Consolidated Interim Financial Statements of

CARLIN GOLD CORPORATION

Nine months ended September 30, 2008 and 2007

(Unaudited - Prepared by Management)

Notice to Reader:

These 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 interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

202 -15388 24th Avenue, Surrey, BC V4A 2J2
Phone (604) 669-9970 Fax (604) 608-3878

CARLIN GOLD CORPORATION
Consolidated Balance Sheets
As at September 30, 2008 and December 31, 2007
(Unaudited - Prepared by Management)

	September 30 2008	December 31 2007
Assets		
Current assets:		
Cash and cash equivalents	**$ 601,971**	$ 938,348
Accounts receivable	**12,952**	14,068
Marketable securities (*Notes 3,5*)	**498,184**	548,900
Prepaid expenses	**42,893**	9,853
	1,156,000	1,511,169
Mineral property costs *(Note 4a)*	**1,511,904**	1,973,825
Segregated cash *(Note 4b)*	**53,562**	75,914
Reclamation bonds	**18,760**	22,475
	$ 2,740,226	$ 3,583,383
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 76,276**	$ 51,534
Amounts due to related parties *(Note 7)*	**4,600**	8,041
	80,876	59,575
Asset retirement obligations	**17,995**	17,995
Future income tax liabilities	**359,342**	359,342
Total liabilities	**458,213**	436,912
Shareholders' equity:		
Share capital *(Note 6)*	**5,968,723**	5,968,723
Contributed Surplus	**571,732**	544,118
Accumulated other comprehensive income	**391,115**	457,612
Deficit	**(4,649,557)**	(3,823,982)
	2,282,013	3,146,471
	$ 2,740,226	$ 3,583,383

See accompanying notes to financial statements.

CARLIN GOLD CORPORATION
Consolidated Interim Statements of Operations and Comprehensive Income
For the three and nine months ended September 30, 2008 and 2007
(Unaudited - Prepared by Management)

	Three months ended		Nine months ended	
	Sept 30 2008	Sept 30 2007	**Sept 30 2008**	Sept 30 2007
Expenses:				
General exploration	**$ 38**	$ -	**$ 4,046**	$ 5,809
Accounting and audit	**10,000**	7,500	**38,095**	25,547
Insurance	**1,492**	1,719	**4,372**	5,131
Legal fees	**6,169**	15,131	**19,720**	62,352
Management and administration fees	**13,500**	14,116	**40,500**	43,096
Office	**7,440**	4,089	**47,517**	8,452
Regulatory fees	**-**	4,549	**7,995**	15,955
Rent	**2,250**	2,400	**2,250**	4,153
Shareholder communications	**-**	3,303	**-**	6,148
Stock based compensation *(Note 6d)*	**4,223**	-	**27,614**	22,964
Technical consulting	**6,136**	15,584	**37,194**	71,041
Transfer agent fees	**3,449**	5,970	**8,445**	11,560
Travel	**-**	33	**33**	2,448
Loss before Other Items	**(54,697)**	(74,394)	**(237,781)**	(284,656)
Interest Income	**5,399**	22,810	**7,341**	27,873
Foreign exchange loss (gain)	**(2,307)**	51,159	**49,141**	28,470
Mineral properties written off	**(360,108)**	(1,286,755)	**(648,345)**	(1,606,947)
Expense recoveries	**(132)**	-	**4,069**	-
	(357,148)	(1,212,786)	**(587,794)**	(1,550,604)
Loss for the period	**$ (411,845)**	$ (1,287,180)	**$ (825,575)**	$ (1,835,260)
Other Comprehensive Income				
Unrealized gain (loss) on marketable securities *(Note 5)*	**(148,261)**	591,591	**(66,497)**	974,110
Total Comprehensive Loss (Income) for the period	**(560,106)**	(695,589)	**(892,072)**	(861,150)
Loss per share (basic and fully diluted)	**$ (0.01)**	$ (0.02)	**$ (0.02)**	$ (0.02)
Weighted average number of common shares outstanding	**41,271,803**	41,224,303	**41,271,803**	41,224,303

See accompanying notes to financial statements.

