

MAJESCOR RESOURCES INC.
(An exploration stage Company)
Interim Consolidated Financial Statements
August 31, 2007

Management's Responsibility for Financial Statements	2
Financial Statements	
Consolidated Balance Sheet	3
Consolidated Operations	4
Consolidated Mineral Properties and Deferred Exploration Expenses	5
Consolidated Deficit	6
Consolidated Comprehensive Loss	7
Consolidated Cash Flows	8
Notes to Consolidated Financial Statements	9 to 17

Management's Responsibility for Interim Financial Statements

To the Shareholders of Majescor Resources Inc.

The interim consolidated financial statements and the notes thereto for the three-month period ended August 31, 2007 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 auditors of Majescor Resources Inc. have not performed a review of the consolidated financial statements for the three months ended August 31, 2007.

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

(signed) Marc Carbonneau
Marc Carbonneau, CFO

Majescor Resources Inc.
(An exploration stage Company)
Consolidated Balance Sheet

	August 31, 2007	February 28, 2007
	(Unaudited)	(Audited)
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	2,513,820	2,564,011
Marketable securities (Note 4)	1,981,033	-
Accounts receivable	261,780	78,041
Amount due from related parties (Note 5)	62,335	377,071
Tax credits and mining duties receivable	183,644	273,247
Advances to operators	189,669	101,630
Prepaid expenses	60,036	118,340
	<u>5,252,317</u>	<u>3,512,340</u>
Long term investment (Note 6)	300,000	100,000
Property, plant and equipment (Note 7)	38,586	9,448
Mineral properties (Note 8)	1,187,842	1,028,848
Deferred exploration expenses (Note 8)	4,997,601	5,172,144
	<u>11,776,346</u>	<u>9,822,780</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	609,577	438,267
Amount due to related parties (Note 5)	49,395	71,488
	<u>658,972</u>	<u>509,755</u>
Long term liabilities		
Liability component of debenture (Note 9)	126,686	112,776
	<u>785,658</u>	<u>622,531</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	20,829,941	19,958,235
Warrants (Note 10)	(458,967)	867,941
Contributed surplus (Note 11)	695,842	1,021,608
Equity component of debenture (Note 9)	1,245,093	39,525
Accumulated other comprehensive loss	39,525	-
Deficit	(11,360,745)	(12,687,060)
	<u>10,990,689</u>	<u>9,200,249</u>
	<u>11,776,347</u>	<u>9,822,780</u>

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

Majescor Resources Inc.

(An exploration stage Company)

Consolidated Operations (unaudited)

	Three Months Ended August 31, 2007	Three Months Ended August 31, 2006	Six months Ended August 31, 2007	Six months Ended August 31, 2006
Administrative expenses				
Management and consulting fees	105,307	62,694	232,782	109,857
Salaries and benefits	100,486	64,493	227,252	101,130
Travel and promotion	14,598	6,212	35,851	12,273
Report to shareholders	23,539	12,016	25,601	14,546
Conferences and subscription	5,627	1,387	14,584	3,677
Stationery and office supplies	2,400	1,974	4,558	3,307
Professional fees	30,172	29,241	53,258	46,431
Insurance	2,997	2,808	6,211	6,645
Bank charges and interest	7,686	435	15,445	1,026
General expenses	32,058	22,840	85,296	36,815
Loss on foreign exchange	943	2,549	5,380	3,658
Amortization of property, plant and equipment	3,269	1,518	4,594	3,036
	<u>329,082</u>	<u>208,166</u>	<u>710,812</u>	<u>342,401</u>
Other expenses (income)				
Interest and other income	(423)	(1,204)	(498)	(1,225)
Loss on sale of marketable securities	-	-	-	65
Part XII.6 tax	-	12,619	-	12,619
Gain on sale of mineral properties (note 3)	(497,377)	-	(2,547,686)	-
Write-down of mineral properties and deferred exploration expenses	-	31,567	505,031	43,826
Exploration expenses	6,027	-	6,027	-
	<u>(491,773)</u>	<u>42,982</u>	<u>(2,037,127)</u>	<u>55,285</u>
Net earnings (loss)	<u>162,691</u>	<u>(251,148)</u>	<u>1,326,315</u>	<u>(397,686)</u>
Basic and diluted net earnings (loss) per common share	<u>0.002</u>	<u>(0.004)</u>	<u>0.014</u>	<u>(0.006)</u>
Basic and diluted weighted average number of common shares outstanding	<u>97,752,595</u>	<u>62,681,562</u>	<u>97,144,985</u>	<u>61,731,647</u>

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

Majescor Resources Inc.

