

Consolidated Financial Statements of

CARLIN GOLD CORPORATION

(AN EXPLORATION STAGE COMPANY)

For the years ended December 31, 2010 and 2009

(Expressed in Canadian dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Carlin Gold Corporation are the responsibility of the Company's management. The consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control through an audit committee, which is comprised primarily of non-management directors. The Audit Committee reviews the results of the audit and the annual consolidated financial statements prior to their submission to the Board of Directors for approval.

The consolidated financial statements as at December 31, 2010 and 2009 and for the years then ended have been audited by Smythe Ratcliffe LLP, Chartered Accountants, and their report outlines the scope of their examination and gives their opinion on the consolidated financial statements.

"K. Wayne Livingstone"

K. Wayne Livingstone
President

Vancouver, British Columbia
April 26, 2011

"Aris Morfopoulos"

Aris Morfopoulos
CFO

INDEPENDENT AUDITORS' REPORT

**TO THE SHAREHOLDERS OF CARLIN GOLD CORPORATION
(An Exploration Stage Company)**

We have audited the accompanying consolidated financial statements of Carlin Gold Corporation (an exploration stage company), which comprise the balance sheets as at December 31, 2010 and 2009, and the consolidated statements of operations, shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Carlin Gold Corporation as at December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Smythe Ratcliffe LLP

Chartered Accountants

Vancouver, British Columbia
April 26, 2011

CARLIN GOLD CORPORATION
(an Exploration Stage Company)
Consolidated Balance Sheets
December 31
(Expressed in Canadian dollars)

	2010	2009
Assets		
Current assets:		
Cash	\$ 314,130	\$ 463,477
Accounts receivable (Note 9(c))	80,026	5,828
Marketable securities (Note 6)	523,581	554,345
Prepaid expenses	7,487	7,498
	925,224	1,031,148
Mineral property interests (Note 5)	1,104,041	1,269,919
Reclamation bonds	102,385	111,551
	\$ 2,131,650	\$ 2,412,618
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 47,625	\$ 34,119
Due to related parties (Note 9)	2,632	2,632
	50,257	36,751
Future income tax liabilities (Note 8)	-	131,128
	50,257	167,879
Shareholders' equity:		
Share capital (Note 7)	6,318,997	5,968,723
Contributed surplus	605,488	569,679
Accumulated other comprehensive income	393,745	423,224
Deficit	(5,236,837)	(4,716,887)
	2,081,393	2,244,739
	\$ 2,131,650	\$ 2,412,618

Subsequent events (Note 12)

Approved on behalf of the Board:

"K. Wayne Livingstone"

.....Director

K. Wayne Livingstone

"Robert Culbert"

.....Director

Robert Culbert

See accompanying notes to consolidated financial statements.

CARLIN GOLD CORPORATION
(an Exploration Stage Company)
Consolidated Statements of Operations
Years Ended December 31
(Expressed in Canadian dollars)

	2010	2009
Expenses:		
Management and administration fees	\$ 57,647	\$ 71,351
Accounting and audit	48,497	33,044
Stock-based compensation (Note 7(d))	35,809	7,312
Office	23,260	10,604
Technical consulting	19,633	21,527
Regulatory fees	9,525	8,125
Insurance	8,796	18,797
Legal fees	6,827	4,701
Transfer agent fees	5,552	7,225
Rent	3,000	3,000
Travel	389	1,485
Loss before other items and income tax	(218,935)	(187,171)
Foreign exchange loss	(3,362)	(39,971)
Mineral property interests written-off (Note 5)	(457,271)	(10,028)
Gain on sale of marketable securities (Note 6)	28,490	12,745
	(432,143)	(37,254)
Loss before income tax	(651,078)	(224,425)
Future income tax recovery (Note 8)	131,128	163,008
Net loss for year	(519,950)	(61,417)
Other comprehensive income		
Fair value change of available-for-sale investments, net of tax	(3,017)	333,530
Realized gain on disposition of available-for-sale investments	(26,462)	(10,255)
Total comprehensive income (loss) for year	\$ (549,429)	\$ 261,858
Loss per share (basic and diluted)	\$ (0.012)	\$ (0.001)
Weighted average number of common shares outstanding	42,158,005	41,271,567

See accompanying notes to consolidated financial statements.

CARLIN GOLD CORPORATION
(an Exploration Stage Company)
Consolidated Statements of Shareholders' Equity
Years Ended December 31
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance, December 31, 2008	41,271,567	\$ 5,968,723	\$ 562,367	\$ (4,655,470)	\$ 99,949	\$ 1,975,569
Net loss for year	-	-	-	(61,417)	-	(61,417)
Unrealized gain on available- for-sale investments, net of tax	-	-	-	-	333,530	333,530
Realized gain on disposition of available-for-sale investments, net of tax	-	-	-	-	(10,255)	(10,255)
Stock-based compensation	-	-	7,312	-	-	7,312
Balance, December 31, 2009	41,271,567	5,968,723	569,679	(4,716,887)	423,224	2,244,739
Net loss for year	-	-	-	(519,950)	-	(519,950)
Fair value change of available- for-sale investments, net of tax	-	-	-	-	(3,017)	(3,017)
Realized gain on disposition of available-for-sale investments	-	-	-	-	(26,462)	(26,462)
Stock-based compensation	-	-	35,809	-	-	35,809
Private placement, net of share issuance costs (Note 7(b))	7,190,000	350,274	-	-	-	350,274
Balance, December 31, 2010	48,461,567	\$ 6,318,997	\$ 605,488	\$ (5,236,837)	\$ 393,745	\$ 2,081,393

See accompanying notes to consolidated financial statements.

CARLIN GOLD CORPORATION
(an Exploration Stage Company)
Consolidated Statements of Cash Flows
Years Ended December 31
(Expressed in Canadian dollars)

	2010	2009
Operating Activities:		
Net loss for year	\$ (519,950)	\$ (61,417)
Items not affecting cash:		
Future income tax recovery	(131,128)	(163,008)
Stock-based compensation	35,809	7,312
Mineral property interest written-off (Note 5)	457,271	10,028
Gain on sale of marketable securities	(28,490)	(12,745)
Change in non-cash operating working capital:		
Accounts receivable	(13,420)	(1,263)
Prepaid expenses	11	3,479
Accounts payable and accrued liabilities	13,506	(43,245)
Due to related parties	-	(2,108)
Cash used in operating activities	(186,391)	(262,967)
Investing Activities:		
Mineral property expenditures (Note 5)	(352,171)	(271,172)
Refund (acquisition) of reclamation bonds	9,166	(66,606)
Mineral property recoveries (Note 5(a))	-	387,088
Proceeds on sale of marketable securities	29,775	65,720
Decrease in segregated cash	-	62,757
Cash provided by (used in) investing activities	(313,230)	177,787
Financing Activity:		
Private placement, net of share issue costs	350,274	-
Decrease in cash	(149,347)	(85,180)
Cash, beginning of year	463,477	548,657
Cash, end of year	\$ 314,130	\$ 463,477
Supplemental Cash Flow Information:		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Mineral property interest recoveries included in accounts receivable	\$ 60,778	\$ -

See accompanying notes to consolidated financial statements.