CARLIN GOLD CORPORATION
Consolidated Interim Statements of Shareholders' Equity
For the nine months ended September 30, 2008 and 2007
(Unaudited - Prepared by Management)

	Number of Shares	Capital Stock	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Equity
		$	$	$	$	$
Balance, December 31, 2005	26,467,077	2,776,100	355,673	(1,793,736)	-	1,338,037
Net loss for year	-	-	-	(424,751)	-	(424,751)
Exercise of warrants	4,800,000	720,000	-	-	-	720,000
Shares issued to acquire subsidiary	6,772,226	1,774,324	-	-	-	1,774,324
Shares issued for mineral property interest	135,000	28,350	-	-	-	28,350
Stock-based compensation	-	-	121,187	-	-	121,187
Balance, December 31, 2006	38,174,303	5,298,774	476,860	(2,218,487)	-	3,557,147
Effect of accounting change (note 3(a))	-	-	-	-	51,001	51,001
	38,174,303	5,298,774	476,860	(2,218,487)	51,001	3,608,148
Net loss for year	-	-	-	(1,605,495)	-	(1,605,495)
Adjustment for fair value of marketable securities	-	-	-	-	406,611	406,611
Other comprehensive loss						(1,198,884)
						2,409,264
Private placement, net of share issue costs	3,000,000	655,912	23,088	-	-	679,000
Exercise of warrants	50,000	10,000	-	-	-	10,000
Shares issued for mineral property interest	47,500	4,037	-	-	-	4,037
Stock-based compensation	-	-	44,170	-	-	44,170
Balance, December 31, 2007	41,271,803	5,968,723	544,118	(3,823,982)	457,612	3,146,471
Net loss for the period	-	-	-	(825,575)	-	(825,575)
Adjustment to fair value of marketable securities	-	-	-	-	(66,497)	(66,497)
Stock-based compensation	-	-	27,614	-	-	27,614
Balance, September 30, 2008	41,271,803	$ 5,968,723	$ 571,732	$ (4,649,557)	$ 391,115	$ 2,282,013

See accompanying notes to financial statements.

CARLIN GOLD CORPORATION
Consolidated Interim Statements of Cash Flows

For the three and nine months ended September 30, 2008 and 2007
(Unaudited - Prepared by Management)

	Three months ended		Nine months ended	
	Sept 30 2008	Sept 30 2007	**Sept 30 2008**	Sept 30 2007
Cash provided by (used in):				
Operations:				
Loss for the period	**$ (411,847)**	$ (1,287,715)	**$ (825,575)**	$ (1,835,260)
Items not affecting cash:				
Stock based compensation	**4,223**	-	**27,614**	22,964
Mineral property costs written off	**360,109**	1,286,755	**648,346**	1,579,322
Change in non-cash operating working capital:				
Accounts receivable	**185**	(17,704)	**1,116**	(14,178)
Accounts payable	**13,095**	23,715	**21,301**	3,851
Prepaid expenses and deposits	**(38,706)**	(2,175)	**(33,040)**	(1,941)
	(72,941)	2,876	**(160,238)**	(245,242)
Investing activities:				
Mineral property expenditures	**(351,888)**	(188,849)	**(485,465)**	(465,789)
Reclamation bonds	**4,077**	-	**(16,056)**	-
Mineral property recoveries *(Note 4a(vi))*	**-**	-	**303,030**	-
Decrease in advances to Yunnan Carlin	**2,858**	-	**22,352**	9,331
	(344,953)	(188,849)	**(176,139)**	(456,458)
Financing activities:				
Private placement	**-**	-	**-**	690,000
Less: private placement issue costs	**-**	-	**-**	(11,000)
Proceeds from exercise of warrants	**-**	-	**-**	10,000
	-	-	**-**	689,000
Increase (decrease) in cash	**(417,894)**	(185,973)	**(336,377)**	(12,700)
Cash, beginning of period	**1,019,865**	1,197,499	**938,348**	1,024,226
Cash, end of period	**$ 601,971**	$ 1,011,526	**$ 601,971**	$ 1,011,526

Supplemental Disclosure of Non-Cash Financing Activity:

Stock based compensation	**$ 4,223**	$ -	**$ 27,614**	$ 22,964
Interest paid	**-**	-	**-**	-
Income taxes paid	**-**	-	**-**	-

See accompanying notes to financial statements.

