



## Company Update October 2011

**Date** 12 October 2011

**ASX Code:** CRK

**www.carrickgold.com**

**Share Capital:** 139.7M ordinary shares

**Share Price:** \$0.41

**Market Capitalisation:** \$57.3M

**Cash:** ~\$17M

### Directors

Laurence Freedman AM, Chairman  
John McKinstry, Managing Director  
Ross Gillon  
Robert Schuitema, Company Secretary

### Principal and Registered Office

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### Mailing Address

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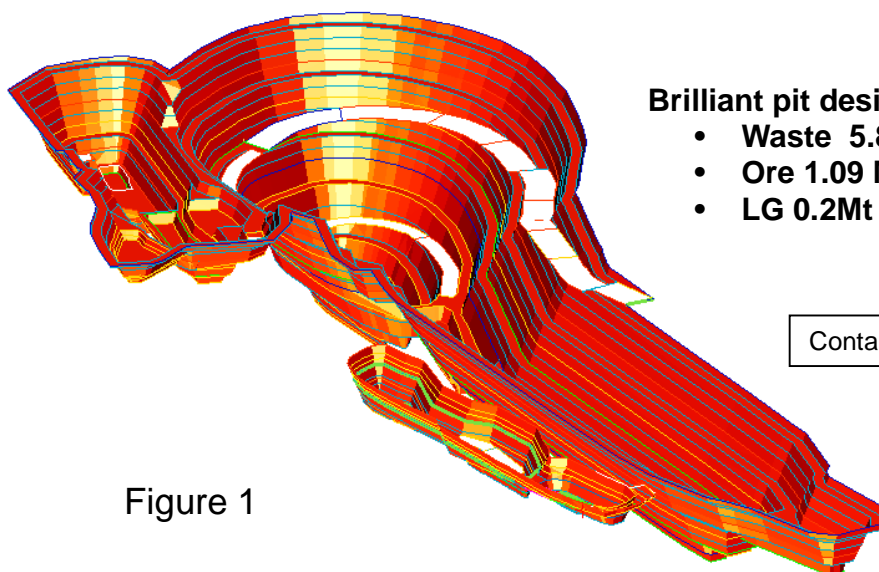
### Highlights

- Mining timetable in place
- Fully funded to reach production
- 2011 Reserves and Resources released
- Resource expansion drilling continuing

Since June 2011 Carrick Gold Limited (ASX:CRK) has undertaken extensive drilling and associated resource calculations. The most advanced site within the LKK Project, the Brilliant Pit, has a defined probable reserve.

### Brilliant Pit Mining Plans

Recent drilling by Carrick Gold has upgraded confidence of the drilled section of the Brilliant ore body resource Indicated, as categorised by the Joint Ore Reserves Committee (JORC) Code of Conduct. This has allowed the Company to engage consultants to undertake an initial pit optimisation. The pit optimisation uses economic parameters to decide the optimal pit dimensions for extracting the ore, based on ore being treated at one of two nearby processing plants.



### Brilliant pit design:

- Waste 5.88Mt
- Ore 1.09 Mt @1.71g/t (0.6g/t cut)
- LG 0.2Mt @0.42g/t (0.3g/t cut)

Contained ounces gold: 59,900

Figure 1

At Brilliant, the higher grade is near surface which means cash flow will be strong early, but will then flatten as the pit deepens where drilling is sparse. The flat optimisation curve (see Figure 1) shows that there is considerable upside to rising gold prices. A 25% increase in gold price would result in 58% more profit, based on the Company's existing assumptions.

Based on the optimisation work, a draft open pit has been designed, complete with waste dump designs. This is shown in Figure 1. The resulting design takes out 55% of the initial Indicated Resource. The optimal pit contains 1.09M tonnes of ore at 1.71g/t gold for recovered gold totalling 56,200oz. All in cash cost would be ~\$870/oz.

The Company is now in discussion with nearby processing plants regarding options to process the Kurnalpi ore. These options would not require meaningful capital expenditure by Carrick Gold and combined with the existing cash reserves means that the Company is well placed to pursue its immediate corporate objectives.

