

Majestic Gold Corp.

Consolidated Financial Statements - Amended

Three and six months ended March 31, 2009 and 2008

(Unaudited – Prepared by Management)
(expressed in Canadian dollars)

Majestic Gold Corp.
Consolidated Balance Sheets - Unaudited

	Notes	As at March 31, 2009 (Unaudited)	As at September 30, 2008 (Audited)
ASSETS			
CURRENT:			
Cash and cash equivalents		\$ 399,925	\$ 268,820
Accounts receivable		-	19,393
GST receivable		25,076	14,373
Prepaid expenses		3,955	10,004
Investments	5	<u>91,687</u>	<u>158,492</u>
Total current assets		520,644	471,082
NON-CURRENT:			
Prepays and deposits		-	139,320
Restricted cash	3	-	486,369
Mineral properties and deferred exploration costs	4	<u>20,822,628</u>	<u>16,949,807</u>
Total non-current assets		20,822,628	17,575,496
TOTAL ASSETS		<u><u>21,343,272</u></u>	<u><u>18,046,578</u></u>
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities		\$ 3,098,979	\$ 1,049,210
Loan payable	6	2,050,000	2,050,000
Due to related parties	8	<u>253,741</u>	<u>410,823</u>
Total current liabilities		5,402,719	3,510,033
SHAREHOLDERS' EQUITY (DEFICIENCY):			
Share capital	7	31,167,902	26,334,634
Share subscriptions received	12	93,610	2,737,658
Contributed surplus		1,914,373	1,914,373
Accumulated other comprehensive loss		(36,357)	28,570
Deficit		<u>(17,198,977)</u>	<u>(16,478,690)</u>
Total Partner's deficit		15,940,552	14,536,545
TOTAL PARTNERS' EQUITY AND LIABILITIES		<u><u>21,343,272</u></u>	<u><u>18,046,578</u></u>
Commitment	11		
Subsequent event	12		

Approved by the Directors:

"Rod Husband" Director

"Al Korelin" Director

(See accompanying notes to consolidated financial statements)

Majestic Gold Corp.
Consolidated Statements of Operations and Deficit - Unaudited

	Notes	Three month ended		Six month ended	
		March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Expenses					
Consulting fees		\$ (40,395)	\$ 733,860	\$ -	\$ 1,061,800
Communications		17,157	12,863	17,157	22,493
Office and management services		8,631	295,772	64,596	142,286
Professional fees		83,692	20,683	175,986	59,234
Regulatory fees		13,141	2,906	41,918	30,168
Rent		60,000	9,000	60,000	45,750
Shareholder relations, travel and promotion		13,861	293,603	15,000	443,185
Loss before other items		156,086	1,368,687	374,656	1,804,916
Other items					
Realized loss (gain) on investment	5	165	5,761	165	-
Write-down of mineral property		-	47,563	-	(66,849)
Interest and financing costs		-	-	225,000	-
Interest income		3,546	(1,038)	(2,100)	(1,455)
Loss (gain) on forex exchange transactions		113,535	-	122,565	9,855
Loss for the year before taxes		273,333	1,420,973	720,287	1,746,467
Income tax expense / (recovery)		-	-	-	-
Net loss for the year		273,333	1,420,973	720,287	1,746,467

(See accompanying notes to consolidated financial statements)

Majestic Gold Corp.
Consolidated Statement of Comprehensive Loss

	Three month ended		Six month ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Net loss for the period before other comprehensive income	\$ 273,333	\$ 1,420,973	\$ 720,287	\$ 1,746,467
Unrealized loss (gain) on available-for-sale investments	11,662	-	64,927	(120,440)
Comprehensive Loss for the period	284,995	1,420,973	785,213	1,626,027

(See accompanying notes to consolidated financial statements)

Consolidated Statements of Accumulated Other Comprehensive Income

	Three month ended		Six month ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Accumulated Other Comprehensive Income, beginning of the period	\$ 28,568	\$ 292,776	\$ 28,570	\$ 413,216
Unrealized loss on available-for-sale investments	(11,662)	-	(64,927)	120,440
Accumulated Other Comprehensive Income, end of the period	16,906	292,776	(36,357)	533,656

(See accompanying notes to consolidated financial statements)

Majestic Gold Corp.

