

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

FORM 10-KSB

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended May 31, 2008

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

For the transition period from _____ to _____

Commission file number: 000-50907

DOUGLAS LAKE MINERALS INC.

(Name of small business issuer in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

98-0430222

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

Suite 400, 1445 West Georgia Street, Vancouver, British Columbia, Canada

(Address of principal executive offices)

V6G 2T3

(Zip Code)

(604) 669-0323

Issuer's telephone number

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

Securities registered under Section 12(g) of the Act:

Common Stock

(Title of Class)

Check whether the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.

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

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will 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-KSB or any amendment to this Form 10-KSB.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

State issuer's revenues for its most recent fiscal year: Nil

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed based upon the closing price of the Company's common stock on September 12, 2008 was \$14,846,563.

The number of shares outstanding of the issuer's common stock as of September 12, 2008 was 52,702,544.

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FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements that involve risks and uncertainties. Forward-looking statements in this annual report include, among others, statements regarding our capital needs, business plans and expectations. Such forward-looking statements involve assumptions, risks and uncertainties regarding, among others, the success of our business plan, availability of funds, government regulations, operating costs, our ability to achieve significant revenues, our business model and other factors. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may”, “will”, “should”, “expect”, “plan”, “intend”, “anticipate”, “believe”, “estimate”, “predict”, “potential” or “continue”, the negative of such terms or other comparable terminology. 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. 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. 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.

PART I

ITEM 1: DESCRIPTION OF BUSINESS

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.

Overview

Our Business

We were incorporated on January 5, 2004 under the laws of the State of Nevada. We are an exploration stage company engaged in the acquisition and exploration of mineral properties. We currently own 31 mineral claims located in Tanzania, Africa, through prospecting licences issued by the government of Tanzania. These mineral claims do not 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.

Our Mineral Claims

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 Licence No. 2810/2004, known as “Tabora”, was transferred to us and we issued 5,600,000 restricted shares of common stock to KBT. 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 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. We have applied to reacquire the licenses.

On August 4, 2005, we 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 kilometers in Tanzania, for an aggregate purchase price of 2,600,000 restricted shares of common stock. On November 10, 2005, we entered into an amendment agreement to the HG Agreement pursuant to which the number of shares to be issued was increased to 5,200,000 restricted shares of common stock. By the end of our fiscal year ended May 31, 2007, we had completed our due

diligence and closed the agreement. Pursuant to the terms of the HG Agreement, as amended, the Ashanti South East Prospecting License was transferred to us and we issued 5,200,000 restricted shares of common stock to HG. The prospecting licenses expire three years after their initial issuance. We can apply to reacquire 50% of the area covered by the original prospecting license. We have applied to reacquire the licenses.

On August 4, 2005, we 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 kilometers in Tanzania, for an aggregate purchase price of 2,600,000 restricted shares of common stock. On November 10, 2005, we entered into an amendment agreement to the Megadeposit Agreement pursuant to which the number of shares to be issued was increased to 5,200,000 restricted shares of common stock. By the end of our fiscal year ended May 31, 2006, we had completed our due diligence and closed the agreement. Under the Megadeposit Agreement, as amended, Prospecting License Negero was transferred to us and we issued 5,200,000 restricted shares of common stock to Megadeposit. This prospecting license expired on December 21, 2006, and Megadeposit has applied to reacquire the prospecting license covering the same area previously covered by Prospecting License No. 2957/2005. Pursuant to an agreement to transfer mineral rights dated June 20, 2007 between Megadeposit and us, Megadeposit has agreed to transfer the reacquired prospecting license to us for no additional consideration. As at May 31, 2008, the reacquired prospecting license had been applied for and is expected to be transferred to us once granted.

On April 26, 2006, we 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 KBT Agreement, HG Agreement and Megadeposit Agreement, each as described above.

On April 27, 2006, we entered into a strategic alliance agreement (the “SA Agreement”) with Canaco Resources Inc. (“Canaco”), a Canadian public company. Under the terms of the SA Agreement, Canaco paid \$350,000 to us and will provide technical management and fund the initial assessment of each of the prospects in Tanzania, and can earn up to a 70% undivided interest in the prospects. In connection with this agreement, the Company is required to issue 200,000 shares. We have determined the fair market value of these shares to be \$88,000. As at May 31, 2008, these shares have not been issued.

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 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.

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 has issued 1,500,000 shares, and as at May 31, 2008, the remaining 3,000,000 shares that are issuable under the agreement had not been issued.

On November 17, 2006, we entered into an Asset Purchase Agreement with HG to acquire six Prospecting Licenses, which cover an area of approximately 2,389 square kilometers in Tanzania. Prospecting License No.'s 3868/2006, 3671/2005, 3398/2005, 3105/2005, 3211/2005 and 2961/2004 were transferred to us on signing the agreement for an aggregate purchase price of \$600,000 (the "Cash Payment") and 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 in payments at the end of each 90 day period thereafter until the consideration is paid in full. The balance of the Cash Payment of \$450,000 remains outstanding as of May 31, 2008.

On November 19, 2006, we entered into an Asset Purchase Agreement with Megadeposit to acquire five Prospecting Licenses, which cover an area of approximately 1,401 square kilometers 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 us on signing the agreement for an aggregate purchase price of 4,000,000 restricted shares of common stock at a fair value of \$2,820,000, which have been issued.

On November 20, 2006, we entered into an Asset Purchase Agreement with Sumayi Investment International Limited to acquire 75% ownership of four Gemstone Licenses, which cover an area of approximately 3.88 square kilometers in Tanzania. Gemstone Mining License No.'s 201/2005, 198/2005, 199/2005 and 202/2005 were transferred to us on signing the agreement for an aggregate purchase price of \$100,000 payable 12 months from signing. During the year ended May 31, 2008, we terminated this agreement and returned the licenses.

On November 21, 2006, we entered into an Asset Purchase Agreement with Haperk Traders Limited 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 us on signing the agreement for an aggregate purchase price of \$62,500 (paid) and 1,000,000 restricted shares of common stock at a fair value of \$735,000, which have been issued. These prospecting licenses expired on January 17, 2007, and Haperk has applied to a prospecting license covering the same area. Pursuant to an agreement to transfer mineral rights dated June 20, 2007 between Haperk and us, Haperk has agreed to transfer the reacquired prospect licenses to us for no additional consideration.

On November 21, 2006, we entered into an Asset Purchase Agreement with Sika Holdings Limited to acquire Prospecting License No. 2544/2004, which covers an area of approximately 5 square kilometers in Tanzania. The license was transferred to us on signing the agreement for an aggregate purchase price of \$60,000 (paid) and 750,000 restricted shares of common stock (issued) at a fair value of \$551,250.

On November 21, 2006, we entered into an Asset Purchase Agreement with KBT to acquire two Prospecting Licenses, which cover an area of approximately 1,119 square kilometers in Tanzania. Prospecting License No.'s 3899/2006 and 3900/2006 were transferred to us on signing the agreement for an aggregate purchase price of 200,000 restricted shares of common stock (issued) at a fair value of \$147,000.

On November 22, 2006, we entered into an Asset Purchase Agreement with Robert Nicolas to acquire Prospecting License No. 3907/2006, which covers an area of approximately 34 square kilometers in Tanzania. The license was transferred to us on signing the agreement for an aggregate purchase price of \$15,000 (paid) and 100,000 restricted shares of common stock (issued) at a fair value of \$73,000.

On November 22, 2006, we 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 kilometers in Tanzania. The license was transferred to us on signing the agreement for an aggregate purchase price of \$20,000 (paid) and 100,000 restricted shares of common stock (issued) at a fair value of \$73,000.

On November 29, 2006, we entered into an Asset Purchase Agreement with Ziko Farms Limited to acquire four Prospecting Licenses, which cover an area of approximately 284.26 square kilometers in Tanzania. Prospecting License No.'s 2637/2004, 2638/2004, 2639/2004 and 3826/2005 were transferred to us on signing the agreement for

an aggregate purchase price of \$90,174 (paid) and 900,000 restricted shares of common stock, which we issued on June 21, 2007 at a fair value of \$634,500.

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).

