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

FORM 10-Q

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

For the quarterly period ended **February 28, 2014**

[ ] 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**

HANDENI GOLD INC.
(Exact name of registrant as specified in its charter)

Nevada	**98-0430222**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
P.O. Box 33507, Plot No.689/1, Bagamoyo Road **Dar es Salaam, Republic of Tanzania**	**N/A**
(Address of principal executive offices)	(Zip Code)

011-255-222-70-00-84
(Registrant's telephone number, including area code)

228 Regent Estate
Dar es Salaam, Republic of Tanzania
(Former name, former address and former fiscal year, if changed since last report

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

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

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

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ] (Do not check if a smaller reporting company)	Smaller reporting company [X]

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date,
321,416,654 shares of common stock as of April 4, 2014.

HANDENI GOLD INC. (FORMERLY DOUGLAS LAKE MINERALS INC.)

Quarterly Report On Form 10-Q
For The Quarterly Period Ended
February 28, 2014

INDEX

FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. Forward-looking statements in this quarterly report include, among others, statements regarding our capital needs, business plans and expectations. Such forward-looking statements involve risks and uncertainties regarding the market price of gold, availability of funds, government regulations, permitting, common share prices, operating costs, capital costs, outcomes of ore reserve development, recoveries and other factors. Forward-looking statements are made, without limitation, in relation to operating plans, property exploration and development, availability of funds, environmental reclamation, operating costs and permit acquisition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential" or "continue", the negative of such terms or other comparable terminology. Actual events or results may differ materially. In evaluating these statements, you should consider various factors, including the risks outlined in our annual report on Form 10-K for the year ended May 31, 2013, and, from time to time, in other reports that we file with the Securities and Exchange Commission (the "SEC"). These factors may cause our actual results to differ materially from any forward-looking statement. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

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

Handeni Gold Inc.
(An Exploration Stage Company)
Consolidated Balance Sheets
(Expressed in U.S. dollars)

	February 28, 2014 (Unaudited)	May 31, 2013 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	$ 141,420	$ 206,402
Amounts receivable (Note 3)	579,688	625,945
Prepaid expenses and deposits (Note 4)	32,450	87,786
Total Current Assets	753,558	920,133
Restricted cash equivalent (Note 5)	25,822	27,805
Restricted marketable securities (Note 6)	65,600	140,000
Mineral licenses (Note 7)	1,650,000	1,650,000
Property and equipment, net (Note 8)	99,389	245,473
TOTAL ASSETS	$ 2,594,369	$ 2,983,411
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	$ 37,238	$ 87,369
Accounts payable and accrued liabilities - related parties (Note 9)	269,750	145,431
Loan from a related party (Note 9 (a))	1,020,683	545,683
Total Current Liabilities	1,327,671	778,483
Commitments and Contingencies (Notes 1, 7 and 13)		
Stockholders' Equity		
Common stock (Note 10)		
Authorized: 500,000,000 shares, $0.001 par value		
Issued and outstanding: 321,416,654 shares (May 31, 2013 – 321,416,654 shares)	321,417	321,417
Additional paid-in capital (Note 10)	116,414,824	116,414,824
Donated capital	195,974	137,379
Accumulated other comprehensive loss	(94,400)	(1,020,000)
Deficit accumulated during the exploration stage	(115,571,117)	(113,648,692)
Total Stockholders' Equity	1,266,698	2,204,928
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,594,369	$ 2,983,411

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

Handeni Gold Inc.
(An Exploration Stage Company)
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in U.S. dollars)
(Unaudited)

	For the Three Months Ended,		For the Nine Months Ended,		Accumulated from January 5, 2004 (Date of Inception) to
	February 28, 2014	February 28, 2013	February 28, 2014	February 28, 2013	February 28, 2014
Revenue	$ -	$ -	$ -	$ -	$ -
Expenses					
Consulting fees	-	53,358	22,500	549,608	24,092,224
Depreciation	46,320	47,401	143,971	150,078	586,580
Exploration expenses	70,678	205,976	180,885	612,535	8,236,498
Loss (Gain) on disposal or write-down of equipment	-	(2,687)	(2,820)	-	18,920
General and administrative	138,281	165,384	382,309	621,985	3,540,455
Impairment of mineral property	-	-	-	-	77,492,074
Interest expenses	23,469	-	58,595	-	86,974
Professional	16,008	41,766	52,290	153,757	2,607,310
Rent	17,871	22,986	70,216	69,143	511,894
Travel and investor relations	9,508	29,800	14,695	95,309	2,003,091
Total Expenses	322,135	563,984	922,641	2,252,415	119,176,020
Loss From Operations	(322,135)	(563,984)	(922,641)	(2,252,415)	(119,176,020)
Other Income (Expenses)					
Gain on write-down of accrued liabilities	-	-	-	-	458,058
Impairment of marketable securities (Note 6)	-	-	(1,000,000)	(1,600,000)	(2,600,000)
Interest income	61	312	216	625	1,670
Loss on sale of investment securities	-	-	-	-	(57,071)
Recovery (Loss) on write-down of amounts receivable	-	14,870	-	14,870	(66,771)
Mineral property option payments received	-	-	-	-	3,616,017
Recovery of mineral property costs for stock not issuable	-	-	-	-	2,253,000
Total other (Expenses) / Income	61	15,182	(999,784)	(1,584,505)	3,604,903
Net Loss	(322,074)	(548,802)	(1,922,425)	(3,836,920)	(115,571,117)
Other Comprehensive Loss					
Unrealized gain (loss) on marketable securities	15,600	240,000	(74,400)	(760,000)	(94,400)
Comprehensive Loss	$ (306,474)	$ (308,802)	$ (1,996,825)	$ (4,596,920)	$ (115,665,517)
Net Loss per Share - Basic and Diluted	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)	
Basic and Diluted Weighted Average Number of Common Shares Outstanding	321,416,654	313,905,543	321,416,654	310,028,376	

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

Handeni Gold Inc.
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
(Expressed in U.S. dollars)
(Unaudited)

	For the Nine Months Ended, February 28, 2014	For the Nine Months Ended, February 28, 2013	Accumulated from January 5, 2004 (Date of Inception) to February 28, 2014
CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN):			
Operating Activities:			
Net loss	$ (1,922,425)	$ (3,836,920)	$ (115,571,117)
Adjustments for non-cash items in net loss:			
Depreciation	143,971	150,078	586,580
Donated capital, services, interest and rent	58,595	-	95,974
Impairment of marketable securities	1,000,000	1,600,000	2,600,000
Impairment of mineral property acquisition costs	-	-	77,492,074
Loss on sale of investment securities	-	-	57,071
Mineral property option payments	-	-	(156,017)
Stock-based compensation	-	488,982	20,275,633
Loss (Gain) on unrealized foreign exchange	1,983	(173)	1,983
Gain on write-down of accrued liabilities	-	-	(458,058)
(Recovery) / Loss on write-down of amounts receivable	-	(14,870)	66,771
(Gain) / Loss on disposal or write-down of equipment	(2,820)	2,687	18,920
Recovery of mineral property costs for stock not issuable	-	-	(2,253,000)
Shares received from mineral property option payment	-	-	(2,760,000)
Changes in non-cash operating working capital:			
Amount receivable	46,257	7,573	(646,459)
Prepaid expenses and deposits	55,336	87,980	(32,450)
Accounts payable and accrued liabilities	(50,131)	(643)	(173,662)
Due to related parties	124,319	148,818	1,093,693
Cash Used in Operating Activities	(544,915)	(1,366,488)	(19,762,064)
Investing Activities:			
Mineral property acquisition costs	-	-	(697,677)
Proceeds from mineral property options	-	-	600,000
Proceeds from disposal of equipment	6,623	21,578	28,201
Purchase of restricted cash equivalent	-	-	(27,805)
Purchase of property and equipment	(1,690)	(8,943)	(733,090)
Cash Provided (Used) in Investing Activities	4,933	12,635	(830,371)
Financing Activities:			
Loan from a related party	475,000	395,683	1,020,683
Proceeds from issuance of common stock	-	500,000	21,034,363
Proceeds from stock subscriptions	-	-	-
Share issuance costs	-	-	(1,321,191)
Cash Provided by Financing Activities	475,000	895,683	20,733,855
(Decrease) / Increase in cash and cash equivalents	(64,982)	(458,170)	141,420
Cash and cash equivalents, at beginning of the period	206,402	886,889	-
Cash and cash equivalents, at end of the period	$ 141,420	$ 428,719	$ 141,420

Supplemental Cash Flow Information (Note 16)

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

1. Nature of Operations and Continuance of Business

The Company was incorporated in the State of Nevada on January 5, 2004. On February 14, 2012, the Company changed its name from Douglas Lake Minerals Inc. to Handeni Gold Inc. (the "Company"). The Company is an Exploration Stage Company, as defined by Statement of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 915, *Development Stage Entities*. The Company's principal business is the acquisition and exploration of mineral resources located in Tanzania, Africa. The Company has not presently determined whether its properties contain mineral reserves that are economically recoverable.

These consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has never generated revenues since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations and to determine the existence, discovery and successful exploitation of economically recoverable reserves in its resource properties, confirmation of the Company's interests in the underlying properties, and the attainment of profitable operations. As at February 28, 2014, the Company has not generated any revenues and has accumulated losses of $115,571,117 since inception. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. The Company plans to raise equity and/or debt financing to fund its operations. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

These consolidated financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in U.S. dollars. These consolidated financial statements include the accounts of the Company and its subsidiaries described as follows. In June 2011, the Company incorporated in Tanzania a new wholly-owned subsidiary, HG Limited (formerly DLM Tanzania Limited), which undertakes mineral property exploration activities in Tanzania. The Company also has a wholly-owned non-operating Tanzanian subsidiary (Douglas Lake Tanzania Limited).

All significant intercompany transactions and balances have been eliminated. The Company's fiscal year-end is May 31.

b) Interim Financial Statements

The interim unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Securities and Exchange Commission ("SEC") Form 10- Q. They do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Therefore, these financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended May 31, 2013, included in the Company's Annual Report on Form 10-K filed on August 12, 2013 with the SEC.

The interim financial statements included herein are unaudited; however, they contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the Company's financial position at February 28, 2014, and the results of its operations and cash flows for the interim period ended February 28, 2014. The results of operations for the nine and the three months ended February 28, 2014 are not necessarily indicative of the results to be expected for future quarters or the full year.

c) Use of Estimates

The preparation of consolidated financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses in the reporting period. The Company regularly evaluates estimates and assumptions related to the recoverability and useful life of long-lived assets, mineral prospecting licenses, stock-based compensation, deferred income tax asset valuation allowances and contingent liabilities. 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.

2. Summary of Significant Accounting Policies (continued)

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

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

e) Comprehensive Income (Loss)

ASC 220, *Comprehensive Income* establishes standards for the reporting and display of comprehensive income (loss) and its components in the financial statements. As at February 28, 2014, the Company's only component of other comprehensive income (loss) and accumulated other comprehensive loss is an unrealized fair value gain (loss) on available for sale marketable securities.

f) Cash and Cash Equivalents

Cash and cash equivalents are carried at fair value and they comprise cash on hand, deposits held with banks and other highly liquid investments. Highly liquid investments are readily convertible to cash and generally have maturities of three months or less from the time acquired. The Company places its cash and cash equivalents with high quality financial institutions which the Company believes limits credit risk.

g) Marketable Securities

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

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

h) Property and Equipment

Property and equipment consists of office equipment, automobiles and computer software recorded at cost and depreciated on a straight-line basis as follows:

Automobiles	3 years
Camp and equipment	3 years
Computer software	1 year
Office furniture and equipment	3 years

i) Mineral Property Costs

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

2. Summary of Significant Accounting Policies (continued)

j) Long-Lived Assets

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

k) Asset Retirement Obligations

The Company accounts for asset retirement obligations in accordance with the provisions of ASC 440 *Asset Retirement and Environmental Obligations* which requires the Company to record the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development and/or normal use of the assets. The Company did not have any asset retirement obligations as at February 28, 2014 and May 31, 2013.

l) Financial Instruments

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

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

m) Income Taxes

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

n) Foreign Currency Translation

The functional and reporting currency of the Company is the United States dollar. Monetary assets and liabilities denominated in foreign currencies are translated to United States dollars in accordance with ASC 830 *Foreign Currency Translation Matters*, using the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction. Average rates are used to translate revenues and expenses.

Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income.

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

(Expressed in U.S. dollars)

2. Summary of Significant Accounting Policies (continued)

o) Stock-based Compensation

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

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

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

p) Recently Issued Accounting Pronouncements

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

q) Reclassification

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

3. Amounts Receivable

The components of amounts receivable are as follows:

	February 28, 2014 $	May 31, 2013 $
Recoverable value added tax	570,803	579,121
Recoverable harmonized sales tax	7,625	46,588
Other receivables	1,260	236
	579,688	625,945

The Company has recoverable value added tax ("VAT") of $570,803 (TZS 929,029,652) as at February 28, 2014 and $579,121 (TZS 920,601,669) as at May 31, 2013. As at February 28, 2014, the Company had not received any entitled recoverable value added tax refund from the Tanzania Revenue Authority. The recoverable VAT amount decrease was loss on unrealized Tanzanian shillings foreign exchange.

4. Prepaid Expenses and Deposits

The components of prepaid expenses and deposits are as follows:

	February 28, 2014 $	May 31, 2013 $
General and administrative	5,042	7,768
Rent	27,408	80,018
	32,450	87,786

5. Restricted Cash Equivalent

As at February 28, 2014, the Company has pledged a GICs of $25,822 (May 31, 2013: $27,805) as security held on corporate credit cards. The $1,983 difference compared to May 31, 2013 was loss on unrealized Canadian dollar foreign exchange.

(Expressed in U.S. dollars)

6. Restricted Marketable Securities

		February 28, 2014			May 31, 2013		
	Cost $	Fair Value Based On Quoted Market Price $	Other-than-temporary Impairment Loss $	Accumulated Unrealized Loss $	Fair Value Based On Quoted Market Price $	Other-than-temporary Impairment Loss $	Accumulated Unrealized Loss $
Ruby Creek Resources Inc., 4,000,000 shares	2,760,000	65,600	(2,600,000)	(94,400)	140,000	(1,600,000)	(1,020,000)

The four million restricted shares of common stock of Ruby Creek Resources Inc. ("RCR") were issued to the Company on December 16, 2010 as partial consideration to purchase the mineral property interests under the agreements between RCR and the Company. The initial fair market value of these shares was $2,760,000 based on RCR's quoted stock price on the issuance date. Refer to Note 7b) for details on the agreements with RCR. As of February 28, 2014, the fair market value of these shares was $65,600 (May 31, 2013: $140,000) based on RCR's quoted stock price and recorded as non-current assets. During the nine months ended February 28, 2014, the Company determined that $1,000,000 (during the year ended May 31, 2013: $1,600,000) of unrealized losses were other than temporary and were recognized as an other expense in net loss, and were removed from accumulated other comprehensive loss. As at February 28, 2014, the Company recognized a total of $2,600,000 other than temporary impairment of these RCR restricted shares.

7. Mineral Properties and Licenses

a) Handeni Properties, Tanzania, Africa

Prospecting Licenses ("PLs")

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

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

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

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

Under Tanzanian law, 50% of the area of PLs need to be relinquished following a period of three years after allocation of the PLs to the Company (1998 Mining Act applicable to the Companies' PLs). On August 16, 2013, the Company applied for renewal of two of the licenses that expired in September 2013 and two of the licenses that expired in October 2013. The Company has received four renewal PLs of the renewal areas under PL6742/2010, PL6744/2010, PL6743/2010 and PL6779/2010 effective on October 5, 2013, September 13, 2013, October 13, 2013 and September 13, 2013, respectively. These four PLs are valid until October 4, 2016, September 12, 2016, October 12, 2016 and September 12, 2016, respectively. The total area occupied by the renewal licenses is approximately 359.80km^2 or 45% of the original area. In addition to applying for the remainder of the license areas, the Company submitted application for additional license areas taking our total license area to approximately 52% of the original 800 km^2. The outcome of these applications is still pending.

7. Mineral Properties and Licenses (continued)

a) Handeni Properties, Tanzania, Africa (continued)

Primary Mining Licenses ("PMLs"),

On August 5, 2011, the Company entered a Mineral Property Acquisition Agreement (the "2011 Acquisition Agreement") with Handeni Resources Limited ("Handeni Resources"), a limited liability company registered under the laws of Tanzania. The Chairman of the Board of Directors of the Company has an existing ownership and/or beneficial interest(s) in Handeni Resources. Pursuant to the 2011 Acquisition Agreement, the Company had an exclusive option to acquire from Handeni Resources a 100% interest in mineral licenses covering an area of approximately 2.67 square kilometers to the east of Magambazi Hill, which is adjacent to the area covered by the Company's four existing PLs in the Handeni District.

On November 30, 2011, the Company completed the 2011 Acquisition Agreement and issued 15,000,000 restricted common shares to Handeni Resources as payment. As at November 30, 2011, the fair market price of the Company's common stock was $0.11 per share; accordingly, the Company recorded a total fair market value of $1,650,000 as the mineral licenses acquisition cost.

To comply with the laws and regulations of the Republic of Tanzania whereby foreign companies may not own PMLs, on July 19, 2012, the Company entered into an Addendum agreement to the 2011 Acquisition Agreement whereby Handeni Resources, on behalf of the Company, administers the 32 PMLs until such time as a mining license on the 32 PMLs (2.67 km2) have been allocated. During this period Handeni Resources is conducting exploration and mining activities on the PMLs as directed by the Company.

During the nine months ended February 28, 2014, the Company paid $54,633 of annual rental and license renewal fees for PLs, and during the year ended May 31, 2013, the Company paid $106,081 in annual rental and license renewal fees related to the Company's four PLs and 32 PMLs. Such license related fees were recorded as exploration expenses.

b) Mkuvia Alluvial Gold Project, Tanzania, Africa

The Mkuvia Alluvial Gold Project was comprised of four PLs covering a total area of 380 square kilometers located in the Nachingwea District, Lindi Region of the Republic of Tanzania. The Company is aware that the four PLs expired during May and June of 2012. The Company is currently evaluating whether any viable interest remains in these PLs, but no final determination has been made as of yet. As at February 28, 2014 and May 31, 2013, the Company has no capitalized costs related to the Mkuvia Alluvial Gold Project.

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

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

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

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

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

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

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

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

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

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

During fiscal 2010, the Company recognized $350,000 in other income for the receipt of option payments.

(Expressed in U.S. dollars)

7. Mineral Properties and Licenses (continued)

b) Mkuvia Alluvial Gold Project, Tanzania, Africa (continued)

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

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

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

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

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

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

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

Thus, the combined payments under the November 7, 2009 and the May 24, 2010 agreements provided for a total commitment of $9,000,000 payable to the Company by RCR to purchase a 70% interest in the entire 380 square kilometer Mkuvia Alluvial Gold Project. The ownership structure of the interest in the Mkuvia Alluvial Gold Project shall be a 70% interest RCR, a 25% interest for the Company, and a 5% interest for Mr. Mkuvia Maita, the original owner of the underlying prospecting licenses. In addition, Mr. Maita retains a 3% net smelter royalty.

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

During fiscal 2011 the Company recognized a total of $3,110,000 in other income for the receipt of the shares at fair market value and the option payments (i) and (ii). The Company has not yet received the $450,000 option payment (iii) nor received the $1,000,000 option payment (iv) which are overdue and the agreement is in default. Prospecting licenses numbered 5664/2009 and 5669/2009, which form a part of the joint venture project, were allegedly registered to a third party without the Company’s approval.

RCR filed a lawsuit against the Company in the Supreme Court, State of New York, on February 8, 2012, alleging the Company’s involvement in a fraudulent transfer and breach of agreements. On May 21, 2012, in answering RCR’s claim in New York, the Company counter claimed against RCR. The Company is of the view that such allegations are without merit and intends to continue vigorously contest the action in New York. (More details see Note 13, below).

8. Property and Equipment

	February 28, 2014			May 31, 2013
	Cost $	Accumulated Depreciation $	Net Book Value $	Net Book Value $
Automobile vehicles	338,928	314,265	24,663	98,149
Camp and equipment	197,011	138,351	58,660	107,913
Office furniture and equipment	99,324	85,863	13,461	37,325
Software	8,080	5,475	2,605	2,086
	643,343	543,954	99,389	245,473

9. Related Party Transactions

a) On December 7, 2012, the Company entered into a facility agreement with IPP Ltd., a private company controlled by the chairman of the Company. The funding is in the form of an interest free unsecured loan to the Company of up to $720,000 by way of monthly drawdowns of a maximum amount of US$100,000 per calendar month up to and including June 2013. The total amount drawn down by the Company is due to be repaid on or before December 31, 2013. On September 4, 2013, the loan repayment due date has been amended and extended from December 31, 2013 to June 30, 2014 by the Company and IPP Ltd. As of February 28, 2014, IPP Ltd. had provided a total of $695,683 to the Company pursuant to this facility agreement.

On October 9, 2013, the Company entered into a facility agreement with Consultancy & Finance Company Associates Ltd. ("C&F"), a private company controlled by the chairman of the Company. The funding is in the form of an interest free unsecured loan to the Company of up to $405,000 by way of monthly drawdowns of a maximum amount of US$75,000 per calendar month. The facility agreement funds the Company's working capital up to March 2014. The total amount drawn down by the Company is due to be repaid on or before June 30, 2014. As of February 28, 2014, C&F had provided a total of $325,000 to the Company pursuant to this facility agreement.

For the nine months ended February 28, 2014, $58,595 (2013 - $Nil) of deemed interest was calculated at an annual interest rate of 10% which approximated the fair market value, and was recorded as interest expense and donated capital.

b) During the nine months ended February 28, 2014, the Company incurred administration and professional services fees of $108,000 (2013 - $108,000) to a director, the current President and Chief Executive Officer (the "CEO") and there was a total of $126,000 remaining as payable as at February 28, 2014 (May 31, 2013 - $39,000). In addition, the Company incurred geological service fees of $27,000 (2013 - $45,000) to a private company controlled by a person who is related to the CEO and there was a total of $10,000 fees remained as payable as at February 28, 2014 (May 31, 2013 - $10,000).

