UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended August 31, 2011

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **000-50907**

DOUGLAS LAKE MINERALS INC.

(Exact name of registrant as specified in its charter)

Nevada	**98-0430222**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Suite 500, 666 Burrard Street **Vancouver, British Columbia, Canada**	**V6C 3P6**
(Address of principal executive offices)	(Zip Code)

(604) 642-6165
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date. **292,416,653 shares of common stock as of October 21, 2011.**

DOUGLAS LAKE MINERALS INC.

Quarterly Report On Form 10-Q
For The Quarterly Period Ended
August 31, 2011

INDEX

FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. Forward-looking statements in this quarterly report include, among others, statements regarding our capital needs, business plans and expectations. Such forward-looking statements involve risks and uncertainties regarding the market price of copper, availability of funds, government regulations, permitting, common share prices, operating costs, capital costs, outcomes of ore reserve development, recoveries and other factors. Forward-looking statements are made, without limitation, in relation to operating plans, property exploration and development, availability of funds, environmental reclamation, operating costs and permit acquisition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential" or "continue", the negative of such terms or other comparable terminology. Actual events or results may differ materially. In evaluating these statements, you should consider various factors, including the risks outlined in our annual report on Form 10-K for the year ended May 31, 2011, and, from time to time, in other reports that we file with the Securities and Exchange Commission (the "SEC"). These factors may cause our actual results to differ materially from any forward-looking statement. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The following unaudited interim financial statements of Douglas Lake Minerals Inc.(sometimes referred to as "we", "us" or "our Company") are included in this quarterly report on Form 10-Q:

Douglas Lake Minerals Inc.
(An Exploration Stage Company)
Consolidated Balance Sheets
(Expressed in U.S. dollars)

	August 31, 2011 $ (Unaudited)	May 31, 2011 $
ASSETS		
Current Assets		
Cash	6,432,454	6,795,474
Amounts receivable	217,211	654,614
Marketable securities (Note 10)	4,040,000	4,000,000
Prepaid expenses and deposits (Note 3)	1,374,710	2,036,011
Total Current Assets	12,064,375	13,486,099
Property and Equipment (Note 4)	374,617	305,936
Total Assets	12,438,992	13,792,035
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	208,897	179,102
Accrued liabilities (Note 7)	313,669	312,848
Due to related parties (Note 5(e))	–	1,112
Total Liabilities	522,566	493,062
Commitments and Contingencies (Notes 1, 6 and 11)		
Stockholders' Equity		
Common Stock Authorized: 500,000,000 shares, $0.001 par value Issued and outstanding: 292,416,654 shares (May 31, 2011 – 292,416,654 shares)	292,417	292,417
Additional Paid-in Capital	112,103,731	111,925,974
Subscriptions Receivable	–	(13,814)
Common Stock Subscribed (Notes 6 and 11(a))	2,253,000	2,253,000
Donated Capital	109,000	109,000
Accumulated Other Comprehensive Income	1,280,000	1,240,000
Deficit Accumulated During the Exploration Stage	(104,121,722)	(102,507,604)
Total Stockholders' Equity	11,916,426	13,298,973
Total Liabilities and Stockholders' Equity	12,438,992	13,792,035

(The accompanying notes are an integral part of these consolidated financial statements)

Douglas Lake Minerals Inc.
(An Exploration Stage Company)
Consolidated Statements of Operations
(Expressed in U.S. dollars)
(Unaudited)

	Accumulated from January 5, 2004 (Date of Inception) to August 31, 2011 $	For the Three Months Ended August 31, 2011 $	For the Three Months Ended August 31, 2010 $
Revenue	–	–	–
Expenses			
Amortization	114,622	35,994	5,518
Consulting	21,729,887	471,522	1,154,097
General and administrative	1,632,483	44,565	16,357
Impairment of mineral property acquisition costs	77,492,074	–	–
Mineral property exploration costs	3,160,192	721,476	160,000
Professional	1,793,909	231,742	36,573
Rent	223,643	32,731	9,423
Travel	1,620,077	76,088	29,065
Total Expenses	107,766,887	1,614,118	1,411,033
Net Loss Before Other Expense	(107,766,887)	(1,614,118)	(1,411,033)
Other Income (Expense)			
Gain on write-down of accounts payable	86,219	–	–
Mineral property option payments received	3,616,017	–	350,000
Loss on sale of investment securities	(57,071)	–	–
Net Loss	(104,121,722)	(1,614,118)	(1,061,033)
Other Comprehensive Income			
Unrealized gain on marketable securities	1,280,000	40,000	–
Comprehensive Loss	(102,841,722)	(1,574,118)	(1,061,033)
Net Loss Per Share – Basic and Diluted		(0.01)	(0.01)
Weighted Average Shares Outstanding		292,417,000	73,165,000

(The accompanying notes are an integral part of these consolidated financial statements)

Douglas Lake Minerals Inc.
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
(Expressed in U.S. dollars)
(Unaudited)

	Accumulated from January 5, 2004 (Date of Inception) to August 31, 2011 $	For the Three Months Ended August 31, 2011 $	For the Three Months Ended August 31, 2010 $
Operating Activities			
Net loss	(104,121,722)	(1,614,118)	(1,061,033)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization	114,622	35,994	5,518
Donated services and rent	9,000	–	–
Impairment of mineral property acquisition costs	77,492,074	–	–
Loss on sale of investment securities	57,071	–	–
Mineral property option payments received	(156,017)	–	–
Stock-based compensation	18,235,540	177,757	1,070,527
Gain on write-down of accounts payable	(86,219)	–	–
Write off of equipment	3,693	–	3,693
Shares received from mineral property option payment	(2,760,000)	–	–
Changes in operating assets and liabilities:			
Prepaid expenses and deposits	(1,591,921)	1,098,704	(23,795)
Accounts payable and accrued liabilities	(90,173)	30,616	(43,244)
Due to related parties	853,943	(1,112)	(86,298)
Net Cash Used in Operating Activities	(12,040,109)	(272,159)	(134,632)
Investing Activities			
Mineral property acquisition costs	(697,677)	–	–
Proceeds from mineral property options	600,000	–	–
Purchase of property and equipment	(492,932)	(104,675)	(1,375)
Net Cash Used In Investing Activities	(590,609)	(104,675)	(1,375)
Financing Activities			
Checks issued in excess of funds on deposit	–	–	(3,313)
Proceeds from issuance of common stock	20,384,363	–	150,000
Share issuance costs	(1,321,191)	–	–
Receipt of stock subscriptions	–	13,814	–
Net Cash Provided By Financing Activities	19,063,172	13,814	146,687
Increase (Decrease) in Cash	6,432,454	(363,020)	10,680
Cash – Beginning of Period	–	6,795,474	–
Cash – End of Period	6,432,454	6,432,454	10,680
Non-cash Investing and Financing Activities			
Amount owing pursuant to mineral license acquisition agreements included in accrued liabilities	250,000	–	–
Common shares issued to settle related party payable	619,306	–	
Common shares subscribed for mineral licenses acquired	2,203,000	–	–
Common shares issued for mineral licenses acquired	74,796,750	–	–
Shares gifted to the Company to settle liabilities	100,000	–	–
Investment securities received and sold by the President of the Company on behalf of the Company	79,603	–	–
Supplemental Disclosures			
Interest paid	–	–	–
Income taxes paid	–	–	–

(The accompanying notes are an integral part of these consolidated financial statements)

1. Nature of Operations and Continuance of Business

The Company was incorporated in the State of Nevada on January 5, 2004. The Company is an Exploration Stage Company, as defined by Statement of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 915, *Development Stage Entities*. The Company's principal business is the acquisition and exploration of mineral resources located in Tanzania, Africa. The Company has not presently determined whether its properties contain mineral reserves that are economically recoverable. To date, the Company has not incurred any asset retirement obligations.

These consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has never generated revenues since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations and to determine the existence, discovery and successful exploitation of economically recoverable reserves in its resource properties, confirmation of the Company's interests in the underlying properties, and the attainment of profitable operations. As at August 31, 2011, the Company has cash on hand of $6,432,454 and has accumulated losses of $104,121,722 since inception. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's plans for the next twelve months are to focus on the exploration of its mineral properties in Tanzania and estimates that cash requirements of approximately $7,000,000 will be required for exploration and administration costs and to fund working capital. Management intends to raise additional funds through debt and/or equity financing, if necessary.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

These consolidated financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in U.S. dollars. Beijing Dao Hu Investment -Consulting, Ltd., (Beijing Dao) a Chinese company previously wholly-owned, was consolidated on May 31, 2010. During the year ended May 31, 2011, the Company dissolved Beijing Dao; and the dissolution is immaterial to the financial statements. In June 2011 the Company incorporated a new wholly-owned subsidiary, DLM Tanzania Limited which undertakes mineral property exploration activities in Tanzania. The Company also has a wholly-owned non-operating Tanzanian subsidiary. All significant intercompany transactions and balances have been eliminated. The Company's fiscal year-end is May 31.

b) Interim Financial Statements

The interim unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Securities and Exchange Commission ("SEC") Form 10-Q. They do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Therefore, these financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended May 31, 2011, included in the Company's Annual Report on Form 10-K filed on September 13, 2011 with the SEC.

The financial statements included herein are unaudited; however, they contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the Company's financial position at August 31, 2011, and the results of its operations and cash flows for the interim periods ended August 31, 2011 and 2010. The results of operations for the three months ended August 31, 2011 are not necessarily indicative of the results to be expected for future quarters or the full year.

2. Summary of Significant Accounting Policies (continued)

c) Use of Estimates

The preparation of consolidated financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses in the reporting period. The Company regularly evaluates estimates and assumptions related to the recoverability and useful life of long-lived assets, stock-based compensation, and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

d) Basic and Diluted Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with ASC 260, *Earnings per Share* which requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive.

e) Comprehensive Loss

ASC 220, *Comprehensive Income* establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at August 31, 2011 and 2010, the Company's only component of other comprehensive income and accumulated other comprehensive income is an unrealized fair value gain on available for sale marketable securities.

f) Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents.

g) Marketable Securities

The Company reports investments in marketable equity securities at fair value based on quoted market prices. All investment securities are designated as available for sale with unrealized gains and losses included in stockholders' equity. Unrealized losses that are other than temporary are recognized in earnings. Realized gains and losses are accounted for on the specific identification method.

The Company periodically reviews these investments for other-than-temporary declines in fair value based on the specific identification method and writes down investments to their fair value when an other-than- temporary decline has occurred. When determining whether a decline is other-than-temporary, the Company examines (i) the length of time and the extent to which the fair value of an investment has been lower than its carrying value: (ii) the financial condition and near-term prospects of the investee, including any specific events that may influence the operations of the investee such as changes in technology that may impair the earnings potential of the investee: and (iii) the Company's intent and ability to retain its investment in the investee for a sufficient period of time to allow for any anticipated recovery in market value. The Company generally believes that an other-than-temporary decline has occurred when the fair value of the investment is below the carrying value for one year, absent of evidence to the contrary.

h) Property and Equipment

Property and equipment consists of office equipment and automobiles recorded at cost and amortized on a straight-line basis over a three-year period.

2. Summary of Significant Accounting Policies (continued)

i) Mineral Property Costs

The Company has been in the exploration stage since its inception on January 5, 2004 and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition and exploration of mining properties. Mineral property exploration costs are expensed as incurred. Mineral property acquisition costs are initially capitalized. The Company assesses the carrying costs for impairment under ASC 360, *Property, Plant, and Equipment* at each fiscal quarter end. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs then incurred to develop such property, are capitalized. Such costs will be amortized using the units-of-production method over the estimated life of the probable reserve. If mineral properties are subsequently abandoned or impaired, any capitalized costs will be charged to operations.

j) Long-Lived Assets

In accordance with ASC 360, *Property Plant and Equipment* the Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life. Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

k) Asset Retirement Obligations

The Company accounts for asset retirement obligations in accordance with the provisions of ASC 440 *Asset Retirement and Environmental Obligations* which requires the Company to record the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development and/or normal use of the assets. The Company did not have any assets retirement obligations as of August 31, 2011 and May 31, 2011.

l) Financial Instruments

ASC 825, *Financial Instruments* requires an entity to maximize the use of observable inputs and the fair value of financial instruments, which include cash, amounts receivable, marketable securities, and accounts payable were estimated to approximate their carrying values due to the immediate or short-term maturities of these financial instruments.

The Company's operations are in Canada and Africa, which results in exposure to market risks from changes in foreign currency rates. The financial risk is the risk to the Company's operations that arise from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk.

m) Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, *Income Taxes.* The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

2. Summary of Significant Accounting Policies (continued)

n) Foreign Currency Translation

The functional and reporting currency of the Company is the United States dollar. Monetary assets and liabilities denominated in foreign currencies are translated to United States dollars in accordance with ASC 740 *Foreign Currency Translation Matters*, using the exchange rate prevailing at the balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

To the extent that the Company incurs transactions that are not denominated in its functional currency, they are undertaken in Canadian dollars and Tanzanian shillings. The Company has not, to the date of these financials statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

o) Stock-based Compensation

The Company records stock-based compensation in accordance with ASC 718, *Compensation – Stock Based Compensation* and ASC 505, *Equity Based Payments to Non-Employees*, which requires the measurement and recognition of compensation expense based on estimated fair values for all share-based awards made to employees and directors, including stock options.

ASC 718 requires companies to estimate the fair value of share-based awards on the date of grant using an option-pricing model. The Company uses the Black-Scholes option-pricing model as its method of determining fair value. This model is affected by the Company's stock price as well as assumptions regarding a number of subjective variables. These subjective variables include, but are not limited to the Company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviours. The value of the portion of the award that is ultimately expected to vest is recognized as an expense in the statement of operations over the requisite service period.

All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

p) Recently Issued Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its consolidated financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

q) Reclassification

Certain reclassifications have been made to the prior period's financial statements to conform to the current period's presentation.

3. Prepaid Expenses

The components of prepaid expenses are as follows:

	August 31, 2011 $	May 31, 2011 $
General and administrative	80,090	264,575
Professional fees	10,343	30,616
Rent	265,891	116,472
Travel and exploration expenses	1,018,386	1,624,348
	1,374,710	2,036,011

(Expressed in U.S. dollars)

4. Property and Equipment

	Cost $	Accumulated Amortization $	August 31, 2011 Net Book Value $	May 31, 2011 Net Book Value $
Automobiles	325,488	80,224	245,264	220,234
Office equipment	155,837	27,740	128,097	83,760
Software	2,743	1,487	1,256	1,942
	484,068	109,451	374,617	305,936

5. Related Party Transactions and Balances

a) During the three months ended August 31, 2011, the Company incurred $45,000 (2010 - $nil) of consulting fees to the President.

b) During the three months ended August 31, 2011, the Company paid consulting fees of $15,441 (2010 - $30,000) to the former CEO.

c) During the three months ended August 31, 2011, the Company paid consulting fees of $20,094 (2010 - $18,703) to the CFO

d) During the three months ended August 31, 2011, the Company reimbursed $nil (2010 - $141,134) for expenses incurred on behalf of the Company.

e) As at August 31, 2011, the Company was indebted to the Chief Financial Officer of the Company for $nil (May 31, 2011 – $1,112). The amounts due are non-interest bearing, unsecured and due on demand.

