

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

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended May 31, 2009

☐ TRANSITION REPORT PURSUANT TO 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

(State or other jurisdiction of incorporation of organization)

98-0430222

(I.R.S. Employer Identification No.)

400-1445 West Georgia Street, Vancouver, British Columbia

(Address of Principal Executive Offices)

V6G 2T3

(Zip Code)

(604) 669-0323

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, \$0.001 Par Value

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ☐ No ☒

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, as of November 28, 2008 was approximately \$15,858,957.

The registrant had 72,313,282 shares of common stock outstanding as of October 9, 2009.

FORWARD LOOKING STATEMENTS

This annual report contains forward-looking statements that involve risks and uncertainties. Any statements contained herein that are not statements of historical fact 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. In evaluating these statements, you should consider various factors, including the assumptions, risks and uncertainties outlined in this annual report under “Risk Factors”. These factors or any of them may cause our actual results to differ materially from any forward-looking statement made in this annual report. Forward-looking statements in this annual report include, among others, statements regarding:

- our capital needs;
- business plans; and
- expectations.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding future events, our actual results will likely vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Some of the risks and assumptions include:

- our need for additional financing;
- our limited operating history;
- our history of operating losses;
- our exploration activities may not result in commercially exploitable quantities of ore on our mineral properties;
- the risks inherent in the exploration for minerals such as geologic formation, weather, accidents, equipment failures and governmental restrictions;
- the competitive environment in which we operate;
- changes in governmental regulation and administrative practices;
- our dependence on key personnel;
- conflicts of interest of our directors and officers;
- our ability to fully implement our business plan;
- our ability to effectively manage our growth; and
- other regulatory, legislative and judicial developments.

We advise the reader that these cautionary remarks expressly qualify in their entirety all forward-looking statements attributable to us or persons acting on our behalf. Important factors that you should also consider, include, but are not limited to, the factors discussed under “Risk Factors” in this annual report.

The forward-looking statements in this annual report are made as of the date of this annual report and we do not intend or undertake to update any of the forward-looking statements to conform these statements to actual results, except as required by applicable law, including the securities laws of the United States.

AVAILABLE INFORMATION

Douglas Lake Minerals Inc. files annual, quarterly and current reports, proxy statements, and other information with the Securities and Exchange Commission (the “SEC”). You may read and copy documents referred to in this Annual Report on Form 10-K that have been filed with the SEC at the SEC’s Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You can also obtain copies of our SEC filings by going to the SEC’s website at <http://www.sec.gov>.

REFERENCES

As used in this annual report: (i) the terms “we”, “us”, “our”, “Douglas Lake” and the “Company” mean Douglas Lake Minerals Inc.; (ii) “SEC” refers to the Securities and Exchange Commission; (iii) “Securities Act” refers to the United States *Securities Act of 1933*, as amended; (iv) “Exchange Act” refers to the United States *Securities Exchange Act of 1934*, as amended; and (v) all dollar amounts refer to United States dollars unless otherwise indicated.

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PART I

ITEM 1. BUSINESS

Name, Incorporation and Principal Offices

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.

Our principal offices are located at 400-1445 West Georgia Street, Vancouver, British Columbia, Canada, V6G 2T3; our telephone number is (604) 669-0323.

Overview

We are an exploration stage company engaged in the acquisition and exploration of mineral properties. We currently own or have interests in several mineral claims located in Tanzania, Africa, through prospecting licenses issued by the government of Tanzania. However, the property on which we are focusing our efforts at this time is the Mkuvia Alluvial Gold Project, as described below.

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. Because we are an exploration stage company, there is no assurance that a commercially viable mineral deposit exists on the property 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. We have no known reserves of any type of mineral. To date, we have not discovered an economically viable mineral deposit on the property, and there is no assurance that we will discover one.

Our Mineral Claims

Mkuvia Alluvial Gold Project

Our 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, 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 the 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 of 1998 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, the Company is 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 the 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 August 16, 2008 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.

Location and Access

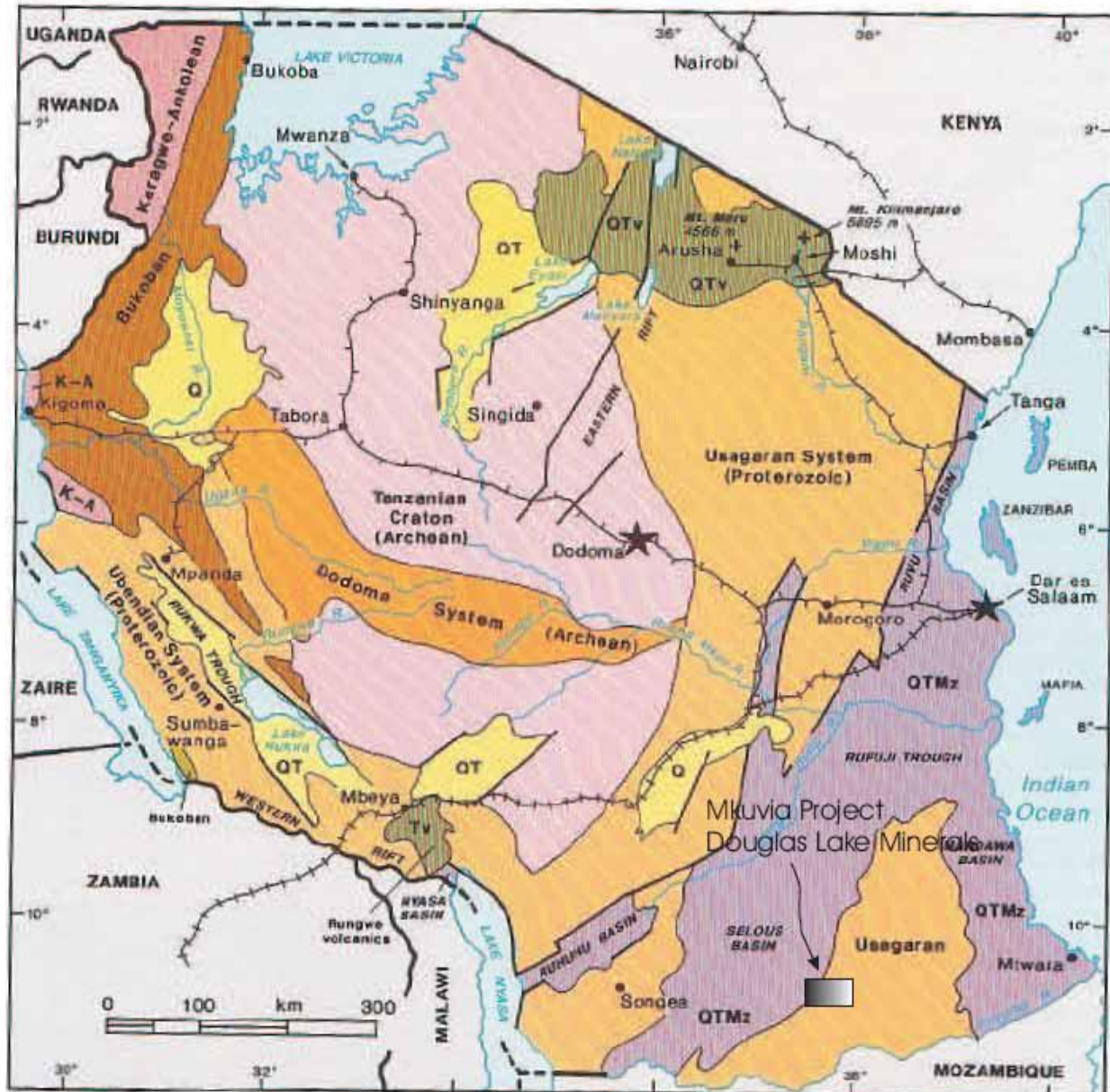
The 380 square kilometres Mkuvia Project is located in the Nachingwea District, Lindi Region of the United Republic of Tanzania, and approximately 140 kilometres west of Nachingwea town. Lindi Region is one of the three regions forming Southern Zone of United Republic of Tanzania, the other regions being 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 the Company's 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 Mbemkuru 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 Mbemkuru 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 Mbemkuru 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 Quaternary 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.

Regional Geology. 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 Palaeoproterozoic 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:

- (i) 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.
- (ii) 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.
- (iii) Neogene to Quarternary continental formations in isolated basins and river channels composed of clays (red soils, ochre, kaolin, bentonites, meerscham, 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).

Property Geology. 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 artisans, 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 quartz-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 Mbemkuru 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 Karoo 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 Mbemkuru 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.

Pitting and Sampling. 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 than 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 the Company intends 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

	<u>Action</u>	<u>Budgeted Cost</u>
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
<u>Total:</u>		<u>\$2,580,000</u>

PHASE II

	<u>Action</u>	<u>Budgeted Cost</u>
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
<u>Total:</u>		<u>\$7,420,000</u>

Mineral exploration and development involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. There is no assurance that our mineral exploration activities will result in any discoveries of commercial bodies of ore. Our long-term profitability is directly related to the cost and success of our exploration programs, which may be affected by a number of factors beyond our control.

We will require additional financing in order to pursue the exploration of the Mkuvia Project to determine whether a economic mineral deposit exists on the property. Our ability to pursue the exploration program outlined above is contingent on our ability to raise additional financing in order to proceed with such exploration. There is no assurance that we will be able to obtain any additional financing to fund our exploration activities.

Other Property Interests

All of our properties are in the exploration stage. As indicated above, our primary focus at this time is with respect to the Mkuvia Alluvial Gold Project. The Company has allowed its interests in various other properties to lapse during its most recent fiscal year, including the following:

- Prospecting License No. 2683/2004 known as “Ashanti South East”;
- Prospecting License Renewal No. 2957/2005 known as “Negero”;
- Prospecting License No. 2810/2004, known as “Tabora”;
- Prospecting License No. 3118/2005, known as “KM 7”;
- Prospecting License No. 2987/2005 in Tanzania known as “Kwadijava”; and
- several other unnamed prospecting licenses.

Thus, as of the date of this report, the only other mineral property interests that the Company has retained, other than the Mkuvia Project as described in detail above, are the Morogoro and Magembe properties, as discussed below.

Morogoro. On August 4, 2005, we entered into an Asset Purchase Agreement (the “KBT Agreement”) with KBT Discovery Group Tanzania Ltd. (“KBT”) to acquire three prospecting licenses, which cover an area of approximately 621 square kilometers in Tanzania, for an aggregate purchase price of \$75,000 and 2,800,000 restricted shares of common stock. On November 10, 2005, we entered into an amendment agreement to the KBT Agreement pursuant to which the number of shares to be issued was increased to 5,600,000 restricted shares of common stock. On October 16, 2006, we entered into an Amendment Agreement in which the aggregate purchase price was increased to \$225,000. By the end of the fiscal year ended May 31, 2006, we had completed due diligence and closed the agreement. At the first closing, Prospecting License No. 2810/2004, known as “Tabora”, was transferred to us and we issued 5,600,000 restricted shares of common stock to KBT. Prospecting License No. 3117/2005, known as “Morogoro”, and Prospecting License No. 3118/2005, known as “KM 7”, were in the name of Atlas Africa Limited (“Atlas”), a Tanzanian company. KBT had entered into an agreement with Atlas which gave KBT the right to prospect minerals under the Morogoro and KM 7 Prospecting Licenses and an option to enter into a joint venture with Atlas to prospect and mine minerals under the Morogoro and KM 7 Prospecting Licenses. KBT caused Atlas to terminate this joint venture agreement and transferred the Morogoro and KM 7 Prospecting Licenses to us and we paid KBT \$75,000. On July 19, 2006, we entered into a Letter of Amendment, pursuant to which we agreed to pay \$50,000 directly to Atlas. During the year ended May 31, 2007, we paid the \$50,000 to Atlas and recognized an impairment loss of \$50,000 as there are no proven or probable reserves on any of the Tanzania properties. The prospecting licenses expire three years after the initial issuance. We can apply to reacquire 50% of the area covered by the original prospecting licenses. As at February 28, 2009, the Company has applied to reacquire the licenses. As noted above, however, the Company has allowed its interests in Tabora and KM 7 to lapse, but the Company has retained its interest in Morogoro.

On October 5, 2006, we entered into an option agreement (the “Option Agreement”) with Canaco pursuant to which we granted Canaco the right to earn up to a 70% interest in Prospecting License 3117/2005 in Tanzania known as “Morogoro” held by us. Under the Option Agreement Canaco has agreed to:

- (a) make cash payments to us of \$250,000, of which \$50,000 (received) is payable upon the approval of the Option Agreement by the board of directors of both companies and the TSX Venture Exchange (the stock exchange upon which Canaco’s shares are listed; and such date being referred to as the “Effective Date”). An additional \$75,000 (paid) is payable on the first anniversary of the Effective Date and an additional \$125,000 is payable on the second anniversary of the Effective Date;
- (b) issue up to 800,000 of its common shares to us, of which 100,000 shares are issuable on the Effective Date (received), an additional 200,000 shares are issuable on the first anniversary of the Effective Date (received); and an additional 500,000 shares are issuable on the second anniversary of the Effective Date; and
- (c) spend up to \$2,000,000 in exploration expenses on the subject property prior to the third anniversary of the Effective Date in the following manner: up to \$250,000 in exploration expense prior to the first

anniversary of the Effective Date, up to \$750,000 in cumulative exploration expense prior to the second anniversary of the Effective Date and up to \$2,000,000 in cumulative exploration expense prior to the third anniversary of the Effective Date.