Carrick Gold expects to be in a position to announce its preferred arrangement prior to the grant of a Mining Lease, for which an application has been lodged. The Company expects that with the support of the processing party, a licence to commence mining can be expedited.

## Reserves and Resources Update

New Reserve and Resource estimations on the Company's tenements have now been completed. The delivery of an initial Probable Reserve at Kurnalpi is pleasing, as it is another positive step toward commencing first mining before the end of 2012. As a result of the discounting of Inferred Resources previously published, the overall resource result is significantly lower at 639,400 oz, down from 4,188,932 oz.

Management considers this previously classified Inferred material not sufficiently drilled to be included under the definitions of the JORC Code of Conduct. A large part of Carrick Gold's ongoing drilling for the 2012 year will be directed toward delineating the mineralisation adjacent to the identified ore bodies and growing the Resource base.

The Company is approaching the halfway point of its 60,000 metre drilling program which is directed at producing Reserves at each of the deposits on the LKK Project. The Probable Reserve at Kurnalpi was made possible by infill drilling within the previous Indicated Ore zone. Initial drilling for additional resource mineralisation at Kurnalpi will commence following the completion of the first round of drilling at Lindsay's in mid-October. The Company has a drilling rig secured through 2012.

Results are provided in the tables below. The results confirm that the Company has attractive mineable deposits in close proximity to existing mining activities that will provide a platform for profitable mining. Inferred material that has been downgraded for the purposes of this calculation remains as target mineralisation and will be the subject of future drilling.

Table 1: Reserves Table

Table: Carrick Gold Ore Reserves as at 5 October 2011									
Kurnalpi Project									
Deposit	Proven			Probable			Total		
	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)
Brilliant (3)	-	-	-	1,090,000	1.7	59,930	1,090,000	1.7	59,930

Note: The Resource numbers below include the ore reserve

Table 2: Resources Table

Table: Carrick Gold Ore Reserves as at 5 October 2011									
Kurnalpi Project									
Deposit	Proven			Probable			Total		
	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)
Brilliant (3)	-	-	-	1,090,000	1.7	59,930	1,090,000	1.7	59,930
Note: The Resource numbers below include the ore reserve									
Table: Carrick Gold Mineral Resources as at 30 June 2011									
Kurnalpi Project									
Deposit	Indicated			Inferred			Total		
	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)
Discovery Hill (1)	-	-	-	219,000	0.8	5,700	219,000	0.8	5,700
Halfway Hill (1)	-	-	-	934,600	1.4	40,500	934,600	1.4	40,500
Scottish Lass (1)	-	-	-	94,700	1.0	3,200	94,700	1.0	3,200
Brilliant (2)	2,482,300	1.3	102,100	262,000	1.1	9,300	2,744,300	1.3	111,400
Sparkle (1)	282,800	0.9	7,900	218,500	1.0	7,200	501,300	0.9	15,100
Dazzle (1)	-	-	-	514,000	0.8	13,500	514,000	0.8	13,500
Total	2,765,100	1.2	110,000	2,242,800	1.1	79,400	5,007,900	1.2	189,400
Kalpini Project									
Deposit	Indicated			Inferred			Total		
	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)
Gambia/Camelina (1)	-	-	-	1,454,000	3.0	139,900	1,454,000	3.0	139,900
Atlas (1)	-	-	-	486,600	1.4	21,700	486,600	1.4	21,700
Total	-	-	-	1,940,600	2.6	161,600	1,940,600	2.6	161,600
Lindsays Project									
Deposit	Indicated			Inferred			Total		
	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)
Eastern Structure (2)	1,758,700	1.8	101,200	948,700	1.9	58,200	2,707,400	1.8	159,400
Central Structure (2)	324,300	1.1	12,000	335,200	1.3	13,500	659,500	1.2	25,500
Neves Prospect (2)	281,800	1.5	13,700	68,000	1.4	3,000	349,800	1.5	16,700
Total	2,364,800	1.7	126,900	1,351,900	1.7	74,700	3,716,700	1.7	201,600
Spargoville Project									
Deposit	Indicated			Inferred			Total		
	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)
Lady Allison (1)	-	-	-	2,127,700	1.3	86,800	2,127,700	1.3	86,800
Carrick Gold Total									
Total	Indicated			Inferred			Total		
	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)
Total	5,129,900	1.4	236,900	7,663,000	1.6	402,500	12,792,900	1.6	639,400

**Additional Notes for tables;**

\* All figures used a 0.5g/t lower cut off.

