MAJESCOR RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MAY 31, 2011.

The following Management Discussion and Analysis ("MD&A") of the operations, results and financial position of Majescor Resources Inc. (the "Company" or "Majescor"), current as of August 25, 2011 should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes for the three months ended May 31, 2011 as well as the Company's audited consolidated financial statements and related notes for the years ended February 28, 2011 and 2010.

On March 1, 2011, the Company adopted International Financial Reporting Standards ("IFRS"). The unaudited condensed consolidated interim financial statements for the 1st quarter ended May 31, 2011 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") and using policies consistent with IFRS. A discussion of IFRS and its impact on the Company's financial presentation is presented in this report in the Change in Accounting Policies section. The comparative financial information of 2010 in this MD&A has been restated to conform to IFRS, unless otherwise stated. All financial results presented in this MD&A are expressed in Canadian. dollars unless otherwise indicated.

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 Haiti, Canada 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.

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.

Going concern assumption

In assessing whether the Company's going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. The carrying amounts of assets, liabilities and expenses presented in the consolidated financial statements and the balance sheet classifications have not been adjusted as would be required if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for the consolidated financial statements, adjustments to the carrying value of assets and liabilities and expenses and balance sheet classification, which could be material, may be necessary.

As at May 31, 2011, the Company had a working capital of $591,297, including $276,931 in cash and cash equivalents, $504,919 in short-term investments and current liabilities totalling $532,256. Along with $4 million that the Company raised through a private placement subsequent to quarter-end (see subsequent events for more details), the Company anticipates having sufficient funds to undertake the exploration program on the SOMINE project (including a $2 million exploration commitment over the two year period ending June 22, 2012) and meet its general and administrative costs for the next twelve months.

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 project in Haiti (controlled by Majescor's wholly-owned affiliate SACG; titles held by SACG's Haitian partner, SOMINE SA), Majescor's project portfolio includes the Mistassini-uranium property (under joint-venture: 40% Majescor, 60% Strateco Resources Inc.), located in the James Bay territory of northern Quebec. In Madagascar, Majescor owns 100% mineral rights to the Besakoa gold and base metal property (under option to Sunridge Gold Corp.).

SOMINE project, North-East Haiti (Copper-Gold):

In May 2011, Majescor and Haitian partner Somine SA reported a new copper – gold zone on the SOMINE project. In early 2011, SOMINE SA geologists sampled and mapped the northern half of the principal NNE-trending ridge on the SOMINE project that also hosts: the Blondin porphyry copper deposit; the Douvray porphyry copper deposit; and the Dos Rada copper-gold occurrence.

The new copper-gold zone, termed the **Mathelière zone**, has a 2.4 km strike length and is up to 800 m wide. Surface grab samples of malachite-bearing altered andesite, gossanous rock and quartz – iron oxide rock yielded 35 (of 83) samples with **> 1% Cu** (further assays pending), and 9 samples with **0.5 to 9.0 ppm Au**. Majescor and partner SOMINE SA are encouraged by these results, as they are very similar to the assay values and geology at the Blondin and Douvray deposits along trend to the SSE; as well as to the 3.5 km-long by 800 m-wide Dos Rada mineralization further along trend to the south-southeast on the property.

Majescor and partner SOMINE SA designed a core drilling program which aims to define and expand the mineralization at the Douvray and Blondin copper – gold prospects. In addition, a comprehensive mapping, sampling and induced polarization program has been designed for the Mathelière and Dos Rada areas, with the goal to bring these new copper – gold discoveries to the drill stage within six months.

Also in May 2011, Buscore Consulting Ltd. mobilized to the SOMINE project in NE Haiti to set up for the drill campaign. Soil sampling and limited rock chip sampling and mapping have taken place over the summer months. But most of the effort by Buscore has been to re-establish the old SOMINE SA base camp located at Roche-Plate adjacent to the SOMINE project to make it suitable for a 20-30 person crew that will include drillers, geophysical technicians, geologists and other support staff for the drill campaign, slated to begin in September.