(An exploration stage Company)

Consolidated Mineral Properties and Deferred Exploration Expenses (unaudited)

	Three months Ended August 31, 2007	Three months Ended August 31, 2006	Six months Ended August 31, 2007	Six months Ended August 31, 2006
	\$	\$		
Balance, beginning of period	5,349,828	5,108,692	6,200,992	4,658,398
Additions				
Drilling	-	(67,642)	15,542	376,278
Project consulting	15,939	23,701	66,860	41,008
Geophysical survey	625,321	145,139	955,471	166,859
Geological survey	194,644	158,030	213,324	158,030
Geochemical survey	57,081	2,342	60,581	11,192
Sampling	213,350	12,123	229,329	188,094
Assaying	3,053	340	8,021	7,929
Report preparation	-	27,067	5,531	32,300
Property evaluation	4,703	8,964	24,001	19,033
Renewal of licences and permits	55,877	46,697	256,204	47,340
General field expenses	21,024	18,122	44,694	49,534
	1,190,992	374,884	1,879,558	1,097,597
Contribution of partners	(2,754)	(256,417)	(32,754)	(662,796)
Write-down of mineral properties and deferred exploration expenses	-	(31,567)	(505,031)	(43,826)
Acquisition of mineral properties	30,000	-	258,750	143,546
Cost of shares acquired from partner	-	-	(200,000)	-
Option payment	-	-	(110,000)	-
Cost of mining properties sold	(382,623)	-	(1,306,072)	-
Tax credits and mining duties	-	(1,542)	-	1,131
	(355,377)	(289,527)	(1,895,107)	(561,944)
Balance, end of period	6,185,443	5,194,050	6,185,443	5,194,050

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

Majescor Resources Inc.
 (An exploration stage Company)
 Consolidated Deficit (unaudited)

	Three months Ended August 31, 2007	Three months Ended August 31, 2006	Six months Ended August 31, 2007	Six months Ended August 31, 2006
	\$	\$	\$	\$
Deficit, beginning of period	(11,523,436)	(11,345,623)	(12,687,060)	(11,199,085)
Net earnings (loss)	162,691	(251,148)	1,326,315	(397,686)
Deficit, end of period	<u>(11,360,745)</u>	<u>(11,596,771)</u>	<u>(11,360,745)</u>	<u>(11,596,771)</u>

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

Majescor Resources Inc.

(An exploration stage Company)

Consolidated Comprehensive Loss (unaudited)

	Three months Ended August 31, 2007	Three months Ended August 31, 2006	Six months Ended August 31, 2007	Six months Ended August 31, 2006
	\$	\$	\$	\$
Net earnings (loss) for the period	162,691	(251,148)	1,326,315	(397,686)
Other comprehensive loss				
Unrealized gain (loss) on available-for-sale investments	(698,769)	-	(458,967)	-
Comprehensive earnings (loss) for the period	<u>(536,078)</u>	<u>(251,148)</u>	<u>867,348</u>	<u>(397,686)</u>

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

Majescor Resources Inc.
(An exploration stage Company)
Consolidated Cash Flows (unaudited)

