

# Carrick Gold Limited and Controlled Entities

ACN 100 405 954

## Half Year Financial Report

For the half-year ended 31 December 2008



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**CORPORATE PARTICULARS**

<b>Directors</b>	Frank Carr Brian Martin Bevan Jaggard	Executive Chairman Director Director
<b>Company Secretary</b>	Elaine Carr	
<b>Registered Office</b>	Level 11 16 St George's Terrace Perth WA 6000	
<b>Corporate Office</b>	Level 9 37 St George's Terrace Perth WA 6000	
<b>Mailing Address</b>	GPO Box 2567 Perth WA 6001	
<b>Share Registry</b>	Advanced Share Registry Services 150 Stirling Highway Perth WA 6009	
<b>Auditor</b>	RSM Bird Cameron Partners 8 St Georges Terrace Perth WA 6000	
<b>Solicitor</b>	Lawton Gillon Level 11 16 St George's Terrace Perth WA 6009	

**DIRECTORS' REPORT**

The directors' of Carrick Gold Limited (the Company) present their financial report and its controlled entity for the half-year ended 31 December 2008.

**Directors**

The names of directors in office at any time during and since the end of the half-year are listed hereunder:

**Name**

Frank Carr

Bevan Jaggard

Brian Martin

**Review of Operations and Exploration Activities**

The consolidated company's loss for the half year ended 31 December 2008 was \$1,427,168 (2007: \$424,471).

The Company's current exploration position and activities are set out in the announcements released to the Australian Securities Exchange and should be read in conjunction with this half-yearly financial report. Some highlights are presented below:

- Significant results continue at Lindsays' Eastern Structure (Parrot Feathers). Drilling has continued along a strike distance of 500 metres with the highest gold grade during the half-year being 120g/t Au.
- Significant results have also been identified on Lindsays' Central Structure. Drilling is continuing along a strike distance of 1.2 kilometres.
- The most recent drill programme at Kurnalpi's Brilliant prospect has enhanced the geological model of the 2.4 kilometre strike distance. Further drill programmes are planned for this project.
- New gold targets were identified in conjunction with near-surface nickel laterite mineralisation at Grey Dam prospect.
- Drilling results obtained from the most recent Kalpini drill programme are in the analysis phase with results pending.
- Several tenements were acquired at Dingo Range, near Wiluna, Western Australia. Drill programmes are being planned for this project.

**Events Subsequent to Reporting Date**


In accordance with the announcement made by the Company on 19 February 2008 to the Australian Stock Exchange regarding the on-market share buy-backs, the Company has subsequent to 31 December 2008 bought back 200,000 shares for a consideration of \$145,383 till 18 February 2009.

Other than the above, there has not arisen since the end of the half-year any item, transaction or event of a material and unusual nature likely in the opinion of the Directors of the Company, to affect substantially the operations of the Company and consolidated entity in subsequent financial periods.

**Lead Auditor's Independence Declaration under Section 370C of the Corporations Act 2001**

The lead auditor's independence declaration is set out on page 13 and forms part of the directors' report for the half-year ended 31 December 2008.

Signed in accordance with a resolution of the Directors.



Frank Carr  
Chairman

Dated: 25 February 2009

**CONSOLIDATED INCOME STATEMENT**  
For the half year ended 31 December 2008

	Note	Consolidated Group	
		31 December 2008	31 December 2007
		\$	\$
Revenue from non-operating activities		307,827	132,434
Occupancy costs		(60,965)	(48,522)
Impairment loss	3	(504,003)	-
Consulting and directors' fees		(160,000)	(160,000)
Employment costs		(217,673)	(143,371)
Share based payment	4	(593,310)	-
Other expenses from ordinary activities		(199,044)	(205,012)
<b>Loss from ordinary activities before income tax</b>		<b>(1,427,168)</b>	<b>(424,471)</b>
Income tax expenses		-	-
<b>Net loss attributable to members of Carrick Gold Limited</b>		<b>(1,427,168)</b>	<b>(424,471)</b>
Basic loss per share (cents per share)		(1.17)	(0.4)
Diluted loss per share (cents per share)		(1.16)	(0.4)