In August 2011, Majescor received results from drilling of the Faille B gold deposit on the SOMINE project, NE Haiti, by partner SOMINE SA. The drill program took place in the fall of 2009, but analyses and results were delayed due to the earthquake of January 2010 in Port-Au-Prince.

The Faille B orogenic gold vein prospect is located1.8 km south of the Douvray Cu-Au deposit on the property. Previous work by a team from the United Nations in the 1970s and 1980s drilled 16 drill holes and excavated >15 trenches across the strike of the quartz-gold vein system that cuts altered volcanic rocks. The UN team revealed that the system is exposed at surface for ~300 m along a NW strike, and up to 100 m across strike, and is open along strike and at depth. The UN drilling cut vein gold mineralization to a true depth of 100m, and reported a resource of 1.07 MT @ 2.36 g/t Au, or 81,196 ounces* Au, to that depth.

Significant intersections from the 9 DDH of the SOMINE drill campaign are as follows:

DDH FB-09-01: from 27-42m:	0.14 ppm Au, 0.07 wt.% Cu/15m
DDH FB-09-02: from 87.9-101.5m:	0.14 ppm Au, 0.13 wt.% Cu/13.6m
DDH FB-09-03: from 20.4-21.4m:	1.95 ppm Au, 0.63 wt.% Cu/1m
DDH FB-09-04: from 21-25.5m:	3.91 ppm Au, 1.52 wt.% Cu, 10 ppm Ag/4.5m
and from 34.5-36m:	0.8 ppm Au/1.5m
DDH FB-09-05: from 36.5-38m:	1.0 ppm Au, 0.26 wt.% Cu/1.5m
DDH FB-09-06: from 57.5-63.5m:	3.0 ppm Au, 0.36 wt.% Cu/6m
and from 120.5-122m:	1.68 ppm Au, 0.29 wt.% Cu/1.5m
DDH FB-09-07: 49.4-54.5m:	3.0 ppm Au, 1.41 wt.% Cu, 10 ppm Ag/5.1m
and from 68-74m:	1.0 ppm Au, 0.71 wt.% Cu/6m
DDH FB-09-08: no significant values	
DDH FB-09-09: from 92-102.5m:	77.0 ppm Au, 0.17 wt.% Cu, 11.7 ppm Ag/10.5m
including from 98-99.5m:	537 ppm Au, 0.21 wt.% Cu, 79 ppm Ag./1.5m

The high grade sample from DDH FB-09-09 is being re-submitted for analysis.

- *Historical mineral resources estimate (non-NI 43-101 compliant). A qualified person has not done sufficient work to classify the historical estimate as current mineral resources, the issuer is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon.*

Majescor is presently evaluating these new data along with the historical UN data to determine whether Faille B represents a stand-alone project, which could be developed ahead of the Douvray and Blondin porphyry Cu-Au deposits on the property.

Mistassini, Otish Mountains, Quebec (Uranium): Uranium rights in joint-venture with Strateco Resources Inc.

The Mistassini property is host to the Lac Mantouchiche uranium prospect where in November 2007, the Company drilled an 18.5-metre intersection grading 0.215% U_3O_8 at a vertical depth of 47 metres in hole MIST-07-03 (see Majescor Press Releases dated February 25 and May 29, 2008). 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 uranium property.

In February 2011, Strateco fulfilled the condition contained in the February 2008 agreement with the Company, by spending $1.3 million in exploration expenditures, and earned its 60% interest in the uranium rights on Majescor’s Mistassini property. On May 16, 2011, Strateco and Majescor executed a formal Joint Venture (JV) Agreement having an effective date of February 14, 2011. The entering into the JV Agreement was announced in a press release dated June 2, 2011. Under the terms of the Agreement, as long as Strateco will retain a 50% interest on uranium rights, Strateco will be the Operator of the JV and will lead the management committee for exploration of uranium on the Mistassini property and will have full and exclusive access to the property. Strateco will carry out a ~$100,000 radon collector cup survey over the Lac Mantouchiche uranium showing and vicinity over the summer months.