Canaco has failed to make their required payments and has abandoned their option on this property.

Magembe. On November 17, 2006, we 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 license was transferred to us on signing the agreement for an aggregate purchase price of \$200,000 (paid) and 4,500,000 restricted shares of common stock. We determined the fair market value of the 4,500,000 shares to be \$3,172,500. As at May 31, 2007, the Company had issued 1,500,000 shares, and as at May 31, 2009, the remaining 3,000,000 shares that are issuable under the agreement had not been issued.

On March 2, 2007, we entered into an option agreement with Canaco, whereby we granted Canaco the right to earn up to a 75% interest in Prospecting License 3920/2006 in Tanzania known as “Shinyanga” or “Magembe” held by the Company. Under the option agreement Canaco has agreed to:

- (a) make cash payments to us of \$200,000, of which \$100,000 (received) is payable upon the approval of the board of directors of both companies and the TSX Venture Exchange, the stock exchange that Canaco’s shares are listed on (such date is referred to as the “Effective Date”). An additional \$100,000 is payable on the first anniversary of the Effective Date (received);
- (b) issue up to 750,000 of its common shares to us, of which 250,000 shares are issuable on the second anniversary of the Effective Date, an additional 500,000 shares are issuable on the third anniversary of the Effective Date; and
- (c) commit to spend up to \$2,500,000 in exploration expenses on the subject property prior to the fourth anniversary of the Effective Date (\$250,000 in cumulative exploration expense prior to the first anniversary of the Effective Date, up to \$500,000 in cumulative exploration expense prior to the second anniversary of the Effective Date, and up to \$750,000 in cumulative exploration expense prior to the third anniversary of the Effective Date, and up to \$1,000,000 in cumulative exploration expense prior to the fourth anniversary of the Effective Date).

Canaco has failed to make their required payments and has abandoned their option on this property.

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.

The Company’s mineral interests in Tanzania are held under prospecting licenses granted pursuant to the Mining Act, 1998 (Tanzania) 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, 1998* (Tanzania). 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, 1998 (Tanzania) 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

We currently have one wholly-owned subsidiary, Beijing Dao Hu Investment Consulting, Ltd., a Chinese company. We use this subsidiary primarily to facilitate and pay the direct costs associated with due diligence being conducted by our current Chinese investors and potential project joint venture partners.

Patents and Trademarks

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

ITEM 1A. RISK FACTORS

An investment in our common stock involves a number of very significant risks. You should carefully consider the following risks and uncertainties in addition to other information in this annual report in evaluating our company and its business before purchasing shares of our common stock. Our business, operating results and financial condition could be seriously harmed due to any of the following risks. The risks described below may not be all of the risks facing our company. Additional risks not presently known to us or that we currently consider immaterial may also impair our business operations. You could lose all or part of your investment due to any of these risks.

We are a recently organized business with a limited operating history.

We were incorporated in January 2004 and have a limited operating history which makes it difficult to evaluate the investment merits of our Company. As of May 31, 2009, we had incurred losses since inception of \$28,046,244. There can be no assurance that we will be profitable in the future.

We could be required to rescind an offering of our shares.

On January 23, 2006, the Pennsylvania Securities Commission (“PSC”) issued an inquiry letter to the Company. The inquiry alleged that the Company offered and sold securities to investors without being in compliance with Regulation D and without registration. The PSC notified us that an acceptable course of action was for us to offer the Pennsylvania state residents an opportunity to rescind their investment with us. While the Pennsylvania state residents have rejected our offer to repurchase their shares, we do not plan to make the same offer to our other US investors, residents of California, or our British Columbia resident investors. The offering consisted of a total of 38 investors, 35 of which are residents of British Columbia and the total amount of money paid to us to acquire common stock during this offering was \$397,000. If the investors invoked their rescission right or if any securities commission requires us to offer a right of rescission to the rest of the investors, we may have to refund up to \$388,600.

We may not be able to continue as a going concern if we do not obtain additional financing.

Our independent accountants’ audit report states that there is substantial doubt about our ability to continue as a going concern. We have incurred only losses since our inception raising substantial doubt about our ability to continue as a going concern. Therefore, our ability to continue as a going concern is highly dependent upon obtaining additional financing for our planned operations. There can be no assurance that we will be able to raise any additional funds, in the amounts required or on terms favourable to us.

We rely on consultants and engineers to perform our exploration activities.

Substantial expenditures will be required to develop the exploration infrastructure at any site chosen for exploration, to establish ore reserves through drilling, to carry out environmental and social impact assessments, and to develop metallurgical processes to extract the metal from the ore. We may not be able to discover minerals in sufficient quantities to justify commercial operation, and we may not be able to obtain funds required for exploration on a timely basis. Accordingly, you could lose your entire investment.

We have incurred net losses since our inception and expect losses to continue.

We have not been profitable since our inception. For the fiscal year ended May 31, 2009, we had a net loss of \$4,759,010. Since our inception on January 5, 2004 to May 31, 2009, we had a net loss of \$28,046,244. We have not generated revenues from operations and do not expect to generate revenues from operations until one or more of our properties is placed in production. There is a risk that none of our properties will be placed in production, and that our operations will not be profitable in the future and you could lose your entire investment.

Our exploration activities are highly speculative and involve substantial risks.

Our mineral properties are in the exploration stage and no proven mineral reserves have been established. Our exploration work may not result in the discovery of mineable deposits of ore in a commercially economical manner. There may be limited availability of water, which is essential to mining operations, and interruptions may be caused by adverse weather conditions. Our operations are subject to a variety of existing laws and regulations relating to exploration and development, permitting procedures, safety precautions, property reclamation, employee health and safety, air quality standards, pollution and other environmental protection controls. Our exploration activities are subject to substantial hazards, some of which are not insurable or may not be insured for economic reasons. Any of these factors could have a material adverse effect on our results and financial condition.

We cannot accurately predict whether commercial quantities of ores will be established.

Whether an ore body will be commercially viable depends on a number of factors beyond our control, including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. We cannot predict the exact effect of these factors, but the combination of these factors may result in a mineral deposit being unprofitable which would have a material adverse effect on our business. We have no mineral producing properties at this time. We have not defined or delineated any proven or probable reserves or resources on any of our properties.

We may not be able to establish the presence of minerals on a commercially viable basis.

We will need to incur substantial expenditures in an attempt to establish the economic feasibility of mining operations by identifying mineral deposits and establishing ore reserves through drilling and other techniques, developing metallurgical processes to extract metals from ore, designing facilities and planning mining operations. The economic feasibility of a project depends on numerous factors beyond our control, including the cost of mining and production facilities required to extract the desired minerals, the total mineral deposits that can be mined using a given facility, the proximity of the mineral deposits to a user of the minerals, and the market price of the minerals at the time of sale. Our existing or future exploration programs or acquisitions may not result in the identification of deposits that can be mined profitably and you could lose your entire investment.

Our competition is intense in all phase of our business.

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.

Our exploration activities are subject to various local laws and regulations

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.

We have uninsurable risks.

We may be subject to unforeseen hazards such as unusual or unexpected formations and other conditions. We may become subject to liability for pollution, cave-ins or hazards against which we cannot insure or against which we may elect not to insure. The payment of such liabilities may have a material adverse effect on our financial position.

We depend on key management personnel.

The success of our operations and activities is dependent to a significant extent on the efforts and abilities of our management. We do not have employment contracts with, and we do not maintain key-man life insurance on, our President, Chief Executive Officer, Chairman or Chief Financial Officer. A loss of any of them could adversely affect our business.

We are subject to the volatility of metal and mineral prices.

The economics of developing metal and mineral properties are affected by many factors beyond our control including, without limitation, the cost of operations, variations in the grade ore or resource mined, and the price of such resources. The market prices of the metals for which we are exploring are highly speculative and volatile. Depending on the price of gold or other resources, we may determine that it is impractical to commence or continue commercial production. The price of gold has fluctuated widely in recent years. The price of gold and other metals and minerals may not remain stable, and such prices may not be at levels that will make it feasible to continue our exploration activities, or commence or continue commercial production.

Our business activities are conducted in Tanzania.

Our mineral exploration activities in Tanzania may be affected in varying degrees by political stability and government regulations relating to the mining industry and foreign investment in that country. The government of Tanzania may institute regulatory policies that adversely affect the exploration and development (if any) of our properties. Any changes in regulations or shifts in political conditions in this country are beyond our control and may materially adversely affect our business. Our operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and mine safety.

We may not have clear title to our properties.

Acquisition of title to mineral properties is a very detailed and time-consuming process, and title to our properties may be affected by prior unregistered agreements or transfer, or undetected defects. Some of our prospecting licenses are currently subject to renewal by the Ministry of Energy and Minerals of Tanzania. There is a risk that we may not have clear title to all our mineral property interests, or they may be subject to challenge or impugned in the future, which would have a material adverse effect on our business.

Our mineral property interests may be subject to other mining licenses.

Local residents in Tanzania may have registered the right to mine in small areas located within a prospecting license, such rights are evidenced by a mining license. There can be no guarantee that we will be successful in negotiating with mining license owners to acquire their rights if we determine that we need their permission to drill or mine on the land covered by such mining licenses.

We have requirements for and there is an uncertainty of access to additional capital.

At May 31, 2009, we had cash of \$197,030 and a working capital deficit of \$1,061,606. We will continue to incur exploration costs to fund our plan of operations and intend to fund our plan of operations from working capital and equity subscriptions. Ultimately, our ability to continue our exploration activities depends in part on our ability to commence operations and generate revenues or to obtain financing through joint ventures, debt financing, equity financing, production sharing agreements or some combination of these or other means. There can be no assurance that we will be able to obtain any such financing.

We have no cash flow from operations and depend on equity financing for our operations.

Our current operations do not generate any cash flow. Any work on our properties may require additional equity financing. If we seek funding from existing or new joint venture partners, our project interests will be diluted. If we seek additional equity financing, the issuance of additional shares will dilute the current interests of our shareholders. We may not be able to obtain additional funding to allow us to fulfill our obligations on existing exploration properties. Our failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and the possible partial or total loss of our potential interest in certain properties or dilution of our interest in certain properties which would have a material adverse effect on our business.

Our directors and officers are indemnified for any monies they pay in settlement of actions performed while a director or officer.

Sections 78.7502 and 78.751 of the Nevada Revised Statutes provide for indemnification of our officers and directors in certain situations where they might otherwise personally incur liability, judgments, penalties, fines and expenses in connection with a proceeding or lawsuit to which they might become parties because of their position with the Company. We have authorized the indemnification of our officers and directors to the full extent available under the Nevada Revised Statutes.

Penny stock rules may make it more difficult to trade our shares.

Our shares will have to comply with the Penny Stock Reform Act of 1990 which may potentially decrease your ability to easily transfer our shares. Broker-dealer practices in connection with transactions in “penny stocks” are regulated. Penny stocks generally are equity securities with a price of less than \$5.00. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer’s account. In addition, the penny stock rules generally require that prior to a transaction in a penny stock, the broker-dealer make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for a stock that has to comply with the penny stock rules. As our shares will likely have to comply with such penny stock rules, our shareholders will in all likelihood find it more difficult to sell their securities.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our executive offices are located at 400-1445 West Georgia Street, Vancouver, British Columbia, V6G 2T3.

Our mineral claim interests and the properties underlying such interests are described above under Item 1, “Business”.

ITEM 3. 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 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted during the fourth quarter of our fiscal year to a vote of security holders, through the solicitation of proxies or otherwise.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our shares of common stock were quoted for trading on the OTC Bulletin Board under the symbol "DLKM.OB" on March 23, 2005. The market for our common stock is limited, volatile and sporadic. The following table sets forth the high and low bid prices relating to our common stock for the periods indicated, as provided by the OTC Bulletin Board. These quotations reflect inter-dealer prices without retail mark-up, mark-down, or commissions, and may not reflect actual transactions.

QUARTER ENDED	HIGH BID	LOW BID
May 31, 2009	\$0.51	\$0.19
February 28, 2009	\$0.69	\$0.12
November 30, 2008	\$0.69	\$0.23
August 31, 2008	\$1.01	\$0.22
May 31, 2008	\$0.57	\$0.11
February 29, 2008	\$0.25	\$0.08
November 30, 2007	\$0.48	\$0.12
August 31, 2007	\$0.70	\$0.30

Holders

As of October 9, 2009, we had 129 shareholders of record.

Dividend Policy

No dividends have been declared or paid on our common stock. We have incurred recurring losses and do not currently intend to pay any cash dividends in the foreseeable future.

Recent Sales of Unregistered Securities

Effective on June 23, 2009, we completed a non-brokered private placement pursuant to which we issued from treasury to 10 subscribers an aggregate of 1,392,000 units at a subscription price of \$0.25 per unit for proceeds of \$348,000. Each unit consists of one share of our common stock and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional share of common stock at an exercise price of \$0.40 per share until June 23, 2010. We relied on an exemption from registration under the Securities Act provided by Rule 506 for U.S. accredited investors, in each case based on representations and warranties provided by the subscribers in their respective subscription agreements entered into between each subscriber and our Company.

