



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

(Prepared by Management)



**Notice to Reader:**

These condensed consolidated interim financial statements of Carlin Gold Corporation have been prepared by management and approved by the Audit Committee on behalf of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed consolidated interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.



(an Exploration Stage Company)  
Condensed Consolidated Interim Statements of Financial Position  
Prepared by Management  
As at September 30, 2011 and December 31, 2010  
(Expressed in Canadian dollars)

	<b>September 30</b>	December 31
	<b>2011</b>	2010
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 175,565	\$ 314,130
Accounts receivable (Notes 5b and 9c)	322,964	80,026
Available-for-sale investments (Note 7)	281,040	523,581
Prepaid expenses	34,681	7,487
	<b>814,250</b>	925,224
Exploration and evaluation properties (Note 5)	2,707,654	1,104,041
Reclamation bonds	34,529	102,385
	<b>\$ 3,556,433</b>	<b>\$ 2,131,650</b>
<b>Liabilities</b>		
Current liabilities:		
Trade payables and accrued liabilities (Notes 6 and 9)	\$ 426,982	\$ 47,625
Amounts due to related parties (Note 9b)	24,533	2,632
	<b>451,515</b>	50,257
<b>Equity</b>		
Share capital (Note 8)	7,254,268	6,318,997
Reserves	1,322,798	1,010,349
Deficit	<b>(5,472,148)</b>	<b>(5,247,953)</b>
	<b>3,104,918</b>	2,081,393
	<b>\$ 3,556,433</b>	<b>\$ 2,131,650</b>

Approved and Authorized for Issue by the Board on November 16, 2011:

*"K. Wayne Livingstone"*  
Director

*"Brian Irwin"*  
Director

See accompanying notes to condensed consolidated interim financial statements.



(an Exploration Stage Company)  
 Condensed Consolidated Interim Statements of Loss and Comprehensive Loss  
 For the three and nine months ended September 30, 2011 and 2010  
 Prepared by Management  
 (Expressed in Canadian dollars)

	Three months ended Sept 30		Nine months ended Sept 30	
	2011	2010	2011	2010
		(Notes 12 and 13)		(Notes 12 and 13)
<b>Expenses:</b>				
Accounting and audit	\$ 10,953	\$ 6,500	\$ 14,048	23,120
General exploration	-	-	-	137
Insurance	5,826	4,567	11,371	7,392
Legal fees	4,907	2,720	12,836	6,476
Management and administration fees	24,696	13,500	52,840	40,760
Office	17,209	3,199	39,094	15,812
Regulatory fees	(111)	840	11,266	8,545
Rent	3,000	750	5,250	2,250
Share-based payments (Note 8d)	8,815	2,060	51,579	9,927
Technical consulting	1,048	1,727	12,295	14,333
Travel	399	-	399	389
Transfer agent fees	1,531	588	5,373	2,287
Wages	11,143	-	11,143	-
<b>Loss before other items</b>	<b>(89,416)</b>	<b>(36,451)</b>	<b>(227,494)</b>	<b>(131,428)</b>
Foreign exchange gain (loss)	4,181	(6,967)	3,299	(4,824)
Exploration and evaluation properties writedown (Note 5)	-	(21)	-	(456,029)
Gain on sale of available-for-sale investments	-	-	-	25,497
	<b>4,181</b>	<b>(6,988)</b>	<b>3,299</b>	<b>(435,356)</b>
<b>Net loss for the period</b>	<b>(85,235)</b>	<b>(43,439)</b>	<b>(224,195)</b>	<b>(566,784)</b>
<b>Other comprehensive income (loss)</b>				
Fair value change of available-for-sale investments (Note 7)	(87,912)	(111,140)	(242,542)	(294,028)
<b>Comprehensive loss for the period</b>	<b>\$ (173,147)</b>	<b>\$ (154,579)</b>	<b>\$ (466,737)</b>	<b>\$ (860,812)</b>
Loss per share (basic and fully diluted)	\$ (0.01)	\$ (0.01)	\$ (0.01)	0.01
Weighted average number of common shares outstanding	54,180,355	41,271,803	57,534,817	41,271,803

See accompanying notes to condensed consolidated interim financial statements.



(an Exploration Stage Company)  
Condensed Consolidated Interim Statements of Equity  
For the nine months ended September 30, 2011 and 2010  
Prepared by Management  
(Expressed in Canadian dollars)

	Share Capital		Reserves				Total Equity
	Number of Shares	Amount	Stock options	Warrants	Available-for-sale investments	Deficit	
<b>Balance, January 1, 2010</b>	41,271,567	\$ 5,968,723	\$ 553,133	\$ 23,088	\$ 423,224	\$ (4,723,429)	\$ 2,244,739
Share-based payments	-	-	9,927	-	-	-	9,927
Unrealized loss on available-for-sale investments	-	-	-	-	(294,028)	-	(294,028)
Net gain (loss) for the period	-	-	-	-	-	(566,784)	(566,784)
<b>Balance, Sept 30, 2010 (Note 12)</b>	41,271,567	5,968,723	563,060	23,088	129,196	(5,290,213)	1,393,854
Share-based payments	-	-	30,456	-	-	-	30,456
Shares issued for private placement (less issue costs)	7,190,000	350,274	-	-	-	-	350,274
Fair value change of available-for-sale investments	-	-	-	-	291,011	-	291,011
Realized gain on disposal of available-for-sale investments	-	-	-	-	(26,462)	-	(26,462)
Net loss for the period	-	-	-	-	-	42,260	42,260
<b>Balance, December 31, 2010</b>	48,461,567	6,318,997	593,516	23,088	393,745	(5,247,953)	2,081,393
Share-based payments (Note 8d)	-	-	51,579	-	-	-	51,579
Fair value change on available-for-sale investments (Note 7)	-	-	-	-	(242,542)	-	(242,542)
Share issue costs	-	(13,412)	-	-	-	-	(13,412)
Shares issued for resource property (Notes 5b and 8c)	15,000	2,775	-	-	-	-	2,775
Share issued for private placement (Note 8b)	9,058,250	1,449,320	-	-	-	-	1,449,320
Fair value of warrants (Note 8f)	-	(503,412)	-	503,412	-	-	-
Net loss for the period	-	-	-	-	-	(224,195)	(224,195)
<b>Balance, September 30, 2011</b>	57,534,817	\$ 7,254,268	\$ 645,095	\$ 526,500	\$ 151,203	\$ (5,472,148)	\$ 3,104,918

See accompanying notes to condensed consolidated interim financial statements.



(an Exploration Stage Company)  
Condensed Consolidated Interim Statements of Cash Flows  
(Prepared by Management)  
For the nine months ended September 30, 2011 and 2010  
(Expressed in Canadian dollars)

	For the nine months ended	
	Sept 30	Sept 30
	2011	2010
<b>Operating Activities:</b>		
Net loss for the period	\$ (224,195)	\$ (566,784)
Items not affecting cash:		
Share-based payments (Note 8e)	51,579	9,927
Gain on sale of available-for-sale investments	-	(25,497)
Resource property interest written-off	-	456,627
Change in non-cash operating working capital:		
Accounts receivable (Notes 5b and 9c)	(242,938)	(444)
Prepaid expenses	(27,194)	(4,549)
Trade payables and accrued liabilities (Note 6)	379,356	(14,119)
Due to related parties (Note 9b)	21,901	117
Cash provided by (used) in operating activities	(41,491)	(144,722)
<b>Investing activities:</b>		
Exploration and evaluation property expenditures (Note 5)	(1,600,838)	(57,878)
Recovery of reclamation bonds	67,856	7,431
Proceeds from sale of available-for-sale investments	-	29,640
Cash provided by (used) in investing activities	(1,532,982)	(20,807)
<b>Financing activities:</b>		
Private placement proceeds (Note 8b)	1,449,320	-
Share issuance costs on private placement	(13,412)	-
Cash provided by financing activities	1,435,908	-
Increase in cash	(138,565)	(165,529)
Cash, beginning of period	314,130	463,477
Cash, end of period	\$ 175,565	\$ 297,948
<b>Supplemental cash flow information:</b>		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Interest received	\$ -	\$ -

See accompanying notes to condensed consolidated interim financial statements.



