MAJESCOR RESOURCES INC.

Consolidated Financial Statements

Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

Management's Responsibility for Consolidated financial statements

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

The consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and (ii) the consolidated 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 audited consolidated annual financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated 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 consolidated 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 consolidated 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)
Andre Audet
Interim Chief Executive Officer

(signed)
Sabino Di Paola
Chief Financial Officer

Ottawa, Canada
June 28, 2016

McGovern, Hurley, Cunningham, LLP
Chartered Accountants

2005 Sheppard Avenue East, Suite 300
Toronto, Ontario
M2J 5B4, Canada
Phone 416-496-1234
Fax 416-496-0125
Web www.mhc-ca.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Majescor Resources Inc.:

We have audited the accompanying consolidated financial statements of Majescor Resources Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at February 29, 2016, and the consolidated statements of operations, consolidated statements of comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the year ended February 29, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Majescor Resources Inc. and its subsidiaries as at February 29, 2016, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matters

The consolidated financial statements of Majescor Resources Inc. for the year ended February 28, 2015 were audited by other auditors who expressed an unmodified opinion on those statements on June 19, 2015.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 3 in the consolidated financial statements which indicates that the Company had continuing losses during the year ended February 29, 2016 and limited working capital as at February 29, 2016. These conditions along with other matters set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
June 28, 2016

Majescor Resources Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	February 29, 2016	February 28, 2015
Assets		
Current assets		
Cash	$ 63,987	$ 71,528
Accounts receivable (Note 7)	14,710	19,678
Prepaid expenses	1,934	7,888
Total current assets	80,631	99,094
Property and equipment (Note 8)	-	19,000
Total assets	$ 80,631	$ 118,094
Liabilities and Equity		
Current liabilities		
Trade payables (Note 11)	$ 102,833	$ 761,691
Debt obligations (Note 12)	-	2,503,101
Total current liabilities	102,833	3,264,792
Long-term debt (Note 13)	-	4,871
Total liabilities	102,833	3,269,633
Equity		
Share capital (Note 14)	34,043,280	33,911,780
Contributed surplus	5,292,468	5,260,890
Warrants (Note 15)	311,778	228,755
Deficit	(39,669,728)	(40,767,974)
Equity attributable to equity holders of the Parent Company	(22,202)	(1,366,549)
Equity attributable to non-controlling interest (Note 19)	-	(1,785,020)
Total equity	(22,202)	(3,151,569)
Total liabilities and equity	$ 80,631	$ 118,094

Going concern (Note 3)
Contingencies (Note 28)
Events after the reporting period (Note 30)

Approved on behalf of the Board:

(signed) "Andre Audet"
Andre Audet, Director

(signed) "Michel Fontaine"
Michel Fontaine, Director

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

Majescor Resources Inc.

Consolidated Statements of Operations
(Expressed in Canadian Dollars)

	Year Ended February 29, 2016	Year Ended February 28, 2015
Expenses		
Exploration and evaluation expenditures (Note 9)	**$ 131,837**	$ 4,431
General and administrative (Note 20)	**238,968**	197,042
Loss on foreign exchange	**2,604**	(10,296)
Gain on sale of royalty (Note 17)	**(279,000)**	(137,902)
Gain on settlement of trade payable (Notes 11 and 13)	**(159,916)**	(4,132)
Operating gain (loss) before the following:	**65,508**	(49,143)
Interest and other income	**-**	11,310
Loss on sale of marketable securities	**-**	(5,948)
Net gain (loss) for the year before discontinued operations	**65,508**	(43,781)
Loss from SOMINE S.A. operations, net of tax effect of $Nil	**(141,073)**	(360,932)
Gain on deconsolidation of SOMINE S.A. net of tax effect of $Nil (Note 2)	**1,257,022**	-
Net gain (loss) for the year	**$ 1,181,457**	$ (404,713)
Attributable to:		
Equity holders of the Parent Company	**$ 1,212,845**	$ (324,406)
Non-controlling interest (Note 19)	**(31,389)**	(80,307)
	$ 1,181,457	$ (404,713)
Basic and diluted gain (loss) per share (Note 18)		
Gain (loss) per share from continued operations	**$ 0.01**	$ -
Gain (loss) per share from SOMINE operations and its deconsolidation	**0.08**	(0.03)
Total gain (loss) per share attributable to equity holders of the parent	**$ 0.09**	$ (0.03)
Weighted average number of shares outstanding (Note 13)		
Basic	**13,731,981**	12,730,011
Diluted	**13,731,981**	12,730,011

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

Majescor Resources Inc.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended February 29, 2016	Year Ended February 28, 2015
Net gain (loss) for the year	**$ 1,181,457**	$ (404,713)
Other comprehensive loss		
Items that will be reclassified subsequently to profit or loss		
Unrealized loss on available-for-sale marketable securities	**-**	(83)
Reclassification of net realized loss on available-for-sale marketable securities	**-**	5,948
Comprehensive gain (loss) for the year	**$ 1,181,457**	$ (398,848)
Comprehensive gain (loss) attributable to:		
Equity holders of the Parent Company	**$ 1,212,846**	$ (318,541)
Non-controlling interest (Note 19)	**(31,389)**	(80,307)
	$ 1,181,457	$ (398,848)

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

Majescor Resources Inc.
Consolidated Statements of Changes in Equity
(Canadian Dollars)

	Share capital (Note 14)	Contributed surplus	Warrants (Note 15)	Accumulated other comprehensive income	Deficit	Equity attributable to equity holders of the Parent Company	Non-controlling interest (Note 19)	Total
Balance, February 28, 2014	**$ 33,822,480**	**$ 4,626,235**	**$ 688,310**	**$ (5,865)**	**$ (40,392,568)**	**$ (1,261,408)**	**$ (1,714,677)**	**$ (2,976,085)**
Units issued for cash	229,000	-	-	-	-	229,000	-	229,000
Cost of issue	(15,600)	-	-	-	-	(15,600)	-	(15,600)
Cost of issue – options	(36,500)	36,500	-	-	-	-	-	-
Warrants	(87,600)	-	87,600	-	-	-	-	-
Warrants re-priced	-	-	51,000	-	(51,000)	-	-	-
Warrants expired	-	598,155	(598,155)	-	-	-	-	-
Transactions with owners	89,300	634,655	(459,555)	-	(51,000)	213,400	-	213,400
Net loss and comprehensive loss for the year	-	-	-	5,865	(324,406)	(318,541)	(80,307)	(398,848)
Additional contributions by non-controlling interest	-	-	-	-	-	-	9,964	9,964
Balance, February 28, 2015	**$ 33,911,780**	**$ 5,260,890**	**$ 228,755**	**$ -**	**$ (40,767,974)**	**$ (1,366,549)**	**$ (1,785,020)**	**$ (3,151,569)**
Common shares issued on debt settlement	61,500	-	-	-	-	61,500	-	61,500
Common shares for property	70,000	-	-	-	-	70,000	-	70,000
Warrants extended	-	-	114,600	-	(114,600)	-	-	-
Warrants expired	-	31,578	(31,578)	-	-	-	-	-
Transactions with owners	131,500	31,578	83,022	-	(114,600)	131,500	-	131,500
Net gain (loss) and comprehensive gain (loss) for the year	-	-	-	-	(44,176)	(44,176)	(31,389)	(75,565)
Gain on deconsolidation of SOMINE S.A. (Note 2)	-	-	-	-	1,257,022	1,257,022	1,816,409	3,073,431
Balance, February 29, 2016	**$ 34,043,280**	**$ 5,292,468**	**$ 311,777**	**$ -**	**$ (39,669,728)**	**$ (22,202)**	**$ -**	**$ (22,202)**