Consolidated Statements of Cash Flows

	Notes	Three month ended		Six month ended	
		March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Cash flows used in operating activities					
Net income (loss) for the year		\$ (273,333)	\$ (1,420,973)	\$ (720,287)	\$ (1,746,467)
Items not involving cash:					
Foreign currency translation difference on non-r		113,535	-	122,565	-
Write-down of mineral property		-	-	-	89,094
Shares issued for loan bonus		-	-	-	-
Stock-based compensation		-	915,300	-	-
Future income tax		-	-	-	-
Accrued interest		(225,000)	-	-	-
Realized loss (gain) on investment		165	-	165	-
Net change in non-cash working capital					
Accounts receivable		3,708	(24,713)	19,393	49,296
GST receivable		(25,077)	11,733	(10,703)	(4,686)
Prepays expenses		122,550	53,370	145,369	(52,990)
Accounts payable and accrued liabilities		2,050,075	(550,850)	2,049,769	463,903
Net cash from operating activities		1,766,623	(1,016,133)	1,606,271	(1,201,850)
Cash flows from investing activities					
Expenditures on mineral properties	4	(2,447,435)	(659,449)	(3,995,386)	(1,060,300)
Proceeds on sale of investment	5	1,713	-	1,713	-
Restricted cash		371,865	131,584	486,369	116,294
Net cash from investing activities		(2,073,857)	(527,865)	(3,507,304)	(944,006)
Cash flows from financing activities					
Share capital issued for cash, net of costs	7	673,614	-	4,833,268	-
Collection of share subscriptions receivable		-	-	-	462,500
Share subscriptions received in advance	12	93,610	1,100,000	(2,644,048)	1,556,500
Advances to (repayment from) related parti	8	(328,885)	(14,448)	(157,082)	(273,670)
Cash proceeds from loan		-	-	-	-
Net cash from financing activities		438,339	1,085,552	2,032,138	1,745,330
Net increase in cash and cash equivalents		131,105	(458,446)	131,105	(400,526)
Cash and cash equivalents, beginning of period		268,820	921,452	268,820	921,452
Cash and cash equivalents, end of period		399,925	463,006	399,925	520,926
Supplementary information:					
Interest paid		-	-	-	-

(See accompanying notes to consolidated financial statements)

Notes to Consolidated Financial Statements

1. Nature of Operations and Going Concern

Majestic Gold Corp. (or the "Company") is incorporated under the *Business Corporations Act* (British Columbia) and its principal business activity is the acquisition and exploration of mineral properties. Majestic Gold Corp. is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable.

The accompanying consolidated financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern. Several adverse conditions as set out below cast significant doubt on the validity of this assumption. At March 31, 2009, the Company has no source of operating cash flow and an accumulated deficit of \$17,198,977 (at September 30, 2008 - \$16,478,690). At March 31, 2009, Majestic Gold Corp. has a working capital deficiency of \$4,882,075 (at September 30, 2008 - \$3,038,951). Operations for the six months ended March 31, 2008 have been funded primarily from the issuance of share capital.

During six months ended March 31, 2009, a claim has been made for payment for the outstanding principal balance of \$2,000,000 of its loan payable plus all related and unpaid interest and outstanding fees (see note 6).

Majestic Gold Corp.'s ability to continue as a going concern is contingent on its ability to raise additional financing. The current financial equity market conditions, the challenging funding environment and the low price of Majestic Gold Corp.'s common shares make it difficult to raise funds by placement of common shares. There is no assurance that Majestic Gold Corp. will be successful with any financing ventures. It is dependent upon the continuing financial support of shareholders and obtaining financing to continue exploration of its mineral property interests. While Majestic Gold Corp. is expanding its best efforts to achieve its plans by examining various financing alternatives, there is no assurance that any activity will generate funds that will be available for operations.

