

## **MAJESCOR RESOURCES INC.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2009.**

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 January 25, 2010 should be read in conjunction with the Company's unaudited interim consolidated financial statements and related notes for the three and nine months ended November 30, 2009 as well as the Company's audited consolidated financial statements and related notes for the years ended February 28, 2009 and February 29, 2008. Said financial statements were prepared in accordance with Canadian generally accepted accounting principles. The reporting currency is the Canadian dollars. Unless specified as \$US, references in this MD&A to dollars are to Canadian dollars.

This MD&A contains or may refer to certain statements that may be deemed "forward-looking statements". Forward-looking statements include estimates and statements that describe the Company's future development plans, objectives or goals, including words to the effect that the Company expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Forward-looking 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 for mineral commodities; exploration successes; new opportunities; continued availability of capital and financing; general economic, market or business conditions; and litigation, legislative, environmental or other judicial, regulatory, political and competitive developments. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. Majescor Resources Inc. does not undertake to update any forward-looking statement that may be made from time to time by Management or on its behalf, except in accordance with applicable public disclosure rules and regulations.

#### **Nature of Business**

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. Its focus is presently on projects located in Canada, Haiti and Madagascar. The Company also continues to evaluate other opportunities outside the current area of operations. The Company has not yet determined whether its properties contain resources or mineral reserves. The recoverability of the amounts shown for mining properties is dependent on the existence of economically recoverable reserves, the Company's ability to obtain necessary financing to complete the exploration and development of its properties, and the future profitable production or proceeds from the disposal of these 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 Venture Exchange ("TSXV") under the symbol "MJX". Majescor's head office is in Montreal, Quebec.

### **Investment in SACG**

On April 23, 2009, the Company signed an agreement (the "Agreement") with SIMACT Alliance Copper Gold Inc. ("SACG") and its principal shareholders (the "Principals"), which include the Chairman of Majescor, whereby the Company could acquire a 10% interest in SACG, as well as an option to acquire all of the remaining outstanding shares of SACG.

SACG, through its 68.7% owned Haitian affiliate mining company, Société Minière du Nord-Est S.A. ("SOMINE"), controls a gold and copper-bearing mineral exploration property, (the "SOMINE Property") located in the North-East mineral district of Haiti. SOMINE's mineral rights and obligations were assigned under a mining convention with the State of Haiti on May 5, 2005 and are renewable on May 5, 2010. The mining convention is valid until March 9, 2020.

On May 26, 2009, after having completed technical and legal due diligence on SACG and SOMINE and having obtained all regulatory approvals, the Company acquired its 10% interest in SACG through the issuance of 2,000,000 shares, valued at \$360,994, including legal and due diligence-related costs of \$60,994.

Subject to making an initial cash payment of \$200,000 to SACG (which payment was made) and the carrying out by Majescor of \$600,000 in exploration work on the SOMINE Property (which has been completed) within 8 months following the execution of the Agreement, Majescor was also granted a 12 month option ("the Option") to purchase the remaining 90% interest in SACG in consideration for the issuance of 10,000,000 common shares of Majescor in favour of SACG. On January 27, 2010, the Company announced it will exercise the option (see subsequent events).

Furthermore, in the event that within a period of two years following the exercise of the Option, a NI 43-101 technical report determines indicated mineral resources on the SOMINE Property to be between 1,000,000 and 2,000,000 ounces of gold, or its equivalent in copper, Majescor shall, within 30 days of the report, issue an additional 3,000,000 of its common shares to SACG. In the event that the indicated mineral resources on the SOMINE Property are determined by the Report to be equal to or greater than 2,000,000 ounces of gold or its equivalent in copper, Majescor shall, within 30 days of the Report issue another 3,000,000 of its common shares to SACG. These additional issuances of common shares will also be subject to all required corporate and regulatory approvals.

