CARRICK GOLD LIMITED

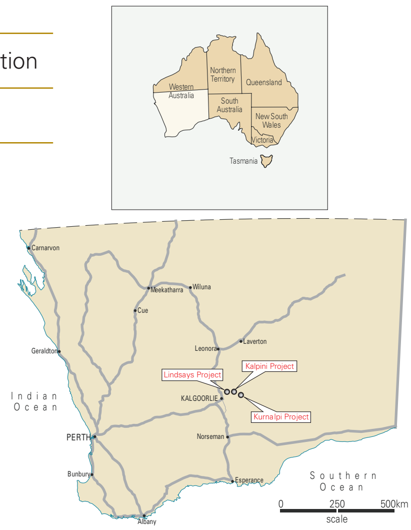
annual report 2008

carrickgold.com

Contents

Carrick Gold Limited

Project Location Plan



Directors

Mr Frank Carr	Executive Chairman
Dr Brian Martin	Director
Mr Victor Webb	Director *(Resigned 30 November 2007)*
Mr Bevan Jaggard	Director *(Appointed 30 November 2007)*

Company Secretary

Mr Bevan Jaggard

Registered Office

Level 11
16 St George's Terrace
Perth WA 6000

Corporate Office

Level 9
37 St George's Terrace
Perth WA 6000

Mailing Address

GPO Box 2567
Perth WA 6001

Accountant

William Buck Pty Ltd
Lvl 3, South Shore Centre
83 South Perth Esplanade
South Perth WA 6151

Solicitor

Lawton Gillon
Lvl 11, 16 St George's Terrace
Perth WA 6000

Auditor

RSM Bird Cameron Partners
8 St George's Terrace
Perth WA 6000

Share Registry

Advanced Share Registry Services
150 Stirling Highway
Perth WA 6009

Stock Exchange

Australian Stock Exchange Ltd (ASX)
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Review of Operations

Establishment of Condor Nickel Ltd.

Having established the presence of strong nickel resource likelihood and multiple nickel sulphide targets, Carrick Gold resolved that the responsibility for exploring and developing such nickel assets was more properly the responsibility of a new entity funded and focussed on such development. In setting up such an entity Carrick Gold could then continue to maintain its core focus, gold.

On 1 February 2008, Carrick and its wholly-owned subsidiary, Condor Nickel Limited, entered into an agreement whereby Carrick agreed to sell to Condor Nickel its nickel and base metal projects in return for the issue of 30,000,000 fully paid ordinary shares in Condor Nickel.

This transaction would allow Carrick to focus more fully on its gold assets, while at the same time unlocking the unrealised value in the remainder of its assets for the benefit of all shareholders.

Under the terms of the Resolution, Carrick would make a pro-rata in specie distribution of up to 24,450,000 Condor Nickel shares to Carrick Gold shareholders.

The basis for the distribution of the 24,450,000 Condor Nickel shares was 1 Condor Nickel share for every 5 Carrick Gold shares held as at the Record Date.

A General Meeting was held in early April where the above Resolutions were voted on by the shareholders.

The proposal received unanimous shareholder approval at the meeting.

Condor Nickel Ltd. listed on the Australian Securities Exchange on Thursday 19th June 2008 having successfully raised $6.2 million in a very difficult market (for more information refer: www.condornickel.com). As a result, Condor Nickel Ltd. Annual Report 2008 contains all nickel commentary for the financial year ending 30 June 2008.

Share Placement

In December of last year, the Company effected a placement of 10,600,000 shares at $1.70 per share to sophisticated and professional investors, clients of BBY Limited. This successful share placement occurred despite the fact that the stock market generally was experiencing a very volatile period and provided the Company with approximately $16.5m. after costs.

The monies will be used to fund further resource development and for working capital purposes.

Resource increase to over 4M ounces

Carrick Gold's resource was upgraded twice during the year with the second upgrade including results from Halfway Hill, Kurnalpi to contribute to the overall resource. The current resource now exceeds 4 million gold ounces.

TABLE A: Carrick Gold Limited Resource Statement (JORC compliant)

	Tonnes (M)	Grade (g/t Au)	Ounces
LINDSAYS PROJECT			
Measured	382,470	3.4	41,679
Indicated	8,420,838	2.4	647,756
Inferred	21,725,778	3.2	2,228,284
TOTAL *(LINDSAYS)*	30,529,086	3	2,917,721
	Tonnes (M)	**Grade (g/t Au)**	**Ounces**
KALPINI PROJECT			
Indicated	2,700,000	2.8	242,000
TOTAL *(KALPINI)*	2,700,000	2.8	242,000
	Tonnes (M)	**Grade (g/t Au)**	**Ounces**
KURNALPI PROJECT: *(Brilliant Prospect)*			
Indicated	1,760,000	2	114,083
Inferred	10,000,000	2	641,000
TOTAL	11,760,000	2	755,087
	Tonnes (M)	**Grade (g/t Au)**	**Ounces**
KURNALPI PROJECT: *(HalfWay Hill)*			
Indicated	671,320	1.9	40,722
Inferred	1,048,481	1.6	53,009
TOTAL	1,719,801	1.7	93,731
	Tonnes (M)	**Grade (g/t Au)**	**Ounces**
TOTAL RESOURCE	**46,708,887**	**2.7**	**4,008,539**

Figure 2: Plan with intersections greater than 1g/t Au at Parrot Feathers, Copperline and Trial Pit

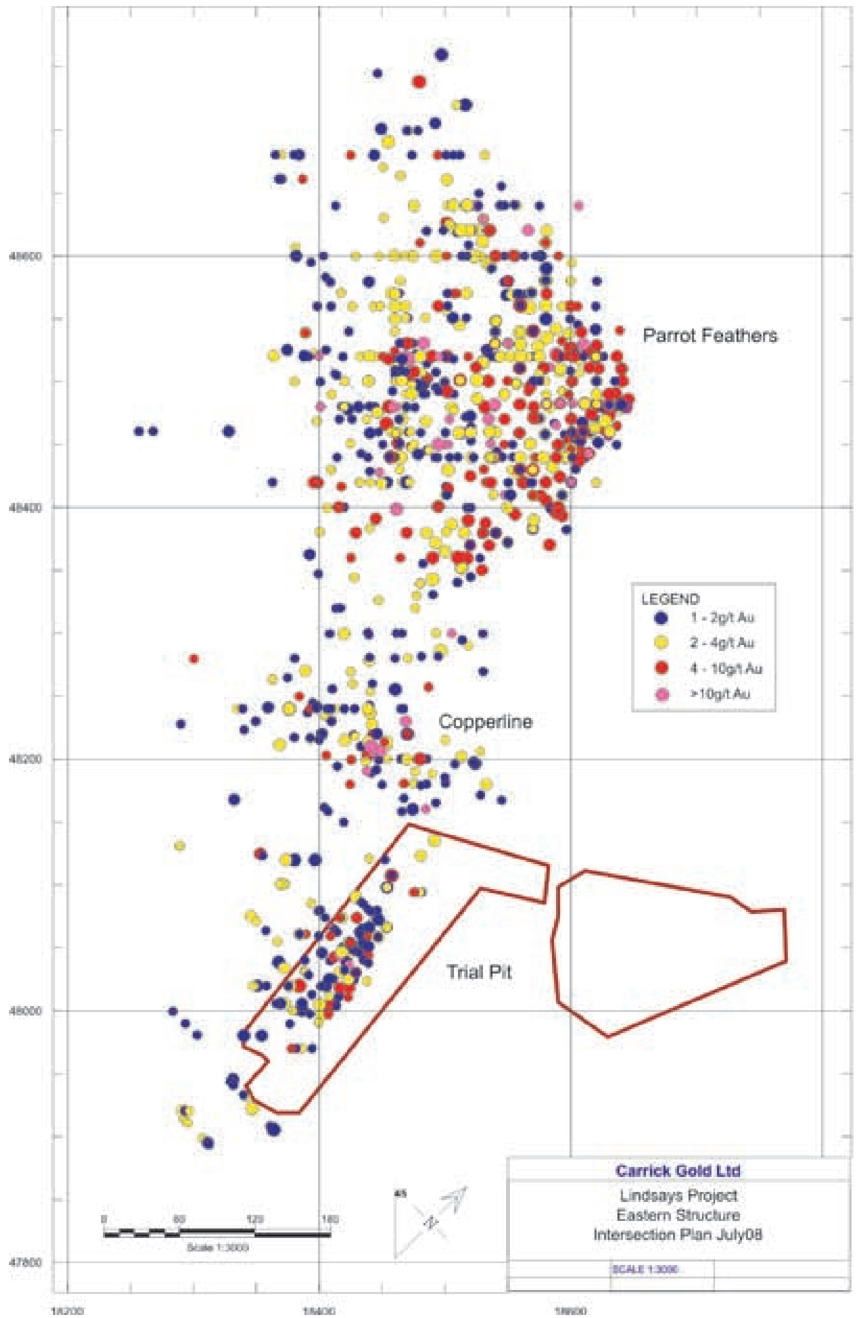


Figure 3: Brilliant Prospect western & eastern structures

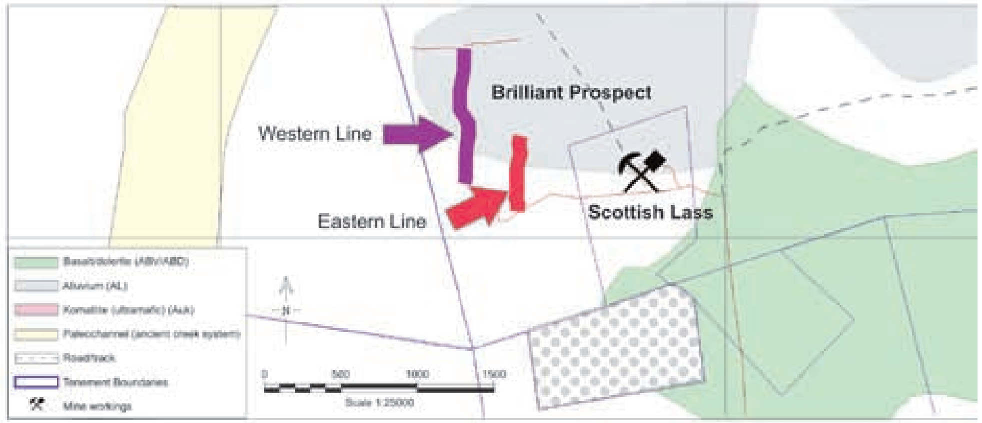


Figure 4: Brilliant Prospect Eastern Structure showing gold mineralisation and significant intersections

