

MAJESCOR RESOURCES INC.
(A development stage Company)
Interim Consolidated Financial Statements
November 30, 2007

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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 November 30, 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 November 30, 2007.

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

(signed) Marc Carbonneau
Marc Carbonneau, CFO

Majescor Resources Inc.

(A development stage Company)

Consolidated Balance Sheet

	November 30, 2007	February 28, 2007
	(Unaudited)	(Audited)
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	1,209,287	2,564,011
Marketable securities (Note 4)	1,782,499	-
Accounts receivable	246,955	78,041
Amounts due from related parties (Note 5)	267,623	377,071
Tax credits and mining duties receivable	183,644	273,247
Advances to operators	19,553	101,630
Prepaid expenses	51,950	118,340
	<u>3,761,511</u>	<u>3,512,340</u>
Long term deposit	37,261	-
Long term investment (Note 6)	360,000	100,000
Property, plant and equipment (Note 7)	54,523	9,448
Mineral properties (Note 8)	1,111,752	1,028,848
Deferred exploration expenses (Note 8)	5,146,615	5,172,144
	<u>10,471,662</u>	<u>9,822,780</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	619,916	438,267
Amount due to related parties (Note 5)	40,421	71,488
Amount due to operators	16,268	-
	<u>676,605</u>	<u>509,755</u>
Long term liabilities		
Liability component of debenture (Note 10)	124,891	112,776
	<u>801,496</u>	<u>622,531</u>
SHAREHOLDER'S EQUITY		
Share capital (Note 11)	20,938,601	19,958,235
Warrants (Note 11)	669,820	867,941
Contributed surplus (Note 12)	1,361,275	1,021,608
Equity component of debenture (Note 10)	39,525	39,525
Accumulated other comprehensive loss	(657,501)	-
Deficit	(12,681,554)	(12,687,060)
	<u>9,670,166</u>	<u>9,200,249</u>
	<u>10,471,662</u>	<u>9,822,780</u>

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 November 30, 2007	Three Months Ended November 30, 2006	Nine months Ended November 30, 2007	Nine months Ended November 30, 2006
	\$	\$	\$	\$
Administrative expenses				
Management and consulting fees	85,194	74,900	317,976	184,757
Salaries and benefits	98,176	31,454	325,428	132,584
Travel and promotion	16,514	32,034	52,365	44,307
Report to shareholders	1,615	2,137	27,216	16,683
Conferences and subscription	7,904	963	22,488	4,640
Stationery and office supplies	2,143	6,266	6,702	9,573
Professional fees	11,796	11,699	65,054	58,130
Insurance	3,148	2,590	9,359	9,236
Bank charges and interest	(1,330)	1,362	14,115	2,388
General expenses	25,180	25,406	110,476	62,221
Loss on foreign exchange	8	1,634	5,388	5,291
Amortization of property, plant and equipment	4,685	2,415	9,279	5,451
	<u>255,035</u>	<u>192,860</u>	<u>965,846</u>	<u>535,261</u>
Other expenses (income)				
Interest and other income	(25,372)	-	(25,870)	(1,225)
Loss on sale of Marketable securities	-	-	-	65
Part XII.6 tax	-	830	-	13,449
Gain on sale of mining properties (Note 3)	-	-	(2,547,686)	-
Write-down of mining properties and deferred exploration expenses	680,590	-	1,241,020	43,826
Project evaluation	157	-	6,184	-
Unspent renounced flow-through funds (Note 9)	355,000	-	355,000	-
	<u>1,010,375</u>	<u>830</u>	<u>(971,352)</u>	<u>56,115</u>
Net earnings (loss)	<u>(1,265,410)</u>	<u>(193,690)</u>	<u>5,506</u>	<u>(591,376)</u>
Basic and diluted net earnings (loss) per common share	<u>(0.013)</u>	<u>(0.003)</u>	<u>0.001</u>	<u>(0.001)</u>
Basic and diluted weighted average number of common shares outstanding	<u>97,770,760</u>	<u>77,237,205</u>	<u>97,352,060</u>	<u>66,862,577</u>

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

Majescor Resources Inc.