6. Mineral Properties

Tanzania, Africa

a) On June 27, 2008, the Company entered into a Joint Venture Agreement that grants the Company the right to explore for minerals on properties in Liwale and Nachigwea Districts of Tanzania known as the Mkuvia Alluvial Gold Project, in consideration for the payment of $1,000,000 (paid) upon signing the agreement and $540,000 over five years beginning July 15, 2008. The $540,000 is payable in stages on a quarterly basis of which $80,000 must be paid in the first year, and $460,000 over the next five years. The holder of the property licenses retains a net smelter royalty return of 3%.

On June 5, 2009, the Company entered into a new joint venture which reduced the area covered by the original agreement to approximately 380 square kilometres. Pursuant to the new joint venture agreement, the Company was required to pay $40,000 upon the signing of the new agreement. In addition, the joint venture partner is still entitled to receive a perpetual net smelter royalty return of 3% from any product realized from the property underlying the prospecting licenses. By entering into the new joint venture agreement, the Company is no longer required to pay the balance of the $460,000 previously due under the prior joint venture agreement. The new joint venture agreement covers prospecting licenses No. 5673/2009, No. 5669/2009, No. 5664/2009, and No. 5662/2009 all of which were renewed on June 12, 2009 for a period of three years.

On November 7, 2009, the Company entered into its first agreement with Ruby Creek Resources Inc. ("RCR") in which RCR has the right to acquire a 70% interest in 125 square kilometres of the Company's interest in the 380 square kilometres covered by the four prospecting licenses in the Mkuvia Alluvial Gold Project in consideration for $3,000,000 payable as follows:

6. Mineral Properties (continued)

i) $100,000 within 5 business days of signing the agreement (received).

ii) $150,000 within 15 business days of signing the agreement (received).

iii) $100,000 upon satisfactory completion of RCR due diligence (received).

iv) $400,000 upon closing and receipt the first mining license.

v) $750,000 payable within 12 months of closing.

vi) $750,000 payable within 24 months of closing, and

vii) $750,000 payable within 36 months of closing. This payment may be made in common shares of RCR. The shares will be valued at the 10 day average trading price of RCR's common stock prior to the payment date.

RCR can increase its ownership from 70% to 75% by paying an additional $1,000,000 within 12 months of closing.

During fiscal 2010 the Company recognized $350,000 in other income for the receipt of option payments (i) (ii) and (iii).

b) On May 24, 2010, in a second agreement (fully executed on June 16, 2010) between RCR and the Company, RCR has to the right to earn a 70% interest in the remaining 255 square kilometres of the 380 square kilometre Mkuvia Alluvial Gold Project by making additional payments totalling $6,000,000 to the Company.

The schedule by which RCR is to pay such $6,000,000 to the Company is as follows:

i) $200,000 due within seven days of execution of the Agreement (received) with $100,000 applied towards costs of environmental permitting and the initial mining license (applied);

ii) $150,000 (received) plus the issuance of four million restricted shares of common stock of RCR, with an agreed upon value of $0.80 per share for a deemed valuation of $3,200,000, within 30 days of the receipt of Certificates of Acknowledgement for all underlying and related Agreements from the Commissioner for Minerals in Tanzania as required by the Mining Act of Tanzania (Certificates of Acknowledgement received August 12, 2010). The four million restricted shares of common stock of RCR were issued to the Company on December 16, 2010 and had a fair market value totalling $2,760,000 based on RCR's quoted stock price on that date.

iii) $450,000 on June 1, 2011;

iv) $1,000,000 on June 1, 2012; and

v) $1,000,000 on June 1, 2013 (which may be satisfied by the issuance of stock by RCR).

Thus, the combined payments under the November 7, 2009 and the May 24, 2010 agreements provide for a total commitment of $9,000,000 payable to the Company by RCR to purchase a 70% interest in the entire 380 square kilometre Mkuvia Alluvial Gold Project. The ownership structure of the interest in the Mkuvia Alluvial Gold Project shall be a 70% interest RCR, a 25% interest for Douglas Lake, and a 5% interest for Mr. Mkuvia Maita, the original owner of the underlying prospecting licenses. In addition, Mr. Maita retains a 3% net smelter royalty. RCR may increase its ownership position from a 70% interest to 75%, reducing the Company's position to 20%, by giving Notice to the Company and paying $1,000,000 to the Company by June 1, 2011. RCR did not make the payment of $1,000,000 by June 1, 2011, and therefore, its ownership position remains at a 70% interest.

On June 3, 2010, the Company and RCR incorporated Ruby Creek Resources (Tanzania) Limited ("Ruby Creek Tanzania") to manage the mining operations in the Mkuvia Gold Project in Tanzania. Ruby Creek Resources (Tanzania) Limited, a joint venture company (the "Joint Venture Company"), is owned by Ruby Creek Resources (70%), the Company (25%) and Mr. Mkuvia Maita (5%).

During fiscal 2011 the Company recognized a total of $3,110,000 in other income for the receipt of the shares at fair market value and the option payments (i) and (ii). The Company has not yet received the $450,000 subsequent option payment (iii) as of October 21, 2011 which is overdue and the agreement is in default. The Company is currently investigating through local counsel the registration particulars of prospecting licenses numbered 5664/2009 and 5669/2009, which form a part of the current Joint Venture Company project. This investigation relates to the reported registration of prospecting licenses numbered 5664/2009 and 5669/2009 to a third party without the Company's approval, in unclear circumstances.

6. Mineral Properties (continued)

c) On April 27, 2006, the Company entered into a Strategic Alliance Agreement with Canaco Resources Inc. ("Canaco"), a Canadian public company. Under the terms of the agreement, Canaco paid $350,000 (received during fiscal 2007) to the Company, and will provide technical management and fund the initial assessment of each of the prospects in Tanzania, in order to earn up to a 70% undivided interest in the prospects. The $350,000 payment can be allocated at Canaco's discretion to cash payments owing under subsequent option agreements. On November 1, 2007, Canaco allocated $75,000 of the payment as the cash consideration owed under the Morogoro option agreement which was subsequently abandoned by Morogoro. In connection with this agreement, the Company is required to issue 200,000 restricted shares of common stock. The Company determined the fair value of the 200,000 shares to be $88,000. The 200,000 shares have not been issued as at August 31, 2011, and $88,000 is included in common stock subscribed.

d) On November 17, 2006, the Company entered into an Asset Purchase Agreement with Atlas to acquire Prospecting License No. 3920/2006 known as "Shinyanga" or "Magembe," which covers an area of approximately 46 square kilometres in Tanzania. The Licenses were transferred to the Company's name on signing the agreement for an aggregate purchase price of $200,000 (paid) and 4,500,000 restricted shares of common stock. The Company determined the fair value of the shares to be $3,172,500. As at May 31, 2007, the Company issued 1,500,000 shares at the fair value of $1,057,500 and at May 31, 2011, the remaining 3,000,000 shares at the fair value of $2,115,000 is included in common stock subscribed. During fiscal 2010, the Company decided to focus on other properties and has let the Magembe prospecting license lapse.

e) On November 17, 2006, the Company entered into an Asset Purchase Agreement with Hydro-Geos Consulting Group Tanzania Limited ("HG") to acquire nine Prospecting Licenses, which cover an area of approximately 2,388.79 square kilometres in Tanzania. Prospecting License No.'s 3868/2006, 3671/2005, 3398/2005, 3105/2005, 3211/2005, and 2961/2004 were transferred to the Company's name on signing the agreement for an aggregate purchase price of $600,000 ("Cash Payment") and issuance of 4,000,000 restricted shares of common stock (issued) at a fair value of $2,820,000. The Cash Payment is to be made as follows: $150,000 (paid) on signing of the agreement and $150,000 payments at the end of each ninety day period thereafter until the consideration is paid in full. As at May 31, 2011, $250,000 is included in accrued liabilities. During fiscal 2010, the Company let Prospecting License No.'s 3671/2005, 3398/2005, 3105/2005, 3211/2005, and 2961/2004 lapse.

f) On September 21, 2010, the Company completed a Mineral Property Acquisition Agreement with IPP Gold Limited ("IPP Gold"), and the Company acquired four prospecting licences totalling approximately 800 square kilometres, located in the Handeni District of Tanzania (the "Handeni Properties"). IPP Gold retained a 2.5% net smelter royalty ("NSR") on the Handeni Properties and the Company has the option to reduce the NSR to 1.25% by paying $5,000,000. If the NSR is reduced to 1.25% the maximum NSR for any year is capped at $1,000,000. In any year the NSR payment is less than $1,000,000 the difference between the actual NSR payment and $1,000,000 will be carried forward to subsequent years. In addition if the London spot price for gold is equal to or greater than $1,500 then the NSR will increase from 2.5% to 3%. The Company issued 133,333,333 restricted shares of common stock to IPP Gold to acquire the Handeni Properties and no further payments to IPP Gold in shares or cash is required.

On September 1, 2010, the Company entered into a Transaction Fee Agreement with a consultant for services related to soliciting offers from and in assisting in the negotiation with potential Company financiers, purchasers, acquisition targets and/or joint venture development partners (each such party being a "Potential Investor"). The initial term of the agreement is a period of 60 days and automatically renews monthly unless otherwise specifically renewed in writing by each party or terminated by the Company. Pursuant to the agreement, the Company agreed to pay the consultant a transaction fee for each completed property acquisition transaction in Tanzania (a "Completed Transaction"). The transaction fee is 12.5% of the shares issuable under each Completed Transaction, payable in restricted common shares at the lowest priced security issuable under each Completed Transaction. On September 30, 2010, the Company issued 16,666,667 restricted shares of common stock pursuant to the Transaction Fee Agreement in relation to the acquisition of the Handeni Properties.

The fair value of the 133,333,333 shares of the Company's common stock issued to IPP Gold pursuant to the Acquisition Agreement and the 16,666,667 shares of the Company's common stock issued pursuant to the Transaction Fee Agreement totalled $60,000,000.

(Expressed in U.S. dollars)

6. Mineral Properties (continued)

On November 30, 2010, the capitalized acquisition costs of the Handeni Properties were tested for impairment by the Company's management as required by ASC 360. Management determined that no positive cash flows from the Handeni Properties could be identified or supported and a full impairment loss was recognized in expenses for the $60,000,000 acquisition cost.

7. Accrued Liabilities

The components of accrued liabilities are as follows:

	August 31, 2011 $	May 31, 2011 $
Consulting fees	–	–
Mineral property expenditures	250,000	250,000
Professional fees	63,669	52,848
General and administrative expenses	–	10,000
Total Accrued Liabilities	313,669	312,848

8. Stock Options

The Company adopted a Stock Option Plan dated April 27, 2007, (the "2007 Stock Option Plan"), under which the Company is authorized to grant stock options to acquire up to a total of 10,000,000 shares of common stock. At August 31, 2011, the Company had no shares of common stock available to be issued under the 2007 Stock Option Plan.

The Company adopted an additional Stock Option Plan dated October 20, 2008 (the "2008 Stock Option Plan"), under which the Company is authorized to grant stock options to acquire up to a total of 10,000,000 shares of common stock. At August 31, 2011, the Company had no shares of common stock available to be issued under the 2008 Stock Option Plan. On August 11, 2010, the Company granted stock options to acquire 3,800,000 common shares at a price of $0.05 per share exercisable for 10 years.

The Company adopted an additional Stock Option Plan dated August 11, 2010 (the "August 2010 Stock Option Plan"), under which the Company is authorized to grant stock options to acquire up to a total of 10,000,000 shares of common shares. At August 31, 2011, the Company had no shares of common stock available to be issued under the August 2010 Stock Option Plan. On August 11, 2010, the Company granted stock options to acquire 6,000,000 common shares at a price of $0.05 per share exercisable for 10 years.

The Company adopted an additional Stock Option Plan dated November 29, 2010 (the "November 2010 Stock Option Plan"), under which the Company is authorized to grant stock options to acquire up to a total of 40,000,000 shares of common shares. On June 21, 2011, 5,400,000 unvested options were forfeited. At August 31, 2011, the Company had 11,900,000 shares of common stock available to be issued under the November 2010 Stock Option Plan.

The fair value for stock options granted was estimated at the date of grant using the Black-Scholes option-pricing model and the weighted average fair value of stock options granted during the three months ended August 31, 2011 was $nil per share (2010 - $0.11). During the three months ended August 31, 2011, the Company recorded stock-based compensation of $177,757 (2010 – $1,070,527) related to the grant of stock options as consulting expense.

The weighted average assumptions used are as follows:

	Three months Ended August 31, 2011	Three months Ended August 31, 2010
Expected dividend yield	–	0%
Risk-free interest rate	–	2.71%
Expected volatility	–	159%
Expected option life (in years)	–	10.00

The total intrinsic value of stock options exercised during the three months ended August 31, 2011, was $nil (2010 - $686,000).

(Expressed in U.S. dollars)

8. Stock Options (continued)

The following table summarizes the continuity of the Company's stock options:

	Number of Options #	Weighted Average Exercise Price $	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value $
Outstanding, May 31, 2011	36,493,333	0.21	8.93	–
Forfeited	(5,400,000)			
Outstanding, August 31, 2011	31,093,333	0.21	8.57	4,986,533
Exercisable, August 31, 2011	16,393,333	0.22	7.96	2,487,533

A summary of the status of the Company's non-vested stock options as of August 31, 2011, and changes during the three months ended August 31, 2011 is presented below:

Non-vested stock options	Number of Shares	Weighted Average Grant Date Fair Value $
Non-vested at May 31, 2011	20,100,000	0.36
Granted	–	–
Forfeited	(5,400,000)	0.35
Vested	–	–
Non-vested at August 31, 2011	14,700,000	0.36

As at August 31, 2011, there was $2,362,761 of total unrecognized compensation cost related to non-vested stock option agreements. That cost is expected to be recognized over a weighted average period of 1.25 years.

The stock options outstanding are exercisable for cash or on a cashless exercise basis using a prorated formula whereby the number of shares issuable is equal to (a) the average closing price for the five days prior to exercise date ("ACP") in excess of the exercise price, divided by (b) the exercise price multiplied by (c) the number of options exercised. During the three months ended August 31, 2011, no cashless stock options were exercised (2010 – 9,800,000).

9. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price $
Balance, May 31, 2011	53,416,417	0.33
Issued	300,000	0.30
Exercised	–	–
Expired	–	–
Balance, August 31, 2011	53,716,417	0.33

(Expressed in U.S. dollars)

9. Share Purchase Warrants (continued)

As at August 31, 2011, the following common share purchase warrants were outstanding:

Number of Warrants	Exercise Price $	Remaining Contractual Life (years)
5,000,000	0.25	1.06
20,000,000	0.075	1.36
11,285,494	0.52	1.03
3,576,768	0.52	1.06
13,554,155	0.52	2.08
300,000	0.30	0.85
53,716,417		

10. Marketable Securities

	August 31, 2011		
	Cost $	Fair Value Based On Quoted Market Price $	Accumulated Unrealized Gains $
Ruby Creek Minerals Inc., 4,000,000 common shares	2,760,000	4,040,000	1,280,000

11. Commitments

a) On January 9, 2006, the Company entered into a consulting agreement for a term of three months for consideration of $75,000 cash (paid in fiscal 2006 by a director on behalf of the Company) and 150,000 shares of common stock (100,000 shares transferred to the consultant by related parties during fiscal 2006). As at August 31, 2011, 50,000 shares of common stock are owed to the consultant. As at August 31, 2011, the fair value of $50,000 for these shares owed is included in common stock subscribed.

b) On August 5, 2011, the Company entered into a Mineral Property Acquisition Agreement (the "Acquisition Agreement") with Handeni Resources Limited ("Handeni Resources"). This Acquisition Agreement is a related party transaction as the Company's Chairman owns Handeni Resources. The Acquisition Agreement provides the Company with an exclusive option (the "Option") to acquire from Handeni Resources a 100% interest in area of approximately 2.67 square kilometers located in the Handeni District of Tanzania (the "Property"). The Property is adjacent to the area covered by the Company's four existing prospecting licenses (totalling approximately 800 square kilometers) in the Handeni District. In order to keep the Option in good standing during the thirty-day period starting on August 5, 2011 (the "Option Period"), the Company is required to issue by the end of the Option Period an aggregate of 15,000,000 restricted common shares and pay all underlying option, regulatory and governmental payments and assessment work required to keep the mineral property interests in good standing during the Option Period. Subsequently the Option Period was extended such that the latest closing date is November 3, 2011, and as of October 21, 2011 the Option Acquisition Agreement has not closed.

c) The Company is committed to the payment of a cash fee of 7% within 48 hours of the receipt of proceeds from the exercise of any warrants attached to the 17,757,777 units sold by Rodman & Renshaw in the March 2011 private placements.

d) The Company is committed to the payment of a cash fee of 7% of the purchase price and the issuance of warrants equal to 7% of the shares issued with respect to any public or private financing provided by investors whom Rodman & Renshaw introduced, directly or indirectly, in the March 2011 private placements within 24 months of the closing of the March 2011 private placements.

12. Fair Value Measurements

ASC 820 requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Pursuant to ASC 820, the fair value of our cash equivalents and marketable securities are determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets.

Management believes that the recorded values of all of the Company's other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

13. Subsequent Event

Subsequent to the period ended August 31, 2011, 3,600,000 options were forfeited.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition, changes in financial condition and results of operations for the three months ended August 31, 2011 and 2010 should be read in conjunction with our unaudited interim financial statements and related notes for the three months ended August 31, 2011 and 2010. The following discussion contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements.

Overview of our Business

We were incorporated on January 5, 2004 under the laws of the State of Nevada. Effective January 21, 2009 we effected a 5 for 1 stock split of our common stock and increased our authorized capital to 500,000,000 shares of common stock having a $0.001 par value.

We are an exploration stage company engaged in the acquisition and exploration of mineral properties. We have interests in mineral claims known as the Handeni District Project and the Mkuvia Alluvial Gold Project, located in on Tanzania, Africa, through prospecting licenses issued by the government of Tanzania.

None of our mineral claims contain any substantiated mineral deposits or reserves of minerals. Minimal exploration has been carried out on these claims. Accordingly, additional exploration of these mineral claims is required before any determination as to whether any commercially viable mineral deposit may exist on our mineral claims. Our plan of operations is to carry out preliminary exploration work on our mineral claims in order to ascertain whether our mineral claims warrant advanced exploration to determine whether they possess commercially exploitable deposits of minerals. We will not be able to determine whether or not any of our mineral claims contain a commercially exploitable mineral deposit, or reserve, until appropriate exploratory work is done and an economic evaluation based on that work concludes economic viability.

We are considered an exploration or exploratory stage company because we are involved in the examination and investigation of land that we believe may contain valuable minerals, for the purpose of discovering the presence of ore, if any, and its extent. There is no assurance that a commercially viable mineral deposit exists on the properties underlying our mineral claim interests, and a great deal of further exploration will be required before a final evaluation as to the economic and legal feasibility for our future exploration is determined.

Our Mineral Claims

Handeni District Prospecting Licenses

Currently, our primary focus in on the Handeni District Project. Effective September 21, 2010, our Board of Directors ratified the entering into of and immediate closing of a certain Mineral Property Acquisition Agreement (the "Acquisition Agreement") dated September 15, 2010 with IPP Gold Limited ("IPP"), pursuant to which we acquired an undivided 100% legal, beneficial and registerable interest in and to four prospecting licences (the "PLs"), totaling approximately 800 square kilometres, located in the Handeni District of Tanzania and which were owned or controlled by IPP Gold and its affiliates.

In accordance with the terms of the Acquisition Agreement effective September 21, 2010, IPP Gold has now become a major stakeholder in our Company. Pursuant to the terms of the Acquisition Agreement, we issued 133,333,333 restricted shares of common stock to IPP Gold in exchange for 100% interest in the four PLs of the new Handeni Project, with no further payments in shares or cash required.

The Commissioner for Minerals of Tanzania has confirmed the recording in the Central Register the transfer of 100% shares of each of the Prospecting License Nos. 6742/2010, 6743/2010, 6744/2010 and 6779/2010, which comprise the Handeni Project, from IPP Gold Limited to our Company, and that such transfer has been duly recorded on the terms and conditions contained in such Prospecting Licenses.

We obtained a Technical Report on the Handeni Property (the "Handeni Report"), dated April 25, 2011, as prepared at our request by Avrom E. Howard, MSc, FGA, PGeol (Ontario), Principal Consultant at Nebu Consulting LLC. Mr. Howard is a Qualified Person in accordance with Canadian National Instrument 43-101 Standards for Disclosure of Mineral Projects and its Companion Policy ("NI 43-101") and is a Practicing Professional Geologist registered with the Association of Professional Geoscientists of Ontario (registration number 0380). The Handeni Report follows on the heels of a detailed geological compilation and exploration report prepared in 2010 by Dr. Reyno Scheepers, a South African professional geologist who is an officer and director of our Company. Upon independent review by, and to the satisfaction of Mr. Howard, much of the contact from Dr. Scheepers's report has been referred to and referenced in the Handeni Report.

Much of the information regarding the Handeni District Project as provided below is based on information provided in the Handeni Report.

The author of the Handeni Report visited the Handeni property on February 26, 2011, accompanied by Dr. Scheepers. Given the almost total absence of outcrop across the property area, on the one hand, and the abundance of district to regional scale geological data, recent exploration data, intensive artisanal mining activity in the boundary area between the Company's Handeni property and the adjacent Magambazi property belonging to Canaco Resources Inc. and their well publicized news releases and developments, on the other, the author of the Handeni Report determined that he was able to complete a meaningful property visit within the timeframe of a single day to his technical satisfaction, sufficient for the purpose of preparing the Handeni Report.

Location and Access

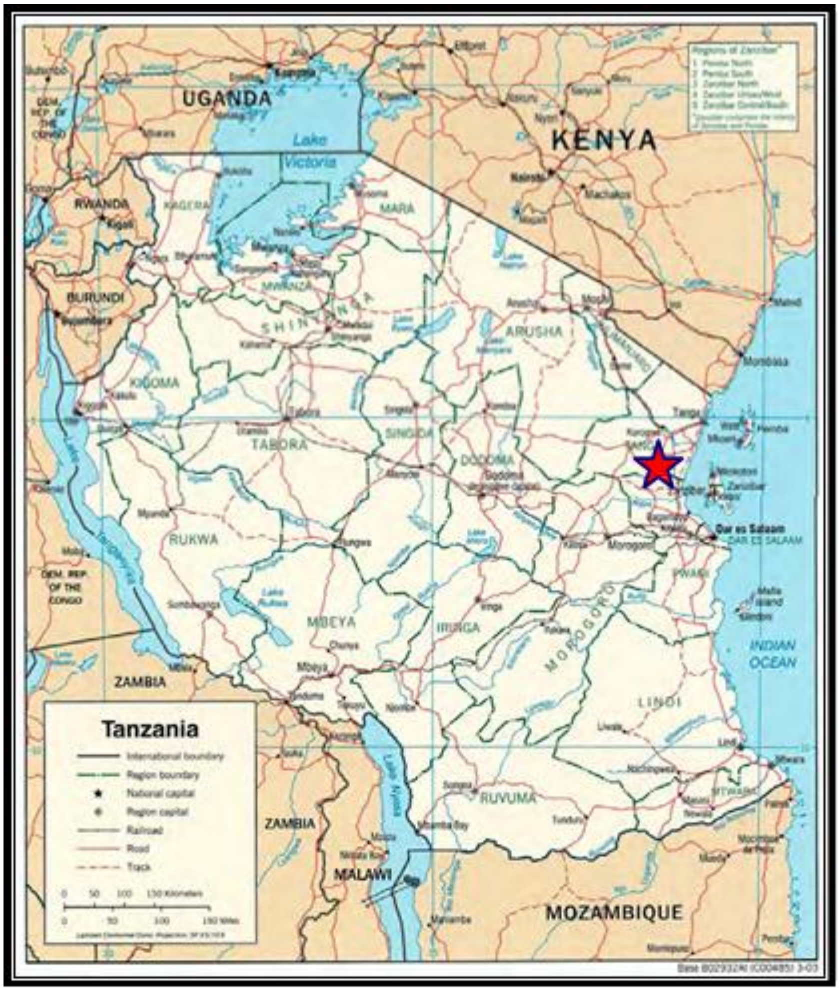
The Handeni property lies within the historic Handeni artisanal gold mining district, located in Tanga province, roughly 175 kilometers northwest of Tanzania's largest city, Dar Es Salaam, and 100 kilometers southwest of the more northerly coastal city of Tanga. The road from Dar Es Salaam to Tanga is paved; the secondary road that heads northwest from this road to the town of Handeni, a distance of 65 kilometers, is currently being upgraded and paved. The Handeni property is located roughly 35 kilometers south of the town of Handeni. From this point, a number of dirt roads head south across various portions of the Handeni property and beyond. Driving time from Dar Es Salaam is approximately five hours, depending on traffic and the weather.

Access during the dry season is not difficult and does not even require a 4X4 vehicle. Roads within the licenses are mostly tracks, some of which are not accessible during the rainy season. The area experiences two rainy seasons, namely a short wet period during November and December and the main rain season lasting from April to June. Exploration conditions during the rainy periods may be difficult, specifically during the April to June period. Petrol is available at a number of points along the north-south portion of the journey and in Handeni town itself.

The average elevation in the Company's license area is 450 meters above sea level. The area is densely vegetated with tall trees and grass over undulating hills of gneiss that comprise the main topographic feature in the area. Muddy, slow moving rivers and creeks crisscross the valleys and plains; some of the larger streams may experience high flow during intense rainfalls.

The area is scarcely populated with occasional small villages where people are engaged in small scale mixed farming and artisanal gold mining. Handeni town is a community of several thousand inhabitants haphazardly spread over a series of small, rounded hills, where basic services and accommodation are available.

LOCATION MAP: HANDENI PROPERTY IN TANZANIA



Property Description

The property comprises four Prospecting Licenses ("PLs") encompassing nearly 800 square kilometers, all of which are in good standing.

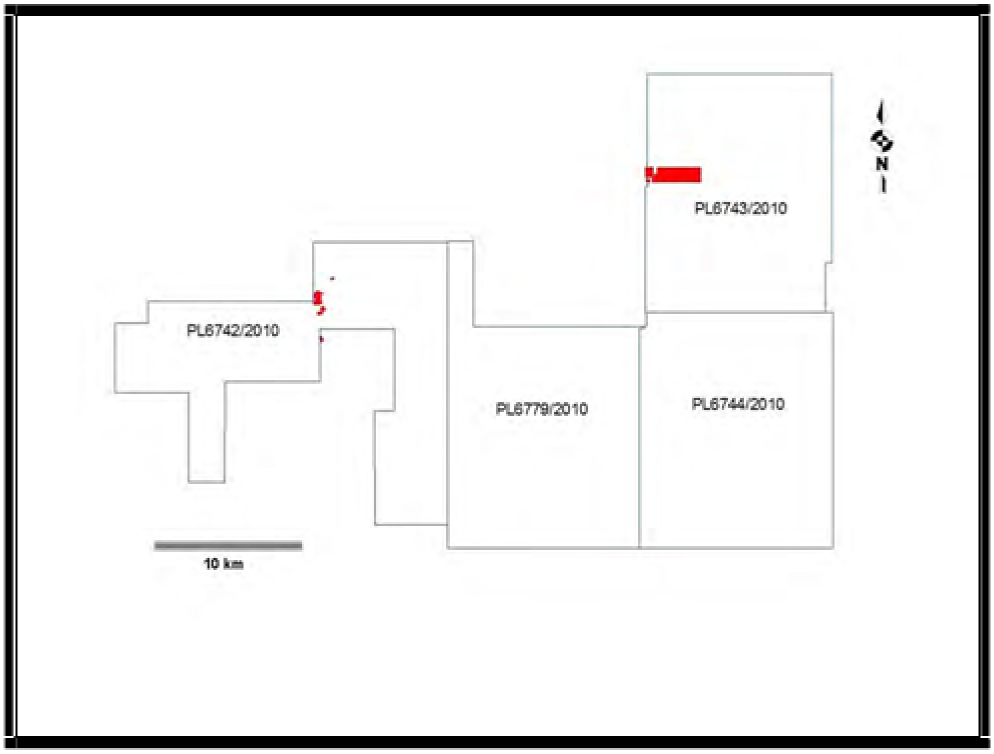
The following table provides details about each Prospecting License.