During the nine months ended February 28, 2014, the Company also paid $25,200 representing 60% of rental expenses associated with renting the CEO's family house in Tanzania, pursuant to the Executive Services Agreement.

c) During the nine months ended February 28, 2014, the Company incurred administration and professional services fees of $103,561 (2013 - $106,599) to the Company's current Chief Financial Officer (the "CFO").

d) During the nine months ended February 28, 2014, the Company incurred $11,250 of non-executive director's fees and during the nine months ended February 28, 2013, the Company paid $48,000 of administration and consulting fees and incurred $12,500 of director fees to a director and a former President and CEO who resigned as President and CEO effective on November 22, 2011 but continued to provide consulting services. There was a total of $31,250 fees remained as payable as at February 28, 2014 (May 31, 2013 - $20,000).

e) Effective on June 1, 2013, the Board of Directors (the "Board") approved a reduction of monetary compensation to independent directors and/or non-executive directors of the Company as follows:

(1) annual independent director fees of $30,000 has been reduced to $15,000, subject to attending a minimum of four Board meeting a year; any applicable director's fees shall be reduced by 25% for each board meeting less than four which is not attended.
(2) meeting attendance fees of $1,000 per meeting has been waived;
(3) additional annual fees of $10,000 to the Company's Board Committee Chairperson has been reduced to $5,000; and
(4) additional annual fees of $20,000 to the Vice Chairman of the Board has been reduced to $10,000.

Accordingly, the Company incurred independent directors' fees of $48,750 during the nine months ended February 28, 2014 (2013 - $157,250). As at February 28, 2014, the Company had $102,500 (May 31, 2013 - $68,750) of unpaid independent directors' fees in related party accounts payable and accrued liabilities.

During the nine months ended February 28, 2013, the Company granted to each independent director 200,000 stock options at a price of $0.08 per share exercisable for 10 years for a total of 1,000,000 stock options and 200,000 shares of the Company's common stock with a fair value of $0.04 per share for a total of 1,000,000 shares as stock-based compensation. Such stock options and shares were granted under the Company's November 2010 Stock Incentive Plan. Two of these independent directors resigned respectively during the fiscal year ended May 31, 2013 and the related 400,000 granted stock options were forfeited.

(Expressed in U.S. dollars)

10. Common Stock and Additional Paid-in Capital

The authorized common stock of the Company consists of 500,000,000 shares, with $0.001 par value. The following is a summary of the Company's issued and outstanding common stock during the nine months ended February 28, 2014 and the fiscal year ended May 31, 2013:

	Common Stock		Additional Paid-In
	Shares \#	Par Value $	Capital $
Balance as at May 31, 2012	307,416,654	307,417	115,289,842
Shares Issued for Independent Directors' Compensation	1,000,000	1,000	39,000
Shares Issued for cash at $0.05 per share	13,000,000	13,000	637,000
Value Assigned to Options Granted or Vested	-	-	448,982
Balance as at May 31, 2013	321,416,654	321,417	116,414,824
Shares Issued	-	-	-
Balance as at February 28, 2014	321,416,654	321,417	116,414,824

For the nine months ended February 28, 2014

During the nine months ended February 28, 2014, the Company had no changes in its common stock and additional paid-in capital.

For the Year Ended May 31, 2013

During the year ended May 31, 2013, the Company received $500,000 (for the year ended May 31, 2012: $150,000) for subscriptions pursuant to the Company's private placements. In January 2013, the Company completed these private placements and issued 13,000,000 shares of the Company's common stock at $0.05 per share.

Pursuant to the Board of Directors approved compensation package to its independent directors, on July 4, 2012, the Company granted each independent director, as fully paid and non-assessable, 200,000 shares of the Company's common stock with a fair value of $0.04 per share for a total of 1,000,000 shares as stock-based compensation. Such shares were granted under the Company's November 2010 Stock Incentive Plan.

11. Stock Options

The Company adopted an Stock Option Plan, dated November 29, 2010 (the "November 2010 Stock Incentive Plan"), under which the Company is authorized to grant stock options to acquire up to a total of 40,000,000 shares of common shares. During the nine months ended February 28, 2014, there were no stock options granted. On July 4, 2012, the Company granted stock options to its independent directors to acquire a total of 1,000,000 common shares at an exercise price of $0.08 per share exercisable for 10 years, and during the year ended May 31, 2013, 1,000,000 vested options were forfeited. As at February 28, 2014 and May 31, 2013, the Company had 10,700,000 shares of common stock available to be issued under the November 2010 Stock Incentive Plan.

There were no stock options exercised during the nine months ended February 28, 2014 and during the year ended May 31, 2013, and there were no intrinsic values of outstanding options as at February 28, 2014 and May 31, 2013. 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, 2012	28,300,000	0.24	8.53	-
Granted	1,000,000	0.08	9.10	-
Forfeited	(1,000,000)	0.15	8.14	-
Outstanding, May 31, 2013	28,300,000	0.23	7.56	-
Granted	-	-	-	-
Forfeited	-	-	-	-
Outstanding, February 28, 2014	28,300,000	0.23	6.82	-
Exercisable, February 28, 2014	28,300,000	0.23	6.82	-

(Expressed in U.S. dollars)

11. Stock Options (continued)

The stock options outstanding are exercisable for cash or on a cashless exercise basis using a prorated formula whereby the number of shares issuable is equal to (a) the average closing price for the five days prior to exercise date ("ACP") in excess of the exercise price, divided by (b) the exercise price multiplied by (c) the number of options exercised. During the nine months ended February 28, 2014 and the year ended May 31, 2013, no cashless stock options were exercised.

As at February 28, 2014 and May 31, 2013, all non-vested stock options were vested and there was $Nil of unrecognized compensation costs related to non-vested stock option agreements.

12. Common Stock Purchase Warrants

During the nine months ended February 28, 2014 and the year ended May 31, 2013, there were no stock purchase warrants granted. During the nine months ended February 28, 2014, 13,554,155 (the year ended May 31, 2013: 40,162,262) stock purchase warrants expired. The following table summarizes the continuity of the Company's share purchase warrants:

	Number of Warrants #	Weighted Average Exercise Price $	Weighted Average Remaining Contractual Life (years)
Balance, May 31, 2012	53,716,417	0.33	0.67
Expired	(40,162,262)	0.26	-
Balance, May 31, 2013	13,554,155	0.52	0.33
Expired	(13,554,155)	-	-
Balance, February 28, 2014	-	-	-

13. Commitments and Contingency

On February 8, 2012, RCR filed a lawsuit against the Company in the Supreme Court, State of New York, in which RCR alleges that the Company participated in a fraudulent transfer of certain mineral property interests in Tanzania that RCR had the right to purchase pursuant to a series of agreements with the Company (see Note 7b).

On February 23, 2012, the Company filed a lawsuit against RCR in the Supreme Court of British Columbia (the "British Columbia Action"), seeking relief for RCR's breach of its payment obligations under these agreements and seeking an order that RCR remove the U.S. restrictive legend from RCR shares issued to the Company (see Note 6) under the agreements. As at February 28, 2014, RCR is in default with respect to $1.45 million in scheduled payments due to the Company under the agreements.

In addition to the British Columbia Action, on May 21, 2012, in answering RCR's claim in New York, the Company counter claimed against RCR on the basis of the alleged breaches set out in the British Columbia Action (the "New York Counter Claim"). On November 19, 2012, the British Columbia Action was dismissed on the grounds that the Court in British Columbia did not have jurisdiction and further that the dismissal was without prejudice to either of the Company's and RCR's respective actions in New York against one another. This Order was granted by consent of both the Company and RCR.

The Company is of the view that RCR's allegations are without merit and intends to continue to vigorously defend against the RCR lawsuit and to pursue its claims against RCR in New York. No future legal costs that may be incurred have been accrued as an expense and no loss or gain from the lawsuit and claim can be reasonably estimated or recorded at this time.

14. Fair Value Measurements

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

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

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

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

(Expressed in U.S. dollars)

14. Fair Value Measurements (continued)

Pursuant to ASC 820, the fair value of our cash and cash equivalents, restricted cash equivalent and restricted marketable securities are determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. Management believes that the recorded values of all of the Company's other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

As at February 28, 2014, there were no liabilities measured at fair value on a recurring basis presented on the Company's consolidated balance sheet. Assets measured at fair value on a recurring basis were presented on the Company's balance sheet as at February 28, 2014, as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of February 28, 2014
Assets:				
Cash and cash equivalents	$ 141,420	$ –	$ –	$ 141,420
Restricted cash equivalent	25,822	–	–	25,822
Restricted marketable securities	65,600	–	–	65,600
Total assets measured at fair value	$ 232,842	$ –	$ –	$ 232,842

As at May 31, 2013, there were no liabilities measured at fair value on a recurring basis presented on the Company's consolidated balance sheet. Assets measured at fair value on a recurring basis were presented on the Company's balance sheet as at May 31, 2013, as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of May 31, 2013
Assets:				
Cash and cash equivalents	$ 206,402	$ –	$ –	$ 206,402
Restricted cash equivalent	27,805	–	–	27,805
Restricted marketable securities	140,000	–	–	140,000
Total assets measured at fair value	$ 374,207	$ –	$ –	$ 374,207

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

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

(Expressed in U.S. dollars)

15. Stock-based Compensation

The fair values for stock options granted were estimated at the date of grant using the Black-Scholes option pricing model under the following weighted average assumptions:

	Nine Months Ended, February 28, 2014	February 28, 2013
Expected dividend yield	-	0%
Risk-free interest rate	-	2.32%
Expected volatility	-	164%
Expected option life (in years)	-	8.89

The weighted average fair value of stock options granted during the nine months ended February 28, 2014 was $Nil (2013 - $0.03 per share). During the nine months ended February 28, 2014 and 2013, the Company expensed the following stock-based compensation as consulting fees or general and administrative fees.

	Nine Months Ended February 28, 2014	February 28, 2013
Fair value for stock options	$ -	$ 448,982
Fair value for common stock shares granted to independent directors	-	40,000
Total stock based compensation	$ -	$ 488,982

16. Supplemental Cash Flow Information

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the cash flow statements. A summary of non-cash transactions and other cash information for the nine months ended February 28, 2014 and 2013, and for the accumulated from January 5, 2004, the date of inception, to February 28, 2014 is as follow:

	For the Nine Months Ended, February 28, 2014	February 28, 2013	Accumulated from January 5, 2004 (Date of Inception) to February 28, 2014
Changes in non-cash financing and investing activities:			
Common stock issued to settle related party payable	$ -	$ -	$ 619,306
Common stock issued for an executive's compensation	-	-	3,035,505
Common stock issued for independent directors' compensation	-	40,000	40,000
Common stock issued for mineral licenses acquired	-	-	76,446,750
Common stock gifted to the Company to settle liabilities	-	-	100,000
Investment securities received and sold	-	-	79,603
Other cash flow information:			
Interest paid	$ -	$ -	$ -
Taxes paid	-	-	-

(Expressed in U.S. dollars)

17. Segment Disclosures

The Company operates in one reportable segment, being the acquisition and exploration of mineral properties. Segmented information has been compiled based on the geographic regions that the Company and its subsidiary registered and performed exploration and administration activities.