The consolidated financial statements do not include any adjustments to the recoverability and classification of recorded assets, or the amounts and classifications of liabilities that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and are stated in Canadian dollars.

The consolidated financial statements include the accounts of Majestic Gold Corp. and its integrated 90%-owned British Virgin Island subsidiaries, Majestic Tianshan Gold Inc. ("MTG"), Majestic Yantai Gold Ltd. ("MYG"), Majestic Jiaodong Gold Ltd. ("MJG"), Majestic Shandong Gold Ltd. ("MSG"), and Majestic Zhaoyuan Gold Ltd. ("MZG") and its wholly-owned British Virgin Island subsidiary, Majestic China Mining Corp. ("MCMC") (collectively known as "the Company"). All significant intercompany amounts and transactions have been eliminated.

As these unaudited interim consolidated financial statements do not contain all of the disclosures required by Canadian GAAP, they should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended September 30, 2008.

2. Significant accounting policies (cont.)

The accounting policies followed by the Company are set out in note 2 to the audited consolidated financial statements for the year ended September 30, 2008, and have been consistently followed in the preparation of these consolidated financial statements except that the Company has adopted the following CICA standards effective October 1, 2008.

Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

New accounting Standards and Pronouncements not yet adopted

Section 1582 Business Combinations, Section 1601 Consolidated Financial statements and Section 1602 Non-Controlling Interests

In January 2009, the AcSB issued Section 1582 “Business Combinations”, Section 1601 “Consolidations” and Section 1602 “Non-Controlling Interests”. Section 1582 replaces Section 1581 “Business Combinations” and provides the Canadian equivalent to IFRS 3 Business Combinations. Section 1601 and Section 1602 replace Section 1600 “Consolidated Financial Statements”. Section 1602 provides the Canadian equivalent to International Accounting Standard (“IAS”) 27 “Consolidated and Separate Financial Statements”, for non-controlling interests. These standards align Canadian GAAP with IFRS and are effective January 1, 2011. The effect on the Company’s financial statements is not expected to be material.

Section 3064, Goodwill and Intangible Assets

In January 2008, Section 3064 “Goodwill and Intangible Assets” was issued to replace Section 3062 “Goodwill and Other Intangible Assets” and Section 3450 “Research and Development Costs”. In addition, Section 1000 “Financial Statement Concepts” and Accounting Guideline AcG 11 “Enterprises in the Development Stage” were amended. The new and amended material clarifies that costs may only be deferred when they relate to an item that meets the definition of an asset.

The practice of matching revenues and expenses remains appropriate only for allocating the cost of an asset that is consumed in generating revenue over multiple reporting periods. Section 3064 provides extensive guidance on when expenditures qualify for recognition as intangible assets, aligns Canadian GAAP with IFRS and is required to be adopted by fiscal years beginning on or after October 1, 2008. The effect on the Company’s financial statements is not expected to be material.

Convergence with International Financial Reporting Standards (“IFRS”)

In 2005, the AcSB announced that accounting standards in Canada are to converge with IFRS. The AcSB has indicated that Canadian entities will need to begin reporting under IFRS by the first quarter of 2011 with appropriate comparative data from the prior year. Under IFRS, the primary audience is capital markets and as a result, there is significantly more disclosure required, specifically for quarterly reporting. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policy which must be addressed.

The Company is currently developing its IFRS conversion plan and is evaluating the effect of the new standard on its consolidated financial statements.