1. Nature and Continuance of Operation

Carlin Gold Corporation (the "Company") was incorporated under the Canada Business Corporations Act and was continued to the Province of British Columbia under the *Business Corporations Act* on August 29, 2007. The Company trades on the TSX Venture Exchange.

Carlin Gold Corporation (the "Company") is in the business of acquiring and exploring mineral properties in Nevada and China 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 any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. As at September 30, 2008, the Company has working capital of $1,075,124. The Company expects its current capital resources will be sufficient to carry its exploration obligations and operations through its current fiscal year. 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 property, confirmation of the Company's interests in the underlying properties, and the attainment of profitable operations.

The Company will periodically have to raise additional funds through equity financings to 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

Consolidation

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

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

On December 31, 2007 Toquima Minerals US Inc. merged with Carlin Gold US Inc., with Carlin Gold US Inc. being the surviving corporate entity.

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

These interim consolidated financial statements for the Company have been prepared in accordance with generally accepted accounting principles in Canada. They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements including the notes thereto for the year ended December 31, 2007 which may be found on www.sedar.com.

Changes in accounting policies

On January 1, 2008, the Company adopted the following provisions of the Canadian Institute of Chartered Accountants ("CICA") Handbook. There was no material impact on the Company's financial condition or operating results as a result of the adoption of these new standards:

(a) Section 3862 – Financial Instruments – Disclosures, which replaces Section 3861, provides expanded disclosure requirements that provide additional detail by financial asset and liability categories (see Note 3).

(b) Section 3863 – Financial Instruments – Presentation, to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows (see Note 3).

(c) Section 1535 – Capital Disclosures, which establishes standards for disclosing information about an entity's capital and how it is managed (see Note 8). Under this standard, the Company will be required to disclose the following:

• qualitative information about its objectives, policies and processes for managing capital;

• summary quantitative data about what it manages as capital;

• whether during the period it complied with any externally imposed capital requirement to which it is subject; and

• when the Company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

(d) Section 1400 – General Standards of Financial Statement Presentation, to include requirements for management to assess and disclose an entity's ability to continue as a going concern (see Note 1).

---

3. Financial Instruments

All financial instruments are recorded initially at estimated fair value on the balance sheet and classified into one of five categories: held for trading, held to maturity, available for sale, loans and receivables and other liabilities

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and amounts due to related parties.

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

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

The Company's only exposure to credit risk is on its cash and cash equivalents. Cash and cash equivalents are with a Canadian Schedule 1 bank with a $20 million counterparty credit limit. The Company has no asset-backed commercial paper.

Liquidity Risk

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's cash is invested in business accounts which are available on demand.

The Company has a portfolio of marketable securities which are available for sale. The Company may, from time to time, liquidate a part of its holdings depending on market conditions and the Company's cash requirements. Depending on timing, the Company's ability to liquidate these securities are subject to price fluctuations and market conditions, which may result in the Company being unable to liquidate the securities in a timely manner for their recorded fair values.

Market Risk

The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its marketable securities portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates and fluctuations.

Exchange Risk

As at September 30, 2008, the majority of the Company's cash was held in Canada in Canadian dollars. The Company's significant operations are carried out in Nevada, USA. As a result a portion of the Company's cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are denominated in United States Dollars and are therefore subject to fluctuations in exchange rates.

4. Mineral Properties

(a) Nevada mineral properties

The following is a summary of the Company's principal property interests, located in Nevada, U.S.A.

	Pine Grove	Willow Creek	Currant Creek	Cortez Summit	Whisky Canyon	Barrick Grit PDHS	JDS	Properties Written off	Total
Balance, December 31, 2007	$ 530,875	$ 489,113	$ 171,033	$ 60,638	$ 70,060	$ -	$ -	$ 652,106	$ 1,321,719
Reclamation Bond Writedown		19,771	-	-	-	-	-	-	19,771
Acquisition costs		18,035	7,847	12,499	71,411	51,919	13,472	-	175,183
Deferred expenditures									
Geology/geophysical	2,038	87,810	85,221	36,546	59,773	2,661	516	509	275,074
Property tax and maintenance fees	-	30,627	66	1,177	10,187	-	-	5,917	47,974
Write-offs/recoveries	-	(168,586)	(152,805)	-	-	-	-	(658,532)	(979,923)
Balance, September 30, 2008	$ 532,913	$ 476,770	$ 111,362	$ 110,860	$ 211,431	$ 54,580	$ 13,988	$ -	$ 859,798

