MAJESCOR RESOURCES INC.

Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended August 31, 2013

(Expressed in Canadian Dollars)
(Unaudited)

Management's Responsibility for condensed consolidated interim financial statements

The accompanying unaudited condensed consolidated interim financial statements of Majescor Resources Inc. (the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed consolidated interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed consolidated interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the financial position date. In the opinion of management, the unaudited condensed consolidated interim financial statements have been prepared within acceptable limits of materiality and are in compliance with all applicable International Financial Reporting Standards.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed consolidated interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed consolidated interim financial statements and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed consolidated interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed consolidated interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed consolidated interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed)
Marc-Andre Bernier
President & Acting Chief Executive Officer

(signed)
Sabino Di Paola
Chief Financial Officer

Ottawa, Canada
October 29, 2013

Notice to Reader

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements as at and for the three and six months ended August 31, 2013 have not been reviewed by the Company's auditors.

Majescor Resources Inc.
(An exploration stage company)
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

		August 31, 2013 (Unaudited)		February 28, 2013 (Audited)
Assets				
Current assets				
Cash	**$**	**45,970**	$	59,218
Marketable securities (note 5)		**283**		595
Accounts receivable (note 6)		**17,907**		17,871
Prepaid expenses (note 7)		**5,561**		62,037
Total current assets		**69,721**		139,721
Property and equipment (note 8)		**171,709**		191,662
Exploration and evaluation assets (note 9)		**2,600,000**		2,600,000
Total assets	**$**	**2,841,430**	$	2,931,383
Liabilities and Equity				
Current liabilities				
Trade and other payables (note 10)	**$**	**1,038,667**	$	636,365
Debt obligations (note 11)		**2,020,212**		1,971,918
Total current liabilities		**3,058,879**		2,608,283
Long-term debt (note 12)		**4,291**		3,323
Total liabilities		**3,063,170**		2,611,606
Equity				
Share capital (note 13)		**33,745,835**		33,650,285
Contributed surplus		**4,604,324**		3,392,012
Warrants (note 14)		**690,766**		1,811,278
Accumulated other comprehensive income		**(6,092)**		(5,780)
Deficit		**(38,046,095)**		(37,385,976)
Equity attributable to equity holders of the Parent Company		**988,738**		1,461,819
Equity attributable to non-controlling interest (note 17)		**(1,210,478)**		(1,142,042)
Total equity		**(221,740)**		319,777
Total liabilities and equity	**$**	**2,841,430**	$	2,931,383

Going concern (note 2)
Commitments (note 25)
Subsequent events (note 27)

Approved on behalf of the Board:

(signed) "Andre Audet"
Andre Audet, Director

(signed) "Marc-Andre Bernier"
Marc-Andre Bernier, Director

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

Majescor Resources Inc.
(An exploration stage company)
Condensed Consolidated Interim Statements of Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended August 31, 2013	Three Months Ended August 31, 2012	Six Months Ended August 31, 2013	Six Months Ended August 31, 2012
Expenses				
Exploration and evaluation expenditures	**$ 74,861**	$ 988,414	**$ 134,706**	$ 2,323,123
General and administrative (note 18)	**275,444**	561,814	**542,262**	1,059,079
(Gain) loss on foreign exchange	**(32,274)**	(99,520)	**(31,246)**	152,373
Loss before the following	**(318,031)**	(1,450,708)	**(645,722)**	(3,534,575)
Interest and other income	**2,367**	3,098	**2,367**	8,508
Accretion expense	**(43,155)**	(583)	**(85,200)**	(583)
Net loss for the period	**$ (358,819)**	$ (1,375,422)	**$ (728,555)**	$ (3,453,879)
Attributable to:				
Equity holders of the Parent Company	**(310,509)**	(1,481,394)	**$ (660,119)**	$ (3,194,656)
Non-controlling interest (note 17)	**(48,310)**	105,972	**(68,436)**	(259,223)
	$ (358,819)	$ (1,375,422)	**$ (728,555)**	$ (3,453,879)
Basic and diluted loss per share (note 16)	**$ (0.00)**	$ (0.02)	**$ (0.01)**	$ (0.04)

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

Majescor Resources Inc.

(An exploration stage company)
Condensed Consolidated Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended		Six Months Ended	
	August 31, 2013	August 31, 2012	**August 31, 2013**	August 31, 2012
Net loss for the period	**$ (358,819)**	$ (1,375,422)	**$ (728,555)**	$ (3,453,879)
Other comprehensive loss				
Unrealized loss on available-for-sale marketable securities	**-**	(24,050)	**-**	(86,310)
Reclassification of net realized (loss) gain on available-for-sale marketable securities	**(57)**	6,927	**(312)**	6,927
Comprehensive loss for the period	**$ (358,876)**	$ (1,392,545)	**$ (728,867)**	$ (3,533,262)
Attributable to:				
Equity holders of the Parent Company	**$ (310,566)**	$ (1,498,517)	**$ (660,431)**	$ (3,274,039)
Non-controlling interest	**(48,310)**	105,972	**(68,436)**	(259,223)
	$ (358,876)	$ (1,392,545)	**$ (728,867)**	$ (3,533,262)

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

Majescor Resources Inc.
(An exploration stage company)
Condensed Consolidated Interim Statements of Changes in Equity
(Canadian Dollars)
(Unaudited)