CARLIN GOLD CORPORATION

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2010 and 2009

(Expressed in Canadian dollars)

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 and has never paid dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. As at December 31, 2010, the Company has working capital of \$874,967 (2009 - \$994,397) and an accumulated deficit of \$5,236,837 (2009 - \$4,716,887). 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. Management believes the Company has sufficient working capital and cash reserves to maintain current levels of operations and continue as a going concern for the following year (Note 12).

The Company may periodically have to raise additional funds to fund projects and continue operations and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its consolidated financial statements in accordance with Canadian generally accepted accounting principles ("GAAP") with the Canadian dollar as the Company's functional and reporting currency. The following is a summary of significant accounting policies used in the preparation of these consolidated financial statements:

(a) Basis of Consolidation

These consolidated financial statements include the accounts of the Company's wholly-owned subsidiaries, as follows:

- Toquima Minerals Corp. (British Columbia) ("TQM")
- Carlin Gold US Inc. (Nevada) ("Carlin US")
- Aurelius Financial Corp. (B.V.I.) ("Aurelius")
- Yunnan Carlin Mining Corp. (China) ("Yunnan Carlin")

All significant intercompany balances and transactions have been eliminated upon consolidation.

During the year ended December 31, 2010, TQM, Aurelius and Yunnan Carlin were wound-up.

(b) Mineral Property Interests

The Company is in the process of exploring its mineral property interests and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Mineral property acquisition, exploration and development costs are capitalized, net of recoveries, on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Costs for a producing property are amortized on a unit-of-production method over the estimated life of the ore reserves, while costs for the prospects abandoned are written off.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Mineral Property Interests (continued)

The recoverability of the amount capitalized for the undeveloped mineral property interests is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to option its property interests, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof. The Company assesses the carrying value of its mineral property interests whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If assets are considered to be impaired, the amount of the impairment is charged to operations in the period the impairment is determined.

From time to time the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such, options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received.

(c) Asset Retirement Obligations ("ARO")

The Company recognizes an estimate of the liability associated with an ARO in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded.

(d) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences), and losses carried forward. Future income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is enacted or substantially assured. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be realized.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Stock-Based Compensation

The Company accounts for stock-based compensation using a fair value based method with respect to all stock-based payments to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is completed or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. The fair value of the options is accrued and charged to operations, with the offset credit to contributed surplus. For directors and employees the fair value of the options is recognized over the vesting period, and for non-employees the fair value of the options is recognized over the related service period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital. The Company does not incorporate an estimated forfeiture rate for options that will not vest, but rather accounts for actual forfeitures as they occur.

(f) Foreign Currency Translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

- (i) Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;
- (ii) Non-monetary assets, at historical exchange rates; and
- (iii) Revenue and expenses, at the rate of exchange on the date of the transaction.

Gains and losses arising from this translation of foreign currency are included in net loss for the year.

(g) Loss per Share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

(h) Management's Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reported period. Areas requiring the use of estimates include the fair value of marketable securities, net recoverable amount of mineral property interests, accrued liabilities, determination of AROs, the variables used in the calculation of stock-based compensation, the determination of the valuation allowance for future income tax assets and amount of future income tax liability. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

CARLIN GOLD CORPORATION

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2010 and 2009

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments

All financial instruments are classified as one of the following: held-to-maturity, loans and receivables, held-for-trading, available-for-sale or other financial liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in net income. Financial assets held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method. Available-for-sale financial instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) and reported in shareholders' equity. Any financial instrument may be designated as held-for-trading upon initial recognition.

Transaction costs that are directly attributable to the acquisition or issuance of financial instruments that are classified as other than held-for-trading, which are expensed as incurred, are included in the initial carrying value of such instruments.

(j) Future Accounting Changes

(i) International Financial Reporting Standards ("IFRS")

In February 2008 the Canadian Accounting Standards Board confirmed that IFRS will replace Canadian GAAP for publicly accountable enterprises for financial periods beginning on and after January 1, 2011. The Company's first mandatory filing under IFRS, which will be the first quarter of 2011, will contain IFRS-compliant information on a restated comparative basis, as well as reconciliations for that quarter and as at the January 1, 2010 transition date. Other than disclosures, presentation and classifications, management does not anticipate significant differences in its financial reporting processes and feels the Company is fully prepared to transition for its first quarter reporting in 2011.

(ii) Business Combinations

In January 2009, the Canadian Institute of Chartered Accountants issued Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests". These sections replace the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of consolidated financial statements.

These new sections apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. All three sections must be adopted concurrently.

3. COMPARATIVE FIGURES

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

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has classified its financial instruments as follows:

- Cash – held-for-trading
- Accounts receivable (excluding amounts due from government agencies) – loans and receivables
- Marketable securities – available-for-sale
- Due to related parties – other financial liabilities
- Accounts payable and accrued liabilities – other financial liabilities.

The principal risks to which the Company's financial instruments are exposed are described below.

(a) Fair Value

The carrying values of cash, accounts receivable, due to related parties, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate fair value:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's measurement of fair value of marketable securities as at December 31, 2010, in accordance with the fair value hierarchy, is as follows:

	Total	Level 1	Level 2	Level 3
Marketable securities	\$ 523,581	\$ 520,000	\$ 3,581	\$ -

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

(b) 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.

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, which is due from a single joint venture partner. The Company's concentration of credit risk and maximum exposure thereto is as follows:

	2010	2009
Cash	\$ 314,130	\$ 463,477
Accounts receivable	60,778	-
Total	\$ 374,908	\$ 463,477

(c) 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 marketable 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 December 31, 2010, the Company had accounts payable excluding accrued liabilities of \$7,625 (2009 - \$1,119), which are due in the first three months of 2011.