Effective on August 26, 2009, we completed a non-brokered private placement pursuant to which we issued from treasury to one subscriber 75,000 units at a subscription price of \$0.20 per unit for proceeds of \$15,000. Each unit consists of one share of our common stock and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional share of common stock at an exercise price of \$0.30 per share until August 26, 2010. We relied on an exemption from registration under the Securities Act provided by Rule 506 for U.S. accredited investors, in each case based on representations and warranties provided by the subscribers in their respective subscription agreements entered into between each subscriber and our Company.

The net proceeds of these offerings will be used to advance our various resource acquisition, exploration and development activities in Tanzania and for general working capital and corporate purposes.

No Repurchases

Neither we nor any of our affiliates have made any purchases of our equity securities during the fourth quarter of our fiscal year ended May 31, 2009.

ITEM 6. SELECTED FINANCIAL DATA

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition, changes in financial condition, plan of operations and results of operations should be read in conjunction with (i) our audited financial statements as at May 31, 2009, May 31, 2008 and for the period from inception (January 5, 2004) to May 31, 2009 and (ii) the section entitled "Business", included in this annual report. The 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 as a result of many factors, including, but not limited to, those set forth under "Risk Factors" and elsewhere in this annual report.

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 with respect to the Mkuvia Alluvial Gold Project. We anticipate that we will require approximately \$2,600,000 for our plan of operations over the next twelve months, as follows:

- (a) approximately \$1,600,000 for a portion of Phase I of our exploration program as described in Item 1 – "Business" above.
- (b) approximately \$1,000,000 for management, consulting, administration and operating expenses.

At May 31, 2009, we had cash of \$197,030 and a working capital deficit of \$1,061,606. We will require additional funds to pursue our plan of operations as set forth above. Accordingly, we will be required to obtain additional financing in order to pay our planned expenses during the next 12 months. We are continuing to seek to raise funds through private placement offerings of our shares of common stock. However, there can be no assurance that we will complete any such private placement offerings or that the funds raised will be sufficient for us to pay our expenses for and beyond the next twelve months.

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 for and 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 exploration program going forward. In the absence of such financing, we will not be able to continue exploration of our mineral claims and our business plan will fail. Even if we are successful in obtaining equity financing to fund our exploration program, there is no assurance that we will obtain the funding necessary to pursue any advanced exploration of our 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.

We have entered into a SA Agreement with Canaco in respect of our mineral claims as described above. In addition, we entered into a joint venture agreement with Mr. Maita with respect to certain mineral claims. We may consider entering into additional joint venture arrangements to provide the required funding to develop the mineral claims. We have not undertaken any efforts to locate other joint venture partners for the mineral claims. Even if we determined to pursue another joint venture partner, there is no assurance that any third party would enter into a joint venture agreement with us in order to fund the exploration of our mineral claims. If we entered into another joint venture arrangement, we would likely have to assign a significant percentage of our interest in our mineral claims to the joint venture partner.

Financial Condition

During the twelve-month period following the date of this annual 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 during and beyond the next twelve months. We believe that debt financing will not be an alternative for funding 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. However, we do not have any financing arranged and 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 any additional and more advanced exploration programs beyond our initial aforementioned exploration program. In the absence of such financing, we will not be able to continue exploration of the property underlying our mineral claim interest and our business plan will fail. Even if we are successful in obtaining equity financing to fund any continuation of our exploration program, there is no assurance that we will obtain the funding necessary to pursue any advanced exploration of the property underlying our mineral claim interest. If we do not continue to obtain additional financing, we will be forced to abandon our mineral claim interest.

We may consider entering into a joint venture arrangement to provide the required funding to develop the property underlying our mineral claim interest. We have not undertaken any efforts to locate a joint venture participant. Even if we determined to pursue a joint venture participant, there is no assurance that any third party would enter into a joint venture agreement with us in order to fund exploration of the property underlying our mineral claim interest. If we entered into a joint venture arrangement, we would likely have to assign a percentage of our interest to the joint venture participant.

Results of Operations

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

	Year Ended May 31, 2009 (Audited)	Year Ended May 31, 2008 (Audited)	For the Period from Inception (January 5, 2004) to May 31, 2009 (Audited)
Expenses			
General and administrative	\$ 3,048,481	\$ 679,053	\$ 8,636,404
Impairment of mineral property costs	-	(100,000)	17,499,571
Mineral property costs	1,661,186	42,403	1,931,481
Rent	49,343	10,686	77,734
Total Expenses	4,759,010	632,142	28,145,190
Loss Before Other Expense	(4,759,010)	(632,142)	(28,145,190)
Other Income (Expense)			
Mineral property option payments	-	156,017	156,017
Loss on sale of investment securities	-	(15,804)	(57,071)
Net loss	(4,759,010)	(491,929)	(28,046,244)

Results of Operations for the Years Ended May 31, 2009 and 2008

Revenues

We had no operating revenues since our inception (January 5, 2004) to May 31, 2009. We anticipate that we will not generate any revenues for so long as we are an exploration stage company.

Expenses

Our expenses in the year ended May 31, 2009 increased to \$4,759,010 from \$632,142 in the year ended May 31, 2008, primarily as a result of an increase in general and administrative costs, which included stock based compensation of \$1,188,706.

Net Loss

Our net loss for the year ended May 31, 2009 was \$4,759,010, compared to \$491,929 for the year ended May 31, 2008.

Liquidity and Capital Resources

We had cash of \$197,030 and a working capital deficit of \$1,061,606 at May 31, 2009.

We estimate that our total expenditures over the next twelve months will be approximately \$2,600,000, as outlined above under the heading "Plan of Operations".

Net Cash Used in Operating Activities

Net cash used in operating activities was \$3,588,880 during the year ended May 31, 2009, as compared to \$457,346 during the year ended May 31, 2008. Net cash used in operating activities from our inception on January 5, 2004 to May 31, 2009 was \$6,001,424.

Cash from Financing Activities

During the year ended May 31, 2009, we received \$3,805,600 net cash from financing activities from the sale of our common stock. During the year ended May 31, 2008, we received \$308,000 net cash from financing activities from the sale of our common stock. We have funded our business to date primarily from sales of our common stock. From our inception on January 5, 2004 to May 31, 2009, we raised a total of approximately \$6,372,183 from private offerings of our securities.

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, 2009 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.

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 when incurred using the guidance in EITF 04-02, “*Whether Mineral Rights Are Tangible or Intangible Assets*”. The Company assesses the carrying costs for impairment under SFAS No. 144, “*Accounting for Impairment or Disposal of Long Lived Assets*” 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 SFAS No. 144, “*Accounting for the Impairment or Disposal of Long-Lived Assets*”, 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 SFAS No. 143 “*Accounting for Asset Retirement Obligations*”. SFAS No. 143 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 asset retirement obligations as of May 31, 2009 or May 31, 2008.

Financial Instruments

SFAS No. 157 “*Fair Value Measurements*” requires an entity to maximize the use of observable inputs and the fair value of financial instruments, which include cash, accounts payable, amounts due to related parties, and loans 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, China 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 SFAS No. 109, “*Accounting for 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 carryforwards. 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.

Stock-based Compensation

The Company records stock-based compensation in accordance with SFAS 123(R), “*Share-Based Payments*,” 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.

SFAS 123(R) 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

In June 2009, the FASB issued SFAS No. 168, *"The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162"*. The FASB Accounting Standards Codification ("Codification") will become the source of authoritative U.S. generally accepted accounting principles ("GAAP") recognized by FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission "SEC" under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. On the effective date of this statement, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-authoritative. This statement is effective for financial statements issued for interim and annual periods ending after September 30, 2009. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In June 2009, the FASB issued SFAS No. 167, *"Amendments to FASB Interpretation No. 46(R)"*. The objective of this statement is to improve financial reporting by enterprises involved with variable interest entities. This statement addresses (1) the effects on certain provisions of FASB Interpretation No. 46 (revised December 2003), *"Consolidation of Variable Interest Entities"*, as a result of the elimination of the qualifying special-purpose entity concept in SFAS No. 166, *"Accounting for Transfers of Financial Assets"*, and (2) concern about the application of certain key provisions of FASB Interpretation No. 46(R), including those in which the accounting and disclosures under the Interpretation do not always provide timely and useful information about an enterprise's involvement in a variable interest entity. This statement is effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. Earlier application is prohibited. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In June 2009, the FASB issued SFAS No. 166, *"Accounting for Transfers of Financial Assets – an amendment of FASB No. 140"*. The object of this statement is to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets. This statement addresses (1) practices that have developed since the issuance of SFAS No. 140, *"Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities"*, that are not consistent with the original intent and key requirements of that statement and (2) concerns of financial statement users that many of the financial assets (and related obligations) that have been derecognized should continue to be reported in the financial statements of transferors. SFAS No. 166 must be applied as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. Earlier application is prohibited. This statement must be applied to transfers occurring on or after the effective date. Additionally, on and after the effective date, the concept of a qualifying special-purpose entity is no longer relevant for accounting purposes. The disclosure provisions of this statement should be applied to transfers that occurred both before and after the effective date of this statement. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In May 2009, FASB issued SFAS No. 165, *"Subsequent Events"*. SFAS 165 establishes general standards of for the evaluation, recognition and disclosure of events and transactions that occur after the balance sheet date. Although there is new terminology, the standard is based on the same principles as those that currently exist in the auditing standards. The standard, which includes a new required disclosure of the date through which an entity has evaluated subsequent events, is effective for interim or annual periods ending after June 15, 2009. The adoption of SFAS 165 is not expected to have a material effect on the Company's consolidated financial statements.

In June 2008, the Financial Accounting Standards Board (“FASB”) issued FASB Staff Position EITF 03-6-1, *“Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities”*. FSP EITF 03-6-1 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting, and therefore need to be included in the computation of earnings per share under the two-class method as described in FASB Statement of Financial Accounting Standards No. 128, “Earnings per Share.” FSP EITF 03-6-1 is effective for financial statements issued for fiscal years beginning on or after December 15, 2008 and earlier adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company’s financial statements.

In March 2008, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 161, *“Disclosures about Derivative Instruments and Hedging Activities – an amendment to FASB Statement No. 133”*. SFAS No. 161 is intended to improve financial standards for derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity’s financial position, financial performance, and cash flows. Entities are required to provide enhanced disclosures about: (a) how and why an entity uses derivative instruments; (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations; and (c) how derivative instruments and related hedged items affect an entity’s financial position, financial performance, and cash flows. It is effective for financial statements issued for fiscal years beginning after November 15, 2008, with early adoption encouraged. The adoption of this statement is not expected to have a material effect on the Company’s financial statements.

In December 2007, the Financial Accounting Standards Board (FASB) issued SFAS No. 141R, *“Business Combinations”*. This statement replaces SFAS 141 and defines the acquirer in a business combination as the entity that obtains control of one or more businesses in a business combination and establishes the acquisition date as the date that the acquirer achieves control. SFAS 141R requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date. SFAS 141R also requires the acquirer to recognize contingent consideration at the acquisition date, measured at its fair value at that date. This statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company’s financial statements.

In December 2007, the FASB issued SFAS No. 160, *“Noncontrolling Interests in Consolidated Financial Statements Liabilities –an Amendment of ARB No. 51”*. This statement amends ARB 51 to establish accounting and reporting standards for the Noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. This statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company’s financial statements.

The Company does not expect the adoption of any other recently issued accounting pronouncements to have a material effect on the Company’s financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

ITEM 8. FINANCIAL STATEMENTS

Douglas Lake Minerals Inc.
(An Exploration Stage Company)

May 31, 2009

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MANNING ELLIOTT
CHARTERED ACCOUNTANTS

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Report of Independent Registered Public Accounting Firm

To the Stockholders
Douglas Lake Minerals Inc.
(An Exploration Stage Company)

We have audited the accompanying consolidated balance sheets of Douglas Lake Minerals Inc. (An Exploration Stage Company) as of May 31, 2009 and 2008, and the related consolidated statements of operations, cash flows and stockholders' deficit for the years then ended and accumulated for the period from January 5, 2004 (Date of Inception) to May 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Douglas Lake Minerals Inc. (An Exploration Stage Company) as of May 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended and accumulated for the period from January 5, 2004 (Date of Inception) to May 31, 2009 in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has not generated any revenues and has incurred an operating loss since inception. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also discussed in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

CHARTERED ACCOUNTANTS

Vancouver, Canada

October 13, 2009

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

	May 31, 2009 \$	May 31, 2008 \$
ASSETS		
Current Assets		
Cash	197,030	53,610
Prepaid expenses (Note 3)	15,665	163,292
Total Current Assets	212,695	216,902
Property and Equipment (Note 4)	58,249	1,165
Total Assets	270,944	218,067
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable	513,379	369,081
Accrued liabilities (Note 7)	273,599	535,781
Loan payable (Note 8)	—	20,000
Due to related parties (Note 5)	487,323	551,858
Total Liabilities	1,274,301	1,476,720
Commitments and Contingencies (Notes 1, 6 and 12)		
Stockholders' Deficit		
Common Stock		
Authorized: 500,000,000 shares (2008-100,000,000), \$0.001 par value		
Issued and outstanding: 66,646,282 shares (2008 - 41,385,865 shares)	66,646	41,386
Additional Paid-in Capital	24,291,241	19,380,195
Common Stock Subscribed (Notes 6, 9 and 12(a))	2,576,000	2,498,000
Donated Capital	109,000	109,000
Deficit Accumulated During the Exploration Stage	(28,046,244)	(23,287,234)
Total Stockholders' Deficit	(1,003,357)	(1,258,653)
Total Liabilities and Stockholders' Deficit	270,944	218,067