### **Corporate Development Highlights**

In March 2009, the Company completed a non-brokered private placement for gross proceeds of \$50,000. The private placement consisted of the issuance of 500,000 units at a price of \$0.10 per Unit. Each unit consisted of one common share of the Company and one common share purchase warrant which entitles the holder to acquire one additional common share of the Company at a price of \$0.13 for a period of 24 months following the closing of the private placement. Directors of the Company participated in this first private placement subscribing for 300,000 units for \$30,000.

In June 2009, the Company completed a non-brokered private placement for gross proceeds of \$600,000. The private placement consisted of the issuance of 3,000,000 units at a price of \$0.20 per Unit. Each unit consisted of one common share of the Company and one common share purchase warrant which entitles the holder to acquire one additional common share of the Company at a price of \$0.30 for a period of 12 months following the closing of the private placement. The share purchase warrants are subject to an accelerated expiry if, at any time after October 17, 2009, the published closing trade price of the common shares on the TSX Venture Exchange Inc. (the "Exchange") is equal or superior to \$0.40 for any 10 consecutive trading days, in which event the Company may give the holder a written notice and the share purchase warrants will automatically expire, if not exercised, 30 days after receipt of such notice. The funds raised pursuant to the offering have been used to fund the SOMINE property exploration program in Haiti. An insider of the Company subscribed for 450,000 Units for \$90,000.

In July 2009, Majescor and partner Sunridge Gold Corp. ("Sunridge") announced an extension to their Agreement over four Malagasy gold and base metal properties held by Majescor. According to the terms of the September 15, 2008 Agreement, Sunridge has an option to acquire up to a 100% interest in the four properties held by Majescor by completing expenditures and issuing shares as described in Sunridge's press release dated October 15, 2008. Majescor and Sunridge have agreed that all the commitment dates in the September 15, 2008 Agreement will be extended by a one year period so that Sunridge now has until September 15, 2010 to complete the initial \$500,000 of expenditures on the properties. In exchange for this extension Sunridge issued 200,000 common shares to Majescor (valued at \$80,000).

In July 2009, the Company had announced that subject to regulatory approval, the number of options which may be granted under its incentive stock option plan ("the Plan") would be increased by 811,800, for a new total of 1,749,417 common shares which may be issued under the company's Plan, being 10% of the issued and outstanding common shares of the Company.

On January 12, 2010, Port-au-Prince and surrounding areas were struck by a major earthquake. The earthquake caused extensive damages to the physical infrastructure and significant loss of life. Majescor is greatly concerned about the extensive devastation caused by the earthquake and the Company is extremely saddened at the news of the loss of a senior SOMINE SA employee, but these events in no way will affect our commitment to SACG and to the SOMINE copper-gold property exploration program, as well as our resolve to demonstrate that mining can become an instrument of sustainable socio-economic growth and stability in Haiti, one of the least developed countries in the western hemisphere.

### **Exploration**

Majescor is a junior explorer focusing on emerging mineral districts. The Company's exploration activities cover three geographic regions of interest. In addition to the SOMINE property in Haiti (under option from SACG), Majescor's project portfolio includes the Mistassini-uranium property (100%-owned; under option to Strateco Resources Inc.), and the Lac Laparre-uranium property (100%-owned; under option to Virginia Energy Resources Inc.), all located in the James Bay territory of northern Quebec. Finally, In Madagascar, Majescor owns 100% mineral rights to four gold and base metal properties (under option to Sunridge Gold Corp.).

Throughout the reporting period, two properties saw active exploration work, namely ground prospecting, geochemical sampling and core drilling (SOMINE, Haiti); and geological data analysis and compilation (Lac Laparre, Quebec).

### **SOMINE property, North-East Haiti (Copper-Gold): Optioned from SIMACT Alliance Copper Gold Inc.**

In July 2009, Majescor and SACG announced the preliminary results of a comprehensive program of systematic ground prospecting and historical data compilation underway at the SOMINE copper-gold property in north-east Haiti. A 10 km long by up to 3.8 km wide copper-bearing corridor has been defined on the SOMINE property based on historical regional stream sediment, soil and rock geochemistry data. The northwest-trending mineralized corridor holds the historical Blondin and Douvray copper-gold prospects, the historical Faille-B gold prospect along with a series of recently-discovered copper showings in the south-east extension of Douvray, in an area known as Dos Rada.