(An Exploration Stage Company)  
Notes to Condensed Consolidated Interim Financial Statements  
(Prepared by Management)  
For the three and nine months ended September 30, 2011 and 2010  
(Expressed in Canadian dollars)

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## 1. NATURE OF OPERATIONS

Carlin Gold Corporation (the "Company") was incorporated under the Canada *Business Corporations Act* and trades on the TSX Venture Exchange. The Company is in the business of acquiring, exploring and developing mineral properties in Nevada and Yukon, and has not yet determined whether its properties contain ore reserves that are economically recoverable.

The Company has not generated any revenue since inception, has never paid dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. As at September 30, 2011, the Company has working capital of \$362,735 (December 31, 2010 - \$549,692) and an accumulated deficit of \$55,472,148 (December 31, 2010- \$4,360,220). The continuation of the Company as a going concern is dependent upon the ability of the Company to obtain necessary equity financing to continue operations and to determine the existence, discovery and successful exploitation of economically recoverable reserves in its mineral properties, confirmation of the Company's interests in the underlying properties and the attainment of profitable operations, or realize proceeds from their sale.

The Company is dependent on raising funds through the issuance of shares, obtaining debt financing and/or attracting joint venture partners in order to undertake further exploration and development of its mineral properties. Management believes that additional financing is available and may be sourced in time to allow the Company to continue its current planned activities in the normal course. There can, however, be no assurance the Company will be able to raise funds in the near future, in which case management may delay exploration activities on some of its properties until funds become available.

The head office and principal address of the Company is situated at Suite 320 – 800 West Pender St., Vancouver, B.C., Canada, V6C 2V6.

## 2. BASIS OF PRESENTATION

### a) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These are the Company's third condensed consolidated interim financial statements prepared in accordance with IAS 34 and IFRS using accounting policies consistent with IFRS. The accounting policies have been selected to be consistent with IFRS as is expected to be effective on December 31, 2011, the Company's first annual IFRS reporting date. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's first condensed consolidated interim financial statements prepared in accordance with IAS 34 and IFRS dated March 31, 2011 as well as the Company's annual consolidated financial statements for the year ended December 31, 2010 prepared in accordance with previous Canadian generally accepted accounting principles ("Canadian GAAP").

(An Exploration Stage Company)  
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**b) Basis of Preparation**

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value. These financial statements are presented in Canadian dollars.

The preparation of condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimates.

**c) Consolidation**

The condensed consolidated interim financial statements include the accounts of the Company and its 100% controlled entity, Carlin Gold US Inc. (a Nevada corporation).

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

**d) Accounting Changes**

These condensed consolidated interim financial statements follow the same accounting policies and methods of their application as the Company's first condensed consolidated interim financial statements prepared in accordance with IAS 34 and IFRS and as such should be read in conjunction with the Company's condensed consolidated interim financial statements for the three months ended March 31, 2011.

IFRS Standards issued but not yet effective:

IFRS 9, *Financial Instruments*  
IFRS 7 (Amendment), *Financial Instruments: Disclosure*  
IAS 12 (Amendment), *Income Taxes*  
IFRS 10, *Consolidated Financial Statements*  
IFRS 11, *Joint Arrangements*  
IFRS 12, *Disclosure of Interests in Other Entities*  
IFRS 13, *Fair Value Measurement*  
IAS 27 (Amendment), *Separate Financial Statements*  
IAS 28 (Amendment), *Investments in Associates and Joint Ventures*

The Company anticipates that the application of these standards and amendments will not have a material impact on the results and financial position of the Company.

**3. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the presentation adopted in the current period.

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#### 4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The carrying value of financial assets and liabilities at September 30, 2011 and December 31, 2010 are as follows:

As at	<b>September 30, 2011</b>	December 31, 2010
<b>Financial Assets</b>		
<i>FVTPL, at fair value</i>		
Cash and cash equivalents	\$ 175,565	\$ 314,130
<i>Loans and receivables, at amortized cost</i>		
Accounts receivable	322,964	80,026
<i>Available-for-sale, at fair value</i>		
Available-for-sale investments	281,040	523,581
<b>Financial Liabilities</b>		
<i>Other liabilities, at amortized cost</i>		
Trade payables	\$ 404,482	\$ 47,625
Amounts due to related parties	24,533	2,632

The fair value hierarchy of financial instruments measured at fair value on the statement of financial position is as follows:

As at	<b>September 30, 2011</b>	December 31, 2010
	<b>Level 1</b>	Level 1
Cash and cash equivalents	\$ 175,565	\$ 314,130
Available-for-sale investments	270,000	520,000
	<b>Level 2</b>	Level 2
Available-for-sale investments	\$ 11,040	\$ 3,581

##### a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on its cash and accounts receivable.

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Concentration of credit risk exists with respect to the Company's cash, as all amounts are held at two major Canadian and American financial institutions. Concentration of credit risk exists with respect to the Company's accounts receivable to the extent of the amount due from a joint venture partner. The Company's concentration of credit risk and maximum exposure thereto is as follows:

As at	September 30, 2011	December 31, 2010
Cash and cash equivalents	\$ 175,565	\$ 314,130
Accounts receivable	209,480	60,778
<b>Total</b>	<b>\$ 305,045</b>	<b>\$ 374,908</b>

**b) Liquidity Risk**

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities.

The Company has a portfolio of investment securities, which are available-for-sale. The Company may, from time to time, liquidate a portion of its holdings depending on market conditions and the Company's cash requirements. Depending on timing, the Company's ability to liquidate these securities is subject to price fluctuations and market conditions, which may affect the Company's ability to liquidate the securities in a timely manner.

The Company has sufficient cash to meet existing short-term business requirements for the following year. At September 30, 2011, the Company had trade payables, excluding accrued liabilities, of \$410,372 (December 31, 2010 - \$7,600), which are due in the normal course of business.

**c) Market Risk**

Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

**d) Interest Rate Risk**

The Company is not exposed to significant interest rate risk. The Company's bank accounts earn interest at variable rates. Future cash flows from interest income on cash will be affected by interest rate fluctuations.

**e) Foreign Currency Risk**

As at September 30, 2011, certain of the Company's financial instruments are held in foreign currencies, primarily the US dollar. The Company has operations in Nevada, USA. As a result, the Company is exposed to foreign currency risk from fluctuations between the Canadian and US dollars. The Company does not use derivatives or similar techniques to manage currency risk.

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As at September 30, 2011 and December 31, 2010, the Company is exposed to foreign currency risk as follows:

As at	September 30, 2011	December 31, 2010
	US	US
Cash	\$ 73,724	\$ 4,192
Available-for-sale investments	11,100	3,581
Trade payables and accrued liabilities	(1,145)	(155)
Net foreign currency exposure	\$ 83,679	\$ 7,618

Based on the above net foreign currency exposure as at September 30, 2011, and assuming all other variables remain constant, an 11% (2010 - 11%) weakening or strengthening of the Canadian dollar against the US dollar would result in an increase/decrease of \$9,205 (2010 - \$2,205) in the Company's loss.