Madagascar gold and base metal property: Optioned to Sunridge Gold Corp. (‘‘Sunridge’’)

Under the terms of the September 15, 2008 agreement, and the extension agreement of July 2009, between Sunridge, Majescor and its Malagasy affiliate company Daraina Exploration SARL, 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 3 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.

In March 2010, Sunridge Gold Corp. ("Sunridge") advised Majescor of its intention not to pursue exploration work on three out of four of the Company's gold and base metal properties under option to Sunridge in Madagascar (Analalava, Daraina, and Analalava). Sunridge will continue with the Besakoa property exploration program. Subsequent to Sunridge's notice, the Company has elected to let the Analalava, Daraina, and Analalava properties lapse. Sunridge is the operator of the Besakoa VMS property exploration program. The Besakoa property hosts a series of historical polymetallic (copper-zinc-silver-gold) showings, including the Besakoa volcanogenic massive sulphide ("VMS") prospect, the principal VMS occurrence in Madagascar.

In June, joint venture partner Sunridge Gold commenced on the Company's Besakoa copper/zinc/gold project in Madagascar. The drilling will consist of 5,000 meters of diamond drilling focusing on a number of targets which were identified during exploration work conducted by the Company in 2010. The geological environment at Besakoa has strong similarities to the Company's Asmara Project in Eritrea where the Company has been successful in defining large amounts of copper, zinc and gold in a series of volcanogenic-massive-sulphide (VMS) deposits. The same exploration techniques used in Eritrea were used to define the drill targets at Besakoa.

The initial drill program will test nine high priority VMS-style targets which have been defined by Sunridge using airborne and ground geophysical surveys (electromagnetics, magnetics, gravity and audio-magneto-tellurics) soil geochemical surveys, geological and structural mapping, and VMS gossan prospecting.

Princess Mary Lake base camp, Nunavut.

On October 4, 2010, Majescor awarded a contract to Discovery Mining Services Ltd ("Discovery") of Yellowknife to undertake the full demobilisation of the Princess Mary Lake ("PML") base camp, located in the East Thelon basin area of Nunavut. Construction work on the PML camp was started by Uranium World Energy Inc. ("UWE") in 2007, in preparation for the Baker Lake property uranium exploration program, but was never completed. In October of 2007, Majescor terminated its agreement with UWE.

Camp demobilisation work, originally scheduled to start in early October 2010, was delayed owing to unfavourable weather conditions in the Baker Lake area. On August 15, 2011, the Company was informed by Discovery that the clean-up of the PML camp site had been completed. Majescor will report the final PML camp site clean-up to INAC upon receiving the final demobilisation report from Discovery

<u>Qualified person</u>

The above technical information was prepared, confirmed and/or reviewed by C.Tucker Barrie, Ph.D., P.Geo., Majescor's Vice-President of Exploration, and a qualified person under NI 43-101.

Financial Information

The following selected financial data is derived from the Company's unaudited condensed consolidated interim financial statements of the Company that were prepared in accordance with IFRS, as described in the change in Accounting Policies section.

Selected Consolidated Financial Information	Three months Ended May 31, 2011	Three months Ended May 31, 2010
	$	$
Operations		
Exploration and evaluation expenditures	43,181	-
General and administration	244,310	165,504
Interest and other income	3,116	89
Net loss attributable to equity holders of the Parent Company	235,814	165,382
Non-controlling interest	51,032	-
Basic and diluted loss per share	0.01	0.01
Cash Flows		
Cash flows used in operating activities	321,684	77,411
Cash flows used in investing activities	-	10,930
Cash flows provided by (used in) financing activities	160,887	(4,895)
Net change in cash and cash equivalents	(300,402)	(93,269)