The Pine Grove, Willow Creek and Currant Creek properties were acquired through the acquisition of TQM in 2006. Accordingly, the Company assumed the prior mineral property interest acquisition terms entered into by TQM, and the outstanding obligations assumed by the Company from the date of acquisition as set out below:

(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 is 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 are as follows:

- March 17, 2008: payment of US$65,000 (paid by 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 are subject to a net smelter return of 3% to 4%, depending on the price of gold. The Company has 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 Minerals Inc. (“Romarco”) on January 28, 2005. Pursuant to this agreement (amended on January 31, 2007), Romarco assumed all of the Company’s cash payment obligation 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:

Performance Date	Annual Work Commitment
December 31, 2005	US$325,000 (completed)
December 31, 2006	US$275,000 (US $93,424 completed)
December 31, 2007	US$481,576 (completed)
December 31, 2008	US$600,000
December 31, 2009	US$500,000

The December 31, 2006 work commitment shortfall of $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 shares of the capital stock of Romarco having a value of $29,503 (US$25,000) as at the close of regulatory approval (delivered) (note 6);
- 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) included by the Company as an expense recovery;
- Commit to complete 7,500 feet of drilling on the east side of the property by December 31, 2007 (completed); and
- Commit to complete 3,500 feet of drilling in the Rockland Mine area by no later than December 31, 2008.

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

Effective January 15, 2004, TQM acquired an option to earn title to 480 acres of private land accompanying 89 TQM-owned QA/QC claims (collectively, called the Willow Creek property) located in Elko County. The continuing commitments acquired by the Company are as follows:

- January 15, 2008: payment of US$30,000 (paid);
- January 15, 2009: payment of US$35,000;
- 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 is subject to a net smelter royalty of 3% when the gold price is less than US$500 per ounce and 4% when it is greater than US$500 per ounce. The Company can repurchase up to 50% of the royalty for US$500,000 for each one-half percentage point. The Company is obligated to issue 450,000 common shares upon completion of a positive feasibility study.

On June 23, 2004, TQM entered an Option Agreement with Placer Dome Exploration, now Barrick Gold Corporation (“Barrick”), to earn a 100% interest in the Currant Creek Property, 39 lode mining claims situated in Elko County (Currant Creek). In order for the Company to earn its interest, it is required to incur further exploration expenditures as follows:

- June 23, 2006: mineral property exploration expenditure of US$50,000 (incurred);
- June 23, 2007: mineral property exploration expenditure of US$200,000; and
- June 23, 2008: mineral property exploration expenditure of US$200,000.

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 returns royalty on certain properties in the area of interest.

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 has the right to earn a 51% interest in the property by completing $3,500,000 of exploration work during five years. Piedmont paid $300,000 cash to the Company upon signing of the agreement. This sum is for Piedmont's first year work commitment which includes a minimum 5,000 feet of exploratory drilling. The payment by Piedmont includes $51,101 for Carlin's past property maintenance payments, and the assumption of Carlin's $17,773 reclamation bond for the first phase of drilling. Piedmont also issued 100,000 shares of its common stock to Carlin. After Piedmont completes the first year firm work commitment, Piedmont may keep the agreement in effect by paying Carlin $10,000 on each anniversary and by completing expenditures according to the following annual schedule: $500,000 in year 2, $700,000 in year 3, $1,000,000 in year 4, and $1,000,000 in year 5. Upon Piedmont earning a 51% interest in property, the parties will enter into a joint venture. During the option period, Carlin will manage the exploration work.

(iii) **Cortez Summit Property**

The Company owns a 100% interest in 83 unpatented lode claims in a strategic location on the Cortez gold trend.

(iv) **Whisky Canyon Property (formerly called Betty O’Neal 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 totaling US$740,000 over the next ten years as follows:

- August 27, 2008: cash payment of US$25,000;
- August 27, 2009: cash payment of US$35,000;
- August 27, 2010: cash payment of US$50,000;
- August 27, 2011: cash payment of US$60,000;
- August 27, 2012: cash payment of US$70,000;
- August 27, 2013 to 2017: cash payments of US$80,000; and
- August 27, 2018: cash payment of US$100,000.