(A development stage company)

Consolidated Mineral Properties and Deferred Exploration Expenses (unaudited)

	Three Months Ended November 30, 2007 \$	Three Months Ended November 30, 2006 \$	Nine months Ended November 30, 2007 \$	Nine months Ended November 30, 2006 \$
Balance, beginning of the period	6,130,044	5,194,050	6,200,992	4,658,398
Additions				
Drilling	18,566	72,196	34,108	448,475
Project Consulting	10,731	26,886	77,591	67,894
Geophysical Survey	399,517	854,946	1,354,988	1,021,805
Geological Survey	21,583	237,215	234,907	395,245
Geochemical Survey	151,257	11,261	211,838	22,453
Sampling	37,636	213,860	266,965	401,954
Assaying	9,094	8	17,115	7,937
Report Preparation	8,366	32,368	13,897	64,668
Property evaluation	26,460	4,138	50,461	23,171
Renewal of licenses and permits	358,440	128,661	614,644	176,001
General field expenses	29,089	112,308	73,783	161,842
	1,070,739	1,693,846	2,950,297	2,791,443
Contribution of partners	(224,881)	(791,942)	(257,635)	(1,454,738)
Write-down of mineral properties and deferred exploration expenses	(680,590)	-	(1,241,020)	(43,826)
Acquisition of mineral properties	23,055	240,000	281,805	383,544
Cost of shares acquired from partner	(60,000)	-	(260,000)	-
Option payment	-	-	(110,000)	-
Cost of mining properties sold	-	-	(1,306,072)	-
Tax credits and mining duties	-	(54,999)	-	(53,866)
	(942,416)	(606,941)	(2,892,922)	(1,168,886)
Balance, end of period	6,258,367	6,280,955	6,258,367	6,280,955

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

Majescor Resources Inc.

(A development stage Company)

Consolidated Deficit (unaudited)

	Three months Ended November 30, 2007 \$	Three months Ended November 30, 2006 \$	Nine months Ended November 30,2007 \$	Nine months Ended November 30,2006 \$
Deficit, beginning of period	(11,416,144)	(11,596,771)	(12,687,060)	(11,199,085)
Net earnings (loss)	(1,265,410)	(193,690)	5,506	(591,376)
Deficit, end of period	(12,681,554)	(11,790,461)	(12,681,554)	(11,790,461)

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

Majescor Resources Inc.

(A development stage Company)

Consolidated Comprehensive Loss (unaudited)

	Three months Ended November 30, 2007 \$	Three months Ended November 30, 2006 \$	Nine months Ended November 30, 2007 \$	Nine months Ended November 30, 2006 \$
Net earnings (loss) for the period	(1,265,410)	(193,690)	5,506	(591,376)
Other comprehensive loss				
Unrealized gain (loss) on available-for sale investments	(198,534)	-	(657,501)	-
Comprehensive earnings (loss) for the period	<u>(1,463,944)</u>	<u>(193,690)</u>	<u>(651,995)</u>	<u>(591,376)</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 November 30, 2007	Three Months Ended November 30, 2006	Nine Months Ended November 30, 2007	Nine Months Ended November 30, 2006
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net earnings (loss)	(1,265,410)	(193,690)	5,506	(591,376)
Non-cash items				
Amortization of property, plant and equipment	4,685	2,415	9,280	5,451
Stock based compensation	116,170	34,181	345,024	67,783
Interest accrued on debenture	(1,795)	-	12,115	-
Write-down of mining properties and deferred exploration expenses	680,590	-	1,241,020	43,826
Gain on sale of mining properties	-	-	(2,547,687)	-
Loss on sale of marketable securities	-	-	-	65
Changes in non-cash working capital items (note 12)	353,756	(149,350)	429,731	(283,569)
Cash flows used in operating activities	(112,004)	(306,444)	(505,011)	(757,820)
INVESTING ACTIVITIES				
Long term deposit	(37,261)	-	(37,261)	-
Acquisition of property, plant and equipment	(20,621)	(3,590)	(54,353)	(6,090)
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	(1,217,296)	(1,195,364)	(3,019,597)	(1,998,363)
Tax credits and mining rights received	-	126,664	89,603	585,928
Cash flows from investing activities	(1,275,178)	(1,072,290)	(1,497,850)	(1,409,090)
FINANCING ACTIVITIES				
Common shares issued	82,650	1,277,158	648,138	3,091,555
Cash flows from financing activities	82,650	1,277,158	648,138	3,091,555
Increase (decrease) in cash and cash equivalents	(1,304,533)	(101,576)	(1,354,724)	924,647
Cash and cash equivalents – beginning of period	2,513,820	2,175,376	2,564,011	1,149,157
Cash and cash equivalents – end of period	<u>1,209,287</u>	<u>2,073,798</u>	<u>1,209,287</u>	<u>2,073,798</u>
Non-cash supplemental information				
Change in deferred exploration expenses included in accounts payable	348,383	193,460	173,880	527,268
Common shares issued to increase interest in mineral properties	-	140,000	128,750	249,153
Long term investment in exchange of mineral properties	(60,000)	-	(260,000)	-
Marketable securities received on sale of mineral properties	-	-	1,560,000	-
Issue of warrants during financing	-	12,354	-	904,842

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 (unaudited)

November 30, 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.