	May 31, 2011	Feb 28, 2011	March 1, 2010
	$	$	
Balance Sheet			
Cash and cash equivalents	276,931	577,333	111,480
Short-term investments	504,919	503,153	-
Marketable securities	9,057	11,947	97,604
Long-term investments	-	4,621,825	1,304,652
Mineral exploration properties	11,020,573	24,520	24,520
Total assets	12,280,310	5,986,046	1,883,235
Long term payables	4,324,705	-	-
Equity attributable to equity holders of the Parent Company	5,684,754	5,811,098	1,487,212
Non-controlling interest	1,736,595	-	-

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

Exploration and evaluation expenditures were $43,181 for the quarter ended May 31, 2011 ($Nil –May 31, 2010) and represent the exploration expenses incurred since May 7, 2011, the effective date of control over SACG. On transition to IFRS, the Company elected to expense expenditures incurred on properties in the exploration and evaluation (E&E) phase.

General and administrative expenses are summarized as follows:

	Three Months Ended May 31, 2011	2010
Management and consulting fees	$ 77,523	$ 55,844
Share-based payments	1,948	3,545
Salaries and benefits	40,164	40,934
Travel and promotion	47,072	10,180
Shareholder information	1,340	1,218
Professional fees	55,438	27,295
Office and general expenses	18,008	23,303
Amortization of property, plant and equipment	2,817	3,185
	$244,310	$165,504

Travel and promotion expenses were higher during the quarter ended May 31, 2011 compared to 2010, mainly due to fees paid to IR consultant for $30,000 ($Nil in 2010).

Professional fees were higher during the quarter ended May 31, 2011 compared to 2010, mainly due to higher legal fees.

Quarterly information

The following summarized financial data has been prepared in accordance with IFRS except the 2010 data which has been prepared in accordance with CGAAP and should be read in conjunction with the Company's interim consolidated financial statements for those periods.

Quarter Ended	Accounting policies	Other Income	Net Loss	Basic and diluted Net Loss per common share
		$	$	$
31/05/2011	IFRS	3,116	286,846	0.010
28/02/2011	IFRS	3,327	148,431	0.003
30/11/2010	IFRS	2,727	253,552	0.006
31/08/2010	IFRS	2,235	204,958	0.008
31/05/2010	IFRS	89	165,382	0.008
28/02/2010	Canadian GAAP	235	612,894	0.034
30/11/2009	Canadian GAAP	679	74,711	0.005
31/08/2009	Canadian GAAP	-	957,291	0.057

Net loss and the basic and diluted net loss per common share were significantly higher during the quarters ended August 31, 2009 and February 28, 2010 as compared to the other quarters, due to higher write-down of mining properties and deferred exploration expenses which were $808,784 and $248,539 respectively.

Liquidity, Capital Resources and Going Concern

The Company's working capital stands at $908,104 at May 31, 2011 as compared to a working capital of $1,118,213 at February 28, 2011. This decrease is mostly due to the following changes:

- General and administrative expenses in the normal course of business for ($321,684)
- Effect of exchange rate fluctuations for ($139,605)
- Proceeds from exercise of warrants and options for a total of $42,052
- Cash received on acquisition of SACG for $118,837

With a working capital of $908,104 at May 31, 2011 (including $276,931 in cash and cash equivalent and $504,919 in short-term investments, and current liabilities totalling $215,449) along with $4 million that the Company raised through a private placement subsequent to quarter-end (see subsequent events), the Company anticipates having sufficient funds to undertake the exploration program on the SOMINE project (including a $2 million exploration commitment over the two year period ending June 22, 2012) and meet its general and administrative costs for the next twelve months.

Off Balance Sheet Arrangements

As of May 31, 2011, the Company has no off balance sheet arrangements.

Related Party 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.

Related party transactions conducted in the normal course of operations are measured at the fair value (the amount established and agreed to by the related parties).

(a) Majescor entered into the following transactions with related parties:

		Three Months Ended May 31,	
	Notes	**2011**	**2010**
Everton Resources Inc. ("Everton")	(i)	**$15,223**	$ 14,964
Woodcliff Capital Inc. ("Woodcliff")	(ii)	**$ -**	$ 10,500

(i) Under an agreement between the Company and Everton, the Company reimburses the cost of shared salaries and benefits, rent and office expenses paid by Everton (which shares common management). As at May 31, 2011, Everton was owed $5,019.