On June 29, 2007, we entered into an option agreement with Canaco whereby we 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 us. Under the option agreement Canaco has agreed to:

- (a) make cash payments to us of \$250,000, of which \$50,000 (less the amount owing by us 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 we have reacquired the Prospecting License and have obtained all applicable regulatory approvals), and \$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, 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
- (c) 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 we fail to reacquire the Prospecting License by March 31, 2008 we will be deemed to have waived Canaco’s obligation to pay us \$100,000 pursuant to the option agreement relating to the Magembe property that we entered into on March 2, 2007, as described above. In July 2007, we filed paperwork to reacquire the Prospecting License, but we have not yet received formal approval from the Tanzania mining division. If and when we receive formal confirmation that we have reacquired the Prospecting License, Canaco’s obligation to pay us \$100,000 as described above will be reinstated.

On June 29, 2007, we entered into an option agreement with Canaco whereby we 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 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 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 we have reacquired the Prospecting License and have obtained all applicable regulatory approvals), and \$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, 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
- (c) 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).

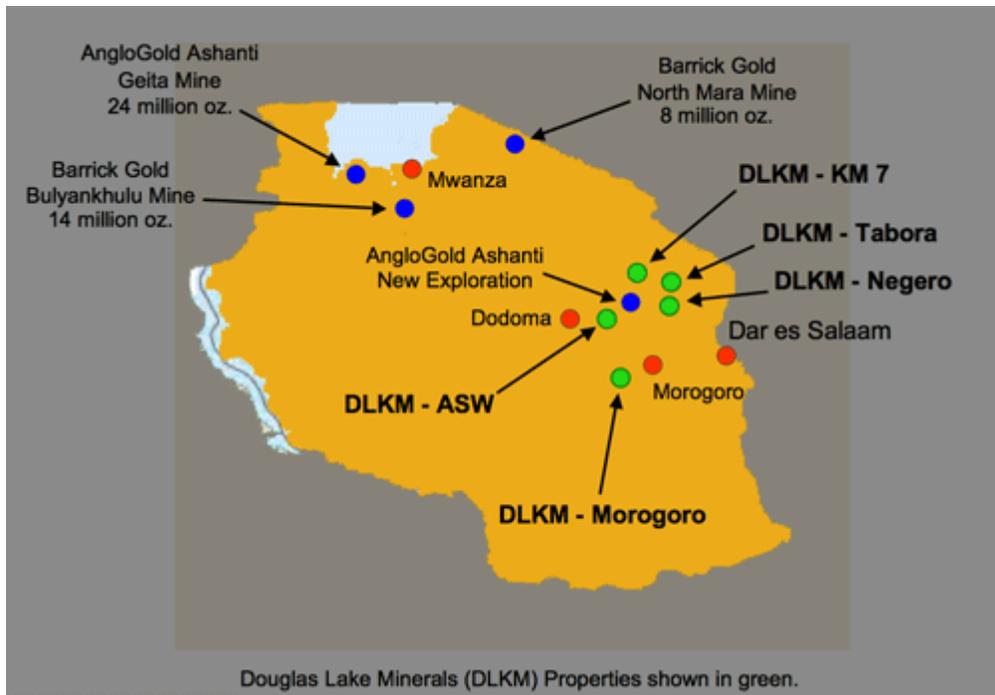
If we fail to reacquire the Prospecting License by March 31, 2008 we will be deemed to have waived Canaco's obligation to pay us \$100,000 pursuant to the option agreement relating to the Magembe property that we entered into on March 2, 2007, as described above. In July 2007, we filed paperwork to reacquire the Prospecting License, but we have not yet received formal approval from the Tanzania mining division. If and when we receive formal confirmation that we have reacquired the Prospecting License, Canaco's obligation to pay us \$100,000 as described above will be reinstated.

Effective on August 4, 2008, we entered into of a Joint Venture Agreement with Mkuvia Maita ("Mr. Maita"), the registered holder of certain prospecting licenses (the "Prospecting Licenses") over certain areas located in the Liwale and Nachigwea Districts of Tanzania. Pursuant to this agreement, the we have 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 and any other rights covered by the Prospecting Licenses, subject to a perpetual net smelter royalty return of 3% payable to Mr. Maita. In consideration, we are required to pay Mr. Maita US\$1,000,000 upon signing of the Agreement and to make further payments of US\$540,000 over five years, on a quarterly basis beginning as of July 15, 2008, in the following amounts per year:

- Year one: US\$80,000;
- Year two: US\$90,000;
- Year three: US\$100,000;
- Year four: US\$120,000
- Year five: US\$150,000.

Properties Underlying our Mineral Claims

The following map shows the general location of the properties underlying our mineral claims:



Geology

Tanzania has an active gold exploration and development industry. Several world-class deposits have already been discovered in the Lake Victoria Goldfields and are at different stages of development. Gold targets have also been revealed in the Proterozoic rocks of southwestern Tanzania.

The Lake Victoria Goldfield. The Lake Victoria Goldfield of northern Tanzania has become recognized as a world-class gold province. During the 1980s, several major gold discoveries were made, many of which are now in production. These developments and discoveries include Geita (AngloGold Ashanti), Bulyankhulu, North Mara and Tulawaka (Barrick Gold) and Golden Price (Resolute Mining).

Most known deposits and occurrences are found in the greenstone belts, but some gold has also been found in the granitoids. The primary gold mineralization is mainly mesothermal lode gold deposits of the non-stratiform types and is geologically similar to deposits in major gold districts in Canada, Brazil, Western Australia and India. Most of the veins and vein systems are associated with faults, shear zones and dykes in the greenstone belts. Dilational openings along shear zones are common hosts for the mineralization, which is most commonly open space filling, accompanied by replacement of adjacent wallrock at some sites. Gold is commonly accompanied by quartz and pyrite, with lesser amounts of chalcopyrite, arsenopyrite and galena. Wall rock alteration, also reported with gold mineralization, generally comprises an inner sericitic, silified and pyritized zone, and an outer zone of carbonate, chlorite and actinolite alteration.

Gold mining has dominated Tanzanian industry for more than a century and Tanzania is now Africa's third largest gold producing country after South Africa and Ghana. Our management believes that the country remains under-explored in comparison with other gold producers of its size and there is therefore a high probability of future discoveries.

Diamonds. Tanzania has been a significant diamond producer for several decades, with the bulk of production coming from the Williamson Diamond Mine at Mwadui where commercial production began in 1925. Over 300 kimberlites are known in Tanzania of which 20% are diamondiferous. Some 600 dipolar magnetic anomalies with similar geophysical characteristics to known kimberlite pipes have been recorded during recent geophysical surveys. Also of relevance are the pseudo-kimberlites or para-kimberlites along the young craters where diamonds have been discovered.

Property Access

The majority of the properties underlying our mineral claims are accessible by dirt roads feeding directly into paved highways that lead to the major centres in Tanzania (i.e., Dar es Salaam, Dodoma, Mwanza, Morogoro, Arusha). A number of areas are also serviced by local airstrips where small aircraft can land.

Climate

There are four main climatic zones in 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 December and from March through May. In the south there is one rainy season, from November to March.

Prior Work on Properties

All of Douglas Lake's properties are to be considered Greenfield properties, although a significant amount of small scale mining activities has taken place on most properties.

Exploration Activities

All of our properties are in the exploration stage. Pursuant to the SA Agreement, Canaco is performing an initial technical assessment of the mineral potential of our mineral properties. All geological work completed to date was done under joint venture with Canaco Resources. This includes a 2500 meter drill program on the Morogorro property as well as a bulk testing and mapping on the Magembe Diamond property. We have not conducted any other drilling on our properties and none of our properties has been determined to contain any mineral deposits or reserves.

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 our mineral claims to determine whether any mineral deposit exists on our mineral claims. Even if we determine that a mineral deposit exists on any of our mineral claims, an economic evaluation must be completed before the economic viability of commercial exploitation of our mineral claims could be completed. Both advanced exploration and an economic determination will be contingent upon the results of our preliminary exploration programs and our ability to raise additional financing in order to proceed with advanced exploration and an economic evaluation. There is no assurance that we will be able to obtain any additional financing to fund our exploration activities.

