



## Chairman's Report to Shareholders



**Date:** 21 October 2011

**ASX Code:** CRK

**www.carrickgold.com**

**Share Capital:** 139.7M ordinary shares

**Share Price:** \$0.39

**Market Capitalisation:** \$57.3M

**Cash:** \$17M

### **Directors**

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

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Dear Fellow Shareholder,

It is with great pleasure that I write to you as Chairman of Carrick Gold. We have now entered a new and exciting phase on our path towards production of gold. Until the advent of the new Board consisting of myself, Robert Schuitema and Ross Gillon and the promotion of John McKinstry from CEO to Managing Director, Carrick had been focused on exploration. Under the direction of the previous management, there was no plan as to how to capitalise on the Company's growing assets. This has all changed.

I can say with confidence that the current year will see Carrick enter a development program on its combined Lindsays, Kalpini and Kurnalpi (LKK) Project. Our plans call for initial gold production from Kurnalpi within 15 months, to be followed by further developments thereafter.

The past year has thus clearly been one of both transformational change and significant achievement for Carrick. The Company now has a strong Board and a highly capable team of technical personnel. Leading the operational team is the new Managing Director, John McKinstry. John has a proven track record of achieving success and delivering significant shareholder value. Each member of the Board has a long and substantial record of achievement in each of our particular specialisations.

All of this has brought a significant change in the Company's corporate culture and its approach to business. It is reflected in a strict commercial focus throughout the organisation, coupled with an analytical, conservative approach to reporting.

Under the previous Board and management, Carrick's focus was solely on the expansion of its resource base. Under my Chairmanship, the Company is focused on moving to producing gold as rapidly and effectively as possible. This will lift us from being just one of a myriad of small exploration companies into a gold production company generating cash flow and profits, eventually from a number of mines. We believe this is the best way to unlock the value of the Company's asset base and to maximise returns for shareholders.

We are in the process of incorporating innovative methods in order to bring the first open pit mine, the Brilliant Prospect at Kurnalpi, into production within 15 months. This will include partners to transport, to mill and to refine the ore, thus ensuring that we will not need to raise further capital in order to achieve gold production. Further mineable ore bodies will follow as soon as practical.

The Company's approach to reporting has also changed significantly. This is particularly pertinent to the way we calculate resource estimates. Our view is that previous resource estimates were not based on sufficient drilling and data collection to satisfy our rigorous methodology. We have therefore virtually started from scratch; every hole previously drilled has been or is in the process of re-evaluation, using the most up to date technical methods. This is very much a work in progress; we have concentrated initially on establishing open pitable Reserves. As at the date of this report we are confident we have accurate Reserve figures, both Indicated and Implied, which are not much different from those previously stated. However, time and our decision to concentrate on this practical aspect has meant that we have not yet had sufficient time to re-assess the Inferred ore. This is a secondary priority and will require additional deep drilling in the months ahead.

We remain highly confident of the overall resource potential within our tenements and will be updating data and reporting on it regularly. We believe that the resource will ultimately prove to be very significant.

As we move forward, the Company's prospects are brighter than ever; we have an active drilling program underway which has already delivered, for the first time, Reserves on the Brilliant ore body at Kurnalpi. We expect also to publish Reserves figures for the Lindsays and Kalpini ore bodies by the end of this calendar year. This will be another landmark achievement for the Company. We are currently drafting preliminary open pit mining plans for Kurnalpi. Further results at Kalpini and Lindsays will precipitate the commencement of mine planning processes for two and most likely three separate open pit mines in the same area.

With some \$20m cash and no debt, Carrick's financial position remains very strong. All current drilling and development programs to the point at which we are producing gold will be fully funded by existing cash reserves. We do not see the need to raise further funds. This places us in an advantageous position relative to most other resource companies at a similar stage to ourselves.

In conclusion, the outlook for Carrick is improving all the time. We are confident of having three mines within our flagship LKK Project alone. Furthermore, we anticipate that the economics of these mines will be highly attractive, given the current and projected levels of the gold price and the fact that all three will initially be shallow open-pit operations, with substantial longer term underground mining potential.