	Three months Ended August 31, 2007	Three months Ended August 31, 2006	Six months Ended August 31, 2007	Six months Ended August 31, 2006
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net earnings (loss)	162,691	(251,148)	1,326,315	(397,686)
Non-cash items				
Amortization of property, plant and equipment	3,269	1,518	4,595	3,036
Stock based compensation	114,693	18,510	228,854	33,600
Interest accrued on debenture	7,005	-	13,910	-
Write-down of mineral properties and deferred	-	31,567	505,031	43,825
Loss on sale of marketable securities	-	-	-	65
Gain on disposal of mineral properties	(497,377)	-	(2,547,687)	-
Changes in non-cash working capital items (Note 12)	(144,865)	(403,923)	75,975	(173,002)
Cash flows used in operating activities	<u>(354,584)</u>	<u>(603,476)</u>	<u>(393,007)</u>	<u>(490,162)</u>
INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(29,916)	-	(33,732)	(2,500)
Proceeds from sale of mineral properties	-	-	1,473,758	-
Option payments	-	-	50,000	-
Proceeds from sale of marketable securities	-	-	-	9,435
Mineral properties and deferred exploration expenses	(787,300)	(166,666)	(1,802,301)	(764,217)
Tax credits and mining duties received	-	332,235	89,603	459,264
Cash flows from investing activities	<u>(817,216)</u>	<u>165,569</u>	<u>(222,671)</u>	<u>(298,018)</u>
FINANCING ACTIVITIES				
Common shares issued	-	1,465,114	565,488	1,814,399
Cash flows from financing activities	<u>-</u>	<u>1,465,114</u>	<u>565,488</u>	<u>1,814,399</u>
Increase (decrease) in cash and cash equivalents	(1,171,800)	1,027,207	(50,191)	1,026,219
Cash and cash equivalents, beginning of period	<u>3,685,620</u>	<u>1,148,169</u>	<u>2,564,011</u>	<u>1,149,157</u>
Cash and cash equivalents, end of period	<u>2,513,820</u>	<u>2,175,376</u>	<u>2,513,820</u>	<u>2,175,376</u>
Non-cash supplemental information:				
Change in deferred exploration expenses included in accounts payable	430,938	(48,199)	174,503	(295,022)
Common shares issued to increase interest in mineral properties	-	-	128,750	109,153
Long term investment in exchange of mineral	-	-	(200,000)	-

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

Majescor Resources Inc.

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

August 31, 2007

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 current nature of operations involves 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 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.

Although the Company has taken steps to verify title to the mineral claims 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. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

2. Basis of presentation and accounting estimates

The accompanying unaudited 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 new standards described in the following paragraphs. These interim unaudited consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended February 28, 2007 and 2006.

Effective March 1, 2007, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) under CICA Handbook Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments; Recognition and Measurement, Section 3861, Financial Instruments; Disclosure and Presentation and Section 3865, Hedges. These new Handbook sections provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting.

Under Section 3855, all financial instruments are to be classified into one of five categories and measured at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are to be measured at amortized cost. Held-for-trading financial assets are to be measured at fair value and changes in fair value are to be recognized in net income. Available-for-sale financial instruments are to be measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired. Section 1530 establishes standards for the reporting of comprehensive income, defined as the change in equity from transactions and other events from non-owner sources.

As a result of the adoption of these new standards, the Company has classified its marketable securities as available-for-sale on March 1, 2007.

The preparation of consolidated financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates and assumptions are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates. Significant areas where management judgement is applied are carrying value of exploration projects, asset retirement obligation and stock-based compensation.

Majescor Resources Inc.

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

August 31, 2007

3. Sale of mineral properties

On July 20, 2007, the company sold its 50% interest in the Banks property to diamonds North Resources Ltd. (``Diamonds North``) for 1,000,000 common shares valued at \$880,000. The Company realized a net gain of \$497,377 on the sale of its interest in this property.

4. Marketable securities

	Cost \$	Unrealized loss \$	Fair value \$
1,733,102 common shares of Vaaldiam Resources Ltd.	1,500,000	(252,167)	1,247,833
100,000 common shares of Melkior Resources Inc.	30,000	(3,000)	27,000
30,000 common shares of Santoy Resources Ltd.	30,000	(13,800)	16,200
1,000,000 common shares of Diamonds North Resources Ltd.	880,000	(190,000)	690,000
	<u>2,440,000</u>	<u>(458,967)</u>	<u>1,981,033</u>

5. Related party transactions

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

Under an agreement between the Company and Everton Resources Inc., the Company reimburses the cost of shared salaries & benefits, rent and office expenses paid by Everton Resources Inc. (which shares a common CFO and Directors). During the three-month and six-month periods ended August 31, 2007, the cost of shared salaries and benefits was respectively \$40,130 and \$94,761 (\$49,666 and \$92,973 in 2006) and rent and office expenses were respectively \$16,250 and \$8,280 (Nil in 2006). Included in Amounts due to related parties is \$49,395 due to Everton Resources Inc. (\$71,488 as at February 28, 2007).

Under a joint venture agreement between the Company and Uranium World Energy Inc (in which the Company detains a participation and shares a common Director), the Company was the operator for the Uranium project. All exploration expenditures incurred on the project and paid by the Company were invoiced in addition to 10% management fees. Included in Amount due from related parties is \$62,335 due from Uranium World Energy Inc. (\$233,932 as at February 28, 2007).