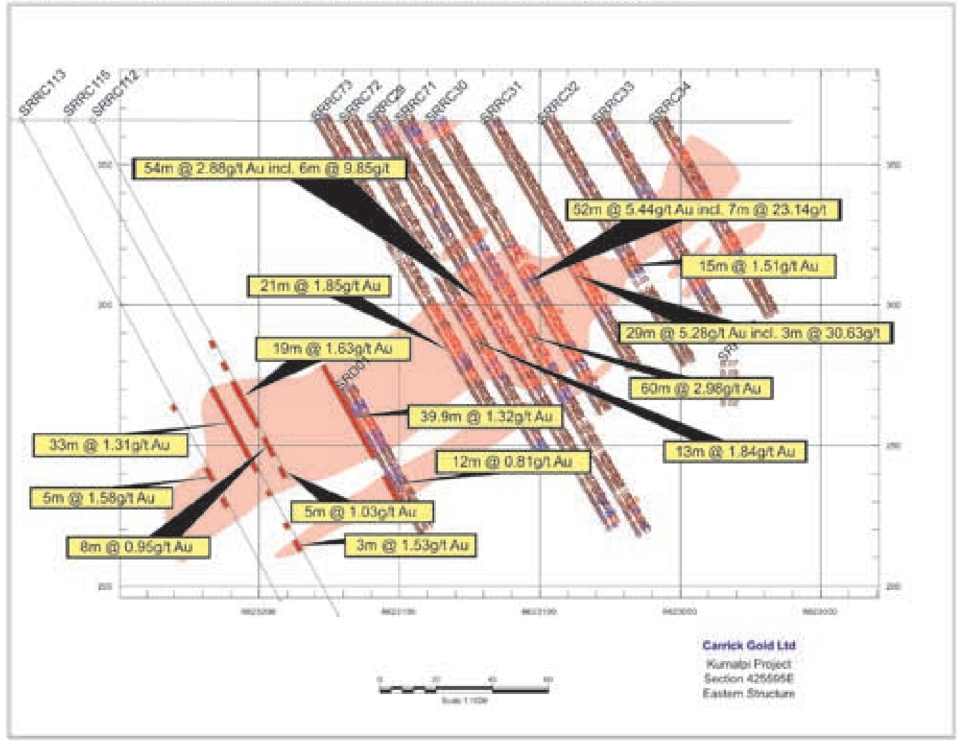


Figure 6: Brilliant Prospect Eastern Structure showing gold mineralisation and significant intersections

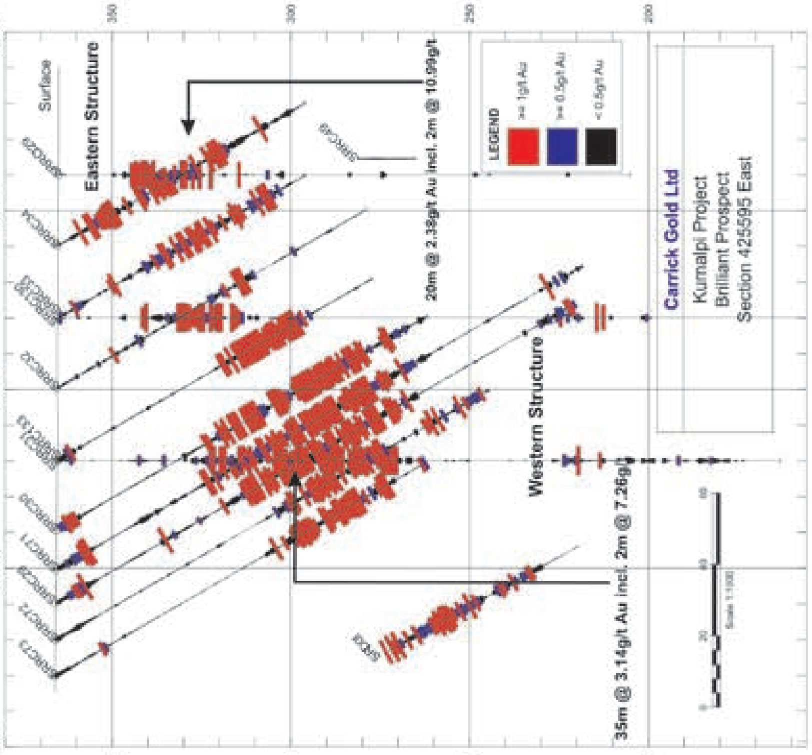
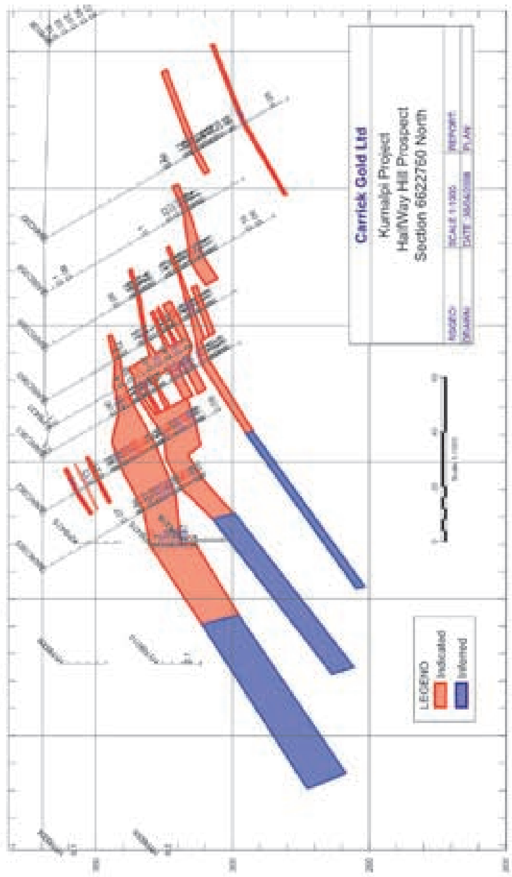


Figure 7: Section showing significant gold mineralisation at Halfway Hill Prospect, Kumalpi