3. Restricted cash

(a) Trans American Industries Ltd. ("TSA") subscribed for 1,800,000 common shares of the Company during the year ended September 30, 2005 for proceeds of \$960,000. The terms of an Option and Shareholder Agreement between the Company and TSA, dated January 14, 2005, and as amended August 22, 2005, restricted the proceeds from this share issuance to be used for exploration expenditures on the Shandong Project. Effective February 1, 2007, TSA amended the terms of the Option and Shareholder Agreement whereby funds are further restricted to exploration expenditures on the Jing Cheng Interest within the Shandong Project (note 4(d)). As at March 31, 2009, the remaining restricted balance is \$Nil (at September 30, 2008 - \$109,050).

(b) On April 8, 2008 the Company arranged with RAB Special Situations (Master) Fund Limited ("RAB") to borrow \$2,000,000 (see note 6). The proceeds from the loan are restricted for the purpose of making the Company's final capital contribution to Yantai Zhongjia Mining Inc., the Chinese joint venture company that holds the rights to the Song Jiaguo gold project (note 4(c)). As at March 31, 2009, the remaining restricted balance is \$Nil (at September 30, 2008 - \$377,319).

4. Mineral properties

	As at Mar 31, 2009				
	Sawayaerdun, China	Muping, China	Shandong (Jinze), China	Jingang, China	Total
Investigations	\$ 122,156	\$ 6,250	\$ 246,044	\$ -	\$ 374,450
Acquisition	810,619	132,716	-	-	943,335
Exploration:					
Assays and analysis	338,744	878,251	-	45,055	1,262,050
Exploration work	1,867,632	1,079,480	193,509	136,638	3,277,259
Drilling	3,492,922	2,080,251	-	60,000	5,633,173
Geological and geochemica	4,673,353	2,125,822	338,049	44,383	7,181,607
Logistics and support	542,713	404,273	160	6,203	953,348
Capital equipment	16,115	1,125,290	-	-	1,141,405
Future income taxes	36,000	15,000	5,000	-	56,000
	\$ 11,900,255	\$ 7,847,333	\$ 782,762	\$ 292,279	\$ 20,822,628

	As at September 30, 2008				
	Sawayaerdun, China	Muping, China	Shandong (Jinze) , China	Jingang, China	Total
Investigations	\$ 122,156	\$ 6,250	\$ 246,044	\$ -	\$ 374,450
Acquisition	361,367	132,716	-	-	494,083
Exploration:					
Assays and analysis	338,744	878,251	-	45,055	1,262,050
Exploration work	1,850,357	994,914	182,533	136,638	3,164,442
Drilling	3,492,922	2,080,251	-	60,000	5,633,173
Geological and geochemica	1,499,834	2,125,822	338,049	44,383	4,008,088
Logistics and support	440,008	386,340	-	5,883	832,231
Capital equipment	-	1,125,290	-	-	1,125,290
Future income taxes	36,000	15,000	5,000	-	56,000
	\$ 8,141,388	\$ 7,744,834	\$ 771,626	\$ 291,959	\$ 16,949,807

4. Mineral properties (cont.)

Sawayaerdun, China

During the year ended September 30, 2004, the Company entered into a joint venture agreement with a party in China to acquire up to a 90% interest in the Sawayaerdun Gold Project in the Xinjiang Province, China. In order for the Company to earn its interest, the Company is required to contribute 100% of the exploration and development costs, including the following minimum cumulative exploration expenditures over four years:

December 31, 2004	USD 300,000
December 31, 2005	USD 700,000
December 31, 2006	USD 1,350,000
December 31, 2007	USD 2,000,000

As at September 30, 2008, the Company has made the qualifying exploration expenditures to confirm its interest in the Sawayaerdun Gold Project.

The Company issued 150,000 common shares of the Company and agreed to pay 7% of expenses incurred by the Company on the property until such time that the Company has earned its interest in the Sawayaerdun Gold Project as a finder's fee. The finder retained a 10% interest in the project and has the right to convert its 10% interest into common shares of the Company at the then market price of the Company's shares based on the then current valuation of the property interest.