Assets by geographical segment as at February 28, 2014 and May 31, 2013 are as follows:

	Canada	Tanzania, Africa	Total
Current assets	$ 96,949	$ 656,609	$ 753,558
Restricted cash equivalent	25,822	-	25,822
Restricted marketable securities	65,600	-	65,600
Mineral licenses	-	1,650,000	1,650,000
Equipment, net	5,452	93,937	99,389
Total assets, at February 28, 2014	$ 193,823	$ 2,400,546	$ 2,594,369

	Canada	Tanzania, Africa	Total
Current assets	$ 191,292	$ 728,841	$ 920,133
Restricted cash equivalent	27,805	-	27,805
Restricted marketable securities	140,000	-	140,000
Mineral licenses	-	1,650,000	1,650,000
Equipment, net	7,722	237,751	245,473
Total assets, at May 31, 2013	$ 366,819	$ 2,616,592	$ 2,983,411

Net loss by geographical segment for the nine months ended February 28, 2014 and 2013 are as follows:

For the Period Ended February 28, 2014			
Net Loss	$ 1,342,225	$ 580,200	$ 1,922,425
For the Period Ended February 28, 2013			
Net Loss	$ 2,735,480	$ 1,101,440	$ 3,836,920

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

The following discussion of our financial condition, changes in financial condition and results of operations for the three months and the nine months ended February 28, 2014 and 2013 should be read in conjunction with our unaudited interim financial statements and related notes for the three months and the nine months ended February 28, 2014 and 2013 included herewith and our audited consolidated financial statements as at May 31, 2013, May 31, 2012 and for the period from inception (January 5, 2004) to May 31, 2013 included in our Annual Report on Form 10-K for our fiscal year ended May 31, 2013 as filed with the SEC. All financial information in this Management's Discussion and Analysis ("MD&A" or the "discussion") is expressed and prepared in conformity with U.S. generally accepted accounting principles. All dollar references are to the U.S. dollar, the Company's reporting currency, unless otherwise noted. Some numbers in this MD&A have been rounded to the nearest thousand for discussion purposes.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements that involve risks, uncertainties and assumptions with respect to the Company's activities and future financial results, which are made based upon management's current expectations and beliefs. These forward-looking statements involve risks and uncertainties, including statements regarding the Company's capital needs, business plans and expectations. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including, but not limited to, those set forth under "Risk Factors" and elsewhere in this annual report. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. Management disclaims any obligation to publicly update these statements, or disclose any difference between its actual results and those reflected in these statements. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Overview

We are an exploration stage company engaged in the acquisition and exploration of mineral properties. Our principal area of focus is the Handeni Gold Project located in the Handeni district, within the Tanga region of the Republic of Tanzania in East Africa, in which we have interests in mineral claims through prospecting licenses ("PLs") and/or primary mining licenses ("PMLs") issued by the government of the Republic of Tanzania.

None of our mineral claims contain any substantiated mineral deposits, resources or reserves of minerals to date. Exploration has been carried out on these claims, in particular the 4 PLs in the Handeni District. Accordingly, additional exploration of these mineral claims is required before any conclusion can be drawn as to whether any commercially viable mineral deposit may exist on any of our mineral claims. Our plan of operations is to continue exploration and drilling work in order to ascertain whether our mineral claims warrant further 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, resource or reserve, until appropriate exploratory work has been completed and an economic evaluation based on that work concludes economic viability.

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

Our Mineral Claims

Handeni District Gold Project

Handeni PLs

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

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

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

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

Under Tanzanian law, 50% of the area of PLs need to be relinquished following a period of three years after allocation of the PLs to the Company (1998 Mining Act applicable to the Companies' PLs). On August 16, 2013, the Company applied for renewal of two of the licenses that expired in September 2013 and two of the licenses that expired in October 2013. The Company has received four renewal PLs of the renewal areas under PL6742/2010, PL6744/2010, PL6743/2010 and PL6779/2010 effective on October 5, 2013, September 13, 2013, October 13, 2013 and September 13, 2013, respectively. These four PLs are valid until October 4, 2016, September 12, 2016, October 12, 2016 and September 12, 2016, respectively. The total area occupied by the renewal licenses is approximately 359.80 km^2 or 45% of the original area. In addition to applying for the remainder of the license areas, the Company submitted application for additional license areas taking our total license area to approximately 52% of the original 800 km^2. The outcome of these applications is still pending.

Handeni District PMLs

On August 5, 2011, the Company entered a Mineral Property Acquisition Agreement (the "2011 Acquisition Agreement") with Handeni Resources Limited ("Handeni Resources"), a limited liability company registered under the laws of Tanzania. The Chairman of the Board of Directors of the Company has an existing ownership and/or beneficial interest(s) in Handeni Resources. Pursuant to the 2011 Acquisition Agreement, the Company had an exclusive option to acquire from Handeni Resources a 100% interest in mineral licenses covering an area of approximately 2.67 square kilometers to the east of Magambazi Hill, which is adjacent to the area covered by the Company's four existing prospecting licenses in the Handeni District.

On November 30, 2011, the Company completed the 2011 Acquisition Agreement and issued 15,000,000 restricted common shares to Handeni Resources as payment. As at November 30, 2011, the fair market price of the Company's common stock was $0.11 per share; accordingly, the Company recorded a total fair market value of $1,650,000 as the mineral licenses acquisition cost.

To comply with the laws and regulations of the Republic of Tanzania whereby foreign companies may not own PMLs, on July 19, 2012, the Company:

(1) entered into an Addendum agreement to the 2011 Acquisition Agreement whereby Handeni Resources will administer the 32 PMLs until such time as a mining license ("ML") on the 32 PMLs (2.67 km^2) have been allocated; and

(2) during this period Handeni Resources will be conducting exploration and mining activities on the PMLs as directed by the Company.

Handeni District Project

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

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

Location and Access

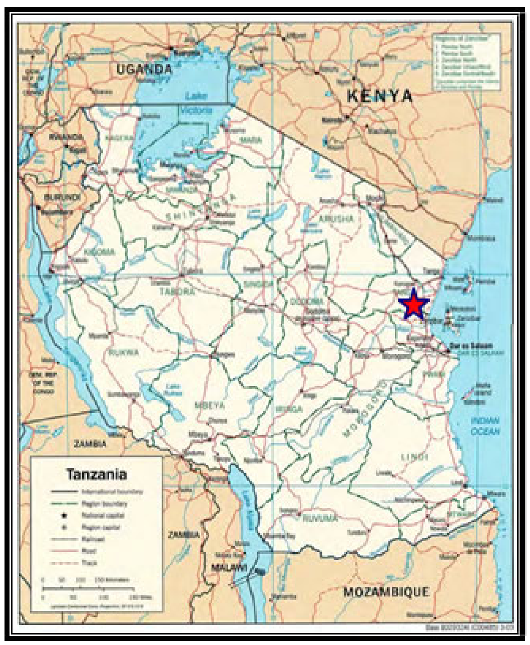
The Handeni property lies within the historic Handeni artisanal gold mining district, located in Tanga Province, roughly 175 kilometers northwest of Tanzania's largest city, Dar Es Salaam, and 100 kilometers southwest of the more northerly coastal city of Tanga. The road from Dar Es Salaam to Tanga is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

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

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

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

LOCATION MAP: HANDENI PROPERTY IN TANZANIA



Property Description

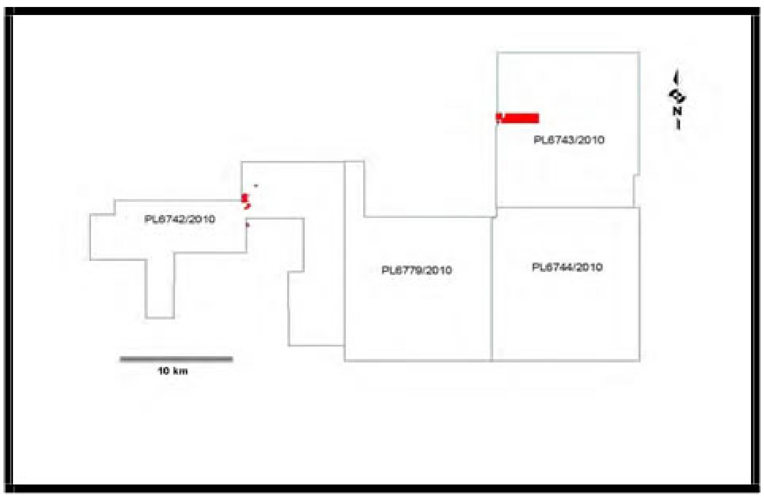
The following table provides details about each PL prior to the renewal of the licenses in 2013 as described above.

List of Prospecting Licenses, Handeni Property (prior to the 2013 renewal of the licenses)

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

Within the property are several, smaller areas that belong to small scale artisanal miners, all of which are indicated in red in the license map presented below. The areas found within PL 6742/2010 predate the arrival of IPP Gold and remain in the hands of the local artisanal miners to whom Primary Licenses, or what are informally known as "Primary Mining Licenses" or PMLs have been issued. The rectangular area in red on PL6743/2010 is discussed below. Artisanal gold mining activity remains ongoing in some of these areas.

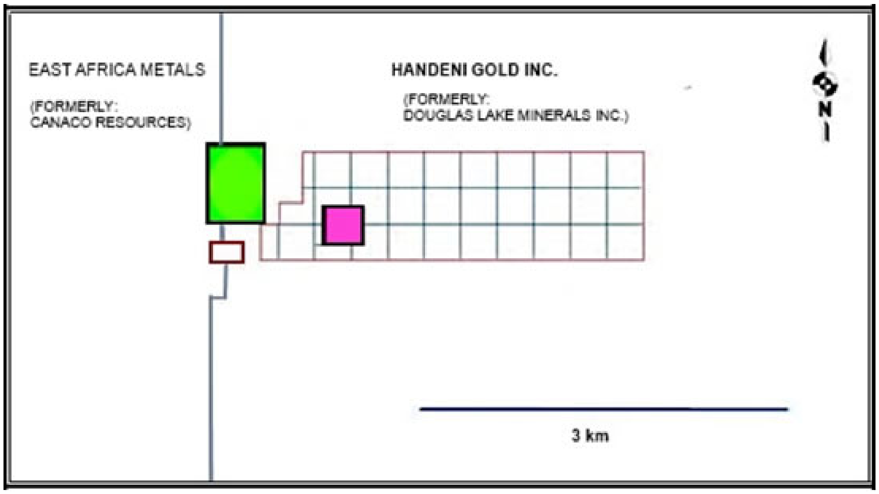
License Map, Handeni Property Prospecting Licenses, showing excluded areas in red
(Prior to the 2013 renewal of the licenses)



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

Ownership of a single, isolated claim block, depicted in fuchsia below remains uncertain; and which is something that IPP Gold and the Company are attempting to ascertain. Ownership of the smaller, rectangular red block that overlies the CRI-Company boundary also remains unknown; and which again is another matter that IPP Gold and the Company are currently pursuing. The remaining block of 32 PMLs, shown as a grid of blue lines below, belongs to the Company as described above.

Exclusion areas within PL6743/2010 (prior to the 2013 renewal of the licenses)



Under Tanzanian law, 50% of the area of PLs need to be relinquished following a period of three years after allocation of the PLs to the Company (1998 Mining Act applicable to the Companies' PLs). On August 16, 2013, the Company applied for renewal of two of the licenses that expired in September 2013 and two of the licenses that expired in October 2013. The Company has received four renewal PLs of the renewal areas under PL6742/2010, PL6744/2010, PL6743/2010 and PL6779/2010 effective on October 5, 2013, September 13, 2013, October 13, 2013 and September 13, 2013, respectively. These four PLs are valid until October 4, 2016, September 12, 2016, October 12, 2016 and September 12, 2016, respectively. The total area occupied by the renewal licenses is approximately 359.80 km^2 or 45% of the original area. In addition to applying for the remainder of the license areas, the Company submitted application for additional license areas taking our total license area to approximately 52% of the original 800 km^2. The outcome of these applications is still pending.

Following the 2013 renewal of the properties, the Company now holds interests in PLs with details as described in the Table and figure below.

PL. NO	Granted Date	Expiry Date	Area Size (km^2)
6742/2010	5/10/2013	4/10/2016	70.32
6743/2010	13/10/2013	12/10/2016	95.08
6744/2010	13/9/2013	12/9/2016	97.56
6779/2010	13/9/2013	12/9/2016	96.84

Diagrammatic presentation of property outlines following 2013 subdivision.