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.

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 Betty O'Neal property. Under the terms of the agreement, the Company is obligated to make cash payments of 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;
- 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 Gold Exploration Inc. ("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.

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 $650,000 over five years, and assuming the underlying lease obligations. 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 $20,160 was spent at June 30, 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 60% interest and Barrick holding 40% interest. If the Company exercises its option, Barrick has the option to participate or give up its interest and retain a net smelter returns 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 nonworking 2% net smelter returns royalty.

On September 2, 2008, the Company completed a purchase agreement with Victory Exploration Inc. (“Victory”) for two patented mining claims in the Whisky Canyon prospect area. Purchase price was $12,250. Victory retains a 3% net smelter return royalty on the two patented claims. Carlin has the option to acquire all or part of the royalty for $500,000 for each percentage point.

(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), Eureka County, Nevada. Purchase price was $1,000. Lincoln retains a 2% net smelter return royalty on the claims. Carlin has the option to acquire up to 1% of the royalty for $500,000 for each one-half percentage point.

Other Properties Written Off

Based on current technical evaluations, in 2008 the Company terminated its options on the Iowa Canyon, Dome HiHo and Golconda Summit properties. In September 2008 the Company also made the decision not to renew its claims on the Loomis property, and abandoned its interest in the project. These decisions resulted in the following mineral property write-offs during the 9 month period ended September 30, 2008:

Iowa Canyon property	$134,598
Dome HiHo property	210,765
Golconda Summit property	122,715
Loomis property	190,454
Total	$658,532

(b) Segregated Cash

The amount represents the remaining US and Renminbi cash held in Chinese bank accounts that are being used to fund general exploration and investigation of potential new projects in China.

(c) 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 is highly speculative and involves 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.

(d) Environmental

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.

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 conducts its mineral exploration activities in compliance with applicable environmental protection legislation. 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.

(e) Title

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

5. Marketable Securities

At September 30, 2008, the Company owned the following marketable securities:

		2008	
	Number of Shares	Book Value	Fair Value
Piedmont Mining Co.	300,000	$ 49,951	$ 34,611
Romarco Minerals Inc. (note 5(a)(v))	227,600	57,118	43,572
Constantine Metal Resources Ltd.			
Free-trading	1,400,000	-	420,000
In escrow	600,000	-	-
		$ 107,069	$ 498,184

The Company's Constantine shares are subject to an escrow agreement. At September 30, 2008, 1,400,000 of the above Constantine shares had been released from escrow and were free-trading. Shares held in escrow are not tradable and, accordingly, adjusted from cost to fair value upon release from escrow.

6. Share Capital

a) Details of share capital are as follows:

(i) Authorized: Unlimited common shares without par value.

b) Warrants

At September 30, 2008, the Company had the following share purchase warrants outstanding:

- 3,260,000 warrants to purchase 3,260,000 shares at a price of $0.30 per share, which expire on May 11, 2009. Each of these warrants is subject to the following: if the Company's shares close at $0.60 or higher for a period of ten consecutive business days, the warrant holders will have 30 days to exercise their warrants or they will be cancelled.

c) Escrow Shares

At September 30, 2008, 1,692,474 shares were held in escrow and will be released by July 13, 2009 based on a predetermined schedule.

d) Share Purchase 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 associated stock based compensation expense is recognized on a straight-line basis over the vesting period. The maximum number of options to be granted under this plan is 3,950,000 options.

An amount of $27,614 (2007 - $22,694) has been recorded in the current period as stock based compensation expense, based on the graded vesting schedule of the Company's outstanding stock options.

A summary of the Company's options as at September 30, 2008 is as follows:

	Number	Vested (exercisable)	Exercise Price per Share	Expiry Date
Issued in 2004	2,100,000	2,100,000	$0.13	November 2, 2009
Issued in 2005	800,000	800,000	$0.13	June 27, 2010
Issued in 2006	375,000	375,000	$0.275	July 17, 2011
Issued in 2006	50,000	50,000	$0.28	October 17, 2011
Issued in 2007	75,000	65,625	$0.28	March 7, 2012
Issued in 2007	100,000	62,500	$0.28	August 12, 2012
	3,500,000	3,453,125	$0.16*	

* Weighted Average Exercise Price

No options were granted or exercised during the period ended September 30, 2008.