During the year ended September 30, 2007, the Company entered into a mining license transfer agreement with a Chinese government agency. During 2008, the Chinese government agency transferred the mining license of Sawayaerdun gold mine to the MTG joint venture in exchange for 10% equity in the MTG joint venture. The Company previously reimbursed the Chinese government agency 3,000,000 RMB for exploration expenditures made by the Chinese government agency.

The MTG joint venture will be required to pay 5,438,900 RMB to the Chinese government agency as part of a mining permit fee. During the year ended September 30, 2008, the MTG joint venture paid 1,490,000 renminbi ("RMB") and the remaining balance is to be paid in equal payments of 789,780 RMB each February from 2009 to 2013. The Company has not yet paid the 789,780 RMB commitment due to pay in February 2009.

Muping, China

In May 2004, the Company entered into a Co-operation Contract with Shandong Yantai Muping Gold Mine, China to acquire a 60% interest in Yantai Zhongjia Mining Inc., a Chinese Co-operation Company that has been established to hold the exploration rights to the Muping Gold Project in the Shandong Province, China. The Company is required to contribute a minimum of US\$4,263,094 in exploration costs by March 2009; otherwise, it will be deemed that the Company has abandoned all rights and interests in the co-operation company. Upon establishment of the co-operation company, the Company issued on March 22, 2005 150,000 common shares of the Company to a third party as a finder's fee.

Shandong Project – Jinze, China

In January 2005, the Company and TSA entered into an Option and Shareholder Agreement to work jointly to identify, explore and develop targets in an area (the "Area of Interest") on the Jaodong Peninsula in Shandong Province, China (the "Shandong Project"). The Shandong Project includes three of the nine exploration licenses that the Company had under option from Shandong Yantai Muping Gold Mine, China (note 4(c)). The Dazai,

Shugzhuang and Chenjiguo licenses (the "Shandong Licenses") lie within the Shandong Project and have been included by the Company in the Option and Shareholder Agreement with TSA. All remaining licenses subject to the Co-operation Contract with Shandong Yantai Muping Gold Mine, China were excluded from this agreement.

4. Mineral properties (cont.)

TSA earned 50% of the Company's option to earn a 60% interest in the Shandong Licenses by acquiring 800,000 units of the Company at a price of \$0.70 per unit for gross proceeds of \$560,000 and an additional 1,000,000 units of the Company at a price of \$0.40 per unit for gross proceeds of \$400,000 during 2005.

In October 2005, the Company entered into a Co-operation Contract with Yantai Jinze Mining and Technology Ltd. to acquire a 90% interest in Yantai Jinze Gold Inc., a Chinese Cooperation Company that has been established to hold the exploration rights to certain properties located in the vicinity of Yantai City in the Province of Shandong. The Company is required to contribute a minimum of \$1,000,000 in exploration costs over three years; otherwise, it will be deemed that the Company has abandoned all its rights and interests.

Upon establishment of the Co-operation Company, the Company issued on September 6, 2006, 150,000 common shares of the Company to a third party as a finder's fee. The common shares were valued at \$0.54 per share, being the closing price of the shares on the date of issuance. The total fair value of \$81,000 has been capitalized as a property acquisition cost.

Effective February 1, 2007, the Company and TSA amended their Option and Shareholder agreement. TSA agreed that it will hold no interest nor have a right to acquire any interest in any license in the Shandong Project except for three licenses subject to the Jing Cheng Interest. The Jing Cheng Interest consists of exploration licenses that are associated with the Jingang Gold Project. The Jing Cheng Interest has been agreed to remain part of the Shandong Project and are subject to the terms of the option agreement. All remaining funds contributed by TSA to the Shandong Project (note 3) are required to be spent on the Jing Cheng Interest. The Jing Cheng Interest consists of licenses in Jing Cheng East, Jing Cheng West and Duoshan, which are all located in Shandong Province, China. As of September 30, 2008 these licenses were not renewed as the Shandong project has been abandoned. The Company currently has three active licenses in the Yuhuangding, Baima, and Xianiantou areas as this is independent from the Shandong project.