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 licence 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 approximately 8 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 do not have any subsidiaries.

Patents and Trademarks

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

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, 2008, we had incurred losses since inception of \$23,287,234. 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.

We rely on Canaco Resources Inc., our joint venture partner, to perform initial technical assessments of the mineral potential of our properties. Although Canaco has committed to spend up to \$2 million over the next two years performing initial technical assessments of the mineral potential of our properties, 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, 2008, we had a net loss of \$491,929. Since our inception on January 5, 2004 to May 31, 2008, we had a net loss of \$23,287,234. 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.

All of 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.

Our ability to generate revenues and profits is expected to occur through exploration and development of our existing properties as well as through acquisitions of interests in new properties. 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 and 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.

Other Mining Licences.

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. We are attempting to identify the number and the precise location of mining licenses registered amongst our prospecting licenses. There can be no guarantee that we will be successful in negotiating with mining license owners, if any, 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, 2008, we had cash of \$53,610 and a working capital deficit of \$1,259,818. 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 2: DESCRIPTION OF PROPERTY

All of our properties are located in the United Republic of Tanzania, Africa, as described above under Item 1. Mineral exploration in Tanzania is affected by local climatic, political, and economic conditions. Our properties have year round access, although seasonal winter rains from December to March may result in flooding in low lying areas, which are dominated by mbuga (black organic rich laustrine flood soils). Further, most lowland areas are under active cultivation for corn, rice, beans and mixed crops by subsistence farmers. As a result, the area has been deforested by local agricultural practices for many years. The seasonal rains and deforested areas can create a muddy bog in some areas, which can make access more difficult, and could impede or even prevent the transport of heavy equipment to our mineral properties from December to March.

ITEM 3: LEGAL PROCEEDINGS

We are not a party to any legal proceedings and, to our knowledge, none are pending or threatened against us.

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 COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

Our common stock has been traded on the NASD OTC Bulletin Board under the symbol “DLKM” since March 2005. The following table sets forth the high and low bid price per share of our common stock for the periods indicated. These over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions:

<u>Quarter Ended</u>	<u>High</u>	<u>Low</u>
August 31, 2006	\$2.33	\$0.95
November 30, 2006	\$1.79	\$0.80
February 28, 2007	\$1.60	\$1.00
May 31, 2007	\$1.00	\$0.32
August 31, 2007	\$0.70	\$0.2975
November 30, 2007	\$0.48	\$0.12
February 29, 2008	\$0.25	\$0.08
May 31, 2008	\$0.57	\$0.11

Holdings

We have approximately 122 registered shareholders of record as of September 12, 2008.

Dividends

There are no restrictions in our articles of incorporation or bylaws that prevent us from declaring dividends. The Nevada Revised Statutes, however, do prohibit us from declaring dividends where, after giving effect to the distribution of the dividend:

1. we would not be able to pay our debts as they become due in the usual course of business; or
2. our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the rights of shareholders who have preferential rights superior to those receiving the distribution.

We have not declared any dividends, and we do not plan to declare any dividends in the foreseeable future.

Securities Authorized for Issuance Under Equity Compensation Plans

We have adopted a stock incentive plan dated April 27, 2007 under which we are authorized to grant equity awards to acquire up to a total of 10,000,000 shares of our common stock to directors, officers, employees and consultants. The following table sets forth information about our equity compensation plans as of May 31, 2008.

<u>Plan Category</u>	<u>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</u> (a)	<u>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</u> (b)	<u>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans</u> (excluding column (a))
Equity Compensation Plans Approved by Security Holders (Stock Option Plan)	640,000	\$0.30	1,210,000
Equity Compensation Plans Not Approved by Security Holders	N/A	N/A	N/A

ITEM 6: MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Plan of Operations

Our plan of operations for the next twelve months is to focus on the exploration of our mineral properties in Tanzania. We are also seeking opportunities to acquire other mineral exploration properties that, in the opinion of our consulting geologist, offer attractive mineral exploration opportunities. We anticipate that we will require for the next twelve months:

- (a) \$1,500,000 for exploration programs;
- (b) \$1,015,000 for management and consulting expenses; and
- (c) \$85,000 administration and operating expenses.

At May 31, 2008, we had cash of \$53,610 and a working capital deficit of \$1,259,818. As set forth in our current report on Form 8-K as filed on August 20, 2008, we completed private placements of shares and units on August 15, 2008, pursuant to which we raised approximately \$1,767,500. Nonetheless, we do not have sufficient funds to pursue our plan of operations for the next twelve months. We are continuing to seek to raise funds through a 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 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. 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 in Item 1, Description of Business. 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.

Results of Operations

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

	Accumulated from January 5, 2004 (Date of Inception) to May 31, 2008 \$	For the Year Ended May 31, 2008 \$	For the Year Ended May 31, 2007 \$
Revenue	—	—	—
Expenses			
General and administrative	5,587,923	679,053	3,799,484
Impairment (recovery) of mineral property costs	17,499,571	(100,000)	12,322,071
Mineral property costs	270,295	42,403	174,891
Rent	28,391	10,686	5,233
Total Expenses	23,386,180	632,142	16,301,679
Net Loss Before Other Expense	(23,386,180)	(632,142)	(16,301,679)
Other Expense			
Mineral property option payments	156,017	156,017	—
Loss on sale of investment securities	(57,071)	(15,804)	(41,267)
Net Loss	(23,287,234)	(491,929)	(16,342,946)

Revenues

We have had no operating revenues since our inception on January 5, 2004 to May 31, 2008. We anticipate that we will not generate any revenues for so long as we are an exploration stage company.

General and Administrative Expenses

Our general and administrative expenses in the year ended May 31, 2008 decreased to \$679,053 from \$3,799,484 in the year ended May 31, 2007, primarily as a result of a decrease in stock-based compensation in the current year.

Impairment (Recovery) of Mineral Property Costs

In the year ended May 31, 2008, we recorded a \$100,000 recovery of mineral property costs, as compared to an impairment of mineral property costs of \$12,322,071 in the year ended May 31, 2007.

Mineral Property Costs

In the year ended May 31, 2008, we incurred mineral property costs of \$42,403, compared to mineral property costs of \$174,891 in the year ended May 31, 2007. We expense our mineral property costs as they are incurred.

Rent

In the year ended May 31, 2008, our rent expenses increased to \$10,686 from \$5,233 for our prior fiscal year.

Mineral Property Option Payments

In the year ended May 31, 2008, we received 156,017 in mineral property option payments (2007 - \$nil).

Loss on Sale of Investment Securities

In the year ended May 31, 2008, we incurred a loss on the sale of investment securities of \$15,804 (2007 - \$41,267).

Net Loss

As a result of the above, our net loss for the year ended May 31, 2008 was \$491,929, as compared to \$16,342,946 in the year ended May 31, 2007.

Liquidity and Capital Resources

We had cash of \$53,610 as at May 31, 2008 and a working capital deficit of \$1,259,818. During the 12 month period following the date of this annual report, we anticipate that we will not generate any revenue. We do not have sufficient 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. As indicated above under "Plan of Operations", as set forth in our current report on Form 8-K as filed on August 20, 2008, we completed private placements of shares and units on August 15, 2008, pursuant to which we raised approximately \$1,767,500. Nonetheless, we do not have sufficient funds to pursue our plan of operations for the next twelve months. We are continuing to seek to raise funds through a 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 the next twelve months.

We will be required to obtain additional financing in order to continue to pursue our plan of operations. 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. However, 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.

Net Cash Used in Operating Activities

Net cash used in operating activities in the year ended May 31, 2008 was \$457,346, compared to \$1,277,132 in the year ended May 31, 2007. We anticipate that cash used in operating activities will increase in 2008 as we pursue our plan of operations.

Cash Used in or Provided by Investing Activities

In the year ended May 31, 2008, investing activities provided cash of \$198,447, compared to \$297,674 cash used by investing activities in the year ended May 31, 2007, primarily because we did not have mineral property acquisition costs in the year ended May 31, 2008.

Cash Provided By Financing Activities

We have funded our business to date primarily from sales of our common stock. In the year ended May 31, 2008, we raised net proceeds of \$308,000, compared to \$1,577,200 in the year ended May 31, 2007, in each case primarily from the sale of our common stock.

