

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (“MD&A”) of the operating results, financial condition and future prospects of Majescor Resources Inc. (the “Company” or “Majescor”), current as of October 26, 2007 should be read in conjunction with the unaudited consolidated financial statements for the 2st quarter ended August 31, 2007 and the audited consolidated financial statements of the Company and notes to the consolidated financial statements for the fiscal years ended February 28, 2007 and 2006. Said financial statements were prepared in accordance with Canadian generally accepted accounting principles. The reporting currency is in Canadian dollars. Unless specified as \$US, references in this MD&A to dollars are to Canadian dollars and cents.

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

Nature of Business

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

Common shares of the Company are listed for trading on the TSX-V under the symbol “MAJ”. Majescor’s head office is in Montreal, Quebec. The Company runs its technical operations out of its Ottawa, Ontario, office.

The implementation of a new business development plan over the last 18 months has resulted in Majescor evolving from an exclusively diamond-focussed company into a multi-commodity explorer. The Company has expanded the scope of its operations to include precious and base metals, as well as uranium, all exceedingly sought after commodities in the parts of the world where the Company has been engaged in diamond exploration. The Company centralized its activities to Quebec by withdrawing from two projects in the Northwest Territories (NWT) and by selling its Brazilian assets to a partner.

Majescor is primarily engaged in exploration for metallic substances and diamonds. Its operations are for the most part located in northern Quebec, which is underlain by Archean bedrock known to be prospective for economic gold, base metals, uranium, and diamond deposits. The area is also characterized by its accessibility and by the existence of clear agreements governing land access and mining rights. Majescor is one of the more active exploration companies in Quebec, where it holds a significant land position for uranium exploration as well as the largest portfolio of diamond properties.

Majescor also holds options or interests in a number of high-potential diamond properties located in Nunavut and in the Northwest Territories (NWT). All of the latter are situated on the Slave Craton, which hosts the Ekati, Diavik, and Jericho diamond mines. The Company has also concluded partnership agreements to explore new territories in the NWT, and in Quebec in the search for primary diamond deposits in areas that

have seen very little modern exploration. In Quebec, the Company signed a new agreement with a partner targeting gold and base metals as well as diamonds. In Madagascar, Majescor acquired four new properties with gold and base metal potential from a local Malagasy mining company and has signed an agreement with a partner to undertake a new diamond exploration program.

Exploration

Majescor's exploration activities during the reporting period covered three regions of interest, i.e. Quebec, Nunavut, and Madagascar. To date, in 2007, eight (8) projects saw active exploration work, namely ground geophysical surveying (Mirabelli, Lac Laparre and South Rae, Quebec); airborne geophysical surveying (West Minto, South Rae, Mistassini and Lac Laparre, Quebec; Baker Lake, Nunavut); geological compilations and interpretation of satellite imagery (Baker Lake – diamond; Baker Lake – uranium in Nunavut; Lac Laparre, Mirabelli and Mistassini, Quebec); glacial sediment sampling and prospecting (Mirabelli, Quebec; Baker Lake, Nunavut); surface rock sampling (Mistassini, Lac Lappare, Mirabelli and South Rae, Quebec; Besakoa and Daraina in Madagascar); lake bottom sediment sampling (South Rae, Quebec) and bulk sampling of glacial deposits (Mirabelli in Quebec).

Gross exploration expenditures for the period (before deduction of write-downs of mineral properties and deferred exploration expenses) totalled \$ 1,188,238 (\$ 118,467 for 2006). The level of expenditures incurred is higher in 2007 as compared to 2006 due to important exploration expenses incurred on new projects.

Quebec

Lac Laparre (uranium)

On February 19, 2007, Majescor announced the signing of a Letter of Intent (“LoI”) to option up to a 66 2/3% interest in the uranium rights on the Lac Laparre property, to a 50/50 joint venture formed by Santoy Resources Inc. and Melkior Resources Inc (“Santoy/Melkior”). Majescor will retain exclusive rights for diamonds. The Lac Laparre property is located 25 km northeast of the Matoush uranium showing held by Strateco Resources Inc. (“Strateco”), where grades reaching 2.13% U₃O₈ over 15.2 metres were reported (see Strateco press release dated February 20, 2007).

The option agreement with the Santoy/Melkior joint venture calls for a work commitment of \$2.5 million in exploration over five years (including a minimum of \$300,000 in year 1); an upfront 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 a 1.5% Net Smelter Return (“NSR”) royalty, half of which can be bought back at any time prior to commercial production for \$1 million.

In early August, Geo Data Solutions Inc. (“GDS”) of Laval completed a 1,775 line-km airborne magnetometer-spectrometer survey of the property. Santoy/Melkior received preliminary maps of total count, thorium, potassium and uranium along with magnetic maps in mid-August. Helicopter supported geological and prospecting teams operating out of Eastmain Resources inc.'s Eastmain Mine camp surveyed part of the property prior to receiving the airborne data. Outcrop exposures were mapped and tested for radiation using handheld scintillometers.