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

Majescor Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended February 29, 2016	February 28, 2015
Operating activities		
Net gain (loss) for the year	**$ 1,181,457**	$ (404,713)
Adjustments for:		
Gain on deconsolidation of SOMINE S.A.	**(1,257,022)**	-
Gain on forgiveness of debt	**(37,992)**	(4,132)
Gain on settlement of debt for shares	**(121,062)**	-
Exploration expenditures settled in common shares	**70,000**	-
Discontinued operations	**141,819**	318,768
Loss on sale of marketable securities	**-**	83
Changes in working capital items (Note 22)	**15,640**	(88,191)
Net cash (used in) operating activities	**(7,159)**	(178,185)
Investing activities		
Proceeds from sale of marketable securities	**-**	427
Cash in SOMINE S.A. on deconsolidation (Note 2)	**(382)**	-
Net cash (used) in provided by investing activities	**(382)**	427
Financing activities		
Proceeds from issue of common shares	**-**	213,400
Net cash provided by financing activities	**-**	213,400
Effect of foreign currency translation	**-**	4,772
Net change in cash	**(7,541)**	40,414
Cash beginning of the year	**71,528**	31,114
Cash end of the year	**$ 63,987**	$ 71,528

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

1. Nature of operations

Majescor Resources Inc. (“Majescor’’ of the “Company”) 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. Majescor and its subsidiaries (hereinafter 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 Company’s office is located at 5460 Canotek Road, Suite 99, Ottawa, Ontario, Canada, K1J 9G9.

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The recoverability of the amounts shown for exploration and evaluation property costs and property and equipment is dependent upon the Company obtaining the necessary financing to complete the exploration and evaluation properties, the discovery of economically recoverable reserves and future profitable operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, indigenous claims, and noncompliance with regulatory and environmental requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

These consolidated financial statements were approved and authorized for issue by the Board of Directors on June 28, 2016.

2. Deconsolidation of SOMINE S.A.

On August 31, 2015, the Company entered into an agreement with the minority shareholders of SOMINE S.A. (“SOMINE”) for the redemption of 740,210 common shares of SOMINE. The SOMINE shares are held by Majescor’s wholly owned subsidiary SIMACT Alliance Copper-Gold Inc. ("SACG"). After the redemption of the SOMINE shares, SACG will maintain 40,000 of the 263,274 remaining common shares of SOMINE, which represents approximately 15.5% of the outstanding SOMINE shares.

In compensation for the redemption of the SOMINE shares, the Company will received a 2% royalty on each of the two Mining Exploitation Permits (PEM) held by SOMINE. SOMINE will retain the right to purchase at any time the royalties in whole or in part in the amount of $1,000,000 for 1% per royalty. Management has assessed that the redemption of its shares in SOMINE along with a decreased representation on the SOMINE board of directors has resulted in a loss of control of SOMINE for financial reporting purposes. Upon redemption, control of SOMINE was transferred to SOMINE’s previous minority shareholders which are arms-length from Majescor.

Due to the current exploration stage of the mining permits as well as the past difficulty in raising funds to continue exploration of the projects, the royalties and the remaining interest in SOMINE were valued at $Nil.

Starting August 31, 2015, the Company has no power to govern the financial and operating policies of SOMINE due to the loss of power to cast the majority of votes at Shareholder and Board of Directors meetings, the Company derecognized related assets, liabilities and non-controlling interests of SOMINE. As management has determined that the Company is unable to exert significant influence on SOMINE, the remaining interest has been classified as an available for sale asset.

(Expressed in Canadian Dollars)

2. Deconsolidation of SOMINE S.A. (continued)

The gain on the deconsolidation of SOMINE recognized in the consolidated statement of operations for the year ended February 29, 2016, is measured as follows:

Net liabilities as at deconsolidation date	$	3,073,431
Non-controlling interest		(1,816,409)
Gain on deconsolidation of SOMINE	**$**	**1,257,022**

The following is an analysis of the assets and liabilities over which the Company lost control upon deconsolidation of SOMINE.

Cash and cash equivalents	$	382
Property and equipment		19,000
Trade payables		(453,912)
Debt obligation		(2,634,031)
Long-term debt		(4,870)
Net liabilities deconsolidated	**$**	**(3,073,431)**

The Company has had no involvement with the operations of SOMINE after the share redemption and deconsolidation.

Certain expenses and other income items in the statement of operations for the year ended February 28, 2015, were restated to reflect the accounting for the operations of SOMINE as discontinued operations as a result of the disposal on August 31, 2015. A reconciliation of the February 28, 2015, statement of operations is provided below:

	Initial February 28, 2015	Deconsolidation adjustment	Restated February 28, 2015
	$	$	$
Expenses			
Exploration and evaluation expenditures	68,728	(64,297)	4,431
General and administrative	193,875	3,167	197,042
Loss on foreign exchange	306,351	(316,647)	(10,296)
Gain on sale of royalty	(137,902)	-	(137,902)
Gain on settlement of trade payable	(4,132)	-	(4,132)
Operating loss before the following:	**(426,920)**	**377,777**	**(49,143)**
Interest and other income	28,155	(16,845)	11,310
Loss on sale of marketable securities	(5,948)	-	(5,948)
Net loss for the year before discontinued operations	**(404,713)**	**360,932**	**(43,781)**
Loss from SOMINE S.A. operations, net of tax effect of Nil	-	(360,932)	(360,932)
Net loss for the year	**(404,713)**	**-**	**(404,713)**