**f) Other Price Risk**

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from currency risk or interest rate risk. The Company's marketable securities are carried at market value, and are therefore directly affected by fluctuations in the market value of the underlying securities. The Company's sensitivity analysis suggests that a 40% (2010 - 40%) change in market prices would change other comprehensive income by approximately \$112,000 (2010 - \$184,000).

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## 5. EXPLORATION AND EVALUATION PROPERTIES

The following is a summary of the Company's principal property interests located in Nevada, US and Yukon, Canada.

	Willow Creek/Currant Creek	Cortez Summit	Whisky Canyon	JDS	Yukon	Total
<b>Balance, January 1, 2010</b>	\$ 632,987	\$ 137,579	\$ 468,565	\$ 30,788	\$ -	\$ 1,269,919
Acquisition costs	-	-	-	-	288,765	288,765
Deferred expenditures						
Geology/geophysical	22,652	17,973	8,706	14,075		63,406
Expenditures for the year	22,652	17,973	8,706	14,075	288,765	352,171
Recovery of expenditures	-	-	-	-	(60,778)	(60,778)
Write-off mineral property interests	-	-	(457,271)	-	-	(457,271)
<b>Balance, December 31, 2010</b>	\$ 655,639	\$ 155,552	\$ 20,000	\$ 44,863	\$ 227,987	\$ 1,104,041
Acquisition costs	19,621	69,204	384	16,953	561,462	667,623
Deferred expenditures						
Geology/geophysical	1,993	7,375	68	31,882	894,672	935,989
Expenditures for the period	21,613	76,579	451	48,836	1,456,134	1,603,613
<b>Balance, September 30, 2011</b>	\$ 677,252	\$ 232,131	\$ 20,451	\$ 93,699	\$ 1,684,121	\$ 2,707,654

### a) Nevada Mineral Property Interests

#### (i) Willow Creek and Currant Creek Properties

##### Willow Creek

In 2004, the Company acquired an option to earn title to 480 acres of private land (the Gibbs Land) located in Elko County. The claims together with the Company's 100%-owned QA/QC claims became collectively, the Willow Creek property. In January 2010, the Company terminated its option agreement related to the Gibbs Land portion of Willow Creek. The Company now owns 50 QA claims, subject to a 1% net returns royalty to Barrick Gold Corporation ("Barrick").

##### Currant Creek

On June 23, 2004, the Company entered into an Option Agreement with Placer Dome Exploration (now Barrick), to earn a 100% interest in 39 lode mining claims situated in Elko County ("Currant Creek"). In order for the Company to earn its interest, it was required to incur a work commitment in the form of exploration expenditures. The property is also subject to a net returns royalty of 3%.

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A June 2005 amendment to the agreement added the Company's QA/QC claims to the area of interest and eliminated the optionor's right of first offer during the option period.

On April 13, 2007, the Company completed a second amendment to the Option Agreement with Barrick, and eliminated the work commitment requirement in exchange for an additional 1% net return royalty on certain properties in the area of interest.

In October 2010, the Company exercised the Option. The Company now owns a 100% interest in the Currant Creek lode claims, subject to the royalties noted above.

**(ii) Cortez Summit Property**

The Company owns a 100% interest in 142 claims in the Cortez gold trend.

**(iii) Whisky Canyon Property**

The Company owns two patented mining claims, the Emma and Silva claims, in the Whisky Canyon prospect area. A purchase price of US\$12,500 was paid upon signing of the agreement. Victory Exploration Inc. ("Victory") retains a 3% net smelter return royalty on the two patented claims. The Company has the option to acquire all or part of the royalty for US\$500,000 for each percentage point. The Company has quit claimed 4 unpatented claims and is reserving a 1% NSR royalty.

**(iv) JDS Property**

On September 2, 2008, the Company completed a purchase agreement with Lincoln Gold Corporation ("Lincoln") for 32 JDS and 45 LGC unpatented claims (77 total) in Eureka County, Nevada. A purchase price of US\$1,000 was paid upon signing of the agreement. Lincoln retains a 2% net smelter return royalty on the claims. The Company has the option to acquire up to half of the royalty by making a payment of US\$500,000 for each one-half percentage point.

**b) Yukon Land Position and Joint Venture**

On September 20, 2010, the Company entered into a Joint Venture Agreement (the "Agreement") with Constantine Metal Resources Ltd. ("Constantine"), a company related by common directors and officers. The Company and Constantine staked an aggregate of 4,967 mineral claims in Yukon as part of the Agreement, covering a total of 100,000 hectares (385 sq. miles).

The total costs incurred relating to the Joint Venture are shared 50% each between the Company and Constantine. If a party's interest is reduced to a 10% working interest, then it shall be automatically changed to a 2% net smelter return.

The Company's share of staking and other joint venture costs to September 30, 2011 was \$1,684,121. As at September 30, 2011, Constantine owed the Company \$209,480 (2010-\$Nil) for joint venture costs incurred to date, which amount is included in accounts receivable (Note 9c).

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#### Aztec Property Acquisition by Joint Venture

As part of their Joint Venture, in January 2011, the Company and Constantine entered into an option agreement to acquire a 100% interest in the Aztec property in Yukon, consisting of 226 claims located in the Mayo Mining District.

In order to acquire a 100% interest in the property, the Company and Constantine must make cash payments to the optionor totaling \$450,000 (\$25,000 payable on signing) and issue 270,000 common shares of the Company and 180,000 common shares of Constantine over a period of five years. The Company issued 15,000 common shares (Note 8c) and paid \$12,500 upon signing the agreement. Annual advance royalty payments to the optionor of \$35,000 will commence January 20, 2017. The optionor will retain a 2.5% net smelter return royalty, 20% of which (representing a 0.5% net smelter return), can be purchased by the Company and Constantine at any time for \$1,000,000, with a right of first refusal on the remaining 2% net smelter return royalty. Under the option agreement, the Company and Constantine committed to a minimum exploration expenditure of \$45,000 on the property within the first year of the agreement, which obligation has been met.

#### 6. TRADE PAYABLES AND ACCRUED LIABILITIES

As at	September 30, 2011		December 31, 2010	
Trade payables	\$	404,482	\$	7,600
Accrued liabilities		22,500		40,025
	\$	426,982	\$	47,625

#### 7. AVAILABLE-FOR-SALE INVESTMENTS

At September 30, 2011 and December 31, 2010, the Company owned the following available-for-sale investments:

As at	September 30, 2011			December 31, 2010		
	Number of Shares	Cost	Fair Value	Number of Shares	Cost	Fair Value
Piedmont Mining Company Inc.	300,000	\$49,951	\$ 11,040	300,000	\$49,951	\$ 3,581
Constantine Metal Resources Ltd.	2,000,000	-	270,000	2,000,000	-	520,000
	2,300,000	\$49,951	\$281,040	2,300,000	\$49,951	\$523,581

Constantine is related to the Company through two common directors. The Company's investment in Constantine represents an ownership interest of 2.0% at September 30, 2011 (2010 - 2.5%).

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## 8. SHARE CAPITAL

a) **Authorized:** unlimited common shares without par value.