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, 2008 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 and are expressed in U.S. dollars. For a summary of significant accounting policies, please see Note 2 to our financial statements for our fiscal year ended May 31, 2008, which are included in this annual report.

ITEM 7: FINANCIAL STATEMENTS

Our audited financial statements as at and for our fiscal year ended May 31, 2008, and the related notes to the financial statements, are filed as part of this annual report.

ITEM 8: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 8A(T): CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of May 31, 2008, the Company carried out an evaluation, under the supervision of the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of our Company's disclosure controls and procedures pursuant to Rule 13a-15(b) of the Exchange Act. Based on this evaluation, our Chief Executive Officer, and our Chief Financial Officer concluded that, as of May 31, 2008, our disclosure controls and procedures were not effective in light of the material weaknesses 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.

Our internal control over financial reporting is a process designed 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 and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of management and our directors; and
- provide reasonable assurance regarding prevention and timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Internal control over financial reporting has inherent limitations, which include but are not limited to the use of independent professionals for advice and guidance, interpretation of existing and/or changing rules and principles, segregation of management duties, scale of organization, and personnel factors. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis, however these inherent limitations are known features of the financial reporting process and it is possible to design into the process safeguards to reduce, though not eliminate, this risk. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting based on criteria for effective internal control over financial reporting described in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on its assessment, management concluded that we did not maintain effective internal control over financial reporting as of May 31, 2008 due to certain material weaknesses, in particular:

- inadequate controls over equity transactions
- inadequate entity level controls;
- inadequate segregation of duties; and
- Inadequate controls over related party transactions/operating expenses;

in each case as more fully described below.

Inadequate Controls Over Equity Transactions. We do not have adequate review and supervision controls or sufficient supporting documentation of certain equity-related transactions to ensure that such transactions are properly valued and recorded on a timely basis. As a result, adjustments in the equity accounts and financial statements could occur. If we were not, or are not in future periods, successful in identifying these adjustments, our quarterly or annual financial statements could be materially misstated, which could require a restatement.

The Board of Directors has overall responsibility for establishing and maintaining an effective system for risk assessment and internal control. The Board has adopted a work plan for its activities, in which the mutual division of work between the members of the Board is defined. The day-to-day work of maintaining an effective internal control environment and continuous risk assessment in respect of financial reporting has been delegated to the CEO and CFO.

We are in the process of reviewing and strengthening our internal control procedures and intend to pursue actions to ensure all aspects of our controls related to all our equity transactions. Such actions include but are not necessarily limited to the following:

- (a) we utilize an outside consulting firm (Lancaster and David) to help review all equity transactions and assist in the implementation of appropriate review and supervision controls to ensure the proper and timely recording of equity transactions; and
- (b) we perform extensive internal review and approval of all equity transactions and ensure proper supporting documentation is maintained.

Inadequate entity level controls. We do not have effective entity level controls. These weaknesses include:

- (a) weaknesses in the risk assessment controls, including the lack of adequate mechanisms for anticipating and identifying financial reporting risks; and for reacting to changes in the operating environment that could have a potential effect on financial reporting; and
- (b) weaknesses in monitoring controls, including the lack of adequate staffing and procedures to ensure periodic evaluations of internal controls to ensure that appropriate personnel regularly obtain evidence that controls are functioning effectively and that identified control deficiencies are timely remedied.

If we were not, or are not in future periods, successful in identifying these control weaknesses, our quarterly or annual financial statements could be materially misstated, which could require a restatement.

Inadequate segregation of duties. We do not have adequate procedures and controls in place to ensure proper segregation of duties within the contract approval processes. As a result, adjustments in the financial statements could occur and not be prevented or detected by our controls in a timely manner.

Inadequate controls over related party transactions/operating expenses. We do not have adequate procedures and controls to ensure that related party transactions including those which affect operating expense transactions are accurately recorded in the correct period, and that any resulting adjusting entries are accurately and timely recorded in our general ledger. As a result, material post-closing adjustments were posted to our general ledger.

Our disclosure controls and procedures are designed to ensure that the information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and to reasonably assure that such information is accumulated and communicated to our management, to allow timely decisions regarding required disclosure. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met under all potential conditions, regardless of how remote, and may not prevent or detect all error and all fraud. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our Company have been prevented or detected.

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, 2008 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART III

ITEM 9: DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS, CONTROL PERSONS AND CORPORATE GOVERNANCE; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

Officers and Directors

The Company's present officers and directors are as follows.

Name	Age	Positions
Harpreet S. Sangha	44	President, Chief Executive Officer, Secretary, Treasurer and a director
Honorable Joseph Rugumyamheto ⁽¹⁾	62	Chairman of the Board of Directors
Medard M.C. Kalemani ⁽¹⁾	40	Director
Abdulkarim Hamisi Mruma ⁽¹⁾	53	Director
Sylvia Tang	50	Chief Financial Officer

(1) Member of Audit Committee.

The following sets forth certain information concerning our officers and directors:

Harpreet S. Sangha has been our director, President and Chief Executive Officer since April 2006. In addition, Mr. Sangha has served as our Secretary and Treasurer since August 4, 2008. 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.

Dr. Medard M.C. Kalemani has served on our board of directors since August 4, 2008. Dr. Kalemani has served since December 2007 as General Counsel to the Millennium Challenge Account - Tanzania under the Ministry of Finance, which is the autonomous government entity responsible for managing energy, transportation and water projects in the Republic of Tanzania. From April 1999 to November 2007, Dr. Kalemani worked for the government of the Republic of Tanzania as State Attorney of the Ministry of Energy and Minerals. From May 1997 to December 1998, Dr. Kalemani was employed by the International Rescue Committee (IRC), a relief agency under the U.N. High Commissioner for Refugees (UNHCR), as Legal Officer/Officer Manager for the Tanzania Branch. Dr. Kalemani has a Bachelor of Laws degree from the University of Dar es Salaam (Tanzania) and a Master Degree of Laws in Mineral Law and Policy from the University of Dundee (Scotland). In addition, Dr. Kalemani has a Ph.D. in Mining Management from Belford University (online university).

Dr. Abdulkarim Hamisi Mruma has served on our board of directors since August 4, 2008. Dr. Mruma has served as Chief Executive Officer of the Geological Survey of Tanzania, Ministry of Energy and Minerals, from October 2004 to the present. From July 2000 until October 2004 (as well as from 1994 to 1997), Dr. Mruma served as the head of the Department of Geology at the University of Dar es Salaam (Tanzania). Dr. Mruma has had postings at the University of Dar es Salaam from 1980 to the present (Assistant Lecturer from 1980-84, Lecturer from 1985-89, Senior Lecturer from 1990-98, and Professor from 1998 to the present). Dr. Mruma served as Assistant Secretary General of the Tanzania Geological Society from 1996 to 2004, and from 2004 to present he has served as Vice Chairman of the Association of Geological Surveys of Africa. Dr. Mruma has authored numerous publications, mainly in the field of structural geology, Precambrian geology, stratigraphy and mineral deposits, and he has also

served as a consultant and prepared technical reports on various geological projects, primarily in Tanzania. Dr. Mruma has a Bachelor of Science degree (geology) from the University of Dar es Salaam, participated in post-graduate studies in geology and related fields in Germany, Belgium and Zimbabwe, and has a Ph.D. from the University of Dar es Salaam, which included research work at the University of Oulu, Finland.

Sylvia Tang, CGA, has served as our Chief Financial Officer since March 3, 2008. Ms. Tang has over twenty years experience as a Certified General Accountant working in numerous industries. From 1993 to present, she has performed contract work for a number of clients of a mid-sized firm of Chartered Accountants located in Burnaby, British Columbia. From 1990 to 1993, Ms. Tang worked as a senior accountant in the wine import division of the Mark Anthony Group of Companies in Vancouver, British Columbia. From 1986 to 1990, Ms. Tang worked as an accountant at several companies in the Vancouver, British Columbia area. Ms. Tang has a BA, with a major in economics, from the University of Saskatchewan.

Term of Office

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

Significant Employees

Other than our executive officers listed above, we do not have any significant employees.