7. Related Party Transactions

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

Administration and consulting fees paid to a company controlled by the president	$	9,000
Technical consulting fees and expenses paid to directors		40,733
Accounting and administration fees paid to a company 50% owned by an officer and director		31,500
	$	81,233

b) As at September 30, 2008, accounts payable and accrued liabilities includes $4,600 payable to related parties. These amounts were incurred in the ordinary course of business, are non-interest bearing, unsecured and due on demand.

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

8. Management of Capital

The Company manages its cash, common shares, stock options and warrants as capital (see Note 6). 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.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period and may attempt to raise additional capital through an equity transaction.

---

9. Segmented Information

The Company has one operating segment, which is mineral exploration. The Company's assets by geographical location are as follows:

		Sept 30 2008
Canada	$	1,004,622
United States		1,682,042
China		53,562
Total	$	2,740,226

CARLIN GOLD CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS
For the period ended September 30, 2008

Carlin Gold Corporation
202 -15388 24th Avenue
Surrey, British Columbia, Canada
V4A 2J2

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

www.carlingold.com

1.1 Description of Business and Report Date

Carlin Gold Corporation ("Carlin" or the "Company") is an exploration stage company engaged in the acquisition and exploration of prospective gold properties and is currently focusing its exploration activities in Nevada. The Company is a reporting issuer in Alberta and British Columbia and trades on the TSX Venture Exchange under the symbol CGD.

This Management Discussion and Analysis ("MD&A") has been prepared by management as of August 27, 2008 and should be read in conjunction with the interim consolidated financial statements and notes for the period ended September 30, 2008. It is further assumed that the reader has access to the Company's audited consolidated financial statements and related notes thereto for the year ended December 31, 2007, which were prepared in accordance with Canadian generally accepted accounting principles.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

Forward-Looking Statements

When used in this document, words like "anticipate", "believe", "estimate", "expect" and similar expressions are intended to identify forward-looking statements. Such statements are used to describe management's future plans, objectives and goals for the Company and therefore, involve inherent risks and uncertainties. The reader is cautioned that actual results, performance, or achievements may be materially different from those implied or expressed in such statements.

Company Overview

Carlin's exploration activities for 2008 have included geologic mapping, geochemical sampling, drill permitting, and property consolidation on the Whisky Canyon property Soil geochemical sampling was completed at Cortez Summit, followed by completion of a gravity survey designed to delineate drill targets. Carlin's joint venture partner Piedmont Mining Company completed a short Phase I drill program on the Company's Willow Creek/Currant Creek project. Generative exploration was also carried out in the search of additional quality properties. In 2008 the Company terminated its rights on four mineral properties, following a current evaluation of each property based on exploration results, technical reassessments and results of exploration partnerships. The Company terminated its option agreements on the Iowa Canyon, Dome HiHo and Golconda Summit properties during the period just ended. The Company also abandoned its claims with respect to the Loomis property and wrote off its interest in the project.

The Company recognizes the serious difficulties that have impacted the world's financial markets during the past year, and the particular challenges that these conditions have presented to exploration stage companies. These conditions are expected to persist for at least another year. We are assessing ways to proceed that will allow us to advance our projects while at the same time preserving funds to ensure that we can continue our business.

Cash Position of the Company

The Company's total cash position consisting of cash and term deposits at September 30, 2008 was $601,971 (2007 - $1,011,526) of which $43,757 is cash received from Piedmont to be spent in fulfillment of its exploration commitment on the Willow Creek/Currant Creek project. Our current cash balance is projected to be sufficient to meet our corporate and exploration requirements for the current year. Additional financing may be required to complete future mineral exploration programs. Our working capital position at September 30, 2008 was $1,075,124 (2007 - $2,434,174).

1.2 Nevada Exploration Projects

The Company currently controls five properties in Nevada through either lease agreements with property owners or direct ownership of unpatented mining claims. Joint venture exploration partners are earning an interest in two of Carlin's projects. In addition to advancing the exploration programs on the existing property portfolio, the Company is also actively evaluating additional project opportunities. The principal projects and joint exploration programs are described below.