3. Going concern

These consolidated 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 revenues, net income nor cash flows from its operations. The Company has incurred a loss of $75,565 (2015 – $404,713) as well as losses prior

3. Going concern (continued)

periods, excluding the gain recognized on deconsolidation of SOMINE of $1,257,022 (2015 - $Nil) during the year ended February 29, 2016 and has an accumulated deficit of $39,669,728 (February 28, 2015 - $40,767,974). These conditions indicate that the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

As at February 29, 2016, the Company had working capital deficiency of $22,202 (2015 - $3,165,698), including $63,987 (February 28, 2015 - $71,528) in cash and current liabilities totalling $102,833 (February 28, 2015 - $3,264,792). On August 31, 2015, the Company lost control of its subsidiary SOMINE and as a result derecognized a debt of US$ 302,000 ($397,341) to a creditor of SOMINE as well as US$ 1,700,000 ($2,236,690) that SOMINE owed 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 (refer to Note 2). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company must secure additional funding to be able to discharge its liabilities and to fund its ongoing working capital requirements. 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.

The carrying amount of assets, liabilities and expenses presented in the consolidated 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.

Those adjustments could be material.

4. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

5. Significant accounting policies

(a) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for available for sale financial instruments, which are at fair value.

(b) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Majescor Resources Inc. is the group's ultimate parent company. The parent controls a subsidiary if it is exposed, or has the rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are consolidated from the date on which the Company obtains control, and continue to be consolidated until control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

All transactions and balances between companies are eliminated upon consolidation, including unrealized gains and losses on transactions between companies.

Where the ownership of a subsidiary is less than 100%, and a non-controlling interest thus exists, any losses of that subsidiary are attributed to the owners of the parent and to the non-controlling interests even if that results in the non-controlling interest having a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

5. Significant accounting policies (continued)

The following companies have been consolidated within the consolidated financial statements:

Name of subsidiary	Place of incorporation	Ownership interest	Principal activity
Tropic Diamonds Inc.	Ontario, Canada	100%	Holding company
Ampanihy Resources S.A.R.L	Madagascar	100%	Holding company
SIMACT Alliance Copper Gold Inc.	Montreal, Canada	100%	Exploration company

SIMACT Alliance Copper Gold Inc., which owned 77.75% of the outstanding common shares of SOMINE until the share redemption on August 31, 2015 (Note 2). The activities of SOMINE have been recorded in the consolidated statement of operations as discontinued operations.

(c) Functional currency and foreign currency translation

These consolidated financial statements are presented in Canadian dollars. The functional currency for each entity consolidated with the Company is determined by the currency of the primary economic environment in which it operates (“the functional currency”). Majescor’s functional currency is the Canadian dollar. The functional currency of all of the subsidiaries is the Canadian dollar. The functional currency for Majescor and its subsidiaries has remained unchanged during 2015 and 2016.

The functional currency of all the subsidiaries is the Canadian dollar. The functional currency for Majescor and its subsidiaries has remained unchanged during the reporting period.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period: monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at that date; non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates of exchange prevailing at the date the fair value was determined; and, non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated. Such exchange differences arising from retranslation at period-end are recognized in net loss.

(d) Jointly-controlled exploration operations

Joint arrangements are arrangements where the Company has joint control through a contractually agreed sharing of control arrangement. Joint control exists when decisions about the relevant activities require the unanimous consent of parties sharing control. Arrangements are classified and recognized as follows:

- Joint operations – when the Company has rights to assets, and obligations for the liabilities, relating to the joint arrangement and recognizes its assets, liabilities, revenue, expenses, and share of any joint transactions arising from the joint operations;
- Joint venture – when the Company has the rights to the net assets of the joint arrangement relating to the joint arrangement and recognizes its interest using the equity method like for investments in associates.

(e) Financial Instruments

Financial instruments are defined as any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

5. Significant accounting policies (continued)

Financial assets of the Company are classified into the following categories at their initial recognition:

- loans and receivables;
- available for sale investments.

Financial assets and liabilities are initially measured at fair value, plus, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the financial asset or liability. In a purchase or sale of financial assets, recognition and derecognition occurs using trade date accounting.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and accounts receivable, except sales tax, fall into this category of financial instruments.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company's investment in SOMINE at February 29, 2016 falls into this category.

Available-for-sale financial assets are measured at fair value. Net change in fair value is recognized in other comprehensive income and reported within the accumulated other comprehensive income reserve within equity. When the asset is derecognized, the cumulative gain or loss recognized in other comprehensive income is reclassified to profit or loss as a gain (loss) on sale of marketable securities, if applicable, and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognized in profit or loss within finance income.

Reversals of impairment losses are recognized in other comprehensive income.

Financial liabilities at amortized cost:
The Company's financial liabilities include trade and other payables, debt obligations and long-term debts. Financial liabilities are measured subsequently at amortized cost using the effective interest method. All interest-related charges are reported in profit and loss within finance costs, if applicable.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when all of the substantial risks and rewards are transferred.

Financial liabilities are derecognized when they are extinguished, discharged, cancelled, or expire.

Impairment of Financial assets
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of financial assets classified as loans and receivables, where the carrying amount is reduced through the use of an allowance account. When these assets are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

5. Significant accounting policies (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(f) Impairment of non-financial assets

The Company assesses non-financial assets including property and equipment for impairment when facts and circumstances suggest that the carrying amount of the assets are impaired. An impairment review is undertaken when indicators of impairment arise.

Where such an indication exists, the recoverable amount of the asset is estimated. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are largely independent cash inflows (Cash-generating units or "CGU"). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Where an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, subject to the amount not exceeding the carrying amount that would have been determined had impairment not been recognized for the asset in prior periods. Any reversal of impairment is recognized immediately in profit or loss.

(g) Exploration and evaluation assets and exploration and evaluation expenses

All of the Company's projects are currently in the exploration and evaluation phase.

All exploration and evaluation expenditures are expensed in the statement of operations (Note 30).

(h) Property and equipment

Property and equipment ("PE") are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of PE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Depreciation is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Percentage	Method
Exploration equipment	20%	Declining balance

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

During 2016 all of the Company's PE situated in Haiti were derecognized as part of the deconsolidation of SOMINE (Note 2). Subsequent to the deconsolidation of SOMINE the Company has no PE.

5. Significant accounting policies (continued)

(i) Provisions and contingent liabilities

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. The Company had no material provisions or contingent liabilities as at February 29, 2016 and February 28, 2015.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company's operations are in compliance with the currents laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

(j) Equity-settled share based payment transactions

The Company operates equity-settled share based remuneration plans (share options plans) for its eligible directors, officers, employees and consultants. None of the Company's plans feature any options for a cash settlement. Occasionally, the Company issues warrants to brokers.