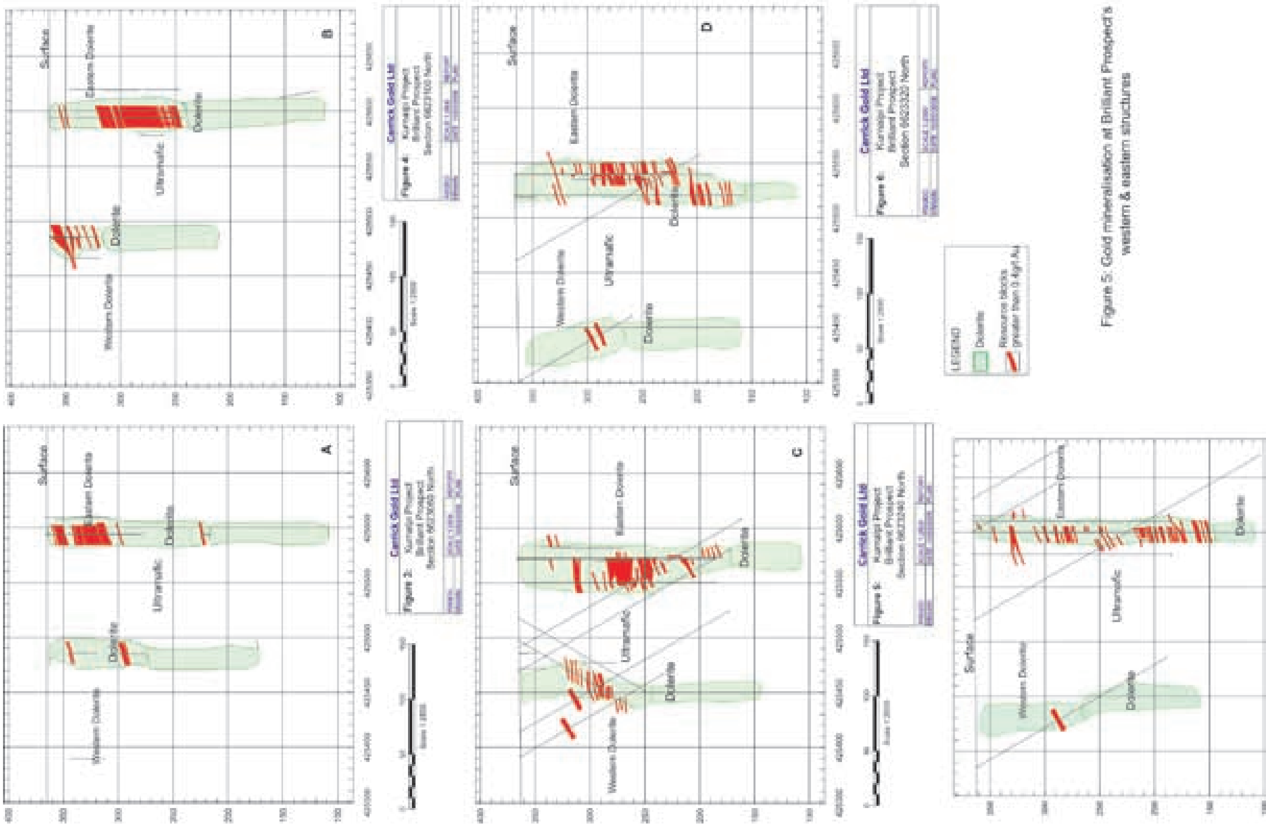


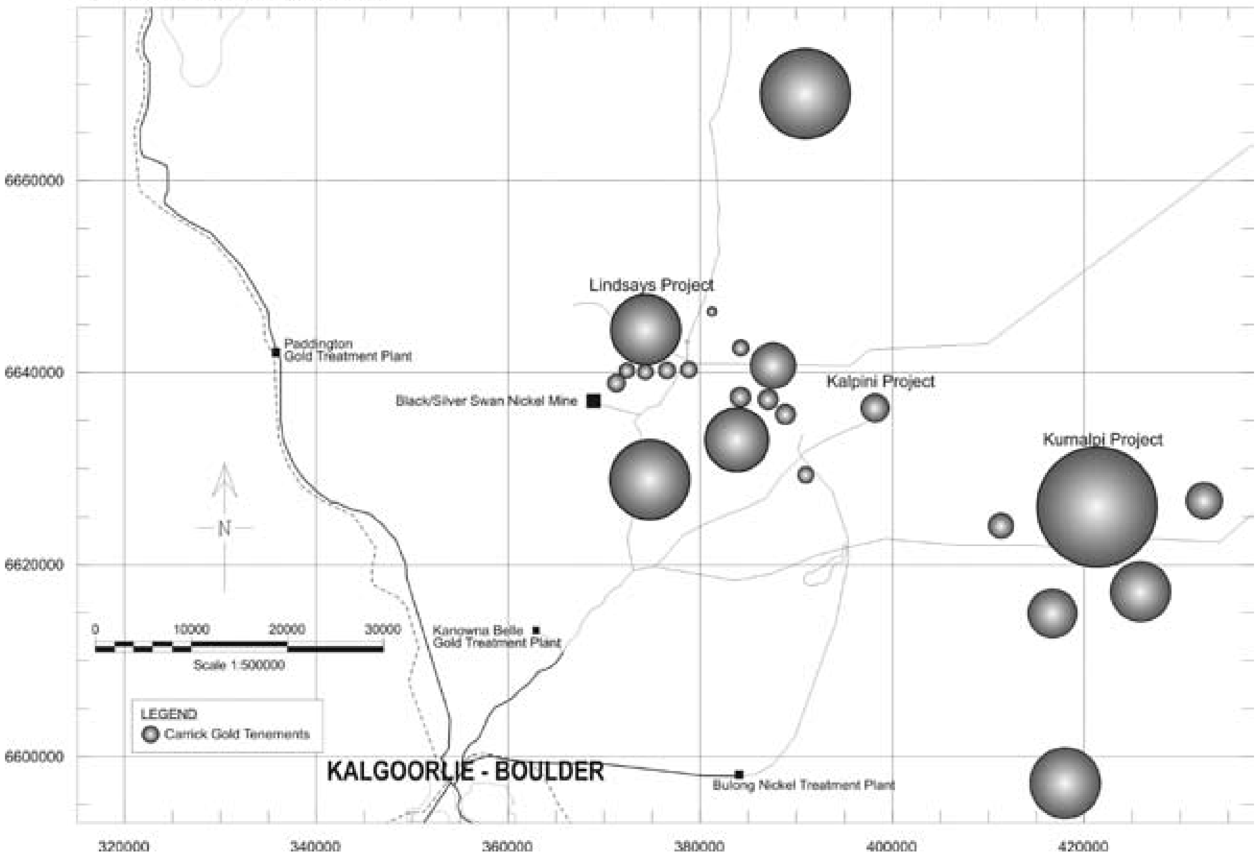
Figure 5: Gold mineralisation at Brilliant Prospect's western & eastern structures

Drilling at Carrick's Projects

TABLE B: Number of holes and metres drilled (2008 financial year)

PROJECT	Prospect	Hole ID	Hole Type	Holes Drilled	Metres Drilled
KALPINI	Kalpini	KPRC100 - 136	RC	37	2,404
LINDSAYS	Parrot Feathers *(Au)*	PFRC377 - 670	RC	295	28,967
	New Discovery *(Au)*	NDRC166 - 249	RC	84	8,976
	Targets A - I *(Au)*	Targets F & G	RC	7	750
KURNALPI	Brilliant *(Au)*	SRRC112 - 133	RC	22	3,960
TOTAL				**445**	**45,057**

Figure 1: Carrick Gold Limited Project Location Plan



Lindsays Project

Eastern Structure: Parrot Feathers lode and Hanging Wall lode

A very impressive enhanced geological model of the resource continued to emerge with the main Parrot Feathers gold-mineralised horizon plunging markedly to the south. This reflected the plunge of the Parrot Feathers fold nose which appeared to be one of several isoclinal folds in an overturned antiformal system. As the main Parrot Feathers lode deepened to the south additional lodes began to appear in the Hanging Wall to the west indicating additional fold structures in the system.

The shallow, close-spaced RC drill programme with 48 vertical holes drilled to depths of 100 metres or less for a total of 4,590 metres was designed to minimise drill spacing and to define the main and subsidiary mineralised horizons over a strike length of approximately 500 metres, from north Parrot Feathers to the Trial Pit.

Gold mineralisation proved to be continuous and robust, in particular the Parrot Feathers lode which has deepened significantly to the south. The Copperline and Trial Pit lodes, often referred to as the Hanging Wall lodes or near surface lodes, showed that open pit style gold mineralisation continued to the south joining the Trial Pit.

Carrick continued to further define a measured resource by drilling at Parrot Feathers (Eastern Structure). Results were very encouraging with increased assay grades, thicknesses and continuity in drill intercepts and strengthen Carrick's intention to work towards the development of an open cut mine.

Database validation and preliminary geological modelling of the resource from Parrot Feathers to the Trial Pit was conducted and is continuing.

Several other prospects within the Lindsays suite, including the Nook Prospect (1 kilometre south of Trial Pit on the Eastern Structure); the South Prospect (2 kilometres to the south of Trial Pit); the Neves Prospect and Richfield on the Central Structure, show similar styles of geology and mineralisation to that of the Parrot Feathers lode.

Central Structure: New Discovery Prospect

Exploration at the New Discovery at the northern end of the Central Structure comprised of RC drilling along 1.2 kilometres of strike.

Drilling on the Central Structure on a 40 x 40 metre grid over a north northwest strike is nearing completion. Preliminary assay results indicate that the wider higher-grade mineralised zones are associated with meta-sediments including black shales where sediments transect the north northwest structural corridor, that is, the Central Structure. Geological mapping has shown that the high grade gold mineralised structures occurring on the Eastern Structure, for example, at Parrot Feathers, is connected to the Central Structure by the folded sediment stratigraphy. This represents a horizontal distance between the two structures of approximately 400 metres. At least 3 repetitions occur south of the Parrot Feathers marker sediment stratigraphy, that is, the Copperline, the Trial Pit and the Southern Extension.

Drilling has commenced on the structures between the Central and Eastern Structures targeting the occurrence of these folded metasediments and old workings. Infill drilling is also continuing on the Eastern and Central Structures which will further increase the Lindsays resource.

TABLE C: Significant results at Parrot Feathers *(ASX announcement 04/06/08):*

PFRC504	1 metre @ 25.79g/t Au from 95 metres
PFRC511	6 metres @ 4.29g/t Au from 69 metres
PFRC527	3 metres @ 8.27g/t Au from 55 metres including 1 metre @ 23.08g/t Au
PFRC530	6 metres @ 4.7g/t Au from 105 metres including 1 metre @ 12.12g/t Au
PFRC535	5 metres @ 3.69g/t Au from 101 metres including 1 metre @ 12.40g/t Au
PFRC545	6 metres @ 7.12g/t Au from 51 metres including 3 metres @ 11.04g/t Au
PFRC555	4 metres @ 7.85g/t Au from 18 metres including 2 metres @ 11.32g/t Au
PFRC558	7 metres @ 3.58g/t Au from 89 metres
PFRC576	3 metres @ 11.83g/t Au from 39 metres including 1 metre @ 20.49g/t Au
PFRC578	3 metres @ 8.6g/t Au from 31 metres including 1 metre @ 16.89g/t Au
PFRC582	7 metres @ 6.09g/t Au from 22 metres including 1 metre @ 13.72g/t Au & 1 metre @ 12.31g/t Au
PFRC583	11 metres @ 3.18g/t Au from 28 metres including 2 metres @ 10.68g/t Au
PFRC584	6 metres @ 4.2g/t Au from 41 metres including 1 metre @ 17.32g/t Au
PFRC602	1 metre @ 25.01g/t Au from 52 metres
PFRC613	6 metres @ 16.7g/t Au from 78 metres including **2 metres @ 46.86g/t Au**

Gindalbie Projects

Kalpini Project (Gold)

Follow-up drilling on a 50 x 25 grid pattern was conducted on two of the Kalpini leases. The projected target of mineralisation, located west of the Camelia open pit and subsequent drilling (37 RC holes), was guided by surface mapping, where quartz-veining was identified as well as a previously identified geochemical soil anomaly.

Kurnalpi Project

Brilliant Prospect – *extending south to Tinsel, Dazzle & Sparkle*

An RC drill programme was conducted during the year at Brilliant over a strike distance of 800 metres.

The RC drill programme comprised of close-spaced vertical drill holes drilled on a 40 x 20 metre grid pattern designed to intersect two gold mineralised quartz vein sets, one shallow north-dipping set and one sub-vertical set.

The quartz vein sets were determined to occur within a dolerite host rock which has intruded into a mafic ultramafic sequence to form two parallel systems approximately 100 metres apart. The western system was the main focus of the drill programme as it was interpreted to form a deeper mineralised structure compared to the eastern system.

Significant RC assay results are displayed in the table below *(ASX announcement 07/08/07):*

TABLE D: Brilliant Prospect significant intersections

SRRC112	19 metres @ 1.63g/t Au from 104 metres
SRRC113	5 metres @ 1.58g/t Au from 139 metres
SRRC115	33 metres @ 1.31g/t Au from 106 metres
SRRC89	2 metres @ 36.75g/t Au from 17 metres
SRRC94	3 metres @ 1.7g/t Au from 16 metres
SRRC103	17 metres @ 0.91g/t Au from 16 metres

Very strong gold assay results over exceptional widths of mineralisation were obtained from RC drilling at Brilliant. Some of these intersections are shown below (ASX announcement 25/10/07):

TABLE E: Brilliant Prospect exceptional intersections

SRRC130	16 metres @ 25.66g/t Au from 30 metres including **1 metre @ 374.6g/t Au (42m) & 4 metres @ 97.62g/t Au (39m)**
SRRC132	2 metres @ 26.88g/t Au from 84 metres including **1 metre @ 49.3g/t Au (84m)**
SRRC129	20 metres @ 2.38g/t Au from 20 metres
SRRC133	35 metres @ 3.14g/t Au from 60 metres including 1 metre @ 19.13g/t Au (79m)

In drill hole SRRC130, the highest gold assay value to date of **1 metre @ 374.6g/t** was confirmed with visible pieces of gold in the panning dish. Assay results from this drill programme also returned very high silver values (values up to 220g/t) which will form an important credit in this gold deposit.

