

Carrick Gold Limited and Controlled Entities

ACN 100 405 954

Half Year Financial Report

For the period ended 31 December 2007

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CORPORATE PARTICULARS

Directors	Frank Carr Brian Martin Victor Webb Bevan Jaggard	(Executive Chairman) (Director) (Director) Resigned 30 November 2007 (Director) Appointed 30 November 2007
Company Secretary	Bevan A Jaggard	
Registered Office	C/- Lawton Gillon 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	
Share Registry	Advanced Share Registry Services 110 Stirling Highway Perth WA 6009	
Auditor	RSM Bird Cameron Partners 8 St Georges Terrace Perth WA 6000	
Solicitor	Lawton Gillon Level 1 16 St George's Terrace Perth WA 6009	

DIRECTORS' REPORT

The Directors of Carrick Gold Limited (the **Company**) present their report together with the financial report for the half-year ended 31 December 2007 and the review report thereon.

Directors

The directors of the Company at any time during or since the end of the half-year are:

Name

Frank Carr

Victor G Webb

Resigned 30 November 2007

Bevan Jaggard

Appointed 30 November 2007

Brian Martin

Review of Operations and Exploration Activities

The consolidated entity's loss for the half year ended 31 December 2007 was \$424,471 (2006: \$292,280).

As announced to the Australian Stock Exchange, the Company's current position and activities are:

Kurnalpi Prospect**Brilliant Project (Gold)**

Percussion and RAB (Rotary Air Blast) drilling took place along the Eastern Structure at Brilliant and on tenements west of Brilliant respectively, where gold, nickel and zinc targets were identified.

Percussion drilling (42 holes for 5856 metres) was conducted at the Brilliant Prospect along the Eastern Structure on a 40 X 20 metre grid to intersect quartz vein sets in a dolerite host rock. Vertical drill holes were used to intersect the main quartz vein sets and in extending the mineralisation north and south angled holes were used on some sections to locate the host rock. Preliminary results have shown continuity of grade and thickness. The drill pattern used will enable an Indicated Resource (JORC compliant) to be calculated.

Drilling defined significant mineralisation within a north south shear zone over a strike distance of 720 metres that, based on old workings and previously identified gold anomalous areas, will eventually extend over 2 kilometres.

Follow-up drilling is planned currently in progress.

Rotary Air Blast (RAB) drilling was completed on tenements to the west of the Brilliant area in mineralised areas defined by quartz veining, alluvial workings and old mine workings.

Grey Dam Nickel prospect

At Grey Dam Nickel Prospect, 49 Aircore holes for a total of 1849 metres (in addition to 79 RAB holes west of Brilliant) were completed to define a central part of the nickel laterite mineralised area. Soil sample results (-80 mesh sieved soil samples) have delineated a nickel anomalous mineralised area of approximately 3.5 square kilometres. Targets have been identified for RC drilling.

RC percussion drilling continued during the quarter to further identify a relatively shallow nickel sulphide resource at Grey Dam. The nickel sulphide deposit found to be in contact with an ultramafic-dolerite at about 130 – 140 metres vertical depth.

Diamond drilling also took place on Target 1 at Grey Dam to identify form, orientation and type of sulphide mineralisation in core.

**Lindsays Project
Parrot Feathers**

Activities at the Lindsays Project consisted of the close-spaced RC drilling to block-out a measured resource to a vertical depth of 150 metres over a surface distance of 550 metres.

This close-spaced reverse circulation block-out drill programme was completed in December over a strike distance of approximately 500 metres including the Parrot Feathers lode and subsidiary lodes including the Copperline. Infill drilling reduced drill spacings to a 20 X 20 metre grid pattern from north Parrot Feathers to the beginning of the Trial Pit.

Results have been particularly encouraging as they have added to the already robust and continuous gold mineralisation, which deepens significantly to the south. This mineralisation is reflected in the Hanging Wall lodes (ie. Copperline and Trial Pit near- surface lodes), located approximately 150 metres west of the Parrot Feathers lode system, and has shown that open pit style gold mineralisation continues to the south joining the Trial Pit. Both lode systems are made up of a main lode with subsidiary lodes above and below and have been defined by a complex overturned isoclinal fold system.

Database validation and preliminary geological modelling of the resource from Parrot Feathers to the Trial Pit is continuing with the main Parrot Feathers lode plunging markedly to the south west reflecting the plunge of the Parrot Feathers fold nose. As the main Parrot Feathers lode deepens to the south additional lodes appear in the Hanging Wall maintaining the gold mineralised corridor to the south and indicating additional fold structures.