(ii) Under an agreement between the Company and Woodcliff, a management company wholly-owned by the former Chairman of Majescor, the Company paid consulting fees to Woodcliff up to June 30, 2010. As at May 31, 2011, this individual was owed $nil.

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

	Three Months Ended May 31,	
	2011	**2010**
Salaries and benefits, including directors fees	**$45,895**	$ 40,934
Consulting fees	**$30,350**	$ -
Share based payments	**$ 1,948**	$ 3,545

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, no write-down was deemed necessary during the quarter ended May 31, 2011 ($Nil in 2010).

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, short-term investments, marketable securities, accounts receivable and accounts payable and accrued liabilities. Other than marketable securities, the fair value of these instruments approximates their carrying value, given their short-term nature. It is management’s opinion that the Company is not exposed to significant credit risks arising from these financial instruments. A plus or minus 10% change in the value of the marketable securities would affect the comprehensive loss for the period by approximately $900.

Critical Accounting Policies and Estimates

The preparation of the Interim Financial Statements requires Management to make estimates and assumptions about the future that affect the amounts recorded in the Interim Financial Statements. These estimates and assumptions are based on the Company’s experience and Management’s expectations about future events that are believed to be reasonable under the circumstances, and they are continually being evaluated based on the new facts and experience. Actual results may differ from these estimates and assumptions. The effect of a change in accounting estimate is recognized prospectively in the period of change and future periods if the change impacts both periods.

The Company’s significant accounting policies and estimates are fully described in note 3 to the condensed consolidated financial statements for the quarter ended May 31, 2011.

Change in Accounting Policies

The Company prepared its unaudited condensed consolidated interim financial statements for the 1st quarter ended May 31, 2011 in accordance with IFRS. These are the Company’s first financial statements prepared in accordance with IFRS as issued by the IASB.

The policies set out in the Significant Accounting Policies section have been applied in preparing the condensed consolidated interim financial statements for the three months ended May 31, 2011 and in the preparation of an opening IFRS statement of financial position at March 1, 2010 (the Company’s Transition Date).

The preparation of these unaudited condensed consolidated interim financial statements resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian GAAP. The accounting policies listed below have been applied consistently to all periods presented in the financial statements. They also have been applied in preparing an opening IFRS statement of financial position as at March 1, 2010, the Company’s Transition Date, for the purposes of the transition to IFRS, as required by IFRS 1. The accounting policies have been selected to be consistent with IFRS as is expected to be effective on February 28, 2012, the Company’s first annual IFRS reporting date. The standards and interpretations within IFRS are subject to change and accordingly, the accounting policies for the annual period that are relevant to these unaudited condensed consolidated interim financial statements will be finalized only when the first full IFRS financial statements are prepared for the year ending February 28, 2012. Below is a summary discussion of some of the key impacts of conversion to IFRS:

First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS that are in effect at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has elected to apply the following optional exemptions in the preparation of its opening IFRS statement of financial position as at March 1, 2010, the Company's Transition Date.

Business Combinations:	This election allows the Company to adopt IFRS 3 prospectively from the date of transition.
Share-Based Payment:	This exemption allows the Company to not apply IFRS 2, Share-based payments, retrospectively to options granted on or before November 7, 2002 or granted after November 7, 2002 and vested before the date of transition.
Cumulative Translation Differences	IFRS 1 allows first-time adopters to elect to eliminate all previously recorded cumulative translation differences related to foreign operations at the Transition Date. The Company has chosen to apply this election.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date are consistent with those that were made under Canadian GAAP.

Changes to accounting policies

The Company has changed certain accounting policies to be consistent with IFRS. The changes to its accounting policies have resulted in certain changes to the recognition and measurement of assets, liabilities, equity, revenue and expenses within these financial statements.

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

(a) Impairment of (non-financial) assets

IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets have been changed to reflect these differences. There was no impact on the unaudited condensed consolidated interim financial statements.