Family Relationships

There are no family relationships among our directors or executive officers.

Committees of the Board Of Directors

We presently have an Audit Committee comprised of Joseph Rugumyambeto, Medard M.C. Kalemani and Abdulkarim Hamisi Mruma. We presently do not have a compensation committee, a nominating committee, an executive committee of our Board of Directors, stock plan committee or any other committees. However, our Board of Directors is considering establishing various committees during the current fiscal year.

Our Board of Directors has determined that at present there is no audit committee financial expert serving on the Audit Committee. The Company is in the exploration stage and has limited financial resources and plans to add an audit committee financial expert to the Audit Committee as the Company's operations ramp up and financial resources permit.

Code of Ethics

We have adopted a code of ethics that applies to our Chief Executive Officer, Chief Financial Officer, Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer, Controller and persons performing similar functions within the Company. A copy of the code of ethics is filed with the SEC as an exhibit to our annual report on Form 10-KSB for the year ended May 31, 2006. A copy of the Code of Ethics may also be obtained without charge by contacting the Secretary of the Company at Suite 400, 1445 West Georgia Street, Vancouver, British Columbia, Canada, V6G 2T3.

Involvement in Certain Legal Proceedings

Except as otherwise described herein, none of our directors, executive officers and control persons have 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 Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment or decision has not been reversed, suspended, or vacated.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who beneficially own more than 10% of our equity securities, to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than 10% shareholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file. Based on our review of the copies of such forms we received, we believe that during the fiscal year ended May 31, 2008 all such filing requirements applicable to our officers and directors were completed.

ITEM 10: EXECUTIVE COMPENSATION

Executive Compensation

The following table sets forth the compensation paid to our executive officers during our last two fiscal years:

Summary Compensation Table

Name and Principal Position	Year Ended May 31,	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Non Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Harpreet S. Sangha, President & CEO	2008	Nil	Nil	Nil	Nil	Nil	Nil	\$120,000	\$120,000
	2007	60,000	30,000	Nil	Nil	Nil	Nil	Nil	90,000
Antonia Bold-de-Haughton, Former CFO ⁽¹⁾	2008	Nil	Nil	Nil	Nil	Nil	Nil	\$27,000	\$27,000
	2007	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sylvia Tang, CFO ⁽²⁾	2008	Nil	Nil	Nil	Nil	Nil	Nil	\$1,213	Nil
	2007	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Ms. Bold-de-Haughton served as Chief Financial Officer of our Company from April 2006 until March 3, 2008.

(2) Ms. Tang became our Chief Financial Officer on March 3, 2008.

Outstanding Equity Awards

There were no outstanding equity awards held by our executive officers as of May 31, 2008, as set forth in the table below.

Outstanding Equity Awards at Fiscal Year End

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Harpreet S. Sangha, President & CEO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Antonia Bold-de-Haughton, Former CFO ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sylvia Tang, CFO ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Ms. Bold-de-Haughton served as Chief Financial Officer of our Company from April 2006 until March 3, 2008.

(2) Ms. Tang became our Chief Financial Officer on March 3, 2008.

Long-Term Incentive Plan Awards

We do not have any long-term incentive plans.

Consulting Agreements

We entered into a consulting agreement effective March 1, 2007 with Harpreet Sangha, our President and Chief Executive Officer. Under this agreement, we retained Mr. Sangha to act in a consulting capacity to us, including the provision of finance and public relations services. The initial term of this agreement expired on August 31, 2007, but it has been renewed until August 31, 2009. In consideration for his services, the Company has agreed to pay Mr. Sangha a fee of \$10,000 per month.

We entered into a consulting agreement effective June 1, 2006 with Rovingi, a company controlled by our former Chief Financial Officer, Ms. Bold-de-Haughton. Pursuant to this agreement, Rovingi agreed to provide management and administration services to the Company in exchange for a monthly fee of \$4,500. The agreement expired upon the resignation of Ms. Bold-de-Haughton in March 2008.

Compensation of Directors

Our directors do not receive any cash or non-cash compensation for their services and there are currently no plans to implement any such compensation. They are, however, reimbursed for any out-of-pocket expenses they may incur in connection with our business. The following table shows, in tabular format, that no compensation was paid to our directors during our last fiscal year:

Director Compensation

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Non Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Harpreet S. Sangha	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Joseph Rugumyamheto	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Medard M.C. Kalemani ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Abdulkarim Hamisi Mruma ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Antonia Bold-de-Haughton ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
David Groves ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gurpreet S. Sangha ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Director since August 4, 2008.

(2) Resigned as director on March 3, 2008.

(3) Resigned as director on August 4, 2008.

Stock Option Plan

In April 2007, we adopted a 2007 stock incentive plan (the “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 annual report for our fiscal year ended May 31, 2007.

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.

ITEM 11: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information regarding the beneficial ownership of our shares of common stock as of the date of this report by (i) each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock, (ii) each of our directors, (iii) each of our executive officers, and (iv) by all of our directors and executive officers as a group. Each person named in the table, has sole voting and investment power with respect to all shares shown as beneficially owned by such person and can be contacted at our executive office address.

Name and address of beneficial owner	Amount and nature of Beneficial Owner⁽¹⁾	Percentage of Class⁽²⁾
Directors and Officers:⁽³⁾		
Harpreet Sangha	2,064,000	3.9%
Joseph Rugumyamheto	1,000,000 ⁽⁴⁾	1.9%
Medard M.C. Kalemani	Nil	Nil
Abdulkarim Hamisi Mruma	Nil	Nil
Sylvia Tang	150,000	*
All officers and directors as a group (five individuals)	3,214,000	6.1%
5% Shareholders:		
The M-B Trust ⁽⁵⁾ 82 Meadow Ridge Drive Winnipeg, Manitoba, Canada	3,760,000	7.1%

* Less than 1%.

(1) 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.

(2) Based on 52,702,544 shares of our common stock issued and outstanding as of September 12, 2008.

(3) Address for directors and officers is care of the Company, Suite 400, 1445 West Georgia Street, Vancouver, British Columbia, Canada, V6G 2T3.

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

Changes in Control

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

ITEM 12: 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, 2008, the Company owed Laurence Stephenson, the former President of the Company, \$47,788 (2007 - \$47,788), which is non-interest-bearing, unsecured and due on demand.

During the year ended May 31, 2008, the Company incurred a total of \$294,176 (2007 - \$131,381) in consulting fees, and reimbursed \$139,384 (2007 - \$168,400) of expenses incurred on behalf of the Company, to various directors and officers (\$282,176 to Harpreet Sangha, \$27,000 to Antonia Bold-de-Haughton; 2007 - \$224,829 to Harpreet Sangha, \$54,952 to Antonia Bold-de-Haughton and \$20,000 to Gurpreet Sangha).

As at May 31, 2008, the Company was indebted to Ms. Bold-de-Haughton, the Company's former Chief Financial Officer, for \$46,167 (2007 - \$19,675), to Mr. Sangha for \$349,657 (2007 - \$48,854), to Mr. Kal Matharu, a former director, for \$98,500 (2007 - \$98,500), and to Mr. Gurpreet Sangha, a former officer and director, for \$9,746 (2007 - \$3,231). The amounts due are non-interest bearing, unsecured and due on demand.

Joseph Rugumyamheto, Medard M.C. Kalemani and Abdulkarim Hamisi Mruma are independent directors of the Company as provided in the listing standards of the American Stock Exchange.

ITEM 13: EXHIBITS

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
3.1 ⁽¹⁾	Articles of Incorporation
3.4 ⁽²⁾	Amended Bylaws, as amended on September 5, 2006
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 ⁽¹¹⁾	Consulting Agreement with Harpreet Sangha
10.18 ⁽¹¹⁾	Consulting Agreement with Rovingi
14.1 ⁽¹²⁾	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

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
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.

ITEM 14: PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth information regarding the amount billed to us by our independent auditors in the fiscal periods indicated for the following fees and services:

	Fiscal year ended May 31, 2008	Fiscal year ended May 31, 2007
Audit Fees:	\$24,500	\$26,845
Audit Related Fees:	\$14,400	Nil
Tax Fees:	Nil	Nil
All Other Fees:	Nil	Nil
Total:	\$38,900	\$26,845

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 on Form 10-QSB 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 audit committee's 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.