6. Long term investment

The Company holds 3,000,000 common shares of Uranium World Energy Inc. at a deemed price of \$0.10 per share subsequent to the execution of an option agreement between the Company and Uranium World Energy Inc. whereby Uranium World Energy Inc. can acquire an 80% interest in the Company's Baker Lake property uranium rights. As at August 31, 2007, the common shares were valued at \$300,000. The investment is accounted for at cost.

Majescor Resources Inc.

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

August 31, 2007

7. Property, plant and equipment

	August 31, 2007		February 28, 2007	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Office furniture and equipment	5,163	1,132	4,031	449
Computer equipment	14,435	7,136	7,299	3,517
Computer software	12,462	7,745	4,717	3,045
Analysis equipment	28,245	6,615	21,630	1,367
Web site development expenses	7,485	6,576	909	1,070
	<u>67,791</u>	<u>29,204</u>	<u>38,586</u>	<u>9,448</u>

8. Mineral properties and deferred exploration expenses

	August 31, 2007		February 28, 2007	
	Acquisition Cost	Deferred Exploration Expenses	Acquisition Cost	Deferred Exploration Expenses
	\$	\$	\$	\$
Canada				
Québec				
a) Portage	176,180	1,366,797	234,884	1,701,822
b) Mirabelli	-	1,081,396	-	509,308
c) Lac Laparre	5,908	15,727	44,408	82,802
d) Nottaway	597	50,578	598	48,926
e) South Rae	192,300	428,404	100,000	754
f) Mistassini	1,011	231,489	1,011	8,039
g) West Minto	136,450	234,559	-	-
North West Territories				
h) Banks	-	-	-	435,551
Nunavut				
i) Baker Lake	-	342,714	-	408,255
International				
j) Brauna/Brazil	-	-	2,552	920,897
j) Tres Marias Area/Brazil	164,895	120,504	164,895	73,536
k) Madagascar	510,500	1,125,433	480,500	982,253
	<u>1,187,842</u>	<u>4,997,601</u>	<u>1,028,848</u>	<u>5,172,144</u>

Majescor Resources Inc.

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

August 31, 2007

a) Portage

Since the withdrawal of Forest Gate Resources Inc. ("Forest Gate") from the Portage project on May 7, 2007, the Company increased the number of claims by 86 CDC.

b) 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. Under the terms of the agreement De Beers and the Company will form a 51:49 Joint Venture upon the Company spending \$3.0 million on diamond exploration by December 2009. For gold and base metals on the same project, the Company must spend \$1.2 million in exploration by March 2009 to earn a 50% interest. Subsequent to this, the Company can increase its interest to 80% in the gold and base metals by spending an additional \$700,000 on exploration. The Company is the operator of both the diamond and gold/base metals exploration while earning its respective interest.

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. and its 50% partner Melkior Resources Inc. 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 reservation of a 1.5% Net Smelter Return royalty interest, one half of which is purchasable at any time prior to commercial production for \$1 million. As at August 31, 2007, the Company received \$50,000, 100,000 shares of Melkior Resources Inc. valued at \$30,000 and 30,000 shares of Santoy Resources Ltd. valued at \$30,000.

d) Nottaway

On October 11, 2002, the Company entered into a non-binding letter of intent with BHP Diamonds Inc. with respect to the mineral claims of Nottaway. The Company completed the initial work program of at least \$25,000 on the Nottaway claims and therefore earned a 100% interest in such claims.

e) South Rae

On January 31, 2007, the Company signed a letter of intent with Azimut Exploration Inc. regarding South Rae Uranium property, located in the Ungava Region of Northern Quebec. Majescor can acquire a 50% interest by spending \$4.6 million in exploration over a 5-year period and may acquire an additional 15% interest upon delivery of a bankable feasibility study. A cash payment of \$100,000 was paid on signing, \$83,000 is due on the first anniversary and \$50,000 on the three subsequent anniversaries for a total of \$333,000. In March 2007, the Company issued 710,000 common shares valued at \$92,300 and an additional 710,000 common shares are due on the first anniversary (subject to a 4 month hold period).

f) Mistassini

In March 2007, the Company entered into an agreement with its joint-venture partner Superior Diamonds Inc. to acquire 100% of the uranium rights on the Mistassini property located in the Otish Mountains district of Quebec. Superior Diamonds will retain 100% of the diamonds rights on the property. The terms of the Agreement, which is subject to regulatory approval, stipulate that in exchange for providing 100% rights for uranium to Majescor, Superior Diamonds will retain 100% diamonds rights and a 2% Yellow Cake Royalty for uranium. Majescor retains a 2% royalty for diamonds.