Kurnalpi Project

Brilliant Prospect – ***extending south to Tinsel, Dazzle & Sparkle*** **continued**

It was determined during the financial year that an open cut gold mine at Brilliant Prospect would be viable. This was due to Brilliant being host to significant gold mineralisation over a distance of 400 metres within a north south shear zone which hosts further alluvial workings and old workings to the north and south over a known distance of approximately 2 kilometres together with the significant widths of gold mineralisation greater than 1g/t and the continuity of mineralisation.

Certain areas of Brilliant were within significant sheared corridors and were host to numerous prospects and old workings. Alluvial workings left over from historical RAB drilling were inspected to identify alteration. New RC holes were drilled near these old workings for sample analysis and inclusion of the results in future resource calculations.

Drilling continued for the remainder of the financial year to facilitate an indicated resource which will be calculated as soon as possible.

Carrick has also begun sampling of old pulps for copper, cobalt, zinc and lead. These are to be combined with existing results for gold and silver.

Halfway Hill Prospect (Gold)

Upon analysis of RAB holes (historical) and RC drilling samples (conducted by Carrick Gold during the financial year), excellent continuity of gold mineralised lodes was found to exist between drill sections at relatively shallow depths and within oxidised material to approximately 100 metres.

Relocation of Core Farm

All diamond core and chip trays were relocated during the year to Carrick's new Kalgoorlie office. This property was updated to allow for effective storage, sample analysis and general business operation. This update also made provision for the expansion of Carrick's team, in particular the employment of an in-house Resource Geologist.

Resource Geologist

As Carrick Gold progresses ever closer to the decision to process its ore, it was decided that a Resource Geologist should be sought in order for 3-dimensional modelling to be conducted of Carrick's total resource. This will be implemented in the early part of the 2009 financial year.

Ongoing Activities

Programme of work for Carrick's projects

Collective Projects:

- Conduct resource audit of all Carrick's projects
- Reduce inferred resource whist increasing the resource in measured and indicated categories
- Adoption of additional QAQC procedures
- Review survey data

Individual Projects:

Lindsays

- Continue drilling of the Central Structure
- Drilling of the Eastern Structure south of the Trial Pit
- Clean out Trial Pit and stockpile ore
- Conduct metallurgical testing to form part of a conceptual mining study
- Conduct metallurgical studies over total area for gold recoveries
- Further bulk density determinations to deliver a better representation of the area

Kalpini

- Extend existing strike another 200 metres

Kurnalpi

- Extend strike on targets at 6 Mile, Halfway Hill and Brilliant Prospects
- Drill to a depth of 200 metres
- Test for cobalt, copper, lead, zinc and silver in selected RC holes

CARRICK GOLD LIMITED

and Controlled Entities

ACN 100 405 954

Financial Report

For the year ended 30 June

2008

Directors' Report

The Directors of Carrick Gold Limited ("the Company") present their financial report on the company and the controlled entities for the financial year ended 30 June 2008.

Directors

The names of directors in office at any time during or since the end of the financial year are listed hereunder. Directors were in office for the entire period under review.

- Frank Carr
- Brian Martin
- Victor Webb
  Resigned 30 November 2007
- Bevan Jaggard
  Appointed 30 November 2007

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on Directors

FRANK CARR M.B.A., M.Phil., FAIM, FInstD.
Executive Chairman

Mr. Carr has been engaged in company management and direction for over thirty years. He has extensive experience in corporate advisory and business recovery activities, and has held many public company directorships. He has successfully directed many initial public offerings and stock exchange listings in Australia, New Zealand and the USA and he and his companies have received numerous technical, export achievement, management, and marketing awards. He is a recipient of the Australian Entrepreneur of the Year Award, holds master's degrees in both business administration and economics and is a Fellow of the Australian Institute of Management and of the Institute of Directors (U.K.). He is currently chairman of several public companies.

BRIAN MARTIN BSc (Hons), PhD.
Director

Dr. Martin received his primary degree and doctorate in geochemistry from the University of Manchester. He spent two years as a research scientist with the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and he has served in the Economic Policy Section of the Australian Foreign Service. During a period in which he worked with the United Nations Environment Programme, he helped establish the Global Environmental Monitoring System. In 1979 he became a Research Fellow with the Rockefeller Foundation at the Massachusetts Institute of Technology and Harvard University. Dr. Martin has acted as an independent consultant in many mine and exploration assessments and has provided reports in numerous merger and takeover situations. He has an extensive list of publications on mining, exploration, and mineralogy to his credit. A former banking advisor and director of mining companies and capital corporations, Dr. Martin has a great deal of experience in company direction and management and has consulted widely to companies since his return to Australia.

BEVAN JAGGARD
Director and Company Secretary

Mr. Jaggard has over 30 years experience in the fields of project management and business development both for local government and in his own right. He is an experienced company director and secretary and has served local communities in many capacities in business and charitable associations. He is Company Secretary and Project Director of Carrick Gold Limited and has directed that Company's resource development from 1994 to the present.

Interests in shares and options of the company

At the date of this report the interests of the directors in the shares and options of Carrick Gold Limited were:

	Ordinary Shares	Options over Ordinary Shares
Frank Carr	52,000,000	-
Brian Martin	865,000	500,000
Bevan Jaggard	1,094,000	1,000,000

Dividends Paid or Recommended

The directors do not recommend the payment of a dividend and no dividends have been paid or declared since the end of the last financial year.

Principal Activities

The Company conducted exploration on its tenements during the year with the objective of identifying economic mineral deposits. A review of operations is contained elsewhere in the Annual Report.

Employees

The Company employed 4 employees as at 30 June 2008 (2007: 3 employees).

Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the Company occurred during the financial year:

- On 14 December 2007, the Company issued 10,250,000 ordinary shares at $1.70 each to sophisticated and professional investors.
- On 16 January 2008, an announcement was made to the Australian Securities Exchange (ASX) by the Company regarding its decision to transfer ownership of all nickel opportunities within its tenements to a wholly-owned subsidiary, Condor Nickel Ltd.
- On 17 June 2008, Condor Nickel Ltd was admitted to the Official List of the ASX.

  The Company transferred $1,245,000 of capitalised exploration expenditure on the tenements to Condor Nickel Ltd. In return, the Company received 30,000,000 ordinary shares in Condor Nickel Ltd of which it has made an in-specie distribution to the Company's shareholders. The distribution made was on a 1 for 5 basis, i.e. one share in Condor Nickel Ltd for every 5 Shares of the Company held as at record date. The Company retained 5,600,037 shares in Condor Nickel Ltd as a consequence of the in-specie distribution.
- On 19 February 2008, an announcement was made to the ASX by the Company regarding its intention to commence an on-market share buy-back as from 5 March 2008 for a time-frame of 12 months and to buy back a number of shares not greater than 10 percent of the issued ordinary share capital of the Company. Montagu Stockbrokers Pty Ltd was engaged by the Company to facilitate the buy-back programme. Since 5 March 2008, the number of shares bought back by the Company is as follows:
  - On 7 March 2008, 35,000 shares were bought back at a price of $54,000.
  - On 12 March 2008, 121,150 shares were bought back at a price of $182,104.
  - On 13 March 2008, 23,650 shares were bought back at a price of $36,069.
  - On 14 March 2008, 51,350 shares were bought back at a price of $77,298.
  - On 17 March 2008, 18,850 shares were bought back at a price of $27,483.

Significant Events after Balance Date

No matters or circumstances besides those disclosed in Note 21 have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Review of Operations and Exploration Activities

Operating Results for the Year

The operating profit after income tax of the Company for the year ended 30 June 2008 was $2,874,730 (2007: loss $593,235).

Highlights

- Current 4.008M Au oz JORC compliant resource (1.1M oz in Measured and indicated categories)
- >$15m cash
- No debt
- Cost of discovery to date per ounce of gold: c $4.00
- Lindsays Project, Kalpini Project and Kurnalpi Project are 100% owned by Carrick – no joint ventures
- Condor Nickel Limited floated with 1 for 5 in specie distribution
- Drilling of high grade shoots at Lindsays Project
- Current shares outstanding: 122m (Top 20 shareholders hold c. 78%)

Risk Management

The Board is responsible for ensuring that risks and opportunities are identified in a timely manner and that activities are aligned with the risks and opportunities identified by the Board.

The Company believes that it is crucial for all Board members to be a part of this process and, as such, the Board has not established a separate risk management committee.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include Board approval of a strategic plan which encompasses strategy statements designed to meet stakeholders needs and manage business risk, and implementation of Board approved operating plans and budgets and the monitoring thereof.

Likely Developments and Expected Results

The Company will maintain the present status and level of operation and hence, no likely unwarranted developments in the entity's operations are expected.

Environmental Issues

The Company is subject to significant environmental regulation in respect of its exploration activities.

The Company aims to ensure the appropriate standard of environmental care is achieved and, in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the year under review.

Indemnification of Officers and Insurance Premiums

There was insurance in place during the year to indemnify officers of the company.

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for directors and executives of the Company.

Remuneration Policy

The remuneration policy of Carrick Gold Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the economic entity's ability to attract and retain the best executives and directors to run and manage the economic entity.

The Board's policy for determining the nature and amount of remuneration for board members and senior executives of the economic entity is as follows:

The remuneration policy setting out the terms and conditions for the executive directors and other senior executives was developed by the Board. All executives receive a base salary (which is based on factors such as the length of service and experience) and superannuation. The Board reviews executive packages annually by reference to the economic entity's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.

The Board may exercise discretion in relation to approving incentives, bonuses, and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government which is currently 9% and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders in general meeting (currently $240,000). Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholders interests, the directors are encouraged to hold shares in the Company and are able to participate in employee option plans.

Performance-based Remuneration

The Company currently has no performance-based remuneration component built into director and executive remuneration packages.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance-based bonuses based on key performance indicators will be considered.