	Share capital (note 13)	Contributed surplus	Warrants (note 14)	Accumulated other comprehensive income	Deficit	Equity attributable to equity holders of the Parent Company	Non-controlling interest (note 17)	Total
Balance, February 29, 2012	**$ 33,429,971**	**$ 2,716,453**	**$ 2,115,797**	**$ (30,804)**	**$ (28,875,327)**	**$ 9,356,090**	**$ 783,046**	**$ 10,139,136**
Units issued for cash	135,000	-	-	-	-	135,000	-	135,000
Cost of issue	(30,502)	-	3,840	-	-	(26,662)	-	(26,662)
Warrants	(26,190)	-	26,190	-	-	-	-	-
Warrants expired	-	376,461	(376,461)	-	-	-	-	-
Fair value of extended warrants	-	-	82,000	-	(82,000)	-	-	-
Share based payments	-	183,200	-	-	-	183,200	-	183,200
Transactions with owners	78,308	559,661	(264,431)	-	(82,000)	291,538	-	291,538
Net loss for the period	-	-	-	-	(3,194,656)	(3,194,656)	(259,223)	(3,453,879)
Unrealized loss on available-for-sale marketable securities	-	-	-	(86,310)	-	(86,310)	-	(86,310)
Reclassification of net realized gain on available-for-sale Marketable securities	-	-	-	6,927	-	6,927	-	6,927
Comprehensive loss	-	-	-	(79,383)	(3,194,656)	(3,274,039)	(259,223)	(3,533,262)
Balance, August 31, 2012	**33,508,279**	**3,276,114**	**1,851,366**	**(110,187)**	**(32,151,983)**	**6,373,589**	**523,823**	**6,897,412**
Units issued for cash	225,000	-	-	-	-	225,000	-	225,000
Cost of issue	(7,184)	-	-	-	-	(7,184)	-	(7,184)
Warrants	(75,810)	-	75,810	-	-	-	-	-
Warrants expired	-	115,898	(115,898)	-	-	-	-	-
Transactions with owners	142,006	115,898	(40,088)	-	-	217,816	-	217,816
Net loss for the period	-	-	-	-	(5,233,993)	(5,233,993)	(1,665,865)	(6,899,858)
Unrealized loss on available-for-sale marketable securities	-	-	-	3,558	-	3,558	-	3,558
Reclassification of net realized loss on available-for-sale marketable securities	-	-	-	100,849	-	100,849	-	100,849
Comprehensive loss	-	-	-	104,407	(5,233,993)	(5,129,586)	(1,665,865)	(6,795,451)
Balance, February 28, 2013	**$ 33,650,285**	**$ 3,392,012**	**$ 1,811,278**	**$ (5,780)**	**$ (37,385,976)**	**$ 1,461,819**	**$ (1,142,042)**	**$ 319,777**

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

Majescor Resources Inc.
(An exploration stage company)
Condensed Consolidated Interim Statements of Changes in Equity
(Canadian Dollars)
(Unaudited)

	Share capital (note 13)	Contributed surplus	Warrants (note 14)	Accumulated other comprehensive income	Deficit	Equity attributable to equity holders of the Parent Company	Non-controlling interest (note 17)	Total
Balance, February 28, 2013	**$ 33,650,285**	**$ 3,392,012**	**$ 1,811,278**	**$ (5,780)**	**$ (37,385,976)**	**$ 1,461,819**	**$ (1,142,042)**	**$ 319,777**
Units issued for cash	190,000	-	-	-	-	190,000	-	190,000
Cost of issue	(2,650)	-	-	-	-	(2,650)	-	(2,650)
Warrants	(91,800)	-	91,800	-	-	-	-	-
Warrants expired	-	1,212,312	(1,212,312)	-	-	-	-	-
Transactions with owners	95,550	1,212,312	(1,120,512)	-	-	187,350	-	187,350
Net loss for the period	-	-	-	-	(660,119)	(660,119)	(68,436)	(728,555)
Unrealized loss on available-for-sale marketable securities	-	-	-	(312)	-	(312)	-	(312)
Comprehensive loss	-	-	-	(312)	(660,119)	(660,431)	(68,436)	(728,867
Balance, August 31, 2013	**$ 33,745,835**	**$ 4,604,324**	**$ 690,766**	**$ (6,092)**	**$ (38,046,095)**	**$ 988,738**	**$ (1,210,478)**	**$ (221,740)**

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

Majescor Resources Inc.

(An exploration stage company)
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended		Six Months Ended	
	August 31, 2013	August 31, 2012	**August 31, 2013**	August 31, 2012
Operating activities				
Net loss for the period	**$ (358,819)**	$ (1,375,422)	**$ (728,555)**	$ (3,453,879)
Adjustments for:				
Amortization of property and equipment	**9,812**	11,065	**19,953**	20,393
Share based payments	**-**	183,200	**-**	183,200
Loss on sale of marketable securities	**-**	6,741	**-**	6,741
Gain on reversal of provision for uncollectible tax credits	**-**	(79,512)	**-**	(79,512)
Accretion expense	**43,155**	583	**85,200**	583
Changes in working capital items (note 19)	**254,922**	10,935	**458,742**	376,465
Net cash used in operating activities	**(50,930)**	(1,242,410)	**(164,660)**	(2,946,009)
Investing activities				
Proceeds from sale of marketable securities	**-**	4,960	**-**	4,960
Tax credit and mining duties received	**-**	163,356	**-**	163,356
Purchase of property and equipment	**-**	(13,886)	**-**	(122,865)
Net cash provided by (used in) investing activities	**-**	154,430	**-**	45,451
Financing activities				
Proceeds from issue of common shares, net of costs	**73,891**	-	**172,350**	108,338
Net cash provided by financing activities	**73,891**	-	**172,350**	108,338
Effect of foreign currency translation	**(26,217)**	23,280	**(20,938)**	43,282
Net change in cash and cash equivalents	**(3,256)**	(1,064,700)	**(13,248)**	(2,748,938)
Cash and cash equivalents, beginning of period	**49,226**	1,487,865	**59,218**	3,172,103
Cash and cash equivalents, end of period	**$ 45,970**	$ 423,165	**$ 45,970**	$ 423,165
Cash and cash equivalents consist of:				
Cash	**$ 45,970**	$ 109,917	**$ 45,970**	$ 109,917
Cash equivalents	**-**	313,248	**-**	313,248
	$ 45,970	$ 423,165	**$ 45,970**	$ 423,165

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

1. Nature of operations

Majescor Resources Inc. (the "Company" or "Majescor'') was incorporated under the Canada Business Corporations Act (Alberta) on February 23, 1996. The nature of operations involves the acquisition, exploration and development of mineral resource properties. The Company is in the exploration stage and does not derive any revenue from the development of its properties. The Company's common shares are listed on the TSX Venture Exchange ("TSX.V") under the symbol MJX. The primary office is located at 2742 St. Joseph Boulevard, Suite 205, Orleans, Ontario, Canada, K1C 1G5.

