

Majescor Resources (MAJ-V; closing up 0.5 cents on 76,000 shares at \$0.14), a diamond explorer sharing the same office and some management as Everton, has been sitting on our list for several years without comment. During that period it has plugged away at a number of projects, and most prominently on its Portage project adjacent to Ashton's Foxtrot discovery in northern Quebec. This was where it originally made its market. Though it has located indicator mineral trains that seem to source within its holdings, MAJ has not been able to locate that source. The search has generated a lot of dilution and with a recent \$1.5 million placement at 13 cents (with warrants at 20 cents) in which we participated, there is now 76 million shares out on a fully diluted basis.

Our regenerated interest in MAJ is threefold. One is that Ashton-Stornoway slugfest could generate an opportunity for neighbor Majescor. However the merger turns out there will a group wanting to make quick points in the market, and that could include the MAJ ground should it seem likely there are targets within it that would be accretive to the resource total. Second is that MAJ has farmed some interesting uranium potential in the Northwest Territories into a to-be-listed company for 3 million shares. In this market that could in add substantially to Majescor's value.

The third reason is that MAJ has acquired projects in Madagascar, the island nation of the east African coast that has been opening to foreign explorers over the past several years. Simply being in a newly opening area that has a producing history would be of interest to us. We are also frankly interested in this case because some of the ground MAJ has picked up contains non-diamond potential, and specifically gold potential within them. A reconnaissance gold program at the Daraina concession has already returned +1 g/t results from seven of 31 samples,

including a quite spectacular 87 g/t gold from one. With a gold program to focus on, MAJ is more likely to capture market attention then with diamonds alone.

In fact that is already evident, with 14.5 mm shares of turnover at an average 16 cents since the company began to talk up Madagascar in early April. With the caveat that the outstanding shares total means volume will be needed to lift the stock, this is a group that understands the market and we think the stock has thinned to a bottom. Picking up some now is a safe way to play three separate market components, and if that means averaging down then now is definitely the time. We are shifting MAJ from hold to accumulate as a sector speculation.

<http://www.majescor.com/>

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