Following an interpretation of the preliminary airborne geophysical data, 17 targets were selected for ground follow-up. Exploration teams were dispatched to the field to investigate the targets. A total of 140 radioactive samples were collected for geochemical analysis – 96 samples from glacial float and the remaining 44 samples from outcrop. Four (4) different areas with anomalously radioactive lithologies were identified and sampled.

Santoy/Melkior completed ground exploration work on the Lac Laparre property on August 31. The nature of follow-up investigations in the 4 anomalous areas will be determined once rock assays results are received and the data are integrated into the overall projet database.

A structural study of remote-sensing imagery covering the northern part of the Lac Laparre property was commissioned by Majescor in January 2007. The findings of this preliminary study, as well as the various high-resolution satellite products that were acquired as a result, combined with archived magnetic and recently completed airborne radiometric and magnetic data, will be integrated into the overall project database to search for, characterize and prioritize new uranium (and diamond) targets for follow-up investigation.

A planned detailed lake bottom sediment survey over the Lac Laparre property was not carried out by Santoy/Melkior.

The Lac Laparre property consists of 317 map-designated cells ("CDC") covering 14,741 hectares of Precambrian bedrock prospective for both uranium and diamonds.

From April 3 to May 29, 2007, Majescor renewed 161 CDC at Lac Laparre.

Mirabelli (De Beers – Majescor option: diamonds, gold and base metals)

In September 2006, Majescor signed an option agreement with De Beers Canada Exploration Inc. ("De Beers") to earn an interest in a vast, 3,246 km² block of map-designated claims referred to as the Mirabelli property. The Mirabelli property is located in the James Bay territory of northern Quebec, about 80 km south of Eastmain village. It has potential to host both diamonds and gold/base metal deposits. The agreement with De Beers includes distinct provisions to acquire diamond and metal interests.

In January 2007, Fugro Airborne Surveys Corp. ("Fugro") of Ontario was commissioned to fly a high-resolution, MIDAS-type airborne magnetometer survey over a 191 km² priority area identified in the fall of 2006, following geological compilation work. In February, Majescor received the final results of the MIDAS survey, as well as a preliminary data interpretation from MPH Consulting Ltd. ("MPH") of Toronto. The airborne geophysical survey delineated a series of prospective magnetic targets for kimberlites.

In March, Majescor reviewed and integrated the final kimberlite indicator mineral ("KIM") data received from the laboratories of Overburden Drilling Management Ltd ("ODM") of Ottawa, which were then used to categorize prospective geophysical targets for kimberlites in preparation for follow-up ground testing during the summer and for a first round of core drilling for kimberlites, scheduled for the fall.

In April, Géosig Inc. of Quebec-city completed a series of ground geophysical surveys (Max-Min, magnetic, georadar and/or gravimetric) on 19 airborne geophysical targets delineated within the 191 km² priority area. The Geosig report and the final data derived from ground geophysical surveys was received in May 2007. In April also, Majescor shipped a series of 56 heavy mineral concentrate samples derived from previous glacial sediment surveys conducted by De Beers and Majescor to ODM, in order to obtain ultrafine KIM counts (0.18 to 0.25 mm and 0.25 to 0.30 mm fractions). The results of mineralogical analyses were received at the end of May and were integrated with other KIM data for final analysis, in preparation for the second phase of diamond field work.

In May geological consultant Yves Caron, of Quebec-city was hired by Majescor to design and carry-out the summer 2007 exploration program on the Mirabelli property.

The summer 2007 exploration campaign on the Mirabelli property was carried out between June 18 and July 13, 2007. The exploration program comprised of: (a) prospecting of ground and airborne geophysical targets within the 191 km² priority area; (2) infill glacial sediment sampling both in and out of the 191 km² priority area; (3) mini-bulk sampling and on-site processing of beach and fluvio-glacial sediments in search for KIMs. A total of 57 ground or airborne geophysical anomalies were inspected in the field in search of kimberlite. A total of 224 glacial sediment samples were collected for mineralogical (KIM) and geochemical analysis and for pebble lithology counts. Five (5) KIM anomaly sites from previous surveys carried out by De Beers and Majescor were bulk sampled and processed on-site for heavy mineral recovery using portable concentration equipment. Nearly 20 kg of pre-concentrate were recovered from 20 m³ of beach and fluvio-glacial sediments collected at each site. The 2007 series of glacial sediment samples as well as the 5 mini-bulk sample pre-concentrates

were submitted to ODM for final heavy mineral concentration and separation, in preparation for KIM picking. The geochemical split samples were shipped to the ALS-Chemex laboratories in Val-d'Or for trace element assaying, while the pebble fraction splits were sent to the Centre d'Étude Appliquée du Quaternaire ("CEAQ"), the new laboratory arm of the James Bay Joint Action Mining Committee of Chibougamau, for pebble lithology characterization. Geochemical assay results have been received as well as preliminary KIM picking results. Final mineralogical survey results are pending. The geochemical and mineralogical data will be paired with the results of the prospecting and geological compilation work done to date to plan a follow-up exploration strategy. The 2007-2008 winter drill program has been postponed pending integration and analysis of all data from the summer 2007 exploration program.