The condensed consolidated interim financial statements were approved by the Board of Directors on October 29, 2013.

2. Going concern

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its operations. The Company has incurred a loss in the current and prior periods, with a current net loss of $728,555 during the six months ended August 31, 2013 (six months ended August 31, 2012 - $3,453,879) and has an accumulated deficit of $38,046,095 (February 28, 2013 - $37,385,976). These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern.

As at August 31, 2013, the Company had negative working capital of $2,989,158 (February 28, 2013 - negative working capital of $2,468,562), including $45,970 (February 28, 2013 - $59,218) in cash and cash equivalents and current liabilities totalling $3,058,879 (February 28, 2013 - $2,608,283), which includes a debt of US$ 1,700,000 (CAD $1,715,382) that the Company's subsidiary Somine S.A. ("SOMINE") owes to the Government of Haiti, per the terms of the Mining Convention executed between SOMINE and the State of Haiti on May 5, 2005 and of the two (2) Mining Exploitation Permits granted to SOMINE on December 21, 2012 (note 9). Subsequent to quarter-end, the Company raised $75,000 from private placements (note 27). However, the Company must secure additional funding to be able to discharge its liabilities, to fund its ongoing working capital requirements and to continue its exploration program on the SOMINE project. Management is evaluating various alternatives to secure the necessary financing so that the Company can continue as a going concern. Nevertheless, there is no assurance that these initiatives will be successful. Therefore, there remains a significant doubt regarding the Company's ability to continue as a going concern.

As of the reporting date the Haitian Government has not issued a demand for payment notice to SOMINE SA for failure to make the payments per the debt agreement (note 11). Should the Haitian Government issue a demand for payment notice to SOMINE SA, the Company is at risk of losing its two Mining Exploitation Permits on the SOMINE projects.

The carrying amount of assets, liabilities and expenses presented in the condensed consolidated interim financial statements and the classification used in the consolidated statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate.

3. Significant accounting policies

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of October 29, 2013, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these condensed interim consolidated financial statements as compared with the most recent audited annual financial statements as at and for the year ended February 28, 2013. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending February 28, 2014 could result in restatement of these unaudited condensed interim consolidated financial statements.

(b) New accounting standards, amendments and interpretations

(i) IAS 1, Presentation of financial statements

Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. At March 1, 2013, the Company adopted this pronouncement and changed the presentation of items in other comprehensive income, however it did not affect the measurement or recognition of such items in the Company's unaudited condensed consolidated interim financial statements.

(c) Standards, amendments and interpretations not yet effective

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent annual statements as at and for the year ended February 28, 2013.

4. Critical accounting estimates

Significant estimates, judgements and assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates, judgements and assumptions made, relate to, but are not limited to, the following:

Estimates

- the estimated useful lives and residual value of PE;

Judgements

- determination that no material restoration, rehabilitation and environmental obligations and liabilities existed based on the facts and circumstances;
- the assessment of the Company's ability to execute its strategy by funding future working capital. Further information regarding going concern is outlined in note 2;
- determining whether facts and circumstances suggest that the carrying amount of impairment of exploration and evaluation assets may exceed their recoverable amount. Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

  When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount the individual asset or the cash generating units must be estimated.

  In assessing impairment, the Company made some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recoverable from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company’s capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available;
- determination of the functional currency of the Company and the functional currency of each of its subsidiaries, based on the facts and circumstances that existed during the period.

(Expressed in Canadian Dollars)

5. Marketable securities

As at August 31, 2013, the marketable securities consisted of the following:

August 31, 2013	Cost	Impairment	Unrealized gain (loss)	Fair value
Adamera Resources Corp. 5,665 - common shares	$ 37,400	$ (31,025)	$ (6,092)	$ 283

As at February 28, 2013, the marketable securities consisted of the following:

February 28, 2013	Cost	Impairment	Unrealized gain (loss)	Fair value
Adamera Resources Corp. 5,665 - common shares (i)	$ 37,400	$ (31,025)	$ (5,780)	$ 595

6. Accounts receivable

	August 31, 2013	February 28, 2013
Sales tax receivable (Canada)	**$ 17,907**	$ 17,871

7. Prepaid expenses

	August 31, 2013	February 28, 2013
Exploration advances	**$ -**	$ 37,096
Prepaid exploration supplies	**-**	20,180
Prepaid general and administrative	**5,561**	4,761
	$ 5,561	$ 62,037

(Expressed in Canadian Dollars)

8. Property and equipment

Cost	Office furniture and equipment	Computer equipment	Exploration equipment	Total
Balance, February 29, 2012	$ 9,910	$ 26,081	$ 189,972	$ 225,963
Additions	9,825	13,886	104,897	128,608
Balance, February 28, 2013	19,735	39,967	294,869	354,571
Balance, August 31, 2013	**$ 19,735**	**$ 39,967**	**$ 294,869**	**$ 354,571**

Accumulated depreciation	Office furniture and equipment	Computer equipment	Exploration equipment	Total
Balance, February 29, 2012	$ 4,512	$ 22,188	$ 69,143	$ 95,843
Depreciation	1,774	6,377	34,339	42,490
Impairment	-	-	24,576	24,576
Balance, February 28, 2013	6,286	28,565	128,058	162,909
Depreciation	1,595	2,579	15,779	19,953
Balance, August 31, 2013	**$ 7,881**	**$ 31,144**	**$ 143,837**	**$ 182,862**