Jingang, China

In July 2006, the Company entered into a Co-operation Contract with China Shandong No. 3 Mineral and Geological Exploration Institute. The subsidiary has the right to acquire a 70% interest in Yantai Ludi Jingang Gold Mining Inc., a Chinese Co-operation Company that has been established to hold the exploration rights to the Jingang Gold Project in the Shandong Province of China. The Company is required to contribute a minimum of \$567,125 in exploration costs over four years; otherwise, it will be deemed that the Company has abandoned all rights and interests in the Co-operation Company. In accordance with the terms of the amended Option and Shareholder agreement effective February 1, 2007 TSA holds 50% of MJG's option to earn a 70% interest in the Jingang Gold Project, which is known as the Jing Cheng Interest.

5. Investments

Investments classified as available-for-sale are reported at fair value (or marked-to-market) based on quoted market prices, with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss.

The Company's investments consist of the following:

	March 31, 2009		September 30, 2008	
	Number of shares	Fair Value \$	Number of shares	Fair Value \$
Central China Goldfields plc shares	2,750,000	\$91,687	2,800,000	\$ 158,491
Central China Goldfields plc warrants	3,500,000	\$ -	3,500,000	\$ -
	-	\$ 91,687	-	\$ 158,491

In March 2009, the Company sold 200,000 shares for total proceeds of \$24,000 and realized a net gain of \$16,000. During the six months ended March 31, 2009, the Company incurred an unrealized loss of \$64,927 (2008 - \$120,440 income), net of future income tax recovery, on the change in fair value of these shares.

6. Loan payable

In April 2008, the Company issued an unsecured note payable of \$2,000,000 to RAB as part of obtaining funding for the purpose of making the Company's final capital contribution to Yantai Zhongjia Mining Inc., the Chinese joint venture company that holds the rights to the Song Jiaguo gold project, located on the Jiaodong Peninsula of Shandong Province in eastern China (note 4). The loan bears interest at the rate of 30% per annum on all principal amounts commencing on September 1, 2008. The note matured on September 30, 2008 with full principal and all accrued interest payable due September 30, 2008. If the principal portion of the loan plus any unpaid interest are not paid by September 30, 2008 the Company is required to pay a \$25,000 re-commitment fee at the beginning of each month during which the loan thereafter remains outstanding.

In conjunction with the financing, the Company incurred costs comprised of financing fees of \$100,000, legal fees of \$20,000 and issued to the lender 6,250,000 performance shares that are valued at \$562,500 (the fair market value at the date of issuance). The loan is considered to be in default and the Company has not repaid any of the principal plus accrued interest as at March 31, 2009. The Company received a formal notice of default from the lender. The amount outstanding on the loan as at March 31, 2009 is \$2,050,000 (as at September 30, 2008 - \$2,050,000).

During the six month ended March 31, 2009, RAB made a claim for payment for the outstanding principal of \$2,000,000 plus all unpaid interest and outstanding fees. RAB has not commenced legal action against the Company and the outcome of any legal proceeding which may ultimately commence cannot be determined at this time. Any results will affect future periods and be reported at that time.

7. Share capital

Authorized

Unlimited amount of common shares without par value.

Issued

	Number of shares	Value \$
Balance at September 30, 2008	67,030,809	\$ 26,334,634
Issued in quarter:		
For cash pursuant to private placements	98,240,140	4,912,007
As finders' fee	5,999,840	-
Private placement fees	-	(78,739)
Balance at March 31, 2009	<u>171,270,789</u>	<u>\$ 31,167,902</u>

Private placements

On October 28, 2008, the Company completed a non-brokered private placement of 98,240,140 units at \$0.05 per unit for gross proceeds of \$4,912,007 (\$2,737,658 was received prior to September 30, 2008). Each unit is comprised of one common share and one common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share in the capital of the Company for two years from the date of issue at the price of \$0.10 per common share. The Company paid \$78,739 in cash and issued 5,999,840 shares as finders' fee for the private placement.