Majescor is also exploring for gold and base metals at Mirabelli. The Company has received supplemental particulate gold analysis data from ODM for the summer 2007 glacial sediment samples. These have been integrated with the 2,031-sample particulate gold dataset previously derived from KIM surveys carried out by De Beers (1,786 samples) and by Majescor (245 samples). The Mirabelli particulate gold survey is one of the largest of its kind ever conducted in the James Bay territory, as it covers a total sampling area of nearly 15,000 km² centered on the Mirabelli property.

Majescor is seeking a partner to joint venture the gold/base metal component of the Mirabelli project.

During the first reporting quarter of 2007, Majescor launched a CDC renewal and abandonment process on the Mirabelli property. The total surface area of the property has been reduced from 3,246 km² (6,093 CDC) in January 2007, to 819 km² (1,538 CDC) as of the reporting date.

Mistassini (uranium, diamonds)

On March 5, 2007, Majescor announced the signing of a new agreement with joint venture partner Superior Diamonds Inc. ("Superior Diamonds") on the Mistassini property, located southwest of the Otish Mountains. The agreement grants Majescor a 100% interest in the uranium rights. In exchange, Superior Diamonds obtains 100% interest in the diamond rights on the property, as well as a 2% Yellow Cake Royalty for uranium. Majescor retains a 2% royalty for diamonds.

Subsequent to the agreement, the joint venture partners considerably increased their land holdings by staking an additional 33,000 hectares around the Mistassini property. The property now comprises 730 CDC, with a surface area of 391 km². This includes 221 claim cells that were recently designated and for which confirmation is pending from the Quebec Ministry of Natural Resources and Wildlife ("MRNF").

The Mistassini property hosts the Lac Mantouchiche uranium showing, discovered by Majescor and Superior Diamonds in 2002 (diamond drillhole MISF-02-08). The uranium in drill core showing grades 0.20% U₃O₈ over 4.50 metres. The 2007 exploration program on the Mistassini property was designed to identify the extensions of the Lac Mantouchiche uranium prospect as well as to detect new uranium showings.

In May 2007, Majescor awarded GDS a contract to complete an airborne geophysical survey (magnetometer, radiometric) over a 100 km² area centered over the Lac Mantouchiche uranium showing. A total of 1,170 line-km were flown over that portion of the property along 100 m-spaced lines. The airborne geophysical survey was completed on June 29, and Majescor received the preliminary results on July 16.

A ground prospecting team comprised of Majescor and MPH Consulting technical staff was mobilized to the property in August to investigate 60 airborne radiometric targets. The field investigation comprised of geological mapping and radiometric prospecting using SAIC® Exploranium GR-135G Plus spectrometers. Grab samples of rock or float were collected at all sites showing relatively high radiometric counts. Samples were sent to ALS-Chemex for U₃O₈ and ThO₂ geochemical analysis. The results are pending.

Majescor has also retained the services of Inlandsis Consulting of Montreal to complete a geological compilation of the Mistassini uranium property. A preliminary map of historical uranium occurrences in the Mistassini property area has been received.

A first phase 300 m drill program is planned to commence in late October to test the down-dip and lateral extents of the Lac Mantouchiche uranium occurrence.

Superior Diamonds, the operator of the diamond project at Mistassini, did not conduct any field work on the property over the reporting period.

Nottaway (diamonds)

Majescor is seeking a joint venture partner on this project.

Portage (diamonds)

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.

Since the withdrawal of Forest Gate, Majescor has been considering various exploration scenarios based on the 2006 campaign results. These include: A property-wide systematic geochemical sampling program to locate new kimberlitic signatures in the overburden; supplemental glacial sediment surveys for KIMs in areas up-ice of the six KIM targets with favourable geochemical signatures; additional ground geophysical surveying at the head of selected float and KIM dispersal trains; additional prospecting for float and drilling.

Majescor mandated a geophysical consultant to re-analyze all of the airborne geophysical data from previous surveys carried out on the Portage property, in search of potential kimberlite-bearing structures similar to those hosting the Renard diamondiferous kimberlite cluster located on the adjacent Foxtrot property, held by Stornoway Diamond Corp and Joint Venture partner SOQUEM ("Stornoway-Soquem").

During the reporting period Majescor launched a selective CDC renewal and abandonment process on the Portage property. The resulting total surface area of the property has increased from 1,365 km² (2,642 CDCs) in January 2007, to 2,931 CDC (1,503 km²) as of the reporting date. This number includes 86 new CDC acquired in August, 2007.