Net book value	Office furniture and equipment	Computer equipment	Exploration equipment	Total
Balance, February 28, 2013	**$ 13,449**	**$ 11,402**	**$ 166,811**	**$ 191,662**
Balance, August 31, 2013	**$ 11,854**	**$ 8,823**	**$ 151,032**	**$ 171,709**

9. Exploration and evaluation assets

	Somine, Haiti	Mistassini, Quebec	Total
Balance, February 29, 2012	**$ 6,718,631**	**$ 1,921**	**$ 6,720,552**
Addition	1,647,336	-	1,647,336
Impairment	(5,765,967)	(1,921)	(5,767,888)
Balance, February 28, 2013 and August 31, 2013	**$ 2,600,000**	**$ -**	**$ 2,600,000**

9. Exploration and evaluation assets (continued)

a) Somine, Haiti

The Somine project in Haiti is operated by the Company's wholly-owned affiliate Simact Alliance Copper Gold Inc. (''SACG''), a Canadian private company, which holds title to 79% of the issued and outstanding common shares of SOMINE SA ("SOMINE"), a company incorporated under the laws of the Republic of Haiti. SOMINE's principal asset is its two Exploitation mining permits on the SOMINE Copper-Gold project (the "Project"), located in the North-East Mineral district of Haiti:

- One (1) 25 square km Mining Exploitation Permit covering the Blondin-Douvray-Dos Rada porphyry copper system (the "Douvray Permit"), which contains the Douvray porphyry copper-gold prospect; and
- One (1) 20 square km Mining Exploitation Permit covering the Faille B vein gold prospect and host shear structure (the "Faille B permit").

These Exploitation Permits which were granted to SOMINE on December 21, 2012, are valid for five (5) years, and are renewable until the start of commercial mining at which time the license shall be converted to a Mining Lease (valid for 25 years; renewable).

SOMINE's mineral rights and obligations for the Project were assigned under a mining convention executed with the Government of Haiti on May 5, 2005 and are valid until March 9, 2020.

During the year ended February 28, 2013, SOMINE made a first payment of US$100,000 (CAD 97,870) on a total debt of US$1,800,000 that it owes the Government of Haiti in reimbursement for historical data acquired by the United Nations Development Program (UNDP) in conjunction with the Haitian Bureau of Mines and Energy (BME) during the 1970s and 1980s and later made available to Ste. Geneviève Haiti SA (now SOMINE) as part of the Mining Convention. SOMINE negotiated a 12 month period payment schedule (note 11) with the Government of Haiti. SOMINE SA is currently in arrears on its payments to the Haitian Government and should the Government of Haiti issue a demand for payment notice, there is a risk that the two Mining Exploitation Permits previously issued by the Government may be revoked.

The SOMINE Copper Gold property also covers four Prospecting Permits encompassing four 100 square km areas lying to the East, South and Southeast of the Research Permit subject to the Mining Convention. SOMINE has requested the conversion of three of the Prospecting Permits into Research Permits (50 square km each) and has filed all technical and source documents in support of its application with the BME.

b) Mistassini, Quebec

On May 16, 2011, the Company executed a formal Joint Venture Agreement with Strateco Resources Inc. ("Strateco"), having an effective date as of February 14, 2011, whereby Strateco earned its 60% interest in the uranium rights on the property by spending $1.3 million in exploration expenditures over three years.

Under the terms of the Joint Venture Agreement, as long as Strateco will retain a 50% interest on uranium rights, Strateco will be the Operator of the Joint Venture and will lead the management committee for exploration of uranium on the Mistassini property and will have full and exclusive access to the property. Northern Superior Resources Inc., which holds 100% of the diamond rights and 50.5% of all other mineral rights to the exception of diamonds and uranium rights, renounced to conduct exploration and exploitation works for diamonds on the property during the duration of the Joint Venture Agreement and is entitled to a 2.0% Yellow Cake Royalty for uranium on the Mistassini property.

9. Exploration and evaluation assets (continued)

b) Mistassini, Quebec (continued)

On March 28, 2013 the Québec government announced a minimum two-year freeze on all new land use permits and other authorisations for uranium exploration in the province. The freeze will be in effect until the Office of Public Hearings on the Environment (“BAPE”) had conducted a public review on Quebec's uranium industry and as submitted its report to the Government. As a result of the freeze on permitting, all planned work on the Mistassini Uranium property has been suspended indefinitely.

c) Besakoa, Madagascar

Pursuant to an Option Agreement dated September 15, 2008 and an amendment agreement dated June 19, 2009 with Sunridge Gold Corp. ("Sunridge"), Sunridge can acquire up to a 100% interest in the Company’s 100% owned Malagasy subsidiary Daraina (‘’Daraina’’). Sunridge can earn a 50% interest by spending $2.0 million in qualifying expenditures over 3 years and issuing 500,000 of its common shares to the Company. Within 90 days following its initial obligations, Sunridge can obtain an additional 25% by expending an additional $2,500,000 by the end of the third anniversary of the Agreement and by issuing an additional 500,000 of its common shares to the Company. Within one year following all of its obligations, Sunridge can obtain the remaining undivided 25% interest in Daraina by paying to Majescor the fair market value of the 25% interest in Daraina.

On September 15, 2011, Sunridge acquired its 50% interest in Daraina after it met the above conditions.

On September 15, 2012, Sunridge failed to fulfill the above conditions to earn an additional 25% interest in Daraina. Therefore, Sunridge will maintain its 50% interest in Daraina.

On April 30, 2013, the Company announced it entered into a non-binding Letter Agreement with Olympic Resources Ltd. (“Olympic”) and Sunridge whereby the Company and Sunridge agree to sell their respective 50% interest in Daraina to Olympic.