All goods and services received in exchange for the grant of any share based payments are measured at their fair values, unless fair value cannot be reasonably estimated reliably. Where employees are rewarded using share based payments, the fair value of the services rendered by the employees or a consultant providing similar services as employees is determined indirectly by reference to the fair value of the equity instruments granted. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. No adjustment is made to any expense recognized in the prior period if the number of share options ultimately exercised is different from that estimated on vesting, share based payments incorporate an expected forfeiture rate.

All equity settled share based payments under equity settled share based payments plans, except warrants to brokers are ultimately recognized as an expense in the profit or loss with a corresponding credit to contributed surplus, in equity. At the same time, upon exercise of a share option, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the share options recorded in contributed surplus are then transferred to share capital. Warrants issued to brokers are recognized as issuance cost of equity instruments with a corresponding credit to contributed surplus, in equity.

(k) Equity

The share capital represents the amount received upon the share issuance, less issuance costs, net of any underlying income tax benefit from these issuance costs. If shares are issued when options and warrants are exercised, the share capital account also comprises the compensation costs previously recorded in contributed surplus and warrants.

5. Significant accounting policies (continued)

Unit placements
Proceeds from unit placements are allocated between shares and warrants issued according to their fair value using the proportional method.

Other elements of equity
Reserves include the accumulated other comprehensive income reserve, the contributed surplus reserve and the warrants reserve.

The accumulated other comprehensive income reserve includes unrealized gains and losses on available-for-sale financial assets.

Contributed surplus includes charges related to stock options. When stock options are exercised, the related compensation costs is transferred to share capital.

Warrants include the fair value on the issuance of warrants. When warrants are exercised, the related amount is transferred to share capital. Any revaluation of warrants based on the extension of warrants life, modification of exercise price, etc., issued in the prior years are recorded directly in deficit.

Deficit includes all current and prior period profits or losses.

(l) Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income tax assets and/or liabilities are the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

However, since the Company is in the exploration phase and has no taxable income, tax expense recognized in profit or loss is currently comprised only of deferred tax.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Changes in deferred tax assets and liabilities are recognized as deferred income tax expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

5. Significant accounting policies (continued)

(m) Basic and diluted loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. The Company's diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive.

(n) Segmented reporting

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the Chairman and the Board of Directors.

The Company is organized into business units based on mineral properties and has one business segment, being the acquisition, exploration and potential development of precious metal properties.

(o) Standards, amendments and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the February 29, 2016, reporting period. Updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company is currently assessing the impact of these new standards, if any, on its consolidated financial statements.

IFRS 9 – Financial Instruments ("IFRS 9") was recently released by the IASB in 2014, representing the completion of its project to replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new "expected credit loss" model for impairment of financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016.

6. Critical accounting estimates and judgements

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:

<u>Estimates</u>

- The estimation of share-based payment costs requires the selection of an appropriate valuation model and data and consideration as to the volatility of the Company's own share price, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model;

(Expressed in Canadian Dollars)

6. Critical accounting estimates and judgements (continued)

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 3;

- The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made

- determination that the Company does not have significant influence over its investments in SOMINE; and

- 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.

7. Accounts receivable

	February 29, 2016	February 28, 2015
Sales tax receivable (Canada)	**$ 14,710**	$ 7,450
Income tax receivable (Canada)	**-**	6,578
Other receivables	**-**	5,650
	$ 14,710	$ 19,678

8. Property and equipment

Cost	**Office furniture and equipment**	**Computer equipment**	**Exploration equipment**	**Total**
February 28, 2015	**$ 19,735**	**$ 39,967**	**$ 294,869**	**$ 354,571**
Derecognized on deconsolidation of SOMINE	(19,735)	**$** (39,967)	**$** (294,869)	(354,571)
February 29, 2016	**$ -**	**$ -**	**$ -**	**$ -**

(Expressed in Canadian Dollars)

8. Property and equipment (continued)

Accumulated depreciation	**Office furniture and equipment**	**Computer equipment**	**Exploration equipment**	**Total**
February 28, 2015	**$ 19,735**	**$ 39,967**	**$ 275,869**	**$ 335,571**
Derecognized on deconsolidation of SOMINE	(19,735)	$ (39,967)	$ (275,869)	$ (345,571)
February 29, 2016	**$ -**	**$ -**	**$ -**	**$ -**

On August 31, 2015, the Company lost control of its subsidiary SOMINE and the property and equipment it owned. As a result of the loss of control SOMINE was deconsolidated and all property and equipment held in SOMINE was deconsolidated. Refer to Note 2 on the deconsolidation of SOMINE.

Net book value	**Office furniture and equipment**	**Computer equipment**	**Exploration equipment**	**Total**
February 28, 2015	**$ -**	**$ -**	**$ 19,000**	**$ 19,000**
February 29, 2016	**$ -**	**$ -**	**$ -**	**$ -**

9. Exploration and evaluation assets

a) SOMINE, Haiti

On August 31, 2015, the Company entered into an agreement with the minority shareholders of SOMINE S.A. for the redemption of 740,210 common shares of SOMINE. The SOMINE shares were held by Majescor's wholly owned subsidiary SACG. After the redemption of the SOMINE shares, SACG maintained 15.5% of the outstanding shares of SOMINE. SACG has retained a 2% net smelter royalty ("NSR") on two mining exploitation permits held by SOMINE.

These Exploitation Permits 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.

The disposition of the Company's significant interest in SOMINE lead to the loss of control and deconsolidation of the subsidiary (refer to Note 2).

b) Mistassini, Québec

The Company had interest in the Mistassini property, see Note 10. 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.

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 has 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.

(Expressed in Canadian Dollars)

9. Exploration and evaluation assets (continued)

On April 10, 2014, Majescor advised Strateco Resources Inc., of the Company's decision to suspend payments of its pro-rata share of exploration and exploration-related expenditures on the Mistassini uranium property. The Company's interest in the Mistassini uranium property will be adjusted subsequently, per the terms of the agreement.

During the year ended February 29, 2016, Majescor and Strateco allowed the claims to lapse by not renewing them with the Quebec government by the prescribed date. During the year ended February 29, 2016, the Company incurred mineral property costs and exploration and evaluation expenses of $5,485 (2015 - $4,431) on this property.

c) Besakoa, Madagascar

Majescor was the 100% owner of the Besakoa, gold, base metal and graphite property. The Board of Directors has elected to terminate the Besakoa property exploration program. The Company has allowed the Besakoa property claims to lapse.

d) James Bay, Quebec

On September 23, 2015, the Company acquired certain claims in the James Bay area of Quebec for $24,974 from a director of the Company. There are no exploration work requirements on the property.