(a) Key management personnel compensation

2008	Short-term benefits			Post-employment benefits		Share-based payment		
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Retirement benefits $	Options $	Others $	Total $
Directors								
Frank Carr	160,000	-	-	-	-	-	120,000+	280,000
Brian Martin	40,000	-	-	-	-	340,912	-	380,912
Victor Webb	20,000*	-	-	-	-	-	-	20,000
Bevan Jaggard	111,640	-	-	-	-	681,824	-	793,464
Totals	**331,640**	**-**	**-**	**-**	**-**	**1,022,736**	**120,000**	**1,474,376**

2007	Short-term benefits			Post-employment benefits		Share-based payment		
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Retirement benefits $	Options $	Others $	Total $
Directors								
Frank Carr	100,000	-	-		-	-	80,000+	180,000
Brian Martin	40,000	-	-		-	-	-	40,000
Victor Webb	-*	-	-		-	-	-	-
Sub-total Directors	**140,000**	**-**	**-**	**-**	**-**	**-**	**80,000**	**220,000**
Other key management personnel								
Bevan Jaggard	83,220	-	-	-	-	-	-	83,220
Totals	**223,220**	**-**	**-**	**-**	**-**	**-**	**80,000**	**303,220**

+ Fees paid in the normal course of business for management and administration services totalling $120,000 (2007: $80,000) paid to Noble Pacific Limited, a company of which Frank Carr is a director.

* Victor Webb is resident in USA. He was paid a director's fee of A$20,000 instead of salary.

(b) Shareholdings of directors and other key management personnel

	Balance 1 July 2007	Received as Remuneration	Options Exercised	Net Change Other	Balance 30 June 2008
Directors					
Frank Carr	52,000,000	-	-	-	52,000,000
Brian Martin	865,000	-	-	-	865,000
Victor Webb	300,000	-	-	-	300,000
Bevan Jaggard	1,094,000	-	-	-	1,094,000
Totals	54,259,000	-	-	-	54,259,000

(c) Option holdings of directors and other key management personnel

	Balance 1 July 2007	Received as Remuneration	Options Exercised	Net Change Other	Balance 30 June 2008
Directors					
Frank Carr	-	-	-	-	-
Brian Martin	-	-	-	500,000	500,000
Victor Webb	-	-	-	-	-
Bevan Jaggard	-	-	-	1,000,000	1,000,000
Totals	-	-	-	1,500,000	1,500,000

(d) Other transactions and balances with directors and other key management personnel

Service Agreement

The Company has a service agreement with Noble Pacific Limited, a director related entity, which commenced 1 April 2005 for management and administration of the Company at the rate of $20,000 per quarter. The agreement is renewable by negotiation and mutual consent.

Employee Related Share-based compensation

To ensure that the Company has appropriate mechanisms to continue to attract and retain the services of directors and employees of a high calibre, the Company has a policy of issuing options that are exercisable in future at a certain fixed price.

A total of 2,500,000 shares were issued to directors and employees during the year at an exercise price of $2.00. These options were issued for nil consideration. The options issued can be exercised at any time before their expiry date of 31 December 2012 at an exercise price of $2.00. The fair value of the shares using a Black and Scholes pricing model is recognised as an expense in the financial year the options were issued. The amount recognised as part of employee expenses during the year ended 30 June 2008 was $1,363,648.

The terms and conditions of each share affecting reported remuneration in the previous, this or future reporting periods are:

Issue date	Expiry date	Exercise price	Value per option at grant date	First exercise date	Last exercise date
6/12/2007	31/12/2012	$2.00	$0.6818	6/12/2007	31/12/2012

Fair values at issue date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the options, the share price at issue date and expected price volatility of the underlying share and the risk free rate for the term of the option.

The model inputs for options granted during the year ended 30 June 2008 included:

(a) exercise price of $2.00 on or before 31 December 2012

(b) expected price volatility 50%

(c) risk-free interest rate 6.54%

	Options issued for the year ended 30 June 08	Options issued for the year ended 30 June 07	Options vested during the year ended 30 June 08	Options vested during the year ended 30 June 07
Key Management Personnel				
Brian Martin	500,000	-	500,000	-
Bevan Jaggard	1,000,000	-	1,000,000	-

	A Remuneration consisting of options	B Value at issue date $	C Value at exercise date $	D Value at lapse date $	E Total of columns B-D $
Key Management Personnel					
Brian Martin	-	340,912	-	-	340,912
Bevan Jaggard	-	681,824	-	-	681,824
Total	**-**	**1,022,736**			**1,022,736**

A = The percentage of the value of remuneration consisting of shares, based on the value of options expensed during the current year

B = The value at issue date calculated in accordance with AASB 2 Share-based Payment of shares issued during the year as part of remuneration

C = The value at exercise date of shares that were issued as part of remuneration and were exercised during the year, being the intrinsic value of the options at that date

D = The value at lapse date of shares that were issued as part of remuneration and that lapsed during the year. Lapsed shares refer to shares that vested but expired due to the term of the loan expiring.

Meetings of Directors

During the financial year, 4 meetings of directors were held. There were no committees of directors during the year. Attendances by each director during the year were as follows:-

	Number of meetings eligible to attend	Number attended
Frank Carr	4	4
Brian Martin	4	4
Victor Webb	2	-
Bevan Jaggard	2	2

Auditor's Independence Declaration

We have obtained an Auditor's Independence Declaration. Please refer to "Auditor's Independence Declaration" included within the financial statements.

Non-Audit Services

Any non-audit services that may have been provided by the entity's auditor, RSM Bird Cameron Partners, is shown at Note 25. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Litigation and Other Actions

The Company is not involved in any litigation or other actions.

Signed in accordance with a resolution of the directors.

[signed]

Frank Carr
Chairman

Dated at Perth this 25th day of September 2008

Corporate Governance Statement

Corporate Governance Principles

To the extent that they are applicable, and given its circumstances, the Company adopts the Eight Essential Corporate Governance Principles and Best Practice Recommendations ('Recommendations') published by the Corporate Governance Council of the ASX.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be afforded further consideration.

The Board sets out below its 'If not, why not?' report in relation to matters of corporate governance in which the Company's practices depart from the Recommendations.

(a) Principle 1 Recommendation 1.1

Notification of Departure

Carrick Gold Limited has not formally disclosed the functions reserved to the Board and those delegated to management. The appointment of non-executive directors to the Board is not formalised in writing by way of a letter or other agreement.

Explanation for Departure:

The Board recognises the importance of distinguishing between the respective roles and responsibilities of the Board and management. The Board has established an informal framework for the management of the Company and the roles and responsibilities of the Board and management. Due to the small size of the Board and the Company, the Board do not think that it is necessary to formally document the roles of Board and management as it believes that these roles are being carried out in practice and are clearly understood by all members of the Board and management. The Board is responsible for the strategic direction of the Company, establishing goals for management and monitoring the achievement of these goals, monitoring the overall corporate governance of the Company and ensuring that Shareholder value is increased

(b) Principle 2 Recommendations 2.1

Notification of departure

The Company does not have a majority of independent directors.

Explanation for departure

The Board considers that the current composition of the Board is adequate for the Company's current size and operations and includes an appropriate mix of skills and expertise relevant of the Company's business. The Board considers that its structure is, and will continue to be, appropriate in the context of the Company's recent history. The Company considers that the non-independent Directors possess the skills and experience suitable for building the Company. Furthermore, the Board considers that in the current phase of the Company's growth, the Company's shareholders are better served by the Directors who have a vested interest in the Company. The Board intends to reconsider its composition as the Company's operation evolve, and may appoint independent directors as it deems appropriate.

(c) Principle 2 Recommendation 2.4 and Principle 4 Recommendation 4.1

Notification of Departure

Separate audit and nomination committees have not been formed.

Explanation for Departure

The Board considers that the Company is not currently of a size, or its affairs of such complexity, that the formation of separate or special committees is justified at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and ensure that it adheres to appropriate ethical standards.

In particular, the Board as a whole considers those matters that would usually be the responsibility of an audit committee and a nomination committee. The Board considers that, at this stage, no efficiencies or other benefits would be gained by establishing a separate audit committee or a separate nomination committee.

(d) Principle 2 Recommendation 2.5

Notification of Departure

Carrick Gold Limited does not have in place a formal process for evaluation of the Board, its committees, individual directors and key executives.

Exploration for Departure

Evaluation of the Board is carried out on a continuing and informal basis. The Company will put a formal process in place as an when the level of operations of the Company justifies this.

(e) Principle 3 Recommendation 3.1

Notification of Departure

Carrick Gold Limited has not established a formal code of conduct.

Explanation for Departure

The Board considers that its business practices, as determined by the Board and key executives, are the equivalent of a code of conduct.

(f) Principle 5 Recommendation 5.1

Notification of Departure

Carrick Gold Limited has not established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability for compliance.

(f) Principle 5 Recommendation 5.1 continued

Explanation for Departure

The Directors have a long history of involvement with public listed companies and are familiar with the disclosure requirements of the ASX listing rules.

The Company has in place informal procedures that it believes are sufficient for ensuring compliance with ASX Listing Rule disclosure requirements and accountability for compliance. The Board has nominated the Managing Director and the Company Secretary as being responsible for all matters relating to disclosure.

(g) Principle 6 Recommendation 6.1

Notification of Departure

Carrick Gold Limited has not established a formal Shareholder communication strategy.

Explanation for Departure

While the Company has not established a formal Shareholder communication strategy, it actively communicates with its Shareholders in order to identify their expectations and actively promotes Shareholder involvement in the Company. It achieves this by posting on its websites copies of all information lodged with the ASX. Shareholders with internet access are encouraged to provide their email addresses in order to receive electronic copies of information distributed by the Company. Alternatively, hard copies of information distributed by the Company are available on request.

(h) Principle 7 Recommendation 7.1

Notification of Departure

Carrick Gold Limited has an informal risk oversight and management policy and internal compliance and control system.

Explanation for Departure

The Board does not currently have formal procedures in place but is aware of the various risks that affect the Company and its particular business. As the Company develops, the Board will develop appropriate procedures to deal with risk oversight and management and internal compliance, taking into account the size of the Company and the stage of development of its projects.

(i) Principle 8 Recommendation 8.1

Notification of Departure

Carrick Gold Limited does not have a formal remuneration policy and has not established a separate remuneration committee. Non-executive directors may receive options or shares.

Explanation for Departure

The current remuneration of the Directors is disclosed in the Directors' Report. Non-executive Directors receive a fixed fee for their services and may also receive options or shares. The issue of options or shares to non-executive Directors may be an appropriate method of providing sufficient incentive and reward while maintaining cash reserves.