(b) Share based payments

Unlike Canadian GAAP, IFRS 2 requires that the extinguishment of granted stock options be taken into account at initial recognition of the share-based compensation costs at the time of granting rather than recognizing the extinguishments when they occur. Moreover, in case of graded vesting or awards with a service condition, IFRS 2 requires that each vesting range be measured and recorded separately so as to obtain a distinct fair value for each range.

The Company believes that the changes of this policy will have a limited impact on its financial statements, given that all the granted stock options vested immediately at the grant date, except for a non material number of stock options granted with a service condition, which vested on a quarterly basis.

(c) Exploration and evaluation expenditures

On transition to IFRS, the Company elected to expense expenditures incurred on properties in the exploration and evaluation (E&E) phase. The E&E phase begins when an entity obtains the legal rights to explore a specific area and ends when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. IFRS 6 requires entities to select and consistently apply an accounting policy specifying which E&E expenditures are capitalized and which are expensed.

Previously, the Company's policy under Canadian GAAP required exploration and evaluation costs to be capitalized if the Company believed that these costs have the characteristics of property, plant and equipment.

This is considered a change in accounting policy and must be applied on a retrospective basis.

(d) Flow-through shares

On transition to IFRS, the Company elected to account for flow-through shares whereby flow-through proceeds are allocated between common shares and a liability that represents the Company's obligation to revert the tax benefit to the investor by means of a renouncement. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A future tax liability is recognized for the premium paid by the investors and is then recognized as a future income tax recovery in the period of renunciation. If flow-through shares are sold at a discount, this policy does not apply and the flow-through shares issued follow applicable IFRS guidance.

Previously, the Company's Canadian GAAP policy was to adopt the recommendations of EIC 146 with respect to the accounting for flow-through shares. This resulted in the Company reducing the net proceeds of the flow-through share issuance by the future tax liability of the Company resulting from the renunciation of the exploration and development expenditures in favour of the flow-through share subscribers.

(e) Property, plant and equipment

The Company has elected to measure property, plant and equipment ("PPE") using the cost model. Previously, under Canadian GAAP the Company used the same cost model. However, under IAS 16, depreciation commences when an asset is in the location and condition that enables it to be used in the manner intended by management. Depreciation shall cease at the earlier of its derecognition (sale or scrapping) or its reclassification as “held for sale”. Temporary idle activity does not preclude depreciating the asset, as future economic benefits are consumed not only through usage but also through wear and tear and obsolescence.

The Company will depreciate exploration equipment which has been idle since acquisition on a retrospective basis.

Transition date and comparative unaudited condensed consolidated financial statements

The changes in accounting policies resulting from the Company’s adoption of IFRS had the following impact on the unaudited condensed consolidated statement of comprehensive income, on the condensed consolidated statement of financial position and on the unaudited condensed consolidated statement of cash flows for the three months ended May 31, 2010 and the year ended February 28, 2011.

Impact on Condensed Interim Statements of Financial Position

	Note		February 28, 2011	May 31, 2010	March 1, 2010
Adjustment to mineral exploration properties	(c)	$	(249,999)	$(249,999)	$(249,999)
Adjustment to property, plant and equipment	(e)	$	(21,600)	$(14,400)	$(12,000)
Adjustment to contributed surplus	(b)	$	(1,037)	$ -	$ -
Adjustment to share capital	(d)	$	591,002	$591,002	$ 591,002
Adjustment to deficit	(b)(c)(d)(e)	$	(863,638)	$(855,401)	$(853,001)

Impact on Condensed Interim Statements of Loss and Comprehensive Loss

	Note	Year ended February 28, 2011	Three months ended May 31, 2010
Adjustment to general and administrative	(b)(e)	$10,637	$ 2,400
Adjustment to net loss and comprehensive loss		$(10,637)	$(2,400)

Impact on Condensed Interim Statements of Cash Flows

	Note	Year ended February 28, 2011	Three months ended May 31, 2010
Adjustment to net loss		$(10,637)	$(2,400)
Adjustment to depreciation of property, plant and equipment	(e)	$ 9,600	$ 2,400
Adjustment to share based payments	(b)	$ 1,037	-

Presentation

Certain amounts in the unaudited condensed consolidated interim statements of financial position, statements of loss and comprehensive loss and statements of cash flows have been reclassified to conform to the presentation adopted under IFRS.