The adoption of these new standards had no impact on the Company's opening balances. Marketable securities acquired during the three and nine-month periods ended November 30, 2007 were classified as available-for-sale.

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.

(A development stage Company)

Notes to Consolidated Financial Statements (unaudited)

November 30, 2007

3. Sale of mineral properties and write-down of mineral properties and deferred exploration expenses

During the period ended November 30, 2007, the Company recorded an additional write-down of \$671,238 further to the abandonment of 38% of the Portage property claims for \$640,027, the abandonment of 18% of the Nottaway property claims for \$9,255 and the abandonment of 8% of the Mistassini property claims for \$21,956. During the period ended May 31, 2007, the Company had recorded a write-down of \$505,031 further to the abandonment of 25% of the Portage property claims.

During the period ended November 30, 2007, the Company further wrote down the cost of the Tres Marias property by \$9,352 to reflect the estimated net realizable value of the property. During the period ended August 31, 2007, the Company had written-down the cost of the Tres Marias property by \$55,399 to reflect the estimated net realizable value of the property.

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.

On March 1, 2007, the company sold its 40% interest in the Brauna property to Vaaldiam Resources Ltd. ("Vaaldiam") for a cash consideration of \$2,000,000 and 1,733,102 common shares valued at \$1,500,000. The Company realized a net gain of \$2,050,310 on the sale of this property

4. Marketable securities

	Cost	Unrealized gain (loss)	Fair value
	\$	\$	\$
1,733,102 common shares of Vaaldiam Resources Inc.	1,500,000	(494,801)	1,005,199
100,000 common shares of Melkior Resources Inc.	30,000	2,000	32,000
30,000 common shares of Santoy Resources Ltd.	30,000	(14,700)	15,300
1,000,000 common shares of Diamonds North Resources Ltd.	880,000	(150,000)	730,000
	<u>2,440,000</u>	<u>(657,501)</u>	<u>1,782,499</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 nine-month periods ended November 30, 2007, the cost of shared salaries and benefits was respectively \$33,143 and \$127,904 (\$51,679 and \$144,653 in 2006) and rent and office expenses were respectively \$9,827 and \$26,387 (\$10,597 in 2006). Included in Amounts due to related parties is \$40,421 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 \$267,623 due from Uranium World Energy Inc. (\$233,932 as at February 28, 2007).

Majescor Resources Inc.

(A development stage Company)

Notes to Consolidated Financial Statements (unaudited)

November 30, 2007

6. Long term investment

The Company holds 3,600,000 common shares of Uranium World Energy Inc. at a deemed price of \$0.10 per share subsequent to the execution of an option agreement (amended on October 31, 2007) between the Company and Uranium World Energy Inc. In accordance with the terms of the amended option agreement, Uranium World Energy Inc. acquired its 80% interest in the Company's Baker Lake property uranium rights. As at November 30, 2007, the common shares were valued at \$360,000. The investment is accounted for at cost.

7. Property, plant and equipment

	November 30, 2007		February 28, 2007	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Office furniture and equipment	10,392	1,512	8,881	449
Computer equipment	29,827	8,781	21,046	3,517
Computer software	12,462	9,145	3,317	3,045
Analysis equipment	28,246	7,795	20,451	1,367
Web site development expenses	7,485	6,656	829	1,070
	88,412	33,889	54,523	9,448