Share purchase warrants

The following presents the continuity of share purchase warrants outstanding:

Issue Date	Warrants Issued	Warrants Exercised	Warrants Expired/ Cancelled	Exercise Price	Expiry Date
June 1, 2007	4,166,250	-	4,166,250	\$0.60	June 1, 2009
June 1, 2007	128,000	-	128,000	\$0.60	June 1, 2009
January 18, 2008	1,375,000	-	-	\$0.60	January 18, 2010
October 28, 2008	98,240,140	-	-	\$0.10	October 28, 2010
Balance at March 31, 2009	<u>103,909,390</u>	-	<u>4,294,250</u>	<u>\$1.90</u>	

Stock options

The maximum number of common shares issuable under the terms of the Company's Amended Incentive Stock Option Plan, dated February 15, 2005, shall not exceed 10% of the issued and outstanding shares of the Company at the time the stock options are granted, less the number of shares, if any, subject to prior stock options issued.

7. Share capital (cont.)

A summary of the status of the Company's stock options as of March 31, 2009 and changes during the nine months then ended is as follows:

	Number of shares	Weighted average exercise price
Balance, September 30, 2008	5,209,500	\$0.30
Granted	-	\$0.00
Expired/Cancelled	(800,000)	\$0.30
Balance, March 31, 2009	4,409,500	\$0.30

8. Related party transactions

The amounts due to related parties are unsecured, have no formal terms of repayment and are composed of amounts owed to the President and Directors and companies owned by the President and Directors totaling \$253,741 as at March 31, 2009 (\$410,823 – as at September 30, 2008).

The Company was charged and advanced the following amounts by directors or corporations controlled by directors of the Company for the six month ended March 31, 2009 and 2008:

	Mar 31, 2009	March 31, 2008
Consulting and management fees	\$ 15,308	\$ 45,397
Loans received	42,500	-
	<u>\$ 57,808</u>	<u>\$ 45,397</u>

These transactions occurred in the normal course of operations are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. Segment information

The Company operates in one industry segment, being mineral property exploration. Details of the Company's mineral properties by geographic location are detailed in note 4. Total assets attributable to China as at March 31, 2009 are \$21,226,872 (September 30, 2008 - \$17,700,794) with the remainder of the assets attributable to Canada.

11. Commitments and contingencies

The Company has no other commitments and contingencies which were not previously covered in related notes for this period.

12. Subsequent event

Share Capital

On July 21, 2009, the Company completed a \$2,450,000 non-brokered private placement consisting of 49,000,000 units at \$0.05 per unit (\$2,543,556 was received prior to March 31, 2009). Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one common share at the price of \$0.10 for two years from closing.

On July 21, 2009, the Company completed a \$364,963.50 non-brokered private placement consisting of 7,299,270 units at \$0.05 per unit. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one common share at the price of \$0.10 for two years from closing.

Loan payable

On July 20, 2009, the Company partially repaid a loan to RAB in the amount of \$1,125,000. The amount outstanding on the loan after this repayment is \$925,000.

Mineral properties - Sawayaerdun, China

At September 18th, 2009, the Bureau has approved the sale of the JV Interests to the Purchasers and the Purchasers have made their first installment payment on account of the Purchase Price. Majestic's share of that installment payment is 90%, or ¥22,500,000 (~C\$3,513,922 @ ¥6.4031 to C\$1.00). Those funds have been paid to the JV Company controlled by Majestic and will remain on deposit with the JV Company, in China, until the Company's representatives have arranged for remittance of applicable taxes to the Chinese government and made the government filings required to facilitate the payment of the balance of such funds to the Company in Canada.