**Issued and outstanding:** 57,534,817 common shares

b) **Private placement**

On April 12, 2011, the Company closed a \$1,449,320 non-brokered private placement and issued 9,058,250 units of the Company. Each unit is priced at \$0.16 and consists of one common share and one-half of one share purchase warrant. Each full warrant entitles the holder to purchase one common share of the Company at a price of \$0.25 for a period of 18 months from the date of closing (Note 8f).

c) **Shares issued for mineral property**

In March 2011, the Company issued 15,000 shares at a deemed price of \$0.185 per share as part of the acquisition of the Company's interest in the Aztec mineral property (Note 5b).

d) **Stock Options**

The Company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from the date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option is not less than the closing price of the stock on the last trading day preceding the grant date. Options vest 25% on the grant date and 12.5% each three months thereafter until fully vested. The maximum number of options to be granted under this plan is 4,846,157.

A summary of the status of the Company's stock options at September 30, 2011 and December 31, 2010 and changes during the periods then ended are as follows:

	Nine months ended September 30, 2011		Year ended December 31, 2010	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	2,525,000	\$ 0.14	2,000,000	\$ 0.17
Options granted to directors	-	-	1,300,000	\$ 0.10
Options granted to consultants	-	-	125,000	\$ 0.10
Options expired/cancelled	(375,000)	\$ 0.28	(900,000)	\$ 0.15
Outstanding, end of period	2,150,000	\$ 0.14	2,525,000	\$ 0.14
Options exercisable	1,615,625		1,306,250	

(An Exploration Stage Company)  
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For the three and nine months ended September 30, 2011 and 2010  
(Expressed in Canadian dollars)

A summary of the Company's options as at September 30, 2011 is as follows:

Expiry Date	Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Number of Options Exercisable (vested)
October 17, 2011	\$0.280	50,000	0.05	50,000
March 7, 2012	\$0.280	75,000	0.43	75,000
October 9, 2014	\$0.110	600,000	3.00	600,000
December 7, 2015	\$0.100	1,425,000	4.18	890,625
		2,150,000	3.62	1,615,625

**e) Share-based Payments**

During the nine months ended September 30, 2011, the Company recognized share-based payments of \$51,579 (2010- \$9,927).

For the 1,425,000 stock options granted in December 2010, the fair value of each option granted to employees was estimated as at the date of the grant using the Black-Scholes Option Pricing Model with the following weighted average assumption and resulting fair value:

Risk-free interest rate	2.2%
Expected life of options	5 years
Annualized volatility	114%
Dividend rate	0.00%
Grant date fair value	\$ 0.06

**f) Warrants**

A summary of the changes in the Company's warrants for the nine months ended September 30, 2011 and the year ended December 31, 2010 is as follows:

(An Exploration Stage Company)  
Notes to Condensed Consolidated Interim Financial Statements  
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	Nine months ended September 30, 2011		Year ended December 31, 2010	
	Number of warrants	Weighted- average exercise price	Number of warrants	Weighted- average exercise price
Outstanding, beginning of year	-	\$0.00	-	\$0.00
Granted	4,529,125	\$0.25	-	\$0.00
Expired	-	\$0.00	-	\$0.00
Exercised	-	\$0.00	-	\$0.00
Outstanding, end of period	4,529,125	\$0.25	-	\$0.00

During the nine months ended September 30, 2011, the Company issued 4,529,125 share purchase warrants in connection with a non-brokered private placement (Note 8b). The warrants were valued at \$503,412 using the Black-Scholes Option Pricing Model on the date of issue. The grant-date fair value of the warrants was estimated using the following assumptions:

Risk-free interest rate	1.8%
Expected life of options	1.5 years
Annualized volatility	159%
Dividend rate	0.00%
Grant date fair value	\$ 0.11

As at September 30, 2011, there were 4,529,125 warrants outstanding and exercisable at a price of \$0.25 per warrant, which expire on October 12, 2012.

## 9. RELATED PARTY TRANSACTIONS

- a) The following represents the details of related party transactions paid or accrued:

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Management and other fees	\$ 80,073	\$ 19,729	\$ 152,496	\$ 37,649
Share based payments	13,526	1,908	36,438	9,391
	\$ 93,599	\$ 21,637	\$ 188,934	\$ 47,040

- b) As at September 30, 2011, an amount of \$24,553 (2010 - \$2,632) was payable to related parties for consulting services and expenses. The amount is without interest or stated terms of repayment.
- c) As at September 30, 2011, included in accounts receivable was an amount of \$209,480 (2010 - \$nil) due from Constantine, a company related by common directors and officers, for Constantine's portion of mineral property expenditures relating to the Yukon joint venture (Note 5b).

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Related party transactions are in the ordinary course of business, occurring on terms that are similar to those of transactions with unrelated parties and are measured at the exchange amount.

## 10. MANAGEMENT OF CAPITAL

The Company manages its common shares, stock options and warrants as capital (Note 8). There has been no change in the nature of the Company's capital during the nine months ended September 30, 2011. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital restrictions.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

## 11. SEGMENTED INFORMATION

The Company has one operating segment, mineral exploration and development. The Company's assets by geographical location at September 30, 2011 and December 31, 2010 are as follows:

As at	<b>September 30, 2011</b>		December 31, 2010	
Canada	\$	<b>2,458,766</b>	\$	1,147,266
United States		<b>1,097,667</b>		984,384
<b>Total</b>	<b>\$</b>	<b>3,556,433</b>	<b>\$</b>	<b>2,131,650</b>

The Company's net income (loss) by geographical location for the nine months ended September 30, 2011 and 2010 are as follows:

For the nine months ended September 30	<b>2011</b>		2010	
Canada	\$	<b>(202,664)</b>	\$	(123,708)
United States		<b>(21,531)</b>		(443,076)
<b>Total</b>	<b>\$</b>	<b>(224,195)</b>	<b>\$</b>	<b>(566,784)</b>

(An Exploration Stage Company)  
Notes to Condensed Consolidated Interim Financial Statements  
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For the three and nine months ended September 30, 2011 and 2010  
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## **12. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**

The Company has adopted IFRS with a transition date of January 1, 2010 (the “Transition Date”), the details of which are described in the condensed consolidated interim financial statements for the three months ended March 31, 2011. Under IFRS 1, *First-time adopted of International Financial Reporting Standards*, the IFRS are applied retrospectively at the Transition Date with all adjustments to assets and liabilities as stated under Canadian GAAP taken to deficit unless certain exemptions are applied.

### **a) Share-based payment transactions**

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2, *Share-based Payment* to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the Transition Date. The Company elected not to apply IFRS 2 to equity instruments that vested prior to the Transition Date. This resulted in an increase of stock option reserve as at the Transition Date by \$6,542 with an increase in deficit by an equal amount, and an increase in share-based payment expense of \$4,574 for the year ended December 31, 2010. For the three and nine months ended September 30, 2010, share-based payment expense decreased by \$1,300 and \$153, respectively.

### **b) Reclassification within Equity sections**

Under Canadian GAAP, “Contributed surplus” was used to record the issuance of stock options and share purchase warrants. Upon adoption of IFRS, the balances in “Contributed surplus” have been reclassified to “Stock option reserve” and “Warrants reserve”.

In addition, the Company reclassified the balance of the “Accumulated other comprehensive income” that existed under Canadian GAAP into “Available-for-sale investments reserve”.