8. Mineral properties and deferred exploration expenses

	November 30, 2007		February 28, 2007	
	Acquisition Cost	Deferred Exploration Expenses	Acquisition Cost	Deferred Exploration Expenses
	\$	\$	\$	\$
Canada				
Québec				
a) Portage	109,232	935,023	234,884	1,701,822
b) Mirabelli	23,055	1,144,356	-	509,308
c) Lac Laparre	5,908	21,715	44,408	82,802
d) Nottaway	490	41,673	598	48,926
e) South Rae	192,300	750,150	100,000	754
f) Mistassini	930	251,563	1,011	8,039
g) West Minto	136,450	304,556	-	-
North West Territories				
h) Banks	-	-	-	435,551
Nunavut				
i) Baker Lake	-	452,884	-	408,255
International				
j) Brauna/Brazil	-	-	2,552	920,897
k) Tres Marias/Brazil	132,888	97,112	164,895	73,536
l) Madagascar	510,500	1,147,581	480,500	982,253
	1,111,752	5,146,615	1,028,849	5,172,144

Majescor Resources Inc.

(A development stage Company)

Notes to Consolidated Financial Statements (unaudited)

November 30, 2007

a) Portage

On May 7, 2007, Forest Gate Resources Inc. ("Forest Gate") announced its decision to withdraw from the Portage project, before having met its obligations to acquire a 50% interest in the property. During the period ended May 31, 2007, the property was written down by \$505,031 further to the abandonment of 25% of the claims during the period. During the period ended November 30, 2007, the Company recorded an additional write-down of \$640,027 further to the abandonment of 38% of the Portage property claims.

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 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 November 30, 2007, the Company received \$50,000 in cash, 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 Nottaway mineral claims. 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. During the period ended November 30, 2007, the Company recorded a write-down of \$9,255 further to the abandonment of 18% of the Nottaway property 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 can acquire an additional 15% interest upon delivery of a bankable feasibility study. A cash payment of \$100,000 was made on signing, \$83,000 was paid on January 21, 2008 and \$50,000 is due 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 being issued in January 2007 (subject to a 4 month hold period).

Majescor Resources Inc.

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Notes to Consolidated Financial Statements (unaudited)

November 30, 2007

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. During the period ended November 30, 2007, the Company recorded a write-down of \$21,956 further to the abandonment of 8% of the Mistassini property claims.

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 made 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 valued at \$36,450 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 provides that the Company will receive 1,000,000 stock purchase warrants at \$1.50 valid for two years 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 (amended on October 31, 2007) 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 3,600,000 of its common shares to the Company. As at November 30, 2007, Uranium World Energy Inc. met all these conditions and earned its 80% interest in the Company's Baker Lake property.

j) Brauna / Brazil

In February 2007, the Company signed a letter of intent with Vaaldiam Resources Ltd for the sale of the Company's 40% interest in the Brauna diamond deposit located in Brazil. Under the terms of a subsequent agreement, Majescor received a cash payment of \$2,000,000 on March 1, 2007, 1,733,102 common shares of Vaaldiam valued at \$1,500,000 and a 1% Gross Sales Royalty right on diamond production from the property. The Company realized a net gain of \$2,050,310 on the sale of this property.

k) Tres Marias / Brazil

On February 2007, Majescor signed a non-binding letter of intent with Vaaldiam Resources Ltd. ("Vaaldiam") for the proposed acquisition by Vaaldiam of Majescor's 100% interest in the Tres Marias property. In August 2007, the property was written-down by \$55,399 further to the review of the property's carrying value to reflect its estimated net realizable value. At November 30, 2007, the property was further written down by \$9,352 to reflect its estimated net realizable value.

Majescor Resources Inc.

(A development stage Company)

Notes to Consolidated Financial Statements (unaudited)

November 30, 2007

I) 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. Unspent renounced flow-through funds

The Company was unable to incur expenditures in the required delay, which is on or before December 31, 2006, of a portion of the proceeds raised in its flow-through and renounced to subscribers as at December 31, 2005. As contemplated by the subscription agreement between the Company and the subscribers, the Company is committed to reimburse any amount requested by Revenue Canada and/or provincial revenue agencies to the subscribers. The amount of reimbursements and penalties payable was estimated to \$355,000 and expensed during the period under "Unspent renounced flow-through funds".

10. 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.

	\$
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>12,115</u>
Total liability component at November 30, 2007	<u>124,891</u>

Interest expense on the liability component for the three-month and nine-month period ended November 30, 2007 is respectively \$7,205 and \$12,115, of which respectively \$2,705 and \$7,615 represent accretion of liability component.

The agreement stipulates that should the value of the share is equal to or more than \$0.20 for the 20 days preceding the date where the interest is due (January 25th and July 25th), than the interest is not due. Since this was the case for July, 2007, the interest that had been accrued as of July 25, 2007 has now been reversed.