Systematic prospecting carried-out by SACG over the SOMINE property in 2008 has confirmed the historical stream sediment, soil and rock data and outlined 123 new copper showings in outcrop, all situated within the 10 km-long corridor. The work confirmed the south-eastern extension of copper mineralization from the Blondin-Douvray prospects into the volcanic rocks of the Dos Rada area. Subsequent ground work focusing on the south-east extension, including the cutting of 69 km of survey lines spaced 100 m apart and systematic prospecting, soil and rock sampling, resulted in the discovery of 12 new mineralized showings on the survey grid at Dos Rada.

In August 2009, SAGC signed a drilling contract with Palo Verde Drilling LTDA. of the Dominican Republic. The contract calls for the mobilisation of a man-portable core drilling rig and related equipment (including core tooling for HQ, NQ2 and BTW diameter drilling) and supplies from the Dominican Republic to the SOMINE property in Haiti. The minimum number of meters to be drilled was set at 1,000 m.

During August and September 2009, SACG conducted detailed mapping, portable XRF spectrometer surveying and geochemical sampling of selected recently discovered Cu-Au prospects, including the "Grosse Veine" showing. The massive copper-enriched quartz vein, located 1.3 km southeast of the historical Douvray porphyry copper prospect, was stripped over a 20 m by 20 m surface area, mapped at a 1m scale and then systematically surveyed with a Niton™ hand-held x-ray fluorescence ("XRF") analyser (56 readings). Seven (7) Grab samples were also collected for assaying. The grab samples were submitted to Acme Analytical Laboratories' ("Acme") Port-au-Prince facility for sample preparation and shipment to Acme's Vancouver facility for multi-element geochemical analysis.

In October 2009, Majescor and SACG announced that the portable XRF spectrometer survey and detailed mapping at Grosse Veine showed that the copper mineralization is ubiquitous, but irregular in grade, across the mineralized vein. Preliminary assay results received from Acme have confirmed the anomalous spectrometer readings. The quartz vein also contains appreciable amounts of gold and silver. In addition, systematic prospecting and a re-interpretation of geochemical data from the 2008 SAGC exploration program has confirmed the presence of a minimum 650 m-long by 300 m-wide copper-bearing zone in fractured and altered mafic volcanics. This new zone, known as "Ti-Toro", extends southeast and along strike from the previously reported Dos Rada historical copper area. Reconnaissance prospecting and geochemical sampling conducted in 2008 at Ti-Toro had uncovered 16 copper-bearing showings in outcrop. The mineralisation at Ti-Toro consists of malachite, chalcopyrite, pyrite, hematite, limonite and/or magnetite in fracture fillings and in quartz veins. Systematic geochemical sampling and mapping of the Ti-Toro zone is underway.

The 2009 exploration program also called for a first phase of core drilling (1,000 m) targeting one or more of the historical prospects, as well as of a number of the recently outlined geological targets and surface gold and copper showings. The SOMINE Property was last drill-tested in 1997. The drill program was also to meet a requirement by the Haitian Bureau of Mines and Energy ("BME") for additional sub-surface testing at Faille B, as the prospect was last drilled in 1987. Throughout September and October 2009, SACG carried-out various logistical tasks and site-specific geological investigations and in preparation for the drill program, including revisiting a series of exploration trenches previously excavated at the historical Faille B gold prospect in order to define new drill targets (Trenches 1, 2 and 3 W were re-surveyed using the portable XRF analyser). The drilling at Faille B was designed to confirm the western extension of the gold mineralization outlined previously through a number of work programs completed since the 1970's. Historical work carried out by the United Nations Revolving Funds ("UNRF") between 1985 and 1987 at Faille B included the core drilling of 31 holes totalling 3,186 m, the collection of 760 soil samples on grids and of 1,730 samples from many tens of trenches and pits; and two ground geophysical surveys. In 2008, SACG excavated 13 trenches to the east of the Central Zone, and 8 to the west. The best results from the later campaign were obtained from the West Zone, and particularly from trenches #1, 2 and 3 which were the focus of the recently completed drill campaign.