(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)

	Accumulated from January 5, 2004 (Date of Inception) to May 31, 2009 \$	For the Year Ended May 31, 2009 \$	For the Year Ended May 31, 2008 \$
Revenue	—	—	—
Expenses			
General and administrative (Note 5)	8,636,404	3,048,481	679,053
Impairment (recovery) of mineral property costs	17,499,571	—	(100,000)
Mineral property costs	1,931,481	1,661,186	42,403
Rent	77,734	49,343	10,686
Total Expenses	28,145,190	4,759,010	632,142
Net Loss Before Other Income (Expense)	(28,145,190)	(4,759,010)	(632,142)
Other Income (Expense)			
Mineral property option payments	156,017	—	156,017
Loss on sale of investment securities	(57,071)	—	(15,804)
Net Loss	(28,046,244)	(4,759,010)	(491,929)
Net Loss Per Share – Basic and Diluted		(0.08)	(0.01)
Weighted Average Shares Outstanding		57,781,000	39,439,000

(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)

	Accumulated from January 5, 2004 (Date of Inception) to May 31, 2009 \$	For the Year Ended May 31, 2009 \$	For the Year Ended May 31, 2008 \$
Operating Activities			
Net loss for the period	(28,046,244)	(4,759,010)	(491,929)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization	17,803	16,216	388
Donated services and rent	9,000	—	—
Impairment (recovery) of mineral property costs	17,492,074	—	(100,000)
Loss on sale of investment securities	57,071	—	15,804
Mineral property option payments	(156,017)	—	(156,017)
Stock-based compensation	3,827,454	1,188,706	—
Changes in operating assets and liabilities:			
Prepaid expenses	(15,665)	147,627	(143,292)
Accounts payable and accrued liabilities	88,020	(291,842)	37,215
Due to related parties	725,080	109,423	380,485
Net Cash Used in Operating Activities	(6,001,424)	(3,588,880)	(457,346)
Investing Activities			
Mineral property acquisition costs	(697,677)	—	100,000
Proceeds from mineral property options	600,000	—	100,000
Purchase of property and equipment	(76,052)	(73,300)	(1,553)
Net Cash (Used In) Provided By Investing Activities	(173,729)	(73,300)	198,447
Financing Activities			
Repayment of loan payable	—	(20,000)	—
Proceeds from common stock subscribed	323,000	323,000	245,000
Proceeds from issuance of common stock	6,370,532	3,643,600	90,000
Share issuance costs	(321,349)	(141,000)	(27,000)
Net Cash Provided By Financing Activities	6,372,183	3,805,600	308,000
Increase in Cash	197,030	143,420	49,101
Cash - Beginning of Period	—	53,610	4,509
Cash - End of Period	197,030	197,030	53,610
Non-cash Investing and Financing Activities			
Amount owing pursuant to mineral license acquisition agreements included in accrued liabilities	250,000	(275,000)	525,000
Common shares subscribed for mineral licenses acquired	2,253,000	(245,000)	(389,500)
Common shares issued for mineral licenses acquired	14,796,750	—	634,500
Shares gifted to the Company to settle accounts payable	100,000	—	—
Investment securities received and sold by the President of the Company on behalf of the Company	79,603	—	56,017
Supplemental Disclosures			
Interest paid	—	—	—
Income taxes paid	—	—	—

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

Douglas Lake Minerals Inc.
(An Exploration Stage Company)
Statement of Stockholders' Deficit
(Expressed in U.S. dollars)

	Shares #	Amount \$	Additional Paid-in Capital \$	Common Stock Subscribed \$	Donated Capital \$	Deficit Accumulated During the Exploration Stage \$	Total \$
Balance – January 5, 2004 (Date of Inception)	–	–	–	–	–	–	–
Issuance of common shares for cash:							
At \$0.001 per share	2,000,000	2,000	–	–	–	–	2,000
At \$0.05 per share	1,050,000	1,050	51,450	–	–	–	52,500
At \$0.25 per share	41,000	41	10,209	–	–	–	10,250
Share issuance costs	–	–	(6,475)	–	–	–	(6,475)
Donated services	–	–	–	–	2,500	–	2,500
Net loss for the period	–	–	–	–	–	(36,874)	(36,874)
Balance – May 31, 2004	3,091,000	3,091	55,184	–	2,500	(36,874)	23,901
Issuance of common shares for cash:							
At \$0.01 per share	22,000	22	198	–	–	–	220
At \$0.25 per share	945,400	945	228,217	–	–	–	229,162
Common stock subscribed	–	–	–	336,766	–	–	336,766
Donated services	–	–	–	–	3,500	–	3,500
Net loss for the year	–	–	–	–	–	(430,090)	(430,090)
Balance – May 31, 2005	4,058,400	4,058	283,599	336,766	6,000	(466,964)	163,459
Issuance of common shares for cash at \$0.30 per share	1,322,332	1,323	395,377	(336,766)	–	–	59,934
Share issuance costs	–	–	(2,974)	–	–	–	(2,974)
Issuance of common shares to acquire mineral properties	16,000,000	16,000	5,604,000	–	–	–	5,620,000
Shares gifted to the Company to settle accounts payable	–	–	–	–	100,000	–	100,000
Net loss for the year	–	–	–	–	–	(5,985,395)	(5,985,395)
Balance – May 31, 2006	21,380,732	21,381	6,280,002	–	106,000	(6,452,359)	(44,976)

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

Douglas Lake Minerals Inc.
(An Exploration Stage Company)
Statement of Stockholders' Deficit
(Expressed in U.S. dollars)

	Shares #	Amount \$	Additional Paid-in Capital \$	Common Stock Subscribed \$	Donated Capital \$	Deficit Accumulated During the Exploration Stage \$	Total \$
Balance – May 31, 2006	21,380,732	21,381	6,280,002	–	106,000	(6,452,359)	(44,976)
Issuance of common shares for cash at \$0.70 per share	2,430,133	2,430	1,698,670	–	–	–	1,701,100
Share issuance costs	–	–	(143,900)	–	–	–	(143,900)
Common shares issued for consulting services	150,000	150	105,600	–	–	–	105,750
Common shares issued for mineral licenses acquired	11,650,000	11,650	8,265,100	–	–	–	8,276,750
Common shares subscribed for mineral licenses acquired	–	–	–	2,837,500	–	–	2,837,500
Common shares subscribed for consulting services	–	–	–	50,000	–	–	50,000
Fair value of stock options granted	–	–	2,482,998	–	–	–	2,482,998
Donated rent	–	–	–	–	3,000	–	3,000
Net loss for the year	–	–	–	–	–	(16,342,946)	(16,342,946)
Balance – May 31, 2007	35,610,865	35,611	18,688,470	2,887,500	109,000	(22,795,305)	(1,074,724)
Shares issued for mineral licenses acquired	900,000	900	633,600	(634,500)	–	–	–
Issuance of common shares for cash at \$0.30 per share	300,000	300	89,700	–	–	–	90,000
Share issuance costs	–	–	(27,000)	–	–	–	(27,000)
Common shares issued upon cashless exercise of options	4,575,000	4,575	(4,575)	–	–	–	–
Common shares subscribed for cash at \$0.10 per share	–	–	–	50,000	–	–	50,000
Common shares subscribed for cash at \$0.15 per share	–	–	–	195,000	–	–	195,000
Net loss for the year	–	–	–	–	–	(491,929)	(491,929)
Balance – May 31, 2008	41,385,865	41,386	19,380,195	2,498,000	109,000	(23,287,234)	(1,258,653)

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

Douglas Lake Minerals Inc.
(An Exploration Stage Company)
Statement of Stockholders' Deficit
(Expressed in U.S. dollars)

	Shares #	Amount \$	Additional Paid-in Capital \$	Common Stock Subscribed \$	Donated Capital \$	Deficit Accumulated During the Exploration Stage \$	Total \$
Balance – May 31, 2008	41,385,865	41,386	19,380,195	2,498,000	109,000	(23,287,234)	(1,258,653)
Issuance of common shares for cash at \$0.10 per share	1,000,000	1,000	99,000	(50,000)	–	–	50,000
Issuance of common shares for cash at \$0.15 per share	12,000,013	12,001	1,787,999	(195,000)	–	–	1,605,000
Issuance of common shares for cash at \$0.20 per share	6,462,500	6,462	1,286,038	–	–	–	1,292,500
Issuance of common shares for cash at \$0.25 per share	1,400,404	1,400	348,700	–	–	–	350,100
Issuance of common shares for cash at \$0.30 per share	500,000	500	149,500	–	–	–	150,000
Issuance of common shares for cash at \$0.40 per share	362,500	362	144,638	–	–	–	145,000
Share issuance costs	–	–	(141,000)	–	–	–	(141,000)
Common shares issued upon cashless exercise of options	3,365,000	3,365	(3,365)	–	–	–	–
Issuance of common shares upon the exercise of options at \$0.30 per share	170,000	170	50,830	–	–	–	51,000
Common shares subscribed for cash at \$0.25 per share	–	–	–	323,000	–	–	323,000
Stock-based compensation	–	–	1,188,706	–	–	–	1,188,706
Net loss for the year	–	–	–	–	–	(4,759,010)	(4,759,010)
Balance – May 31, 2009	66,646,282	66,646	24,291,241	2,576,000	109,000	(28,046,244)	(1,003,357)

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

Douglas Lake Minerals Inc.
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements as of May 31, 2009
(Expressed in U.S. dollars)

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 Standard ("SFAS") No.7 *"Accounting and Reporting for Development Stage Companies"*. 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 May 31, 2009, the Company has a working capital deficit of \$1,061,606 and has accumulated losses of \$28,046,244 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 \$2,600,000 will be required for exploration and administration costs and to fund working capital. There can be no assurance that the Company will be able to raise sufficient funds to pay the expected expenses for the next twelve months.

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. These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Beijing Dao Hu Investment Consulting, Ltd., a Chinese company. The Company's fiscal year-end is May 31.

b) 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.

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

The Company computes net income (loss) per share in accordance with SFAS No. 128, *"Earnings per Share"*. SFAS No. 128 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.

2. Summary of Significant Accounting Policies (continued)

d) Comprehensive Loss

SFAS No. 130, "*Reporting Comprehensive Income*," establishes standards for the reporting and display of comprehensive loss and its components in the consolidated financial statements. As at May 31, 2009 and 2008, the Company had no items that represent a comprehensive loss, and therefore has not included a schedule of comprehensive loss in the consolidated financial statements.

e) 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.

f) Investment Securities

The Company reports investments in debt and marketable equity securities at fair value based on quoted market prices or, if quoted prices are not available, discounted expected cash flows using market rates commensurate with credit quality and maturity of the investment. 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.

g) 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.

h) 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 when incurred using the guidance in EITF 04-02, "*Whether Mineral Rights Are Tangible or Intangible Assets*". The Company assesses the carrying costs for impairment under SFAS No. 144, "*Accounting for Impairment or Disposal of Long Lived Assets*" 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.

i) Long-lived Assets

In accordance with SFAS No. 144, "*Accounting for the Impairment or Disposal of Long-Lived Assets*", 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.

2. Summary of Significant Accounting Policies (continued)

j) Asset Retirement Obligations

The Company accounts for asset retirement obligations in accordance with the provisions of SFAS No. 143 *"Accounting for Asset Retirement Obligations"*. SFAS No. 143 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 May 31, 2009 and 2008.

k) Financial Instruments

SFAS No. 157 *"Fair Value Measurements"* requires an entity to maximize the use of observable inputs and The fair value of financial instruments, which include cash, accounts payable, amounts due to related parties, and loans 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, China 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.

l) Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with SFAS No. 109, *"Accounting for 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 carryforwards. 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.

m) 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 SFAS No. 52 *"Foreign Currency Translation"* 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 consolidated 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, Chinese Yuan Renminbi ("RMB"), and Tanzanian Schilling. The Company has not, to the date of these financials statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

n) Stock-based Compensation

The Company records stock-based compensation in accordance with SFAS 123(R), *"Share-Based Payments,"* 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.

SFAS 123(R) 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.