List of Prospecting Licenses, Handeni Property

PL No.	Area (Sq Km)	Issue Date	Original Recipient	Transfer Date (To IPP)	Transfer Date (To Douglas Lake)	Expiry Date	Renewal Date
6742/2010	197.98	05/10/10	Diamonds Africa Ltd.	18/11/10	12/12/10	04/10/13	05/10/13
6743/2010	195.48	13/10/10	Gold Africa Ltd.	18/11/10	12/12/10	12/10/13	13/10/13
6744/2010	198.70	13/09/10	M-Mining Ltd.	18/11/10	12/12/10	12/09/13	13/09/13
6779/2010	197.74	13/09/10	Tanzania Gem Center Ltd.	18/11/10	12/12/10	12/09/13	13/09/13

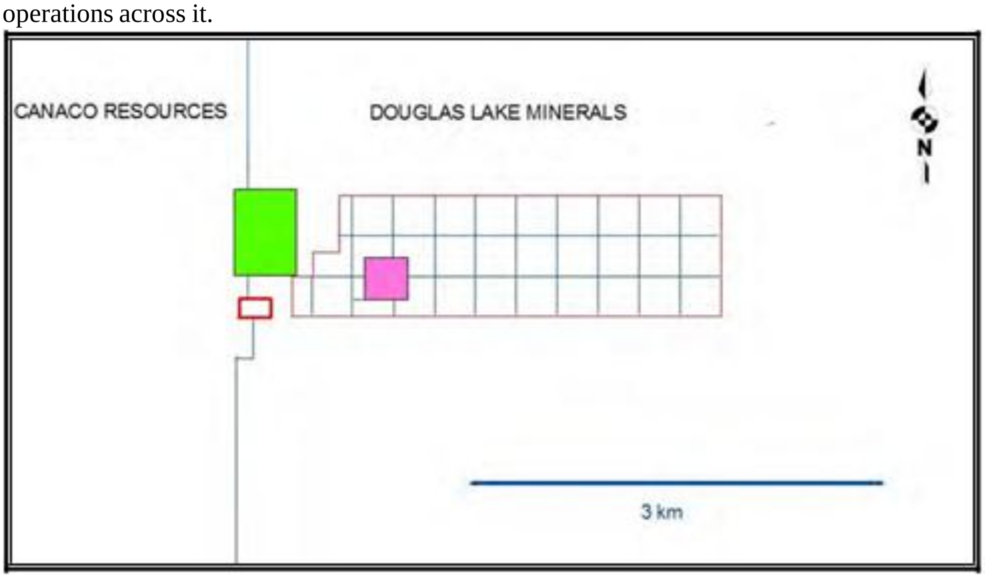
Within the property are several, smaller areas that belong to small scale artisanal miners, all of which are indicated in red in the license map presented below. The areas found within PL 6742/2010 predate the arrival of IPP and remain in the hands of the local artisanal miners to whom Primary Licenses, or what are informally known as "Primary Mining Licenses" or "PMLs" have been issued. Artisanal gold mining activity remains ongoing in some of these areas.

License Map, Handeni Property Prospecting Licenses, showing excluded areas in red



Toward the western edge of PL 6743/2010 are several more PMLs that do not belong to the Company. The area colored in green in the figure below is a unitized block of four PMLs that were acquired by CRI from their owners; this is where the most intensive artisanal gold mining activity is currently taking place, with well over one hundred laborers working at a variety of mining and milling sites adjacent to and up the hill from a shanty town of huts that is found just north of Magambazi hill. It is the Company's understanding that CRI has reached an agreement with the original owners of these PMLs and the people currently working there, which will lead to their ceasing artisanal operations and vacating the site.

Ownership of a single, isolated claim block, depicted in fuchsia below remains uncertain, something IPP and the Company are attempting to ascertain. Ownership of the smaller, rectangular red block that overlies the CRI-Douglas Lake boundary remains unknown, as well, another matter that IPP and the Company are currently pursuing. The remaining block of 31 PMLs, shown as a grid of blue lines, below, belongs to IPP. At present, there is no formal agreement between the Company and IPP covering these licenses; however, IPP has granted the Company permission to traverse the area and conduct operations across it.



History

General. Mining in Tanzania in the modern era dates back over one hundred years, first under German colonial rule; during the First World War a number of military engagements took place there. After the war ended control of the area was ceded to the British, under whose colonial authority mining and other activities continued and expanded. Mining focused on gold, diamonds and a variety of colored gemstones, notably including the discovery and development of the world's largest diamondiferous kimberlite pipe (to date), by Canadian geologist John Williamson, a deposit that remains in production to this day. Shortly after achieving independence from the British, in 1961, Tanzania veered left, leading to the nationalization of most private sector industries, in turn resulting in the inevitable a mass exodus of foreign investment and private capital and the consequent decline in economic activity in all sectors, including mining. Finally, beginning in the 1990s, in line with many other developing countries around the world, the Tanzanian government instituted several reforms to return to a free market economy, privatize the mining industry and encourage both domestic and foreign investment in all economic sectors. In the case of the mining industry, this was supplemented, in 1998, through the passage of a new, more industry-friendly mining code.

Currently, Tanzania is a significant producer of gold, diamonds and a variety of colored gemstones including tanzanite, the trade name for generally heat treated, bluish-purple epidote. The Merelani Hills, east of Arusha, is the only place where this gemstone variety of epidote is found in commercial quantities. Tanzania also hosts a significant metamorphic ruby (in zoisite) district near Longido, north of Arusha and near the border with Kenya where a variety of small scale producers are active. A recently discovered uranium deposit is currently under development, as well, in the southeast area of the country. Tanzania is Africa's third leading gold producer, after Ghana and South Africa, with several major and junior companies producing and exploring for gold, mostly in northwestern Tanzania, south of Lake Victoria, in an area informally known as the Lake Victoria gold belt.

The Handeni Property. Gold has been known in the Handeni area for many years with some attributing its discovery to the Germans prior to World War One; however, it was the increase in gold prices and consequent increase in artisanal gold mining activity in the Handeni area that led to the discovery of larger deposits of placer gold, in turn leading in 2003 to a classic gold rush. The discovery and mining of lode deposits followed, soon after, along with the growth of a shanty mining town at the northern base of Magambazi Hill.

In 2005, the Company's predecessor, IPP, entered into negotiations with a group of thirty-four local artisanal miners that collectively controlled four PMLs on and near Magambazi Hill, site of the area's known lode mineralization, and upon failing in this endeavor acquired a number of PMLs east of Magambazi Hill from other local owners as well that portion of a large Prospecting Reconnaissance License ("PLR") belonging to Midlands Minerals Tanzania Limited.

Between 2005 and 2010, IPP carried out exploration over its PLR leading to the upgrading of its holdings from one PLR to four PLs, in August 2010. Exploration work included airborne magnetic and radiometric surveys, ground magnetic surveys, reconnaissance geological mapping, soil sampling, pitting and trenching. It is these four PLs that were acquired by the Company from IPP and are the subject of this report.

Geological Setting

Regional Geology. The geological framework of Tanzania reflects the geologic history of the African continent as a whole. Its present appearance is a result of a series of events that began with evolution of Archean shield, followed by its modification through metamorphic reworking and accretion of other continental rocks, in turn covered by continentally derived sediments. Pre-rift magmatism followed by active rifting has also left a major mark upon the Tanzanian landscape.

Several regional geological mapping programs have been carried out across the country over the past one hundred plus years, which has led to the recognition of several major litho-structural provinces from Archean to recent age. The Archean craton covers most of the western two thirds of the country, roughly bounded to the east by the East African Rift. Archean rocks host all of the country's kimberlite pipes and contained lode diamond deposits, and most of its lode gold deposits. The Archean basement terrain is bounded to the east and west by a series of Proterozoic mobile belts; this area, particularly that to the east, hosts most of the country's wide variety of colored gemstone deposits. Some recent research suggests that portions of this assumed Proterozoic terrane may actually consist of Archean crust that has undergone a later phase of higher grade metamorphism.

The Phanerozoic is represented by a series of sedimentary units of Paleozoic to Mesozoic age, in turn followed by a pre-rift period of kimberlitic and related, alkalic, mantle-derived intrusive and extrusive activity that presaged active rifting. Rocks related to this event intrude up to Upper Mesozoic and Lower Cenozoic sedimentary formations. Next came a period of rift-related intrusive and extrusive activity concentrated in the Arusha area – to the northeast and Mbeya area – to the southwest, which is responsible for mountain-sized volcanoes such as Mt. Meru and Mt. Kilimanjaro. Finally, a wide variety of recent and largely semi- to un-consolidated wind, water and weathering-derived recent formations are found across the country, a number of which host placer gold, diamond, and colored gemstone deposits.

Property Geology. The geology of Handeni area comprises granulite to amphibolite facies metamorphic rocks interpreted to originally have formed a sequence of ultramafic to felsic volcanic flows, black shales and quartz-bearing sedimentary rocks. High grade metamorphism has converted these original lithologies to a variety of metamorphic equivalents including: biotite-hornblende-garnet-pyroxene gneiss, migmatitic augen garnet- hornblende-pyroxene gneiss, quartzo-feldspathic hornblende-biotite-pyroxene gneiss, pyroxene-hornblende-biotite-garnet granulite, and others. The entire assemblage has been folded into a synform with a northwest-southeast axis, complicated by numerous faults, some of which are spatially associated with gold mineralization.

Recent research by geologists from the University of Western Australia suggests that much of what has previously been considered to be of Proterozic age (Usagaran System) may in fact be overprinted Archean crust. This hypothesis has been invoked to help interpret the geology within which gold in this area is found and as the basis for an analogy between this gold mineralization and that found in less metamorphosed, bona fide Archean rocks in the Lake Victoria gold district, a few hundred km to the northwest. However, this is a hypothesis, only, one that may be used for exploration modeling purposes but one that still requires more work.

Mineralization

The Handeni property is at an early stage of exploration. There are no known mineral resources or reserves on the Handeni property, nor are there any known deposits on the property.

Insufficient work has been completed on the Company’s property to be able to comment to any significant extent about the nature of gold mineralization found and that may be found therein. However, comments regarding mineralization may be made upon the basis of information released by CRI, the company that owns the immediately adjacent Magambazi gold deposit, a deposit that remains the subject of an ongoing drilling program and geological studies and which is considered to be the type occurrence/deposit for the evolving Handeni district. The hill within which this deposit is found extends southeast onto the Company’s property.

According to the aforementioned report prepared by Dr. Scheepers, gold is found within garnet-amphibolite zones within biotite-feldspar gneiss at three locations in the Company’s property, locations where historical lode gold occurrences have been documented. Gold occurs in quartz veins as well as within the garnet amphibolites adjacent to the quartz veins. Proof of this association is informally corroborated by the testimony of local, artisanal miners, who apparently recover gold both from quartz veins and gold-bearing gneiss that is not quartz vein bearing. Gold in the Company’s property has also been documented in soils and placers, at a variety of locations, as well.

Prior Exploration Activities

Whereas gold was known in the Handeni area prior to the arrival in 2005 of the Company’s predecessor, IPP, there is no history of any formal exploration in the area aside from limited work at Magambazi Hill itself. IPP’s initial work consisted of soil sampling and a ground magnetic survey over an area of 200 square kilometers covering the area now located within PL6743/2010 immediately east of Magambazi Hill. Over the five years that ensued, this was followed by a series of exploration campaigns involving a variety of exploration methods, in turn followed by interpretation and further work in an iterative fashion. A table summarizing the work completed by IPP (much of which was completed under the supervision of Dr. Scheepers) may be found below.

Summary of Historical Exploration Work, Handeni Property

Work	Year	Location(s)	Worker
Trenching, Pitting & Sampling	2009	Magambazi Hill	IPP
Stream Sediment Sampling	2008	Northeast quadrant of PL6744/2010	IPP
Soil Sampling	2009 2010	East of Magambazi Hill Over geophysically delineated zones in PL6779/2010 & PL6742/2010	IPP IPP IPP
Airborne Magnetic & Radiometric Survey	2009	PL6744/2010, PL6744/2010 & PL6779/2010	South African Council for Geoscience
Geological Mapping	2008 2010	Over geochemically anomalous and artisanal mining areas	IPP IPP
Ground Magnetic Survey	2009 2010	PL6743/2010	IPP
Regional Structural Interpretation	2009 2010	Entire property	IPP Douglas Lake

Several exploration targets were delineated on the basis of the aforementioned work either based upon anomalous gold soil geochemical results alone, or other features singly or in combination, that based upon gold deposit models have been deemed significant. Paramount among these are structural features – folds, shear zones, faults and thrust faults that have been interpreted on the basis of the magnetic and radiometric data, particularly where they have been seen to be coincident with anomalous gold in soils or locations of historical artisanal mining. Regardless of the gold deposit model one favors, structure is of fundamental significance as a conduit for and host to gold bearing solutions and in this light, therefore, all locations where anomalous gold has been found coincident with interpreted structures must be considered significant, particularly at this early stage of exploration on the Handeni property and in the district as a whole.

Conclusions and Recommendations

The author of the Handeni report indicated that the most important conclusions to be derived at this juncture are:

1. Based upon CRI’s public disclosure, it appears as if a bona fide gold deposit has been discovered at Magambazi Hill, a deposit where ongoing drilling is finding more gold;
2. The southeast extension of Magambazi Hill and, presumably, gold mineralization found within, continues onto the Company’s license PL6743/2010;
3. Historical placer and lode artisanal mining was a guide to Magambazi’s potential;
4. There are a number of other locations where intensive placer and artisanal gold mining took place within the Handeni property, notably the Kwandege and Mjembe areas;
5. Processed airborne magnetic and radiometric data have delineated linear features that have been interpreted to represent a variety of structures – shears, thrust faults and cross faults;
6. Limited soil geochemical surveying, carried out across some of these interpreted northwest-southeast trending structural features, has revealed several locations hosting anomalous gold in soils (statistically established to be gold values exceeding 10 parts per billion);
7. Additionally, gold appears to be further concentrated at the intersection between the northwest-southeast trending structural features and northeast-southwest trending structural features, interpreted to represent later cross faults;
8. These associations suggest a relationship between structures and gold, in turn providing a basis upon which to select additional areas within the Handeni property for more detailed gold exploration.

Taking these observations and interpretations into account, the company has identified twelve target areas. Additionally, there is the Kwandege area, the location of intensive recent artisanal placer and shallow lode mining. Along with Magambazi itself, Kwandege is perhaps the most immediate and significant gold target identified on the Handeni property, to date.

The author of the Handeni Report indicated that at Magambazi, Kwandege and Mjembe, detailed ground work consisting of mapping of the historical workings, geological mapping, pitting, trenching and sampling, along with detailed geochemical and geophysical surveys should be completed, in order that drill targets can be accurately delineated. In areas where gold soil anomalies have been located, detailed ground follow up should be completed, consisting of whatever combination of the methods referred to above are appropriate, once again in order that drill targets can be accurately delineated. On a larger property wide scale, PL6743/2010 remains to be covered by airborne magnetic and radiometric surveys, something that needs to be completed. Additional airborne surveys such as electromagnetic surveys may be considered, as well, should additional research suggest that the gold targets have a commensurate geophysical signature. A property wide, widely spaced reconnaissance soil grid should be completed, as well, with analysis for gold and pathfinder elements. Finally, once targets have been accurately delineated and confirmed on the ground, they need to be drilled.