Majescor Resources Inc.

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

August 31, 2007

g) West Minto

In March 2007, the Company signed a letter of intent with Azimut Exploration Inc. regarding the West Minto Uranium property, located in the Nunavik District of Northern Quebec. The Company can acquire a 50% interest in the property by spending \$3.8 million in exploration over a 5-year period, including \$500,000 in year-one. The Company can further increase its interest in the project to 65% upon delivery of a bankable feasibility study. A cash payment of \$100,000 was paid on signing of the agreement, and \$50,000 is due on the four subsequent anniversaries for a total of \$300,000. Majescor also issued 270,000 common shares on signing and an additional 270,000 common shares is due on the first anniversary of the agreement (subject to a 4 month hold period).

h) Banks

On July 20, 2007, the Company sold 50% interest in the Banks Island property to Diamonds North Resources Ltd. ("Diamonds North") for 1,000,000 common shares valued at \$880,000. The agreement with Diamonds North also states that the Company will receive 1,000,000 stock purchase warrants at \$1.50 valid for two years and only if a kimberlite with a minimum 200-m diameter is identified over a 12-hectare identified geophysical target. The Company will also keep a 1.5% royalty on the diamond and any other mineral substance found on the 22 claims of the property.

i) Baker Lake

In August 2006, the Company entered into an option agreement with Uranium World Energy Inc. whereby Uranium World Energy Inc. can 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 totaling 19 permits which are still held by De Beers Canada Exploration Inc. To earn its 80% interest, Uranium World Energy Inc. must incur \$640,000 in exploration expenses and issue 3,000,000 of its common shares to the Company. As at August 31, 2007, Uranium World Energy Inc. met all these conditions and earned its 80% interest in the Company's Baker Lake property.

k) Madagascar

The Company holds a 100% interest in four gold and base metal properties: Daraina-extension, Analalava, Ankaramy and Besakoa.

In June 2007, the Company paid a lump-sum of \$30,000 to two stakeholders of its Malagasy subsidiaries: Ampanihy Resources S.A.R.L and Daraina Exploration S.A.R.L, in order to acquire their 3% participation and 1% royalty in these two subsidiaries, increasing the Company's participation in these two subsidiaries to 100% .

9. 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 units of the Company at \$0.17 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 \$0.20.

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.

Majescor Resources Inc.

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

August 31, 2007

	\$
Liability component as at February 28, 2007	112,776
Equity component as at February 28, 2007	<u>39,525</u>
	<u>152,301</u>
Convertible debenture	112,776
Interest accrual	<u>13,910</u>
Total liability component at August 31, 2007	<u>126,686</u>

Interest expense on the liability component for the three-month and six-month period ended August 31, 2007 is respectively \$7,005 and \$13,910, of which respectively \$2,505 and \$4,910 represent accretion of liability component.

10. Share capital**a) Authorized**

Unlimited number of common shares without par value.

Issued

	Three months ended August 31, 2007		Six months ended August 31, 2007	
	Number of shares	\$	Number of shares	\$
Balance - beginning of period	97,752,595	20,829,941	93,744,095	19,958,235
Shares issued on the exercise of warrants	-	-	2,958,500	727,086
Shares issued on the exercise of options	-	-	70,000	15,870
Shares issued to increase participation in mineral properties	-	-	980,000	128,750
Balance - end of period	<u>97,752,595</u>	<u>20,829,941</u>	<u>97,752,595</u>	<u>20,829,941</u>

b) Warrants

	Three months ended August 31, 2007		Six months ended August 31, 2007	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Balance – Beginning of period	12,200,206	0.21	15,158,706	0.21
Exercised	-	-	(2,958,500)	0.19
Balance – End of period	<u>12,200,206</u>	<u>0.21</u>	<u>12,200,206</u>	<u>0.21</u>

Majescor Resources Inc.