Whisky Canyon Property, Lander County

Whisky Canyon lies within the historic Lewis mining district, located in the northern Shoshone Range along the Battle Mountain – Eureka Mineral Trend, about 13 miles south of the town of Battle Mountain. Newmont's Phoenix gold operation (7.6 million oz proven/probable reserves, Newmont 2007 annual report) is located 14 miles to the northwest, and Barrick's Cortez complex (11.5 million oz proven/probable reserves, Barrick 2007 annual report) is 17 miles southeast. The property consists of approximately 2,520 acres or 4 square miles, and includes 20 patented claims and other private land consisting of approximately 650 acres. The remainder of the property is on land administered by the Bureau of Land Management, and is covered by 129 unpatented claims, 4 of which are 100% owned by Carlin. Aside from these 4 claims, the Company controls the property through three agreements (August 30, 2007 agreement on the Betty O'Neal patented claims, May 29, 2008 agreement with Barrick Gold Exploration on 102 unpatented claims, and July 30, 2008 agreement with individual owner on 23 unpatented claims). These agreements have been described in news releases and details are available on www.sedar.com.

The area is strongly mineralized, and has been the site of historic silver mining at the old Betty O'Neal mine, as well as several previous exploration programs. The Company has been able to acquire, compile, and integrate much of the previous exploration data into the current program. This data includes information from 249 drill holes totaling 111,942 feet, rock chip geochemical data for 3,786 samples, and soil geochemical data for 4,625 samples. The Company has identified several drill targets, including an interval of calcareous clastic rocks several hundred feet thick which appears to preferentially host anomalous gold mineralization on the east side of Whisky Canyon. A primary concept for targeting gold mineralization is identifying areas of intersecting northeast and northwest, dike-filled structures, especially where these areas of intersection are contained within the calcareous clastic rocks. The Yankee anomaly represents one such target, and will be the focus for the initial drill program.

The Yankee surface anomaly trends north-northwest, and is approximately 1,400 feet long and 650 feet wide. Rock chip samples collected within this area by Carlin and from previous programs contain significant gold values up to 4.2 g/t (0.122 oz/ton) occurring within altered portions of the calcareous clastic unit. The only known previous drilling in the anomaly was a shallow core drilling program conducted in the 1960's for silver mineralization. Information available at the Nevada Bureaus of Mines and Geology indicates that only one interval in this program was assayed for gold, and it yielded 9 feet grading 0.06 oz/ton gold at 211-220 ft. in a vertical hole on the east edge of the surface anomaly.

Carlin has received a permit for a Phase I drilling program which will be focused on testing the Yankee anomaly. Roadwork is complete, and the Company is now seeking a rig to complete an 8-hole, 5,000 foot initial program. Recent sampling along the new road cuts has encountered an 80 foot interval grading 1.27 g/t in altered calcareous sediments adjacent to northeast-trending altered quartz-feldspare porphyry dikes. This mineralization will be targeted in the Phase I drill program.

Cortez Summit, Eureka County

The Company owns a 100% interest in 83 lode claims in a strategic location on the Cortez gold trend. The claims are located between the Horse Canyon and Buckhorn mines, both former gold producers controlled by Barrick Gold Corporation. Other notable projects in the area are the ET Blue discovery (Barrick), located approximately 1.4 miles south, and the Cortez Hills deposit (Barrick), approximately 4 miles west. Total proven and probable reserves on the Cortez complex of properties, reported in Barrick's 2007 annual report, stand at 11.5 million ounces gold.

The main target at Cortez Summit is Carlin-style mineralization similar in nature to nearby properties controlled by Barrick. Altered calcareous rocks of the Horse Canyon member of the Devonian Wenban Formation occur on the west edge of the property. The Horse Canyon hosts gold ore at several localities in the Cortez trend. A basal Tertiary gravel unit unconformably overlies the basement rocks along the western side of the property. These gravels are in turn overlain by a series of Miocene basaltic andesite flows, which are the primary host for the low sulfidation gold-silver mineralization at the Buckhorn mine. The Tertiary rocks dip very gently (2-7 degrees) to the east, and thicken from west to east away from the Paleozoic bedrock exposures. The estimated maximum thickness of Tertiary cover on the property is ~600 ft. Carlin geologists believe that the depth to potential Carlin-style host rocks may be between 400-1000 ft..