History

General. Mining in Tanzania in the modern era dates back over one hundred years, first under German colonial rule; during the First World War a number of military engagements took place there. After the war ended control of the area was ceded to the British, under whose colonial authority mining and other activities continued and expanded. Mining focused on gold, diamonds and a variety of colored gemstones, notably including the discovery and development of the world's largest diamondiferous kimberlite pipe (to date) by Canadian geologist John Williamson, a deposit that remains in production to this day. Shortly after achieving independence from the British in 1961, Tanzania nationalized most private sector industries, in turn resulting in the exodus of foreign investment and private capital and the consequent decline in economic activity in all sectors, including mining. Finally, beginning in the 1990s, in line with many other developing countries around the world, the Tanzanian government instituted several reforms to move towards a free market economy, privatize the mining industry and encourage both domestic and foreign investment in all economic sectors. In the case of the mining industry, this was supplemented, in 1998, through the passage of a new, more industry-friendly mining code. This code has been streamlined under the Mining Act of 1998 (revised 2010) (the "Mining Act") currently controlling exploration, mining and related activities in the country.

Tanzania is a significant producer of gold, diamonds and a variety of colored gemstones including tanzanite; the trade name for generally heat treated, bluish-purple zoisite. The Merelani Hills, east of Arusha, is the only place on earth where this gemstone variety of V-rich zoisite is found in commercial quantities. A recently discovered uranium deposit is currently under development, as well, in the southeast area of the country. Tanzania is Africa's third leading gold producer, after Ghana and South Africa, with several major and junior companies producing and exploring for gold, mostly in northwestern Tanzania, south of Lake Victoria, in an area informally known as the Lake Victoria gold belt.

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

In 2005, the Company's majority shareholder, IPP Gold, entered into negotiations with a group of 34 local artisanal miners that collectively controlled four PMLs on and near Magambazi Hill, site of the area's known lode mineralization, and upon failing in this endeavor acquired a number of PMLs east of Magambazi Hill from other local owners. A portion of a large (1,200 km^2) Prospecting Reconnaissance License ("PLR") which belonged to Midlands Minerals Tanzania Limited was also acquired by IPP Gold.

Between 2005 and 2010, IPP Gold carried out exploration over its PLR leading to the upgrading of its holdings from one PLR to four PLs of 800 km2, in August 2010. Exploration work included airborne magnetic and radiometric surveys, ground magnetic surveys, reconnaissance geological mapping, soil sampling, pitting and trenching. It is these four PLs that were acquired by the Company from IPP Gold.

Geological Setting

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

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

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

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

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

Mineralization

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

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

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

Exploration Activities

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

Summary of Historical Exploration Work, Handeni Property

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

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

Conclusions and Recommendations

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

1. Based upon CRI's public disclosure, it appears as if a bona fide gold deposit has been discovered at Magambazi Hill, a deposit where ongoing drilling is finding more gold;

2. The southeast extension of Magambazi Hill and, presumably, gold mineralization found within, continues onto the Company's PL6743/2010;

3. Historical placer and lode artisanal mining was a guide to Magambazi's potential;

4. There are a number of other locations where intensive placer and artisanal gold mining took place within the Handeni property, notably the Kwandege and Mjembe areas;

5. Processed airborne magnetic and radiometric data have delineated linear features that have been interpreted to represent a variety of structures such as shears, thrust faults and cross faults;

6. Limited soil geochemical surveying, carried out across some of these interpreted northwest-southeast trending structural features, has revealed several locations hosting anomalous gold in soils (statistically established to be gold values exceeding 10 parts per billion);

7. Gold appears to be further concentrated at the intersection between the northwest-southeast trending structural features and northeast-southwest trending structural features, interpreted to represent later cross faults; and

8. These associations suggest a relationship between structures and gold, in turn providing a basis upon which to select additional areas within the Handeni property for more detailed gold exploration.

The Company's Exploration Activities Conducted in 2011/2012

During our fiscal year ended May 31, 2012, we achieved the following:

a) A helicopter based TEM electromagnetic and radiometric aerial survey program was completed by FUGRO over the entire Company licence area (800 km^2) at 200 meter spaced flight lines in a north-south direction. Electromagnetic (TEM) as well as radiometric data for K (Potassium), U (Uranium), and Th (Thorium), as well as total count was collected simultaneously for the 4740 line kilometres flown. Selected areas were flown at a line spacing of 100 meters.

The interpreted data clearly delineated subsurface geological features of importance to gold and base metal mineralization in this high grade metamorphic terrain. The data proved to be invaluable in the definition of structurally important sites and target definition.

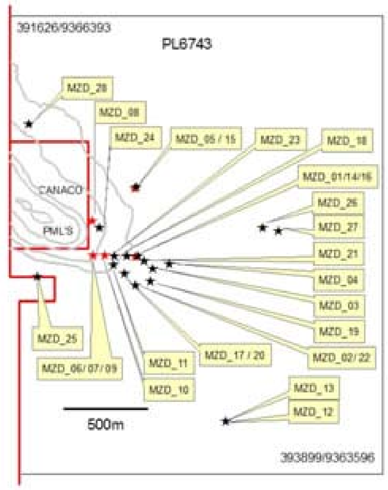
b) An intensive ground based geophysical program on the Magambazi East as well as the Kwandege target zones was completed. This data (combined with geochemical results) were used to create drill targets on the two selected areas, the results of which are reported below.

c) A multi-element soil geochemical program was completed on the Kwandege target delineating the extent of the mineralization zone and assisting the interpretation of the geophysical data to locate drill positions.

d) A large soil sampling program of two targets in PL6743/2010 was initiated and is still continuing.

e) 28 diamond core holes (5,347 meters) were drilled on the Magambazi East and related targets (figure below). 20 of these holes (4228 m or 79.1% of the total 5347 meters of drilling) were drilled on the main geophysical and geochemical anomaly considered to be an extension of the main Magambazi Hill mineralization zone. A single hole (MZD 28; 159 m or 3.0%) was drilled on a potential mineralization zone north of the main Magambazi mineralization trend and one hole (MZD 25; 201 m or 3.8%) was drilled on a potential mineralization zone south of the main mineralization zone. Both these zones were delineated by ground geophysics and soil geochemistry producing well defined drill targets. Six holes (MZD 05, MZD 12, MZD 13, MZD 15, MZD 26 and MZD 27 totaling 445 m or 14.2%) were drilled on targets potentially related to the Magambazi Hill mineralization zones by faulting and / or folding.

Drill hole positions for the 28 drilled Magambazi core drill holes



The drilling program on the Magambazi East targets outlined the following:

i) A gold enriched mineralization zone extends for a distance of approximately 500 meters to the south east of the Magambazi Hill mineralization as defined by CRI. Gold mineralization along the zone is related to a folded sequence of garnet amphibolite and consists of free gold closely related to quartz veins as well as gold related to sulphides within this zone. The mineralization is structurally complex and is most likely part of a synclinal structure plunging to the north west with higher grade gold zones confined to the fold axis of steeply northwest plunging secondary fold structures on the limbs of the syncline. The repetition distances of these structures are unpredictable based on the current results and drill spacing and an intensive and directed drilling program will be needed to investigate their economic potential. The best intersection achieved on the main zone was 4.2 g/t over 5 meters.

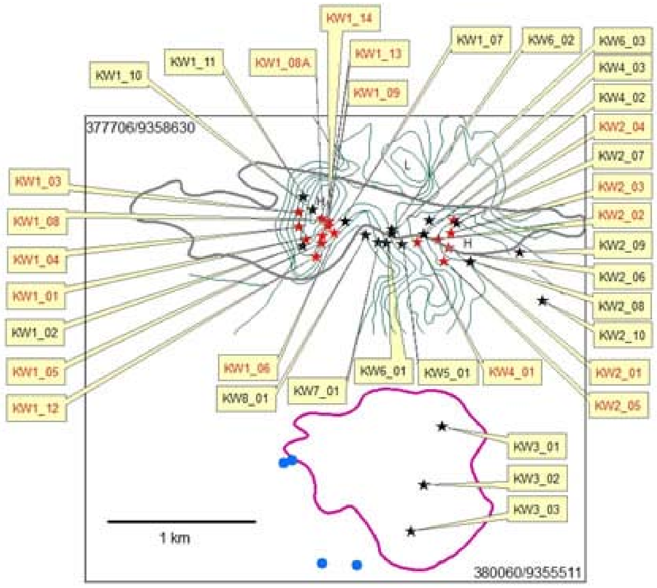
ii) A mineralization zone to the north of the main zone (the North eastern Zone) shows gold potential. The strike distance of this zone on the Handeni Gold property is approximately 330 meters. Three mineralized intersections were obtained. The zone may be interpreted as refolded main zone on the north eastern flank of the syncline or a "lower amphibolite zone" at a lower level of the main Magambazi synclinal structure. The most promising intersection on this zone was 3.75 g/t over 1 meter.

iii) A mineralization zone with a strike distance of approximately 450 m to the south of the main zone (the South western Zone) was intersected. The geological interpretation is the same as for the North eastern zone. Four mineralized intersections were obtained in this zone of which 1.31 g/t over 1 meter was the intersection obtained.

Evaluation of the economic potential of the three mineralization zones will only be possible with closely spaced directional drilling to follow out the mineralization. We will continue its evaluation of the Magambazi East project based on a detailed interpretation of the available drill core and an intensive program of close spaced ground geophysics. The project will finally be ranked against 15 other already identified targets (the decision to continue drilling on its Kwandege project has already been taken) before a decision on a possible continuation of the drilling program on Magambazi East will be taken. Intercepts were reported as drilling widths due to extreme folding of layers. More drilling will be needed to confirm true widths. For the holes reported for this phase of the assay program sampling was conducted along one meter continuous intervals of the core.

f) 37 drill holes (4,989 meters in total) have been drilled on the Kwandege mineralized zone, completing the first phase drilling program on this project. The total number of drill holes on the main Kwandege target for the first phase drilling phase were 33, including a single hole abandoned due to bad drilling ground. 26 of the 32 drill holes on the main Kwandege target yielded gold assay values of more than 0.5 g/t over a one-meter interval or thicker intersection, whereas four of the remaining holes had anomalous gold values of up to 0.49 g/t. Three holes were drilled on a chargeability and radiometric target south of the main Kwandege target and one on a potential south eastern extension of the main Kwandege target (Figure below).

Kwandege drill hole positions.



Blue dots represent positions of current artisanal workings and the area outlined in purple is an approximately $1km^2$ sulphide and radioelement enriched zone. Hole KW2_10 was drilled on a potential south eastward extension of the main Kwandege mineralized zone.

Of the three drill holes drilled on the chargeability zone (outlined in purple on figure above (KW3_01, KW3_02 and KW3_03) (Fig. 1), all three intersected the zone associated with gold mineralization in the Handeni area but only KW3_01 yielded anomalous gold values of 0.24 g/t over 1 m intersections. Thus, despite large percentages of pyrite, as well as some arsenopyrite being present in most of the core intersected on the chargeability anomaly as outlined, general gold values over this anomaly are unexpectedly low. The potential for gold on the perimeter of the chargeability zone however remains high and further drilling is required.

Anomalous gold values were intercepted over large portions of drill core in KW2_10, drilled on a potential south eastern extension of the main Kwandege mineralization zone. Although no values of economic grade are present in this single drill hole, the garnet amphibolite (the favourable zone for gold mineralization) was intersected. The lower values are most likely due to an unfavourable sub-surface structural intersection and further drilling is necessary to assess the (new) south eastern extension of the main Kwandege target.