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

August 31, 2007

As at August 31, 2007 the following warrants were outstanding and exercisable:

Number	Exercise Price	Black-Scholes		Expiry Date
			Value	
	\$		\$	
551,250	0.15		26,022	November 28, 2007
50,000	0.45		3,166	January 23, 2008
2,220,000	0.20		95,506	April 4, 2008
177,800	0.15		9,781	April 4, 2008
8,047,310	0.20		517,926	August 31, 2008
1,153,846	0.20		43,441	December 4, 2008
12,200,206			695,842	

c) Stock option plan

The Company has a stock option plan approved by its shareholders. At the 2006 annual general meeting, the shareholders approved a resolution to increase the number of shares reserved for issuance under its stock option plan, from 4,793,848 options to 9,374,409 options, representing 10% of the outstanding shares as at February 28, 2007. These options may be granted to the Company's employees, officers, directors, and non-employees, subject to regulatory terms and approval. The exercise price of each option can be set equal to or greater than the closing market price, less allowable discounts, of the common shares on the TSX Venture Exchange on the day prior to the date of the grant of the option. Options have a maximum term of ten years and terminate 60 days following the termination of the optionee's employment, except in cases of retirement or death. Vesting of options is made at the discretion of the Board of Directors at the time the options are granted.

	Three months ended August 31, 2007		Six months ended August 31, 2007	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		\$		\$
Balance – beginning of period	5,518,162	0.20	3,603,162	0.15
Granted	140,000	0.17	2,125,000	0.27
Exercised	-	-	(70,000)	0.15
Balance – ending of period	5,658,162	0.20	5,658,162	0.20

Majescor Resources Inc.

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

August 31, 2007

The fair value of each option granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	<u>2007</u>	<u>2006</u>
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	79%	71%
Risk-free interest rate	4.57%	4.28%
Expected life of options	5 years	5 years
Weighted average fair value	\$0.11	\$0.07

The Company has recorded the following amounts as stock based compensation:

	Three months Ended August 31, 2007 \$	Three months Ended August 31, 2006 \$	Six months Ended August 31, 2007 \$	Six months Ended August 31, 2006 \$
Salaries and benefits	62,026	5,501	120,099	11,002
Management and consulting fees	52,667	13,010	108,756	22,599
Total stock based compensation	<u>114,693</u>	<u>18,511</u>	<u>228,855</u>	<u>33,601</u>

11. Contributed surplus

Contributed surplus consists of the following components:

	Three months Ended August 31, 2007 \$	Three months Ended August 31, 2006 \$	Six months Ended August 31, 2007 \$	Six months Ended August 31, 2006 \$
Balance – beginning of period	1,130,400	521,713	1,021,608	466,889
Stock options granted	114,693	18,511	228,854	33,601
Stock options exercised	-	-	(5,370)	-
Black-Scholes value of expired warrants	-	232,644	-	272,378
Balance – end of period	<u>1,245,093</u>	<u>772,868</u>	<u>1,245,092</u>	<u>772,868</u>

Majescor Resources Inc.

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

August 31, 2007

12. Changes in non-cash working capital items

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

	Three months Ended August 31, 2007 \$	Three months Ended August 31, 2006 \$	Six months Ended August 31, 2007 \$	Six months Ended August 31, 2006 \$
Accounts receivable	(128,650)	20,350	(183,739)	(322,627)
Amount due from related parties	143,139	(440,955)	314,736	256,389
Advances to operators	(117,280)	-	(88,039)	-
Prepaid expenses	(43,913)	(2,428)	58,303	2,368
Accounts payable and accrued liabilities	(4,842)	89,080	(3,193)	(7,821)
Amount due to related parties	6,681	(52,653)	(22,093)	(82,794)
Amount due to operators	-	(17,317)		(18,517)
	<u>(144,865)</u>	<u>(403,923)</u>	<u>75,975</u>	<u>(173,002)</u>

13. Segmented information

The Company operates in one segment, being the acquisition, exploration and development of mineral properties for economically recoverable reserves. Total assets segmented by geographical area are as follows:

	August 31, 2007 \$	February 28, 2006 \$
Canada	9,853,763	7,126,112
Madagascar	1,637,185	1,466,845
Brazil	285,399	1,229,823
Total	<u>11,776,347</u>	<u>9,822,780</u>

14. Comparative figures

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