(d) Market Risk

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

(i) Interest Rate Risk

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

CARLIN GOLD CORPORATION

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2010 and 2009

(Expressed in Canadian dollars)

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)**(d) Market Risk (continued)****(ii) Foreign Currency Risk**

As at December 31, 2010, 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 December 31, 2010 and 2009, the Company is exposed to foreign currency risk as follows:

	2010	2009
	US	US
Cash	\$ 4,192	\$ 21,370
Marketable securities	3,581	32,134
Accounts payable and accrued liabilities	(155)	(500)
Net foreign currency exposure	\$ 7,618	\$ 53,004

Based on the above net foreign currency exposure as at December 31, 2010, and assuming all other variables remain constant, an 11% (2009 - 11%) weakening or strengthening of the Canadian dollar against the US dollar would result in an increase/decrease of \$833 (2009 - \$6,128) in the Company's loss.

(iii) 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% (2009 - 20%) change in market prices would change other comprehensive income by approximately \$209,000 (2009 - \$110,000).

CARLIN GOLD CORPORATION

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2010 and 2009

(Expressed in Canadian dollars)

5. MINERAL PROPERTY INTERESTS

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

	Pine Grove	Willow Creek/Currant Creek	Cortez Summit	Whisky Canyon	JDS	Yukon	Total
Balance, December 31, 2008	\$ 387,088	\$ 601,075	\$ 119,253	\$ 272,325	\$ 16,122	\$ -	\$ 1,395,863
Acquisition costs	3,592	-	-	46,200	-	-	49,792
Deferred expenditures							
Geology/geophysical	6,116	3,362	4,056	126,656	1,428	-	141,618
Property tax and maintenance fees	320	28,550	14,270	23,384	13,238	-	79,762
Expenditures for the year	10,028	31,912	18,326	196,240	14,666	-	271,172
Recovery of expenditures	(387,088)	-	-	-	-	-	(387,088)
Write-off of mineral property interests	(10,028)	-	-	-	-	-	(10,028)
Balance, December 31, 2009	-	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 of mineral property interests	-	-	-	(457,271)	-	-	(457,271)
Balance, December 31, 2010	\$ -	\$ 655,639	\$ 155,552	\$ 20,000	\$ 44,863	\$ 227,987	\$ 1,104,041

5. MINERAL PROPERTY INTERESTS (Continued)

(a) Nevada Mineral Property Interests

(i) Pine Grove Property

Effective March 17, 2004 (amended August 25, 2004), TQM acquired an option to earn a 100% interest in 138 claims situated in Lyon County by making a total of US\$1,080,000 in advance royalty payments by March 17, 2021 (US\$125,000 paid by TQM). The Company was to also incur mineral property exploration expenditures of US\$100,000 by March 17, 2007 (US\$50,000 satisfied by TQM).

The continuing commitments acquired by the Company were as follows:

- March 17, 2007: cash payment of US\$600,000 (paid); mineral property exploration expenditures of US\$50,000 (completed);
- March 17, 2008: payment of US\$65,000 (paid by Romarco Minerals Inc. ("Romarco"));
- March 17, 2009 to 2019: payment of US\$75,000 per year; and
- March 17, 2020: payment of US\$5,000.

The above payments were subject to a net smelter return of 3% to 4%, depending on the price of gold. The Company had the option to acquire 2% of the royalty for US\$1,000,000 for each percentage point.

TQM entered into an Exploration and Option to Enter Joint Venture Agreement with Romarco on January 28, 2005. Pursuant to this agreement (amended on January 31, 2007), Romarco assumed all of the Company's cash payment obligations relating to the underlying agreement and could earn a 60% interest in this property by spending US\$2,000,000 on exploration over a five-year period according to the following schedule:

<u>Performance Date</u>	<u>Annual Work Commitment</u>
December 31, 2005	US\$325,000 (completed)
December 31, 2006	US\$275,000 (US\$93,424 completed)
December 31, 2007	US\$300,000 (US\$481,576 completed)
December 31, 2008	US\$600,000 (completed)
December 31, 2009	US\$500,000.

The December 31, 2006 work commitment shortfall of US\$181,576 was deferred until December 31, 2007. This amendment has no effect on the remaining commitments of Romarco under the original agreement for 2007 to 2009. In consideration for this deferral, Romarco agreed to the following:

- Issue and deliver to the Company common shares of Romarco having a value of \$29,503 (US\$25,000) as at the close of regulatory approval (delivered) (completed in 2007);
- Assume the Company's payment obligation to the underlying property owner due March 17, 2007 and pay the Company an additional US\$20,000 (paid);
- To complete 7,500 feet of drilling on the east side of the property by December 31, 2007 (completed); and
- To complete 3,500 feet of drilling in the Rockland Mine area by no later than December 31, 2008.

CARLIN GOLD CORPORATION

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2010 and 2009

(Expressed in Canadian dollars)

5. MINERAL PROPERTY INTERESTS (Continued)**(a) Nevada Mineral Property Interests (continued)****(i) Pine Grove Property (continued)**

Romarco did not meet the commitment of completing 3,500 feet of drilling in the Rockland Mine area by December 31, 2008 and, accordingly, the Company entered into a settlement agreement with Romarco on March 13, 2009, to terminate the Exploration and Option to Enter Joint Venture Agreement. The Company received a combination of cash and reclamation bonds amounting to \$387,088 (US\$306,896) in settlement from Romarco, resulting in a write-down of the carrying value of the Company's interest in the Pine Grove Property at December 31, 2008 to this amount. Concurrent with this transaction, in March 2009 the Company terminated its interest in the Pine Grove Property and wrote-off its remaining interest in the project.

(ii) Willow Creek and Currant Creek PropertiesWillow Creek

The Company owns a 100% interest in the QA/QC claims.

On January 15, 2004, TQM acquired an option to earn title to 480 acres of private land (the Gibbs Land) located in Elko County. The claims together with the QA/QC claims above became collectively, the Willow Creek property. The commitments acquired by the Company in relation to the Gibbs Land were as follows:

- January 15, 2008: payment of US\$30,000 (paid);
- January 15, 2009: payment of US\$35,000 (US\$25,000 paid; US\$10,000 deferred to January 15, 2010);
- January 15, 2010: payment of US\$40,000;
- January 15, 2011: payment of US\$45,000; and
- January 15, 2012 to 2017: payment of US\$50,000 per year.

The property was subject to a net smelter royalty of 3% when the gold price was less than US\$500 per ounce and 4% when it was greater than US\$500 per ounce. The Company had the right to repurchase up to 50% of the royalty for US\$500,000 for each one-half percentage point. The Company was obligated to issue 450,000 common shares upon completion of a positive feasibility study.

In January 2010, prior to the January 15 anniversary date, the Company terminated its option agreement related to the Gibbs Land portion of Willow Creek.

The Company still maintains the QA/QC claims.