DOUGLAS LAKE MINERALS INC.
FINANCIAL STATEMENTS
MAY 31, 2008

Douglas Lake Minerals, Inc.
(An Exploration Stage Company)

May 31, 2008

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MANNING ELLIOTT
CHARTERED ACCOUNTANTS

11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7

Phone: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying balance sheets of Douglas Lake Minerals Inc. (An Exploration Stage Company) as of May 31, 2008 and 2007, and the related statement 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, 2008. 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the 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, 2008 and 2007, 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, 2008 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.

"Manning Elliott LLP"

CHARTERED ACCOUNTANTS

Vancouver, Canada

September 11, 2008

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

	May 31, 2008 \$	May 31, 2007 \$
ASSETS		
Current Assets		
Cash	53,610	4,509
Prepaid deposits (Note 3)	163,292	20,000
Total Current Assets	216,902	24,509
Property and Equipment (Note 5)	1,165	-
Total Assets	218,067	24,509
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable	369,081	226,541
Accrued liabilities (Note 8)	535,781	641,106
Loan payable (Note 9)	20,000	20,000
Due to related parties (Note 6)	561,858	211,586
Total Liabilities	1,476,720	1,099,233
Commitments and Contingencies (Notes 1, 7 and 12)		
Subsequent Events (Note 14)		
Stockholders' Deficit		
Common Stock		
Authorized: 100,000,000 shares, \$0.001 par value		
Issued and outstanding: 41,385,865 and 35,610,865 shares, respectively	41,386	35,611
Additional Paid-in Capital	19,380,195	18,688,470
Common Stock Subscribed (Notes 7, 10 and 12(a))	2,498,000	2,887,500
Donated Capital	109,000	109,000
Deficit Accumulated During the Exploration Stage	(23,287,234)	(22,795,305)
Total Stockholders' Deficit	(1,258,653)	(1,074,724)
Total Liabilities and Stockholders' Deficit	218,067	24,509

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

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

	Accumulated from January 5, 2004 (Date of Inception) to May 31, 2008 \$	For the Year Ended May 31, 2008 \$	For the Year Ended May 31, 2007 \$
Revenue	-	-	-
<hr/>			
Expenses			
General and administrative (Note 6)	5,587,923	679,053	3,799,484
Impairment (recovery) of mineral property costs	17,499,571	(100,000)	12,322,071
Mineral property costs	270,295	42,403	174,891
Rent	28,391	10,686	5,233
<hr/>			
Total Expenses	23,386,180	632,142	16,301,679
<hr/>			
Net Loss Before Other Expense	(23,386,180)	(632,142)	(16,301,679)
<hr/>			
Other Expense			
Mineral property option payments	156,017	156,017	-
Loss on sale of investment securities	(57,071)	(15,804)	(41,267)
<hr/>			
Net Loss	(23,287,234)	(491,929)	(16,342,946)
<hr/>			
Net Loss Per Share – Basic and Diluted		(0.01)	(0.62)
<hr/>			
Weighted Average Shares Outstanding		39,439,000	26,199,000

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

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

	Accumulated from January 5, 2004 (Date of Inception) to May 31, 2008 \$	For the Year Ended May 31, 2008 \$	For the Year Ended May 31, 2007 \$
Operating Activities			
Net loss for the period	(23,287,234)	(491,929)	(16,342,946)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization	1,587	388	333
Donated services and rent	9,000	-	3,000
Impairment of mineral property costs	17,492,074	(100,000)	12,322,071
Loss on sale of investment securities	57,071	15,804	41,267
Mineral property option payments	(156,017)	(156,017)	-
Stock-based compensation	2,638,748	-	2,638,748
Changes in operating assets and liabilities:			
Prepaid deposit	(163,292)	(143,292)	(20,000)
Accounts payable and accrued liabilities	379,862	37,215	101,981
Due to related parties	615,657	380,485	(21,586)
Net Cash Used in Operating Activities	(2,412,544)	(457,346)	(1,277,132)
Investing Activities			
Mineral property acquisition costs	(697,677)	100,000	(797,674)
Proceeds from mineral property options	600,000	100,000	500,000
Purchase of property and equipment	(2,752)	(1,553)	-
Net Cash (Used In) Provided By Investing Activities	(100,429)	198,447	(297,674)
Financing Activities			
Proceeds from loan payable	20,000	-	20,000
Proceeds from common stock subscribed	245,000	245,000	-
Proceeds from issuance of common stock	2,481,932	90,000	1,701,100
Share issuance costs	(180,349)	(27,000)	(143,900)
Net Cash Provided By Financing Activities	2,566,583	308,000	1,577,200
Increase in Cash	53,610	49,101	2,394
Cash - Beginning of Period	-	4,509	2,115
Cash - End of Period	53,610	53,610	4,509
Non-cash Investing and Financing Activities			
Amount owing pursuant to mineral license acquisition agreements included in accrued liabilities	525,000	525,000	625,000
Common shares subscribed for mineral licenses acquired	2,498,000	(389,500)	2,887,500
Common shares issued for mineral licenses acquired	14,796,750	634,500	8,276,750
Shareholders gifted their shares of 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	23,586
Supplemental Disclosures			
Interest paid	-	-	-
Income taxes paid	-	-	-

(The accompanying notes are an integral part of these 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
<u>Net loss for the period</u>	–	–	–	–	–	(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
<u>Net loss for the year</u>	–	–	–	–	–	(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
Shareholders gifted their shares of the Company to settle accounts payable	–	–	–	–	100,000	–	100,000
<u>Net loss for the year</u>	–	–	–	–	–	(5,985,395)	(5,985,395)
<u>Balance – May 31, 2006</u>	<u>21,380,732</u>	<u>21,381</u>	<u>6,280,002</u>	<u>–</u>	<u>106,000</u>	<u>(6,452,359)</u>	<u>(44,976)</u>

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

1. Nature of Operations and Continuance of Business

The Company was incorporated in the State of Nevada on January 5, 2004. The Company is an Exploration Stage Company, as defined by Statement of Financial Accounting 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 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, 2008, the Company has a working capital deficit of \$1,259,818 and has accumulated losses of \$23,287,234 since inception. These factors raise substantial doubt regarding the Company’s ability to continue as a going concern. These 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 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. The Company’s fiscal year-end is May 31.

b) Use of Estimates

The preparation of 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 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 of long-lived assets, stock-based compensation, donated expenses 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 financial statements. As at May 31, 2008 and 2007, the Company had no items that represent a comprehensive loss, and therefore has not included a schedule of comprehensive loss in the 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 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.

k) Financial Instruments

The fair values of financial instruments including cash, accounts payable, accrued liabilities, loan payable and due to related parties were estimated to approximate their carrying values due to the immediate or short-term maturity of these financial instruments. The Company's operations are in Canada and Africa resulting 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 financial 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. In March 2005, the Securities and Exchange Commission issued SAB 107 relating to SFAS 123(R). The Company applied the provisions of SAB 107 in its adoption of SFAS 123(R).

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 May 2008, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 163, “*Accounting for Financial Guarantee Insurance Contracts – An interpretation of FASB Statement No. 60*”. SFAS 163 requires that an insurance enterprise recognize a claim liability prior to an event of default when there is evidence that credit deterioration has occurred in an insured financial obligation. It also clarifies how Statement 60 applies to financial guarantee insurance contracts, including the recognition and measurement to be used to account for premium revenue and claim liabilities, and requires expanded disclosures about financial guarantee insurance contracts. It is effective for financial statements issued for fiscal years beginning after December 15, 2008, except for some disclosures about the insurance enterprise’s risk-management activities. SFAS 163 requires that disclosures about the risk-management activities of the insurance enterprise be effective for the first period beginning after issuance. Except for those disclosures, earlier application is not permitted. The adoption of this statement is not expected to have a material effect on the Company’s financial statements.

In May 2008, the FASB issued SFAS No. 162, “*The Hierarchy of Generally Accepted Accounting Principles*”. SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States. It is effective 60 days following the SEC’s approval of the Public Company Accounting Oversight Board amendments to AU Section 411, “*The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*”. 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, 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 December 2007, the Financial Accounting Standards Board (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, and earlier adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company’s future financial statements.