On September 15, 2015, the Company acquired a list of targets on these claims for 1,400,000 common shares with an estimated fair value of $70,000, as well as a 2% royalty on the net return of the smelting revenues associated with the minerals and concentrates to be extracted from the targets identified. The Company has the right to purchase 1% of the royalty for $1,000,000.

During the year ended February 29, 2016, the Company incurred exploration and evaluation expenses of $126,352 (2015 - $Nil) on this property.

10. Joint arrangements

The Company entered into a Joint Control Agreement, with Strateco to share costs and risks associated with exploration and evaluation activities on the Mistassini property. As long as Strateco retains 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 (Note 9). This arrangement was classified as joint operations and therefore .During 2016, Strateco notified Majescor of its resignation as Operator of the Joint Venture.

11. Trade payables

	February 29, 2016	February 28, 2015
Falling due within the year		
Trade payables	**$** 102,833	$ 761,691

On August 31, 2015, the Company lost control of its subsidiary SOMINE and as a result derecognized $453,912 of trade payables (Note 2).

11. Trade payables (continued)

On September 18, 2015, the Company settled combined debt of $223,099 owing to creditors of the Company in exchange for long term debt of $22,000 and 1,230,000 common shares of the Company (Note 13).

During the year ended February 28, 2015, the Company settled outstanding invoices of $10,395 with two arms-length creditors for cash payments of $6,263. The Company realised a gain on settlement of the trade payables of $4,132.

12. Debt obligations

On August 31, 2015, the Company entered into a definitive agreement to redeem a significant portion of its interest in SOMINE, as a result of the common share redemption the Company has no power to govern the financial and operating policies of SOMINE and has deconsolidated the net liabilities of the Company as at August 31, 2015 (refer to Note 2). The debt obligations listed below were derecognized as a result of the loss of control:

a) The first debt obligation derecognized was $397,341 (February 28, 2015 - $377,591) which was due to a creditor of SOMINE to settle an outstanding debt of US$ 302,000.

b) The second debt obligation derecognized was $2,236,690 (February 28, 2015 - $2,125,510) which was 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.

13. Long-term debt

a) As a result of the deconsolidation of SOMINE an amount of $4,870 (February 28, 2015 - $4,870) consisting of 12,500 Class B priority shares of SOMINE was derecognized.

b) During the year ended February 29, 2016, the Company negotiated agreements to issue shares for debt settlements with certain creditors, three of whom are former directors and/or officers of the Company as well as the current CEO of the Company. The settlement agreements were approved by the TSX on September 18, 2015. In consideration for settlement of a total combined debt of $223,099 owing to the creditors by the Company, the Company issued to the creditors 1,230,000 common shares of the Company at a with a fair market value of $0.05 per share based on the quoted market price of the Company's shares as well as total payments of $22,000 to be paid by September 18, 2017. The common shares will be escrowed with 1/3 released in 6 months, 1/3 released in 12 months and the balance released in 18 months. As a result of the settlement the Company realized a gain of $121,924 in the consolidated statement of operations.

   In December 2015 the company paid the $22,000 of long term debts from the proceeds of the sale of the Brauna NSR (Note 17).

(Expressed in Canadian Dollars)

14. Share capital

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

Common shares	Number of shares	Amount
Balance, February 28, 2014	**9,371,107**	**$ 33,822,480**
Units issued for cash (iii)	3,650,000	229,000
Cost of issue (iii)	-	(52,100)
Warrants valuation (iv)	-	(87,600)
Balance, February 28, 2015	**13,021,107**	**$ 33,911,780**
Common shares issued for debt settlement (i)	1,230,000	61,500
Common shares issued for exploration expenses (ii)	1,400,000	70,000
Balance, February 29, 2016	**15,651,107**	**$ 34,043,280**

(i) On September 18, 2015, the Company negotiated agreements to issue shares for debt settlements with certain creditors, three of whom are former directors and/or officers of the Company as well as the current CEO of the Company. In consideration for settlement of a total combined debt of $223,099 owing to the creditors by the Company, the Company issued to the creditors 1,230,000 common shares of the Company with a fair market value of $0.05 per share based on the quoted market price of the Company's shares as well as total payments of $22,000 to be paid by September 18, 2017. The common shares will be escrowed with 1/3 released in 6 months, 1/3 released in 12 months and the balance released in 18 months.

(ii) On September 15, 2015, under the terms of a data purchase and sale agreement, Majescor purchased a list of targets on the areas of interest by issuing 1,400,000 common shares with a fair value of $70,000 based on the Company's quoted market price (Note 9d).

(iii) In March 2014, the Company received $25,000 and issued 250,000 units in relation to a subscription agreement received from the August 12, 2013 private placement. The 250,000 units were issued at a price of $0.10 each for gross proceeds of $25,000. 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 $0.50 until August 12, 2014 and at a price of $1.00 until August 12, 2015.

On April 1, 2014 the Company completed a non-brokered private placement by issuing 3,150,000 units of the Corporation for gross proceeds of $189,000. Each unit consisted of (i) one common share of the Company at a price of $0.06 per common share and (ii) one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share in the capital of the Company at a price of $0.12 per common share for a period of eighteen (18) months (October 1, 2015).

In connection with the private placement of the units, the Company paid a cash finder's fee of $15,600 (10% on gross proceeds raised, excluding Directors' participation), and issued 260,000 agent's options (10% of the units issued, excluding Directors' participation), exercisable at the issue price of $0.06 for a period of eighteen (18) months from the closing date.

On April 22, 2014 the Company announced that it has completed the second tranche of a non-brokered private placement (First tranche closed April 1, 2014) by issuing 250,000 units of the Company for gross proceeds of $15,000. Each unit consisted of (i) one common share of the Company at a price of $0.06 per common share and (ii) one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share in the capital of the Company at a price of $0.12 per common share for a period of eighteen (18) months (October 17, 2015) (Note 15(b)).

The 3,400,000 warrants issued in connection to the first and second tranche private placements listed above have been recorded at a value of $87,600 based on the proportional method based on the Black-Scholes option pricing model, using the following assumptions: share price of $0.089, an average

(Expressed in Canadian Dollars)

14. Share capital (continued)

exercise price of $0.12, risk free interest rate of 1.06%, expected life of warrants of 1.5 years, annualized volatility rate of 205% (based on the Company's historical volatility for 1.5 years up to the issuance date) and dividend rate of 0%.