### **c) Reconciliations of Canadian GAAP to IFRS**

While adoption of IFRS has not changed the Company’s actual cash flows, it has resulted in changes to the Company’s reported financial position and results of operations. The following analysis represents the reconciliations from Canadian GAAP to IFRS for the respective periods noted:

(An Exploration Stage Company)  
Notes to Condensed Consolidated Interim Financial Statements  
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### Reconciliation of Statements of Financial Position

<i>As at September 30, 2010</i>	Note	Canadian GAAP	IFRS Adjustments	IFRS
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$	297,948	\$ -	\$ 297,948
Accounts receivable		6,272	-	6,272
Marketable securities		256,174	-	256,174
Prepaid expenses		12,047	-	12,047
		572,441	-	572,441
Non-current assets				
Exploration and evaluation properties		871,170	-	871,170
Reclamation bonds		104,120	-	104,120
<b>Total assets</b>		<b>\$ 1,547,731</b>	<b>\$ -</b>	<b>\$ 1,547,731</b>
<b>Liabilities</b>				
Current liabilities				
Trade payables and accrued liabilities	\$	20,000	\$ -	\$ 20,000
Amounts due to related parties		2,749	-	2,749
		22,749	-	22,749
Non-current liabilities				
Future income tax liabilities		131,128	-	131,128
<b>Total liabilities</b>		<b>153,877</b>	<b>-</b>	<b>153,877</b>
<b>Equity</b>				
Share capital		5,968,723	-	5,968,723
Contributed surplus	12(b)	579,759	(579,759)	-
Accumulated other comprehensive income	12(b)	129,196	(129,196)	-
Stock options reserve	12(a) and (b)	-	563,060	563,060
Warrants reserve	12(b)	-	23,088	23,088
Available-for-sale reserve	12(b)	-	129,196	129,196
Deficit	12(b)	(5,283,824)	(6,389)	(5,290,213)
<b>Total equity</b>		<b>1,393,854</b>	<b>-</b>	<b>1,393,854</b>
<b>Total liabilities and equity</b>		<b>\$ 1,547,731</b>	<b>\$ -</b>	<b>\$ 1,547,731</b>

(An Exploration Stage Company)  
Notes to Condensed Consolidated Interim Financial Statements  
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### Reconciliation of Statements of Loss and Comprehensive Loss

<i>For the three months ended September 30, 2010</i>	Note	Canadian GAAP	IFRS Adjustments	IFRS
<b>Expenses</b>				
Accounting and audit		\$ 6,500	\$ -	\$ 6,500
General exploration		-	-	-
Insurance		4,567	-	4,567
Legal fees		2,720	-	2,720
Management and administration fees		13,500	-	13,500
Office		3,199	-	3,199
Regulatory fees		840	-	840
Rent		750	-	750
Share-based payments	12(a)	3,360	(1,300)	2,060
Technical consulting		1,727	-	1,727
Transfer agent fees		588	-	588
Travel		-	-	-
<b>Loss before other items</b>		<b>(37,751)</b>	<b>1,300</b>	<b>(36,451)</b>
<b>Other items</b>				
Foreign exchange gain		(6,967)	-	(6,967)
Mineral property interests written-off		(21)	-	(21)
Income from sale of marketable securities		-	-	-
		<b>(6,988)</b>	<b>-</b>	<b>(6,988)</b>
<b>Loss for the period</b>		<b>(44,739)</b>	<b>1,300</b>	<b>(43,439)</b>
<b>Other comprehensive loss</b>				
Unrealized loss on available-for-sale investments		(111,140)	-	(111,140)
<b>Total comprehensive loss for the period</b>		<b>(155,879)</b>	<b>1,300</b>	<b>(154,579)</b>

(An Exploration Stage Company)  
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### Reconciliation of Statements of Loss and Comprehensive Loss (continued)

<i>For the nine months ended September 30, 2010</i>	Note	Canadian GAAP	IFRS Adjustments	IFRS
<b>Expenses</b>				
Accounting and audit		\$ 23,120	\$ -	\$ 23,120
General exploration		137	-	137
Insurance		7,392	-	7,392
Legal fees		6,476	-	6,476
Management and administration fees		40,760	-	40,760
Office		15,812	-	15,812
Regulatory fees		8,545	-	8,545
Rent		2,250	-	2,250
Share-based payments	12(a)	10,080	(153)	9,927
Technical consulting		14,333	-	14,333
Transfer agent fees		2,287	-	2,287
Travel		389	-	389
<b>Loss before other items</b>		<b>(131,581)</b>	<b>153</b>	<b>(131,428)</b>
<b>Other items</b>				
Foreign exchange gain		(4,824)	-	(4,824)
Mineral property interests written-off		(456,029)	-	(456,029)
Income from sale of marketable securities		25,497	-	25,497
		<b>(435,356)</b>	<b>-</b>	<b>(435,356)</b>
<b>Loss for the period</b>		<b>(566,937)</b>	<b>153</b>	<b>(566,784)</b>
<b>Other comprehensive loss</b>				
Unrealized loss on available-for-sale investments		(294,028)	-	(294,028)
<b>Total comprehensive loss for the period</b>		<b>(860,965)</b>	<b>153</b>	<b>(860,812)</b>

(An Exploration Stage Company)  
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### Reconciliation of Statement of Cash Flows

<i>For the nine months ended September 30, 2010</i>	Note	Canadian GAAP	IFRS Adjustments	IFRS
<b>Operating Activities</b>				
Loss for the period	12(a)	\$ (566,937)	\$ 153	\$ (566,784)
Items not affecting cash				
Share-based payments	12(a)	10,080	(153)	9,927
Gain on sale of marketable securities		(25,497)	-	(25,497)
Mineral property interest written-off		456,627	-	456,627
Change in non-cash working capital				
Accounts receivable		(444)	-	(444)
Prepaid expenses		(4,549)	-	(4,549)
Trade payables and accrued liabilities		(14,119)	-	(14,119)
Due to related parties		117	-	117
<b>Cash used in operating activities</b>		<b>(144,722)</b>	<b>-</b>	<b>(144,722)</b>
<b>Investing Activities</b>				
Exploration and evaluation properties		(57,878)	-	(57,878)
Recovery of reclamation bonds		7,431	-	7,431
Proceeds on sale of marketable securities		29,640	-	29,640
<b>Cash from investing activities</b>		<b>(20,807)</b>	<b>-</b>	<b>(20,807)</b>
Decrease in cash and cash equivalents		(165,529)	-	(165,529)
Cash and cash equivalents, beginning of period		463,477	-	463,477
<b>Cash and cash equivalent, end of period</b>		<b>\$ 297,948</b>	<b>\$ -</b>	<b>\$ 297,948</b>

### 13. RESTATEMENT OF THE FINANCIAL STATEMENTS

The interim consolidated financial statements of the Company as at September 30, 2010 and for the nine months ended September 30, 2010 have been restated to correct the accounting treatment related to the disposal of the following wholly-owned subsidiaries and the return of their shares: (1) Toquima Minerals Corporation (British Columbia), (2) Toquima Minerals US Inc. (Nevada), (3) Aurelius Financial Corp. (B.V.I.) and (4) Yunnan Carlin Mining Corp. (China). This resulted in an increase in share capital of \$923,604 and an increase in deficit of an equal amount.



MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the three and nine months ended September 30, 2011

Carlin Gold Corporation  
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## **Description of Business and Report Date**

The information in this Management's Discussion and Analysis, or MD&A, is intended to assist the reader in the understanding and assessment of the trends and significant changes in the results of operations and financial conditions of Carlin Gold Corporation (the "Company" or "Carlin"). This MD&A should be read in conjunction with the unaudited interim financial statements of the Company, including the notes thereto, for the three and nine months ended September 30, 2011 and 2010, the audited financial statements of the Company for the year ended December 31, 2010 and 2009 and the MD&A of such financial statements, and other information relating to the Company on file with the Canadian provincial securities regulatory authorities on SEDAR at [www.sedar.com](http://www.sedar.com). The Company's interim financial statements for the three and nine months ended September 30, 2011 are prepared in accordance with International Financial Reporting Standards ("IFRS"), and the annual audited financial statements for the year ended December 31, 2010 have been amended to reflect adjustments identified as a result of the conversion to IFRS. This MD&A has taken into account information available up to and including November 16, 2011.

Carlin is an exploration stage company engaged in the identification, evaluation, acquisition and exploration primarily of gold properties in Nevada, USA and Yukon, Canada. The Company is a reporting issuer in British Columbia and Alberta, and trades on the TSX Venture Exchange under the symbol CGD.

This MD&A contains forward-looking statements. Please refer to the cautionary language at the end of this document.

## **Company Overview and Outlook**

### **Nevada U.S.A. Exploration Projects**

The Company currently controls three properties in Nevada through direct ownership of unpatented mining claims. The properties contain Carlin-type gold targets. In addition to maintaining its existing property portfolio, the Company is also evaluating additional project opportunities. The principal projects are described below.

#### **Cortez Summit, Eureka County**

The Cortez Summit property consists of 142 100%-owned unpatented claims located in the southern Cortez Mountains between the historic Buckhorn district and the Horse Canyon portion of the Cortez district, Eureka County, Nevada. The east edge of the property lies one kilometer west of the Buckhorn mine, and the west edge of the property lies 2.5 kilometers east of the Horse Canyon mine. Barrick's new Cortez Hills operation (11 million oz gold pre-production reserve/resource) lies 6 kilometers west of the property. The southwest corner of the property lies 1.9 kilometers north-northeast of Barrick's new 3.5 million ounce Red Hill Deposit in Horse Canyon, which was announced in September 2011. The Red Hill deposit has not been completely defined, and drilling is still continuing. In the same news release Barrick announced the Goldrush discovery, which occurs approximately 2.4 kilometers southeast of Red Hill. Barrick has stated that the geology at Red Hill and Goldrush is similar to its other deposits in the district.

Carlin Gold's primary focus is for Carlin-style mineralization in a structural setting similar to that at the Cortez Hills mine. The geologic environment is similar to Cortez Hills and the nearby Red Hill deposit area. An untested conceptual structural and stratigraphic target exists in the upper limestone and lower Horse Canyon members of the Wenban Formation at depth in proximity to the Fourmile structure and/or north extension of the Red Hill fault zone. Much of this target is blind, being covered by post-mineral gravel and basaltic andesite. Sampling along the Fourmile structural zone has yielded gold values of 447 and 263 ppb on the west edge of the property in altered Horse Canyon siliciclastic rocks. The most favorable area to test the

Management Discussion & Analysis  
For the three and nine months ended September 30, 2011

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target concept is in the southwest portion of the property in the vicinity of the Fourmile and/or Red Hill fault zone structures.

The property location in the midst of the expanding Cortez trend of gold deposits, in addition to the geologic similarities in deposit environments, makes Cortez Summit a high quality target for Carlin-style gold mineralization. Permitting is in progress and Carlin is planning a Phase I drill program for Q2 2012, subject to obtaining additional financing.

**JDS, Eureka County, Nevada**

The Company owns 77 claims on the southeast extension of the Cortez Trend, subject to a 2% net smelter returns royalty. After confirming the presence of a mercury gas anomaly on the property in 2010, the Company completed a 372 soil survey in May 2011 to better define the anomaly. Mercury gas anomalies have been effective in identifying buried mineralization in several gold deposits on the Cortez trend. The recent survey has given more definition to the mercury anomaly, as well as provide additional multielement geochemistry data. Using this information in combination with gravity data supplied by the previous owner, the Company has selected drill targets and will initiate drill permitting.

**Willow Creek, Elko County**

The Company owns 89 claims, part of which are subject to a 1-2% net proceeds royalty held by Barrick. The Company is seeking a joint venture partner for the Willow Creek project.

**Yukon Joint Venture Exploration Project**

In 2011, Carlin significantly expanded its mineral exploration portfolio with the acquisition of additional land staked in the Yukon through a new joint venture (the "Constantine-Carlin JV"). In April 2011, the Company completed a \$1,449,320 private placement. The proceeds have been used to conduct exploration in the Yukon and Nevada, and for general corporate purposes.

Carlin and Constantine now control approximately 5,000 claims in the Mayo and Watson Lake Mining Districts, Yukon. The claims are distributed in twelve blocks that total 100,000 hectares (400 square miles). The staking was focused on areas with regional, geochemical stream silt anomalies with elevated values in gold, arsenic, antimony and mercury, located primarily in lower Paleozoic strata with associated carbonates. Geochemical silt values in excess of 300 ppb gold and 3,000 ppm arsenic are present on some of the staked claims.

Several areas were selected to explore for "Carlin-type" mineralization. The discovery by Atac Resources Ltd. of the Osiris Zone at its Rau Project contains mineralization which is characterized as Carlin-type, and emphasizes the opportunity to find other similar deposits within the Tintina Gold Belt in Yukon.

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For the three and nine months ended September 30, 2011

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The staking targeted Carlin-type opportunities. Carlin-type potential is supported by the following local and regional features:

- Favorable regional trace element stream sediment geochemistry
- Carlin-type gold mineralization and alteration with orpiment and realgar
- Favorable carbonate bearing host rocks in the stratigraphic section
- Prominent regional scale thrust faults in the area of the new claims, similar to the regional thrust fault belts in the Carlin-type environment in Nevada
- Presence of regional antiformal traps, favorable for gold mineralization
- Setting for the new claims along the ancient continental margin, similar to many Nevada gold deposits

The Carlin-Constantine JV initiated the 2011 field season in late June and completed the program in early September. A first pass sample coverage was completed on all of the properties, with follow-up sampling/drill targeting evaluation taking place in several specific areas. Follow-up sampling areas were in part selected with reliance on an on-site portable x-ray fluorescence analyzer. This instrument is quite reliable for elements such as arsenic, which is strongly correlated with gold in many mineralized environments. Use of this instrument, coupled with geological investigation, thus allowed for “real time” decisions in the field. Approximately 13,000 soil, silt and rock samples have been collected. Assay results have not yet been completed, however results received to that date indicate several promising gold mineralized areas which require follow-up drill targeting evaluation.

#### TUT Target, Yukon

At the TUT target, a 6.5 kilometer long, 300-1200 meter wide gold and arsenic anomaly is defined by soil samples greater than 100 ppm arsenic and greater than 20 ppb gold. Individual soil samples with this area assay up to 2809 ppb (2.81 gram per tonne gold) and 58,652 ppm (5.87 percent) arsenic. Detailed infill grid sampling has defined a greater than 100 ppb gold and 1000 ppm arsenic core to the anomaly that is 1.5 kilometers in length and up to 500 meters wide. Eight mineralized rock grab samples from initial prospecting within the soil anomaly range from 2.01 gpt to 13.5 gpt gold. The core of the soil anomaly correlates with a zone of altered and heavily fractured rhyolite dikes that are commonly associated with quartz-arsenopyrite veining. Dikes within the zone average 35 to 50 meters in width and are located near the outer edge of a contact metamorphic aureole, approximately one kilometer outboard of a Cretaceous-age quartz monzonite stock. Completion of assays is still pending.