Under the terms of the Letter Agreement, the Company and Sunridge agree to sell their respective 50% interest in Daraina and Olympic agrees to purchase 100% of the shares of Daraina under the following conditions: (i) the Company, Sunridge and Olympic shall enter into a definitive two-year option agreement; (ii) Upon signing of the definitive option agreement, Olympic shall pay a total of $150,000, split $75,000 to the Company and $75,000 to Sunridge; (iii) Before the second year anniversary of signing the definitive option agreement, Olympic must expend a minimum of $1,000,000 in exploration work on the Besakoa property, including a firm year-1 commitment of $300,000; (iv) Upon completion of the expenditures, Olympic may exercise its option to purchase 100% of the shares of Daraina by delivering notice and paying a total of $1,250,000, split $625,000 to the Company and $625,000 to Sunridge, subject to the retention by the Company and Sunridge of a 2% net smelter returns royalty on the Besakoa property, split 1% to the Company and 1% to Sunridge. Upon successful conclusion of due diligence, on direction of Olympic, the parties will seek to draft a definitive agreement, subject to each Company’s Board approval and to any regulatory approvals that may be required.

(Expressed in Canadian Dollars)

10. Trade and other payables

	August 31, 2013	February 28, 2013
Falling due within the year		
Trade payables	$ 1,038,667	$ 636,365

11. Debt obligations

The amount is made up of two separate debt obligations.

The first amount represents $304,830 (February 28, 2013 - $309,825) which is due to a creditor of SOMINE to settle an outstanding debt of US$ 302,000. The debt is due on demand and does not bear interest.

The second amount represents $1,715,382 (February 28, 2013 - $1,662,093) which is the carrying value of the due to the Government of Haiti to settle the US$ 1,700,000 remainder of the US$ 1,800,000 debt (note 9). The debt does not bear interest and is due over a 12 month period based on a payment schedule negotiated with the Government of Haiti as follows:

	US$	Equivalent in CDN$
December 31, 2012 (i)	500,000	518,400
March 31, 2013 (i)	600,000	622,080
August 31, 2013 (i)	600,000	622,080
Total	$ 1,700,000	$ 1,762,560

(i) Payments were not made and are now overdue. As at the date of these financial statements the Company has not received a demand for payment notice from the Government of Haiti in regards to the above debt.

Total current debt obligations as of August 31, 2013 was $2,020,212 (February 28, 2013 - $1,971,918)

12. Long-term debt

An amount of $4,291 (February 28, 2013 - $3,323) consisting of 12,500 Class B priority shares of SOMINE. These shares are non-voting, and carry a 12% dividend which is non-cumulative up to commercial production of the Haitian properties. These shares can be offered by the holder for redemption at production stage.

13. Share capital

Authorized - The authorized share capital consisted of an unlimited number of common shares.

Issued and outstanding:

	Number of common shares	Amount
Balance, February 29, 2012	**71,704,409**	**$ 33,429,971**
Units issued for cash (i)	540,000	135,000
Cost of issue (i)	-	(30,502)
Warrants valuation (i)	-	(26,190)
Balance, August 31, 2012	**72,244,409**	**$ 33,508,279**

(Expressed in Canadian Dollars)

13. Share capital (continued)

Common shares	Number of shares	Amount
Balance, February 28, 2013	**74,744,409**	**$ 33,650,285**
Units issued for cash (ii) (iii)	9,800,000	190,000
Cost of issue (ii) (iii)	-	(2,649)
Warrants valuation (ii) (iii)	-	(91,800)
Balance, August 31, 2013	**84,544,409**	**$ 33,745,836**

(i) On March 22, 2012, the Company completed the second tranche of a non-brokered private placement of 540,000 units at a price of $0.25 each for gross proceeds of $135,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at a price of $0.40 until March 22, 2014. The Company paid finders' fees of $8,000 and issued 32,000 non-transferable agent warrants, each agent warrant entitling the holder to purchase one common share of the Company at a price of $0.25 until March 22, 2014. In addition, the Company incurred cash cost of $18,662.

The 270,000 warrants issued in connection to the private placement have been recorded at a value of $27,000 based on the proportional method based on the Black-Scholes option pricing model, using the following assumptions: share price of $0.22, risk free interest rate of 1.24%, expected life of warrants of 2 years, annualized volatility rate of 111% (based on the Company's historical volatility for 2 years up to the issuance date) and dividend rate of 0%.

The 32,000 agent warrants issued in connection to the private placement have been recorded at a value of $3,840 based on the Black-Scholes option pricing model, using the following assumptions: share price of $0.22, risk free interest rate of 1.24%, expected life of warrants of 2 years, annualized volatility rate of 111% (based on the Company's historical volatility for 2 years up to the issuance date) and dividend rate of 0%.

(ii) On May 17, 2013, the Company completed a non-brokered private placement of 2,000,000 units at a price of $0.05 each for gross proceeds of $100,000. Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at a price of $0.10 until May 17, 2015. The warrants are subject to an accelerated expiry if the published closing trade price of the common shares on the TSX.V is equal or greater than $0.20 for a period of 10 consecutive trading days any time after the expiry of the four month resale restriction period, in which event the Company may give the holder a written notice and the warrants will automatically expire, if not exercised, 30 days after receipt of such notice. The Company incurred cash costs of $1,541.

The 2,000,000 warrants issued in connection to the private placement have been recorded at a value of $20,000 based on the proportional method based on the Black-Scholes option pricing model, using the following assumptions: share price of $0.10, risk free interest rate of 1.01%, expected life of warrants of 2 years, annualized volatility rate of 126% (based on the Company's historical volatility for 2 years up to the issuance date) and dividend rate of 0%.