On August 14, 2007, Stornoway-SOQUEM announced that they had completed the diamond recovery process from its Renard 2, 3 and 4 bulk sampling program. The Renard 4 bulk sample returned 2,213 carats of diamonds from five separate sub-samples with a combined dry sample weight of 1,659 tonnes, representing an overall diamond recovery of 133 carats per hundred tonnes for stones retained on a +1 DTC screen. Stornoway-Ashton will now proceed with a market valuation of the Renard diamonds as well as a first NI 43-101 compliant resource calculation..

Majescor is actively seeking a joint venture partner for the Portage project..

South Rae (uranium)

On January 31, 2007, Majescor announced the signing of a Letter of Intent with Azimut Exploration Inc. ("Azimut") for the South Rae uranium property, located in the Nunavik district of northern Quebec.

The South Rae uranium property lies east of Ungava Bay, about 130 km southeast of the town of Kuujuaq. The property covers a strong regional-scale uranium anomaly in lake-bottom sediments.

The South Rae property is located about 80 km south of Azimut and Northwestern Mineral Ventures' North Rae property, where during the course of the initial reconnaissance, more than 20 radioactive zones and related uranium occurrences grading of up to 0.59% U_3O_8 were discovered in an area measuring 32 by 43 km. Majescor and Azimut believe that South Rae is part of the same district-scale uranium target as North Rae and may represent comparable exploration potential. According to Azimut, the bedrock underlying the South Rae property, composed of tonalitic and granitic gneiss with late Archean granitic and pegmatitic intrusions, has the potential to host uranium deposits similar to Rössing in Namibia or Madawaska in Ontario. The target is a low-grade, high-tonnage uranium deposit amenable to open pit mining. On the George River property to the southeast of South Rae, Freewest Resources Canada reported finding four new uranium zones, including the Stewart Lake trend where grades up to 0.45% U_3O_8 were recorded in surface samples. The George River property lies on-trend with the regional-scale lake bottom sediment uranium anomaly on South Rae.

Under the terms of the agreement, Majescor may earn a 50% interest by spending \$4.6 million in exploration work on the property over a 5-year period. The Company may also acquire an additional 15% interest upon delivery of a bankable feasibility study. A first cash payment of \$100,000 was paid on signing. Another payment of \$83,000 is due on the first anniversary, with additional \$50,000 payments on the next three anniversaries, for a total of \$330,000. Majescor issued 710,000 common shares on signing, and an additional 710,000 common shares are to be issued on the first anniversary of the agreement. Majescor is the operator of the uranium project.

This first phase of exploration at South Rae was carried out between August 6 and September 10 utilized a combination of airborne geophysics, high-density lake bottom geochemical sampling and radiometric prospecting. The ground exploration program was carried-out by contractor IOS Services Géoscientifiques Inc. of Chicoutimi and focussed on the 65 km-long lake bottom geochemical uranium anomaly which forms the core of the property as the GDS airborne geophysical survey results were not available at the time. Less than 10% of the total surface area of the property was surveyed by ground prospecting crews. A joint Majescor-MPH-Azimut technical team inspected the project between August 22 and 25.

On September 5, Majescor and Azimut announced that the reconnaissance exploration work had uncovered a significant corridor of pegmatite-hosted uranium mineralisation in bedrock within the 65 km-long lake bottom geochemical uranium anomaly. Multiple uranium showings as determined by total scintillation readings of 10,000 to 47,000 counts per second (Radiation Solution® RS-120) and confirmed by spectrometer total scintillation readings of 8,000 to 33,000 counts per minute (SAIC® Exploranium GR-135G Plus) define an open-ended 35 km-long prospective corridor. Secondary uranium minerals are readily visible in the mineralised bedrock and along fracture planes and primary uraninite crystals have been identified as fine-grained disseminations. A total of 130 grab rock samples have been submitted for geochemical assaying. Selective samples have also been submitted for microprobe analysis of uranium-bearing minerals. These results are pending.

The airborne magnetic and radiometric survey of the South Rae property was carried-out by GDS between August 24 and September 5. The airborne survey covered 5,200 line-km at a 200 m line spacing. MPH ensured quality control of the geophysical data. The preliminary geophysical data have outlined a series of "high priority" targets for ground investigation. Majescor has retained the services of geophysical consultant MB Geosolutions of Quebec-City for the final interpretation of the data and for target prioritization in preparation for the 2008 exploration program.

The property-wide high density lake bottom sediment survey was completed by IOS in early September with a total of 691 samples collected. The lake bottom sediment samples have been shipped to Activation Laboratories Ltd. in Ancaster, Ontario for trace element geochemical analysis. The results of the summer 2007 exploration program will be integrated into the overall project database throughout the course of the fall and winter and a comprehensive exploration strategy for the property will be devised for 2008.

The South Rae uranium property consists of five claim blocks totalling 2,257 CDC and covering a surface area of 1,041 km². This includes 177 CDC that were staked in September to protect high priority targets following the results of the summer prospecting and airborne geophysical survey. The largest claim block on the property has a strike extension of 65 km.