The best intersections obtained on the first phase of the Kwandege drilling project (32 holes) were:

i) KW2_01 with 4.40 g/t over 12 meters, including 29.5 g/t over 1 m as well as 3.54 g/t over 1 m;
ii) KW2_07 with 6.20 g/t over 5 m including 29.60 g/t over 1 m;
iii) KW1_08 with 1.1 g/t over 9 m including 5.67 g/t over 1 m;
iv) KW1_14 with 1.74 g/t over 6 m including 2.45 g/t over 2m and 3.51 g/t over 1m;
v) KW1_07 and KW4_03 each with 2.11 g/t over 1 m, and
vi) KW2_08 with 3.70 g/t over 1 m.

An important feature of the Kwandege target is the fact that low level gold values (0.5 g/t to 1 g/t) were encountered in numerous intersections in the drill holes and also confirmed by the latest assay results. Anomalous gold with some potentially economic intersections have been encountered in an E - W (strike) direction of 1,501 meters (based on the results of the completed phase 1 drilling program). The open ended nature of the mineralization in an E-W direction was confirmed. The structural control on the gold mineralization is an important feature of mineralization at Kwandege. Based on the current results, gold is particularly enriched in the upper of two garnet amphibolite layers separated by a felsic gneiss unit. Within the garnet amphibolite, gold is most likely concentrated in the proximity of fold noses. The package of garnet amphibolite as well as felsic gneiss units are contained within a SSW towards NNE thrust unit.

g) A confined alluvial mining evaluation program was initiated to investigate the potential to economically mine alluvial gold on the prospecting licenses.

During our fiscal year ended May 31, 2013, the Company focused its exploration efforts on:

a) the ranking of its seventeen identified targets and upgrading of the most promising targets to drill target status;
b) detailed work on the Kwandege project to plan the second phase of drilling; and
c) the evaluation of selected alluvial targets.

During the fiscal year ended May 31, 2013, we:

a) collected a total of 5,050 soil samples (including blanks and standards) from targets in PL6743 that are currently being analyzed by XRF and prepared for submission to assay laboratories.

b) Conducted, in collaboration with the Tanzanian Geological Survey, a soil sampling program on Target 6 on PL6779/2010 consisting of a total of 2,658 soil samples and standards have been completed. The soil samples are currently being analyzed.

c) received the results of the soil sampling program on Target 5 which to date are highly encouraging with gold in soil values of up to 200 ppb encountered. Au (gold) assay results were received for 2,331 samples. The geochemical target coincides with a magnetic and electro-magnetic geophysical anomaly on surface over an area of approximately 1.8 km (N-S) by 900 m (E-W). The anomalous gold zone apparently dips E - SE as part of a large fold structure. High Au values coincide with topographic highs. The evaluation of this target will be continued by pitting, trenching and ground IP.

d) completed the field work to evaluate the alluvial potential of the area selected in the vicinity of our Magambazi East target.

e) completed the geophysical evaluation of our four PLs.

f) completed a detailed structural investigation into structural controls on gold mineralization on our 4 prospecting licenses.

g) completed the evaluation of the alluvial, eluvial and colluvial mineralization of a target to the east of Magambazi hill. The fluvial regime showed the highest potential but the average grade is not high enough to warrant a full scale alluvial operation on this target. The Company will continue its alluvial exploration program and the next target on the list is the alluvial potential of targets surrounding the Kwandege and Mjembe deposits.

h) completed a structural model on the $800km^2$ license area and used this to modify the model and style of mineralization envisaged for the Handeni district. The Company is currently applying this model to better understand our current targets and to assist the generation of drill positions for each target. Ground geophysics will be utilized to support the structural model.

i) completed a ground geophysics investigation on the Mjembe target to the southeast of Magambazi. The Company completed a soil sampling program and the desk top XRF analyses of 5,028 samples and standards on the Mjembe project. Combined with the geophysics and the structural geology the geochemical signature of this mineralized area is highly encouraging.

During the nine months ended February 28, 2014, we:

a) Completed our evaluation process of the application of XRF to identify soil samples with a high likelihood to contain anomalous gold values. This process was completed with the submission of 232 of 5028 soil samples for gold assay of which 57% returned anomalous gold.

b) Completed the XRF analyses of 5,672 soil samples, standards and blanks of target A. These samples will be treated statistically and those with a high likelihood of anomalous gold will be submitted for assays.

c) Engaged on a detailed structural interpretation of the Kwandege target with the aim of completion the final recommendations for the further drilling of this target.

d) Submitted 84 samples for gold assay as a pilot investigation on one of the targets on PL6743/2010. In combination with the large amount of XRF results conducted on this target the soil sampling method will be adapted to yield the best possible results in the Handeni district.

e) Completed mapping and lithogeochemical sampling on Target 5 and submitted samples for gold assays.

f) Completed the preliminary structural interpretation on our Mjembe target.

g) Completed a detailed geological map of the Mjembe target.

h) Completed a ground magnetic survey of the Mjembe target.

i) Conducted XRF analyses on approximately 75% of all core samples assayed for gold to date.

j) Initiated mapping programs on Target 8.

Mkuvia Alluvial Gold Project

The Mkuvia Alluvial Gold Project is comprised of four PLs covering a total area of 380 square kilometers and is located in the Nachingwea District, Lindi Region of the Republic of Tanzania. The Company is aware that the four prospecting licenses expired during May and June of 2012. The Company is currently evaluating whether any viable interest remains in these PLs, but no final determination has been made as of yet.

Compliance with Government Regulation

We are subject to local laws and regulation governing the exploration, development, mining, production, importing and exporting of minerals; taxes; labor standards; occupational health; waste disposal; protection of the environment; mine safety; toxic substances; and other matters. We require licenses and permits to conduct exploration and mining operations. Amendments to current laws and regulations governing operations and activities of mining companies or more stringent implementation thereof could have a material adverse impact on our Company. Applicable laws and regulations will require us to make certain capital and operating expenditures to initiate new operations. Under certain circumstances, we may be required to close an operation once it is started until a particular problem is remedied or to undertake other remedial actions. This would have a material adverse effect on our results and financial condition.

Our mineral interests in Tanzania are currently held under PLs granted pursuant to the Mining Act for an initial period of three years and are renewable in two successive periods of two years only. The annual rental fees following the first renewal will be US$150 per square kilometer per year and following the second renewal the rental fee will be US$200 per square kilometer per year. There is also an initial one-time “preparation fee” of $200 per license. Upon renewal, we pay a fee of $300 per license. Renewals of our PLs can take many months and even years to process by the regulatory authority in Tanzania.

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

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

We must hold a mining license to carry on mining activities, which are granted only to the holder of a PL 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. Other than the PMLs being held under Handeni Resources, we do not hold any mining licenses, only PL’s. An application for the 32 PMLs being held under agreement by Handeni Resources to be changed into a mining license (ML) is underway. Prospecting and mining license holders must submit regular reports in accordance with mining regulations. Upon commercial production, the government of Tanzania imposes a royalty on the gross value of all production at the rate of 3% of all gold produced. The applicable regulatory body in Tanzania is the Ministry of Energy and Minerals.

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

Competition

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

Employees

Other than our directors and executive officers, we had, as of February 28, 2014, approximately six full-time equivalent employees located in Tanzania. We also retain independent geologists and consultants on a contract basis to conduct the work programs on our mineral properties in order to carry out our plan of operations.

Research and Development Expenditures

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

Subsidiaries

The Company has two subsidiaries, both of which are Tanzanian companies: (i) HG Limited (formerly DLM Tanzania Limited); and (ii) Douglas Lake Tanzania Limited, which is inactive.

Plan of Operations

Our plan of operations is to continue to focus on the exploration of our Handeni mineral property in Tanzania, and the budget for this plan requires approximately $1.5 million for our plan of the exploration work and $1.0 million for our general and administration expenses, professional and consulting fees and other operating expenses.

Other exploration related activities currently under way on the Company's Handeni licenses include:

a) Identification of potential alluvial mining areas other than those currently know and being evaluated by utilizing remote sensing activities.

b) A detailed interpretation of already collected geophysical data.

c) A petrological, geochemical and mineralogical investigation of the Kwandege drill core to understand the style of gold mineralization at this locality.

d) A structural evaluation of the Kwandege target to evaluate further drilling.

e) Continued work on development of other targets to drill target status.

f) Detailed structural work on the Mjembe target as well as on targets on PL6743/2010.

g) Adapting our soil sampling technique to yield the best possible results under the conditions experienced in the Handeni district further increasing exploration activity at a reduced cost.

h) On receiving our final license coordinates to adapt the exploration plan to suit the new areas the best.

i) Evaluate the possibility of expanding our exploration ground in the Handeni district.

The estimated budget for the completion of these exploration programs is provided below:

EXPLORATION WORK	BUDGET (US$)
Ground Geophysics	200,000
Mapping, trenching, sampling, etc.	200,000
Drilling	650,000
Geologists, field personnel and general exploration	250,000
Sundry & contingencies	200,000
TOTAL	**$1,500,000**

During the nine months ended February 28, 2014, we spent approximately $181,000 cash on exploration, annual property rental and licenses renewal fees. We were not able to make further expenditures to further our plan of operations due to our funding limitation. We also spent approximately $364,000 cash on other operating expenses.

After reviewing our planned budget, we decided to reduce our general and administration expenditure budget to $200,000 and exploration budget to $200,000 for our fourth fiscal quarter ending May 31, 2014.

We will continue our planned $1.5 million exploration and drilling program through our next fiscal year ending May 31, 2015. As such, we estimated that we will need approximately $2.9 million additional funds in order to cover our working capital deficit of $0.6 million as at February 28, 2014 and to continue pursuing our planned operations through our next fiscal year ending May 31, 2015 ($1.4 million for our plan of the exploration work and $0.9 million for our general and administration expenses). Our actual expenditures may exceed our estimations.

We anticipate that we will not generate any revenues for so long as we are an exploration stage company. Accordingly, we will be required to obtain additional financing in order to pursue our plan of operations.

We believe that external debt financing will not be an alternative for funding our next fiscal year exploration, as we do not have significant tangible assets to secure any debt financing. Therefore, we anticipate that additional funding will be in the form of equity financing from the sale of our common stock and/or related parties debt financing. We cannot provide investors with any assurance that we will be able to obtain sufficient financing to fund our acquisition and exploration program going forward. In the absence of sufficient funding, we will not be able to continue acquisition and exploration of mineral claims and we will be forced to abandon our mineral claims and our plan of operations. Even if we are successful in obtaining financing to fund our acquisition and exploration program, there is no assurance that we will obtain the funding necessary to pursue any advanced exploration of any mineral claims.