(Expressed in Canadian Dollars)

13. Share capital (continued)

(iii) On June 26, 2013, the Company completed a non-brokered private placement of 300,000 units at a price of $0.05 each for gross proceeds of $100,000. Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at a price of $0.10 until June 25, 2015. The warrants are subject to an accelerated expiry if the published closing trade price of the common shares on the TSX.V is equal or greater than $0.20 for a period of 10 consecutive trading days any time after the expiry of the four month resale restriction period, in which event the Company may give the holder a written notice and the warrants will automatically expire, if not exercised, 30 days after receipt of such notice. The Company incurred cash costs of $932.

The 300,000 warrants issued in connection to the private placement have been recorded at a value of $4,800 based on the proportional method based on the Black-Scholes option pricing model, using the following assumptions: share price of $0.02, risk free interest rate of 1.25%, expected life of warrants of 2 years, annualized volatility rate of 236% (based on the Company's historical volatility for 2 years up to the issuance date) and dividend rate of 0%.

On August 12, 2013, the Company completed the first tranche of a non-brokered private placement of 7,500,000 units at a price of $0.01 each for gross proceeds of $75,000. Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at a price of $0.05 until August 9, 2014 and at a price of $0.10 until August 9, 2015. The Company incurred cash costs of $176.

The 7,500,000 warrants issued in connection to the private placement have been recorded at a value of $67,000 based on the proportional method based on the Black-Scholes option pricing model, using the following assumptions: share price of $0.01, an average strike price of $0.07, risk free interest rate of 1.25%, expected life of warrants of 2 years, annualized volatility rate of 287% (based on the Company's historical volatility for 2 years up to the issuance date) and dividend rate of 0%.

14. Warrants

The following table reflects the continuity of warrants:

	Number of warrants	Weighted average exercise price
Balance, February 29, 2012	**25,996,400**	**$ 0.35**
Granted (note 13(i))	302,000	0.38
Expired	(3,597,200)	0.29
Balance, August 31, 2012	**22,701,200**	**$ 0.36**
Balance, February 28, 2013	**23,801,600**	**$ 0.35**
Granted (note 13)	9,800,000	0.10
Expired	(15,100,000)	0.21
Balance, August 31, 2013	**18,501,600**	**$ 0.20**

(Expressed in Canadian Dollars)

14. Warrants (continued)

The number of outstanding warrants which could be exercised for an equivalent number of common shares is as follows:

Number of Warrants	Fair Value	Exercise Price	Expiry Date
5,170,000	413,600	0.40	March 1, 2014
729,600	79,526	0.25	March 1, 2014
270,000	27,000	0.40	March 22, 2014
32,000	3,840	0.25	March 22, 2014
2,500,000	75,000	0.15	January 18, 2015
2,000,000	20,000	0.10	May 17, 2015
300,000	4,800	0.10	June 25, 2015
7,500,000	67,000	0.05/0.10	August 9, 2015
18,501,600	**$ 690,766**	**$ 0.20**	

15. Stock options

The following table shows the continuity of options:

	Number of Options	Weighted Average Exercise Price
Outstanding at February 29, 2012	**4,382,500**	**$ 0.31**
Granted	1,600,000	0.15
Expired	(272,500)	0.86
Forfeited	(232,500)	0.43
Outstanding at August 31, 2012	**5,477,500**	**$ 0.23**
Outstanding at February 28, 2013	**5,328,000**	**$ 0.22**
Expired	(8,000)	1.50
Expired	(250,000)	0.25
Outstanding at August 31, 2013	**5,070,000**	**$ 0.21**

(Expressed in Canadian Dollars)

15. Stock options (continued)

The following table shows the options outstanding as at August 31, 2013:

Range of exercise price	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable
$0.15	1,660,000	3.75	$ 0.15	1,660,000
$0.22 - $0.28	3,410,000	2.57	$ 0.24	3,410,000
	5,070,000			**5,070,000**

16. Loss per common share

The calculation of basic and diluted loss per share for the three and six months ended August 31, 2013 was based on the loss attributable to common shareholders of $310,509 and $660,119 (three and six months ended August 31, 2012 - $1,481,394 and $3,194,656) and the weighted average number of common shares outstanding of 78,502,018 and 76,775,387 respectively (three and six months ended August 31, 2012 – 72,244,409 and 72,179,844). Diluted loss per share did not include the effect of 5,070,000 stock options (three and six months ended August 31, 2012 - 5,477,500) and 18,501,600 warrants (three and six months ended August 31, 2012 - 22,701,200) as they are anti-dilutive.

17. Non-controlling interest

Balance, February 29, 2012	$	783,046
Share of net loss		(365,195)
Balance, May 31, 2012	$	417,851
Balance, February 28, 2013	$	(1,142,042)
Share of net loss		(68,436)
Balance, August 31, 2013	$	(1,210,478)

The non-controlling interest pertains to the 21.20% (February 28, 2013 - 21.30%) interest in SOMINE that the Company does not own. Non-controlling interest of 40% was initially recorded when the Company gained control of its 100% owned subsidiary SAGC on May 7, 2011.

(Expressed in Canadian Dollars)

18. General and administrative

		Three months ended			Six months ended		
		August 31, 2013		August 31, 2012		**August 31, 2013**		August 31, 2012
Management and consulting fees	**$**	**120,233**	$	101,188	**$**	**222,940**	$	227,450
Share based payments		**-**		183,200		**-**		183,200
Salaries and benefits		**60,057**		75,289		**126,098**		158,010
Travel and promotion		**3,732**		72,408		**10,710**		188,246
Shareholder information		**4,680**		10,960		**5,590**		13,462
Professional fees		**40,025**		48,525		**88,874**		136,589
Office and general expenses		**36,905**		59,179		**68,097**		131,729
Amortization of property and equipment		**9,812**		11,065		**19,953**		20,393
	$	**275,444**	$	561,814	**$**	**542,262**	$	1,059,079

19. Changes in non-cash working capital items

		Three Months Ended				Six Months Ended		
		August 31, 2013		August 31, 2012		**August 31, 2013**		August 31, 2012
Accounts receivable	**$**	**7,410**	$	57,497	**$**	**(36)**	$	48,581
Prepaid expenses		**57,557**		374,029		**56,476**		628,326
Trade and other payables		**189,955**		(420,591)		**402,302**		(300,442)
	$	**254,922**	$	10,935	**$**	**458,742**	$	376,495

20. Related party balances and transactions

Related parties include the Board of Directors and key management personnel, as well as, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received.