West Minto (uranium)

On March 27, 2007, Majescor announced the signing of a second Letter of Intent with Azimut for the West Minto uranium property, located in the Nunavik district of northern Quebec.

The West Minto uranium property is located in west-central Nunavik, about 150 km east-southeast of the coastal town and airport of Inukjuak on Hudson Bay. The property covers a strong regional-scale uranium anomaly in lake-bottom sediments, which extends for 60 km. The main feature of the property is a sharply defined geochemical anomaly some 36 km long with values in excess of 100 ppm U. The West Minto property lies along a major basement flexure marked by a magnetic signature that is clearly correlated with the regional-scale uranium anomaly. The area is underlain by late Archean intrusive rocks as well as felsic volcanic rocks and sedimentary rocks of probable Proterozoic age. The target is a high-tonnage intrusion-related uranium deposit amenable to open pit mining.

The agreement with Azimut stipulates that Majescor may earn a 50% interest in the property by investing \$3.8 million in exploration work over a period of 5 years, including \$500,000 in year 1. The Company may also acquire an additional 15% interest upon delivery of a bankable feasibility study. A first cash payment of \$100,000 was paid on signing, to be followed by four annual payments of \$50,000 each, for a total of \$300,000. Majescor issued 270,000 common shares on signing and an additional 270,000 common shares are to be issued on the first anniversary of the agreement. Majescor is the operator of the uranium project.

The 2007 exploration program on the West Minto property comprised of airborne geophysical surveying and was designed to identify and delineate Rössing-type uranium mineralisation related to elevated, district-scale uranium anomalies in lake-bottom sediments. The airborne magnetic and radiometric survey was carried-out by GDS between August 18 and 28. The survey covered 4,610 line-km at a 100 m line spacing. MPH ensured quality control of the geophysical data. Geophysical consultant MB Geosolutions, in conjunction with technical staff from Azimut and Majescor, reviewed the preliminary airborne magnetic and radiometric data.

On October 11, Majescor and Azimut announced that 71 “high priority” uranium targets had been defined from airborne geophysics at West Minto’s Block AB, forming 17 distinct anomalous zones. Over 400 uranium anomalies were categorized on the property – 328 anomalies on Block AB and 79 anomalies on Block CD.

The results of the summer 2007 airborne geophysical survey will be integrated into the overall project database throughout the course of the fall and winter and a comprehensive exploration strategy for the property will be devised for 2008.

The West Minto property consists of two claim blocks totalling 952 CDC and covering a surface area of 432 km². This includes 34 CDC that were staked in September, 2007 to protect high priority geophysical targets.

Nunavut and Northwest Territories

Baker Lake – Nunavut (De Beers – Majescor option; diamonds, uranium)

In August 2006, Majescor announced the signing of an agreement with Uranium World Energy Inc. (“UWE”), a recently incorporated privately held mining company, whereby UWE may earn 100% of Majescor’s uranium rights on the Baker Lake property. These rights were previously optioned by Majescor from De Beers. The property consists of 19 prospecting permits covering 3,270 km², in two contiguous blocks approximately 50 km apart. The property is located 20-40 km south of the Kiggavik group of uranium deposits held by Areva Resources Canada Inc.

In the fall 2006, a uranium exploration campaign was launched to follow-up on the conclusions of a 43-101-type report filed by MPH. Based on a geological compilation and analysis, MPH identified priority areas on the property and selected seven specific target blocks to be tested by deep-penetrating airborne geophysical surveying. The seven blocks were subsequently flown within the scope of a more extensive airborne geophysical survey totalling 5,992 line-km. This survey, covering both diamond and uranium permits, was completed in October 2006.

In November 2006, UWE replaced Majescor as the operator of the uranium project. The final results of the airborne geophysical survey are currently being reviewed by MPH and De Beers geophysicists, in preparation for the 2007 exploration program for diamonds and uranium.

On April 18, 2007, Merc International Minerals Inc. ("MERC") announced the signing of a merger agreement with UWE to acquire all 12 million shares of UWE in exchange for 49% of MERC shares. Majescor, owner of 25% of UWE shares before the announcement, will become a 12% shareholder of the merged companies.

Majescor and UWE have received results from a regional structural study conducted from satellite imagery. This study has outlined priority targets for both uranium and diamonds.

On September 7, De Beers, as operator on the diamond project, completed a follow-up exploration campaign on the Baker Lake diamond property. The summer diamond exploration program comprised of high resolution airborne magnetometer surveying, geophysical anomaly investigation, infill surficial sediment sampling for KIM and mineral claim staking. A total of 29 mineral claims have been staked on the ground for diamonds. Results from the infill surficial sediment sampling program are pending.

No ground exploration work for uranium was conducted on the property by UWE over the reporting period. As of the end of the reporting period Majescor was collaborating with UWE in establishing a ground mineral staking program to protect high priority uranium targets outlined in MPH's 43-101 report as well as other targets identified from satellite imagery. The ground staking for uranium is scheduled to take place by the end of October.