The Palo Verde core drill rig and related drilling equipment and supplies arrived on the SOMINE property on October 24, 2009. The core drilling program commenced on November 5, 2009 and was completed on December 20, 2009. A total of 9 holes were drilled; 935 m of core were recovered; and 364 core samples (1 or 1.5 m in length) were collected. All core samples were submitted to ACME's Port-au-Prince facility for splitting and grinding and then shipped to Acme's Vancouver facility for multi-element geochemical analysis. Full analytical results are expected by the end of January 2010.

In December 2009, the Company received a NI 43-101 Technical Report and an Opinion of value on the SOMINE property. Qualified and independent geological consultants wrote both documents.

### **Mistassini, Otish Mountains, Quebec (Uranium): Uranium rights optioned to Strateco Resources Inc.**

The Mistassini property is host to the Lac Mantouchiche uranium prospect. The property, optioned by Strateco Resources Inc. ("Strateco") in 2008, is comprised of 171 map-designated claims with a total surface area of 9,115 hectares. The property is located in the Otish Mountains of Quebec, 50 km southwest of Strateco's Matoush property.

In January of 2009, Strateco Resources Inc. ("Strateco") completed a 1,869 line-km airborne geophysical survey of the Mistassini property under option from Majescor. The high-resolution magnetic and electromagnetic survey identified an ESE-WNW trending km-scale structural lineament, coincident with the Lac Mantouchiche uranium showing.

From June 10<sup>th</sup> to June 20<sup>th</sup> of 2009, Strateco carried out a seven hole, 786 meters drilling program at Mistassini. The program was designed to test the strike and dip extensions of the Lac Mantouchiche uranium prospect, based on a target zone identified from the airborne geophysical survey completed over the property in January 2009.

On July 9, 2009, Majescor and Strateco announced the preliminary results of the drill program. A new uranium-bearing zone was intersected in the immediate vicinity of the Lac Mantouchiche uranium showing. Results were included in a press release dated July 9, 2009.

The seven holes drilled on the Mistassini property tested three areas in the immediate vicinity of the Mantouchiche showing, over a total strike length of 125 metres. Two drill holes were completed per section to test the strike extensions namely 50 metres to the west and 75 metres to the east of the Mantouchiche showing. Drill holes MIST-09-01, 02, 05 and 06, drilled to this end, intersected anomalous eU3O8 values. Drill holes MIST-09-03 and 04 were drilled along the same section as the discovery hole MIST-07-03. The strike extension of the new zone could not be confirmed by the last hole in the campaign, namely MIST-09-07, drilled along the same section as MIST-09-05 and 06.

Given the positive results of the drill campaign and following a structural and geological interpretation, Strateco plans to conduct further exploration work on the property in 2010. At first, a ground geophysical survey will be implemented to test for the possible presence of high-grade uranium lenses preferentially aligned along a north-south axis.

Under the terms of the November 2008 agreement with Majescor, Strateco can earn a 60% interest in Majescor's uranium rights on the property by incurring \$1.3 million in exploration expenditures over three years, including a firm \$500,000 commitment in Year 1. During the option period, Strateco will be the sole operator for all uranium exploration and will have full and exclusive access to the property. Northern Superior Resources Inc., which holds 100% of the rights for diamonds and 50.5% of the rights for all mineral substances other than diamonds and uranium, is entitled to a 2.0% Yellow Cake Royalty on the Property. Strateco's exploration commitment for the Mistassini property in 2009 is approximately \$ 410,000.

### **Lac Laparre, Otish Mountains, Quebec (Uranium): Uranium rights optioned to Virginia Energy Resources Inc.**

The Lac Laparre property is comprised of 77 map-designated claims with a total surface area of 3,253.68 hectares under option to Virginia Energy Resources Inc. ("Virginia"). Under the terms of the option agreement with Majescor, Virginia must incur \$2.5 million in exploration work expenditures by February of 2012 to secure a 66 2/3% interest in the uranium rights on the Lac Laparre property which is located in the Otish Mountains uranium district of Northern Quebec.