<u>Outstanding Share Data</u>

Common shares and convertible securities outstanding at August 25, 2011 are as follows:

Securities	Expiry date	Exercise price	Securities outstanding
Common shares	-	-	61,334,410
Warrants	Up to August 19, 2013	$0.12 to $0.40	20,096,800
Options	Up to July 28, 2016	$0.15 to $2.80	3,427,500

Subsequent events

(i) In June 2011, the Company extended for a one-year period the expiry of 2,995,000 common share purchase warrants at an exercise price of $0.30, which were set to expire on June 17, 2011.

(ii) On June 18, 2011, in accordance with the Company's compensation policy and stock option plan, the Company granted 950,000 stock options to Officers of the Company for a five-year period and 250,000 stock options to an employee and Consultants for twenty-four months. Each stock option entitles the holder to subscribe for one common share of the Company at a price of $0.25 per share.

(iii) On August 3, 2011, the Company completed the first tranche of a non-brokered private placement of 16,950,000 units (the "Units") at a price of $0.20 for gross proceeds of $3,390,000. Each Unit consists of one common share of the Company and one-half common share purchase warrant ("Warrant"). Each whole Warrant entitles its holder to acquire one additional common Share of the Company at a price of $0.35 per share until July 28, 2013. The proceeds will be used to advance the Company's exploration program on the SOMINE Copper-Gold property in Haiti and fund its general working capital. Officers and Directors of the Company have participated in the private placement for a total amount of $175,000.

The Company has paid cash commission totalling $234,320 and issued 1,171,600 non-transferable agent warrants, each warrant entitling the holder to acquire one common Share of the Company at a price of $0.25 per share until January 28, 2013. All securities issued in the private placement are subject to a four month plus one day hold period expiring on November 29, 2011.

(iv) On August 18, 2011, the Company completed the second tranche of a non-brokered private placement of 2,550,000 units (the "Units") at a price of $0.20 for gross proceeds of $510,000. Each Unit consists of one common share of the Company and one-half common share purchase warrant ("Warrant"). Each whole Warrant entitles its holder to acquire one additional Common Share of the Company at a price of $0.35 per share until August 12, 2013. The proceeds will be used to advance the Company's exploration program on the SOMINE Copper-Gold project in Haiti and fund its general working capital.

The Company has paid cash commission totalling $37,600 and issued 188,000 non-transferable agent warrants, each warrant entitling the holder to acquire one common share of the Company at a price of $0.25 per share until February 12, 2013. All securities issued in the private placement are subject to a four month plus one day hold period expiring on December 13, 2011.

(v) On August 24, 2011, the Company completed the third and final tranche of a non-brokered private placement of 500,000 units (the "Units") at a price of $0.20 for gross proceeds of $100,000. Each Unit consists of one common share of the Company and one-half common share purchase warrant ("Warrant"). Each whole Warrant entitles its holder to acquire one additional common share of the Company at a price of $0.35 per share until August 19, 2013.

The Company paid a cash commission of $8,000 and issued 40,000 non-transferable agent warrants, each warrant entitling the holder to acquire one common share of the Company at a price of $0.25 per share until February 19, 2013. All securities issued in the private placement are subject to a four month plus one day hold period expiring on December 20, 2011.

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, HTG (Haitian Gourdes) 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 August 25, 2011. Additional information on the company is available through regular filings of press releases, financial statements and its annual information form on SEDAR (www.sedar.com).

(s) ''Daniel Hachey''
Daniel Hachey, Chief Executive Officer

(s) ''Khadija Abounaim''
Khadija Abounaim, Chief Financial Officer