An independent assessment of the resource at Lindsays has been commissioned. This will enable the determination of a Measured Resource and modelling of the first stage pit outline will be conducted when metallurgical testwork and sample checks have been completed.

Capital Raising

During the quarter, the Company effected a placement of 10,250,000 shares at \$1.70 per share to sophisticated and professional investors, clients of BBY Limited.

The capital raising realised AUD\$17,425,000.

The monies will be used to fund further block-out drill programmes at Carrick Gold's Lindsays and Kurnalpi Projects and for working capital purposes.

Events Subsequent to Balance Date

On 16 January 2008, an announcement was made to the Australian Stock Exchange by the Company regarding its decision to transfer ownership of all nickel opportunities within its tenements to a wholly-owned subsidiary, Condor Nickel Ltd. The Company intends to make an application to list Condor Nickel Ltd. on the Australian Stock Exchange through an initial public offering of 40,000,000 ordinary fully paid shares at \$0.20 each. The Company will receive 30,000,000 ordinary fully paid shares in Condor Nickel Ltd of which it is proposed to effect an in-specie distribution to the Company's shareholders of 24,450,000 fully paid shares in Condor Nickel Ltd. The distribution will be on a 1 for 5 basis i.e. one share in Condor Nickel Ltd. for every 5 shares of the Company held on record date.

On 19 February 2008, an announcement was made to the Australian Stock Exchange by the Company regarding its intention to commence an on-market share buy-back on 5 March 2008 for a time-frame of 12 months and to buy back a number of shares not greater than 10 per cent of the issued ordinary share capital of the Company.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 12 and forms part of the directors' report for the half-year ended 31 December 2007.

Signed in accordance with a resolution of the Directors.



Frank Carr
Chairman

Dated: 11 March 2008

INCOME STATEMENT

For the half year ended 31 December 2007

	Consolidated 31 December 2007 \$	Parent 31 December 2006 \$
Revenue from non-operating activities	132,434	40,742
Total revenue	<u>132,434</u>	<u>40,742</u>
Occupancy costs	48,522	34,514
Consulting and directors' fees	160,000	130,000
Employment costs	143,371	77,343
Other expenses	<u>205,012</u>	<u>91,165</u>
Loss from ordinary activities before income tax	424,471	292,280
Income tax expense relating to ordinary activities	<u>-</u>	<u>-</u>
Net loss attributable to members of Carrick Gold Limited	<u>424,471</u>	<u>292,280</u>
Loss Per Share		
Basic loss (cents) per share	<u>0.4</u>	<u>0.4</u>
Diluted loss (cents) per share	<u>0.4</u>	<u>0.4</u>

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

BALANCE SHEET
As at 31 December 2007

	Consolidated	
	31 December 2007	30 June 2007
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	17,866,891	4,675,359
Receivables	317,942	140,597
Total current assets	<u>18,184,833</u>	<u>4,815,956</u>
NON-CURRENT ASSETS		
Property, plant and equipment	397,390	397,390
Exploration, evaluation and development expenditure	32,545,138	29,868,717
Total non-current assets	<u>32,942,528</u>	<u>30,266,107</u>
Total assets	<u>51,127,361</u>	<u>35,082,063</u>
CURRENT LIABILITIES		
Trade and other payables	519,786	525,840
Total liabilities	<u>519,786</u>	<u>525,840</u>
Net assets	<u>50,607,575</u>	<u>34,556,223</u>
EQUITY		
Issued capital	52,954,130	36,478,307
Reserves	66,300	66,300
Accumulated losses	(2,412,855)	(1,988,384)
Total equity	<u>50,607,575</u>	<u>34,556,223</u>

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

STATEMENT OF CHANGES IN EQUITY
For the half year ended 31 December 2007

Parent entity

	Issued Capital \$	Accumulated Losses \$	Share payment reserve \$	Total Equity \$
As at 1 July 2006	8,295,605	(1,395,149)	66,300	6,966,756
Loss for the period	-	(292,280)	-	(292,280)
Shares issued from exercise of options	6,558,953	-	-	6,558,953
Transaction costs from issue of shares	(154,851)	-	-	(154,851)
As at 31 December 2006	14,699,707	(1,687,429)	66,300	13,078,578

Consolidated

	Issued Capital \$	Accumulated Losses \$	Share payment reserve \$	Total Equity \$
As at 1 July 2007	36,478,307	(1,988,384)	66,300	34,556,223
Loss for the period	-	(424,471)	-	(424,471)
Shares issued from placement	17,425,000	-	-	17,425,000
Transaction costs from issue of shares	(949,177)	-	-	(949,177)
As at 31 December 2007	52,954,130	(2,412,855)	66,300	50,607,575

