture (Note 11)	144,352	136,290
	<u>472,995</u>	<u>523,014</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 12)	22,096,328	21,224,338
Warrants (Note 12)	304,557	753,177
Contributed surplus (Note 13)	2,305,845	1,707,523
Equity component of debenture (Note 11)	39,525	39,525
Deficit	(22,651,506)	(21,547,468)
Accumulated other comprehensive gain (loss) (Note 14)	76,661	(4,380)
	<u>2,171,410</u>	<u>2,172,715</u>
	<u>2,644,405</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

Majescor Resources Inc.

(A development stage Company)

Consolidated Operations (unaudited)

	Three months Ended August 31, 2009	Three months Ended August 31, 2008	Six months Ended August 31, 2009	Six months Ended August 31, 2008
	\$	\$	\$	\$
Expenses				
Management and consulting fees	90,563	54,809	135,618	108,662
Stock-based compensation	3,545	48,118	22,808	100,191
Salaries and benefits	-	38,137	23,454	86,999
Travel and promotion	5,488	13,024	6,316	30,548
Report to shareholders	10,330	19,763	12,212	24,650
Professional fees	20,330	42,777	46,526	136,105
General expenses	21,484	47,526	33,445	78,544
Amortization of property, plant and equipment	6,095	7,027	13,433	13,697
	<u>157,835</u>	<u>271,181</u>	<u>293,812</u>	<u>579,396</u>
Other items				
Interest and other income	(17,356)	(4,401)	(17,571)	(11,443)
Interest on convertible debenture	8,636	7,670	16,988	15,214
(Recovery of) allowance for bad debt	-	(7,000)	-	3,990
Loss on sale of property, plant and equipment	-	1,167	3,527	1,167
Loss on sale of marketable securities	-	1,339,292	-	1,339,292
Impairment of long term investment	-	36,000	-	36,000
Write-down of mineral exploration properties and deferred exploration expenses (Note 8)	808,784	508,961	808,784	521,019
(Gain) loss on foreign exchange	(608)	12	(1,502)	626
	<u>799,456</u>	<u>1,881,701</u>	<u>810,226</u>	<u>1,905,865</u>
Loss before income taxes	957,291	2,152,882	1,104,038	2,485,261
Income taxes				
Current	-	7,914	-	7,914
Net loss	<u>957,291</u>	<u>2,160,796</u>	<u>1,104,038</u>	<u>2,493,175</u>
Basic and diluted net loss per common share	<u>0.06</u>	<u>0.22</u>	<u>0.07</u>	<u>0.25</u>
Basic and diluted weighted average number of common shares outstanding	<u>17,113,139</u>	<u>9,973,977</u>	<u>14,816,365</u>	<u>9,959,554</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 August 31, 2009	Three months Ended August 31, 2008	Six months Ended August 31, 2009	Six months Ended August 31, 2008
	\$	\$	\$	\$
Balance, beginning of the period	1,411,842	5,236,278	1,411,842	4,931,663
Additions				
Drilling	-	286,371	-	303,374
Project consulting	-	6,000	-	17,923
Geophysical survey	-	9,750	-	18,384
Geological survey	-	560,477	-	613,344
Report preparation	-	18,170	-	44,632
Property evaluation	-	23,399	-	63,371
Renewal of licenses and permits	-	33,105	-	222,074
General field expenses	-	15,521	-	38,867
	-	952,793	-	1,321,969
Contribution from partners	-	-	-	(74,801)
Write-down of mineral exploration properties and deferred exploration expenses	(808,784)	(508,961)	(808,784)	(521,019)
Acquisition of mineral exploration properties	-	50,990	-	144,190
Option payments	(80,000)	-	(80,000)	(12,500)
Tax credits and mining duties	-	(410,787)	-	(469,189)
	(888,784)	84,035	(888,784)	388,650
Balance, end of the period	523,058	5,320,313	523,058	5,320,313

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

Majescor Resources Inc.