This represents a considerable body of work remaining to be done, work that will require up to two years to complete. A generalized budget for this program is set forth in the following table:

EXPLORATION WORK	BUDGET (US$)
Airborne Geophysics	1,250,000
Ground Geophysics	250,000
Mapping, trenching, sampling, etc.	750,000
Drilling	2,250,000
Sundry & contingencies	500,000
TOTAL	**$5,000,000**

The Company's Recent Exploration Activities

During the quarter ended August 31, 2011, we conducted soil sampling and ground geophysical work on the Handeni West Kwandege target, and we commenced diamond drilling in July 2011. A total of 5,000 meters of drilling is planned for the first phase of exploratory drilling within an area of approximately 7.2 square kilometers of the currently defined target of 18 square kilometers.

In August 2011, we completed a ground IP (Induced Polarization / Resistivity) and ground magnetic geophysical survey over an approximately 4 square kilometer surveyed grid on the Handeni East Magambazi target and we commenced diamond drilling. A total of 5,000 meters of drilling is planned for the first phase of exploratory drilling within an area of approximately 6 square kilometres.

Also in August 2011, we commenced a helicopter-borne Electromagnetic and Radiometric Survey on all 800 square kilometres of the Handeni property, which we completed in October 2011.

Mkuvia Alluvial Gold Project

Our other primary property of interest is the Mkuvia Alluvial Gold Project. On June 27, 2008 but effective on August 4, 2008 when ratified by our Board of Directors, we entered into a Joint Venture Agreement with Mkuvia Maita ("Mr. Maita"), the registered holder of certain prospecting licenses over certain areas covering approximately 430 square kilometers located in the Liwale and Nachigwea Districts of Tanzania. Pursuant to this agreement, we had the right to enter, sample, drill and otherwise explore for minerals on the property underlying the prospecting licenses as granted by the Government of Tanzania under the Mining Act of 1998 (revised 2010), subject to a perpetual net smelter royalty return of 3% payable to Mr. Maita.

Effective on July 14, 2009, our Board of Directors ratified, confirmed and approved our entering into of a new Joint Venture Agreement (the "New Mkuvia Agreement") with Mr. Maita. The New Mkuvia Agreement covers a slightly smaller area than the original agreement, covering an area of approximately 380 square kilometers located in the Liwale and Nachigwea Districts of Tanzania, and more particularly described as follows:

- Prospecting License No. 5673/2009;
- Prospecting License No. 5669/2009;
- Prospecting License No. 5664/2009; and
- Prospecting License No. 5662/2009

The New Mkuvia Agreement, which is dated for reference June 5, 2009, supersedes and replaces the prior joint venture agreement as entered into by and between our Company and Mr. Maita (the "Prior Agreement") regarding prior prospecting licenses held by Mr. Maita over substantially the same area, known as the "Mkuvia Project", which is the focus of our current exploration and development efforts.

Pursuant to the terms of the New Mkuvia Agreement we shall continue to have the right to enter, sample, drill and otherwise explore for minerals on the property underlying the New Prospecting Licenses as granted by the Government of Tanzania under the Mining Act and any other rights covered by the prospecting licenses listed above.

In consideration for the entry into of the New Mkuvia Agreement, we were required to pay Mr. Maita US$40,000 upon signing of the New Mkuvia Agreement. In addition, and upon commencement of any production on the property underlying the prospecting licenses, Mr. Maita is still entitled to receive a perpetual net smelter royalty return of 3% from any product realized from the property underlying the prospecting licenses under the New Mkuvia Agreement. By entering into the New Mkuvia Agreement, we are no longer required to pay Mr. Maita the balance of approximately US$460,000 in aggregate yearly cash payments previously due under the Prior Agreement in consideration, in part, of our Company reducing the current unexplored property area underlying the prospecting licenses under the New Mkuvia Agreement by approximately 50 square kilometers.

The prospecting licenses were renewed on June 12, 2009 for the period of three years.

The property has several overlying primary mining licenses ("PMLs") that have mineral rights that lie within the boundaries of the Mkuvia property. Generally, PMLs represent limited mining rights which allow the small scale exploration of minerals by local miners and must predate the establishment of a prospecting license. PMLs are retained exclusively for Tanzanian citizens. The maximum size of the demarcated area for a PML for all minerals other than building materials is 10 hectares. The PML is granted for a period of five years, renewable once upon request. When a PML expires, the mineral rights succeed to the underlying prospecting license and cannot be renewed or re-staked thereafter, so long as the prospecting license remains valid. Specifically, the PMLs on the Mkuvia property consist of approximately 115 licenses owned by Mr. Maita, and have been provided for in the New Mkuvia Agreement. Upon a successful mining permit application and receipt, the PMLs will be collapsed and superseded by the prospecting license rights.

We obtained a Technical and Recourse Report on the Mkuvia Alluvial Gold Project, dated July 24, 2009, as prepared by Laurence Stephenson, P. Eng., and Ross McMaster, MAusIMM. This report was prepared in accordance with Canadian National Instrument 43-101 Standards for Disclosure of Mineral Projects and its Companion Policy ("NI 43-101"). Much of the information regarding the Mkuvia Alluvial Gold Project as provided below is based on information provided in the 43-101 Report.

Effective November 7, 2009, we entered into a purchase agreement with Ruby Creek Resources, Inc. ("Ruby Creek"), pursuant to which Ruby Creek has the right to purchase a 70 percent interest in 125 square kilometres of our 380 square kilometre Mkuvia Alluvial Gold Project upon payment of $3,000,000 over a three-year period. The schedule by which Ruby Creek is to pay such $3,000,000 to our Company is as follows:

- $100,000 within five business days of signing of the Agreement (received);
- $150,000 within 15 business days of signing of the Agreement (received);
- $100,000 upon satisfactory completion of Ruby Creek's due diligence (received);
- $400,000 upon closing under the Agreement and receipt of the first mining license;
- $750,000 within 12 months of closing;
- $750,000 within 24 months of closing and
- $750,000 within 36 months of closing (this final payment may be made, in Ruby Creek's discretion, in cash or shares of Ruby Creek).

The Agreement also provides that within 12 months of the closing transaction, Ruby Creek has the option to increase its interest from 70 percent to 75 percent of the 125 square kilometres by making an additional $1,000,000 payment to our Company.

In a further purchase agreement between our Company and Ruby Creek dated for reference May 19, 2010 and fully executed on June 16, 2010, Ruby Creek agreed to purchase 70% of the remaining 255 sq km of the Mkuvia Alluvial Gold Project in accordance with the terms of such further purchase agreement. Under the terms of the further purchase agreement, Ruby Creek will earn a 70 percent interest in the remaining 255 square kilometres of our 380 square kilometre Mkuvia Alluvial Gold Project by making payments totaling $6,000,000 to us. The schedule by which Ruby Creek is to pay such $6,000,000 to us is as follows:

- $200,000 due within seven days of execution of the agreement (received);

- $150,000 (received) plus the issuance of 4 million restricted shares of common stock of Ruby Creek, with an agreed upon value of $0.80 per share for a stated valuation of $3.2 million, within 30 days of the receipt of Certificates of Acknowledgement for all underlying and related Agreements from the Commissioner for Minerals in Tanzania as required by the Mining Act of Tanzania (Certificates of Acknowledgement received August 12, 2010, and shares issued on December 16, 2010);
- $450,000 on June 1, 2011;
- $1,000,000 on June 1, 2012; and
- $1,000,000 on June 1, 2013 (which may be satisfied by the issuance of stock by Ruby Creek).

Thus, the combined payments under the November 2009 and the June 2010 Agreement provide for a total commitment of $9,000,000 payable to our Company by Ruby Creek to purchase a 70% interest in the entire 380 square kilometre Mkuvia Alluvial Gold Project.

The ownership structure of the interest in the Mkuvia Alluvial Gold Project shall be a 70% interest for Ruby Creek, a 25% interest for Douglas Lake, and a 5% interest for Mr. Mkuvia Maita, the original owner of the underlying prospecting licenses. In addition, Mr. Maita retains a 3% net smelter royalty. However, the Agreement also provides that Ruby Creek may increase its ownership position from a 70% interest to 75%, reducing our position to 20%, by giving Notice to us and paying $1,000,000 to us by June 1, 2011 (not paid).

On June 3, 2010, the Company and Ruby Creek incorporated Ruby Creek Resources (Tanzania) Limited ("Ruby Creek Tanzania") to manage the mining operations in the Mkuvia Gold Project in Tanzania. Ruby Creek Resources (Tanzania) Limited, a joint venture company (the "Joint Venture Company"), is owned by Ruby Creek (70%), the Company (25%) and Mr. Mkuvia Maita (5%). The Company is currently investigating through local counsel the registration particulars of prospecting licenses numbered 5664/2009 and 5669/2009, which form a part of the current Joint Venture Company project. This investigation relates to the reported registration of prospecting licenses numbered 5664/2009 and 5669/2009 to a third party without the Company's approval, in unclear circumstances.

Location and Access

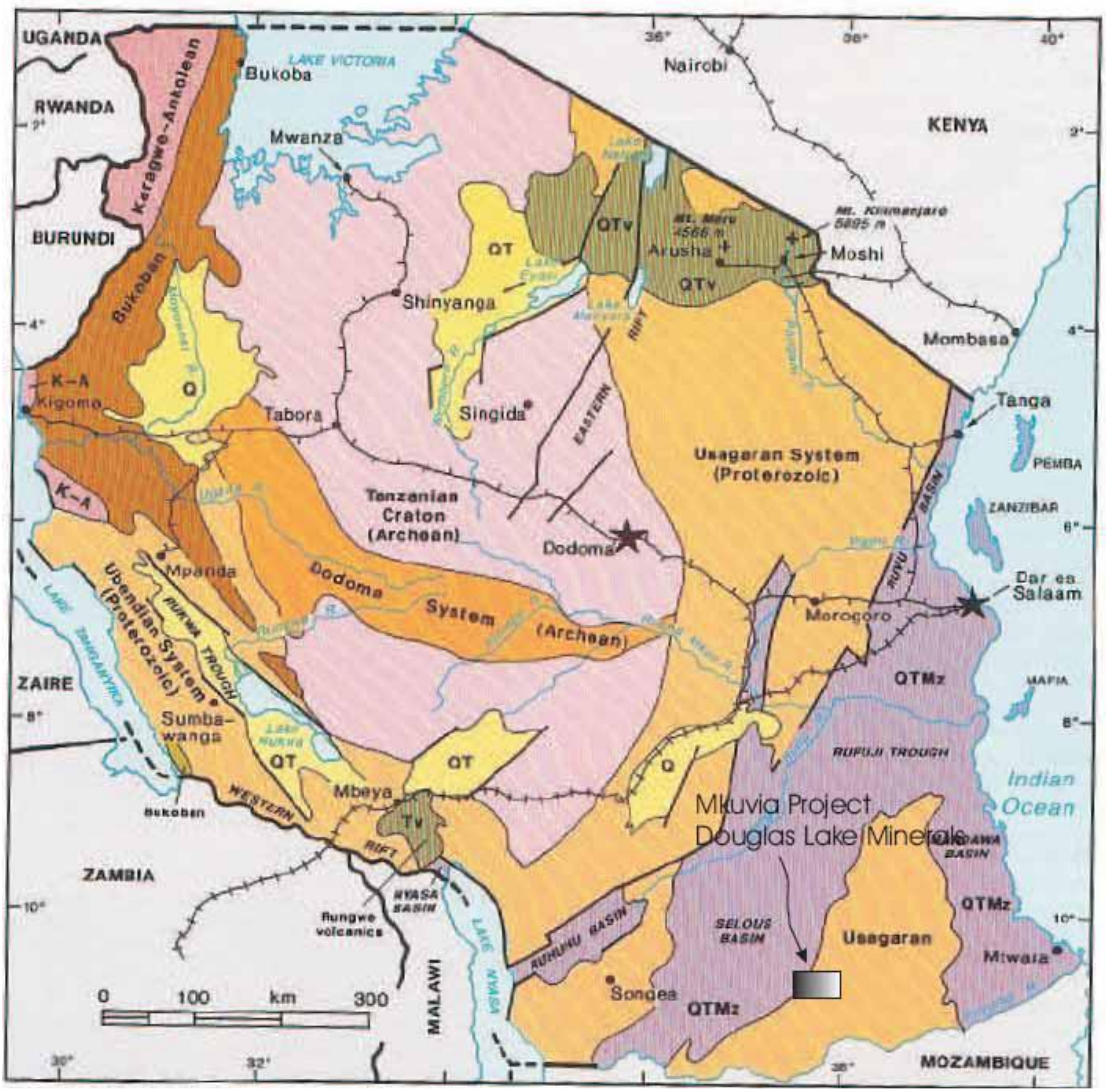
The 380 square kilometres Mkuvia Project is located in the Nachingwea District, Lindi Region of the United Republic of Tanzania, and approximately 140 kilometres west of Nachingwea town. Lindi Region is one of the three regions forming Southern Zone of United Republic of Tanzania, the other regions being Mtwara and Ruvuma. The Mtwara and Ruvuma regions border northern Mozambique and eastern Malawi. A central point in the mining license is located at 361600 mE, 8856946 mN, UTM Zone 37 Southern Hemisphere (WGS 84)

The Lindi Region is one of the 20 Regions in Tanzania Mainland. The Region lies between South latitude 08o30' and 10o30' and East longitude 37o30' and 39o30'. It is bordered by four other regions, the Coastal and Morogoro regions to the North, the Ruvuma region to the West, the Mtwara region to the South and the Indian Ocean to the East.

The main road from Dar es Salaam to the southern regions passes through the Coastal, Lindi, Mtwara and Ruvuma regions. The road connects to northern Mozambique and eastern Malawi via the Mtwara and Ruvuma regions. Recently funding from external donors and the central government have significantly improved the road from Dar Es Salaam to the Lindi and Mtwara regions from gravel to tarmac level, covering a total distance of about 700 kilometres, including the construction of 1 kilometre long bridge across the Rufiji River.

The Lindi Region is served by 4 airstrips, in Lindi, Nachingwea, Liwale and Kilwa Masoko. These gravel strips are capable of supporting small to medium size planes only. There is no commercial air service to the region.