CARLIN GOLD CORPORATION

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2010 and 2009

(Expressed in Canadian dollars)

5. MINERAL PROPERTY INTERESTS (Continued)

(a) Nevada Mineral Property Interests (continued)

(ii) Willow Creek and Currant Creek Properties (continued)

Willow Creek (Piedmont)

On June 18, 2008, the Company entered into an exploration agreement with option to form a joint venture with Piedmont Mining Company ("Piedmont") with regard to the Willow Creek property. Under the terms of the agreement, Piedmont had the right to earn a 51% interest in the property by completing the following:

- US\$3,500,000 of exploration work over five years;
- Piedmont paid US\$300,000 cash to the Company upon signing of the agreement. This sum was for Piedmont's first year work commitment, which included a minimum 5,000 feet of exploratory drilling. The payment by Piedmont included US\$51,101 for the Company's past property maintenance payments, and the assumption of the Company's US\$17,773 reclamation bond for the first phase of drilling. Piedmont also issued 100,000 shares of its common stock valued at US\$15,781 to the Company;
- After Piedmont completes the first year firm work commitment, Piedmont had the right to keep the agreement in effect by paying the Company US\$10,000 on each June 18 anniversary and by completing expenditures according to the following annual schedule:
 - US\$500,000 by June 18, 2009;
 - US\$700,000 by June 18, 2010;
 - US\$1,000,000 by June 18, 2011; and
 - US\$1,000,000 by June 18, 2012.

Upon Piedmont earning a 51% interest in the property, the parties had agreed to enter into a joint venture.

In October 2009, the Company notified Piedmont that Piedmont was in default of its obligations and subsequently terminated the agreement.

Currant Creek

On June 23, 2004, TQM entered into an Option Agreement with Placer Dome Exploration, now Barrick Gold Corporation ("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 smelter return royalty of 2%.

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.

5. MINERAL PROPERTY INTERESTS (Continued)

(a) Nevada Mineral Property Interests (continued)

(iii) Cortez Summit Property

The Company has owned a 100% interest in 83 unpatented lode claims in the Cortez gold trend since 2007. There is no underlying agreement pertaining to the Cortez Summit Property.

(iv) Whisky Canyon Property

On August 27, 2007, the Company entered into a ten-year renewable lease agreement on a precious metals prospect in Lander County, Nevada, located near Battle Mountain on the Battle Mountain – Eureka Mineral Trend. The property consists of patented claims and fee land totaling approximately 625 acres.

Under the terms of the agreement, the Company may acquire a 100% leasehold right to these claims and fee land by making the following cash payments over the next ten years as follows:

- August 27, 2007: cash payment of US\$15,000 (paid);
- August 27, 2008: cash payment of US\$25,000 (paid);
- August 27, 2009: cash payment of US\$35,000 (deferred to 2010);
- August 27, 2010: cash payment of US\$50,000 (deferred to 2011);
- August 27, 2011: cash payment of US\$60,000 (deferred to 2012);
- August 27, 2012: cash payment of US\$70,000 (deferred to 2013);
- August 27, 2013 to 2017: cash payments of US\$80,000 (each deferred one year); and
- August 27, 2018: cash payment of US\$100,000 (deferred to 2019).

A cash payment of US\$100,000 continues on each anniversary date thereafter as long as any development or mining operations are being carried out. All annual payments are advances against a net smelter return royalty ranging from 3.25% at a gold price of US\$500 per ounce or less, to 5.25% at a gold price of greater than US\$1,000. The Company can repurchase up to 1.25% of the royalty for US\$1,000,000 for each one-quarter percentage point. The agreement requires the Company to complete US\$200,000 in exploration expenditures, including 6,000 feet of drilling, during the first two years of the agreement.

To maintain the agreement in good standing, the Company must incur an additional \$300,000 in exploration expenditures by the end of the fifth year, which includes an additional 6,000 feet of drilling by the end of the fourth year. The Company has the right to terminate the lease at any time, subject to the requirement to complete the initial US\$200,000 of exploration expenditures, including the 6,000-foot drilling commitment.

In March 2009, the Company amended the terms of its agreement in consideration for a US\$20,000 payment (paid), such that the cash commitments due on August 27, 2009 and each anniversary date thereafter are deferred by one year and the drilling commitment of 6,000 feet is reduced to 4,000 feet and extended by one year to August 27, 2010 (completed).

CARLIN GOLD CORPORATION

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2010 and 2009

(Expressed in Canadian dollars)

5. MINERAL PROPERTY INTERESTS (Continued)**(a) Nevada Mineral Property Interests (continued)****(iv) Whisky Canyon Property (continued)**

On September 1, 2007, the Company entered into a 20-year renewable lease and option to purchase agreement for 23 BET unpatented mineral claims located adjacent to the Whisky Canyon Property. Under the terms of the agreement, the Company is obligated to make cash payments and incur exploration expenditures totaling US\$900,000, according to the following schedule:

- Upon signing of the letter agreement: payment of US\$10,000 (paid);
- March 1, 2008: payment of US\$10,000 (paid);
- September 1, 2008: payment of US\$20,000 (paid);
- September 1, 2009: payment of US\$25,000 and incur mineral property exploration expenditures of US\$50,000;
- September 1, 2010: payment of US\$30,000;
- September 1, 2011: payment of US\$35,000 and incur mineral property exploration expenditures of US\$100,000;
- September 1, 2012: payment of US\$40,000;
- September 1, 2013: payment of US\$45,000 and incur mineral property exploration expenditures of US\$200,000;
- September 1, 2014: payment of US\$50,000;
- September 1, 2015: payment of US\$50,000 and incur mineral property exploration expenditures of US\$250,000;
- September 1, 2016: payment of US\$60,000;
- September 1, 2017: payment of US\$75,000 and incur mineral property exploration expenditures of US\$300,000; and
- September 1, 2018 and each subsequent year: payment of US\$75,000.

The BET property is also subject to a net smelter return royalty of 2.5% to 4%, depending on the price of gold. The Company has the option to acquire up to 1% of the royalty for US\$500,000 for each one-half percentage point.

On May 29, 2008, the Company entered into an exploration agreement with Barrick on a property in the Whisky Canyon prospect area. The property consists of a total of 102 unpatented claims controlled by Barrick; 66 claims are owned directly by Barrick and 36 claims are held by Barrick through a lease agreement with a third party.