2. Summary of Significant Accounting Policies (continued)

o) Recently Issued Accounting Pronouncements (continued)

In February 2007, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 159, “*The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of FASB Statement No. 115*”. This statement permits entities to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of SFAS No. 159 apply only to entities that elect the fair value option. However, the amendment to SFAS No. 115 “Accounting for Certain Investments in Debt and Equity Securities” applies to all entities with available-for-sale and trading securities. SFAS No. 159 is effective as of the beginning of an entity’s first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provision of SFAS No. 157, “*Fair Value Measurements*”. The adoption of this statement is not expected to have a material effect on the Company’s financial statements.

In September 2006, the FASB issued SFAS No. 157, “*Fair Value Measurements*”. The objective of SFAS No. 157 is to increase consistency and comparability in fair value measurements and to expand disclosures about fair value measurements. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. The provisions of SFAS No. 157 are effective for fair value measurements made in fiscal years beginning after November 15, 2007. The adoption of this statement is not expected to have a material effect on the Company’s financial statements.

p) Recently Adopted Accounting Pronouncements

In June 2006, the FASB issued FASB Interpretation No. 48, “*Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statements No. 109*”. FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing a two-step method of first evaluating whether a tax position has met a more likely than not recognition threshold and second, measuring that tax position to determine the amount of benefit to be recognized in the financial statements. FIN 48 provides guidance on the presentation of such positions within a classified statement of financial position as well as on de-recognition, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The adoption of this statement did not have a material effect on the Company’s financial statements.

In March 2006, the FASB issued SFAS No. 156, “*Accounting for Servicing of Financial Assets, an amendment of FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*”. This statement requires all separately recognized servicing assets and servicing liabilities be initially measured at fair value, if practicable, and permits for subsequent measurement using either fair value measurement with changes in fair value reflected in earnings or the amortization and impairment requirements of Statement No. 140. The subsequent measurement of separately recognized servicing assets and servicing liabilities at fair value eliminates the necessity for entities that manage the risks inherent in servicing assets and servicing liabilities with derivatives to qualify for hedge accounting treatment and eliminates the characterization of declines in fair value as impairments or direct write-downs. SFAS No. 156 is effective for an entity’s first fiscal year beginning after September 15, 2006. The adoption of this statement did not have a material effect on the Company’s financial statements.

In February 2006, the FASB issued SFAS No. 155, “*Accounting for Certain Hybrid Financial Instruments—an amendment of FASB Statements No. 133 and 140*”, to simplify and make more consistent the accounting for certain financial instruments. SFAS No. 155 amends SFAS No. 133, “*Accounting for Derivative Instruments and Hedging Activities*”, to permit fair value re-measurement for any hybrid financial instrument with an embedded derivative that otherwise would require bifurcation, provided that the whole instrument is accounted for on a fair value basis. SFAS No. 155 amends SFAS No. 140, “*Accounting for the Impairment or Disposal of Long-Lived Assets*”, to allow a qualifying special-purpose entity to hold a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. SFAS No. 155 applies to all financial instruments acquired or issued after the beginning of an entity’s first fiscal year that begins after September 15, 2006, with earlier application allowed. The adoption of this statement did not have a material effect on the Company’s financial statements.

q) Reclassifications

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

Douglas Lake Minerals Inc.
(An Exploration Stage Company)
Notes to the Financial Statements
(Expressed in U.S. dollars)

3. Prepaid Expenses

The components of prepaid expenses are as follows:

	May 31, 2008	May 31, 2007
	\$	\$
Rent	903	–
Mineral property option payments	20,000	20,000
Finder's fees	40,000	–
Consulting fees	102,389	–
Total prepaid expenses	163,292	20,000

4. Short-Term Investments

During the year ended May 31, 2008, the Company received 200,000 (2007: 100,000) common shares of Canaco Resources Inc. having a fair value of \$56,017 (\$2007: \$64,897). During the year ended May 31, 2008, the Company sold the shares for cash proceeds of \$40,213 (2007: \$23,640) and recorded a loss on sale of investment securities of \$15,804 (2007: \$41,257).

5. Property and Equipment

	Cost	Accumulated Amortization	May 31, 2008 Net Book Value	May 31, 2007 Net Book Value
	\$	\$	\$	\$
Office equipment	2,752	1,587	1,165	–

6. Related Party Transactions

- a) As at May 31, 2008, the Company owed the former President of the Company \$47,788 (2007 - \$47,788) which is non-interest bearing, unsecured and due on demand.
- b) During the year ended May 31, 2008, the Company incurred \$294,176 (2007 - \$131,381) of consulting fees included in general and administrative expenses, and reimbursed \$139,384 (2007 - \$168,400) of expenses incurred on behalf of the Company, with various directors and officers. As at May 31, 2008, the Company was indebted to the former Chief Financial Officer of the Company for \$46,167 (2007 - \$19,675), the Chief Executive Officer of the Company for \$349,657 (2007 - \$48,854) and four directors of the Company for \$108,246 (2007 - \$95,269). The amounts due are non-interest bearing, unsecured and due on demand.
- c) During the year ended May 31, 2008, the Company recognized a total of \$nil (2007 - \$3,000) for donated rent at \$250 per month provided by a director of the Company.

7. 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. The Company has applied to reacquire the licenses.
- 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). As at May 31, 2008, \$75,000 is included in accrued liabilities. 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. The Company has applied to reacquire the licenses.
- 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, 2008, the Reacquired PL's had been applied for and will be transferred to the Company once they are granted. Refer to Note 7(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.

7. 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 7(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, 2008, 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 7(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 is payable on the first anniversary of the Effective Date (refer to Note 7(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).
- 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, 2008, the remaining 3,000,000 shares at the fair value of \$2,115,000 is included in common stock subscribed. Refer to Note 7(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, 2008, \$450,000 is included in accrued liabilities.
- 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.
- 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.

7. Mineral Properties (continued)

Tanzania, Africa (continued)

- 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, 2008, the reacquired PL’s had been applied for and will be transferred to the Company once they are granted. Refer to Note 7(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.
- 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.
- 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.
- 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.
- 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.
- 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 7(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);
 - 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).

7. Mineral Properties (continued)

Tanzania, Africa (continued)

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 7(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 7(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 7(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 7(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
 - 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. (See Note 7(c)).

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Notes to the Financial Statements
(Expressed in U.S. dollars)

8. Accrued Liabilities

The components of accrued liabilities are as follows:

	May 31, 2008	May 31, 2007
	\$	\$
Mineral property expenditures	525,000	625,000
Professional fees	8,443	16,106
Investor relations	2,338	-
Total accrued liabilities	535,781	641,106

9. Loan Payable

The balance owing to an unrelated third party is non-interest bearing, unsecured and due on demand.

10. Common Stock

- a) At May 31, 2008, the Company had received subscriptions pursuant to a private placement for 1,300,000 units at \$0.15 per unit and 500,000 units at \$0.10 per unit for cash proceeds of \$245,000, included in common stock subscribed, and paid finder's fees of \$22,000. The units were issued on August 15, 2008 (Note 14(d)).
- b) During the year ended May 31, 2008, the Company issued 900,000 with a fair value of \$634,500 shares of common stock pursuant to the Asset Purchase Agreement described in Note 7(p). As at May 31, 2007, the fair value of \$634,500 was included in common stock subscribed.
- c) During the year ended May 31, 2008, the Company issued 4,575,000 shares of common stock upon the cashless exercise of 8,150,000 stock options.
- d) On November 30, 2007, the Company issued 300,000 shares of common stock at \$0.30 per share pursuant to a private placement for gross cash proceeds of \$90,000. The Company paid \$5,000 in finders' fees pursuant to this private placement.

11. 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. As at May 31, 2008, the Company had 1,210,000 shares of common stock available to be issued under the Plan. At May 31, 2008 and 2007, the Company had no unrecognized compensation costs and no unvested options.

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, 2007 was \$0.29 per share. The weighted average assumptions used are as follows:

The Company did not grant any stock options during the year ended May 31, 2008.