During the reporting period, limited follow-up ground exploration work was conducted by Virginia at the uranium property. The work focussed on compiling historical and recently acquired geological data from the property and then investigating high priority targets through ground prospecting and geochemical sampling.

In August 2009, Majescor and Virginia renewed 33 claims at the Lac Laparre property. The New expiry date will be October 21, 2011.

In November 2009, Virginia submitted the results of their limited 2009 exploration program. Elevated values for both uranium in lake sediments, and radon in water, were observed downstream from a large gabbro dyke in the north sector of the property. Other than a weakly anomalous sandstone boulder (34.4 ppm U) nothing of note was found in the vicinity of other uranium anomalies in lake sediments on the property, and no mineralised outcrops or boulders were located during the three-day ground follow-up program conducted in 2009.

**Portage, Northern Otish Mountains district, Quebec (diamonds): 100% Majescor**

In September 2009, the Company completed the full dismantling, site clearing and demobilisation of the Portage base camp facility including all construction materials, field supplies and fuel stored on site. Upon request from the Mistissini Cree community, a single housing unit was left standing on site for use as an emergency shelter. Exploration work on the Portage property ceased in 2007.

**Baker Lake, Nunavut (Uranium) and Mirabelli, Quebec (Gold and Base metals): 100% Majescor**

Majescor abandoned all of the Baker Lake's claims and does not intend to renew the remaining claims forming the Mirabelli gold and base metal properties which will expire by July 2010. Consequently, these properties were written-down to \$Nil.

**Madagascar gold and base metal properties: Optioned to Sunridge Gold Corp.**

The planned spring 2009 exploration program by Sunridge Gold Corp. ("Sunridge") for Majescor's four Malagasy gold and base metal properties, originally scheduled to start in April of 2009, has been postponed to the first semester of 2010.

In July 2009, Majescor and partner Sunridge Gold Corp. ("Sunridge") announced an extension to their Agreement over the properties. According to the terms of the September 15, 2008 Agreement, Sunridge has an option to acquire up to a 100% interest in the four properties held by Majescor by completing expenditures and issuing shares as described in Sunridge's press release dated October 15, 2008. Majescor and Sunridge have agreed that all the commitment dates in the Agreement will be extended by a one year period so that Sunridge now has until September 15, 2010 to complete the initial \$500,000 of expenditures on the properties. In exchange for this extension Sunridge issued 200,000 common shares to Majescor.

The terms of the September 15, 2008 Agreement between Majescor, its Malagasy affiliate company Daraina Exploration S.A.R.L., and Sunridge stipulate that Sunridge can acquire up to a 100% interest in the Company's 100% owned Malagasy subsidiary Daraina. Under the terms of the agreement, Sunridge can earn 50% interest by spending \$2.0 million in qualifying expenditures over 2 years and issuing 500,000 common shares. Within 90 days following its initial obligations, Sunridge can obtain an additional 25% by expending an additional \$2,500,000 by the end of the third anniversary of the Agreement and by issuing an additional 500,000 common shares.

**Qualified person**

The above technical information was confirmed and/or reviewed by Marc-André Bernier, M.Sc., P.Geo., President of Majescor Resources Inc., a qualified person under NI 43-101.

**Financial Information**

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

**Selected Consolidated Financial Information**

	Three months Ended November 30, 2009	Three months Ended November 30 2008	Nine months Ended November 30, 2009	Nine months Ended November 30, 2008
	\$	\$	\$	\$

**Operations**

Net loss	74,711	535,967	1,178,749	3,029,142
Write-down of mineral exploration properties and deferred exploration expenses	-	41,675	808,784	562,694
Basic and diluted net loss per common share	0.01	0.05	0.07	0.30
Weighted average number of common shares outstanding	18,139,973	9,992,418	15,916,177	9,970,429

#### Deferred Exploration Expenses

Deferred exploration expenses after contributions from partners	-	112,114	-	1,359,282
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#### Cash Flows