(A development stage Company)

Consolidated Comprehensive Loss and Deficit (unaudited)

	Three months Ended August 31, 2009	Three months Ended August 31, 2008	Six months Ended August 31, 2009	Six months Ended August 31, 2008
	\$	\$	\$	\$
COMPREHENSIVE LOSS				
Net loss for the period	(957,291)	(2,160,796)	(1,104,038)	(2,493,175)
Other comprehensive income				
Increase in fair value of available-for-sale investments	31,215	838,460	81,041	507,671
Comprehensive loss	<u>(926,076)</u>	<u>(1,322,336)</u>	<u>(1,022,997)</u>	<u>(1,985,504)</u>
DEFICIT				
Balance, beginning of the period	(21,694,215)	(14,680,777)	(21,547,468)	(14,348,398)
Net loss	<u>(957,291)</u>	<u>(2,160,796)</u>	<u>(1,104,038)</u>	<u>(2,493,175)</u>
Balance, end of the period	(22,651,506)	(16,841,573)	(22,651,506)	(16,841,573)
Accumulated other comprehensive gain (loss) (Note 14)	<u>76,661</u>	<u>(137,947)</u>	<u>76,661</u>	<u>(137,947)</u>
Total deficit and accumulated other comprehensive loss	<u>(22,574,845)</u>	<u>(16,979,520)</u>	<u>(22,574,845)</u>	<u>(16,979,520)</u>

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

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

	Three months Ended August 31, 2009	Three months Ended August 31, 2008	Six months Ended August 31, 2009	Six months Ended August 31, 2008
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss	(957,291)	(2,160,796)	(1,104,038)	(2,493,175)
Non-cash items				
Amortization of property, plant and equipment	6,095	7,027	13,433	13,697
Stock-based compensation	3,545	48,118	22,808	100,191
Interest on convertible debenture	8,636	7,670	16,988	15,214
Unrealized loss (gain) on foreign exchange	3	(13)	(891)	261
Allowance for bad debt	-	-	-	10,990
Write-down of mineral exploration properties and deferred exploration expenses	808,784	508,961	808,784	521,019
Loss on sale of property, plant and equipment	-	1,167	3,527	1,167
Loss on sale of marketable securities	-	1,339,292	-	1,339,292
Impairment of long term investment	-	36,000	-	36,000
Changes in non-cash working capital items (Note 15)	(26,093)	(37,583)	(34,435)	285,218
Cash flows used in operating activities	<u>(156,321)</u>	<u>(250,157)</u>	<u>(273,824)</u>	<u>(170,126)</u>
INVESTING ACTIVITIES				
Proceeds from sale of marketable securities	-	580,058	-	580,058
(Acquisition of) proceeds from sale property, plant and equipment	-	(18,614)	14,500	(123,225)
Long-term investments	(313,265)	-	(474,259)	-
Option payments	-	-	-	12,500
Mineral exploration properties and deferred exploration expenses	(25,703)	(724,846)	(35,703)	(1,061,173)
Cash flows used in investing activities	<u>(338,968)</u>	<u>(163,402)</u>	<u>(495,462)</u>	<u>(591,840)</u>
FINANCING ACTIVITIES				
Common shares issued	654,000	-	704,000	-
Share issue costs	(10,863)	-	(14,042)	-
Cash flows from financing activities	<u>643,137</u>	<u>-</u>	<u>689,958</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	147,848	(413,559)	(79,328)	(761,966)
Cash and cash equivalents, beginning of the period	<u>128,518</u>	<u>736,467</u>	<u>355,694</u>	<u>1,084,874</u>
Cash and cash equivalents, end of the period	<u><u>276,366</u></u>	<u><u>322,908</u></u>	<u><u>276,366</u></u>	<u><u>322,908</u></u>
Non-cash supplemental information:				
Deferred exploration expenses included in accounts payable	7,038	273,981	7,038	273,981
Common shares issued to increase interest in mineral exploration properties	-	50,000	-	93,200
Common shares issued to acquire interest in investee company	-	-	300,000	-
Common shares issued in payment of interest on debenture	8,926	9,000	8,926	9,000
Marketable securities received on sale of mineral properties	-	130,000	-	130,000
Marketable securities received on extension of option agreement	80,000	-	80,000	-

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

Majescor Resources Inc.