\* (1) denotes models completed by Mr Shane Fieldgate who is a member of the Australian Institute of Mining and Metallurgy and is employed full time by Snowden Mining Industry Consultants (Snowden).

\* (2) denotes models completed by Mr Mark Carder who is a member of the Australian Institute of Geoscientists and is employed by Carrick Gold Limited

\* (3) denotes design reviewed and approved by Mr John McKinstry who is a member of the Australasian Institute of Mining and Metallurgy and is employed by Carrick Gold Limited

\* All models completed by Shane Fieldgate (Snowdens) used a 0.3g/t lower cut off mineralised wireframe with minimum 2m thickness and 2m maximum internal dilution.

\* All models completed by Mark Carder (Carrick) used a 0.3g/t lower cut off mineralised wireframe with minimum 1m thickness and 2m maximum internal dilution.

\* Mineral Resources for Brilliant are inclusive of Ore Reserves.

\* Figures have been rounded to 2 or 3 significant figures to reflect accuracy of the estimates (note that rounding can yield apparent computational discrepancies)

\* Contained gold for Mineral Resources is insitu.

\* The resources for Discovery Hill, Scottish Lass, Sparkle, Dazzle, Camelia and Atlas are transected by historic underground workings and have been depleted for mining.

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Carrick Gold Managing Director, John McKinstry said;

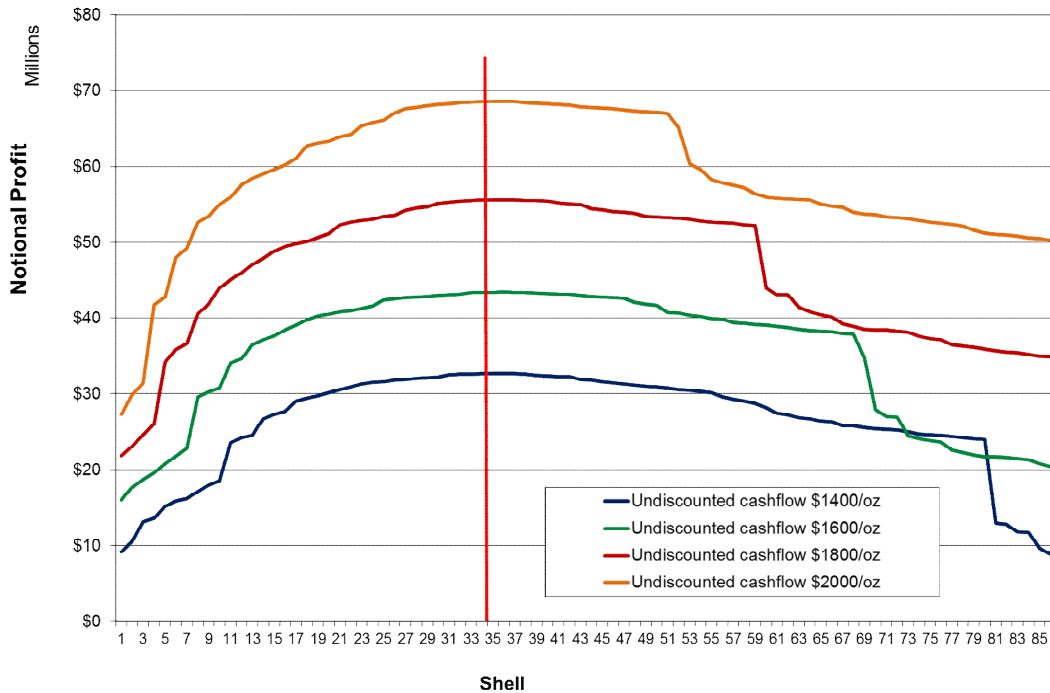
*"Having a Probable Reserve, which tells what can actually be mined at this early stage, will allow us to move forward with assessing options and securing an arrangement for processing.*