On October 5, 2007 Merc International Minerals Inc. announced that it would not proceed with its reverse takeover transaction under which it was to have acquired all of the outstanding shares of UWE.

Banks Island – Northwest Territories (diamonds)

On July 5, 2007, Majescor announced it had reached an agreement with Diamonds North for the sale of Majescor's 50% share in the Banks Island property against one million shares. The agreement with Diamonds North also states Majescor will receive one million 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. Majescor will also keep a 1.5% royalty on the diamond and any other mineral substance found on the 22 claims of the property.

Brazil

Tres Marias (diamonds)

On February 14, 2007, Majescor signed a non-binding letter of intent ("LoI") with Vaaldiam Resources Ltd. ("Vaaldiam") for the proposed acquisition by Vaaldiam of Majescor's 100% interest in a former De Beers Brasil LTDA ("De Beers-Brasil") property, the Tres Marias diamond property, located in Minas Gerais state.

During the reporting period Majescor and its wholly-owned subsidiary, Tropic Diamonds Brasil Mineração Ltda, completed all legal and administrative procedures relating to claim renewal and extensions for the Tres Marias property. A total of 41 out of the original 47 claims making up the Tres Marias property were successfully renewed and/or extended. A detailed report of the land tenure situation at Tres Marias has been forwarded to Vaaldiam.

On October 5, Vaaldiam submitted a proposition for a modified Lol for the Tres Marias property, based on the changes to the original Tres Marias property limits and revised claims expiry dates. As of the reporting date, Majescor and Vaaldiam were awaiting authorization by De Beers-Brazil for the sales transaction.

Madagascar

Acquisition of 4 CREM properties

In April 2007, Majescor renewed the 81 map-designated claim cells that form four mining properties acquired from Calibra Resources and Engineers Madagascar SARL ("CREM") in 2006. Majescor also finalized the transfer of the latter to Daraina SARL, its Malagasy subsidiary.

Daraina SARL now holds a 100% interest in the Besakoa (gold, silver, base metals); Daraina (gold, silver); Analalava (base metals); Ankaramy (gold, base metals); and Antsakabary (diamonds) properties.

In June 2007, Majescor entered into an agreement with two stakeholders of its Malagasy affiliate, Daraina SARL, for the repurchase of their 3% participation and 1% royalty against a lump-sum payment of \$30,000.

Ankarimbelo (diamonds)

No fieldwork was conducted during the reporting period.

Analalava (base metals) and Ankaramy (gold, base metals)

No fieldwork was conducted during the reporting period.

Antsakabary (diamonds)

The Antsakabary property consists of 137 map designated claim cells covering a surface area of 856 km², in the north part of Madagascar. The property was acquired by Majescor in February 2007.

The geological setting of the Antsakabary property is prospective for diamonds. The property straddles the Betsimisaraka suture, a major Archaean/Palaeoproterozoic structural zone which marks the closure of the Mozambique Ocean as Gondwana formed. The suture zone has been interpreted to extend all the way north to India.

The property's diamond potential will be assessed in 2007 through systematic bulk sampling of stream sediments in search for diamonds and kimberlite indicator minerals.

The Antsakabary stream sediment sampling program is scheduled to take place in November.

Besakoa (gold, silver, base metals)

On January 7, 2007, Majescor completed its first diamond drilling program on the Besakoa property, located in the south part of Madagascar. The Besakoa property hosts a series of sulphide showings, including the

Besakoa polymetallic prospect, a historical copper-zinc-silver-gold showing. The latter is compositionally similar to the Bisha ore deposit in Eritrea, held by Nevsun Resources Ltd.

In addition to these sulphide showings, the Besakoa property also contains surficial copper and zinc geochemical anomalies with signatures similar to the main Besakoa prospect. These anomalies were delineated following a compilation of recent geochemistry data and historical core drilling data acquired by Majescor in late 2006.

The purpose of the first round of drilling on the Besakoa prospect was to confirm and upgrade geological data derived from historical diamond drilling dating back to the 1950s. Eight (8) holes (5 inclined and 3 vertical) were drilled and core was recovered to a maximum depth of 78 metres. Drill core enriched in iron oxides and/or copper-zinc-bearing sulphides was observed in all drillholes. A total of 447 samples of split core (including duplicate samples and quality control samples) representing 431 metres of drilling were collected and shipped to ALS-Chemex laboratories in Johannesburg, South Africa, for multi-element analyses.