LOCATION MAP: MKUVIA PROPERTY IN TANZANIA



The Mkuvia Property is accessible by dirt gravel road from Nachingwea town via Mbondo, Kilimarondo and Kiegeyi villages. However, during intense rain, access to the property from Kiegeyi village can only be achieved by using 4 x 4 trucks. Operations for the exploration of the Mkuvia Property would be based out of the town of Nachingwea located 140 kilometres east of the property and about 600 kilometres southwest of Dar es Salaam, the capital of Tanzania. Nachingwea town, which is one of the districts within Lindi Region, has an airstrip facility on which up to medium size aircrafts can safely be utilized.

Access to the property is via main Tanzanian highways to the village of Kiegeyi and then by field road to our main field camp. Field roads exist throughout the property.

Although the electrical power grid is reaching most areas of Tanzania it does not extend to the area of the Mkuvia property and will not likely be available in the near future. Since Tanzania has a vibrant mining community, a large pool of experienced mining personnel and equipment is available, some of it locally.

There are no waste treatment plants in the immediate area.

Topography and Climate

The topography of the area ranges between 480 to 760 metres and is relatively moderately rugged to the central, west and the southwest, and flat to the eastern part. Many of the rivers and streams which are flowing to the south, north and east directions are seasonally dry. The main Mbwemkuru River flows all year round and water availability for all aspects of the exploration and development program will not be a problem. The area is dense vegetated with thick bushes along the rivers and streams valleys.

There are four main climatic zones that can affect the whole of Tanzania: the coastal area where conditions are tropical; the central plateau, which is hot and dry; the semi-temperate highland areas; and the high, moist lake regions. There are two rainy seasons in the north, from November to January and from March through May. In the Lindi Region, annual rainfall ranges from 600mm in low lands to 1200mm in the highland plateau. Most parts of the coastal, central and north eastern highlands are currently experiencing extreme drought conditions after a prolonged period of below average annual rainfall in consecutive seasons. Plans to develop water resources could not only facilitate operations but might provide a local resource that will attract government approval and funding.

The mean annual temperatures vary with altitude from the valley bottom to the mountain top. The average annual temperature varies between 18 degrees C on the mountains to 30 degrees C in river valleys. In most parts of the region, the average temperatures are almost uniform at 25 degrees C. In general the hot season runs from July to September.

History

Gold mineralization in the area was first discovered at the time of the government's Geological Survey of Tanzania, a country-wide geochemical survey program conducted in the 1990s. The property is part of a previously described gold district, the Kitowero Prospect, in which a State Mining Corporation reported mineral concentrates in the current rivers, including the Mbwemkuru River. The authors of the 43-101 Report have advised that they have not been able to verify this information, and no historical estimates or details is available on the source of this information.

Small scale artisanal mining activities commenced in 2002 by local miners, with the aim of exploring and mining gemstone along the main Mbwemkuru River and its tributaries. However, gold was recovered from the concentrates and hence the area turned from gemstone to alluvial gold mining. The current production from artisanal mining work by local miners, as reported by them averages between 1.5 to 2 kilograms of gold per month, recovered from loose sands and gravels. The authors of the 43-101 Report have not been able to verify this information.

Geological Setting

Tanzania has a geological environment representing all the known chronostratigraphical units of the world ranging from Archaean, Proterozoic, Phanerozoic to Quarternary ages. These geological formations host a variety of minerals such as gold, base metals, diverse types of gemstones (including tanzanite, diamonds, emerald, sapphires, colored quartz, ruby, beryl, tourmaline, garnet), various industrial minerals, building materials, phosphate, coal, salt, kaolin, tin, water and hydrocarbons.

<u>Regional Geology</u>. Much of the central and northern part of the country is underlain by the Tanzania Archaean Craton. The central part of the country is composed of the high grade metamorphic terrain (the Dodoman Supergroup dominated by rafts of amphibolite to granulite facies metamorphic rocks in migmatitic granite terrain), whereas the northern part is covered by the Greenstone Belt (the Nyazian – Kavirondian Supergroup comprising sequences of mafic to felsic volcanics, chert/banded iron formation and clastic sediments). The Tanzania Archaean Craton is well known as a host for world-class gold deposits similar to other Archaean Cratons around the world. The Craton is also intruded by a number of diamondiferous kimberlite pipes.

The Tanzania Archaean Craton is engulfed to southeast and southwest by Palaeaproterozoic Usagaran and Ubendian mobile belts respectively, with high grade crystalline metamorphic rocks with a number of postorogenic gabbroic and granitic intrusives hosting base metals, shear zone hosted gold, various types of gemstones and industrial minerals. The eastern part of the Usagaran Belt is mobilized by the Neoproterozoic Pan African Orogeny forming the Mozambique Belt with lithological, structural and metallurgical characteristics similar to that of the Usagaran - Ubendian Belt.

The Palaeoproterozoic Ubendian mobile belt is bound to the west by the mildly metamorphosed Mesoproterozoic Fold Belt (the Kibaran –Bukoban - Karagwe-Ankolean Supergroup*)*. The supercrustal rocks of this Belt (mainly meta – argillites, phyllites, low-grade sericite schists and quartzites) are intruded by post orogenic granites which have alteration haloes containing veins with tin and tungsten mineralization. The Belt is also characterized by post – orogenic basic intrusives hosting platinum group metals (PGMs).

The Uha - Malagarasi Neoproterozoic to early Palaeozoic age is an intracratonic formation consisting of sedimentary – volcanic depositional sequences of sandstones, quartzites, shales, red beds, dolomitic limestones, cherts and amygdaloidal lavas with indications of strata-bound copper deposits and various industrial minerals.

Phanerozoic formations in Tanzania include the following:

- The Karoo Supergroup of Late carboniferous to Jurassic age made up of continental sedimentary rocks famous for hosting good-quality coal resources occurring in several isolated coalfields located in south west of Tanzania.
- Marin Formations that are dominated by shelf-facies clay bound sands, marls and some isolated coral reefs good for production of portland cement, lime and construction aggregates. The marls and sands are respectively, good source and reservoir rocks of hydrocarbons. At Mandawa there are salt domes made up of gypsums and other evaporates salts that can be used for various industrial purposes.
- Neogene to Quarternary continental formations in isolated basins and river channels composed of clays (red soils, ochre, kaolin, bentonites, meerschaum, bauxite), limestone, evaporates (gypsum, nitrates and halides) and sands; volcanic rocks ranging in composition from lavas (basalts, andesites, and phonolites) good for aggregates, apatite and niobium bearing carbonatites (good for fertilizers), tuffs, ash and pumice (good for production of pozzolana cement) and dimension stones; volcanic fumarolic exhalative deposits (mainly sulphur and fluorites).

<u>Property Geology.</u> The Mkuvia Project is situated at the eastern margin of the Selous Basin where Karoo and young sedimentary rock are in fault contact with low to high-grade metamorphosed rocks of Neoproterozoic age belonging to the Mozambique Belt. The Proterozoic basement rocks are bounded by Palaeozoic, Mesozoic and Cenozoic basins to the east, north and west. The dominant rocks are biotite schist and gneiss, granitic gneiss, garnetiferous amphibolites, quartzite, pegmatite dyke and mafic sills which are unconformably overlain by palaeo-placer sand and pebble beds and recent superficial deposits. The regional structural trends that control the deposition appear to be trending at northwest and northeast.

The geology of the property is dominated by thick (up to 10 m) of transported cover consisting of palaeo-placer sand, gravel and pebble beds derived from Karoo to the west and younger sedimentary rocks. The sand horizon is massive, graded from fine to coarse grained, characterized by orange-yellow sands, well exposed at Old Matandani Prospect, and white-grey sands which cover the large part of the property. The basal conglomerate pebbles (auriferous pebbles and cobbles beds) are well rounded, well sorted, dominantly made of quartzite, quartz rocks, and other basement rocks.

The thickness of palaeo-placer sand–pebble beds and the overlaying black clays material increase toward the eastern part of Mbwemkuru River as observed at Mkilikage Prospect. This would be expected if the source of the deltaic or beach placer material is from the west. At Mkilikage Prospect, a thick layer of medium to coarse grained sandy bed (~ 2.5 m thick) resulted from modern river deposition is overlaying palaeo-placer sand-pebble beds. This sandy bed is characterized by well developed cross bedding sedimentary structures with minimal gold content until the lower reaches.

The red-brown sands are massive with no obvious bedding. They comprise subangular quartz grains with a matrix of hematite clay. They range from <1 m up to 3 m thickness, and generally appear to be thicker upslope, particularly at the western extremity of the property, well exposed at Old Matandani workings. They have been reworked in the current river bed, with removal of the clay, to produce white friable sands that extend for up to 300 m, but generally less, upslope. These are clearly gold-bearing as they have been extensively mined by artisanals, but panning suggests that they are low grade.

The sands overlie a polymictic conglomerate sequence that comprises several clay-rich, horizontally bedded units interlayered with sandy beds. The clasts range from pebbles through cobbles to boulders, the latter being only sporadically developed, but suggesting that there may be distinct channels in the conglomerate sequence upslope from the present river. Artisanal activity and panning indicate that the conglomerates have higher gold grades than the overlying sands. This feature would be anticipated in a delta or beach placer forming river fan.

Most of the Neoproterozoic basement rocks are exposed on the NE-SW trending ridge located in the central-eastern portion of the property with few outcrops observed in the south part, exposed on the river banks and beds. The basement geology consists of granite-gneisses, biotite gneiss, schists and quartzo-feldspathic gneiss and quartzite, which have been intruded by pegmatite veins and mafic dykes and quartz veins.

The quartzite has a bedded sugary texture. The biotite gneiss is fine grained, well bedded with biotite, feldspar and quartz. Quartz-feldspar gneiss additionally contains minor biotite and was also observed to contain some large augen like feldspar crystals. Pegmatite was generally seen to have graphic texture with very coarse grained feldspar and smaller quartz crystals, and with only biotite or chlorite as an accessory mineral. The granite-gneiss characterized by granoblastic texture and weakly developed foliation fabrics.

Mineralization

Thus far, the known gold mineralization in Mkuvia Property occurs as placer deposits comprising of a significant, but unquantified accumulation of gold in alluvium hosted by: 1) reworked palaeo-placer by the Mbwemkuru River and its tributaries, and 2) an over 10 m thick zone of palaeo-placer sand and pebble beds non-conformably overlying biotite schist, gneiss, quartzite, garnet-amphibolite and granitoids. The latter comprises a poorly sorted palaeo-beach placer plateau extending over 29 km along a NW-SE direction and ~5 km wide along a NE-SW direction. In addition there are extensive troughs with similar continental alluvium further west in the Karroo Basin. It is however notable that at the highest point on the property, pebble conglomerates were noted on the surface that have been worked sporadically by the artisanal miners (due to lack of water resources) suggesting that gold is present. This is consistent with the proposition that the mineralization is associated with a wide spread beach placer environment.

Gold-bearing alluvium along the Mbwemkuru River occurs within a 0.35 to 2.0 m thick zone between the bedrock and sandy-gravelly material related to present drainage active channels and terraces. This zone contains an estimated 1.0 grams per cubic metre that the small-scale miners are currently reportedly recovering.

Gold is very fine-grained in general, suggesting a distal source, although some coarser-grained flakes are present. The gold is associated with the black sands that comprise fine-grained ilmenite and pink garnet and minor magnetite. These may be represented by distinct ferruginous layers in the conglomerate sequence. The minerals in the black sand are consistent with the beach placer model.

Artisanal miners have been active since 2002 exploiting these deposits using simple sluice techniques and hence dependant on water for treatment. Placer type gold occurs as very fine flat pieces implying reworking or a distal source. Other elements (such as Pt, Pd, Ag, U and Th) in the placer are of passing interest only. Pt and Pd do not appear to be a consistent constituent.

The area was loosely defined by the surface inspection of the beach placer type gravel formations in place. The wide spread area remains to definitively be surveyed to confirm that the boundaries indicated are correctly delineated. This delineation should be treated as speculative and will need further exploration work to define.

Exploration Activities

The Mkuvia Property is without known reserves and our activities to date have been exploratory in nature.

An estimated total of US$2.1 million has been spent on Mkuvia Property during the period from April to December 2008 for various exploration activities, which include casual labour salaries, transport, field costs, office and administration and hardware. Reconnaissance exploration work on the project to date has consisted of pitting and sampling, geological mapping and bedrock sampling, and stream and sediments sampling, as described below.

<u>Pitting and Sampling.</u> Pitting work commenced in June 2008 and continued throughout to March 2009. The initial pit sampling program on the Mkuvia property was undertaken at the Matandani Main workings, along the Mbwemkuru River. A total of 161 pits consisting of 498 samples were completed from 10 sections during the period from June to December 2008. These pits were deepened and sampled trying to reach bedrock (12-15 m estimate, bedrock was not encountered) where possible. Analysis of the gold content in the pit samples continued through to May 2009.

Lines were run north south across the area on a line spacing of 500 m and with a pit being dug to the bedrock refusal at 50 m intervals along the line. The sampling was done volumetrically from the surface, where a 100 litre sample was collected from each cubic meter of material recovered. The pit sampling was done based on the geological control. Each individual horizon (sand, gravel, pebble) was sampled separately, maintaining a 100 litre sample size.

The pit samples were then treated using a Knelson Concentrator on site in September 2008.

The compilation of all heavy mineral and gold results was completed by TMEx staff in laboratory conditions at Arusha, Tanzania, which included separating and weighing the gold recovered from each sample where measurable gold was observed. Each sample was taken from a designated and mapped stratigraphy as a measured volume of loose material (e.g.: sands, gravel) and usually were 100 litres in field estimated volume. Sample treatment was by a 7.5 inch Knelson concentrator to produce a heavy mineral concentrate. After further hand panning in the TMEx laboratory reduced the concentrate, it was dried and the gold was finally separated from all other minerals, described and weighed to give a result in g/Lcm. (A loose cubic metre (Lcm) is defined as the expansion of the in situ measurement of material that once excavated increases by a 20-30% factor that will be determined exactly in further test work.) TMEx is a company controlled by Mr. McMaster took charge of the concentrate from the Knelson concentrator and proceeded to calculate the weight of gold.

All pits were geologically mapped, level surveyed and generated cross sections. Of significance is that where the test pits were able to penetrate below the pebble conglomerate the encountered clay rich units were significantly devoid of gold colour counts and assay analysis.

The pit sampling has successfully identified the sand and pebble conglomerates as auriferous in the area of the Matandani Main workings, along the Mbwemkuru River.

Geological Mapping and Bedrock Sampling. Geological mapping work is ongoing in the Mkuvia Project. The mapping is conducted at scale of 1:20,000. However, most of the Mkuvia Property lies under superficial covers, with outcrops being exposed on the NE-SW trending Mbwemkuru ridge located in the central - eastern portion of the property and along rivers and streams beds flowing in the southern portion. The dominant basement lithologies encountered during the mapping, stream sampling and pitting activities are biotite-hornblende gneiss, which developed strong foliation fabrics and compositional banding and weakly foliated to massive quartzo-feldspathic gneiss referred as granite-gneiss, with granular igneous texture being preserved. The granite-gneiss is characterized by granoblastic texture and weak foliation fabrics. Quartz-magnetite subcrops and rubbles are exposed on the northern part along Mbwemkuru ridge. The rock is characterized by alternating narrow bands/layers of quartz and magnetite. The basement rocks have been intruded by the late pegmatite dykes and veins and quartz veins.