2. Summary of Significant Accounting Policies (continued)

o) Recently Issued Accounting Pronouncements

In June 2009, the FASB issued SFAS No. 168, *"The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162"*. The FASB Accounting Standards Codification ("Codification") will become the source of authoritative U.S. generally accepted accounting principles ("GAAP") recognized by FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission "SEC" under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. On the effective date of this statement, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-authoritative. This statement is effective for financial statements issued for interim and annual periods ending after September 30, 2009. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In June 2009, the FASB issued SFAS No. 167, *"Amendments to FASB Interpretation No. 46(R)"*. The objective of this statement is to improve financial reporting by enterprises involved with variable interest entities. This statement addresses (1) the effects on certain provisions of FASB Interpretation No. 46 (revised December 2003), *"Consolidation of Variable Interest Entities"*, as a result of the elimination of the qualifying special-purpose entity concept in SFAS No. 166, *"Accounting for Transfers of Financial Assets"*, and (2) concern about the application of certain key provisions of FASB Interpretation No. 46(R), including those in which the accounting and disclosures under the Interpretation do not always provide timely and useful information about an enterprise's involvement in a variable interest entity. This statement is effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. Earlier application is prohibited. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In June 2009, the FASB issued SFAS No. 166, *"Accounting for Transfers of Financial Assets – an amendment of FASB No. 140"*. The object of this statement is to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets. This statement addresses (1) practices that have developed since the issuance of SFAS No. 140, *"Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities"*, that are not consistent with the original intent and key requirements of that statement and (2) concerns of financial statement users that many of the financial assets (and related obligations) that have been derecognized should continue to be reported in the financial statements of transferors. SFAS No. 166 must be applied as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. Earlier application is prohibited. This statement must be applied to transfers occurring on or after the effective date. Additionally, on and after the effective date, the concept of a qualifying special-purpose entity is no longer relevant for accounting purposes. The disclosure provisions of this statement should be applied to transfers that occurred both before and after the effective date of this statement. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In May 2009, FASB issued SFAS No. 165, *"Subsequent Events"*. SFAS 165 establishes general standards of for the evaluation, recognition and disclosure of events and transactions that occur after the balance sheet date. Although there is new terminology, the standard is based on the same principles as those that currently exist in the auditing standards. The standard, which includes a new required disclosure of the date through which an entity has evaluated subsequent events, is effective for interim or annual periods ending after June 15, 2009. The adoption of SFAS 165 is not expected to have a material effect on the Company's consolidated financial statements.

In June 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position EITF 03-6-1, *"Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities"*. FSP EITF 03-6-1 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting, and therefore need to be included in the computation of earnings per share under the two-class method as described in FASB Statement of Financial Accounting Standards No. 128, "Earnings per Share." FSP EITF 03-6-1 is effective for financial statements issued for fiscal years beginning on or after December 15, 2008 and earlier adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

2. Summary of Significant Accounting Policies (continued)

o) Recently Issued Accounting Pronouncements (continued)

In March 2008, the Financial Accounting Standards Board ("FASB") issued SFAS No. 161, "*Disclosures about Derivative Instruments and Hedging Activities – an amendment to FASB Statement No. 133*". SFAS No. 161 is intended to improve financial standards for derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. Entities are required to provide enhanced disclosures about: (a) how and why an entity uses derivative instruments; (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations; and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. It is effective for financial statements issued for fiscal years beginning after November 15, 2008, with early adoption encouraged. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In December 2007, the Financial Accounting Standards Board (FASB) issued SFAS No. 141R, "*Business Combinations*". This statement replaces SFAS 141 and defines the acquirer in a business combination as the entity that obtains control of one or more businesses in a business combination and establishes the acquisition date as the date that the acquirer achieves control. SFAS 141R requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date. SFAS 141R also requires the acquirer to recognize contingent consideration at the acquisition date, measured at its fair value at that date. This statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In December 2007, the FASB issued SFAS No. 160, "*Noncontrolling Interests in Consolidated Financial Statements – an Amendment of ARB No. 51*". This statement amends ARB 51 to establish accounting and reporting standards for the Noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. This statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

The Company does not expect the adoption of any other recently issued accounting pronouncements to have a material effect on the Company's financial statements.

q) Reclassifications

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

Douglas Lake Minerals Inc.
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements as of May 31, 2009
(Expressed in U.S. dollars)

3. Prepaid Expenses

The components of prepaid expenses are as follows:

	May 31, 2009 \$	May 31, 2008 \$
General and administrative	9,273	—
Rent	3,098	903
Travel and exploration expenses	3,294	—
Mineral property option payments	—	20,000
Finder's fees	—	40,000
Consulting fees	—	102,389
Total prepaid expenses	15,665	163,292

4. Property and Equipment

	Cost \$	Accumulated Amortization \$	May 31, 2009 Net Book Value \$	May 31, 2008 Net Book Value \$
Automobiles	54,000	11,250	42,750	—
Office equipment	22,051	6,552	15,499	1,165
	76,051	17,802	58,249	1,165

5. Related Party Transactions

- a) As at May 31, 2009, the Company owed the former President of the Company \$Nil (2008 - \$47,788) which is non-interest bearing, unsecured and due on demand. During the year ended May 31, 2009, \$47,788 was reclassified to accounts payable.
- b) During the year ended May 31, 2009, the Company incurred \$196,435 (2008 - \$294,176) of consulting fees included in general and administrative expenses, and reimbursed \$285,015 (2008 - \$139,384) of expenses incurred on behalf of the Company, by various directors and officers. As at May 31, 2009, the Company was indebted to the former Chief Financial Officer of the Company for \$Nil (2008 - \$46,167), the Chief Executive Officer of the Company for \$487,323 (2008 - \$349,657) and two former directors of the Company for \$Nil (2008 - \$108,246). The amounts due are non-interest bearing, unsecured and due on demand. During the year ended May 31, 2009, the Company reclassified \$27,669 owed to the former Chief Executive Officer and \$98,500 owed a former director to accounts payable.

6. Mineral Properties

Tanzania, Africa

- a) On August 4, 2005, the Company entered into an Asset Purchase Agreement (the “KBT Agreement”) with KBT Discovery Group Tanzania Ltd. (“KBT”) to acquire three Prospecting Licenses, which cover an area of approximately 621 square kilometres in Tanzania, for an aggregate purchase price of \$75,000 and 2,800,000 restricted shares of common stock. On November 10, 2005, the Company entered into an Amendment Agreement in which the number of shares to be issued was increased to 5,600,000 restricted shares of common stock. On October 16, 2006, the Company entered into an Amendment Agreement in which the aggregate purchase price was increased to \$225,000. By the end of the fiscal year ended May 31, 2006, the Company had completed its due diligence and closed the agreement. At the first closing, Prospecting Licence No. 2810/2004, known as "Tabora", was transferred to the Company's name and the Company issued 5,600,000 restricted shares of common stock to KBT (See (d) below). The Prospecting Licence No. 3117/2005, known as "Morogoro", and Prospecting Licence No. 3118/2005, known as "KM 7", were in the name of Atlas Africa Limited ("Atlas"), a Tanzanian company. KBT had entered into an agreement with Atlas which gave KBT the right to prospect minerals under the Morogoro and KM 7 Prospecting Licenses and an option to enter into a joint venture with Atlas to prospect and mine minerals under the Morogoro and KM 7 Prospecting Licenses. KBT caused Atlas to terminate the joint venture agreements and transferred the Morogoro and KM 7 Prospecting Licenses to the Company's name and the Company paid KBT \$75,000. On July 19, 2006, the Company entered into a Letter of Amendment, whereby the Company paid \$50,000 directly to Atlas. During the year ended May 31, 2007, the Company paid the \$50,000 to Atlas and recognized an impairment loss of \$50,000 as there are no proven or probable reserves on any of the Tanzania properties. The prospecting licenses expire three years after their initial issuance. The Company can apply to reacquire 50% of the area covered by the original prospecting license. As at May 31, 2009, the Company has applied to reacquire Morogoro license.
- b) On August 4, 2005, the Company entered into an Asset Purchase Agreement (the “HG Agreement”) with Hydro-Geos Consulting Group Tanzania Limited (“HG”) to acquire Prospecting License No. 2683/2004 known as "Ashanti South East", which covers an area of approximately 210 square kilometres in Tanzania, for an aggregate purchase price of 2,600,000 restricted shares of common stock. On November 10, 2005, the Company entered into an Amendment Agreement in which the number of shares to be issued was increased to 5,200,000 restricted shares of common stock. By the end of the fiscal year ended May 31, 2006, the Company had completed its due diligence and closed the agreement. At closing, Prospecting License Ashanti South East was transferred to the Company's name and the Company issued 5,200,000 restricted shares of common stock to HG (See (d) below). The prospecting licenses expire three years after their initial issuance. The prospecting licenses expire three years after their initial issuance. The Company can apply to reacquire 50% of the area covered by the original prospecting license. As at May 31, 2009, the Company has let the licenses lapse.
- c) On August 4, 2005, the Company entered into an Asset Purchase Agreement (the “Megadeposit Agreement”) with Megadeposit Explorers Limited (“Megadeposit”) to acquire Prospecting Licence Renewal No. 2957/2005 known as "Negero", which covers an area of approximately 207 square kilometres in Tanzania, for an aggregate purchase price of 2,600,000 restricted shares of common stock. On November 10, 2005, the Company entered into an Amendment Agreement in which the number of shares to be issued was increased to 5,200,000 restricted shares of common stock. By the end of the fiscal year ended May 31, 2006, the Company had completed its due diligence and closed the agreement. At closing, Prospecting License Green Hills South East was transferred to the Company's name and the Company issued 5,200,000 restricted shares of common stock to Megadeposit (See (d) below). This Prospecting License expired on December 21, 2006, and Megadeposit will apply for a prospecting license (“Reacquired PLs”) covering the same area previously covered by Prospecting Licence No. 2957/2005. Pursuant to an agreement to transfer mineral rights dated June 20, 2007 between Megadeposit and Douglas Lake, Megadeposit will transfer the Reacquired PLs to the Company for no consideration. At May 31, 2009, the Reacquired PL's had been applied for and will be transferred to the Company once they are granted. The Company has let the licenses lapse. Refer to Note 6(s).
- d) On April 26, 2006, the Company issued a total of 16,000,000 restricted shares of common stock at a fair value of \$5,620,000 upon completion of due diligence related to the three agreements described in (a), (b), and (c) above.

6. Mineral Properties (continued)

Tanzania, Africa (continued)

- e) 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 option agreement described in Note 6(f)(i). 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 May 31, 2009, and \$88,000 is included in common stock subscribed.
- f) On October 5, 2006 the Company entered into an option agreement with Canaco whereby the Company granted Canaco the right to earn up to a 70% interest in Prospecting License 3117/2005 in Tanzania known as "Morogoro" held by the Company (see Note 6(a)). Under the option agreement Canaco has agreed to:
 - i) make cash payments to the Company of \$250,000, of which \$50,000 (received) is payable upon the approval of the Board of Directors of both companies and the TSX Venture Exchange, the stock exchange that Canaco's shares are listed on (such date is referred to as the "Effective Date"). An additional \$75,000 (paid) is payable on the first anniversary of the Effective Date (refer to Note 6(e)) and an additional \$125,000 is payable on the second anniversary of the Effective Date;
 - ii) issue up to 800,000 of its common shares to the Company, of which 100,000 shares are issuable on the Effective Date (received), an additional 200,000 shares are issuable on the first anniversary of the Effective Date (received); and an additional 500,000 shares are issuable on the second anniversary of the Effective Date; and
 - iii) commit to spend up to \$2,000,000 in exploration expenses on the subject property prior to the third anniversary of the Effective Date (up to \$250,000 in exploration expense prior to the first anniversary of the Effective Date, up to \$750,000 in cumulative exploration expense prior to the second anniversary of the Effective Date, and up to \$2,000,000 in cumulative exploration expense prior to the third anniversary of the Effective Date).

Canaco has failed to make the required payments and has abandoned their option on this property.
- g) On November 17, 2006, the Company entered into an Asset Purchase Agreement with Atlas to acquire Prospecting License No. 3920/2006, 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, 2009, the remaining 3,000,000 shares at the fair value of \$2,115,000 is included in common stock subscribed. Refer to Note 6(q).
- h) On November 17, 2006, the Company entered into an Asset Purchase Agreement with HG to acquire six 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, 2009, \$250,000 is included in accrued liabilities. The Company has let Prospecting License No.'s 3671/2005, 3398/2005, 3105/2005, 3211/2005, and 2961/2004 lapse.
- i) On November 19, 2006, the Company entered into an Asset Purchase Agreement with Megadeposit to acquire five Prospecting Licenses, which cover an area of approximately 1,401 square kilometres in Tanzania. Prospecting License Renewal No.'s 3436/2005 and 2874/2004, and Prospecting License No.'s 3107/2005, 3916/2006, and 2956/2004 were transferred to the Company's name on signing the agreement and the Company issued 4,000,000 restricted shares of common stock at a fair value of \$2,820,000. The Company has let these licenses lapse.