CARLIN GOLD CORPORATION

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2010 and 2009

(Expressed in Canadian dollars)

5. MINERAL PROPERTY INTERESTS (Continued)**(a) Nevada Mineral Property Interests (Continued)****(iv) Whisky Canyon Property (Continued)**

Under the terms of the agreement, the Company has the option to acquire 60% of Barrick's interest in the property by completing expenditures totaling US\$650,000 over five years, and assuming the underlying lease obligations, which includes making annual payments of US\$40,000 on July 23 of each year until 2024 in order to maintain the option. The Company has a firm obligation to spend a minimum of \$50,000 of the earn-in obligation within the first year of the agreement, of which \$59,664 was spent at December 31, 2008. Upon completion of the required expenditures, the Company has the option to enter into an exploration, development and mine operating agreement, with the Company holding a 60% interest and Barrick holding a 40% interest. If the Company exercises its option, Barrick has the option to participate or give up its interest and retain a net smelter return royalty interest ranging between 0.5% to 3.0%. If Barrick elects to participate, the Company and Barrick will bear additional exploration expenditures in the proportions of their respective interests. If a party's interest is diluted to less than 10%, it will be converted to a non-working 2% net smelter return royalty.

In March 2009, the Company amended the terms of the BET claims agreement and the underlying lease of the Barrick agreement (same owner as BET claims owner) as follows: in consideration for a US\$20,000 payment, the US\$25,000 payment due on September 1, 2009 is deferred to September 1, 2010 and the US\$40,000 lease payment due on July 23, 2009 (underlying lease in Barrick agreement) is deferred to July 23, 2010. Also, starting on the 2010 anniversary dates, the total annual payments payable under the BET claims agreement and the underlying lease of the Barrick agreement will be capped at an aggregate of US\$50,000.

On September 2, 2008, the Company completed a purchase agreement with Victory Exploration Inc. ("Victory") for 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 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.

During 2010, the Company terminated all option and lease agreements related to the Whisky Canyon Property except for the Emma and Silva claims. As a result of the terminations, the Company wrote-down the Whisky Canyon Property to \$20,000.

(v) 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 1% of the royalty for US\$500,000 for each one-half percentage point.

5. MINERAL PROPERTY INTERESTS (Continued)

(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 1,959 mineral claims in Yukon Territory as part of the Agreement.

All 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.

(c) AROs

The Company has assessed that it does not have any AROs that are reasonably determinable at this time.

(d) Realization of Assets

The investment in and expenditures on mineral property interests comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or proceeds from their disposal.

Resource exploration and development are highly speculative and contain inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

(e) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent, and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral property interests, the potential for production on the property may be diminished or negated.

CARLIN GOLD CORPORATION

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2010 and 2009

(Expressed in Canadian dollars)

5. MINERAL PROPERTY INTERESTS (Continued)**(f) Title to mineral property interests**

Although the Company has taken steps to verify 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.

6. MARKETABLE SECURITIES

At December 31, 2010 and 2009, the Company owned the following marketable securities:

	2010			2009		
	Number of Shares	Cost	Fair Value	Number of Shares	Cost	Fair Value
Piedmont	300,000	\$49,951	\$3,581	300,000	\$49,951	\$ 6,745
Romarco	-	-	-	15,000	4,143	27,600
Constantine	2,000,000	-	520,000	2,000,000	-	520,000
		\$49,951	\$523,581		\$54,094	\$554,345

Constantine is related to the Company through two common directors. The Company's investment in Constantine represents an ownership interest of 2.0% at December 31, 2010 (2009 - 3.2%).

During the year ended December 31, 2010, the Company sold 15,000 shares in Romarco for net proceeds of \$29,775 resulting in a realized gain of \$28,490.

During the year ended December 31, 2009, the Company sold 212,600 shares in Romarco for net proceeds of \$65,720 resulting in a realized gain of \$12,745.

7. SHARE CAPITAL

(a) Authorized: unlimited common shares without par value.
Issued and outstanding: 48,461,567 common shares

(b) Private Placement

In November 2010, the Company closed a non-brokered private placement whereby 7,190,000 common shares were issued at \$0.05 per share for gross proceeds of \$359,500. The Company incurred \$9,226 in share issuance costs related to the private placement.

(c) 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.

CARLIN GOLD CORPORATION

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2010 and 2009

(Expressed in Canadian dollars)

7. SHARE CAPITAL (Continued)**(c) Stock Options (continued)**

A summary of the status of the Company's stock options at December 31, 2010 and 2009 and changes during the years then ended are as follows:

	2010		2009	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	2,000,000	\$ 0.170	3,500,000	\$ 0.160
Options granted to directors	1,300,000	\$ 0.100	525,000	\$ 0.105
Options granted to consultants	125,000	\$ 0.100	75,000	\$ 0.105
Options expired/cancelled	(900,000)	\$ 0.150	(2,100,000)	\$ 0.130
Outstanding, end of year	2,525,000	\$ 0.140	2,000,000	\$ 0.170

A summary of the Company's options as at December 31, 2010 is as follows:

Expiry Date	Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Number of Options Exercisable (vested)
July 17, 2011	\$ 0.280	375,000	0.54	375,000
October 17, 2011	\$ 0.280	50,000	0.79	50,000
March 7, 2012	\$ 0.280	75,000	1.18	75,000
October 9, 2014	\$ 0.110	600,000	3.78	450,000
December 7, 2015	\$ 0.100	1,425,000	4.93	356,250
		2,525,000	3.81	1,306,250

A summary of the Company's options as at December 31, 2009 is as follows:

Expiry Date	Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Number of Options Exercisable (vested)
June 27, 2010	\$ 0.130	800,000	0.49	800,000
July 17, 2011	\$ 0.275	375,000	1.54	375,000
October 17, 2011	\$ 0.280	50,000	1.79	50,000
March 7, 2012	\$ 0.280	75,000	2.18	75,000
August 7, 2012	\$ 0.280	100,000	2.60	100,000
October 9, 2014	\$ 0.110	600,000	4.78	150,000
		2,000,000	1.33	1,550,000

7. SHARE CAPITAL (Continued)

(d) Stock-Based Compensation

An amount of \$35,809 (2009 - \$7,312) has been recorded in the year ended December 31, 2010 as stock-based compensation expense. There is \$73,814 (2009 - \$20,160) in unrecognized stock-based compensation, which will be recognized in future periods as options vest.