15. Warrants and agent options

a) Warrants

The following table reflects the continuity of warrants:

	Number of warrants	Weighted average exercise price
Balance, February 28, 2014	**2,350,160**	**$ 2.00**
Granted (note 14 (iii))	250,000	0.10
Granted (note 14 (iv))	3,400,000	0.12
Expired	(870,160)	3.15
Balance, February 28, 2015	**5,130,000**	**$ 0.11**
Granted	-	-
Expired	(230,000)	0.10
Balance, February 29, 2016	**4,900,000**	**$ 0.11**

Warrant extensions
On September 22, 2015, the Company announced that it has extend for a two year period the expiry date of 3,400,000 common share purchase warrants, of which 3,150,000 common share purchase warrants were scheduled to expire on October 1, 2015, and 250,000 common share purchase warrants were scheduled to expire on October 17, 2015. Subsequent to the extension all 3,400,000 warrants will expire on October 1, 2017.

The 3,400,000 warrants extension above has been recorded at a value of $69,000 based on the Black Scholes option pricing model, using the following assumptions: share price of $0.06, an average exercise price of $0.12, risk free interest rate of 0.53%, expected life of warrants of 2.02 years, annualized volatility rate of 96% (based on the Company's historical volatility for 2.02 years up to the re-pricing date) and dividend rate of 0%.

On July 30, 2015, the Company announced the extension for a three year period of the expiry date of 1,500,000 common share purchase warrants of which 750,000 common share purchase warrants scheduled to expire on August 12, 2015, and 750,000 common share purchase warrants scheduled to expire on September 9, 2015. Subsequent to the extension all 1,500,000 warrants will expire on August 12, 2018.

The 1,500,000 warrants extension above has been recorded at a value of $45,600 based on the Black Scholes option pricing model, using the following assumptions: share price of $0.04, an average exercise price of $0.10, risk free interest rate of 0.45%, expected life of warrants of 3.04 years, annualized volatility rate of 167% (based on the Company's historical volatility for 3.04 years up to the re-pricing date) and dividend rate of 0%.

Re-pricing of Share Purchase Warrants

On April 3, 2014, the Company re-priced the following previously issued share purchase warrants:

Number of warrants	Initial Exercise Price ($)	Revised Exercise Price ($)	Issue Date
750,000	0.50/1.00	0.10/0.10	August 12, 2013 & March 2014
750,000	0.50/1.00	0.10/0.10	September 9, 2013
30,000	1.00	0.10	June 26, 2013

(Expressed in Canadian Dollars)

15. Warrants and agent options (continued)

In accordance with the policies of the TSX-V, if the Company's common shares trade at a closing price of $0.1333 or higher for ten consecutive trading days, the exercise period of the warrants will be shortened to a period of 30 days commencing one week after the final such trading day.

The 1,730,000 warrants re-priced above have been recorded at a value of $51,000 based on the Black Scholes option pricing model, using the following assumptions: share price of $0.10, an average exercise price of $0.10, risk free interest rate of 1.25%, expected life of warrants of 1.38 years (weighted average), annualized volatility rate of 224% (based on the Company's historical volatility for 1.38 years up to the re-pricing date) and dividend rate of 0%.

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

Number of Warrants	Grant Date Fair Value ($)	Exercise Price ($)	Expiry Date
750,000	78,411	0.10	August 12, 2018
750,000	76,766	0.10	August 12, 2018
3,150,000	145,300	0.12	October 1, 2017
250,000	11,300	0.12	October 1, 2017
4,900,000	**311,777**	**0.11**	

b) Agent options

	Number of options	Weighted average exercise price
Balance, February 28, 2014 and 2015	**260,000**	**$ 0.06**
Expired	(260,000)	0.06
Balance, February 29, 2016	**-**	**$ -**

On October 1, 2015, 260,000 agent options expired unexercised. The 260,000 agent options had been recorded at a value of $36,500 based on the Black Scholes option pricing model, using the following assumptions: share price of unit produced from broker warrant $0.17, a combined option and warrant exercise price of $0.18, risk free interest rate of 1.06%, expected life of warrants of 1.5 years (weighted average), annualized volatility rate of 206% (based on the Company's historical volatility for 1.5 years up to the re-pricing date) and dividend rate of 0%.

(Expressed in Canadian Dollars)

16. Stock options

The following table shows the continuity of options:

	Number of Options	Weighted Average Exercise Price
Outstanding at February 28, 2014	**754,000**	**$ 1.32**
Forfeited	(397,000)	1.90
Expired	(9,500)	1.98
Outstanding at February 28, 2015	**347,500**	**$ 0.63**
Expired	(250,000)	0.075
Outstanding at February 29, 2016	**97,500**	**$ 2.04**

There were no stock options granted by the Company during the years ended February 29, 2016 and February 28, 2015.

The following table shows the options outstanding as at February 29, 2016:

Range of exercise price	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable
$1.50	45,000	1.58	$ 1.50	45,000
$2.50	52,500	0.69	$ 2.50	52,500
	97,500		**$ 2.04**	**97,500**

17. Sale of Brauna diamond royalty

On March 1, 2007, the Company sold its 40% interest in the Brauna property to Vaaldiam Resources Ltd. ("Vaaldiam") for a cash consideration of $2,000,000, 1,733,102 common shares valued at $1,500,000 and 1% Gross Sales Royalty right on diamond production from the property. 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 right (the "Royalty") on the Property.

Under the Option Agreement, Majescor granted 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 USD $125,000 (received) 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 USD $125,000 to Majescor on or before December 31, 2013 (received), 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 USD $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.

On March 30, 2014, the Company and its former joint venture partners on the Brauna Diamond project in Brazil signed an addendum to the October 1, 2013 Option Agreement. The terms of the Addendum stipulate that the purchase by the former joint venture partners of the Company's remaining 0.5% interest in the original 1% diamond royalty shall take place by September 30, 2014.

(Expressed in Canadian Dollars)

17. Sale of Brauna diamond royalty (continued)

On April 3, 2014, the Company received a payment of USD $125,000 from the purchaser for 0.25% of the remaining royalty

On September 30, 2014, the Company was notified by the purchasers that they had declined to purchase Majescor's remaining 0.50% of the Royalty.

On December 16, 2015, the Company sold its remaining 0.5% Royalty on the Brauna diamond property to a company controlled by a Director of Majescor for $279,000.

As at February 29, 2016, the Company no longer holds any interest in the Bruana Diamond Royalty.