6. Mineral Properties (continued)

Tanzania, Africa (continued)

- j) On November 20, 2006, the Company entered into an Asset Purchase Agreement with Sumayi Investment International Limited ("Sumayi") to acquire 75% ownership of four Gemstone Licenses, which cover an area of approximately 3.88 square kilometres in Tanzania. Gemstone Mining License No.'s 201/2005, 198/2005, 199/2005 and 202/2005 were transferred to the Company's name on signing the agreement for an aggregate purchase price of \$100,000 payable one year from signing. During the year ended May 31, 2008, the Company terminated the agreement and returned the Mining Licenses.
- k) On November 21, 2006, the Company entered into an Asset Purchase Agreement with Haperk Traders Limited ("Haperk") to acquire Prospecting License Renewal No. 2987/2005 and Prospecting License No. 3267/2005, which cover an area of approximately 658 square kilometres in Tanzania. The Licenses were transferred to the Company's name on signing the agreement for an aggregate purchase price of \$62,500 (paid) and issuance of 1,000,000 restricted shares of common stock at a fair value of \$735,000. This Prospecting License expired on January 17, 2007, and Haperk will apply for a prospecting license ("Reacquired PLs") covering the same area previously covered by Prospecting License No. 2987/2005. Pursuant to an agreement to transfer mineral rights dated June 20, 2007 between Haperk and Douglas Lake, Haperk will transfer the Reacquired PLs to the Company for no consideration. At May 31, 2009, the reacquired PL's had been applied for and will be transferred to the Company once they are granted. The Company has let these licenses lapse. Refer to Note 6(r).
- l) On November 21, 2006, the Company entered into an Asset Purchase Agreement with Sika Holdings Limited ("Sika") to acquire Prospecting License No. 2544/2004 which covers an area of approximately 5 square kilometres in Tanzania. The Licenses were transferred to the Company's name on signing the agreement for an aggregate purchase price of \$60,000 (paid) and issuance of 750,000 restricted shares of common stock (issued) at a fair value of \$551,250. The Company has let the license lapse.
- m) On November 21, 2006, the Company entered into an Asset Purchase Agreement with KBT to acquire two Prospecting Licenses, which cover an area of approximately 1,119 square kilometres in Tanzania. Prospecting License No.'s 3899/2006, and 3900/2006 were transferred to the Company's name on signing the agreement and the Company issued 200,000 restricted shares of common stock at a fair value of \$147,000. The Company has let these licenses lapse.
- n) On November 22, 2006, the Company entered into an Asset Purchase Agreement with Robert Nicolas to acquire Prospecting License No. 3907/2006, which covers an area of approximately 34 square kilometres in Tanzania. The Licenses were transferred to the Company's name on signing the agreement for an aggregate purchase price of \$15,000 (paid) and the issuance of 100,000 restricted shares of common stock (issued) at a fair value of \$73,000. The Company has let the license lapse.
- o) On November 22, 2006, the Company entered into an Asset Purchase Agreement with Atupele A. Mwanjala and Naniel Kerrosi to acquire Prospecting License No. 2797/2004 which covers an area of approximately 28.8 square kilometres in Tanzania. The Licenses were transferred to the Company's name on signing the agreement for an aggregate purchase price of \$20,000 (paid) and issuance of 100,000 restricted shares of common stock (issued) at a fair value of \$73,000. The Company has let the license lapse.
- p) On November 29, 2006, the Company entered into an Asset Purchase Agreement with Ziko Farms Limited ("Ziko") to acquire four Prospecting Licenses, which cover an area of approximately 284.26 square kilometres in Tanzania. Prospecting License No.'s 2637/2004, 2638/2004, 2639/2004, and 3826/2005 were transferred to the Company's name on signing the agreement for an aggregate purchase price of \$90,174 (paid) and 900,000 restricted shares of common stock. The Company determined the fair value of the shares to be \$634,500. On June 21, 2007 the Company issued 900,000 shares of common stock pursuant to the asset purchase agreement. The Company has let these licenses lapse.
- q) On March 2, 2007, the Company entered into an option agreement with Canaco whereby the Company granted Canaco the right to earn up to a 75% interest in Prospecting License 3920/2006 in Tanzania known as "Shinyanga or Magembe" held by the Company (see Note 6(g)). Under the option agreement Canaco has agreed to:
 - i) make cash payments to the Company of \$200,000, of which \$100,000 (received) is payable upon the approval of the Board of Directors of both companies and the TSX Venture Exchange,(such date is referred to as the "Effective Date"). An additional \$100,000 is payable on the first anniversary of the Effective Date (received);

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6. Mineral Properties (continued)

Tanzania, Africa (continued)

- ii) issue up to 750,000 of its common shares to the Company, of which 250,000 shares are issuable on the second anniversary of the Effective Date, an additional 500,000 shares are issuable on the third anniversary of the Effective Date; and
- iii) commit to spend up to \$2,500,000 in exploration expenses on the subject property prior to the fourth anniversary of the Effective Date (\$250,000 in cumulative exploration expense prior to the first anniversary of the Effective Date, up to \$500,000 in cumulative exploration expense prior to the second anniversary of the Effective Date, and up to \$750,000 in cumulative exploration expense prior to the third anniversary of the Effective Date, and up to \$1,000,000 in cumulative exploration expense prior to the fourth anniversary of the Effective Date).

If the Company fails to reacquire the Prospecting Licenses by March 31, 2008 the Company will not receive the additional cash payments. The Company failed to reacquire Prospecting License 2987/2005 (Refer to Note 6(r)). Pursuant to the agreement the \$100,000 option payment received was applied to the Magembe property.

- r) On June 29, 2007, the Company entered into an option agreement with Canaco whereby the Company granted Canaco the right to earn up to a 70% interest in Prospecting License 2987/2005 in Tanzania known as "Kwadijava" in the process of being acquired by the Company (see Note 6(k)). Under the option agreement Canaco has agreed to:
 - i) make cash payments to the Company of \$250,000, of which \$50,000 (less the amount owing by the Company to Canaco in the amount of \$17,953) is payable upon the execution of the agreement (received). An additional \$75,000 is payable on the first anniversary of the Effective Date (as such term is defined in the agreement, that being the date on which the Company has reacquired the Prospecting License and has obtained all applicable regulatory approvals), and \$125,000 is payable on the second anniversary of the Effective Date;
 - ii) issue up to 800,000 of its common shares to the Company, of which 100,000 shares are issuable on the Effective Date, 200,000 shares are issuable on the first anniversary of the Effective Date, an additional 500,000 shares are issuable on the second anniversary of the Effective Date; and
 - iii) commit to spend up to \$2,000,000 in exploration expenses on the subject property prior to the third anniversary of the Effective Date (\$250,000 in cumulative exploration expense prior to the first anniversary of the Effective Date, up to \$500,000 in cumulative exploration expense prior to the second anniversary of the Effective Date, up to \$1,250,000 in cumulative exploration expense prior to the third anniversary of the Effective Date, and up to 2,000,000 in cumulative exploration expense prior to the third anniversary of the Effective Date).

If the Company fails to reacquire the Prospecting License by March 31, 2008 the Company will be deemed to have waived Canaco's obligation to pay the Company \$100,000 pursuant to the option agreement relating to the Magembe property. The Company failed to reacquire Prospecting License 2987/2005. Pursuant to the agreement the option payment received by the Company is applied against the option payment described in Note 6(q).

- s) On June 29, 2007, the Company entered into an option agreement with Canaco whereby the Company granted Canaco the right to earn up to a 70% interest in Prospecting License 2957/2005 in Tanzania known as "Negero" in the process of being acquired by the Company (see Note 6(c)). Under the option agreement Canaco has agreed to:
 - i) make cash payments to the Company of \$250,000, of which \$50,000 (received) is payable upon the execution of the agreement. An additional \$75,000 is payable on the first anniversary of the Effective Date (as such term is defined in the agreement, that being the date on which the Company has reacquired the Prospecting License and has obtained all applicable regulatory approvals), and \$125,000 is payable on the second anniversary of the Effective Date;
 - ii) issue up to 800,000 of its common shares to the Company, of which 100,000 shares are issuable on the Effective Date, 200,000 shares are issuable on the first anniversary of the Effective Date, an additional 500,000 shares are issuable on the second anniversary of the Effective Date; and

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6. Mineral Properties (continued)

Tanzania, Africa (continued)

- iii) commit to spend up to \$2,000,000 in exploration expenses on the subject property prior to the third anniversary of the Effective Date (\$250,000 in cumulative exploration expense prior to the first anniversary of the Effective Date, up to \$500,000 in cumulative exploration expense prior to the second anniversary of the Effective Date, up to \$1,250,000 in cumulative exploration expense prior to the third anniversary of the Effective Date, and up to 2,000,000 in cumulative exploration expense prior to the third anniversary of the Effective Date).

If the Company fails to reacquire the Prospecting License by March 31, 2008 the Company will be deemed to have waived Canaco's obligation to pay the Company \$100,000 pursuant to the option agreement relating to the Magembe property. The Company did not reacquire the license. (See Note 6(c)).

- t) 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 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 (\$40,000 paid) 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%. During the year ended May 31, 2009, the Company paid \$80,000 of finder's fees related to this Agreement. Subsequent to the year ended May 31, 2009, the Company entered into a new joint venture agreement, pursuant to which the Company no longer is obligated to pay the remaining \$460,000 over five years, and the property the Company has the right to explore for minerals is reduced by 50 square kilometres. (See Note 15(a)).

7. Accrued Liabilities

The components of accrued liabilities are as follows:

	May 31, 2009 \$	May 31, 2008 \$
Mineral property expenditures	250,000	525,000
Professional fees	23,599	8,443
Consulting	—	2,338
Travel expenses	—	—
Total accrued liabilities	273,599	535,781

8. Loan Payable

The balance owing to an unrelated third party is non-interest bearing, unsecured and due on demand. During the year ended May 31, 2009, the amount was repaid.

9. Common Stock

- a) At May 31, 2009, the Company had included in common stock subscribed cash proceeds of \$323,000 relating to the private placement described in Note 15(b).
- b) On April 1, 2009, the Company completed non-brokered private placements pursuant to which the Company issued 1,400,404 units at \$0.25 per unit for proceeds of \$350,101. Each unit consists of one share of common stock and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire an additional share of common stock at an exercise price of \$0.40 per share for a period of one year from closing. The Company paid finder's fees of \$47,500 pursuant to this private placement during the year ended May 31, 2009.
- c) On January 21, 2009, the Company increased the authorized share capital from 100,000,000 shares of common stock to 500,000,000 shares of common stock with no change to the par value of \$0.001 per share.
- d) On January 21, 2009, the Company issued 1,975,000 shares of common stock upon the cashless exercise of 1,975,000 stock options.
- e) On December 22, 2008, the Company completed non-brokered private placements pursuant to which the Company issued 500,000 units at \$0.30 per unit for proceeds of \$150,000. Each unit consists of one share of common stock and one share purchase warrant. Each warrant entitles the holder to acquire an additional share of common stock at an exercise price of \$0.50 per share for a period of one year from closing. The Company paid finder's fees of \$7,500 pursuant to the private placement.

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9. Common Stock (continued)

- f) On December 17, 2008, the Company issued 750,000 shares of common stock upon the cashless exercise of 750,000 stock options.
- g) On December 15, 2008, the Company issued 70,000 shares of common stock upon exercise of stock options for proceeds of \$21,000.
- h) On October 20, and November 10, 2008, the Company completed non-brokered private placements pursuant to which the Company issued 25,000 and 150,000 units, respectively, at \$0.40 per unit for proceeds of \$70,000. Each unit consists of one share of common stock and one share purchase warrant. Each warrant entitles the holder to acquire an additional share of common stock at an exercise price of \$0.50 per share for a period of one year from closing. The Company paid finder's fees of \$7,000 pursuant to these private placements.
- i) On October 24, 2008, the Company issued 100,000 shares of common stock upon exercise of stock options for proceeds of \$30,000.
- j) On October 24, 2008, the Company issued 640,000 shares of common stock upon the cashless exercise of 640,000 stock options.
- k) On October 15, 2008, the Company completed a non-brokered private placement pursuant to which the Company issued 5,000,000 shares of common stock at \$0.20 per share for proceeds of \$1,000,000.
- l) On October 3, 2008, the Company completed a non-brokered private placement pursuant to which the Company issued 2,466,666 shares of common stock at \$0.15 per share for proceeds of \$370,000.
- m) On September 15, 2008, the Company completed a non-brokered private placement pursuant to which the Company issued 866,667 shares of common stock at \$0.15 per share for total proceeds of \$130,000.
- n) On August 15, 2008, the Company completed a non-brokered private placement for total proceeds of \$1,767,500 comprised of:
 - i) 6,666,680 shares of common stock at \$0.15 per share for proceeds of \$1,000,000;
 - ii) 1,000,000 units at \$0.10 per unit for proceeds of \$100,000. Each unit consists of one share of common stock and one-half of one warrant. Each full warrant entitles the holder to acquire an additional share of common stock at an exercise price of \$0.25 per share for a period of one year from closing;
 - iii) 2,000,000 units at \$0.15 per unit for proceeds of \$300,000. Each unit consists of one share of common stock and one-half of one warrant. Each full warrant entitles the holder to acquire an additional share of common stock at an exercise price of \$0.30 per share for a period of one year from closing;
 - iv) 1,462,500 units at \$0.20 per unit for proceeds of \$292,500. Each unit consists of one share of common stock and one-half of one warrant. Each full warrant entitles the holder to acquire an additional share of common stock at an exercise price of \$0.40 per share for a period of one year from closing;
 - v) 187,500 units at \$0.40 per unit for proceeds of \$75,000. Each unit consists of one share of common stock and one-half of one warrant. Each full warrant entitles the holder to acquire an additional share of common stock at an exercise price of \$0.50 per share for a period of one year from closing;

The Company paid finder's fees of \$22,000 pursuant to this private placement during the year ended May 31, 2008. The Company paid finder's fees of \$20,000 pursuant to this private placement during the year ended May 31, 2009.

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10. 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 May 31, 2009, 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 May 31, 2009, the Company had 8,300,000 shares of common stock available to be issued under the 2008 Stock Option Plan.

During the year ended May 31, 2009, the Company granted stock options to acquire 2,910,000 common shares at a price of \$0.30 per share exercisable for 5 years. During the year ended May 31, 2009, the Company recorded stock-based compensation of \$1,188,706 as general and administrative expense.