The fair value of each option grant was estimated as at the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions and resulting fair value:

	2010	2009
Risk-free interest rate	2.2%	2.6%
Expected life of options	5 years	5 years
Annualized volatility	114%	113%
Dividend rate	0.00%	0.00%
Grant date fair value	\$0.06	\$ 0.06

8. INCOME TAXES

The reconciliation of income tax provision computed at the Canadian statutory rate of 28.5% (2009 – 30.0%) to reported income tax provision is as follows:

	2010	2009
Income tax benefit computed at Canadian statutory rates	\$ 185,557	\$ 67,328
Difference in foreign tax rates	1,301	(11,169)
Other items deductible for tax purposes	6,442	(132,425)
Write-down of mineral properties	(130,323)	-
Change in timing differences	139,145	87,873
Change in valuation allowance	(63,882)	183,362
Effect of change in tax rates	(7,112)	(31,961)
Income tax recovery	\$ 131,128	\$163,008

As at December 31, 2010, the Company has non-capital losses in Canada amounting to \$1,282,000 that may be used to offset taxable income in future years expiring up to 2030 and capital losses of \$3,516,000 that may be used to offset future capital gains. The Company also has non-capital losses in the United States amounting to US\$870,000 that may be used to offset taxable income in future years in the United States expiring up to 2030.

In addition, the Company has resource property tax amounts in Canada in the amount of \$1,562,000, and in the United States in the amount of US\$709,000 that may be applied to reduce taxable income in future years.

CARLIN GOLD CORPORATION
(An Exploration Stage Company)
Notes to Consolidated Financial Statements
Years Ended December 31, 2010 and 2009
(Expressed in Canadian dollars)

8. INCOME TAXES (Continued)

Significant components of the Company's future income tax assets and liabilities are as follows:

	2010	2009
Future income tax liabilities		
Mineral property interests	\$ -	\$ 131,128
Marketable securities	58,095	62,146
	<u>58,095</u>	<u>193,274</u>
Future income tax assets		
Non-capital loss carry-forwards	623,645	603,214
Net capital loss carry-forwards	439,530	439,530
Share issue costs	2,818	8,850
Mineral property interests	360,758	333,405
	<u>1,426,751</u>	<u>1,384,999</u>
Valuation allowance	(1,368,656)	(1,322,853)
Future income tax liability	\$ -	\$ 131,128

9. RELATED PARTY TRANSACTIONS

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

	2010	2009
Administration and consulting fees paid to a company controlled by the president	\$ 12,000	\$ 17,961
Technical consulting fees and expenses paid to directors (capitalized to mineral property interests)	12,040	7,703
Technical consulting fees and expenses paid to directors (expensed)	11,239	21,527
Accounting and administration fees paid to a company 50% owned by an officer and director	42,000	42,000
	<u>\$ 77,279</u>	<u>\$ 89,191</u>

(b) As at December 31, 2010, an amount of \$2,632 (2009 - \$2,632) was payable to related parties for consulting services. The amount is without interest or stated terms of repayment.

(c) As at December 31, 2010, included in accounts receivable was an amount of \$60,778 (2009 - \$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 (see Note 5(b)).

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.

CARLIN GOLD CORPORATION

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2010 and 2009

(Expressed in Canadian dollars)

10. MANAGEMENT OF CAPITAL

The Company manages its common shares, stock options and warrants as capital (see Note 7). There has been no change in the nature of the Company's capital during the year ended December 31, 2010. 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.

There were no changes in the Company's approach to capital management during the year.

11. SEGMENTED INFORMATION

The Company has one operating segment, mineral exploration and development. The Company's assets by geographical location at December 31, 2010 and 2009 are as follows:

	2010	2009
Canada	\$ 1,147,266	\$ 976,385
United States	984,384	1,436,233
	\$ 2,131,650	\$ 2,412,618

12. SUBSEQUENT EVENTS**(a) Aztec Property Acquisition by Joint Venture**

In January 2011, the Company and Constantine entered into an option agreement as part of their Joint Venture 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 and paid \$12,500 upon signing the agreement.

Annual advance royalty payments to the optionor of \$35,000 will commence January 20, 2017. The vendor 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. The Company and Constantine will commit to a minimum exploration expenditure of \$45,000 on the property within the first year of the agreement.

12. SUBSEQUENT EVENTS (Continued)

(b) Private Placement

In April 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.

CARLIN GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2010

Carlin Gold Corporation
Suite 320 -1500 West Pender St.
Vancouver, British Columbia, Canada
V6C 2V6

Tel: (604) 538-2477 Fax: (604) 608-3878

www.carlingold.com

CARLIN GOLD CORPORATION

Management Discussion & Analysis
For the year ended December 31, 2010

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 audited consolidated financial statements of the Company, including the notes thereto, for the year ended December 31, 2010 (the "financial statements"), which are prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. This MD&A has taken into account information available up to and including April 26, 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

In 2010, Carlin significantly expanded its mineral exploration portfolio with the acquisition of a significant land package staked in the Yukon through a new joint venture. To replenish its working capital and pay for acquisition costs in the new Yukon properties, the Company completed a \$359,500 private placement in November 2010, which was followed by another private placement completed in April 2011 which raised \$1,449,320 for the Company.

Yukon Joint Venture

In 2010 Carlin joined forces with Constantine Metal Resources Ltd. (TSXV: CEM) ("Constantine") to form a 50/50 joint venture ("Yukon JV") to target and explore emerging new gold districts in the Yukon. The Yukon JV moved quickly to evaluate and acquire by staking a large land position in an area within the Selwyn Basin that shows signs of becoming a major new gold district, following the announcement of the Osiris gold mineralization drill discovery announced by Atac Resources Ltd. on September 1, 2010. Claims were staked specifically to cover tracts of ground with geochemical and geological elements characteristic of Carlin-type gold systems. The Yukon JV combines the Company's extensive experience exploring for Carlin-type gold deposits in Nevada with Constantine's expertise and familiarity in the North. Claim staking is focused on areas with regional geochemistry stream silt anomalies with elevated gold, arsenic, antimony and mercury, located primarily in lower Paleozoic strata with associated carbonates. Several samples contain values of pathfinder elements that exceed the 95th percentile, including the highest arsenic value for the entire Yukon government database of over 30,000 samples. Stream sediment gold values on the claims range from < 5 ppb to over 300 ppb. As of April 15, 2011, the JV controlled a total of 3,434 claims comprising approximately 700 square kilometers (270 square miles), which represents one of the largest property positions in this new district. Additional acquisitions are currently being evaluated.

Key characteristics of Carlin-type gold environments that are present on the Yukon JV claims include:

- Favorable carbonate-bearing host rock sequences
- Proximity to documented occurrences of low-temperature arsenic and mercury minerals (realgar, orpiment and cinnabar)
- Ancient continental margin tectonic setting, similar to Nevada
- Prominent regional scale thrust faults similar to those present in the Carlin-type environment in Nevada
- Presence of regional-scale antiforms that may present structural traps for gold mineralization
- Key pathfinder elements in regional stream sediments

CARLIN GOLD CORPORATION

Management Discussion & Analysis
For the year ended December 31, 2010

On February 17, 2011 the Yukon JV announced a signed agreement to acquire a 100% interest in the 226 claim, 4,724 hectare, Aztec property. The Aztec property is located in the Mayo Mining district, approximately 50 kilometers south of Atac Resources Ltd's Osiris discovery. It covers an area of strongly anomalous gold and arsenic defined by regional government stream silt data.