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

**CONSOLIDATED BALANCE SHEET**  
As at 31 December 2008

	Note	Consolidated Group	
		31 December 2008	30 June 2008
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		11,588,276	14,653,682
Trade and other receivables		200,614	231,656
<b>Total Current Assets</b>		<u>11,788,890</u>	<u>14,885,338</u>
<b>Non-Current Assets</b>			
Property, plant and equipment		395,290	386,738
Exploration, evaluation and development expenditure	2	36,308,630	33,822,019
Available for Sale Investments	3	336,002	840,005
<b>Total Non-Current Assets</b>		<u>37,039,922</u>	<u>35,048,762</u>
<b>Total Assets</b>		<u>48,828,812</u>	<u>49,934,100</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		230,053	-
Accruals		22,000	-
<b>Total Current Liabilities</b>		<u>252,053</u>	<u>-</u>
<b>Total Liabilities</b>		<u>252,053</u>	<u>-</u>
<b>Net Assets</b>		<u>48,576,759</u>	<u>49,934,100</u>
<b>Equity</b>			
Issued capital	4	51,025,801	51,549,284
Reserves		2,971,773	2,378,463
Accumulated losses		(5,420,815)	(3,993,647)
<b>Total Equity</b>		<u>48,576,759</u>	<u>49,934,100</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the half year ended 31 December 2008

	Issued Capital	Share Payment Reserve	Financial Asset Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2007</b>	36,478,307	66,300	-	(1,988,384)	34,556,223
Shares issued from placement	17,425,000	-	-	-	17,425,000
Transaction costs from issue of shares	(949,177)	-	-	-	(949,177)
Loss attributable to members of the Company	-	-	-	(424,471)	(424,471)
<b>Balance at 31 December 2007</b>	52,954,130	66,300	-	(2,412,855)	50,607,575
<b>Balance at 1 July 2008</b>	51,549,284	1,770,860	607,603	(3,993,647)	49,934,100
Share buy-backs	(523,483)	-	-	-	(523,483)
Share based payment	-	593,310	-	-	593,310
Loss attributable to members of the Company	-	-	-	(1,427,168)	(1,427,168)
<b>Balance at 31 December 2008</b>	51,025,801	2,364,170	607,603	(5,420,815)	48,576,759

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

**CONSOLIDATED CASH FLOW STATEMENT**  
For the half year ended 31 December 2008

	Consolidated Group	
	31 December 2008	31 December 2007
	\$	\$
	Inflows/(Outflows)	
<b>Cash flows from Operating Activities</b>		
Payments to suppliers and employees	(399,144)	(740,304)
Interest received	307,827	132,434
Net cash provided by/(used in) operating activities	<u>(91,317)</u>	<u>(607,870)</u>
<b>Cash flows from Investing Activities</b>		
Payments for plant and equipment	(14,141)	-
Payments for mineral exploration and mining activities	<u>(2,436,465)</u>	<u>(2,676,421)</u>
Net cash provided by/(used in) investing activities	<u>(2,450,606)</u>	<u>(2,676,421)</u>
<b>Cash flows from Financing Activities</b>		
Proceeds from issue of shares	-	17,425,000
Payments for share buy-back	(523,483)	
Transactions costs from issue of shares	-	(949,177)
Net cash provided by/(used in) financing activities	<u>(523,483)</u>	<u>16,475,823</u>
Net increase/(decrease) in cash held	(3,065,406)	13,191,532
Cash and cash equivalent at the beginning of the half-year	<u>14,653,682</u>	<u>4,675,359</u>
<b>Cash and cash equivalent at the end of the half-year</b>	<u><b>11,588,276</b></u>	<u><b>17,866,891</b></u>

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



**NOTES TO THE FINANCIAL STATEMENTS**  
For the half year ended 31 December 2008

**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*, Australian 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 2008 and any public announcements made by Carrick Gold Limited and its controlled entities during the half-year in accordance with the 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 2008 financial report.