Due to the Company's early stage of development and small size, it does not consider that a separate remuneration committee would add any efficiency to the process of determining the levels of remuneration for the Directors and key executives. The Board believes it is more appropriate to set aside time at specified Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee. In addition, all matters of remuneration will continue to be in accordance with regulatory requirements, especially in respect of related party transactions; that is, none of the Directors will participate in any deliberations regarding their own remuneration or related issues.

Income Statement

for the year ended 30 June 2008

	Note	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Revenue	2(a)	883,464	253,505	883,464	253,505
Other Revenue	2(b)	4,879,993	-	4,879,993	-
Depreciation expenses		(10,652)	-	(10,652)	-
Occupancy costs		(90,334)	(75,653)	(90,334)	(75,653)
Consulting and directors' fees		(310,000)	(130,000)	(310,000)	(130,000)
Employment costs		(273,122)	(302,709)	(273,122)	(302,709)
Share based payment expense	21	(1,704,560)	-	(1,704,560)	-
Other expenses from ordinary activities	3	(500,059)	(338,378)	(500,059)	(338,378)
Profit/(loss) before income tax		2,874,730	(593,235)	2,874,730	(593,235)
Income tax expense	4	-	-	-	-
Profit/(loss) for the year		2,874,730	(593,235)	2,874,730	(593,235)
Basic and diluted profit/(loss) per share (cents)	14	2.47	(0.68)	2.47	(0.68)

The accompanying notes form an integral part of these financial statements.

Balance Sheet

as at 30 June 2008

	Note	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
ASSETS					
Current Assets					
Cash assets	16(b)	14,653,682	4,675,359	14,653,682	4,675,359
Receivables	6	231,656	140,597	228,716	137,657
Total Current Assets		14,885,338	4,815,956	14,882,398	4,813,016
Non-Current Assets					
Property, plant and equipment	7	386,738	397,390	386,738	397,390
Exploration, evaluation and development expenditure	8	33,822,019	29,868,717	12,603,945	8,650,643
Available for Sale Investments	9	840,005	-	840,005	-
Other financial assets	18	-	-	23,950,000	23,950,000
Total Non-Current Assets		35,048,762	30,266,107	37,780,688	32,998,033
TOTAL ASSETS		49,934,100	35,082,063	52,663,086	37,811,049
Current Liabilities					
Trade and other payables	10	-	525,840	2,728,986	3,254,826
Total Current Liabilities		-	525,840	2,728,986	3,254,826
TOTAL LIABILITIES		-	525,840	2,728,986	3,254,826
NET ASSETS		49,934,100	34,556,223	49,934,100	34,556,223
EQUITY					
Issued capital	11	51,549,284	36,478,307	51,549,284	36,478,307
Reserves	12(a)	2,378,463	66,300	2,378,463	66,300
Accumulated losses	12(b)	(3,993,647)	(1,988,384)	(3,993,647)	(1,988,384)
TOTAL EQUITY		49,934,100	34,556,223	49,934,100	34,556,223

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2008

	Issued Capital $	Accumulated Losses $	Financial Assets Reserve $	Share Payment Reserve $	Total Equity $
Parent Entity					
2008					
As at 1 July 2007	36,478,307	(1,988,384)	-	66,300	34,556,223
Profit for the year	-	2,874,730	-	-	2,874,730
Revaluation increment	-	-	607,603	-	607,603
In-specie de-merger distribution to shareholders (Note 5)	-	(4,879,993)	-	-	(4,879,993)
Share based payment during the year	-	-	-	1,704,560	1,704,560
Shares issued under placement	17,425,000	-	-	-	17,425,000
Capital reduction (Note 5)	(1,012,598)	-	-	-	(1,012,598)
Share buy-backs	(376,954)	-	-	-	(376,954)
Transaction costs from issue of shares	(964,471)	-	-	-	(964,471)
As at 30 June 2008	51,549,284	(3,993,647)	607,603	1,770,860	49,934,100
2007					
As at 1 July 2006	8,295,605	(1,395,149)	-	66,300	6,966,756
Loss for the year	-	(593,235)	-	-	(593,235)
Shares issued	20,925,000	-	-	-	20,925,000
Shares issued under placement	1,000,000	-	-	-	1,000,000
Shares issued from exercise of options	6,558,953	-	-	-	6,558,953
Transaction costs from issue of shares	(301,251)	-	-	-	(301,251)
As at 30 June 2007	36,478,307	(1,988,384)	-	66,300	34,556,223

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity continued

for the year ended 30 June 2008

	Issued Capital $	Accumulated Losses $	Financial Assets Reserve $	Share Payment Reserve $	Total Equity $
Consolidated Group					
2008					
As at 1 July 2007	36,478,307	(1,988,384)		66,300	34,556,223
Profit for the year	-	2,874,730		-	2,874,730
Revaluation increment	-	-	607,603	-	607,603
In-specie de-merger distribution to shareholders (Note 5)	-	(4,879,993)	-	-	(4,879,993)
Share based payment during the year	-	-	-	1,704,560	1,704,560
Shares issued under placement	17,425,000	-	-	-	17,425,000
Capital reduction (Note 5)	(1,012,598)	-	-	-	(1,012,598)
Share buy-backs	(376,954)	-	-	-	(376,954)
Transaction costs from issue of shares	(964,471)	-	-	-	(964,471)
As at 30 June 2008	51,549,284	(3,993,647)	607,603	1,770,860	49,934,100
2007					
As at 1 July 2006	8,295,605	(1,395,149)	-	66,300	6,966,756
Loss for the year	-	(593,235)	-	-	(593,235)
Shares issued	20,925,000	-	-	-	20,925,000
Shares issued under Placement	1,000,000	-	-	-	1,000,000
Shares issued from exercise of options	6,558,953	-	-	-	6,558,953
Transaction costs from issue of shares	(301,251)	-	-	-	(301,251)
As at 30 June 2007	36,478,307	(1,988,384)	-	66,300	34,556,223

The accompanying notes form an integral part of these financial statements.

Cash Flow Statement

for the year ended 30 June 2008

	Note	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Cash flows from Operating Activities					
Receipt from customers		7,333	-	7,333	-
Payments to suppliers and employees		(1,785,757)	(816,094)	(1,785,757)	(816,094)
Interest received		876,132	253,505	876,132	253,505
Net cash used in operating activities	16(a)	(902,292)	(562,589)	(902,292)	(562,589)
Cash flows from Investing Activities					
Payments for plant and equipment		-	(397,390)	-	(397,390)
Payments for mineral exploration and mining activities		(5,202,957)	(3,011,537)	(5,202,957)	(3,011,537)
Acquisition of subsidiary, net of cash acquired		-	(296,014)	-	(296,014)
Net cash used in investing activities		(5,202,957)	(3,704,941)	(5,202,957)	(3,704,941)
Cash flows from Financing Activities					
Proceeds from issue of shares		17,425,000	7,558,953	17,425,000	7,558,953
Payment for share buy-back		(376,954)	-	(376,954)	-
Fund raising costs		(964,474)	(301,251)	(964,474)	(301,251)
Net cash provided by financing activities		16,083,572	7,257,702	16,083,572	7,257,702
Net increase in cash held		9,978,323	2,990,172	9,978,323	2,990,172
Cash at the beginning of the financial year		4,675,359	1,685,187	4,675,359	1,685,187
Cash at the end of the financial year	16(b)	14,653,682	4,675,359	14,653,682	4,675,359

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2008

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the consolidated group of Carrick Gold Limited and controlled entities, and Carrick Gold Limited as an individual parent entity. Carrick Gold Limited is a public listed company, incorporated and domiciled in Australia.

The financial report of Carrick Gold Limited and controlled entities, and Carrick Gold Limited as an individual parent entity, complies with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Basis of preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets for which the fair value basis of accounting has been applied.

Accounting Policies

a) Principles of Consolidation

A controlled entity is any entity Carrick Gold Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 18 to the financial statements. All controlled entities have a June financial year end.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changes where necessary to ensure consistencies with those polices applied by the parent entity.

Where controlled entities have entered or left the consolidated group during the year, their operating results have been included/excluded from the date control was obtained or until the date the control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit of loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax related to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at reporting date.

Accounting Policies continued

b) Income Tax continued

Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a largely enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities related to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c) Revenue Recognition

Revenue from the sale of goods is recognised when the company has transferred to the buyer the significant risks and rewards of ownership of the goods. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

d) Mining Tenements and Exploration and Development Expenditure

Mining tenements are carried at cost, less accumulated impairment losses.

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Accounting Policies continued

e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being amount for which an asset could be exchanges between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the useful lives to the consolidated group commencing from the time the asset is held ready fro use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10.00%
Buildings	10.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

f) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the economic entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Accounting Policies continued

g) Impairment assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

i) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

j) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k) Financial Instruments

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and their fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Accounting Policies continued

k) Financial Instruments continued

Classification and Subsequent Measurement

i. *Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designed as such to avoid an accounting mismatch or to enable performance evaluation where a group or financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

iii. *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

iv. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $

Note 2: Revenue

	2008 $	2007 $	2008 $	2007 $
(a) Revenue				
Interest received	876,132	235,505	876,132	235,505
Rent received	7,332	-	7,332	-
Total revenue	883,464	235,505	883,464	235,505
(b) Other revenue				
Gain on de-merger of Condor Nickel Ltd (Note 5)	4,879,993	-	4,879,993	-

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $

Note 3: Other expenses

Other expenses				
Legal and other professional expense	54,965	94,771	54,965	94,771
Travel and promotion expense	210,585	88,397	210,585	88,397
Corporate expense	102,071	98,796	102,071	98,796
Other expenses	132,438	56,414	132,438	56,414
Total other expenses	500,059	338,378	500,059	338,378

Note 4: Income Taxes

(a)	Income tax recognised in profit				
	No income tax is payable by the parent or consolidated entities for the year.				
(b)	Numerical reconciliation between income tax expense and the profit/(loss) before income tax				
	Profit/(loss) before income tax	2,874,730	(593,235)	2,874,730	(593,235)
	Income tax benefit at 30% (2007: 30%)	862,419	(177,970)	862,419	(177,970)
	Tax effect of:				
	Non-assessable gain on demerger	(1,463,998)	10,553	(1,469,998)	10,553
	Share based payment	511,368	-	511,368	-
	Deductible capital raising expenditure	(286,342)	(51,701)	(286,342)	(51,701)
	Deductible temporary differences	(1,559,490)	(903,351)	(1,559,490)	(903,351)
	Deductible exploration acquisition consideration	-	(6,050,935)	-	-
	Deferred tax asset not recognised	1,936,043	7,173,404	1,936,043	1,122,469
	Income tax expense	-	-	-	-
(c)	Unrecognised deferred tax balances				
	Tax losses attributable to members of the tax consolidated group - revenue	16,007,514	29,723,819	16,007,514	9,554,037
	Deferred tax liability not booked				
	Revaluation of mineral exploration tenements	-	(20,169,782)	-	-
		16,007,514	9,554,037	16,007,514	9,554,037
	Net unrecognised deferred tax asset at 30%	4,802,254	2,866,211	4,802,254	2,866,211

A deferred tax asset attributable to income tax losses has not been recognised at balance date as the probability criteria disclosed in Note 1(b) is not satisfied and such benefit will only be available if the conditions of deductibility also disclosed in Note 1(b) are satisfied.