The Yukon JV is making plans for 2011 field season that will include an intensive silt, soil and rock sampling program on its newly acquired properties. The Yukon JV is targeting Carlin-style gold mineralization distal to the Tombstone intrusive rocks as well as sediment-hosted gold mineralization adjacent to these intrusions.

Nevada U.S.A. Exploration Projects

The Company currently controls three properties in Nevada through direct ownership of unpatented mining claims. The Company is targeting Carlin-type mineralization on all three properties. 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

Cortez Summit is an 83 claim, 100% owned property located in the Cortez gold trend. The Company believes that the geological environment is similar to Barrick's new Cortez Hills Mine, located 4 miles from the west border of the Cortez Summit property. In the fourth quarter of 2010 a notice-level drill permit application was submitted to the Bureau of Land Management for the Cortez Summit project. The Company has commissioned an archeological study along the proposed drill access routes and drill pads. The study is expected to be completed in spring 2011, and the Company is planning an initial Phase I drill program in Fall 2011.

Willow Creek, Elko County

The Willow Creek property is located in a potential new gold trend in northeastern Nevada, highlighted by Fronteer Gold's Long Canyon discovery located 80 kilometers to the southeast. The property is drill-ready, with excellent Carlin-type targets contained within proven productive carbonate host rocks.

The Company exercised its option with Barrick Gold on the 39 CC claims on the Currant Creek portion of the property. Carlin's ownership at Willow now consists of 49 QA claims subject to a 1% net returns royalty, and 39 CC claims subject to a 3% net returns royalty.

The Company is seeking a joint venture partner for the property.

JDS, Eureka County, Nevada

The Company owns 77 claims, subject to a 2% net smelter returns royalty. During the third quarter of 2010, the Company completed a test soil sample line on the property, for mercury gas analysis. This test line was completed over a partially delineated surface mercury gas anomaly that had been identified by previous owners. Mercury gas anomalies have been effective in identifying buried mineralization in several gold deposits on the Cortez trend. The objective of the test soil line was to determine if this technique will be effective in further delineating the known anomaly. The test line sample results confirm the presence of the mercury gas anomaly. Additional sampling is now planned to better define the anomaly. This activity will be followed by drill hole permitting with the Bureau of Land Management.

Results of Operations

The Company's consolidated net loss for the year ended December 31, 2010 was \$519,950 (2009 - \$61,417 loss).

CARLIN GOLD CORPORATION

Management Discussion & Analysis
For the year ended December 31, 2010

In the year ended December 31, 2010, the Company incurred deferred expenditures of \$352,171 (2009 – \$271,172) on mineral properties. The majority of those expenditures were spent on the Company's acquisition of mineral claims in Yukon, as part of a new joint venture agreement with Constantine Metal Resources Ltd. The Company spent \$288,765 in Yukon in 2010, of which \$60,778 was receivable from Constantine at the end of the year under the terms of the 50/50 joint venture between the companies.

In 2010, following an asset impairment review of the Company's mineral properties, the Company wrote down the value of its Whisky Canyon property to \$20,000, resulting in a write-down of \$457,271 for the year.

For the year ended December 31, 2010, operating costs before other items were \$218,935, compared with \$187,171 in 2009. General and administrative expenses for the Company continued to remain at relatively low levels, consistent with the preceding year. Included in operating costs are non-cash expenses for stock option compensation in the amount of \$35,809 (2009-\$7,312).

During the year ended December 31, 2010, Carlin sold 15,000 shares of Romarco Minerals Inc. from its Marketable Securities holdings, for cash proceeds of \$29,775. Carlin recorded a gain for accounting purposes of \$28,490 on the sale of the shares.

In 2010, the Company completed the wind-up of the following wholly-owned subsidiaries and recorded the cancellation of their shares:

Toquima Minerals Corporation (British Columbia)
Aurelius Financial Corp. (B.V.I.)
Yunnan Carlin Mining Corp. (China)

Selected annual information from the audited financial statements for the years ended December 31, 2010, 2009, and 2008:

	2010	2009	2008
Loss before other items	\$ 218,935	\$ 187,171	\$ 274,559
Net loss for the year	519,950	\$61,417	909,588
Basic and diluted loss per share	0.012	0.001	0.02
Total assets	2,131,650	2,412,618	2,298,682
Total liabilities	50,257	167,879	323,113
Total shareholders' equity	2,081,393	2,244,739	1,975,569

Summary of Quarterly Results

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
December 31, 2010	\$ 46,986	\$ 0.01
September 30, 2010	(44,739)	(0.01)
June 30, 2010	(47,919)	(0.01)
March 31, 2010	(474,278)	(0.01)
December 31, 2009	172,506	0.01
September 30, 2009	(72,224)	(0.01)
June 30, 2009	(89,888)	(0.01)
March 31, 2009	(33,589)	(0.01)

The Company recorded net income of \$46,986 for the quarter ended December 31, 2010. This amount included an accounting gain on foreign exchange of \$87,382 for the quarter. Factoring out the foreign

CARLIN GOLD CORPORATION

Management Discussion & Analysis
For the year ended December 31, 2010

exchange gain, the Company's loss would have been \$40,396 for the three months ended December 31, 2010, which would be consistent with the Company's nominal operating costs in previous quarters.

Financial Condition, Liquidity and Capital Resources

The Company's cash position at December 31, 2010, was \$314,130 (2009 - \$463,477). Carlin's working capital at December 31, 2010 was \$874,967 (2009 - \$994,397). The Company received \$29,775 from the sale of marketable securities during the year ended December 31, 2010. Subsequent to the end of the year, the Company's cash position improved further, with the closing of a \$1,449,230 non-brokered private placement on April 12, 2011.

Current assets excluding cash at December 31, 2010 consisted of accounts receivable, prepaid expenses, and marketable securities totaling \$611,094 (2009 - \$567,671). 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.

Off-Balance Sheet Arrangements

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

Transactions with Related Parties

For the year ended December 31	2010	2009
Administration and consulting fees paid to a company controlled by the president	\$ 12,000	\$ 17,961
Technical consulting fees and expenses paid to directors (capitalized to mineral property accounts)	12,040	7,703
Technical consulting fees and expenses paid to directors (expensed)	11,239	21,527
Accounting and administration fees paid to a company 50% owned by an officer and director	42,000	42,000
	\$ 77,279	\$ 89,191

At December 31, 2010, an account payable of \$2,632 (2009 - \$2,632) was payable to a related party. This amount was incurred in the ordinary course of business, is non-interest bearing, unsecured and due on demand.