(a) Transactions with key management personnel

Remuneration of directors and key management personnel of the Company was as follows:

		Three months ended				Six months ended		
		August 31, 2013		August 31, 2012		**August 31, 2013**		August 31, 2012
Salaries and benefits, including directors fees	**$**	**38,551**	$	52,500	**$**	**94,769**	$	104,567
Consulting fees	**$**	**42,975**	$	12,650	**$**	**48,475**	$	61,600
Share based payments	**$**	**-**	$	177,850	**$**	**-**	$	177,850
Total	**$**	**81,526**	$	379,011	**$**	**143,244**	$	457,204

(Expressed in Canadian Dollars)

20. Related party balances and transactions (continued)

As at August 31, 2013 directors and key management personnel were owed $245,798 (February 28, 2013 - $81,908).

21. Segmented information

The Company has determined that it only operates in one segment, being acquisition, exploration and development of mineral properties for economically recoverable reserves. Non-current assets segmented by geographical area are as follows:

		August 31, 2013		February 28, 2013
Canada	**$**	**3,801**	$	4,375
Haiti		**2,767,908**		2,787,287
Total	**$**	**2,771,709**	$	2,791,662

22. Capital management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be equity, which is comprised of share capital, reserves and deficit which at August 31, 2013 totalled $988,736 (February 28, 2013 - $1,461,819).

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration programs and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts when economic conditions permit it to do so.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

(i) minimizing discretionary disbursements;
(ii) focusing financing exploration expenditures on those properties considered to have the best potential; and
(iii) exploring alternative sources of liquidity.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if the Company thinks there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

The Company's capital management objectives, policies and processes have remained unchanged during the three and six months ended August 31, 2013.

The Company is not subject to any external capital requirements or restrictions.

23. Financial risk factors

Financial risk

The Company's activities expose it to a variety of financial risks in relation to financial instruments. The financial assets and liabilities by category are summarized in note 24. The main types of risks are credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Trade and other payables of $1,038,667 (February 28, 2013 - $636,365) and debt obligations of $2,024,503 (February 28, 2013 - $1,971,918) have a contractual maturity of less than 3 months.

(i) Credit risk

Credit risk is the risk of loss associated with a counter party’s inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, and accounts receivable. Cash and cash equivalents are held with reputable Canadian chartered banks, from which management believes the risk of loss to be minimal. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank.

The Company's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

None of the Company's financial assets are secured by collateral or other credit enhancements.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company’s liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at August 31, 2013, the Company had cash of $45,970 (February 28, 2013 - $59,218) and current liabilities of $3,058,879 (February 28, 2013 - $2,608,283). All of the Company's financial liabilities have contractual maturities of less than 30 days, except certain debt obligations (see note 11), and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

SOMINE SA is currently in arrears on its US$1,700,000 payments to the Haitian Government per the terms of the Mining Convention signed in 1997 and should the Government of Haiti issue a demand for payment notice, there is a risk that the two Mining Exploitation Permits previously issued by the Government may be revoked.

As of the reported date the Company does not have the funds to pay the Government of Haiti and should the Company be unable to ascertain proper funding to settle a demand for payment status it risks losing its two Mining Exploitation Permits on the SOMINE projects. The loss of these permits would pose a serious risk to the Company’s ability to remain a going concern.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

23. Financial risk factors (continued)

(a) Interest rate risk

The Company has cash and cash equivalents balances and no interest-bearing debt. The Company's policy as it relates to its cash and cash equivalents balances is to invest excess cash in highly liquid, low-risk, short-term interest-bearing investments (such as investment savings accounts, term deposits or guaranteed investment certificates) in Canadian chartered banks with maturities of 90 days or less from the original date of acquisition.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian and US dollars. The Company is exposed to fluctuations in the value of assets and liabilities which are denominated in U.S. dollars (USD) and the Haitian Gourde (HTG). The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

(c) Equity price risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company holds publicly listed shares of companies in the mineral exploration industry. The Company is exposed to market risk in holding these shares and unfavourable market conditions could result in the disposal at less than its fair value at August 31, 2013. The Company closely monitors commodity prices of precious minerals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken by the Company.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

(i) As at August 31, 2013, the Company held the following monetary assets and liabilities in foreign currencies:

Canadian Dollar Equivalent

Denominated in:	USD	HTG
Cash	9,310	95,682
Trade and other payables	(296,846)	(1,617,634)
Debt obligation	(2,002,000)	-
Net exposure	(2,289,536)	(1,521,952)

As at August 31, 2013, the foreign exchange risk on HTG is not significant. As at August 31, 2013, had the exchange rates for USD been 1% lower/higher, the net income (loss) for the period would have been approximately $22,900 higher or lower.

(ii) As at August 31, 2013, the value of the publicly listed shares held by the Company is $283. At August 31, 2013, had the bid price for these publicly listed shares been 50% lower/higher, the comprehensive loss for the period would have been approximately $140 higher/lower.

(Expressed in Canadian Dollars)

24. Categories of financial instruments

		August 31, 2013		February 28, 2013
Financial assets:				
Loans and receivables				
Cash	**$**	**45,970**	$	59,218
Available-for-sale				
Marketable securities	**$**	**283**	$	595
Financial liabilities:				
Other financial liabilities				
Trade and other payables	**$**	**1,038,667**	$	636,365
Debt obligations	**$**	**2,020,212**	$	1,971,918
Long-term debt	**$**	**4,291**	$	3,323

As of August 31, 2013 and February 28, 2013, the fair value of all the Company's financial instruments, excluding long term debt and Government of Haiti debt included in debt obligations, approximated the carrying value, due to their short term nature.