	Year Ended	
	May 31, 2008	May 31, 2007
Expected dividend yield	-	0%
Risk-free interest rate	-	4.46%
Expected volatility	-	133%
Expected option life (in years)	-	5.00

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11. Stock Options (continued)

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

	Number of Options	Weighted Average Exercise Price \$	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value \$
Outstanding, May 31, 2007	8,790,000	0.30		
Exercised	(8,150,000)	–		
Outstanding, May 31, 2008	640,000	0.30	3.91	115,200
Exercisable, May 31, 2008	640,000	0.30	3.91	115,200

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 period ended May 31, 2008, the Company issued 4,575,000 shares of common stock upon the cashless exercise of 8,150,000 stock options.

The total intrinsic value of stock options exercised during the periods ended May 31, 2008 and 2007 were \$1,534,583 and \$Nil respectively.

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 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, 2008, the fair value of \$50,000 for these shares owed is included in common stock subscribed.
- b) On June 1, 2006, the Company entered into a consulting agreement with a company controlled by the Chief Financial Officer of the Company for \$4,500 per month for a term of two years. During the year ended May 31, 2008, the Chief Financial Officer resigned and the agreement was terminated.
- c) On June 18, 2007, the Company entered into an agreement to rent office space for \$959 (Cdn\$954) per month for a period of twelve months. The Company can terminate the agreement with sixty days notice.
- d) On May 13, 2008, the Company entered into employment agreements with employees who will provide geological services in exchange for \$8,000 per month in aggregate for a period of one year commencing June 1, 2008.
- e) On May 13, 2008, the Company entered into an employment agreement with an employee who will provide exploration management services in exchange for \$5,000 per month for a period of one year commencing June 1, 2008.
- f) On May 13, 2008 the Company entered into an employment agreement with an employee who will provide operations management services in exchange for \$2,500 per month for a period of one year commencing June 1, 2008.

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 \$4,039,500 available to offset taxable income in future years which begin expiring in fiscal 2026. 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.

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13. Income Taxes (continued)

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, 2008 and 2007 as a result of the following:

	May 31, 2008 \$	May 31, 2007 \$
Loss before taxes	(491,929)	(16,342,946)
Statutory rate	35%	35%
Computed expected tax (recovery)	(172,175)	(5,720,031)
Permanent differences	–	4,814,599
Temporary differences	110	59
Valuation allowance change	172,065	905,373
<u>Provision for income taxes</u>	<u>–</u>	<u>–</u>

The significant components of deferred income tax assets and liabilities at May 31, 2008 and 2007, after applying enacted corporate income tax rates, are as follows:

	May 31, 2008 \$	May 31, 2007 \$
Net operating losses carried forward	1,409,065	1,236,893
Valuation allowance	(1,409,065)	(1,236,893)
<u>Net deferred income tax asset</u>	<u>–</u>	<u>–</u>

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. Subsequent Events

- a) On June 27, 2008, the Company entered into a Joint Venture Agreement that grants the Company the right to explore for minerals on properties in Liwale and Nachigwea Districts of Tanzania in consideration for the payment of \$1,000,000 upon signing the agreement and \$540,000 over five years beginning July 15, 2008. The \$540,000 is payable in stages on a quarterly basis of which \$80,000 must be paid in the first year, \$90,000 in the second year, \$100,000 in the third year, \$120,000 in the fourth year, and \$150,000 in the fifth year. The holder of the property licenses retains a net smelter royalty return of 3%.
- b) On June 26, 2008, the Company entered into an Agreement with SD Partners, LLC ("SD") for consulting and fundraising services, including a secondary public offering of securities of the Company in the United Kingdom, on an exclusive basis for a period of three years. The Agreement also contemplates a possible transaction between the Company and a Shell company (the "Merged Shell transaction"). As compensation for SD's services, the Company agrees to pay \$50,000 for the first two months of the engagement, payable as to \$25,000 by June 30, 2008 (paid), and the remaining \$25,000 by July 28, 2008 and to date remains active. The agreement shall automatically be extended for additional 30 days on the same condition and terms with a payment of \$25,000 per month due at the beginning of each month. In consideration of structuring the Merged Shell transaction, SD will receive warrants to acquire 5% of the shares of the Company exercisable for five years at \$0.01 per share. In consideration for additional financings resulting from SD's services, the Company will pay a cash fee of 5% of the gross proceeds. If any warrants from any such financings are exercised, SD will be entitled to 5% of the gross warrant proceeds. In consideration of an acquisition by or of the Company, SD will be entitled to a fee of 10% of the value of the transaction, of which 5% is payable in cash and 5% is payable in common shares of the Company. If this agreement is terminated by the Company, and the Company receives any funding in the United Kingdom within twenty four months of termination, the Company must pay a breakup fee to SD of the greater of \$200,000 or 5% of such funding.

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Notes to the Financial Statements
(Expressed in U.S. dollars)

14. Subsequent Events (continued)

- c) On July 28, 2008, the Company entered into an Agreement with SD for fundraising services, in relation to a private placement of up to \$2,100,000. The Company will pay a cash fee of 7% of the first \$1,500,000 gross proceeds, 13% of the next \$600,000 gross proceeds, and 10% of any amount above \$2,100,000 gross proceeds. If warrants are issued with the financing, SD will be entitled to 5% of the gross proceeds from the exercise of any such warrants. The Company also agrees to issue warrants exercisable for five years at \$0.01 per share to SD to acquire 3% of the total number of common shares outstanding. Should SD raise an additional \$2,000,000, SD will be granted an additional 1% of the total number of common shares outstanding. The total number of warrants granted to SD will not exceed 5% of the total number of common shares outstanding after closing of the funding.
- d) 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;

SIGNATURES

In accordance with Section 13 and 15 (d) of the Exchange Act, 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 S. Sangha"
Harpreet S. Sangha
President, Chief Executive Officer, Secretary,
Treasurer and a director
Date: September 15, 2008

By: "Sylvia Tang"
Sylvia Tang
Chief Financial Officer
Date: September 15, 2008

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: "Harpreet S. Sangha"
Harpreet S. Sangha
President, Chief Executive Officer, Secretary,
Treasurer and a director
Date: September 15, 2008

By: "Joseph Rugumyamheto"
Joseph Rugumyamheto
Director
Date: September 15, 2008

By: "Medard M.C. Kalemani"
Medard M.C. Kalemani
Director
Date: September 15, 2008

By: "Abdulkarim Hamisi Mruma"
Abdulkarim Hamisi Mruma
Director
Date: September 15, 2008

CERTIFICATION

I, Harpreet S. Sangha, certify that;

- (1) I have reviewed this annual report on Form 10-KSB for the year ended May 31, 2008 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 small business issuer as of, and for, the periods presented in this report;
- (4) The small business issuer'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 small business issuer 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 small business issuer, 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 small business issuer'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 small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
- (5) The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the small business issuer's auditors and the audit committee of small business issuer'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 small business issuer'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 small business issuer's internal control over financial reporting.

Date: September 15, 2008

By: "Harpreet S. Sangha"

Name: Harpreet S. Sangha

Title: Chief Executive Officer

CERTIFICATION

I, Sylvia Tang, certify that;

- (1) I have reviewed this annual report on Form 10-KSB for the year ended May 31, 2008 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 small business issuer as of, and for, the periods presented in this report;
- (4) The small business issuer'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 small business issuer 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 small business issuer, 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 small business issuer'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 small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
- (5) The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the small business issuer's auditors and the audit committee of small business issuer'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 small business issuer'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 small business issuer's internal control over financial reporting.

Date: September 15, 2008

By: "Sylvia Tang"

Name: Sylvia Tang

Title: Chief Financial Officer

**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 S. Sangha, the Chief Executive Officer of Douglas Lake Minerals Inc. (the "Company"), and Sylvia Tang, the Chief Financial Officer of 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 or her knowledge, the Annual Report on Form 10-KSB of the Company, for the year ended May 31, 2008, 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-KSB fairly presents in all material respects the financial condition and results of operations of the Company.

Date: September 15, 2008

"Harpreet S. Sangha"

Harpreet S. Sangha
Chief Executive Officer

"Sylvia Tang"

Sylvia Tang
Chief Financial Officer

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.