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 year ended May 31, 2009 was \$0.41 per share (2008 - \$Nil). The weighted average assumptions used are as follows:

	Year Ended	
	May 31, 2009	May 31, 2008
Expected dividend yield	0%	—
Risk-free interest rate	2.59%	—
Expected volatility	167%	—
Expected option life (in years)	5.00	—

The total intrinsic value of stock options exercised during the year ended May 31, 2009, was \$537,300 (2008 - \$Nil).

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, 2008	3,448,333	0.30		
Granted	2,910,000	0.30		
Exercised	(3,535,000)	0.30		
Outstanding, May 31, 2009	2,823,333	0.30	4.36	301,600
Exercisable, May 31, 2009	2,823,333	0.30	4.36	301,600

At May 31, 2009, the Company had no unvested stock options and no unrecognized compensation costs.

The stock options outstanding are exercisable for cash at \$0.30 per share, 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 \$0.30 exercise price, divided by (b) the exercise price multiplied by (c) the number of options exercised. During the year ended May 31, 2009, 3,365,000 cashless stock options were exercised (2008 - Nil).

11. 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, 2008	—	—
Issued	3,700,200	0.37
Balance, May 31, 2009	3,700,200	0.37

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12. 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 May 31, 2008, 50,000 shares of common stock are owed to the consultant. As at May 31, 2009, the fair value of \$50,000 for these shares owed is included in common stock subscribed.
- b) On January 1, 2009, the Company entered into an agreement to rent office space for \$1,347 (Cdn\$1,470) per month for a period of twelve months. The Company can terminate the agreement with sixty days notice.
- c) In August 2008, the Company entered into two lease agreements for the provision of office space. One agreement is for a two-year term and the other for a one-year term. Under the lease agreements, the Company is obligated to make the following annual payments:

Fiscal Period	Lease 1	Lease 2
2010	\$26,322 (RMB 180,000)	\$2,000

During the year ended May 31, 2009, the Company incurred rent expense of \$19,755 (RMB 135,000) and \$29,588 pursuant to the two agreements.

- d) On September 24, 2008, the Company agreed to pay the CEO \$10,000 per month for three years.

13. Income Taxes

The Company accounts for income taxes under SFAS No. 109, "Accounting for Income Taxes." Deferred income tax assets and liabilities are determined based upon differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Income tax expense differs from the amount that would result from applying the U.S federal and state income tax rates to earnings before income taxes. The Company has net operating losses carried forward of approximately \$7,607,691 available to offset taxable income in future years which begin expiring in fiscal 2024. Pursuant to SFAS No. 109, the potential benefits of the net operating losses carried forward has not been recognized in the financial statements since the Company cannot be assured that it is more likely than not that such benefit will be utilized in future years.

The income tax benefit differs from the amount computed by applying the federal income tax rate of 35% to net loss before income taxes for the years ended May 31, 2009 and 2008 as a result of the following:

	May 31, 2009 \$	May 31, 2008 \$
Loss before taxes	(4,759,010)	(491,929)
Statutory rate	35%	35%
Computed expected tax (recovery)	(1,665,654)	(172,175)
Permanent differences	416,047	—
Temporary differences	(4,020)	110
Valuation allowance change	1,253,627	172,065
Provision for income taxes	—	—

The significant components of deferred income tax assets and liabilities at May 31, 2009 and 2008, after applying enacted corporate income tax rates, are as follows:

	May 31, 2009 \$	May 31, 2008 \$
Net operating losses carried forward	2,662,692	1,409,065
Valuation allowance	(2,662,692)	(1,409,065)
Net deferred income tax asset	—	—

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13. Income Taxes (continued)

The Company has recognized a valuation allowance for the deferred income tax asset since the Company cannot be assured that it is more likely than not that such benefit will be utilized in future years. The valuation allowance is reviewed annually. When circumstances change and which cause a change in management's judgment about the realizability of deferred income tax assets, the impact of the change on the valuation allowance is generally reflected in current income.

14. Fair Value Measurements

SFAS No. 157 "*Fair Value Measurements*" requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. SFAS No. 157 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. SFAS No. 157 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 SFAS No. 157, the fair value of our cash equivalents is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets.

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's balance sheet as of May 31, 2009 as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) \$	Significant Other Observable Inputs (Level 2) \$	Significant Unobservable Inputs (Level 3) \$	Balance as of May 31, 2009 \$
Assets:				
Cash	197,030	—	—	197,030
Total assets measured at fair value	197,030	—	—	197,030

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

Douglas Lake Minerals Inc.
(An Exploration Stage Company)
Notes to the Consolidated Financial Statements as of May 31, 2009
(Expressed in U.S. dollars)

15. Subsequent Events

- a) On June 5, 2009, the Company entered into a new joint venture agreement with the joint venture partner described in Note 6(t) 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 August 16, 2008 for a period of three years.
- b) On June 23, 2009, the Company completed a non-brokered private placement pursuant to which the Company issued 1,392,000 units at \$0.25 per unit for proceeds of \$348,000. Each unit consists of one share of common stock and one half share purchase warrant. Each whole warrant entitles the holder to acquire an additional share of common stock at an exercise price of \$0.40 per share for a period of one year from closing.
- c) On June 23, 2009, the Company granted stock options to acquire 4,200,000 common shares at a price of \$0.15 per share exercisable for 5 years. On July 2, 2009 the Company issued 4,200,000 shares of common stock upon the cashless exercise of these stock options."
- d) On July 29, 2009, the Company granted stock options to acquire 300,000 common shares at a price of \$0.30 per share exercisable for 5 years.
- e) On August 26, 2009, the Company completed a non-brokered private placement pursuant to which the Company issued 75,000 units at \$0.25 per unit for proceeds of \$15,000. Each unit consists of one share of common stock and one half share purchase warrant. Each whole warrant entitles the holder to acquire an additional share of common stock at an exercise price of \$0.30 per share for a period of one year from closing.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

We have had no disagreements with our principal independent accountants.

ITEM 9A(T). CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Harpreet Singh Sangha, our principal executive officer and Herminder Rai, 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.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) under the Exchange Act.

The management of the Company assessed the effectiveness of the Company's internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and SEC guidance on conducting such assessments. Based on this assessment, management determined that, during the year ended May 31, 2009, our internal controls and procedures were not effective due to material weaknesses, , as more fully described below.

Management identified the following material weaknesses in internal control over financial reporting:

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, 2009 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 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 procedural 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 procedural manual does not constitute effective internal controls over financial reporting.

Management believes that the material weaknesses set forth above did not have a material affect on the Company's financial results. 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.

This annual report does not include an attestation report of the company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the company to provide only the management's report in this annual report.

Changes in Internal Control Over Financial Reporting

There were no changes to our internal control over financial reporting that occurred during the last quarter of our fiscal year ended May 31, 2009 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Our executive officers and directors and their respective ages as of the date of this annual report are as follows:

<u>Name</u>	<u>Age</u>	<u>Position Held</u>
Harpreet Singh Sangha	45	Chief Executive Officer and Director
Honorable Joseph Rugumyamheto	63	Chairman of the Board and Director
Wenqin Zhang	56	Director
Charles Xavier Mnguto	40	President and Director
Herminder Rai	37	Secretary, Treasurer and Chief Financial Officer

The following describes the business experience of each of our directors and executive officers, including other directorships held in reporting companies:

Harpreet S. Sangha has been our director and Chief Executive Officer since April 2006. In addition, Mr. Sangha has also previously served as our President, Secretary and Treasurer from April 2006 until he resigned from those positions on July 3, 2009. Mr. Sangha has over 18 years experience in business financing with specific interest in public company development. Mr. Sangha is an investment advisor at Global Securities Corporation, and possesses a unique combination of fund raising and managerial skills that will be instrumental in advancing the Company toward a prominent global position.

Honorable Joseph Rugumyamheto has served on our board of directors since April 2006, and as of August 11, 2006, he has served as Chairman of our board of directors. Hon. Rugumyamheto retired in January 2006 after 30 years of public service. For the past five years, Hon. Rugumyamheto has been the Permanent Secretary in the President's Office of Tanzania, reporting directly to the President of Tanzania. Hon. Rugumyamheto graduated from Ivy League schools in the US. He was responsible for all civil servants in the government.

Wenqin Zhang has served on our board of directors since November 21, 2008. Dr. Zhang began his career as a student in the Mining Department of the University of Qinghai. He subsequently was part of the scholars exchange programs in Newfoundland and the University of British Columbia, Canada, where he continued his geological studies. From there he went on to become the Deputy Chief Geologist and Chief Geologist in Earth Geochemistry

Technology at the Institute of Qinghai Province. In 1996, he was appointed Deputy Chief Geologist, Bureau of Geologic Exploration and Mining Development of Qinghai Province, and in 1999 he became Director of the Northern China Project Administration. Since 2002, he has been Deputy Chief Director of Tianjin Institute of Geology and Minerals Research. He is also currently a member of the China Geochemistry Committee.

Charles Xavier Mnguto has served on our President and member of our board of directors since July 3, 2009. Mr. Mnguto has been a consulting geologist to and the Company's Exploration Manager in Tanzania since January of 2007. Mr. Mnguto is a multi-terrain geologist with 13 years experience in both local and international exploration fields. During his career Mr. Mnguto has worked on various base and precious metals projects located in Tanzania, Zimbabwe and the Democratic Republic of Congo. Prior to working with the Company, and during the previous five years, Mr. Mnguto has worked: as a Senior Project Geologist (Expatriate) on the Lugushwa Project for Banro Congo Mining SARL (January to October of 2006); as a Senior Project Geologist (Expatriate) on the Namoya Project; as a Project Geologist on each of the Golden Pride West Project (January to September of 2005) and Nyanzaga Project (March to December of 2004) for Barrick Exploration Africa Ltd.; and as a Senior Project Geologist (Exploration Dept.) on the Ashanti Goldfields/Anglogold Joint Venture for Geita Gold Mining Limited (August of 1999 to February of 2004). Mr. Mnguto is not a director or officer of any other reporting company.

Herminder Rai has served as our Secretary, Treasurer and Chief Financial Officer since July 3, 2009. Mr. Rai has been an investment advisor with Global Securities Corporation, of Vancouver, British Columbia for the past five years. Mr. Rai is a graduate of many Canadian Securities Institute securities-related courses, and recently passed Level I of the CFA program and is currently enrolled as a Level II candidate. Mr. Rai is not a director or officer of any other reporting company.

Term of Office

Our directors are appointed for a one-year term to hold office until the next annual general meeting of our stockholders or until removed from office in accordance with our bylaws. Our officers are appointed by our board of directors and hold office until removed by the board.

Significant Employees

We have no significant employees other than the officers and directors described above.

Family Relationships

There are no family relationships among our directors or officers.

Involvement in Certain Legal Proceedings

Our directors, executive officers and control persons have not been involved in any of the following events during the past five years:

1. any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offences);
3. being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or
4. being found by a court of competent jurisdiction (in a civil action), the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the *Securities Exchange Act of 1934* requires the executive officers and directors, and persons who beneficially own more than ten percent of our equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission. During the fiscal year ended May 31, 2009, except as disclosed below, these filings were made on a timely basis:

Reporting Person	No. of Late/Unfiled Reports During the Fiscal Year Ended May 31, 2009	No. of Lat/Unfiled Reports During the Fiscal Year Ended May 31, 2008
Harpreet Singh Sangha	1 – late Form 4 regarding four transactions	Nil
Wenqin Zhang	1 – failed to file Form 3	N/A

Code of Ethics

To date our Board of Directors has not adopted a code of ethics applicable to its principal executive officer, its principal financial officer, its principal accounting officer or controller, or persons performing similar functions. We have not done so due to our limited operating history to date. Our Board of Directors intends to consider and adopt a code of ethics in the near future.

Committees

Our Board of Directors acts as our nominating committee and our audit committee; we do not have separate committees that perform these functions nor do we have nominating committee or audit committee charters.

ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The table below summarizes all compensation awarded to, earned by or paid to our executive officers by any person for all services rendered in all capacities to us during our fiscal years ended May 31, 2008 and 2009.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Harpreet Sangha <i>Chief Executive Officer</i>	2008	Nil	Nil	Nil	Nil	Nil	Nil	\$120,000	\$120,000
	2009	Nil	Nil	Nil	Nil	Nil	Nil	\$120,000	\$120,000
Sylvia Tang <i>(Former) Chief Financial Officer</i>	2008	Nil	Nil	Nil	Nil	Nil	Nil	\$1,213	\$1,213
	2009 ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	\$13,435	\$13,435
Herminder Rai <i>Chief Financial Officer, Secretary and Treasurer</i>	2008 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2009 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charles Mnguto <i>President</i>	2008 ⁽³⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2009 ⁽³⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Ms. Tang resigned as our Chief Financial Officer on July 3, 2009.

(2) Mr. Rai was appointed as our Chief Financial Officer, Secretary and Treasurer on July 3, 2009.

(3) Mr. Mnguto was appointed as our President on July 3, 2009.

Outstanding Equity Awards

As at May 31, 2009, there were no unexercised options, stock that had not vested or outstanding equity incentive plan awards with respect to any of our officers or directors.

Compensation of Directors

Except as disclosed below, we did pay our directors any fees or other compensation for acting as directors during our fiscal year ended May 31, 2009. Certain of our current or former directors serve or have served as officers of the Company, and any compensation they received due to their service as an officer is disclosed in the table above and is not included in the table below.