The superficial covers which dominated the western part of the project consist of palaeo-sands, gravels, pebbles and cobbles deposition, with recent river deposition and clayey material. The pebbles and cobbles are well rounded, made up of mainly quartzite and quartz vein.

Calcrete formations have been observed, mostly formed in the swamps.

Bedrock sampling work is taking place concurrently with the geological mapping. Thus far, a total of 60 bedrock samples were collected for gold and base metals assaying and references. The samples for assaying were sent to SGS Laboratory, Mwanza for analysis. Many of the bedrock samples were collected from the central-eastern portion of the property where basement rocks are well exposed along Mbwemkuru Hill and river beds.

Stream and Sediments Sampling. Reconnaissance stream sediments sampling work commenced in September 2008 in all prioritized rivers and streams within the Mkuvia Property. The objective of the program was to quickly define the pattern and limit of the placer gold mineralization within the property. The program was undertaken in the eastern and northeast part of the property. The stream samples were taken from at least one meter deep pits dug to the base of the selected part of the stream where gravels and heavy minerals are concentrated. A total of 73 stream sediments samples were collected during the period from September to December 2008.

From September 2008, sample treatment was by a 7.5 inch Knelson Concentrator to produce a heavy mineral concentrate. This concentrate was dried and examined under a binocular microscope to identify heavy minerals of interest and gold. The gold was recovered, described, and gold grain counts were recorded to guide exploration in the reconnaissance stream samples.

A preliminary review heavy mineral stream sampling, field observations and interpretation of available aerial photography has resulted in the identification of substantial additional areas of recent palaeo-alluvial deposits in the Mkuvia project area. The initial reconnaissance heavy mineral sampling has highlighted several drainages and gravel ridges that warrant exploration and further evaluation.

Of the 256 stream samples, over a hundred had gold colours of more then 10 with 16 having over 100. With reference to the work done in the pits, and since the samples taken from the stream sediments were done with the same volumetric procedure, the high colour counts suggest that other zones with grade potential could be identified on the property.

Results and Recommendations

The authors of the 43-101 report concluded that the Mkuvia Property is a significant property of exploration merit and have recommended a two-phase exploration program, as described below, which we intend to implement, subject to sufficient funding.

Phase I has a budget of $2.58 million and will lead directly to the implementation of Phase II. Phase II is contingent on positive results that show the presence of gold in measurable quantities throughout the units identified and tested in Phase I. A decision will be made at the completion of Phase I as to whether to proceed to Phase II.

Phase II is recommended to expand on the results of Phase I with a full test mining program which will include development and resource definition and consisting of further Auger or a reverse circulation drilling program, a further local test mining pit sampling along sections of newly selected areas, and full scale test placer operation. Phase II has a budget of $7.42 million.

A break-down of the budgets for each of Phase I and Phase II are as follows:

PHASE I

	Action	Budgeted Cost
1.	Quaternary Surface geological mapping and drill site selection	$25,000
2.	Additional Pit Sampling on Cross section	$150,000
3.	Drilling 3000 metres @ $125/metre (15 to 20 metres /hole)	$375,000
4.	Assaying (Pan cons, soil, etc.)	$30,000
5.	Permitting and bonding	$20,000
6.	Support, logistical and operational, travel & supplies	$250,000
7.	Drill Site preparation	$100,000
8.	Test Pit Equipment and Operation	$1,000,000
9.	Supervision, report writing & contingency (20%)	$430,000
Total:		$2,580,000

PHASE II

	Action	Budgeted Cost
1.	Drilling 6000 metres @ $125/ metre (15 to 20 metres /hole	$750,000
2.	Quaternary Surface geological mapping and drill site selection	$40,000
3.	Test Pit Operation	$250,000
4.	Large Scale Test Pit Equipment and Operation	$2,500,000
5.	Support logistical and operational, travel & supplies	$2,500,000
6.	Supervision, report writing & contingency (25%)	$1,380,000
Total:		$7,420,000

Other Property Interests

As described above, our current mineral property interests at this time are the Handeni Project and the Mkuvia Alluvial Gold Project.

Mineral Property Acquisition Agreement

As previously disclosed in our Current Report on Form 8-K as filed with the SEC on August 10, 2011, effective August 5, 2011, our Board of Directors ratified the entering into of a certain Mineral Property Acquisition Agreement (the "Acquisition Agreement") with Handeni Resources Limited ("Handeni Resources"), a limited liability company registered under the laws of Tanzania. The Acquisition Agreement provides our Company with an exclusive option (the "Option") to acquire from Handeni Resources a 100% interest in area of approximately 2.67 square kilometers located in the Handeni District of Tanzania (the "Property"), which Property is adjacent to the area covered by our Company's four existing prospecting licenses (totaling approximately 800 square kilometers) in the Handeni District.

Pursuant to the terms of the Acquisition Agreement, in order to keep the Option in good standing during the thirty-day period starting on August 5, 2011 (the "Option Period", which period has been extended to November 3, 2011 upon the mutual agreement of our Company and Handeni Resources), we are required to provide the following consideration to Handeni Resources:

- Share issuance: issue from treasury and to the order and direction of Handeni Resources prior to and at the end of the Option Period an aggregate of 15,000,000 restricted common shares in the share capital of the Company (each a "Share"), at a deemed issuance price of U.S. $0.40 per Share; and

- Maintenance payments: pay, or cause to be paid, to or on Handeni Resource's behalf as the Company may determine, in the Company's sole and absolute discretion, all underlying option, regulatory and governmental payments and assessment work required to keep the mineral property interests comprising the Property and any underlying option agreements respecting any of the mineral property interests comprising the Property in good standing during the Option Period.

Mr. Reginald Mengi, the Chairman of the Board of Directors of our Company, has an existing direct and/or indirect ownership interest in Handeni Resources and/or beneficial interest(s) in and to Handeni Resources. As such, Mr. Mengi did not participate in any discussions by the Board of Directors regarding the Acquisition Agreement. In addition, Mr. Mengi did not, and was not entitled to, vote on the Board of Directors' ratification of the Acquisition Agreement.

Compliance with Government Regulation

We are subject to local laws and regulation governing the exploration, development, mining, production, importing and exporting of minerals; taxes; labor standards; occupational health; waste disposal; protection of the environment; mine safety;

toxic substances; and other matters. We require licenses and permits to conduct exploration and mining operations. Amendments to current laws and regulations governing operations and activities of mining companies or more stringent implementation thereof could have a material adverse impact on our Company. Applicable laws and regulations will require us to make certain capital and operating expenditures to initiate new operations. Under certain circumstances, we may be required to close an operation once it is started until a particular problem is remedied or to undertake other remedial actions. This would have a material adverse effect on our results and financial condition.

Our mineral interests in Tanzania are held under prospecting licenses granted pursuant to the Mining Act, 1998 (as revised 2010) for an initial period of three years and a prospecting license reconnaissance issued for initial periods of two years, and are renewable in two successive periods of two years only. We must pay annual rental fees for our prospecting licenses at a rate of $20 per square kilometer. There is also an initial one-time “preparation fee” of $200 per license. Upon renewal, we pay a fee of $200 per license. Renewals of our prospecting licenses can take many months and even years to process by the regulatory authority in Tanzania.

All prospecting licenses in Tanzania require the holder to employ and train local residents, typically amounting to $5,000 per year, and make exploration expenditures, as set out in the Mining Act. At each renewal, at least 50% of our licensed area must be relinquished. If we wish to keep the relinquished one-half portion, we must file a new application for the relinquished portion.

The geographical area covered by a prospecting license (“PL”) may contain one or more previously granted primary mining licenses (a “PML”). A PLM is a mining license granted only to a Tanzanian citizen consisting of an area of not to exceed 10 hectares. Once a PL is granted, no additional PMLs can be granted within the geographical area covered by the PL. The PL is subject to the rights of previously granted and existing PMLs. The holder of a PL will have to work around the geographical area of the PML unless the PL holder acquires the PML and any rights to the land covered by the PML.

We must hold a mining license to carry on mining activities, which are granted only to the holder of a prospecting license covering a particular area. A mining license is granted for a period of 25 years or the life of the mine. It is renewable for a period not exceeding 15 years. We do not hold any mining licenses, only prospecting licenses. Prospecting and mining license holders must submit regular reports in accordance with mining regulations. Upon commercial production, the government of Tanzania imposes a royalty on the gross value of all production at the rate of 3% of all gold produced. The applicable regulatory body in Tanzania is the Ministry of Energy and Minerals.

In July 1999, environmental management and protection regulations under the Mining Act came into force. An environmental impact statement and an environmental management plan must accompany special mining license, mining license and gemstone mining license applications for mineral rights. In addition to the establishment of environmental regulations, the Tanzanian government has improved management procedures for effective monitoring and enforcement of these regulations by strengthening the institutional capacity, especially in the field offices. The government has provided rules for the creation of reclamation funds to reinstate land to alternative uses after mining and it has developed guidelines for mining in restricted areas, such as forest reserves, national parks, near sources of water and other designated areas. These regulations have not had any material effect on our operations to date.

Competition

We operate in a highly competitive industry, competing with other mining and exploration companies, and institutional and individual investors, which are actively seeking minerals exploration properties throughout the world together with the equipment, labour and materials required to exploit such properties. Many of our competitors have financial resources, staff and facilities substantially greater than ours. The principal area of competition is encountered in the financial ability to cost effectively acquire prime minerals exploration prospects and then exploit such prospects. Competition for the acquisition of minerals exploration properties is intense, with many properties available in a competitive bidding process in which we may lack technological information or expertise available to other bidders. Therefore, we may not be successful in acquiring, exploring and developing profitable properties in the face of this competition. No assurance can be given that a sufficient number of suitable minerals exploration properties will be available for acquisition, exploration and development.

Employees

We have no significant employees other than our officers and directors. We plan to retain independent geologists and consultants on a contract basis to conduct the work programs on our mineral properties in order to carry out our plan of operations.

Research and Development Expenditures

We have not incurred any research or development expenditures since our incorporation.

Subsidiaries

The Company has two subsidiaries: (i) Douglas Lake Tanzania Limited (Tanzania); and (ii) DLM Tanzania Limited (Tanzania).

Patents and Trademarks

We do not own, either legally or beneficially, any patent or trademark.

Plan of Operations

Our plan of operations for the next twelve months is to focus on the exploration of our mineral properties in Tanzania, particularly on the Handeni property. We anticipate that we will require approximately $7,000,000 for our plan of operations over the next twelve months, as follows:

(a) approximately $6,000,000 for work on the Handeni Property, as follows:

- (i) airborne geophysics: $1,250,000;
- (ii) ground geophysics: $250,000;
- (iii) mapping, trenching, sampling and related activities: $750,000;
- (iv) drilling: $2,250,000;
- (v) sundry and contingencies: $500,000; and
- (vi) one-time costs (office, camp, vehicles and related items): $1,000,000; and

(b) approximately $1,000,000 for management, consulting, administration and operating expenses.

At August 31, 2011, we had cash of $6,432,454 and a working capital of $11,541,809. As such, we estimate we will have sufficient funds to cover our planned operations over the next twelve months. However, our actual expenditures may exceed our estimations such that we may need to receive additional funds to fund our planned operations over the next twelve months, either through the sale of capital stock or from borrowing. If we are not able to obtain financing in the amounts required or on terms that are acceptable to us, we may be forced to scale back, or abandon, our plan of operations.

During the twelve month period following the date of this report, we anticipate that we will not generate any revenue. Accordingly, we will be required to obtain additional financing in order to pursue our plan of operations beyond the next twelve months. We believe that debt financing will not be an alternative for funding additional phases of exploration as we do not have tangible assets to secure any debt financing. We anticipate that additional funding will be in the form of equity financing from the sale of our common stock. We cannot provide investors with any assurance that we will be able to raise sufficient funding from the sale of our common stock to fund our acquisition and exploration program going forward. In the absence of such financing, we will not be able to continue acquisition and exploration of mineral claims and our business plan will fail. Even if we are successful in obtaining equity financing to fund our acquisition and exploration program beyond the next twelve months, there is no assurance that we will obtain the funding necessary to pursue any advanced exploration of any mineral claims. If we do not continue to obtain additional financing, we will be forced to abandon our mineral claims and our plan of operations.

Results of Operations

The following table sets out our loss for the periods indicated:

	Accumulated from January 5, 2004 (Date of Inception) to August 31, 2011 $	For the Three Months Ended August 31, 2011 $	For the Three Months Ended August 31, 2010 $
Revenue	–	–	–
Expenses			
Amortization	114,622	35,994	5,518
Consulting	21,729,887	471,522	1,154,097
General and administrative	1,632,483	44,565	16,357
Impairment of mineral property acquisition costs	77,492,074	-	-
Mineral property exploration costs	3,160,192	721,476	160,000
Professional	1,793,909	231,742	36,573
Rent	223,643	32,731	9,423
Travel	1,620,077	76,088	29,065
Total Expenses	107,766,887	1,614,118	1,411,033
Net Loss Before Other Expense	(107,766,887)	(1,614,118)	(1,411,033)
Other Income (Expense)			
Gain on write-down of accounts payable	86,219	-	-
Mineral property option payments received	3,616,017	-	350,000
Loss on sale of investment securities	(57,071)	-	-
Net Loss	(104,121,722)	(1,614,118)	(1,061,033)
Other Comprehensive Income			
Unrealized gain on marketable securities	1,280,000	40,000	-
Comprehensive loss	(102,841,722)	(1,574,118)	(1,061,033)

Revenues

We had no operating revenues since our inception (January 5, 2004) to August 31, 2011. We anticipate that we will not generate any revenues for so long as we are an exploration stage company.

Expenses

Our expenses in the three months ended August 31, 2011 increased to $1,614,118 from $1,411,033 in the three months ended August 31, 2010, primarily as a result of increased mineral property exploration costs associated with our work on the Handeni project.

Net Loss and Comprehensive Loss

Our net loss for the three months ended August 31, 2011 was $1,614,118, compared to $1,061,033 for the three months ended August 31, 2010. Our comprehensive loss for the three months ended August 31, 2011 was $1,574,118, compared to $1,061,033 for the three months ended August 31, 2010.

Liquidity and Capital Resources

We had cash of $6,432,454 and working capital of $11,541,809 at August 31, 2011.

We estimate that our total expenditures over the next twelve months will be approximately $7,000,000, as outlined above under the heading “Plan of Operations”.