For the purposes of taxation, Carrick Gold Limited and its 100% owned Australian subsidiary are a tax consolidated group. The head entity of the tax consolidated group is Carrick Gold Limited.

The group has not entered into a tax sharing agreement and an election for the purposes of tax consolidation has not yet been made.

Note 5: De-merger of Condor Nickel Ltd

A General Meeting of the Company's shareholders on 4 April 2008, approved pursuant to Section 256 C (1) of the Corporations Act 2001, the reduction of the Company's share capital and the making of an in-specie distribution of the Company's fully paid ordinary shares in Condor Nickel Ltd (CNL). The Company acquired 30,000,000 shares in CNL on 1 February 2008 for an acquisition consideration of $1.254 million and made the in-specie distribution to its shareholders on a 1 for 5 basis, of 24,399,963 shares of that shareholding on 17 June 2008, contemporaneously with the listing of CNL on the ASX, pursuant to prospectus dated 22 April 2008

The reduction of the Company's share capital and the in-specie de-merger distribution of CNL shares, have been brought to account in these financial statements, through the Statement of Changes in Equity, on the following basis:

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
Capital reduction				
As a pro-rata reduction of the acquisition cost and balance sheet carrying value by the Company of its CNL shareholding (parent entity) and the balance sheet carrying value of deferred mineral exploration and evaluation expenditure (consolidated) -	1,012,598	-	1,012,598	-
In-specie de-merger distribution				
At the fair value of the CNL shares distributed to the Company's shareholders, by reference to the value of the shares issued under CNL's IPO, with an equivalent gain recognised in the Income Statement -	4,879,993	-	4,879,993	-

Note 6: Receivables (Current)

	2008	2007	2008	2007
Goods and services tax receivable	231,656	140,597	228,716	137,657

Note 7: Plant and Equipment

	2008	2007	2008	2007
Plant and equipment				
At cost	16,524	16,524	16,524	16,524
Accumulated depreciation	(1,652)	-	(1,652)	-
	14,872	16,524	14,872	16,524
Land and buildings				
At cost	380,866	380,866	380,866	380,866
Accumulated depreciation	(9,000)	-	(9,000)	-
	371,866	380,866	371,866	380,866
Total	386,738	397,390	386,738	397,390

(a) Movements in carrying amounts

	Land and buildings $	Plant and equipment $	Total $
Consolidated Group			
Balance at 1 July 2007	380,866	16,524	397,390
Depreciation expense	(9,000)	(1,652)	(10,652)
Balance at 30 June 2008	371,866	14,872	386,738
Parent Entity			
Balance at 1 July 2007	380,866	16,524	397,390
Depreciation expense	(9,000)	(1,652)	(10,652)
Balance at 30 June 2008	371,866	14,872	386,738

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$

Note 8: Exploration, evaluation and development expenditure

Exploration and evaluation expenditures carried forward in respect of mining areas of interest				
Exploration and evaluation phase				
Cost	12,603,945	8,650,643	12,603,945	8,650,643
Fair value	21,218,074	21,218,074	-	-
	33,822,019	29,868,717	12,603,945	8,650,643
Reconciliation				
Balance at beginning of year	29,868,717	5,639,106	8,650,643	5,639,106
Acquisition at fair value of tenements of Shannon Resources Limited	-	21,218,074	-	-
Exploration expenditure incurred	3,953,302	3,011,537	3,953,302	3,011,537
	33,822,019	29,868,717	12,603,945	8,650,643

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas. Amortisation of the costs carried forward for the development phase is not being charged pending the commencement of production.

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$

Note 9: Available-for-Sale Investments

Fair value of shares held for sale in Condor Nickel Ltd	840,005	-	840,005	-

Note 10: Payables (Current)

Trade creditors	-	525,840	2,728,986	3,254,826

	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $

Note 11: Contributed Equity

a) Paid up capital				
122,000,000 ordinary shares (30 June 2007: 112,000,000 ordinary shares)	51,549,284	36,478,307	51,549,284	36,478,307

	Consolidated Group 2008 No of Shares $	Consolidated Group 2008 Paid up Capital $	Parent Entity 2008 No of Shares $	Parent Entity 2008 Paid up Capital $
b) Movements in shares on issue				
Balance 1 July 2007	112,000,000	36,478,307	112,000,000	36,478,307
Shares issued under placement	10,250,000	17,425,000	10,250,000	17,425,000
Capital reduction – (Note 5)	-	(1,012,598)	-	(1,012,598)
Share buy-backs	(250,000)	(376,954)	(250,000)	(376,954)
Transaction costs from issue of shares	-	(964,471)	-	(964,471)
Balance 30 June 2008	122,000,000	51,549,284	122,000,000	51,549,284
c) Movements in options on issue				
Balance 1 July 2007	-	-	-	-
Add: Options issued	2,500,000	-	2,500,000	-
Less: Options exercised	-	-	-	-
Balance 30 June 2008	2,500,000	-	2,500,000	-

d) Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $

Note 12: Reserves and accumulated losses

(a) Reserves				
Share-based payments reserve	66,300	66,300	66,300	66,300
Financial assets reserve	607,603	-	607,603	-
Balance 30 June 2008	673,903	66,300	673,903	66,300
Movements				
Financial assets reserve				
Balance 1 July 2007	-	-	-	-
Revaluation increment of available-for- sale investments	607,603	-	607,603	-
Balance 30 June 2008	673,903	66,300	673,903	66,300

The share-based payments reserve is used to recognise the fair value of options issued as payments for services but not exercised. The financial assets reserve records the revaluation of financial assets.

(b) Accumulated losses				
Balance 1 July	(1,988,384)	(1,395,149)	(1,988,384)	(1,395,149)
Net profit for the year	2,874,730	(593,235)	2,874,730	(593,235)
In-specie de-merger distribution	(4,879,993)	-	(4,879,993)	-
Balance 30 June	(3,993,647)	(1,988,384)	(3,993,647)	(1,988,384)

Note 13: Related Party Information

a) Directors

The following persons were directors of Carrick Gold Limited during the financial year:

- Frank Carr — Executive Chairman
- Brian Martin — Director
- Victor Webb — Director — Resigned 30 November 2007
- Bevan Jaggard — Director — Appointed 30 November 2007

b) Key management personnel compensation

2008	Short-term benefits			Post-employment benefits		Share-based payment		
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Retirement benefits $	Options $	Others $	Total $
Directors								
Frank Carr	160,000	-	-	-	-	-	120,000+	280,000
Brian Martin	40,000	-	-	-	-	340,912	-	380,912
Victor Webb	20,000*	-	-	-	-	-	-	20,000
Bevan Jaggard	111,640	-	-	-	-	681,824	-	793,464
Totals	**331,640**	**-**	**-**	**-**	**-**	**1,022,736**	**120,000**	**1,474,376**

2007	Short-term benefits			Post-employment benefits		Share-based payment		
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Retirement benefits $	Options $	Others $	Total $
Directors								
Frank Carr	100,000	-	-		-	-	80,000+	180,000
Brian Martin	40,000	-	-		-	-	-	40,000
Victor Webb	-*	-	-		-	-	-	-
Other key management personnel								
Bevan Jaggard	83,220	-	-	-	-	-	-	83,220
Totals	**223,220**	**-**	**-**	**-**	**-**	**-**	**80,000**	**303,220**

+ Fees paid in the normal course of business for management and administration services totalling $120,000 (2007: $80,000) paid to Noble Pacific Limited, a company of which Frank Carr is a director.

* Victor Webb is resident in USA. He was paid a director's fee of A$20,000 instead of salary.

c) Shareholdings of directors and other key management personnel

	Balance 1 July 2007	Received as Remuneration	Options Exercised	Net Change Other	Balance 30 June 2008
Directors					
Frank Carr	52,000,000	-	-	-	52,000,000
Brian Martin	865,000	-	-	-	865,000
Victor Webb	300,000	-	-	-	300,000
Other key management personnel					
Bevan Jaggard	1,094,000	-	-	-	1,094,000
Totals	54,259,000	-	-	-	54,259,000

d) Option holdings of directors and other key management personnel

	Balance 1 July 2007	Received as Remuneration	Options Exercised	Net Change Other	Balance 30 June 2008
Directors					
Frank Carr	-	-	-	-	-
Brian Martin	-	-	-	500,000	500,000
Victor Webb	-	-	-	-	-
Other key management personnel					
Bevan Jaggard	-	-	-	1,000,000	1,000,000
Totals	-	-	-	1,500,000	1,500,000

Note 13: Related Party Information continued

e) Other transactions and balances with directors and other key management personnel

Service Agreement

The Company has a service agreement with Noble Pacific Limited, a director related entity, which commenced on 1 April 2005 for management and administration of the Company at the rate of $20,000 per quarter. The agreement is renewable by negotiation and mutual consent.

2007	Short-term benefits			Post-employment benefits		Share-based payment		
Name	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary benefits $**	**Super-annuation $**	**Retirement benefits $**	**Options $**	**Others $**	**Total $**
Directors								
Frank Carr	100,000	-	-		-	-	80,000+	180,000
Brian Martin	40,000	-	-		-	-	-	40,000
Victor Webb	-*	-	-		-	-	-	-
Sub-total Directors	**140,000**	**-**	**-**	**-**	**-**	**-**	**80,000**	**220,000**
Other key management personnel								
Bevan Jaggard	83,220	-	-	-	-	-	-	83,220
Totals	**223,220**	**-**	**-**	**-**	**-**	**-**	**80,000**	**303,220**

	Consolidated Group	
	2008	2007
	$	$

Note 14: Profit/(Loss) Per Share

Consolidated Group

(a) Basic Profit/(Loss) Per Share

	2008 $	2007 $
Profit/(loss) used in calculating basic loss per share	2,874,730	(593,235)
Weighted average number of ordinary shares on issue during the year used as the denominator in calculating basic loss per share	116,411,644	86,992,665
Cents per share	2.47	(0.68)

(b) Diluted profit/(loss) Per Share

Diluted profit/(loss) per share is the same as basic profit/(loss) per share as there are no potential ordinary shares that are dilutive.