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

CASH FLOW STATEMENT

For the half year ended 31 December 2007

	Consolidated 31 December 2007 \$	Parent 31 December 2006 \$
Cash flows from Operating Activities		
Payments to suppliers and employees	(740,304)	(301,442)
Interest received	132,434	40,742
Net cash used in operating activities	<u>(607,870)</u>	<u>(260,700)</u>
Cash flows from Investing Activities		
Payments for mineral exploration and mining activities	(2,676,421)	(1,013,783)
Net cash used in investing activities	<u>(2,676,421)</u>	<u>(1,013,783)</u>
Cash flows from Financing Activities		
Proceeds from issue of shares	17,425,000	4,766,803
Fund raising costs	(949,177)	-
Net cash provided by Financing activities	<u>16,475,823</u>	<u>4,766,803</u>
Net increase in cash held	13,191,532	3,492,320
Cash at the beginning of the half-year	<u>4,675,359</u>	<u>1,685,187</u>
Cash at the end of the half-year	<u>17,866,891</u>	<u>5,177,507</u>

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

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2007

1. Basis of Preparation

Carrick Gold Limited ('the Company') is a company domiciled in Australia.

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 134: 'Interim Financial Reporting', Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2007 and any public announcements made by Carrick Gold Ltd and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2007 financial report.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year financial report has been prepared on an accrual 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.

2. Contributed Equity

a) Paid up capital

122,250,000 (30 June 2007: 112,000,000 ordinary shares) \$

b) Movements

	No of Shares	Paid up Capital
Balance 1 July 2007	112,000,000	36,478,307
Share placement	10,250,000	17,425,000
Transaction costs from issue of shares	-	(949,177)
	122,250,000	52,954,130

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2007**3. Segment Information**

The economic entity operates in only one industry segment being mineral exploration and only one geographical segment being Australia.

4. Event Subsequent to Reporting Date

On 16 January 2008, an announcement was made to the Australian Stock Exchange by the Company regarding its decision to transfer ownership of all nickel opportunities within its tenements to a wholly-owned subsidiary, Condor Nickel Ltd. The Company intends to make an application to list Condor Nickel Ltd. on the Australian Stock Exchange through an initial public offering of 40,000,000 ordinary fully paid shares at \$0.20 each. The Company will receive 30,000,000 ordinary fully paid shares in Condor Nickel Ltd of which it is proposed to effect an in-specie distribution to the Company's shareholders of 24,450,000 fully paid shares in Condor Nickel Ltd. The distribution will be on a 1 for 5 basis i.e. one share in Condor Nickel Ltd. for every 5 shares of the Company held on record date.

On 19 February 2008, an announcement was made to the Australian Stock Exchange by the Company regarding its intention to commence an on-market share buy-back on 5 March 2008 for a time-frame of 12 months and to buy back a number of shares not greater than 10 per cent of the issued ordinary share capital of the Company.

5. Contingent Liabilities

There are no contingent liabilities at reporting date other than a performance bond issued by the Company's bankers in favour of the Minister for State Development for \$87,000 during the half-year. Security comprises a letter of set-off by the Company over a term deposit totalling \$87,000.

6. Related Parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2007 annual financial report.

7. Comparatives

The comparatives for the income statement, cash flow statement and statement of changes in equity are for the parent entity only i.e. Carrick Gold Ltd. as there was no consolidated group at 31 December 2006. Carrick Gold Ltd. acquired 100% of Shannon Resources Ltd. on 30 April 2007 and then formed a consolidated group, whose financial position is reflected in the balance sheet comparatives.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes as set out on pages 4 to 9 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: "Interim Financial Reporting" and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-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.

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



Frank Carr
Chairman

Dated: 11 March 2008

RSM Bird Cameron Partners

Chartered Accountants

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GPO Box R1253 Perth WA 6844
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www.rsmi.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CARRICK GOLD LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Carrick Gold Limited (the company) which comprises the consolidated balance sheet as at 31 December 2007 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration. The consolidated entity comprises both the company and the entities it controlled during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of Carrick Gold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Carrick Gold Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants

SC Cubitt

S C CUBITT
Partner

Perth, WA
Dated:

11 March 2008

RSM Bird Cameron Partners

Chartered Accountants

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AUDITORS' INDEPENDENCE DECLARATION TO THE BOARD OF DIRECTORS OF CARRICK GOLD LIMITED

As lead audit partner for the review of the financial report of Carrick Gold Limited for the half-year ended 31 December 2007, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

SCUBITT

S C CUBITT
Partner

Perth, WA

Dated: *11 March 2008*