18. Gain (loss) per common share

The calculation of basic and diluted gain per share for year ended February 29, 2016, was based on the gain attributable to common shareholders of the parent company of $1,212,845 (2015 – loss of $324,406) and the basic and diluted weighted average number of common shares outstanding of 13,731,981 (2015 – 12,730,011). The fully diluted weighted average number of common shares outstanding excludes 4,900,000 (2015 – 5,130,000) warrants as well as 97,500 (2015 – 347,500) stock options as they are antidilutive.

19. Non-controlling interest

On August 31, 2015, the Company entered into an agreement with the minority shareholders of SOMINE for the redemption of 740,210 common shares of SOMINE. Subsequent to the redemption of the SOMINE shares, the Company's interest in SOMINE is 15.5%. As a result of the share redemption, management has concluded that on August 31, 2015, the Company has lost control over the activity of SOMINE resulting in a deconsolidation of the subsidiary (refer to Note 2).

Balance, February 28, 2014	**$**	**(1,714,677)**
Share of net loss		(80,307)
Contributions by non-controlling interest		9,964
Balance, February 28, 2015	**$**	**(1,785,020)**
Share of net loss to August 31, 2015		(31,389)
Deconsolidation of SOMINE		1,816,409
Balance, February 29, 2016	**$**	**-**

No dividends were paid to the NCI during the years ended February 29, 2016, and February 28, 2015.

	February 29, 2016	February 28, 2015
	$	$
Loss attributable to the owners of the parent	**109,684**	280,625
Loss attributable to NCI	**31,389**	80,307
Total loss	**141,073**	360,932

(Expressed in Canadian Dollars)

19. Non-controlling interest (continued)

	February 29, 2016	February 28, 2015
	$	$
Non-current assets	**-**	19,000
Current assets	**-**	492
Total assets	**-**	19,492
Non-current liabilities	**-**	4,871
Current liabilities	**-**	8,534,608
Total liabilities	**-**	8,539,479
Equity attributable to owners of the parent	**-**	(6,734,967)
Equity attributable to NCI	**-**	(1,785,020)
Total equity	**-**	(8,519,987)

	February 29, 2016	February 28, 2015
	$	$
Net cash used in operating activities	**(382)**	15,675
Net cash used in investing activities	**-**	-
Net cash used in financing activities	**-**	-
Net cash flow	**(382)**	15,675

20. General and administrative

	Year ended February 29, 2016	February 28, 2015
Management and consulting fees	**$ 92,626**	$ 62,038
Travel and promotion	**459**	410
Shareholder information	**18,908**	14,495
Professional fees	**53,450**	60,983
Office and general expenses	**73,524**	59,116
	$ 238,968	$ 197,042

21. Income taxes

A reconciliation of the combined Canadian federal and provincial income tax rate with the Company's effective rate is as follows:

	2016	2015
Loss before income taxes	**$ 1,181,457**	$ (404,713)
Expected income tax recovery	**313,000**	(108,868)
Tax effect of the following:		
Tax impact of temporary difference for which no deferred tax asset was booked	**-**	(196,386)
Share based payments	**-**	**-**
Expiration of non capital losses	**-**	164,693
Prior year adjustment	**-**	42,099
Non deductible losses in Haiti	**-**	75,295
Effect of tax rate in foreign subsidiary	-	21,796
Other temporary differences	-	1,371
Change in benefit of tax assets not recognized	**(313,000)**	1,371
Provision for income taxes	**$ -**	$ -

(Expressed in Canadian Dollars)

21. Income taxes (continued)

As at February 29, 2016 and February 28, 2015 the amounts of deductible temporary differences for which no deferred tax assets were recognized, were as follows:

	2016	2015
Income tax loss carry forwards	**$ 8,155,000**	$ 7,940,000
Capital losses carried forward	**1,892,000**	20,000
Resource properties	**6,751,000**	6,896,000
Fixed and intangible assets	**210,000**	210,000
Share issue costs	**39,000**	139,000
Temporary differences for which no deferred tax assets were recognized	**$ 17,047,000**	$ 15,206,000

As at February 29, 2016, the Company has deductible capital losses of $1,892,000 (2015 - $20,284) for which no deferred tax asset has been recorded in the consolidated statements of financial position. These deductible capital losses can be carried forward indefinitely.

As at February 28, 2015, the Company has income tax loss carry forwards for which no deferred tax asset has been recorded in the consolidated statements of financial position that can be carried forward over the following years:

	Federal	**Quebec**
2026	$ 622,000	$ 568,000
2027	827,000	642,000
2028	945,000	39,000
2029	918,000	916,000
2030	506,000	513,000
2031	900,000	693,000
2032	1,440,000	1,427,000
2033	1,083,000	1,078,000
2034	482,000	483,000
2035	221,000	217,000
2036	211,000	211,000
	$ 8,155,000	$ 6,787,000

22. Changes in non-cash working capital items

	Year Ended	
	February 29, 2016	February 28, 2015
Accounts receivable	**$ 4,968**	$ (16,803)
Prepaid expenses	**5,954**	(7,888)
Trade and other payables	**4,718**	(63,500)
	$ 15,640	$ (88,191)

23. 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.

(Expressed in Canadian Dollars)

23. Related party balances and transactions (continued)

(a) Transactions with key management personnel

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

	Year Ended February 29, 2016	February 28, 2015
Salaries and benefits, including directors fees	**$ -**	$ 13,500
Consulting fees	**88,607**	48,270
Total	**$ 88,607**	$ 61,770

As at February 29, 2016, directors and key management personnel, as well as former officers and directors, were owed $18,235 (February 28, 2015 - $251,762), included in trade payables. During the year ended February 29, 2016, current and former directors of the Company agreed to waive outstanding directors fees owed to them. The Company recognized a gain of $37,992 (2015 – $Nil) as a result of the debt forgiveness.

During the year ended February 29, 2016, the Company negotiated agreements to issue shares for debt settlements with certain creditors, three of whom are former directors and/or officers of the Company as well as the current CEO of the Company. The settlement agreements were approved by the TSX on September 18, 2015. In consideration for settlement of a total combined debt of $223,099 owing to the Creditors by the Company, the Company issued to the Creditors 1,230,000 common shares of the Company at a deemed price of $0.05 per share as well as total payments of $22,000 to be paid by September 18, 2017. The common shares will be escrowed with 1/3 released in 6 months, 1/3 released in 12 months and the balance released in 18 months. In December 2015 the Company paid the $22,000 of long term debt.

Refer to Note 29 for settlement of contingent liabilities with related parties.

(b) Transactions with related companies

Majescor entered into the following transactions with related companies:

Notes	Year Ended February 29, 2016	February 28, 2015
Everton Resources Inc. ("Everton")	**$ 9,038**	$ 9,038

Under an agreement, which was signed on March 25, 2013 between the Company and Everton, the Company reimbursed the cost of shared salaries and benefits, rent and office expenses paid by Everton (which shares common management).