Cash flows used in operating activities	167,060	54,385	440,884	224,511
Cash flows from (used in) investing activities	191,852	55,625	(303,610)	(536,215)
Cash flows from financing activities	44,500	-	734,458	-
Increase (decrease) in cash and cash equivalents	69,292	1,240	(10,036)	(760,726)

	November 30, 2009	February 28, 2009
	\$	\$
<b>Balance Sheet</b>		
Cash	345,658	355,694
Marketable securities	135,047	42,696
Long-term investments	1,160,994	-
Mineral exploration properties	191,687	284,817
Deferred exploration expenses	331,371	1,127,025
Total assets	2,580,213	2,695,729
Long term liabilities	153,185	136,290
Shareholders' equity	2,164,078	2,172,715

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 Operations for the three and nine months ended November 30, 2009

Net loss for the three and nine months ended November 30, 2009 is respectively \$74,711 and \$1,178,749 as compared to \$535,967 and \$3,029,142 in 2008. This decrease is mostly attributable to the recognition of a gain of \$81,405 on sale of marketable securities during 2009 as compared to the three and nine months ended November 30, 2008 where the Company had realized a significant loss on sale of marketable securities (\$92,285 and \$1,339,292 respectively). The decrease is also due to a general decline in corporate expenses as the Company abandoned and/or optioned and/or put most of its exploration projects on care and maintenance program since the end of 2008.

Also, during the three and nine month periods ended November 30, 2009, write-down of mineral exploration properties and deferred exploration expenses was respectively \$Nil and \$808,784 (\$41,675 and \$562,694 in 2008), as the Company abandoned all the Baker Lake's claims and does not intend to renew the Mirabelli properties' claims when they come due.

### Quarterly information

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

Quarter Ended	Other Income	Net Loss	Basic and diluted Net Loss per common share
	\$	\$	\$
30/11/2009	679	74,711	0.01
31/08/2009	17,356	957,291	0.06
31/05/2009	215	146,747	0.01
28/02/2009	558	4,169,928	0.40
30/11/2008	1,899	535,967	0.06
31/08/2008	4,401	2,160,796	0.22
31/05/2008	7,042	332,379	0.04
29/02/2008	11,182	1,731,844	0.18

Net loss was significantly higher during the quarters ended February 28, 2009, August 31, 2008 and February 29, 2008, due to higher write-downs of mining properties and deferred exploration expenses which were respectively \$3,914,366, \$508,961 and \$1,274,637, and also the recognition of a loss on sale of marketable securities for \$1,339,292 during the period ended August 31, 2008.

### Liquidity, Capital Resources and Going Concern

The Company's working capital stands at \$537,866 at November 30, 2009 as compared to \$761,927 at February 28, 2009. The decrease is due to the incurring of operating expenses in the normal course of business, as well as the completion of a \$600,000 exploration work program on the SOMINE property, the acquisition of 10% interest in SACG (\$60,994 in related costs) and payment of \$200,000 to SACG in exchange for an option to acquire the remaining 90% interest in SACG. These expenses and payments were financed by the following financial resources:

- Proceeds from two private placements completed on March 20, 2009 and June 17, 2009 for total net amount of \$635,958
- Receipt of tax credits and mining duties refunds for a total of \$440,346
- Sale of marketable securities for net proceeds of \$135,905
- Proceeds from the exercise of share purchase warrants for \$98,500

At November 30, 2009, the Company had a working capital of \$537,866, including \$345,658 in cash. Together with \$135,077 in marketable securities, the Company anticipates having sufficient cash to meet its corporate administrative expenses for several months. However, the Company will require additional financing, through various means including but not limited to equity financing, to carry out an exploration program on the SOMINE property following the exercise of the SACG acquisition option (see subsequent events), to acquire additional exploration properties and to meet all of its general and administrative costs. There is no assurance that the Company will be successful in raising the additional required funds.

The Company has an unsecured convertible debenture presented in the financial statements in its liability component for \$153,185 and in its equity component for \$39,525. Subsequent to quarter end, the Company announced it will issue 544,774 common shares of the Company at a deemed price of \$0.292 per share, for a total of \$159,074, in payment of the interest and the debenture due as of January 25, 2010 (see subsequent events).