Results of Operations

We have had no operating revenues since our inception (January 5, 2004) to February 28, 2014. The following table sets out our losses for the periods indicated:

	For the Three Months Ended,		For the Nine Months Ended,		Accumulated from January 5, 2004 (Date of Inception) to
	February 28, 2014	February 28, 2013	February 28, 2014	February 28, 2013	February 28, 2014
Revenue	$ -	$ -	$ -	$ -	$ -
Expenses					
Consulting fees	-	53,358	22,500	549,608	24,092,224
Depreciation	46,320	47,401	143,971	150,078	586,580
Exploration expenses	70,678	205,976	180,885	612,535	8,236,498
Loss (Gain) on disposal or write-down of equipment	-	(2,687)	(2,820)	-	18,920
General and administrative	138,281	165,384	382,309	621,985	3,540,455
Impairment of mineral property	-	-	-	-	77,492,074
Interest expenses	23,469	-	58,595	-	86,974
Professional	16,008	41,766	52,290	153,757	2,607,310
Rent	17,871	22,986	70,216	69,143	511,894
Travel and investor relations	9,508	29,800	14,695	95,309	2,003,091
Total Expenses	322,135	563,984	922,641	2,252,415	119,176,020
Loss From Operations	(322,135)	(563,984)	(922,641)	(2,252,415)	(119,176,020)
Other Income (Expenses)					
Gain on write-down of accrued liabilities	-	-	-	-	458,058
Impairment of marketable securities (Note 6)	-	-	(1,000,000)	(1,600,000)	(2,600,000)
Interest income	61	312	216	625	1,670
Loss on sale of investment securities	-	-	-	-	(57,071)
Recovery (Loss) on write-down of amounts receivable	-	14,870	-	14,870	(66,771)
Mineral property option payments received	-	-	-	-	3,616,017
Recovery of mineral property costs for stock not issuable	-	-	-	-	2,253,000
Total other (Expenses) / Income	61	15,182	(999,784)	(1,584,505)	3,604,903
Net Loss	(322,074)	(548,802)	(1,922,425)	(3,836,920)	(115,571,117)
Other Comprehensive Loss					
Unrealized gain (loss) on marketable securities	15,600	240,000	(74,400)	(760,000)	(94,400)
Comprehensive Loss	$ (306,474)	$ (308,802)	$ (1,996,825)	$ (4,596,920)	$ (115,665,517)

Three Months Ended February 28, 2014 Compared to Three Months Ended February 28, 2013

Our net loss for the three months ended February 28, 2014 was $322,000, compared to $549,000 for the same period ended February 28, 2013, mainly due to the following operation expenses changes.

Our operating expenses for the three months ended February 28, 2014 decreased by $242,000 to $322,000 from $564,000 for the same period ended February 28, 2013, as follows:

- our consulting, general and administrative fees decreased by $80,000 to $138,000 during the period ended February 28, 2014 (2013 - $218,000), primarily due to decreases of $53,000 in consulting fees and $27,000 in general and administrative fees as a result of continuing cost management; our exploration expenses decreased by $135,000 to $71,000 during the three months ended February 28, 2014 (2013 - $206,000) due to decreased exploration activities caused by our funding limitation during the three months ended February 28, 2014;

- interest expenses increased to $23,000 during the three months ended February 28, 2014 (2013 - $Nil), which represented deemed interest on interest free unsecured loans from a related party. Such deemed interest was recorded as donated capital;

- our professional fees decreased by $26,000 to $16,000 during the three months ended February 28, 2014 (2013 - $42,000) primarily due to continuing decreased legal and accounting services as a result of more work performed in- house by management to save the cost;

- our rent expenses decreased by $5,000 to $18,000 during the three months ended February 28, 2014 (2013 - $23,000) as a result of a 50% reduction in the physical size of our Tanzania office.

- our travel and investor relations expenses decreased by $20,000 to $10,000 during the three months ended February 28, 2014 (2013 - $30,000) primarily due to continuing less travel expenses and cost management.

Nine Months Ended February 28, 2014 Compared to Nine Months Ended February 28, 2013

Our net loss for the nine months ended February 28, 2014 was $1,922,000, compared to $3,837,000 for the same period ended February 28, 2013, mainly due to $1,000,000 (2013: $1,600,000) permanent impairment of marketable securities and the following operation expenses changes.

Our operating expenses for the nine months ended February 28, 2014 decreased by $1,330,000 to $923,000 from $2,253,000 for the same period ended February 28, 2013, as follows:

- our consulting, general and administrative fees decreased by $767,000 to $405,000 during the period ended February 28, 2014 (2013 - $1,172,000), primarily due to decreases of $278,000 in cash expenditures and $489,000 in stock- based compensation. The stock-based compensation included in consulting, general and administrative fees was $Nil during the nine months ended February 28, 2014 (2013 - $489,000); Excluding the stock-based compensation, our other consulting, general and administrative fees decreased by $278,000 to $405,000 during the nine months ended February 28, 2014 (2013 - $683,000), primarily due to continuing cost management;

- our exploration expenses decreased by $432,000 to $181,000 during the nine months ended February 28, 2014 (2013 - $613,000) due to decreased exploration and drilling activities caused by our funding limitation during the nine months ended February 28, 2014;

- interest expenses increased to $59,000 during the nine months ended February 28, 2014 (2013 - $Nil), which represented deemed interest on interest free unsecured loans from a related party. Such deemed interest was recorded as donated capital;

- our professional fees decreased by $102,000 to $52,000 during the nine months ended February 28, 2014 (2013 - $154,000) primarily due to continuing decreased legal and accounting services as a result of more work performed in- house by management to save the cost;

- our rent expenses increased by $1,000 to $70,000 during the nine months ended February 28, 2014 (2013 - $69,000) mainly due to $25,200 rent included in the nine months ended February 28, 2014 representing 60% of rental expense associated with renting our Chief Executive Officer’s family house in Tanzania pursuant to the Executive Services Agreement, offset by a decrease on the rent on our Tanzania office as a result of a 50% reduction in the physical size of such office. Such $25,200 rent for 2012 was paid in the fiscal year ended May 31, 2012.

- our travel and investor relations expenses decreased by $80,000 to $15,000 during the nine months ended February 28, 2014 (2013 - $95,000) primarily due to significantly less travel and investor relations expenses and cost management.

Liquidity and Capital Resources

The Company has been reviewing its budgets for its current business needs and its further exploration. As outlined above under the heading “Plan of Operations”, we estimate that our total expenditures through our next fiscal year ending May 31, 2015 will be approximately $2.3 million. As at February 28, 2014, we had cash of $141,000 and a working capital deficit of $574,000. As such, we believe that we have insufficient capital to fund our plan of operations and we estimate we will be required to obtain a minimum of $2.9 million additional funds in order to pursue our planned operations through to our fiscal year ending May 31, 2015.

On December 7, 2012, we entered into a facility agreement with IPP Ltd. a private company controlled by our Chairman of the Board of Directors. The funding is in the form of an interest free unsecured loan to the Company of up to $720,000 through and including June 2013. As of the date of this report, we received a total of $695,683 which is due to be repaid on or before December 31, 2013 pursuant to this facility agreement. On September 4, 2013, the loan repayment due date has been amended and extended from December 31, 2013 to June 30, 2014 by the Company and IPP Ltd.

On October 9, 2013, the Company entered into a facility agreement with Consultancy & Finance Company Associates Ltd, a private company controlled by the chairman of the Company. The facility agreement funds the Company’s working capital up to March 2014. The funding is in the form of an interest free unsecured loan to the Company of up to $405,000 by way of monthly drawdowns of a maximum amount of US$75,000 per calendar month. As of the date of this report, we received a total of $325,000 which is due to be repaid on or before June 30, 2014 pursuant to this facility agreement.

As at February 28, 2014, there was $571,000 (TZS 929 million) of recoverable value added tax paid in Tanzania. Such recoverable amounts were included in our working capital. On December 6, 2013, the Company received Notes of Discussion signed by Tanzania Revenue Authority ("TRA") to confirm that TRA tax audit has been completed and the Company had been appropriately paid and filed all requested taxes. This TRA tax audit was done in line with verification of the Company's VAT refund claim for the period covering March 2012 to August 2012 amounting to approximately $550,000 (TZS 894,719,371). The Company is expecting to receive this VAT refund from TRA shortly; however, at the date of this report the Company has not received such refund from TRA.

We have not generated revenues since the date of inception on January 5, 2004, and our cash has been generated primarily from the sale of our securities. During the 12-month period following the date of this report, we anticipate that we will not generate any revenue. We anticipate that additional funding will be in the form of equity financing from the sale of our common stock, debt financing, joint ventures or some combination of these or other means. We believe that external debt financing will not be an alternative at this stage for funding additional phases of our exploration as we do not have significant tangible assets to secure any debt financing.

We cannot provide investors with any assurance that we will be able to raise sufficient funding to continue our acquisition and exploration program going forward. If we are not able to obtain financing in the amounts required or on terms that are acceptable to us, we may be forced to scale back, or abandon, our plan of operations. Even if we are successful in obtaining equity and/or debt financing to fund our acquisition and exploration program, there is no assurance that we will obtain the funding necessary to pursue any advanced exploration of any mineral claims. If we do not continue to obtain additional funding, 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 was $545,000 during the nine months ended February 28, 2014, as compared to $1,366,000 during the same period in 2013. The significant lower cash expenditure during the nine months ended February 28, 2014 was mainly due to the Company lower exploration and operating expenses during the period. Net cash used in operating activities from our inception on January 5, 2004 to February 28, 2014 was $19.8 million.

Net Cash Used in Investing Activities

Net cash provided in investing activities was $5,000 during the nine months ended February 28, 2014, mainly due to proceeds from disposal of an automobile vehicle. During the same period in 2013, net cash provided in investing activities was $13,000 due to $22,000 of proceeds from disposal of an automobile vehicle and $9,000 used in purchase of office equipment. Net cash used in investing activities from our inception on January 5, 2004 to nine months ended February 28, 2014 was $830,000 mainly used in purchase of property and equipment.

Net Cash from Financing Activities

During the nine months ended February 28, 2014, we received a $475,000 loans due to related parties, as compared to $396,000 loans received from a related party and $500,000 net cash received from issuance of common stock during the same period in 2013. From our inception on January 5, 2004 to February 28, 2014, net cash provided by financing activities was $20,734,000. We have funded our business to date primarily from sales of our common stock.

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

Going Concern

We have not attained profitable operations and are dependent upon obtaining financing to pursue any extensive exploration activities. In addition, we had a $574,000 working capital deficit as at February 28, 2014. For these reasons our auditors stated in their report on our audited financial statements for the year ended May 31, 2013 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, debt financing from our related parties, and/or other financing in order to continue to fund our business operations over next fiscal year ending May 31, 2015. 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.

Related Party Transactions

The details of related party transactions are disclosed in footnote 9 of our Company's interim unaudited consolidated financial statements for the fiscal quarter ended February 28, 2014 (Item 1, above).

Segment Disclosures

The Company operates in one reportable segment, located in Tanzania Africa, being the acquisition and exploration of mineral properties. The details of segment disclosures are disclosed in footnote 17 of our Company's interim unaudited consolidated financial statements for the fiscal quarter ended February 28, 2014 (Item 1, above).

Inflation

We do not believe that inflation has had a significant impact on our consolidated results of operations or financial condition.

Contractual Obligations

a) On December 7, 2012, the Company entered into a facility agreement with IPP Ltd., a private company controlled by the chairman of Handeni Gold Inc. The funding is in the form of an interest free unsecured loan of up to $720,000 to the Company by way of monthly drawdowns of a maximum amount of US$100,000 per calendar month up to and including June 2013. The total amount drawn down by the Company is due to be repaid on or before June 30, 2014. As at February 28, 2014, IPP Ltd. had provided a total of $695,683 to the Company pursuant to this facility agreement.

b) On October 9, 2013, the Company entered into a facility agreement with Consultancy & Finance Company Associates Ltd. ("C&F"), a private company controlled by the chairman of the Company. The funding is in the form of an interest free unsecured loan to the Company of up to $405,000 by way of monthly drawdowns of a maximum amount of US$75,000 per calendar month. The facility agreement funds the Company's working capital up to March 2014. The total amount drawn down by the Company is due to be repaid on or before June 30, 2014. As at February 28, 2014, C&F had provided a total of $325,000 to the Company pursuant to this facility agreement.

c) In May 2011, the Company entered a Vancouver office lease agreement commencing October 1, 2011 for a term of three years expiring September 30, 2014 and a base rent of Cdn $4,050 per month subject to 4% increase each year; in the meantime, the Company had paid Cdn $192,853 as deposit and prepaid rent. As at February 28, 2014, there was Cdn $28,568 of such prepaid rent and deposit remained.