Refer to Note 17 for the Gross Sales Royalty sale to a company controlled by a Director of Majescor.

24. 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:

(Expressed in Canadian Dollars)

24. Segmented information (continued)

	February 29, 2016	February 28, 2015
Haiti	**$ -**	$ 19,000

25. 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 attributable to equity holders of the parent company, which is comprised of share capital, reserves and deficit which at February 29, 2016 totalled a deficit of $22,202 (February 28, 2015 – a deficit of $1,366,549).

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 years ended February 29, 2016 and February 28, 2015.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

26. 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 27. 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.

26. Financial risk factors (continued)

(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 accounts receivable. Cash is 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 February 29, 2016, the Company had cash of $63,987 (February 28, 2015 - $71,528) and current liabilities of $102,833 (February 28, 2015 - $3,264,792). All of the Company's financial liabilities have contractual maturities of less than 30 days, 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.

(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.

(a) 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 up to August 31, 2015 the Haitian Gourde (HTG). The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

(b) 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. As at February 29, 2016, the Company does not hold any publicly listed shares of companies. The Company is not exposed to market risk from unfavourable market conditions.

Sensitivity analysis

The Company has exposure to financial risk arising from fluctuations in exchange rates (US dollars "US$") and the degree of volatility of these rates. The Company currently does not have significant future commitments denominated in foreign currencies. The Company does not us forward exchange contracts to reduce exposure to foreign currency risk. As at February 29, 2016, the Company did not hold significant assets or liabilities in foreign currencies and as a result, a reasonably possible change in US dollars with all other variables held constant would not have a material impact on the net loss.

(Expressed in Canadian Dollars)

27. Categories of financial instruments

	February 29, 2016	February 28, 2015
Financial assets:		
Available for sale Investment in SOMINE	**$ -**	$ -
Loans and receivables		
Cash	**63,987**	71,528
Financial liabilities:		
Financial liabilities at amortized cost		
Trade and other payables	**102,833**	761,691
Debt obligations	**-**	2,503,101
Long-term debt	**-**	4,871
Total financial liabilities	**$ 102,833**	$ 3,269,663

As of February 29, 2016 and February 28, 2015, the fair value of all the Company's financial instruments, approximated the carrying value due to the short term nature of these investments.

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 Company’s financial investments measured at fair value consist of its investment in SOMINE and has been classified as level 3 within the fair value hierarchy.

Level 3 Hierarchy

The following table presents the change in fair value measurements of financial instruments classified as Level 3 for the years ended February 29, 2016, and February 28, 2015. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized losses and net realized gains are recognized in the consolidated statement of operations.

Investments, fair value	**Year ended February 29, 2016**	Year ended February 28, 2015
Balance, beginning of year	**$ -**	$ -
Deconsolidation of SOMINE	-	-
Balance, end of year	**$ -**	$ **-**

Within Level 3, the Company includes private company investments which are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies.

At February 29, 2016, the investment in SOMINE, categorized as a level 3 hierarchy, had a fair value of $Nil used key valuation techniques and unobservable inputs relating to general market conditions.

27. Categories of financial instruments (continued)

As valuation of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from values that would have resulted if a ready market existed for the investments.

For those investments value based on trends in general market conditions, the inputs used can be highly judgemental. A +/- 25% chance of change on the fair value of these investments would result in a corresponding +/- $Nil change in the total fair value of the investments. While this illustrates the overall effect of changing values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonable possible alternative assumptions may differ significantly between investments, given their different terms and circumstances. The sensitivity analysis is intended to reflect the significant uncertainty inherent in the valuation of private investments under current market conditions, and the results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the estimated fair value of these investments. Furthermore, the analysis does not indicate a probability of changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

28. Contingencies

On December 19, 2013, the Company received a demand notice from its former CEO and director, in which, he claimed $90,000 in unpaid salary and $80,000 of unpaid expenses.

During the year ended February 29, 2016, the Company reached a settlement agreement with its former CEO. The Company will make a payment of $10,000 by September 18, 2017, and issue 600,000 common shares over a period of 18 months (refer to Notes 11 and 13).

Environmental

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

29. Change in accounting policy

During the year ended February 29, 2016, the Company changed its accounting policy with respect to acquisition of mineral exploration properties and exploration and evaluation expenditures. The Company now expenses all costs associated with the acquisition of mineral properties as well as exploration and evaluation expenditures incurred. Prior to this change in policy, the Company capitalized all mineral property acquisition costs as well as exploration and evaluation expenditures. Under both policies capitalization of costs would only begin once an economic resource is discovered.

The Company believes the new policy is preferable as it more closely aligns the accounting for these transactions with the current economic conditions in the junior exploration industry.

The impact of this voluntary change in accounting policy on the consolidated financial statements is primarily to reduce exploration and evaluation intangible assets arising on such transactions. This change did not result in a material impact on the current year or any years included within these consolidated financial statements as all prior exploration and evaluation expenses had been fully impaired.

30. Events after the reporting period

Stock options

On April 18, 2016, the Company granted 1,225,000 stock options to Officers, Directors, and consultants of the Company for a five-year period. Each stock option entitles the holder to subscribe for one common share of Majescor at a price of $0.05 per share.

On June 18, 2016, 20,000 stock options with an exercise price of $2.50 expired unexercised.

Private placement

On May 11, 2016 the Company announced that it completed a private placement by issuing 6,230,000 units of the Company for gross proceeds of $311,500. Each unit consisted of (i) one common share of the Company at a price of $0.05 per common share and (ii) one common share purchase warrant. Each Warrant entitles the holder thereof to acquire one additional common share of the Company at a price of $0.07 per common share until May 11, 2018.

The Company has also issued 4,780,000 flow through common shares at a price of $0.05 per share of the Company for gross proceeds of $239,000.

In connection with the private placement, the Company will paid a finder's fee of $6,200, and issued 124,000 finder's warrants, exercisable at $0.07 until May 11, 2018.

Property option agreement

On May 25, 2016, the Company entered into an option agreement with Genius Properties Ltd. and two other vendors to purchase 100% of the Montagne B lithium properties (approximately 708 hectares) in central Quebec.

Majescor issued 2,500,000 common shares to Optionors on receipt of approval from the TSX Venture, and additional 2,500,000 common shares within 6 months of signing. Majescor also made an option payment of $25,000 with an additional $25,000 payable within 6 months.

The Montagne B properties are subject to a 2% NSR of which 1% can be purchased by Majescor for $1,000,000.