Name and Principal Position	Director Compensation						Total (\$)
	Fees earned or paid in cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	
Harpreet Singh Sangha	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Honorable Joseph Rugumyamheto	\$18,000	Nil	Nil	Nil	Nil	Nil	\$18,000
Wenqin Zhang ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Charles Xavier Mnguto ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Medard M.C. Kalemani ⁽³⁾	\$18,000	Nil	Nil	Nil	Nil	Nil	\$18,000
Abdulkarim Hamisi Mruma ⁽⁴⁾	\$18,000	Nil	Nil	Nil	Nil	Nil	\$18,000

(1) Mr. Zhang was appointed a Director on November 21, 2008.

(2) Mr. Mnguto was appointed a Director on July 3, 2009.

(3) Mr. Kalemani resigned as a Director on July 3, 2009.

(4) Mr. Mruma resigned as a Director on July 3, 2009.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information concerning the number of shares of our common stock owned beneficially as of the date of this annual report by: (i) each person (including any group) known to us to own more than 5% of any class of our voting securities, (ii) each of our directors, (iii) each of our officers and (iv) our officers and directors as a group. Each stockholder listed possesses sole voting and investment power with respect to the shares shown.

<u>Title of class</u>	<u>Name and address of beneficial owner⁽¹⁾</u>	<u>Amount and nature of beneficial owner⁽²⁾</u>	<u>Percentage of class⁽³⁾</u>
<i>Officers and Directors</i>			
Common Stock	Harpreet Singh Sangha ⁽¹⁾	2,064,000	2.9%
Common Stock	Honorable Joseph Rugumyamheto ⁽¹⁾	1,000,000 ⁽⁴⁾	1.4%
Common Stock	Wenqin Zhang ⁽¹⁾	Nil	Nil
Common Stock	Charles Xavier Mnguto ⁽¹⁾	350,000	less than 1%
Common Stock	Herminder Rai ⁽¹⁾	Nil	Nil
Common Stock	All executive officers and directors as a group (five persons)	3,414,000	4.7%
<i>Shareholders of Greater than 5% of Issued and Outstanding Stock</i>			
Common Stock	Yanmei Lin Suite 501, Sheng-Jing Yuan Building 3, East District, Guangdong Province Zhongshan City, China	5,000,000	6.9%
Common Stock	The M-B Trust ⁽⁵⁾ 82 Meadow Ridge Drive Winnepeg, Manitoba R3T 5N2 Canada	3,760,000	5.2%

(1) The address of our officers and directors our company's address, which is Suite 400, 1445 West Georgia Street, Vancouver, British Columbia, Canada, V6G 2T3.

(2) Under Rule 13d-3 of the Exchange Act a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares: (i) voting power, which includes the power to vote or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights.

(3) Based on 72,313,282 shares of our common stock issued and outstanding as of October 9, 2009.

(4) 250,000 shares held by Mr. Rugumyamheto's son and 750,000 held by Sika Holdings Ltd.

(5) Kulvinder Matharu, a former director and officer of the Company, is one of the beneficiaries of MB Trust and Mr. Matharu's wife is one of the trustees.

Securities Authorized For Issuance Under Compensation Plans

In October 2008, we adopted a 2008 stock incentive plan (the "2008 Plan") which provides for the granting of equity awards as provided in the Plan to eligible participants. The following summary of the Plan is not complete and is qualified in its entirety by reference to the Plan, a copy of which has been filed as an exhibit to our registration statement on Form S-8 as filed with the SEC on December 30, 2008.

The Plan provides for the granting of stock options, stock appreciation rights, restricted stock and other equity awards as set out in the Plan to our directors, officers, employees or consultants. The maximum number of shares that may be issued under the Plan are 10,000,000 shares of our common stock. No insider of the Company is eligible to receive an award under the Plan where (i) the insider is not a director or senior officer of the Company, (ii) any award, together with all of the Company's previously established or proposed awards under the Plan could result at any time in (a) the number of shares reserved for issuance pursuant to options granted to the insider exceeding 50% of the outstanding issue of common stock or (b) the issuance to the insider pursuant to the exercise of options within a one-year period of the number of shares exceeding 50% of the outstanding issue of our common stock. Unless the administrator under the Plan determines that an award to a grantee is not designed to qualify as performance-based

compensation, the maximum number of shares with respect to options and/or stock appreciation rights that may be granted during any one calendar year under the Plan to any one grantee is 5,000,000, all of which may be granted as incentive stock options, and the maximum aggregate grant of restricted stock, unrestricted shares, restricted stock units and deferred stock units in any one calendar year to any one Grantee is 5,000,000. The Plan is administered by a committee consisting of two or more members of our Board of Directors, who have the authority to, among other things, interpret the Plan, select eligible participants, determine whether and to what extent awards are granted under the Plan, approve award agreements under the Plan and amend the terms of any outstanding award granted under the Plan.

In addition to the 2008 plan, the Company previously adopted a stock incentive plan we adopted in April 2007, which has substantially the same terms as the 2008 Plan. No more options may be granted under the April 2007 plan, but there remain some options outstanding that may be exercised.

The table set forth below presents information relating to our equity compensation plans as of the date of May 31, 2009:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding column (a))
Equity Compensation Plans to be Approved by Security Holders	n/a	n/a	n/a
Equity Compensation Plans Not Approved by Security Holders (2007 and 2008 Stock Incentive Plan)	2,823,333	\$0.30	8,300,000

Changes in Control

We are unaware of any contract, or other arrangement or provision of our Articles, the operation of which may at any subsequent date result in a change in control of the Company.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Except as described below, none of the following parties has, in the last two fiscal years, had any material interest, direct or indirect, in any transaction with us or in any presently proposed transaction that has or will materially affect us:

1. any of our directors or officers;
2. any person proposed as a nominee for election as a director;
3. any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to our outstanding shares of common stock; or
4. any member of the immediate family (including spouse, parents, children, siblings and in-laws) of any of the above persons.

As at May 31, 2009, the Company owed Laurence Stephenson, the former President of the Company, \$Nil (2008 - \$47,788), which is non-interest-bearing, unsecured and due on demand.

During the year ended May 31, 2009, the Company incurred \$196,435 (2008 - \$294,176) of consulting fees included in general and administrative expenses, and reimbursed \$285,015 (2008 - \$139,384) of expenses incurred on behalf of the Company, with various directors and officers. As at May 31, 2009, the Company was indebted to Antonia Bold-de-Haughton (the former Chief Financial Officer of the Company) for \$Nil (2008 - \$46,167), Harpreet Sangha for \$487,323 (2008 - \$349,657) and two former directors of the Company for \$Nil (2008 - \$108,246 (\$98,500 of which was owed to Kal Matharu and \$9,746 of which was owed to Gurpreet Sangha). The amounts due are non-interest bearing, unsecured and due on demand. During the year ended May 31, 2009, the Company reclassified \$27,669 owed to the former Chief Executive Officer (Kal Matharu) and \$98,500 owed to a former director (Kal Matharu) to accounts payable.

Joseph Rugumyamheto and Wenqin Zhang are independent directors of the Company as provided in the listing standards of the American Stock Exchange.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Manning Elliott served as our independent registered public accounting firm and audited our financial statements for the fiscal years ended May 31, 2009 and 2008. Aggregate fees for professional services rendered to us by our auditor are set forth below:

	Year Ended May 31, 2009	Year Ended May 31, 2008
Audit Fees	\$51,200	\$24,500
Audit-Related Fees	\$2,700	\$14,400
Tax Fees	Nil	Nil
All Other Fees	Nil	Nil
Total	\$53,900	\$38,900

Audit Fees

Audit fees are the aggregate fees billed for professional services rendered by our independent auditors for the audit of our annual financial statements, the review of the financial statements included in each of our quarterly reports and services provided in connection with statutory and regulatory filings or engagements.

Audit Related Fees

Audit related fees are the aggregate fees billed by our independent auditors for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not described in the preceding category.

Tax Fees

Tax fees are billed by our independent auditors for tax compliance, tax advice and tax planning.

All Other Fees

All other fees include fees billed by our independent auditors for products or services other than as described in the immediately preceding three categories.

Policy on Pre-Approval of Services Performed by Independent Auditors

It is our Board of Directors' policy to pre-approve all audit and permissible non-audit services performed by the independent auditors. We approved all services that our independent accountants provided to us in the past two fiscal years.

ITEM 15. EXHIBITS

The following exhibits are filed with this Annual Report on Form 10-K:

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
3.1 ⁽¹⁾	Articles of Incorporation
3.2 ⁽²⁾	Amended Bylaws, as amended on September 5, 2006
3.3 ⁽¹²⁾	Certificate of Change
10.1 ⁽³⁾	Asset Purchase Agreement with KBT Discovery Group Tanzania Ltd.
10.2 ⁽³⁾	Asset Purchase Agreement with Hydro-Geos Consulting Group Tanzania Ltd.
10.3 ⁽³⁾	Asset Purchase Agreement with Megadeposit Explorers Ltd.
10.4 ⁽⁴⁾	Amendment No. 1 to Asset Purchase Agreement with KBT Discovery Group Tanzania Ltd.
10.5 ⁽⁴⁾	Amendment No. 1 to Asset Purchase Agreement with Hydro-Geos Consulting Group Tanzania Ltd.
10.6 ⁽⁴⁾	Amendment No. 1 to Asset Purchase Agreement with Megadeposit Explorers Ltd.
10.7 ⁽⁵⁾	Amendment No. 2 to Asset Purchase Agreement with KBT Discovery Group Tanzania Ltd.
10.8 ⁽⁵⁾	Amendment No. 2 to Asset Purchase Agreement with Hydro-Geos Consulting Group Tanzania Ltd.
10.9 ⁽⁵⁾	Amendment No. 2 to Asset Purchase Agreement with Megadeposit Explorers Ltd.
10.10 ⁽⁶⁾	Strategic Alliance Agreement between the Company and Canaco
10.11 ⁽⁷⁾	Option Agreement between the Company and Canaco
10.12 ⁽⁸⁾	Amendment Not. 1 to Strategic Alliance Agreement between the Company and Canaco
10.13 ⁽⁸⁾	Kwadijava Option Agreement
10.14 ⁽⁸⁾	Negero Option Agreement
10.15 ⁽⁹⁾	Joint Venture Agreement with Mkuvia Maita
10.16 ⁽¹⁰⁾	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

14.1 ⁽¹¹⁾	Code of Ethics
23.1	Consent of Auditor
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

- (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, 2006.
- (3) Incorporated by reference to Current Report on Form 8-K filed on August 4, 2005.
- (4) Incorporated by reference to Current Report on Form 8-K filed on November 21, 2005.
- (5) Incorporated by reference to Quarterly Report on Form 10-SB for quarterly period ended November 30, 2005.
- (6) Incorporated by reference to Current Report on Form 8-K filed on May 4, 2006.
- (7) Incorporated by reference to Quarterly Report on Form 10-SB for quarterly period ended August 31, 2006.
- (8) Incorporated by reference to Quarterly Report on Form 10-SB for quarterly period ended August 31, 2007.
- (9) Incorporated by reference to Current Report on Form 8-K filed on August 6, 2008.
- (10) Incorporated by reference to Annual Report on Form 10-KSB for year ended May 31, 2007.
- (11) Incorporated by reference to Annual Report on Form 10-KSB for year ended May 31, 2005.
- (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.

SIGNATURES

Pursuant to the requirements of Section 13 and 15 (d) 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: "Harpreet Singh Sangha"
Harpreet Singh Sangha
Chief Executive Officer and a director
Date: October 13, 2009

By: "Herminder Rai"
Herminder Rai
Chief Financial Officer, Secretary and Treasurer
Date: October 13, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>"Harpreet Singh Sangha"</u> Harpreet Singh Sangha	Chief Executive Officer and a director	October 13, 2009
<u>"Joseph Rugumyamheto"</u> Honorable Joseph Rugumyamheto	Chairman of the Board and Director	October 13, 2009
<u>"Wenqin Zhang"</u> Wenqin Zhang	Director	October 13, 2009
<u>"Herminder Rai"</u> Herminder Rai	Chief Financial Officer, Secretary and Treasurer	October 13, 2009

CERTIFICATION PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT OF 2002

I, Harpreet Singh Sangha, certify that:

1. I have reviewed this annual report on Form 10-K 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 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 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 13, 2009

By: "Harpreet Singh Sangha"
Harpreet Singh Sangha
Chief Executive Officer and a director

CERTIFICATION PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT OF 2002

I, Herminder Rai, certify that:

1. I have reviewed this annual report on Form 10-K 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 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 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 13, 2009

By: "Herminder Rai"

Herminder Rai

Chief Financial Officer, Secretary and Treasurer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND PRINCIPAL 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, Harpreet Singh Sangha, the Chief Executive Officer and Herminder Rai 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 knowledge, the Annual Report on Form 10-K for the year ended May 31, 2009, 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 Annual Report on Form 10-K, as amended, fairly presents in all material respects the financial condition and results of operations of the Company.

Date: October 13, 2009

By: "Harpreet Singh Sangha"
Harpreet Singh Sangha
Chief Executive Officer and a director

By: "Herminder Rai"
Herminder Rai
Chief Financial Officer, Secretary and Treasurer

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.