Drilling results were received in February and March 2007, and included the following intervals:

- BSK-06-01: 15.3 m grading 0.6% Cu, 0.7 g/t Au, 0.2% Zn, and 11.5 g/t Ag;
- BSK-06-02: 21.4 m grading 0.7% Cu, 0.3 g/t Au, 0.4% Zn, and 11.4 g/t Ag;
- BSK-06-03: 21.5 m grading 0.7% Cu, 0.5 g/t Au, 1.1% Zn, and 21.4 g/t Ag;
 - Including 0.7 m grading 8.1 % Cu, 1.1 g/t Au, 3.0% Zn, and 166 g/t Ag;
 - And another 5.0 m interval grading 1.1 g/t Au and 7.0 g/t Ag;
- BSK-06-04: 7.5 m grading 0.6% Cu, 0.7 g/t Au, 0.5% Zn, and 5.6 g/t Ag;
- BSK-06-05: 12.5 m grading 0.6% Cu, 0.9 g/t Au, 1.6% Zn, and 32.2 g/t Ag;
 - Including 2.8 m grading 1.3% Cu, 2.0 g/t Au, 0.7% Zn, and 86.4 g/t Ag;
- BSK-06-06: 7.5 m grading 0.3% Cu, 0.5 g/t Au, 0.2% Zn, and 6.6 g/t Ag;
- BSK-06-07: 7.8 m grading 0.5% Cu, 0.4 g/t Au, 0.7% Zn, and 11.5 g/t Ag;
- BSK-06-08: 9.2 m grading 0.3% Cu, 0.2 g/t Au, 1.2% Zn, and 8.1 g/t Ag.

Overall, the results of this first round of diamond drilling demonstrate the continuity in style, thickness and precious and base metal grades of the mineralized zone near surface and across the entire 380-m strike length tested by drillhole.

A surface geochemical sampling program was also undertaken in conjunction with the drilling program to test other surface gossans located near the Besakoa prospect.

In April Majescor accompanied a group of mining companies specializing in gold and base metal exploration in Africa, within the scope of a technical inspection of the Besakoa project. The property and drill core from the Besakoa prospect was also examined by Dr. C. Tucker Barrie, a renowned expert in volcanogenic massive sulphide deposits and main technical advisor to Majescor. New surface samples were collected at the same time and sent to the ALS-Chemex laboratories for geochemical assaying.

On August 8, Majescor announced the signing of a Memorandum of Understanding ("MOU") with Shield Mining Ltd ("Shield") of Australia for the evaluation and exploration of the Besakoa property. The MOU allows for a 3-month exclusive due diligence period for which Shield will pay Majescor C\$20,000 upfront. Following this, Shield will issue 500,000 Common Shares to Majescor and commit to spending C\$1 million (C\$500,000 in Year 1) to earn a 50% interest in the property. Shield can further increase its interest to 60% for an additional C\$2 million in expenditures and thereafter Majescor can elect to contribute or be diluted.

In September, Shield conducted a technical inspection of the Besakoa property.

The proposed 2007-08 exploration program for the Besakoa property includes a deep-penetrating airborne geophysical survey in the search for new polymetallic targets; a geological mapping survey; systematic sampling of surficial deposits and gossan zones; prospecting and additional core drilling.

Daraina (gold, copper)

In August 2006, Majescor announced the results of a reconnaissance surface sampling program conducted on the Daraina property, located in northern Madagascar. Anomalous grades reaching 81.7 g/t gold and 21 g/t silver were obtained in surface grab samples.

In March 2007, Majescor completed a first-phase geological compilation covering a vast area extending from the Daraina property to the east, westward to the Andavakoera-Betsiaka gold zone.

In April 2007, Majescor accompanied a group of mining companies specializing in gold and base metal exploration in Africa, within the scope of a technical inspection of the Daraina project. The property was also examined by Dr. C. Tucker Barrie, main technical advisor to Majescor.

Exploration work planned for 2007 on the Daraina property includes additional GIS-based geological compilation; systematic stream sediment sampling; soil geochemistry surveys to determine precious and base metal contents; geological mapping; and prospecting.

Financial Information

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

Selected Consolidated Financial Information (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
			\$	\$
Statement of Operations				
Management and consulting fees	105,307	62,694	232,782	109,857
Salaries and benefits	100,486	64,493	227,252	101,130
Total administrative expenses	329,082	208,166	710,812	342,401
Write-down of mining properties and deferred exploration expenses	-	31,567	505,031	43,826
Gain on sale of mining properties	497,377	-	2,547,686	-
Net earnings (loss)	162,691	(251,148)	1,326,315	(397,686)
Basic and diluted net earnings (loss) per common share	0.002	(0.004)	0.014	(0.006)
Weighted average number of common shares outstanding	97,752,595	62,681,562	97,144,985	61,731,647
Statement of Deferred Exploration Expenses				
Deferred exploration expenses before write-down, option payments and deduction of cost of properties sold	1,188,238	118,467	1,846,804	434,801
Statement of Cash Flows				
Cash flows from (used) in operating activities	(354,584)	(603,476)	(393,007)	(490,162)
Cash flows from (used) in investing activities	(817,216)	165,569	(222,671)	(298,018)
Cash flows from financing activities	-	1,465,114	565,488	1,814,399
Balance Sheet				
Cash and cash equivalents			2,513,820	2,564,011
Marketable securities			1,981,033	-
Mineral properties			1,187,842	1,028,848
Deferred exploration expenses			4,997,601	5,172,144
Long term liabilities			126,686	112,776
Shareholders' equity			10,990,689	9,200,249
Total assets			11,776,347	9,822,780

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

Results of Operation

Net earnings for the period ended August 31, 2007 totalled \$162,691 as compared to a loss of \$251,148 for the period ended August 31, 2006. This important increase is mostly due to the gain on the sale of the Banks property to Diamonds North Resources Ltd. which amounted to \$497,377 (nil in 2006), and an increase in administrative expenses during the period.