### **Off Balance Sheet Arrangements**

As of November 30, 2009, the Company has no off balance sheet arrangements.

### **Related Party Transactions**

Under an agreement between the Company and Everton Resources Inc., the Company reimburses the cost of shared salaries and benefits, rent and office expenses paid by Everton Resources Inc. (which shares common management). During the three and nine month periods ended November 30, 2009, the cost of shared salaries and benefits were respectively \$14,250 and \$42,750 (2008 - \$27,888 and \$83,664) and rent and office expenses were respectively \$714 and \$2,142 (2008 - \$10,600 and \$31,800). Included in amount due to related party is \$Nil (\$43,006 as at February 28, 2009) due to Everton Resources Inc.

Under an agreement between the Company and Woodcliff Capital Inc. ("Woodcliff"), a management company wholly-owned by the Chairman of Majescor, the Company pays consulting fees to Woodcliff. During the three and nine month periods ended November 30, 2009, the cost of consulting fees paid to Woodcliff were respectively \$10,500 and \$38,500 (\$Nil in 2008).

Under an agreement between the Company and a Director, the Company pays consulting fees. During the three and nine month periods ended November 30, 2009, the total cost of consulting fees paid were respectively \$2,500 and \$7,750 (2008 - \$1,000 and \$10,250).

These transactions were measured at the exchange amount, that is the amount established and accepted by the parties and were conducted in the normal course of business.

The amounts due from (to) related parties are without interest and terms of repayment.

### **Mining Property Book Values**

At the end of each quarter, management reviews the carrying value of its resource properties to determine whether any write-downs are necessary. Following this analysis, during the three and nine month periods ended November 30, 2009, the Company recorded a write-down of respectively \$Nil and \$808,784 (\$41,675 and \$562,694 in 2008) as the Company abandoned all the Baker Lake's claims and does not intend to renew the Mirabelli properties' claims when they come due.

## **Critical Accounting Policies and Estimates**

The preparation of the Company's consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. The Company's significant accounting policies and estimates are fully described in note 4 to the annual consolidated financial statements for the years ended February 28, 2009 and February 29, 2008.

### **Changes in Accounting Policies**

In March 2009, the Emerging Issues Committee ("EIC") issued Abstract EIC-174, Mining exploration costs regarding the capitalization and impairment of exploration costs. The Company has taken into account the consensus reached in this abstract in preparing these unaudited interim consolidated financial statements.

### **Recently issued accounting pronouncements**

#### **Amendment to Section 3862 "Financial Instruments – Disclosures"**

In June 2009, the CICA amended Section 3862, "Financial Instruments – Disclosures", to include additional disclosure requirements about fair value measurement for financial instruments and liability risk disclosures. These amendments require a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. Fair value of assets and liabilities included in level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in level 2 include valuations using inputs other than quoted prices for which all significant inputs are based on observable market data. Level 3 valuations are based on inputs that are not based on observable market data. The amendments to Section 3862 apply for annual financial statements relating to fiscal years ending after September 30, 2009. The Company is assessing the impact of these amendments on its financial statements.

#### **International Financing Reporting Standards**

The Accounting Standards Board of the CICA requires all public companies to adopt International Financial Reporting Standards ("IFRS") for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal period. The transition from Canadian Generally Accepted Accounting Principles to IFRS will be applicable for the Company's first quarter of fiscal 2012.