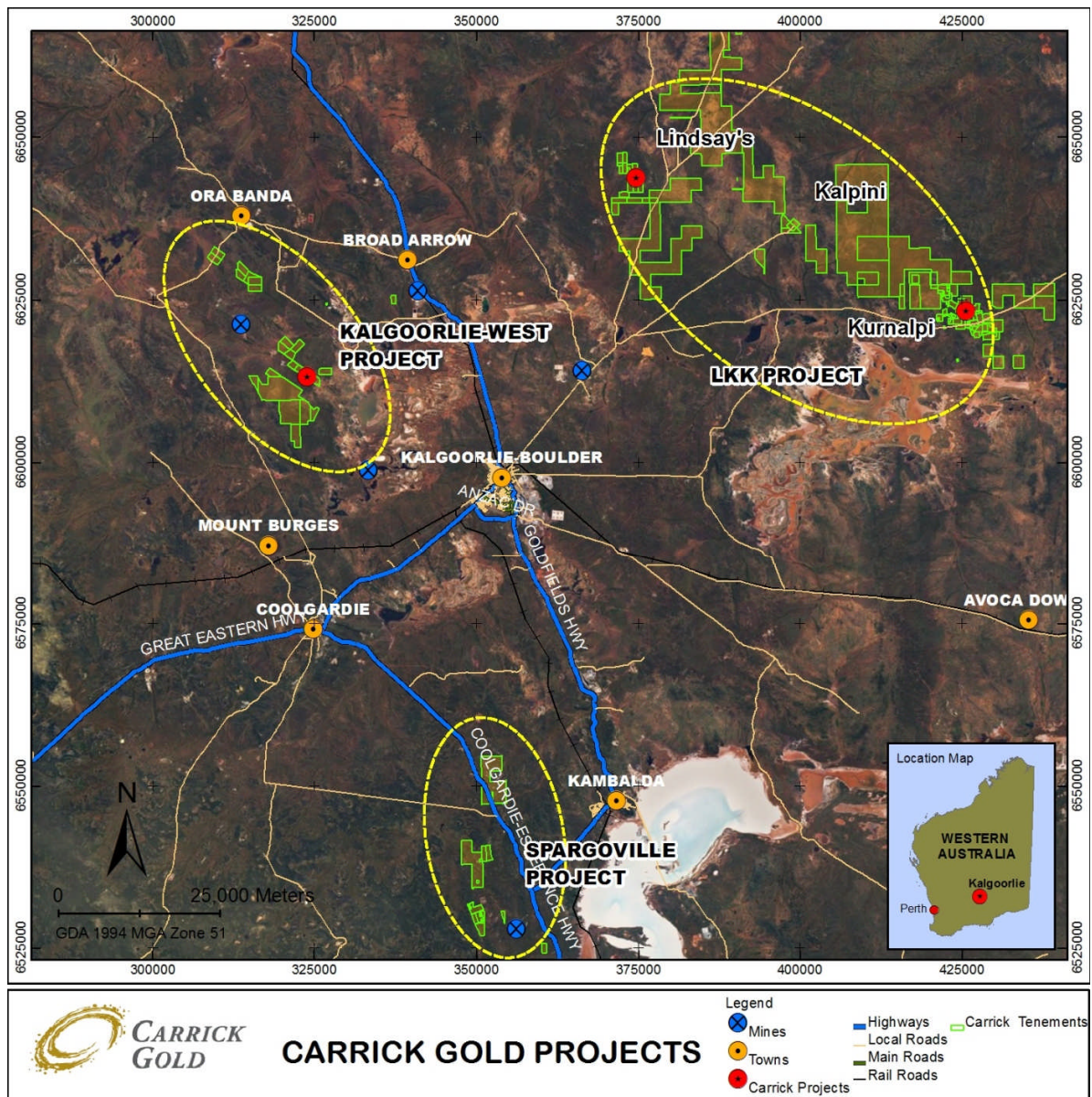
Beyond the LKK Project, we are looking to expand our dominant presence in the area to the near north of Kalgoorlie. I anticipate being able to unveil progress on all these aspects in due course, which should further underpin confidence in the Company's long term potential.

On behalf of everyone at Carrick Gold, I thank you for your continued support and look forward to reporting regularly on further significant progress in the year ahead.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L. Freedman', followed by a long horizontal line extending to the right.

Laurence Freedman AM  
Chairman



## About Carrick Gold Limited

*Carrick Gold Limited (ASX: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.*