(A development stage Company)

Notes to Consolidated Financial Statements

Three and six months ended August 31, 2009

1. Governing statutes and nature of operations

Majescor Resources Inc. (the "Company" or "Majescor") was incorporated under the Canada Business Corporations Act (Alberta) on February 23, 1996. The 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 August 31, 2009, had an accumulated deficit of \$22,651,506. The Company conducted extensive exploration work programs on its uranium properties over the last few years and based on the analysis of the data collected during that period, the Company decided either to sell, option and/or write-down accumulated costs on most of its uranium properties.

At August 31, 2009, the Company had a working capital of \$914,669, including \$276,366 in cash and together with the proceeds from the sale of marketable securities subsequent to quarter-end for an amount of \$136,000 and the receipt of provincial tax credits for \$440,000, the Company anticipates having sufficient cash to meet its current obligations, continue its 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 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.

(A development stage Company)

Notes to Consolidated Financial Statements

Three and six months ended August 31, 2009

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 August 31, 2009 consist of cash, marketable securities, accounts receivable, accounts payable and accrued liabilities, amount due to a related party and debenture. Other than marketable securities, the fair value of these financial instruments approximates their carrying value given that they will mature shortly. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. A plus or minus 10% change in the value of the marketable securities would affect shareholders' equity by approximately \$20,400.

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 \$914,669 at August 31, 2009, including cash of \$276,366 and current liabilities totalling \$328,643, 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) 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.

Majescor Resources Inc.

(A development stage Company)

Notes to Consolidated Financial Statements

Three and six months ended August 31, 2009

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 Investment savings accounts, 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 investments

	August 31, 2009	February 28, 2009
	\$	\$
SIMACT Alliance Copper Gold Inc. (a)		
Initial 10% investment	360,994	-
Option to acquire remaining 90% investment		
Cash payment	200,000	-
Exploration work	213,265	-
	<u>774,259</u>	<u>-</u>
Uranium World Energy Inc. (b)	-	-
	<u>774,259</u>	<u>-</u>

Majescor Resources Inc.

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Notes to Consolidated Financial Statements

Three and six months ended August 31, 2009

5. Long term investments (continued)

(a) SIMACT Alliance Copper Gold

On April 23, 2009, the Company signed an agreement (the "Agreement") with SIMACT Alliance Copper Gold Inc. ("SIMACT") and its principal shareholders (the "Principals"), which include the Chairman of Majescor, 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. SOMINE's mineral rights and obligations were assigned under a mining convention with the State of Haiti on May 5, 2005, renewable on May 5, 2010.

On May 26, 2009, after having completed technical and legal due diligence on SIMACT and SOMINE and having obtained all regulatory approvals, the Company acquired its 10% interest in SIMACT through the issuance of 2,000,000 shares, valued at \$360,994, including legal and due diligence-related costs of \$60,994. Given that the Company does not have significant influence over SIMACT, this investment was accounted for at cost.

Subject to making an initial cash payment of \$200,000 to SIMACT (which payment was made) 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, Majescor was also granted a 12 month option ("the Option") to purchase the remaining 90% interest in SIMACT in consideration for the issuance of 10,000,000 common shares of Majescor in favour of SIMACT.

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 of its 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 of its common shares to SIMACT. These additional issuances of common shares will also be subject to all required corporate and regulatory approvals.

(b) Uranium World Energy Inc.

The Company owns 3,600,000 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

	August 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)	(2,339)	9,362	130,000	7,021
42,500 common shares of Diamonds North Resources Ltd.	37,400	(31,025)	-	6,375	37,400	4,675
400,000 (200,000 as at February 28, 2009) common shares of Sunridge Gold Corp. (1)	109,000	-	79,000	188,000	29,000	31,000
	<u>276,400</u>	<u>(149,324)</u>	<u>76,661</u>	<u>203,737</u>	<u>196,400</u>	<u>42,696</u>

(1) On August 4, 2009, the Company received an additional 200,000 shares of Sunridge Gold Corp. (valued at \$80,000) in exchange for a one year extension on work commitments (Note 8).

Majescor Resources Inc.