#### X Block Target, Yukon

Initial sampling at the X Block property encountered several areas with anomalous gold and arsenic values, with associated thallium and mercury. These areas are the focus for detailed follow-up work. Separate soil samples have returned values of 4248 ppb (4.25 gpt) gold, 9,756 ppm arsenic, 13.6 ppm thallium and 9.3 ppm mercury. The geological setting of these anomalous areas is within the lower Paleozoic strata and structures targeted in the initial staking effort.

### Results of Operations

The Company's consolidated net loss for the nine months ended September 30, 2011 was \$224,195 (2010 - \$566,784).

During the nine months ended September 30, 2011, the Company incurred expenditures of \$1,603,613 (2010 – \$17,973) on mineral properties. The majority of those expenditures were spent on the Company's mineral claims in Yukon, as part of the new joint venture with Constantine.

Management Discussion & Analysis  
For the three and nine months ended September 30, 2011

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For the nine months ended September 30, 2011, operating costs before other items were \$227,494, compared with \$131,428 in 2010. General and administrative expenses for the Company increased slightly due to expansion of the Company's operations in Yukon. They are expected to continue to be higher than the previous year. Included in operating costs are higher non-cash expenses for share-based payments in the amount of \$51,579 (2010 - \$9,927).

The following is a summary of certain consolidated financial information concerning the Company for each of the last eight quarters:

Quarter ended	Income (Loss)	Income (Loss) per share
September 30, 2011	\$(85,235)	\$(0.00)
June 30, 2011	(67,314)	(0.00)
March 31, 2011	(71,645)	(0.00)
December 31, 2010	43,793	0.00
September 30, 2010	(44,439)	(0.00)
June 30, 2010	(47,686)	(0.00)
March 31, 2010	(475,659)	(0.01)
December 31, 2009	172,506	0.01
September 30, 2009	(72,224)	(0.00)

Quarterly losses in the first three quarters of 2011 remained low, and consistent with those of the previous year. The March, June and September quarterly losses for 2011 include non-cash expense for share based payments in the amounts of \$25,776, \$16,988 and \$8,815 respectively.

The above figures for the quarters ended March 31, 2010 and 2011, June 30, 2010 and 2011 and September 30, 2010 and 2011 have been prepared in accordance with IFRS, and the remaining figures in the Summary of Quarterly Results table have been prepared in accordance with Canadian GAAP.

### Financial Condition, Liquidity and Capital Resources

The Company's cash position at September 30, 2011, was \$175,565 (2010 - \$297,948). Carlin's working capital at September 30, 2011 was \$362,765 (2010 - \$549,962). The Company completed a \$1,449,230 non-brokered private placement in April 2011. A further \$69,622 cash was received through reclamation bond refunds in Nevada. However, in the nine months ended September 30, 2011 the Company incurred cash costs of \$1,600,838 on exploration and evaluation properties. As at September 30, 2011, Constantine, the Company's JV partner in Yukon, owed Carlin \$209,480 for its share of joint venture costs in Yukon.

At September 30, 2011, current assets excluding cash consisted of accounts receivable, prepaid expenses, and marketable securities totaling \$638,685 (2010 - \$274,493). The Company owns shares in 2 publicly traded mineral exploration companies, including 2,000,000 shares of Constantine Metal Resources Ltd. (TSXV: CEM).

The Company is not in commercial production on any of its mineral properties and accordingly, it does not generate cash from operations. The Company is dependent on raising funds through the issuance of shares, obtaining debt financing and/or attracting joint venture partners in order to undertake further exploration and development of its mineral properties. Management believes that additional financing is available and may be sourced when needed to allow the Company to continue its planned activities in the normal course. There can, however, be no assurance the Company will be able to raise funds in the near future, in which case management may delay future exploration activities until funds become available.

Management Discussion & Analysis  
For the three and nine months ended September 30, 2011

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**Off-Balance Sheet Arrangements**

The Company has not entered into any off-balance sheet financing arrangements.

**Transactions with Related Parties**

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
Management and other fees	\$ 80,073	\$ 19,729	\$ 152,496	\$ 37,649
Share based payments	13,526	1,908	36,438	9,391
	\$ 93,599	\$ 21,637	\$ 188,934	\$ 47,040

At September 30, 2011, an amount of \$24,553 (2010 - \$2,632) was payable to related parties consulting fees and other costs. This amount was incurred in the ordinary course of business, is non-interest bearing, unsecured and due on demand.

As at September 30, 2011, included in accounts receivable was an amount of \$209,480 (2010 – \$Nil) due from Constantine, a company related by common directors and officers, for Constantine's portion of mineral property expenditures relating to the Yukon joint venture.

Related party transactions are in the ordinary course of business, occurring on terms that are similar to those of transactions with unrelated parties and are measured at the exchange amount.

**Outstanding Share Data**

Carlin's authorized capital is an unlimited number of common shares without par value.

At September 30, 2011 and as at the date of this report the Company had 57,534,817 common shares outstanding.

At September 30, 2011 and as of the date of this report, the Company had 4,529,125 warrants outstanding, which are exercisable until October 12, 2012 at a price of \$0.25 per common share.

The Company's outstanding stock options at September 30, 2011 were as follows:

	Number	Vested (exercisable)	Exercise Price per Share	Expiry Date
Issued in 2006	50,000	50,000	\$0.28	October 17, 2011
Issued in 2007	75,000	75,000	\$0.28	March 7, 2012
Issued in 2009	600,000	600,000	\$0.105	October 9, 2014
Issued in 2010	1,425,000	712,500	\$0.10	December 7, 2015
	2,150,000	1,615,625		

## **Management of Capital**

The Company manages its cash, common shares and stock options as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account.

## **Changes in Accounting Policies – Initial Adoption**

### *Adoption of International financial reporting standards ("IFRS")*

The Canadian Accounting Standards Board declared that International Financial Reporting Standards is to replace Canadian GAAP for publicly accountable enterprises for financial periods beginning on or after January 1, 2011.

In order to produce the required financial statements in accordance with IAS 34, the Company used accounting policies consistent with IFRS as issued by the IASB and interpretations of IFRIC.

The condensed consolidated interim financial statements for the three and nine month periods ended September 30, 2011 are the Company's third condensed consolidated interim financial statements prepared in accordance with IAS 34 using accounting policies consistent with IFRS. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's first condensed consolidated interim financial statements prepared in accordance with IAS 34 and IFRS dated March 31, 2011.

The adoption of IFRS resulted in changes to the accounting policies as compared with the most recent annual consolidated financial statements prepared under Canadian GAAP. The accounting policies set out in the Company's consolidated financial statements have been applied consistently to all periods presented.

### *Transition to IFRS*

The Company has adopted IFRS with a transition date of January 1, 2010. Under IFRS 1, First-time Adoption of International Financial Reporting Standards, the Company elected to take the following IFRS 1 optional exemption:

**Share-based Payment** -- IFRS 1 encourages, but does not require, first time adopters to apply IFRS 2, Share-based Payment to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before January 1, 2010. The Company elected not to apply IFRS 2 to equity instruments that vested prior to January 1, 2010.

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. While adoption of IFRS has not changed the Company's actual cash flows, it has resulted in changes to the Company's reported financial position and results of operations. In order to allow users to better understand these changes, the Company has provided the reconciliations between Canadian GAAP and IFRS in Note 12 to the condensed consolidated interim financial statements.