Net Cash Used in Operating Activities

Net cash used in operating activities was $272,159 during the three months ended August 31, 2011, as compared to $134,632 during the three months ended August 31, 2010. Net cash used in operating activities from our inception on January 5, 2004 to August 31, 2011 was $12,040,109.

Net Cash Used in Investing Activities

Net cash used in investing activities was $104,675 during the three months ended August 31, 2011 (purchase of property and equipment), as compared to $1,375 used in investing activities during the three months ended August 31, 2010. Net cash used in investing activities from our inception on January 5, 2004 to August 31, 2011 was $590,609.

Net Cash from Financing Activities

During the three months ended August 31, 2011, we received $13,814 net cash from financing activities (receipt of stock subscriptions), as compared to $146,687 during the three months ended August 31, 2010 ($150,000 in proceeds from the issuance of our common stock offset by $3,313 with respect to checks issued in excess of funds on deposit). We have funded our business to date primarily from sales of our common stock. From our inception on January 5, 2004 to August 31, 2011, net cash provided by financing activities was $19,063,172.

There are no assurances that we will be able to achieve further sales of our common stock or any other form of additional financing. If we are unable to achieve the financing necessary to continue our plan of operations, then we will not be able to continue our exploration of the property underlying our mineral claim interest and our venture will fail.

Going Concern

We have not attained profitable operations and are dependent upon obtaining financing to pursue any extensive exploration activities. For these reasons our auditors stated in their report on our audited financial statements for the year ended May 31, 2011 that they have substantial doubt we will be able to continue as a going concern.

Future Financings

We anticipate continuing to rely on equity sales of our common shares in order to continue to fund our business operations. Issuances of additional shares will result in dilution to our existing shareholders. There is no assurance that we will achieve any additional sales of our equity securities or arrange for debt or other financing to fund our planned exploration activities.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Critical Accounting Policies

Our financial statements and accompanying notes have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

We regularly evaluate the accounting policies and estimates that we use to prepare our financial statements. In general, management's estimates are based on historical experience, on information from third party professionals, and on various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ from those estimates made by management.

We believe the following critical accounting policies require us to make significant judgments and estimates in the preparation of our consolidated financial statements.

Basic and Diluted Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with ASC 260, *Earnings per Share* which requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive.

Comprehensive Loss

ASC 220, *Comprehensive Income* establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at August 31, 2011 and 2010, the Company's only component of other comprehensive income and accumulated other comprehensive income is an unrealized fair value gain on available for sale marketable securities.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents.

Marketable Securities

The Company reports investments in marketable equity securities at fair value based on quoted market prices. All investment securities are designated as available for sale with unrealized gains and losses included in stockholders' equity. Unrealized losses that are other than temporary are recognized in earnings. Realized gains and losses are accounted for on the specific identification method.

The Company periodically reviews these investments for other-than-temporary declines in fair value based on the specific identification method and writes down investments to their fair value when an other-than- temporary decline has occurred. When determining whether a decline is other-than-temporary, the Company examines (i) the length of time and the extent to which the fair value of an investment has been lower than its carrying value: (ii) the financial condition and near-term prospects of the investee, including any specific events that may influence the operations of the investee such as changes in technology that may impair the earnings potential of the investee: and (iii) the Company's intent and ability to retain its investment in the investee for a sufficient period of time to allow for any anticipated recovery in market value. The Company generally believes that an other-than-temporary decline has occurred when the fair value of the investment is below the carrying value for one year, absent of evidence to the contrary.

Property and Equipment

Property and equipment consists of office equipment and automobiles recorded at cost and amortized on a straight-line basis over a three-year period.

Mineral Property Costs

The Company has been in the exploration stage since its inception on January 5, 2004 and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition and exploration of mining properties. Mineral property exploration costs are expensed as incurred. Mineral property acquisition costs are initially capitalized. The Company assesses the carrying costs for impairment under ASC 360, *Property, Plant, and Equipment* at each fiscal quarter end. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs then incurred to develop such property, are capitalized. Such costs will be amortized using the units-of-production method over the estimated life of the probable reserve. If mineral properties are subsequently abandoned or impaired, any capitalized costs will be charged to operations.

Long-Lived Assets

In accordance with ASC 360, *Property Plant and Equipment* the Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life. Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

Asset Retirement Obligations

The Company accounts for asset retirement obligations in accordance with the provisions of ASC 440 *Asset Retirement and Environmental Obligations* which requires the Company to record the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development and/or normal use of the assets. The Company did not have any assets retirement obligations as of August 31, 2011 and May 31, 2011.

Financial Instruments

ASC 825, *Financial Instruments* requires an entity to maximize the use of observable inputs and the fair value of financial instruments, which include cash, amounts receivable, marketable securities, and accounts payable were estimated to approximate their carrying values due to the immediate or short-term maturities of these financial instruments.

The Company's operations are in Canada and Africa, which results in exposure to market risks from changes in foreign currency rates. The financial risk is the risk to the Company's operations that arise from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, *Income Taxes*. The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

Foreign Currency Translation

The functional and reporting currency of the Company is the United States dollar. Monetary assets and liabilities denominated in foreign currencies are translated to United States dollars in accordance with ASC 740 *Foreign Currency Translation Matters*, using the exchange rate prevailing at the balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

To the extent that the Company incurs transactions that are not denominated in its functional currency, they are undertaken in Canadian dollars and Tanzanian shillings. The Company has not, to the date of these financials statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Stock-based Compensation

The Company records stock-based compensation in accordance with ASC 718, *Compensation – Stock Based Compensation* and ASC 505, *Equity Based Payments to Non-Employees*, which requires the measurement and recognition of compensation expense based on estimated fair values for all share-based awards made to employees and directors, including stock options.

ASC 718 requires companies to estimate the fair value of share-based awards on the date of grant using an option-pricing model. The Company uses the Black-Scholes option-pricing model as its method of determining fair value. This model is affected by the Company's stock price as well as assumptions regarding a number of subjective variables. These subjective variables include, but are not limited to the Company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviours. The value of the portion of the award that is ultimately expected to vest is recognized as an expense in the statement of operations over the requisite service period.

All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

Recent Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required because we are a smaller reporting company.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Douglas Boateng, our principal executive officer and Debra Farquharson, our principal financial officer, have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective as of the end of the period covered by this report, based on their evaluation of these controls and procedures required by paragraph (b) of Rules 13a-15 and 15d-15, due to the deficiencies in our internal control over financial reporting as described below.

As disclosed in the Company's annual report for our fiscal year ended May 31, 2011, management determined that, during the year ended May 31, 2011, our internal controls and procedures were not effective due to material weaknesses. Management identified the following material weaknesses in internal control over financial reporting as of our fiscal year ended May 31, 2011:

1. The Company does not have a separate Audit Committee - the entire Board of Directors acts as the Company's Audit Committee. As of May 31, 2011 there was a lack of a majority of independent directors on the Company's the Board of Directors, and the Company had not identified an "expert", one who is knowledgeable about reporting and financial statement requirements.
2. There was lack of oversight by the Company's audit committee and board of directors in timely review and approval of the certain financial expenses incurred by the Company.
3. Certain entity level controls establishing a "tone at the top" were considered material weaknesses. The Company has an audit committee (the entire Board of Directors) however it is not independent. There is no policy on fraud and no code of ethics at this time. A whistleblower policy is not necessary given the small size of the organization.
4. The Company has limited segregation of duties which is not consistent with good internal control procedures.
5. The Company does not have a written internal control procedurals manual which outlines the duties and reporting requirements of the Directors and any staff to be hired in the future. This lack of a written internal control procedurals manual does not constitute effective internals controls over financial reporting.

As disclosed in the Company's annual report for our year ended May 31, 2011, management believes that the material weaknesses set forth above did not have a material affect on the Company's financial results for the year ended May 31, 2011. However, management believes that the lack of a functioning audit committee and lack of a majority of independent directors on the Company's board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures, can impact the Company's financial statements for the future years. As a result material errors could occur.

The Company and its management will endeavor to correct the above noted weaknesses in internal control once it has adequate funds to do so. We intend to establish an audit committee, appoint sufficient independent members thereto and identify an "expert" for the committee to advise other members as to correct accounting and reporting procedures. In addition, we intend to establish a written policy manual outlining the duties of each of the officers and staff of the Company to facilitate better internal control procedures.

Management will continue to monitor and evaluate the effectiveness of the Company's internal controls and procedures and its internal controls over financial reporting on an ongoing basis and are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow.

Changes in Internal Control Over Financial Reporting

There were no changes to our internal control over financial reporting that occurred during the three months ended August 31, 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are not a party to any material legal proceedings nor are we aware of any legal proceedings pending or threatened against us or our properties.

Item 1A. Risk Factors

Not required because we are a smaller reporting company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. (Removed and Reserved).

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description of Exhibit
3.1(1)	Articles of Incorporation
3.2(12)	Certificate of Amendment to Articles of Incorporation
3.3(3)	Amended Bylaws, as amended on September 5, 2006
10.1(4)	Asset Purchase Agreement with KBT Discovery Group Tanzania Ltd.
10.2(4)	Asset Purchase Agreement with Hydro-Geos Consulting Group Tanzania Ltd.
10.3(4)	Asset Purchase Agreement with Megadeposit Explorers Ltd.
10.4(5)	Amendment No. 1 to Asset Purchase Agreement with KBT Discovery Group Tanzania Ltd.
10.5(5)	Amendment No. 1 to Asset Purchase Agreement with Hydro-Geos Consulting Group Tanzania Ltd.
10.6(5)	Amendment No. 1 to Asset Purchase Agreement with Megadeposit Explorers Ltd.
10.7(6)	Amendment No. 2 to Asset Purchase Agreement with KBT Discovery Group Tanzania Ltd.
10.8(6)	Amendment No. 2 to Asset Purchase Agreement with Hydro-Geos Consulting Group Tanzania Ltd.
10.9(6)	Amendment No. 2 to Asset Purchase Agreement with Megadeposit Explorers Ltd.

10.10(7)	Strategic Alliance Agreement between the Company and Canaco
10.11(8)	Option Agreement between the Company and Canaco
10.12(9)	Amendment No. 1 to Strategic Alliance Agreement between the Company and Canaco
10.13(9)	Kwadijava Option Agreement
10.14(9)	Negero Option Agreement
10.15(10)	Joint Venture Agreement with Mkuvia Maita
10.16(11)	2007 Stock Incentive Plan
10.17(14)	2007 Stock Incentive Plan
10.18(11)	Consulting Agreement with Harpreet Sangha
10.19(11)	Consulting Agreement with Rovingi
10.20(13)	Joint Venture Agreement with Mkuvia Maita dated June 5, 2009
10.21(15)	Agreement with Ruby Creek Resources, Inc. dated November 7, 2009
10.22(16)	Purchase Agreement with Ruby Creek Resources, Inc., dated for reference May 19, 2010
10.23(17)	August 2010 Stock Incentive Plan
10.24(18)	Mineral Property Acquisition Agreement between the Company and IPP Gold Limited, dated September 15, 2010, ratified by the Company's Board of Directors on September 21, 2010.
10.26(20)	November 2010 Stock Incentive Plan
10.27(19)	Mineral Property Acquisition Agreement between the Company and Handeni Resources Limited, dated August 5, 2011
14.1(2)	Code of Ethics
21.1	Subsidiaries of the Registrant: a. Douglas Lake Tanzania Limited (Tanzania) b. DLM Tanzania Limited (Tanzania)
31.1*	Certifications of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certifications of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Filed herewith.
(1) Incorporated by reference to Form SB-2 Registration Statement filed on July 22, 2004.
(2) Incorporated by reference to Annual Report on Form 10-KSB for year ended May 31, 2005.
(3) Incorporated by reference to Annual Report on Form 10-KSB for year ended May 31, 2006.
(4) Incorporated by reference to Current Report on Form 8-K filed on August 4, 2005.
(5) Incorporated by reference to Current Report on Form 8-K filed on November 21, 2005.
(6) Incorporated by reference to Quarterly Report on Form 10-SB for quarterly period ended November 30, 2005.
(7) Incorporated by reference to Current Report on Form 8-K filed on May 4, 2006.
(8) Incorporated by reference to Quarterly Report on Form 10-SB for quarterly period ended August 31, 2006.
(9) Incorporated by reference to Quarterly Report on Form 10-SB for quarterly period ended August 31, 2007.
(10) Incorporated by reference to Current Report on Form 8-K filed on August 6, 2008.
(11) Incorporated by reference to Annual Report on Form 10-KSB for year ended May 31, 2007.
(12) Incorporated by reference to Current Report on Form 8-K filed on January 27, 2009
(13) Incorporated by reference to Current Report on Form 8-K filed on July 16, 2009
(14) Incorporated by reference to Registration Statement Form S-8 filed on December 30, 2008.
(15) Incorporated by reference to Current Report on Form 8-K filed on November 13, 2009.

(16) Incorporated by reference to Current Report on Form 8-K filed on June 21, 2010.
(17) Incorporated by reference to Annual Report on Form 10-K for the year ended May 31, 2010.
(18) Incorporated by reference to Current Report on Form 8-K filed on September 27, 2010.
(19) Incorporated by reference to Current Report on Form 8-K filed on August 10, 2011.
(20) Incorporated by reference to Annual Report on Form 10-K filed on September 13, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DOUGLAS LAKE MINERALS INC.

By: *"Douglas Boateng"*
Douglas Boateng
President, Chief Executive Officer and a director
Date: October 21, 2011

By: *"Debra Farquharson"*
Debra Farquharson
Executive VP, Chief Financial Officer, Secretary and Treasurer
Date: October 21, 2011

Exhibit 31.1

CERTIFICATION

I, **Douglas Boateng**, certify that:

1. I have reviewed this report on Form10-Q for the quarterly period ended August 31, 2011 of Douglas Lake Minerals Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 21, 2011

"Douglas Boateng"
By: **Douglas Boateng**
Title: President, Chief Executive Officer and a director
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, **Debra Farquharson**, certify that:

1. I have reviewed this report on Form10-Q for the quarterly period ended August 31, 2011 of Douglas Lake Minerals Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 21, 2011

"Debra Farquharson"
By: **Debra Farquharson**
Title: Executive VP, Secretary, Treasurer and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

**PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Douglas Boateng, the Chief Executive Officer, and Debra Farquharson, the Chief Financial Officer, of Douglas Lake Minerals Inc. (the "Company"), each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his/her knowledge, the Quarterly Report on Form 10-Q for the period ended August 31, 2011, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of the Company.

"Douglas Boateng"
Douglas Boateng
President, Chief Executive Officer and a director
Date: October 21, 2011

"Debra Farquharson"
Debra Farquharson
Executive VP, Secretary, Treasurer and Chief Financial Officer
Date: October 21, 2011

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.