*"We will continue to focus on mining plans until year end, and will then shift our focus to testing the full extent of these orebodies. The realisation that there is very little drilling outside the main orezones in no way diminishes the exciting potential that this mineral field holds. The previously reported estimates remain as target mineralisation to be further drill tested"*

## Appendix

### Brilliant Pit Design

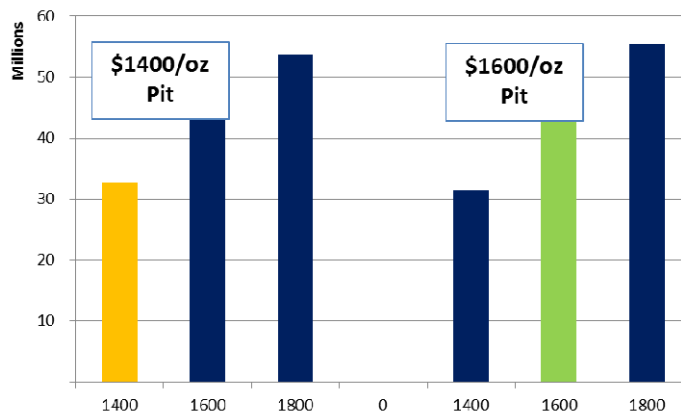
Figure 1 Pit optimisation curves for the Brilliant orebody



The optimisation software uses a series of nested pit shells to evaluate the value of a range of pits based on criteria such as overall pit slopes, mining cost, processing cost, haulage cost and administration overhead. The result is a curve which will indicate at which point there is a maximum return. This does not necessarily result in all the ore being mined.

The pit has been optimised at gold prices from \$1400/oz through to \$2000/oz at increments of \$200/oz. Sensitivity testing on changing gold price for \$1400/oz and \$1600/oz (see Figure 2 below) shows little difference; therefore the higher case (which produces 7300 oz more) has been selected as the Base Case. The costs used were those of one of the nearby gold processing operations, plus mining costs from a similar scale open pit near Kalgoorlie.