Critical Accounting Policies

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

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

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

Basis of Presentation

The Company's consolidated financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in U.S. dollars. The Company's consolidated financial statements include the accounts of the Company and its subsidiaries described as follows. In June 2011, the Company incorporated in Tanzania a new wholly-owned subsidiary, DLM Tanzania Limited (now known as HG Limited), which undertakes mineral property exploration activities in Tanzania. The Company also has a wholly-owned non-operating Tanzanian subsidiary (Douglas Lake Tanzania Limited).

All significant intercompany transactions and balances have been eliminated. The Company's fiscal year-end is May 31.

Use of Estimates

The preparation of consolidated financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses in the reporting period. The Company regularly evaluates estimates and assumptions related to the recoverability and useful life of long-lived assets, mineral prospecting licenses, stock-based compensation, deferred income tax asset valuation allowances and contingent liabilities. 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.

Basic and Diluted Net Income (Loss) Per Share

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

Comprehensive Income (Loss)

ASC 220, *Comprehensive Income* establishes standards for the reporting and display of comprehensive income (loss) and its components in the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents are carried at fair value and they comprise cash on hand, deposits held with banks and other highly liquid investments. Highly liquid investments are readily convertible to cash and generally have maturities of three months or less from the time acquired. The Company places its cash and cash equivalents with high quality financial institutions which the Company believes limits credit risk.

Marketable Securities

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

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

Property and Equipment

Equipment consists of office furniture and equipment, automobiles, camp and equipment, and computer software recorded at cost and depreciated on a straight-line basis as follows:

Automobiles	3 years
Camp and equipment	3 years
Computer software	1 year
Office furniture and equipment	3 years

Mineral Property Costs

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

Long-Lived Assets

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

Asset Retirement Obligations

The Company accounts for asset retirement obligations in accordance with the provisions of ASC 440 *Asset Retirement and Environmental Obligations* which requires the Company to record the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development and/or normal use of the assets.

Financial Instruments

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

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

Income Taxes

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

Foreign Currency Translation

The functional and reporting currency of the Company is the United States dollar. Monetary assets and liabilities denominated in foreign currencies are translated to United States dollars in accordance with ASC 830, *Foreign Currency Translation Matters*, using the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction. Average rates are used to translate revenues and expenses.

Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

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

Stock-based Compensation

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

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

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

Recent Issued Accounting Pronouncements

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

Reclassification

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required because we are a smaller reporting company.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer ("CEO"), Reyno Scheepers, and the Company's Chief Financial Officer ("CFO"), Melinda Hsu, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rules 13a-15(b) and 15d-15(b) under the Exchange Act as of the end of the period covered by this report. Based upon the evaluation, the Company's CEO and CFO have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective as of the end of the period covered by this report (that is, as at February 28, 2014), due to the material weaknesses in our internal control over financial reporting as disclosed in the Company's annual report for our fiscal year ended May 31, 2013, which have not been completely resolved as at February 28, 2014.

Management believes that the material weaknesses did not have a material impact on the Company's financial results and information required to be disclosed by the Company in its reports. However, management believes that these material weaknesses resulting in ineffective oversight in the establishment and monitoring of required internal control over financial reporting can impact the Company's financial statements for future years. As a result material errors could occur.

Changes in Internal Control Over Financial Reporting

There were no changes to our internal control over financial reporting that occurred during our fiscal quarter ended February 28, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Except as disclosed below, management is not aware of any legal proceedings contemplated by any governmental authority or any other party involving us or our properties. As of the date of this quarterly report, no director, officer or affiliate is (i) a party adverse to us in any legal proceeding, or (ii) has an adverse interest to us in any legal proceedings. Management is not aware of any other legal proceedings pending or that have been threatened against us or our properties.

On February 8, 2012, Ruby Creek Resources Inc. ("RCR") filed a lawsuit against the Company in the Supreme Court, State of New York, in which RCR alleges that the Company participated in a fraudulent transfer of certain mineral property interests in Tanzania that RCR had the right to purchase pursuant to a series of agreements with the Company. The Company is of the view that such allegations are without merit and intends to continue to vigorously contest the action.

On February 23, 2012, the Company filed a lawsuit against RCR in the Supreme Court of British Columbia (the "British Columbia Action"), seeking relief for RCR's breach of its payment obligations under the above-referenced agreements and seeking an order that RCR remove the U.S. restrictive legend from RCR shares issued to the Company under the agreements. To date, RCR is in default with respect to over $1.3 million in scheduled payments due to the Company under the agreements.

In addition to the British Columbia Action, on May 21, 2012 in answering RCR's claim in New York, the Company counter claimed against RCR on the basis of the alleged breaches set out in the British Columbia Action (the "New York Counter Claim"). On November 19, 2012, the British Columbia Action was dismissed on the grounds that the Court in British Columbia did not have jurisdiction and further that the dismissal was without prejudice to either of the Company's and RCR's respective actions in New York against one another. This Order was granted by consent of both the Company and RCR.

On October 25, 2012, Craig Alford filed a lawsuit against the Company in the Supreme Court of British Columbia for breach of an alleged employment agreement. Mr. Alford claims the agreement was for a term of three years, commencing on March 1, 2011, with a monthly salary of $12,500. Mr. Alford claims that the Company wrongfully terminated the agreement in October 2011 and is seeking judgment in the amount of $362,500. The Company is of the view that the allegation is without merit and intends to vigorously contest the action. On February 4, 2013 the Company filed its response to Mr. Alford's claim with the Supreme Court of British Columbia.

Item 1A. Risk Factors

Not required because we are a smaller reporting company.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

The following exhibits are filed with this Quarterly Report on Form 10-Q:

Exhibit Number	Description of Exhibit
3.1[1]	Articles of Incorporation.
3.2[12]	Certificate of Amendment to Articles of Incorporation.
3.3[21]	Articles of Merger as filed with the Nevada Secretary of State.
3.3[3]	Amended Bylaws, as amended on September 5, 2006.
10.1[4]	Asset Purchase Agreement with KBT Discovery Group Tanzania Ltd.
10.2[4]	Asset Purchase Agreement with Hydro-Geos Consulting Group Tanzania Ltd.
10.3[4]	Asset Purchase Agreement with Megadeposit Explorers Ltd.
10.4[5]	Amendment No. 1 to Asset Purchase Agreement with KBT Discovery Group Tanzania Ltd.
10.5[5]	Amendment No. 1 to Asset Purchase Agreement with Hydro-Geos Consulting Group Tanzania Ltd.
10.6[5]	Amendment No. 1 to Asset Purchase Agreement with Megadeposit Explorers Ltd.
10.7[6]	Amendment No. 2 to Asset Purchase Agreement with KBT Discovery Group Tanzania Ltd.
10.8[6]	Amendment No. 2 to Asset Purchase Agreement with Hydro-Geos Consulting Group Tanzania Ltd.
10.9[6]	Amendment No. 2 to Asset Purchase Agreement with Megadeposit Explorers Ltd.
10.10[7]	Strategic Alliance Agreement between the Company and Canaco Resources Inc.
10.11[8]	Option Agreement between the Company and Canaco Resources Inc.
10.12[9]	Amendment No. 1 to Strategic Alliance Agreement between the Company and Canaco Resources Inc.
10.13[9]	Kwadijava Option Agreement.
10.14[9]	Negero Option Agreement.
10.15[10]	Joint Venture Agreement with Mkuvia Maita.
10.16[11]	2007 Stock Incentive Plan.
10.17[14]	2008 Stock Incentive Plan.
10.18[11]	Consulting Agreement with Harpreet Sangha.
10.19[11]	Consulting Agreement with Rovingi.
10.20[13]	Joint Venture Agreement with Mkuvia Maita dated June 5, 2009.
10.21[15]	Agreement with Ruby Creek Resources, Inc. dated November 7, 2009.
10.22[16]	Purchase Agreement with Ruby Creek Resources, Inc., dated for reference May 19, 2010.
10.23[17]	August 2010 Stock Incentive Plan.
10.24[18]	Mineral Property Acquisition Agreement between the Company and IPP Gold Limited, dated September 15, 2010, ratified by the Company's Board of Directors on September 21, 2010.
10.26[19]	November 2010 Stock Incentive Plan.
10.27[20]	Mineral Property Acquisition Agreement between the Company and Handeni Resources Limited, dated August 5, 2011.

10.28[22]	Executive Consulting Services Agreement between the Company and Amica Resource Inc., dated February 28, 2012.
10.29[23]	Unsecured Term Loan Facility Agreement between the Company and IPP Ltd. dated December 7, 2012
10.30[24]	Unsecured Term Loan Facility Agreement between the Company and Consultancy & Finance Company Associates Ltd. dated October 9, 2013
14.1[2]	Code of Ethics.
21.1	Subsidiaries of the Registrant:
	a. Douglas Lake Tanzania Limited (Tanzania); and
	b. HG Limited (Tanzania) (formerly: DLM Tanzania Limited (Tanzania)).
31.1*	Certifications of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certifications of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certifications of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certifications of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.

(1) Incorporated by reference to Form SB-2 Registration Statement filed on July 22, 2004.
(2) Incorporated by reference to Annual Report on Form 10-KSB for year ended May 31, 2005.
(3) Incorporated by reference to Annual Report on Form 10-KSB for year ended May 31, 2006.
(4) Incorporated by reference to Current Report on Form 8-K filed on August 4, 2005.
(5) Incorporated by reference to Current Report on Form 8-K filed on November 21, 2005.
(6) Incorporated by reference to Quarterly Report on Form 10-SB for quarterly period ended November 30, 2005.
(7) Incorporated by reference to Current Report on Form 8-K filed on May 4, 2006.
(8) Incorporated by reference to Quarterly Report on Form 10-SB for quarterly period ended August 31, 2006.
(9) Incorporated by reference to Quarterly Report on Form 10-SB for quarterly period ended August 31, 2007.
(10) Incorporated by reference to Current Report on Form 8-K filed on August 6, 2008.
(11) Incorporated by reference to Annual Report on Form 10-KSB for year ended May 31, 2007.
(12) Incorporated by reference to Current Report on Form 8-K filed on January 27, 2009
(13) Incorporated by reference to Current Report on Form 8-K filed on July 16, 2009
(14) Incorporated by reference to Registration Statement Form S-8 filed on December 30, 2008.
(15) Incorporated by reference to Current Report on Form 8-K filed on November 13, 2009.
(16) Incorporated by reference to Current Report on Form 8-K filed on June 21, 2010.
(17) Incorporated by reference to Annual Report on Form 10-K for the year ended May 31, 2010.
(18) Incorporated by reference to Current Report on Form 8-K filed on September 27, 2010.
(19) Incorporated by reference to Annual Report on Form 10-K for the year ended May 31, 2011.
(20) Incorporated by reference to Current Report on Form 8-K filed on August 10, 2011.
(21) Incorporated by reference to Current Report on Form 8-K filed on February 15, 2012.
(22) Incorporated by reference to Current Report on Form 8-K filed on March 2, 2012.
(23) Incorporated by reference to Quarterly Report on Form 10-Q for the quarterly period ended November 30, 2012.
(24) Incorporated by reference to Quarterly Report on Form 10-Q for the quarterly period ended August 31, 2013.

SIGNATURES

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

HANDENI GOLD INC.

By: *"Reyno Scheepers"*
Reyno Scheepers
President, Chief Executive Officer (Principal Executive Officer) and a director

By: *"Melinda Hsu"*
Melinda Hsu
Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer), Secretary and Treasurer

Date: April 4, 2014