Long term debt was valued at acquisition by performing a present value calculation on the expected cash outflows using a discount rate of 50% and a starting period of 6.5 years in the future.

The Government of Haiti debt was valued at acquisition by performing a present value calculation on the expected cash outflows using a discount rate of 10%.

Financial instruments measured at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The marketable securities classified as available for sale assets and valued at fair value using unadjusted quoted prices in active markets are classified in Level 1.

25. Commitments

The Company has an office lease agreement for a lease ending August 31, 2013, for an annual amount of $10,700.

26. Contingencies

On August 12, 2010, the Company retained Allyson Taylor Partners Inc. ("ATP") as its investor relations consultant for consideration of a monthly fee of $10,000. The agreement was for a minimum of 12-month term, with an early termination on a 60-day notice. On October 22, 2012, ATP filed a claim against the company before the court of Quebec for abusive termination of the agreement and unpaid invoices in the amount of $60,554 (recorded in trade and other payables). In defense to this action, the Company filed a cross-demand to claim the reimbursement of all invoices paid under said agreement, for a total amount of $216,143. Both parties filed a ''declaration of Readiness'' on May 23, 2013 and are waiting for a trial date, which should not take place before 2014.

27. Subsequent events

On September 9, 2013, the Company announced the closing of the second and final tranche of its non-brokered private placement (the "Private Placement") which was originally announced on July 30, with updates on August 8 and August 12, 2013. Gross proceeds of the second tranche totalling $75,000 have been received in connection with the issuance of 7,500,000 units (each a "Unit") of the Company, at a price of $0.01 per Unit. Each Unit consists of one common share and one share purchase warrant (a ''Warrant''). Each Warrant entitles the holder thereof to purchase one additional common share of the Company until September 9, 2015 at a price of $0.05 per share in year one and $0.10 per share in year two.

The total gross proceeds of the two tranches were $150,000 on the issuance of 15,000,000 units.

The Private Placement was conducted In accordance with the TSX Venture Exchange's (the "Exchange") Bulletin dated April 12, 2013 Re: Private Placements – Extension and Modification of Temporary Relief From Certain Pricing Requirements.

On September 13, 2013, Mr. Daniel Hachey resigned from his positions of President, CEO, interim CFO, and Director of Majescor. As his replacement, Mr. Marc-André Bernier, Director and technical adviser to the Board, has been appointed as President and interim CEO.

Mr. Sabino Di Paola has been appointed as Chief Financial Officer of the Company. Mr. Di Paola, who is a Chartered Professional Accountant, CPA, CA, and member of the Chartered Professional Accountants Ontario and Ordre des CPA du Québec, is also the Chief Financial Officer of Undur Tolgoi Minerals Inc., Melkior Resources Inc., and Everton Resources Inc. which are all junior exploration companies.

On October 1, 2013 the Company announced the signing of an Option Agreement with the joint venture partners of the Brauna diamond property located in the State of Bahia, Brazil, to purchase the Company's 1% Gross Sales Royalty (the "Royalty") on the Property. Majescor had been granted the Royalty on the Property pursuant to a share purchase agreement executed on March 1, 2007 between Majescor and Vaaldiam Resources Ltd., the former owner of the Property.

Under the Option Agreement, Majescor hereby grants the joint venture partners until March 31, 2014 the sole and exclusive irrevocable right and option (the "Option") to acquire the Royalty, in accordance with the following terms: (a) In order to acquire a 0.25% interest in the Royalty, the Purchasers paid $125,000 to Majescor on the effective date of the Option Agreement; (b) In order to acquire an additional 0.25% interest in the Royalty, the Purchasers shall pay an additional $125,000 to Majescor on or before December 31, 2013, unless otherwise extended by the parties under the Option Agreement, upon which payment the Purchasers shall have acquired a 0.50% interest in the Royalty; (c) Upon the Purchasers having completed the purchases above and having respected other terms and conditions outlined in the Option Agreement, in order to acquire the remaining 0.50% interest in the Royalty, the Purchasers shall pay an additional $250,000 to Majescor on or before March 31, 2014, upon which payment the Purchasers shall become the beneficial and legal owner of 100% of all of Majescor's right, title and interest in, to and under the Royalty.

27. Subsequent events (continued)

The Option may be exercised partially or in full, and, if exercised only partially, the Purchasers shall, for greater certainty, remain the legal and beneficial owners of any interest in the Royalty acquired pursuant to payments made in accordance with the provisions of the Option Agreement.

On October 18, 2013, the Company held its Shareholders' annual and special meeting on October 17th, 2013 in Ottawa at 11:00 a.m. The Company announced that:

- the Directors of the Company are: Mr. Marc-André Bernier, Mr. C.Tucker Barrie, Mr. André Audet, Mr. Jean-Guy Lacasse, and Mr. Peter F. Chodos;
- the "rolling" stock option plan was approved; and
- the shareholders have approved the consolidation of the Company's common share capital on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares held (subject to exchange acceptance); the number of Common Shares of the Company issued and outstanding will be reduced from 92,044,410 shares to 9,204,441 shares, the number of stock options of the Company issued and outstanding will be reduced from 5,070,000 options to 507,000 options, and the number of warrants of the Company issued and outstanding will be reduced from 26,001,600 warrants to 2,600,160 warrants

The Board of Directors' opinion is that the Company's existing issued and outstanding Common Share structure is not conducive to securing additional equity financing and that a restructuring is warranted in order to facilitate attracting new investments to the Company. Implementing the restructuring process in a timely manner will also put the Company in a much stronger position to take advantage of potential value-added opportunities.