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11. Share capital**a) Authorized**

Unlimited number of common shares without par value.

Issued

	Three months ended November 30, 2007		Nine months ended November 30, 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	551,000	108,660	3,509,500	835,746
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	98,303,595	20,938,601	98,303,595	20,938,601

b) Warrants

	Three months ended November 30, 2007			Nine months ended November 30, 2007		
	Number	Weighted average exercise price	Black-Scholes Value	Number	Weighted average exercise price	Black- Scholes Value
		\$	\$		\$	\$
Balance – Beginning of period	12,200,206	0.21	695,842	15,158,706	0.21	867,941
Exercised	(551,000)	0.15	(26,010)	(3,509,500)	0.17	(198,110)
Expired	(250)	0.15	(12)	(250)	0.15	(12)
Balance – End of period	11,648,956	0.21	669,820	11,648,956	0.21	669,820

As at November 30, 2007 the following warrants were outstanding and exercisable:

Number	Exercise Price \$	Black-Scholes Value \$	Expiry Date
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
11,648,956		669,820	

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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 November 30, 2007		Nine months ended November 30, 2007	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		\$		\$
Balance – beginning of period	5,658,162	0.20	3,603,162	0.15
Granted	150,000	0.16	2,275,000	0.26
Exercised	-	-	(70,000)	0.15
Balance – ending of period	5,808,162	0.20	5,808,162	0.20

As at November 30, 2007, the following options were outstanding and exercisable:

Exercise price	Number outstanding	Weighted average remaining Contractual life	Number exercisable
0.15-0.17	3,823,162	3.71 years	3,605,662
0.28	1,985,000	4.67 years	496,250
	5,808,162		4,101,912

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:

	2007	2006
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	103%	71%
Risk-free interest rate	4.24%	4.28%
Expected life of options	5 years	5 years
Weighted average fair value	\$0.13	\$0.07

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

	Three months Ended November 30, 2007 \$	Three months Ended November 30, 2006 \$	Nine months Ended November 30, 2007 \$	Nine months Ended November 30, 2006 \$
Salaries and benefits	58,512	5,948	178,611	16,950
Management and consulting fees	57,658	28,233	166,414	50,832
Total stock based compensation	116,170	34,181	345,025	67,782

12. Contributed surplus

Contributed surplus consists of the following components:

	Three months Ended November 30, 2007 \$	Three months Ended November 30, 2006 \$	Nine months Ended November 30, 2007 \$	Nine months Ended November 30, 2006 \$
Balance – beginning of period	1,245,093	772,868	1,021,608	466,889
Stock options granted	116,170	9,370	345,025	42,971
Stock options repriced	-	24,811	-	24,811
Stock options exercised	-	-	(5,370)	-
Black-Scholes value of expired warrants	12	209,968	12	482,346
Balance – end of period	1,361,275	1,017,017	1,361,275	1,017,017

13. Changes in non-cash working capital items

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

	Three months Ended November 30, 2007 \$	Three months Ended November 30, 2006 \$	Nine months Ended November 30, 2007 \$	Nine months Ended November 30, 2006 \$
Accounts receivable	14,825	500,104	(168,914)	(87,446)
Amount due from related parties	(205,288)	(330,872)	109,448	190,440
Advances to operators	170,116	(310,814)	82,077	(310,814)
Prepaid expenses	8,087	(18,173)	66,390	(15,805)
Accounts payable and accrued liabilities	358,722	(129,259)	355,529	(98,297)
Amount due to related parties	(8,974)	13,951	(31,067)	(68,843)
Amount due to operators	16,268	125,713	16,268	107,196
	353,756	(149,350)	429,731	(283,569)

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14. 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:

	November 30, 2007	February 28, 2007
	\$	\$
Canada	8,533,220	7,126,112
Madagascar	1,708,442	1,466,845
Brazil	230,000	1,229,823
Total	<u>10,471,662</u>	<u>9,822,780</u>

15. Comparative figures

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

16. Subsequent events

On January 2, 2008, the Company granted 1,830,000 share options to its directors, officers and employees at an exercise price of \$0.15 until January 2, 2013.

In January 2008, the Company sold 300,000 shares of Diamonds North Resources Ltd. at an average unit price of \$1.88 for total net proceeds of \$558,535, realizing a net gain of \$339,535.