As at December 31, 2010, included in accounts receivable was an amount of \$60,778 (2009-\$nil) due from Constantine, a company related by common directors and officers, for Constantine's portion of mineral property expenditures relating to the Yukon JV.

Outstanding Share Data

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

CARLIN GOLD CORPORATION

Management Discussion & Analysis
For the year ended December 31, 2010

At December 31, 2010 the Company had 48,461,567 common shares outstanding. As of the date of this report, the Company had 57,534,817 common shares outstanding.

At December 31, 2010 the Company had no warrants outstanding. 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 December 31, 2010 were as follows (there were no additional options granted since the end of the year):

	Number	Vested (exercisable)	Exercise Price per Share	Expiry Date
Issued in 2006	375,000	375,000	\$0.28	July 17, 2011
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	450,000	\$0.105	October 9, 2014
Issued in 2010	1,425,000	356,250	\$0.10	December 7, 2015
	2,525,000	1,306,250		

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.

Recent Accounting Pronouncements

International financial reporting standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that Canadian GAAP for public accountable enterprises would be replaced by IFRS for fiscal years beginning on or after January 1, 2011.

The Company commenced its IFRS conversion project in 2008 when it began the process of developing project governance structure. Overall project governance, management and support have been coordinated by the Company, with an independent external advisor engaged to assist in the IFRS conversion.

The Company's approach to the conversion to IFRS includes three phases:

CARLIN GOLD CORPORATION

Management Discussion & Analysis
For the year ended December 31, 2010

- Phase one, an initial general diagnostic of its accounting policies and Canadian GAAP relevant to its financial reporting requirements to determine the key differences and options with respect to acceptable accounting standards under IFRS.
- Phase two, an indepth analysis of the IFRS impact in those areas identified under phase one.
- Phase three, the implementation of the conversion process, including the completion of the opening balance sheet as at January 1, 2010, together with related discussion and notes.

The following is a summary of key areas where accounting policies differ and where accounting policy decisions are necessary that will impact the Company's reported financial position and results of operations:

- Mineral properties – IFRS 6, "Exploration for and Evaluation of Mineral Resources" provides the Company with the option of expensing the exploration and evaluation costs as incurred, or deferring these costs until technical feasibility and commercial viability has been determined, at which point they are transferred to the development and production phase and allocated to specific projects. Under Canadian GAAP, exploration, evaluation and development costs are capitalized when incurred and amortized on the basis of production or written off when the prospect is no longer deemed prospective or is abandoned. The existing accounting policy will be maintained.
- Share-based payment – Under IFRS, stock-based compensation is amortized under the graded method only. In addition, the Company is required to update its value of options for each reporting period for expected forfeitures. Under Canadian GAAP, the Company recognizes stock-based compensation on straight-line method and updates the value of the options for forfeitures as they occur. The Company will record an IFRS income statement and balance sheet adjustment at January 1, 2010.
- Impairment of assets – Under IFRS, impairment tests are generally carried out using the discounted future cash flows (one step test). Write-downs to net realizable values under an impairment test can be reversed if the conditions of impairment cease to exist. Under Canadian GAAP, impairment tests are generally done on the basis of undiscounted future cash flows and impairment loss is measured as the excess of the carrying value over the discounted future cash flows (two-step approach). Unlike IFRS, write-downs are permanent changes in the carrying value of assets and cannot be reversed. The Company's financial statements will not be impacted on the changeover to IFRS based on the analysis of impairment indicators on transition. Nevertheless, in subsequent years, IFRS could generate more impairment write-downs than Canadian GAAP since it uses a one-step test.

The transition to IFRS requires the Company to apply IFRS 1, "First-Time Adoption of International Financial Reporting Standards ("IFRS 1") which details the requirements for preparing IFRS-compliant financial statements in the first reporting period after the date of transition. IFRS 1 provides entities adopting IFRS for the first time with a number of optional and mandatory exemptions in certain areas to the general requirement of full retrospective application of IFRS. Based on management's analysis of the various accounting policy choices available, IFRS 1 election relevant to the Company is as follows:

- Property, plant and equipment – IFRS 1 allows the Company to elect to have fair value or revaluation amounts as the deemed cost of property, plant and equipment at the date of transition. In accordance with IFRS 1, the Company may elect to measure certain items of property, plant and equipment at their fair values at the date of transition. Any fair value adjustments and changes to the assessment of the related useful lives of the individual components of property, plant and equipment could impact the depreciation charges subsequent to the date of transition. The Company will not elect to utilize this transitional provision and will record property, plant and equipment at cost upon adoption of IFRS.

The Company is in the implementation stage. This stage involves finalizing accounting policy decisions, preparing the Company's opening balance sheet as at January 1, 2010, preparing comparative financial statements and notes under IFRS for each quarterly period of 2010, and implementing system, processes,

CARLIN GOLD CORPORATION

Management Discussion & Analysis
For the year ended December 31, 2010

internal controls and training necessary. The quantification of the amounts that resulted from the differences between Canadian GAAP and IFRS relating to the key standards are based on management's estimates and decisions, and are currently being reviewed internally by the board of directors and by the Company's external auditors.

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 will not 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 December 31, 2010, the Company had a cash balance of \$314,130 to settle current liabilities of \$50,257. All of the Company's financial liabilities have maturities of 30 days or are due on demand and are subject to normal trade terms.

CARLIN GOLD CORPORATION

Management Discussion & Analysis
For the year ended December 31, 2010

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 December 31, 2010. 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 December 31, 2010, 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 December 31, 2010 and 2009, the Company is exposed to foreign currency risk as follows:

	2010	2009
	US	US
Cash	\$ 4,192	\$ 21,370
Marketable securities	3,581	32,134
Accounts payable and accrued liabilities	(155)	(500)
Net foreign currency exposure	\$ 7,618	\$ 53,004

Based on the above net foreign currency exposure as at December 31, 2010, and assuming all other variables remain constant, an 11% (2009 - 11%) weakening or strengthening of the Canadian dollar against the US dollar would result in an increase/decrease of \$833 (2009 - \$6,128) 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.

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.

CARLIN GOLD CORPORATION

Management Discussion & Analysis
For the year ended December 31, 2010

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.

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 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.

CARLIN GOLD CORPORATION

Management Discussion & Analysis
For the year ended December 31, 2010

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.