The half-year 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. Exploration and Evaluation Expenditure**

	Consolidated	
	31 Dec 2008	30 Jun 2008
	\$	\$
Costs carried forward in respect of areas of interest in the following phases:		
<b>Exploration and evaluation phase</b>		
Balance at beginning of the period	33,822,019	29,868,717
Exploration expenditure incurred	2,486,611	3,953,302
Total deferred exploration and evaluation expenditure	36,308,630	33,822,019

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.

	31 Dec 2008	30 Jun 2008
	\$	\$
<b>3. Available for Sale Investments</b>		
Fair value of shares held for sale in Condor Nickel Ltd	336,002	840,005

The change in the fair value of shares held in Condor Nickel Limited between 30 June 2008 and 31 December 2008 has resulted in an impairment loss of \$504,003 which has been recognised in the income statement.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the half year ended 31 December 2008

<b>4. Issued Capital</b>	<b>No. of Shares</b>	<b>\$</b>
<b>Ordinary Shares</b>		
Issued and fully paid	121,200,000	51,025,801
Movement in fully paid ordinary shares:		
Balance at 1 July 2008	122,000,000	51,549,284
Share buybacks	(800,000)	(523,483)
Balance at 31 December 2008	121,200,000	51,025,801
<b>Options</b>	<b>No. of Options</b>	<b>\$</b>
Options	2,500,000	1,770,860
Movement in options on issue:		
Balance at 1 July 2008	2,500,000	1,770,860
Options issued to directors	1,500,000	346,295
Options issued to key management personnel	500,000	82,338
Options issued to consultant and employee	1,000,000	164,677
Balance at 31 December 2008	5,500,000	2,364,170

*Fair value of options issued:*

The fair value at issue date is determined using the 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 half year ended 31 December 2008 was calculated using the following variables:

	Directors' options	Key management personnel, employee and consultant options
Volatility:	40%	40%
Spot price at date of valuation:	\$0.73	\$0.62
Date of valuation:	27 November 2008	2 December 2008
Date of expiry:	31 December 2013	31 December 2013
Time till maturity:	5 years	5 years
Exercise price:	\$1.00	\$1.00
Interest rate:	4.50%	4.50%

The total cost of share based payments made during the half-year ended 31 December 2008 was \$593,310.

**5. Segment Information**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the half year ended 31 December 2008****6. Events Subsequent to Reporting Date**

In accordance with the announcement made by the Company on 19 February 2008 to the Australian Stock Exchange regarding the on-market share buy-backs, the Company has subsequent to 31 December 2008 bought back 200,000 shares for a consideration of \$145,383 till 18 February 2009.

Other than the above, there has not arisen since the end of the half-year any item, transaction or event of a material and unusual nature likely in the opinion of the Directors of the Company, to affect substantially the operations of the Company and consolidated entity in subsequent financial periods.

**7. Contingent Liabilities**

There are no contingent liabilities at the reporting date other than the performance bond issued by the Company's bankers in favour of the Minister for State Development for \$107,000.

**8. Related Parties**

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2008 annual financial report.

**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 3 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 2008 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 Board of Directors.



Frank Carr  
Chairman

Dated:

25 February 2009

# RSM Bird Cameron Partners

Chartered Accountants

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## 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 2008 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 2008 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 consolidated entity's financial position as at 31 December 2008 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

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S C CUBITT  
Partner

Perth, WA  
Dated:

*25 February 2009*

# RSM Bird Cameron Partners

Chartered Accountants

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## AUDITORS' INDEPENDENCE DECLARATION TO THE BOARD OF DIRECTORS OF CARRICK GOLD LTD

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

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS  
Chartered Accountants

*SC Cubitt*

S C CUBITT  
Partner

Perth, WA

Dated: *25 February 2009*