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Notes to Consolidated Financial Statements

Three and six months ended August 31, 2009

7. Property, plant and equipment

	August 31, 2009		February 28, 2009	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Office furniture and equipment	10,392	4,271	6,121	6,801
Computer equipment	26,081	16,432	9,649	13,416
Computer software	12,462	12,462	-	1,175
Analysis and drilling equipment	114,458	26,897	87,561	113,320
Web site development expenses	7,485	7,040	445	524
	<u>170,878</u>	<u>67,102</u>	<u>103,776</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

	August 31, 2009		February 28, 2009	
	Acquisition Cost	Deferred Exploration Expenses	Acquisition Cost	Deferred Exploration Expenses
	\$	\$	\$	\$
Canada				
Québec				
a) Mirabelli	-	-	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
International				
e) Madagascar	189,766	206,741	228,054	248,452
	<u>191,687</u>	<u>331,371</u>	<u>284,817</u>	<u>1,127,025</u>

a) Mirabelli

During the period ended August 31, 2009, the Company wrote down the cost of this 100% owned property to Nil as the Company does not intend to renew the remaining claims when they come due (\$4,842 in acquisition costs and \$250,133 in deferred exploration expenses).

b) Mistassini

By an agreement dated March 2007, Majescor acquired 100% of the uranium rights on the Mistassini property in exchange of 100% of the diamonds rights on the property for Northern Superior Resources Inc. 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.

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Three and six months ended August 31, 2009

8. Mineral properties and deferred exploration expenses

As at August 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

By an agreement dated 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 Virginia Energy Resources Inc. ("Virginia")(formerly a joint venture comprised of Santoy Resources Inc. and Melkior Resources Inc.), Under the terms of the option agreement, Virginia must incur \$2.5 million in exploration work expenditures by February of 2012 to earn its 66 2/3% interest in the uranium rights. The Company retains exclusive rights for diamonds on this property.

d) Baker Lake

During the period ended August 31, 2009, the Company wrote down the cost of this 100% owned property to Nil as the Company does not intend to renew the claims when they come due in November 2009 (\$50,000 in acquisition costs and \$503,809 in deferred exploration expenses).

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 August 31, 2009, the remaining commitments are as follows:

	<u>Exploration Expenses</u>	<u>Common Shares</u>
	\$	
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) On August 4, 2009, the Company granted one additional year to Sunridge to fulfill its work commitment in consideration for 200,000 common shares of Sunridge to the Company (valued at \$80,000). Under this amendment, all other dates in the agreement are postponed by one year.

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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 three and six month periods ended August 31, 2009, the cost of shared salaries and benefits were respectively \$14,250 and \$28,500 (2008 - \$27,888 and \$55,776) and rent and office expenses were respectively \$714 and \$1,428 (2008 - \$10,600 and \$21,200). Included in Amount due to related party is \$5,000 due to Everton Resources Inc. (\$43,006 as at February 28, 2009).

Under a former 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 was the operator for the Baker Lake 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 August 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"), a management company wholly-owned by the Chairman of Majescor, the Company pays consulting fees to Woodcliff. During the three and six month periods ended August 31, 2009, the cost of consulting fees paid to Woodcliff were respectively \$10,500 and \$28,000 (\$Nil in 2008)

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.

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 August 31, 2009.

11. Convertible debenture

On January 25, 2007, the Company completed a private placement of unsecured convertible debenture of \$150,000 with Sidex 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 \$1.70 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.

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11. Convertible debenture (continued)

	Liability component	Equity component
	\$	\$
Balance, February 28, 2009	136,290	39,525
Interest accrued (1)	16,988	
Interest paid (2)	(8,926)	-
Balance, August 31, 2009	144,352	39,525

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

(2) On August 11, 2009, the Company issued 36,018 common shares to SIdex at a price of \$0.248 in payment of interest on the debenture.

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 (1) (2)	3,500,000	479,626
Shares issued to acquire interest in investee company (Note 5)	2,000,000	300,000
Shares issued on the exercise of warrants	450,000	84,200
Shares issued in payment of interest on debenture	36,018	8,164
Balance - August 31, 2009	17,978,435	22,096,328

(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. Directors of the Company subscribed for 300,000 units for \$30,000. 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.

(2) On June 17, 2009, the Company completed a non-brokered private placement of 3,000,000 units at a price of \$0.20 each for gross proceeds of \$600,000. 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 \$0.30 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. Warrants have been recorded at a value of \$140,213 based on the Black-Scholes option pricing model using the following assumptions: risk free interest of 1.34%, expected life of warrants of 1 year, annualized volatility rate of 93% and dividend rate of 0%. The value of the warrants and other issue costs for \$10,101 were presented as a reduction of share capital.