Total general and administrative expenses for the period were \$329,082 as compared to \$208,166 for 2006. This increase is mostly due to the recognition of stock based compensation due to the grant of new options, the increase in travel and promotion expenses incurred to attend conferences and meet partners and an increase in general office and administration expenses.

Quarterly information

The following selected financial data is derived from the unaudited consolidated interim financial statements of the Company:

Quarter Ended	Other Income	Net Gain (Loss)	Basic and diluted Net Gain (Loss) per common share
31/08/2007	491,773	162,691	0.01
31/05/2007	1,545,354	1,163,624	0.01
28/02/2007	1,225	(896,600)	(0.01)
30/11/2006	-	(193,689)	(0.01)
31/08/2006	13,994	(251,148)	(0.01)
31/05/2006	21,334	(146,538)	(0.01)
28/02/2006	101,782	(2,271,137)	(0.04)
30/11/2005	228	(743,624)	(0.01)

Liquidity

The Company's working capital stands at \$4,593,345 as at August 31, 2007, as compared to \$3,002,585 at February 28, 2007. The Company has an unsecured convertible debenture presented in the financial statements in its liability component for \$126,686 and in its equity component for \$39,525.

The Company's principal requirements for cash during 2007/2008 will be administrative expenditures and deferred exploration expenditures. Direct exploration expenditures are expected to be in the order of \$3 million for the year and administrative expenditures are following the same path as in 2007. On this basis, the Company has \$2.5 million in cash that resulted from private placements closed during the last semester of 2006, the exercise of warrants by shareholders and also from the sale of the Brauna property. These funds are sufficient to meet its planned exploration and administration expenditures in 2007/2008.

Capital Resources

During the period, the Company did not raise any additional funds. Nevertheless, it has \$2.5 million in cash that resulted from private placements closed during the last semester of 2006, the exercise of warrants by shareholders and also from the sale of the Brauna property during the last period. This money is to be used for financing its projects in Canada and Madagascar and its general and administrative expenditures during the year 2007.

Off Balance Sheet Arrangements

As of August 31, 2007, the Company has no off balance sheet arrangements.

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).

Mining Property Book Values

At the end of each quarter, management reviews the carrying values of its resource properties to determine whether any write-downs are necessary. Following this analysis, no write-downs were deemed necessary for the period as compared to \$31,567 recorded in 2006 and mostly attributable to Nottaway project.

Changes in Accounting Policies

Effective March 1, 2007, the Company adopted the new accounting standards related to financial instruments, comprehensive income, equity and hedges that were issued by the Canadian Institute of Chartered Accountants. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are fully described in note 2 to the consolidated financial statements.

Outstanding Share Data

Common shares and convertible securities outstanding at October 26, 2007 are as follows:

Securities	Expiry date	Exercise price	Securities outstanding
Common shares	-	-	97,752,595
Warrants	Up to December 4, 2008	\$0.15 to \$0.45	12,200,206
Options	Up to August 9, 2012	\$0.15 to \$0.28	5,658,162

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable. Management does not believe these financial instruments expose the Company to any significant interest, currency or credit risks. The fair market values of these instruments approximate their carrying value.

Disclosure controls and internal controls over financial

The Company's Chief Executive Officer and Chief Financial Officer (The Certifying Officers) are responsible for establishing and maintaining disclosure controls and procedures (the ``Procedures``) which provide reasonable assurance that information required to be disclosed by the Company under the various securities

legislation (the ``required Filings``) is reported within the time periods specified. Without limitations, the Procedures are designed to ensure that material information relating to the Company is accumulated and communicated to management, including its Certifying Officers, as appropriate to allow for timely decisions regarding the Required Filings.

The Company's Certifying Officers are also responsible for establishing internal controls over financial reporting (``ICFR``) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP. There was no material change in the Company's ICFR during the period from June 1, 2007 to August 31, 2007.

Risk and uncertainties

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

Financial risk

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

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

Foreign exchange risk

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

Risk on the uncertainty of title

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

Environmental risk

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

Additional information and continuous disclosure

This Management's Discussion and Analysis has been prepared as of October 26, 2007. Additional information on the company is available through regular filings of press releases, financial statements and its annual information form on SEDAR (www.sedar.com).

(s) Marc-André Bernier
Marc-André Bernier, Chief Executive Officer

(s) "Marc Carbonneau"
Marc Carbonneau, Chief Financial Officer