Canadian GAAP to IFRS differences:

(a) IFRS 2, Share-based payment

The Company elected to apply IFRS 2 only to those stock options granted subsequent to November 7, 2002 and not vested before January 1, 2010. This resulted in an increase of stock option reserve as at the Transition Date by \$6,542 with an increase in deficit by an equal amount, and an increase in share-based payment expense of \$4,574 for the year ended December 31, 2010. For the three and nine months ended September 30, 2010, share-based payment expense decreased by \$1,300 and \$153, respectively.

(b) Reclassification within Equity section

Under Canadian GAAP, "Contributed surplus" was used to record the issuance of warrants and stock options. Upon adoption of IFRS, the balances in "Contributed surplus" have been reclassified to "Stock options reserve" and "Warrants reserve".

Detailed schedules of the impact of these changes are included in Note 12 of the condensed consolidated interim financial statements for the nine months ended September 30, 2011.

### **Financial Instruments**

The Company classifies all financial instruments as either available-for-sale, financial assets or liabilities at fair value through profit or loss ("FVTPL"), loans and receivables or other financial liabilities. Loans and receivables and other financial liabilities are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in accumulated other comprehensive income. Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized on the statement of loss and deficit.

The Company has designated its cash as FVTPL, which is measured at fair value. Exploration advances and other receivables are classified as loans and receivables, which are measured at amortized cost. Trade payables are classified as other financial liabilities which are measured at amortized cost.

## **Risk Factors**

Companies operating in the mining industry face many and varied kind of risks. Following are the risk factors most applicable to the Company.

### *Industry*

Exploring and developing mineral resource projects bears a high potential for a variety of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is not feasible or practical to proceed.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

### *Metal Prices*

The principal activity of the Company is the exploration and development of gold resource properties. The feasible development of such properties is highly dependent upon the price of gold. A sustained and substantial decline in commodity gold prices could result in the write-down, termination of exploration and development work or loss of its interests in identified resource properties. Although such prices cannot be forecasted with certainty, the Company carefully monitors factors which could affect gold commodity prices in order to assess the feasibility of its resource projects.

### *Political Risk*

The resource properties on which the Company is pursuing its exploration and development activities are located in Nevada, U.S.A. and Yukon, Canada. While the political climate is considered by the Company to be stable, there can be no assurances that this will continue indefinitely. To alleviate such risk, the Company funds its Nevada operations on an as-needed basis. The Company does not presently maintain political risk insurance for its U.S. exploration projects.

### *Environmental*

Exploration and development projects are subject to the environmental laws and regulations of the country within which the Company is conducting its operations. As such laws are subject to change, the Company carefully monitors proposed and potential changes and management believes the Company remains in compliance with current environmental regulations in the relevant jurisdictions.

### *Liquidity risk*

Liquidity risk is the risk that the Company cannot meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2011, the Company had a cash balance of \$175,565 to settle current liabilities of \$451,515. All of the Company's financial liabilities have maturities of 30 days or are due on demand and are subject to normal trade terms.

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*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company's cash and cash equivalents consist of cash held in bank accounts that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates does not have a significant impact on estimated fair values as of September 30, 2011. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity.

(b) Foreign currency rate risk

As at September 30, 2011, certain of the Company's financial instruments are held in foreign currencies, primarily the US dollar. The Company has operations in Nevada, USA. As a result, the Company is exposed to foreign currency risk from fluctuations between the Canadian and US dollars. The Company does not use derivatives or similar techniques to manage currency risk.

As at September 30, 2011 and December 31, 2010, the Company is exposed to foreign currency risk as follows:

As at	September 30, 2011	December 31, 2010
	US	US
Cash	\$ 73,724	\$ 4,192
Available-for-sale investments	11,100	3,581
Trade payables and accrued liabilities	(1,145)	(155)
Net foreign currency exposure	\$ 83,679	\$ 7,618

Based on the above net foreign currency exposure as at September 30, 2011, and assuming all other variables remain constant, an 11% (2010 - 11%) weakening or strengthening of the Canadian dollar against the US dollar would result in an increase/decrease of \$9,205 (2010 - \$2,205) in the Company's loss.

The Company does not utilize derivatives or other techniques to manage foreign currency risk.

(c) Other price risk

Mineral prices may fluctuate significantly from period to period, and even if commercial quantities of gold and other minerals are developed, a profitable market may not exist for the sale of such minerals. If a profitable market does not exist, the Company could have to cease operations. The Company is not exposed to any other price risk.

*Sensitivity analysis*

The carrying value of cash, receivables, accounts payable and accrued liabilities, and amounts due to related parties approximate their fair values due to the relatively short periods to maturities of these financial instruments.

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Based on management's knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be materially affected by credit risk, liquidity risk or market risk.

### Disclosure Controls and Procedures

Management is responsible for the design, establishment and maintenance of disclosure controls and procedures over the public disclosure of financial and non-financial information regarding the Company and internal control over financial reporting to provide reasonable assurance regarding the integrity of the Company's financial information and reliability of its financial reporting. Management maintains appropriate information systems, procedures and controls to ensure integrity of the financial statements and to ensure that information used internally and disclosed externally is complete and reliable.

### Use of Proceeds from Financings

Planned Use of Proceeds	Actual Use of Proceeds to September 30, 2011
April 2011 Private Placement Financing:	
<ul style="list-style-type: none"> <li>\$1,449,320 to be used for Yukon and Nevada exploration and general corporate purposes.</li> </ul>	<ul style="list-style-type: none"> <li>\$1,435,908 was used for exploration purposes and \$13,412 was applied to financing expenses.</li> </ul>

### Corporate Governance

Management of the Company is responsible for the preparation and presentation of the interim and annual financial statements and notes thereto, MD&A and other information contained in this MD&A. Additionally, it is management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The Company's management is held accountable to the Board of Directors ("Directors"), each member of which is elected annually by the shareholders of the Company. The Directors are responsible for reviewing and approving the annual audited financial statements and MD&A. Responsibility for the review and approval of the Company's unaudited interim financial statements and MD&A is delegated by the Directors to the Audit Committee, which is comprised of three directors, two of whom are independent of management. Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's auditors.

The auditors are appointed annually by the shareholders to conduct an audit of the financial statements in accordance with generally accepted auditing standards. The external auditors have complete access to the Audit Committee to discuss the audit, financial reporting and related matters resulting from the annual audit as well as assist the members of the Audit Committee in discharging their corporate governance responsibilities.

### Forward-Looking Statements

Some of the statements in this document constitute "forward looking statements". Where Carlin expresses an expectation or belief as to future events or results, including management plans and objectives, and projections of exploration results, such expectation or belief is expressed in good faith and is believed to have a reasonable basis. The Company makes no representation that reasonable business people in possession of the same information would reach the same conclusions. While these statements represent our best current judgment, they are subject to risks and uncertainties that could cause actual results to vary, the specifics of which are detailed in disclosures with the heading "Risk Factors" in the Company's periodic

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filings with securities regulators. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Forward-looking statements in this MD&A are made as of the date of this MD&A or, in the case of documents incorporated by reference herein, as of the date of such documents, and Carlin does not assume the obligation to update any forward looking statement.

### **Approval**

Mr. Robert Thomas, a director of the Company and a Qualified Person, has reviewed and approved the technical information contained in this report.

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

### **Additional Information**

Additional disclosures pertaining to the Company's technical reports, management information circulars, material change reports, press releases and other information are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).