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12. Share capital (continued)**b) Warrants**

	Number of warrants	Weighted average exercise price	Black-Scholes Value
		\$	\$
Balance, February 28, 2009	2,900,116	0.70	753,177
Granted	3,500,000	0.28	157,094
Exercised	(450,000)	0.12	(30,200)
Expired	(784,731)	2.00	(575,514)
Balance, August 31, 2009	5,165,385	0.27	304,557

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

Number	Exercise Price	Black-Scholes Value	Expiry Date
	\$	\$	
115,385	2.00	43,441	December 4, 2009
1,550,000	0.12	104,022	February 13, 2011
500,000	0.13	16,881	March 20, 2011
3,000,000	0.30	140,213	June 17, 2010
5,165,385		304,557	

c) Stock options

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

	Number of options	Weighted average exercise price
		\$
Balance, February 28, 2009	541,016	1.69
Granted (1)	385,000	0.15
Forfeited	(26,000)	1.63
Balance, August 31, 2009	900,016	1.04

- (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.

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. The fair value of these options which amounts to \$14,180 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 1.21% and an expected average life of 2 years.

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12. Share capital (continued)

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

Range of exercise price	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable
\$0.15	385,000	3.18	\$0.15	235,000
\$1.50-\$1.70	405,016	2.61	\$1.51	405,016
\$2.80	110,000	2.59	\$2.80	110,000
	<u>900,016</u>			<u>750,016</u>

13. Contributed surplus

Contributed surplus consists of the following components:

	Three months Ended August 31, 2009	Three months Ended August 31, 2008	Six months Ended August 31, 2009	Six months Ended August 31, 2008
Balance - beginning of period	1,726,786	1,616,277	1,707,523	1,458,917
Stock based compensation	3,545	48,118	22,808	100,191
Black-Scholes value of expired warrants	575,514	-	575,514	105,287
Balance - end of period	<u>2,305,845</u>	<u>1,664,395</u>	<u>2,305,845</u>	<u>1,664,395</u>

14. Accumulated other comprehensive gain (loss)

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

	Three months Ended August 31, 2009	Three months Ended August 31, 2008	Six months Ended August 31, 2009	Six months Ended August 31, 2008
	\$	\$	\$	\$
Balance - beginning of period	45,446	(976,407)	(4,380)	(645,618)
Increase in fair value of available for sale investments	31,215	838,460	81,041	507,671
Balance - end of period	<u>76,661</u>	<u>(137,947)</u>	<u>76,661</u>	<u>(137,947)</u>

15. Changes in non-cash working capital items

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

	Three months Ended August 31, 2009	Three months Ended August 31, 2008	Six months Ended August 31, 2009	Six months Ended August 31, 2008
	\$	\$	\$	\$
Accounts receivable	4,124	(9,485)	(3,033)	333,347
Advances to operators	-	-	-	6,708
Prepaid expenses	9,335	163,211	769	108,733
Tax credits and mining duties receivable	(10,684)	-	(10,684)	-
Accounts payable and accrued liabilities	(28,868)	(191,309)	16,519	(133,341)
Amount due to related parties	-	-	(38,006)	13,006
Amount due to operators	-	-	-	(43,235)
Total changes in non-cash working capital	<u>(26,093)</u>	<u>(37,583)</u>	<u>(34,435)</u>	<u>285,218</u>

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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:

	August 31, 2009	February 28, 2009
	\$	\$
Canada	230,327	1,070,572
Haiti	774,259	-
Madagascar	396,507	476,506
Total	<u>1,401,093</u>	<u>1,547,078</u>

17. Comparative figures

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

18. Subsequent events

On September 9, 2009, the Company granted 165,000 stock options to Officers, Directors, and Employees, at an exercise price of \$0.28 and expiring on September 9, 2014.

In September and October 2009, 16,500 options expired without exercise and 50,000 options were forfeited.

In October 2009, 100,000 warrants at \$0.12 and 50,000 warrants at \$0.13 were exercised for total proceeds of \$18,500.