The Company has commenced the development of an IFRS implementation plan to prepare for this transition, and is currently in the process of analyzing the key areas where changes to current accounting policies may be required. While an analysis will be required for all current accounting policies, the initial key areas of assessment will include:

- IFRS 1 First-time adoption of International Financial Reporting Standards
- IFRS 2 Share-based payment
- IFRS 6 Exploration and evaluation
- IAS 1 Presentation of financial statements
- IAS 12 Accounting for income taxes
- IAS 16 Property, plant and equipment
- IAS 21 Effects of changes in foreign exchange rates
- IAS 32 financial instruments presentation
- IAS 36 Impairment of assets

As the analysis of each of the key areas progresses, other elements of the Company's IFRS implementation plan will also be addressed, including: the implication of changes to accounting policies and processes, financial statement note disclosures on information technology, internal controls, contractual arrangements, and employee training. While the Company has begun assessing the impact of the adoption of IFRS on its financial statements, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

### **Outstanding Share Data**

Common shares and convertible securities outstanding at January 25, 2010 are as follows:

<b>Securities</b>	<b>Expiry date</b>	<b>Exercise price</b>	<b>Securities outstanding</b>
Common shares	-	-	18,328,435
Warrants	Up to March 20, 2011	\$0.12 to \$0.30	4,700,000
Options	Up to September 9, 2014	\$0.15 to \$2.80	993,516

### **Subsequent events**

#### **Expiry of warrants and forfeiture of options**

In December 2009, 115,385 warrants at an exercise price of \$2.0 expired without exercise, and 5,000 share options at an exercise price of \$1.50 were forfeited.

#### **Payment in shares of interest and principal of the convertible debenture**

On January 27, 2010, the Company announced that it will issue 544,774 common shares of the Company at a deemed price of \$0.292 per share, for a total of \$159,074, to Société d'investissement dans la diversification de l'exploration ("SIDEX Limited Partnership") as consideration for the interest (\$9,074) and in payment of the debenture (\$150,000) due as of January 25, 2010, pursuant to the private placement of unsecured convertible debenture of \$150,000 to SIDEX Limited partnership on January 25, 2007 (Note 11). The common shares issued to SIDEX Limited Partnership are subject to the approval of the TSX Venture Exchange and to a four-month hold period.

#### **Exercise of the SACG acquisition option**

On January 27, 2010, the Company announced that it will exercise its option to acquire all of the remaining issued and outstanding common shares of SACG as per the agreement executed on April 22, 2009 between all the parties involved in (the "Acquisition") (Note 5). The Company, having met all the conditions stipulated under the agreement, advised SACG on January 26, 2010 of its intention to exercise its option. Under the terms of the Acquisition, the shareholders of SACG, excluding the Company, will receive 10,000,000 common shares of the Company to be issued at a price of \$0.30 per share. The closing of the Acquisition shall be subject to certain conditions including, but not limited to, the receipt of all required regulatory approvals, shareholder approval if required, and the completion of a minimum financing of \$3,500,000. These funds will be used to fund the 2010 exploration program on the SOMINE Property based on the recommendations set forth in the NI 43-101 Technical Report, as well as for the Company's general working capital.

Following the Acquisition, but not taking into account the above-mentioned financing or the SOMINE SA debt settlement stated further below, Majescor will have approximately 28.3 million shares issued and outstanding. The Company's current shareholders will own approximately 57.6% and SACG shareholders will own approximately 42.4% of the issued and outstanding shares of the Company. Following the completion of all the transactions noted above, SIMACT Mining Holding Inc., a private US company headed by Haitian-American developers, will become an insider of the Company. The Acquisition has been approved by all the Directors of the Company, with the exception of Mr. André Audet, Chairman of the Company, who declared his interest as a Director and shareholder of SACG and as such, did not participate in the vote.

Also, the Company has signed a Memorandum of Understanding with a creditor of SOMINE SA to settle the outstanding debt of US\$ 302,000 due from SOMINE SA to its creditor, in exchange for treasury common shares of the Company to be issued at a price of \$0.29 per share. The settlement of the debt is subject to certain conditions, including regulatory approval, the closing of the Acquisition and the conversion of the debt into voting shares of SOMINE SA for the benefit of the Company.

### **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 or in MGA (Magalasy Ariary). Movement in the Canadian dollar against these currencies 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 January 25, 2010. 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](http://www.sedar.com)).

(s) Marc-André Bernier

Marc-André Bernier, Chief Executive Officer

(s) "Khadija Abounaim"

Khadija Abounaim, Chief Financial Officer