Note 15: Auditor's Remuneration

	2008 $	2007 $
Remuneration of the auditor for:		
Statutory audit		
- auditing and reviewing financial reports	25,000	15,000
Non-audit services		
- taxation compliance services	5,000	-
- other	500	1,500
	5,500	1,500

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$

Note 16: Cash Flow Information

(a) Reconciliation of the net loss after income tax to the net cash flows from operating activities				
Net loss for the year	(300,703)	(593,235)	(300,703)	(593,235)
Non-cash items				
Depreciation on non-current assets	10,652	-	10,652	-
Plant and equipment written off	-			
Changes in assets and liabilities				
(Increase) in trade and other receivables	(86,403)	(86,690)	(86,403)	(86,690)
(Decrease) in trade and other creditors	(525,838)	117,336	(525,838)	117,336
Net cash outflow from operating activities	(902,292)	(562,589)	(902,292)	(562,589)
(b) Reconciliation of cash				
Cash balance comprises:				
- cash assets	14,653,682	4,675,359	14,653,682	4,675,359
(c) Acquisition and de-merger of entity				
On 1 February 2008, the controlled entity, Condor Nickel Limited, was acquired and subsequently de-merged (Note 5) on 17 June 2008.				
Aggregate details of this acquisition transaction are:				
Purchase consideration due under contract of sale	**1,245,000**	**-**	**1,245,000**	**-**
Assets and liabilities held at acquisition date				
Mineral exploration tenements	**1,245,000**	**-**	**-**	**-**

Note 17: Expenditure Commitments

The Company has certain commitments to meet minimum expenditure requirements on the mineral exploration assets in which it has an interest. Outstanding exploration commitments are as follows:

Not later than one year	488,600	731,980	488,600	731,980

Note 18: Controlled Entities

(a) Controlled Entities Consolidated

	County of Incorporation	Parent Entity's Investment		Percentage Owned	
		2008	2007	2008	2007
		$	$	%	%
Parent Entity					
Carrick Gold Limited	Australia				
Subsidiary					
Shannon Resources Limited	Australia	23,950,000	23,950,000	100	100

Shannon Resources Limited is the registered owner of various tenements. The parent entity owns 100% of Shannon Resources Limited and is entitled to all profits earned and losses incurred from the tenements. There was no income earned and no expenses incurred in Shannon Resources Limited from 1 July 2007 to 30 June 2008.

Note 19: Segment Information

The consolidated entity operated predominantly in one business and one geographic segment. The consolidated entity operated in Australia. The industry in which the consolidated entity operated was the exploration for and extraction of mineral resources.

Note 20: Financial Instruments

(a) Interest Rate Risk

The Company's exposure to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

	Weighted Average Interest Rate	Floating Interest Rate $	Fixed Interest Maturing 1 Year or Less $	Fixed Interest Maturing 1 to 5 Years $	Non-Interest Bearing $	Total $
30 June 2008						
Financial Assets						
Cash assets	6.97%	14,653,682	-	-	-	14,653,682
Receivables	-	-	-	-	231,656	231,656
		14,653,682	-	-	231,656	14,885,338
Financial Liabilities						
Payables	-	-	-	-	-	-
		-	-	-	-	-
Net financial assets/(liabilities)		14,653,682	-	-	231,656	14,885,338
30 June 2007						
Financial Assets						
Cash assets	6.40%	4,675,359	-	-	-	4,675,359
Receivables	-	-	-	-	140,597	140,597
		4,675,359	-	-	140,597	4,815,956
Financial Liabilities						
Payables	-	-	-	-	525,840	525,840
		-	-	-	525,840	525,838
Net financial assets/(liabilities)		4,675,359	-	-	(385,243)	4,290,116

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's:

- Net profit would increase by $73 thousand and decrease by $73 thousand. This is mainly attributable to the Group's exposure to interest rates on its investments.

(b) Credit Risk

The maximum exposure to credit risk at balance date on financial assets of the Company is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Balance Sheet and Notes to the Financial Statements.

(c) Net Fair Value of Financial Assets and Liabilities

The carrying amounts of financial instruments included in the balance sheet approximate their fair values due to their short terms of maturity.

Note 21: Share Based Payments

(a) Options issued

The Company issued options to its directors and employees and third party contractors as part of its policy to continue to attract and retain the directors and employees of high calibre and maintain on-going commercial relationships with the contractors.

Set out below is a summary of options issued as at 30 June 2008 for both the parent entity and the consolidated group:

Issue Date	Expiry Date	Balance at start of year	Number issued during year	Number expired during year	Balance at end of year	Number exercisable at end of year
6/12/2007	31/12/2012	-	2,500,000*	-	2,500,000 *	2,500,000

* The total options issued are made up of:	
Options issued to key management personnel	1,500,000
Options issued to consultant and employee	1,000,000
Total	2,500,000

The details of the options issued to key management personnel are as per disclosures in the Directors' Report.

Fair value of director and employee shares issued:

The fair value at issue date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the share price at issue date and expected price volatility of the underlying share, and the risk free interest rate for the term of the loan.

The model inputs for options granted during the year ended 30 June 2008 included:

(a) options are granted for no consideration and vest from issue date to 31 December 2012.

(b) exercise price - $2.00.

(c) issue date - 6 December 2007.

(d) expiry date - 31 December 2012.

(e) expected price volatility of the Company's shares: 50%.

(f) risk-free interest rate: 6.54%.

(g) the share price at issue date $1.52.

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expenses were as follows:

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
Expenses related to options issued to key management personnel	1,022,736	-	1,022,736	-
Expenses related to options issued to consultant and employee	681,824	-	681,824	-
	1,704,560	**-**	**1,704,560**	**-**

Note 22: Events Subsequent to Reporting Date

There were no events of significance subsequent to 30 June 2008.

Note 23: Contingent Liabilities

There are no contingent liabilities at reporting date.

Note 24: Company Details

The principal place of business of the Company is:

Carrick Gold Limited
Level 9
37 St George's Terrace
Perth WA 6000,
Australia

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes as set out on pages 12 to 35 are in accordance with the Corporations Act 2001, and:
   (a) comply with Accounting Standards and the Corporations Regulations 2001; and
   (b) give a true and fair view of the Economic Entity's financial position as at 30 June 2007 and of the performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The directors have been given the declarations by the chief executive officer and the chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors.

[signed]

Frank Carr
Chairman

Dated at Perth this 25th day of September 2008

RSM Bird Cameron Partners
Chartered Accountants

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Independent Auditor's Report

to the members of Carrick Gold Limited

Report on the Financial Report

We have audited the accompanying financial report of Carrick Gold Limited ("the company"), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1 to the Financial Statements, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards..

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independent Auditor's Report to the members of Carrick Gold Limited continued

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

(a) the financial report of Carrick Gold Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

the financial report also complies with International Financial Reporting Standards as disclosed in Note 1 to the financial statements..

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 8 of the directors' report for the financial year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Carrick Gold Limited for the financial year ended 30 June 2008 complies with section 300A of the *Corporations Act 2001*.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

[signed]

S C CUBITT
Partner

Perth, WA
Dated: 25 September 2008

RSM Bird Cameron Partners
Chartered Accountants

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Auditor's Independence Declaration

As lead auditor for the audit of the financial report of Carrick Gold Limited for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

[signed]

S C CUBITT
Partner

Perth, WA
Dated: 25 September 2008

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd. and not shown elsewhere in this report is as follows:

a) Distribution of equity securities

TOP SPREAD REPORT AS AT 17 SEPTEMBER 2008
CLASS: CRK FULLY PAID ORDINARY SHARES
ACN: 100 405 954

Spread of Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1 - 1,000	132	81,406	0.067%
1,001 - 5,000	301	1,046,927	0.858%
5,001 - 10,000	184	1,577,739	1.293%
10,001 - 100,000	352	11,410,775	9.353%
100,001 +	77	107,883,153	88.429%
TOTAL	1,046	122,000,000	100.000%

Number of shareholders holding less than a marketable parcel of shares is: 74

b) Twenty largest shareholders

Rank	Shareholder	Total Units	% Issued Capital
1	MR FRANK CARR	52,100,000	42.71%
2	LINK 405 PTY LTD.	17,147,886	14.06%
3	JP MORGAN NOMINEES AUSTRALIA LTD.	8,217,000	6.74%
4	HSBC CUSTODY NOMINEES AUSTRALIA LTD.	3,435,840	2.82%
5	CITICORP NOMINEES PTY LTD.	1,769,558	1.45%
6	BOND STREET CUSTODIANS LTD.	1,580,352	1.30%
7	CATHOLIC CHURCH INSURANCES LTD.	1,570,000	1.29%
8	MR BEVAN ALFRED JAGGARD	1,094,000	0.90%
9	AGENS PTY LTD.	987,500	0.81%
10	MERRILL LYNCH NOMINEES AUSTRALIA PTY LTD.	966,500	0.79%
11	MR EDWIN PAUL CAYZER & LORAINE HELEN CAYZER	775,000	0.64%
12	NATIONAL NOMINEES LTD.	753,935	0.62%
13	KURNKAL PTY LTD.	727,432	0.60%
14	LOTSA NOMINEES PTY LTD.	669,000	0.55%
15	CONSOLIDATED NOMINEES PTY LTD.	631,386	0.52%
16	LINK ENTERPRISES INTERNATIONAL PTY LTD.	600,000	0.49%
17	AGENS PTY LTD.	595,397	0.49%
18	OLYMPUS INVESTMENT HOLDINGS LTD.	595,143	0.49%
19	MRS SAMANTHA BLOOM	588,495	0.48%
20	MS SUE PATRICIA ROGERS	562,500	0.46%
		95,366,924	78.17%

CARRICK GOLD LIMITED
ACN 100 405 954

Produced by
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