Figure 2 Notional profits from different pits at varying AUD gold price

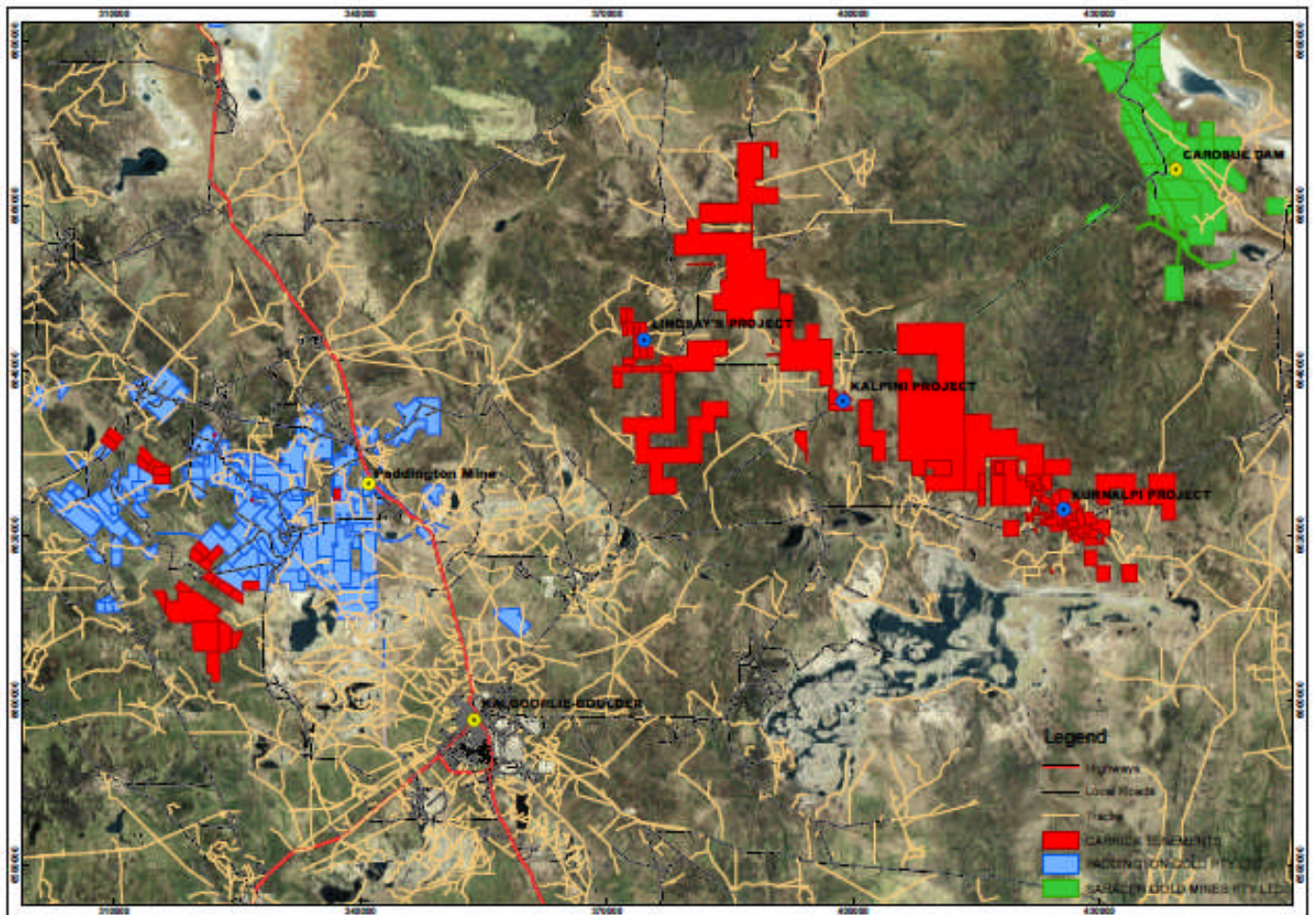


**Competent Persons Statement:**

The information within this report as it relates to geology and mineralisation on the Brilliant deposit, Neve's Prospect, Central and Eastern Structures was compiled by Mr Mark Carder who is a full time employee of Carrick Gold Limited. Mr Carder is a member of The Australian Institute of Geoscientists (AIG), and is a Competent Person as defined by the 2004 JORC Code, having more than five years' experience relevant to the style of mineralisation and type of deposit described in the Report. This person consents to the inclusion of this information in the form and context in which it appears in this presentation.

The information within this report as it relates to geology and mineralisation on all deposits other than Brilliant deposit, Neve's Prospect, Central and Eastern Structures, was compiled by Mr Shane Fieldgate who is a full time employee of Snowden Consultants. Mr Fieldgate is a member of both The Australian Institute of Geoscientists (AIG) and The Australasian Institute of Mining and Metallurgy (AusIMM), and is a Competent Person as defined by the 2004 JORC Code, having more than five years' experience relevant to the style of mineralisation and type of deposit described in the Report. This person consents to the inclusion of this information in the form and context in which it appears in this presentation

The information within this report as it relates to mine design and ore reserves was reviewed and approved by Mr John McKinstry who is a full time employee of Carrick Gold Limited. Mr McKinstry is a member of The Australasian Institute of Mining and Metallurgy (AusIMM), and is a Competent Person as defined by the 2004 JORC Code, having more than five years' experience relevant to the mining method and type of deposit described in the Report. This person consents to the inclusion of this information in the form and context in which it appears in this presentation.



### About Carrick Gold Limited

*Carrick Gold Limited (ASX Code: CRK) is a gold exploration and development company based in Perth, Western Australia.*

*The Company's suite of tenements covers an area of over 830km<sup>2</sup> and is located within 50 - 90km of the world-renowned gold-mining town of Kalgoorlie, Western Australia where CRK maintains a field office.*

*Three gold deposits have been discovered - Lindsay's, Kalpini and Kurnalpi (now collectively the LKK Project) – with a number of other prospects in the exploration pipeline.*

*With approximately \$17 million in cash and no debt, Carrick Gold is well-funded to pursue the exploration and development of its projects.*

*The Company is focused on developing the three projects toward production, leveraging off existing nearby infrastructure.*