The Company has completed rock chip and soil sampling, geologic mapping and most recently, a gravity survey. Gold values up to 0.447 g/t and anomalous Carlin-style pathfinder elements were encountered in the rock chip sampling. The gravity program was designed to help identify important structural features that could represent potential drill targets. The Company is awaiting an interpretation report on the survey. Results will then be evaluated and integrated with the existing data, and a decision will be made on the optimal way to proceed with drill target definition.

Willow Creek, Elko County

The Willow Creek project (also includes the Currant Creek prospect) is an early stage property, and represents a Carlin-style target within a potential new gold belt. The property consists of 158 unpatented claims and 480 acres of fee land located on the northern end of the Snake Mountains, approximately 40 miles from the town of Wells.

In June 2008 the Company entered into an Exploration Agreement with Option to Form Joint Venture with Piedmont Mining Company (OTC BB:PIED). Piedmont has the right to earn a 51% interest in the property by completing US$3,500,000 of exploration work during five years. This includes a firm commitment to spend $300,000 during the first year, including 5,000 feet of exploratory drilling. Carlin is managing the exploration program during the earn-in period.

The exploration target is a Carlin-style disseminated gold deposit in a similar geologic setting as the Carlin and Jerritt Canyon areas located to the west of the property. The favorable geologic units are cut by a series of northeast trending high angle faults which are considered important potential conduits for mineralization. Altered intrusive rocks have been recognized, including a felsic dike dated at 42 million years. This is the approximate age of the dikes associated with many of the major gold deposits in north-central Nevada.

Drill targeting work at Willow Creek has included rock chip and soil sampling, geologic mapping, and a ground magnetics survey. Two specific target areas have been identified for drilling: north of Currant Creek and the Willow Creek area. The target host rocks are platy silty carbonate rocks of the Roberts Mountain Formation and similar lithologies in the lower and middle Hanson Creek Formation. The Company believes that the property could potentially represent a new Nevada gold belt. The recent favorable drilling results reported by Fronteer Development Group at Long Canyon, located 50 miles southeast of Willow Creek, support this belief.

In September, Piedmont completed an abbreviated four hole drill program. The program was curtailed during the fourth hole, due to a noncompliance order issued by the Bureau of Land Management. The issue has since been resolved, and Piedmont plans on resuming activity in spring 2009. No significant results were encountered in the abbreviated program.

Pine Grove, Lyon County (Joint Exploration Agreement with Romarco Minerals Inc.)

The Pine Grove property is located in the Pine Grove range approximately 24 miles south of the town of Yerington. The property consists of 170 unpatented mining claims which are controlled through a lease option agreement with a private owner. The historic Rockland Mine, which produced an estimated 50,000 ounces of gold (equivalent) between 1870 and the late 1930s, lies on the western portion of property. In January 2005, the Company entered into a Exploration and Option to Enter Joint Venture Agreement with Romarco Minerals Inc. (R:TSXV). Romarco is earning a 60% interest in the project by completing expenditures of US$2,000,000 prior to December 31, 2009, with an option to elect to earn an additional 10%

interest (total 70%) by committing to take the project to final feasibility within three years of Romarco's initial earn-in. Romarco is managing the exploration program

The principal target at Pine Grove is for bonanza-grade low sulfidation veins associated with the emplacement of complex of 9-6 Ma rhyolite domes. The geologic environment is similar to Newmont's Ken Snyder mine in northern Nevada, and Yamana Gold's El Penon deposit in Chile.

Romarco completed two phases of drilling on the East Pine Grove Corridor area in 2006 and 2007, and encountered significant mineralization (hole PG-32 returned 360 ft. at 0.959 g/t gold, and PG-36C returned 195 feet of 1.09 g/t gold including 120 feet of 1.78 g/t gold and 5 feet of 20.9 g/t gold and 99 g/t silver). The mineralized zone is now interpreted to be vertical or steeply east-dipping, with a hypothesized basement feeder zone expected at depth below the 2006 intercepts. The east side of the known low-grade gold mineralization remains untested at depth.

Romarco is now concentrating on the Rockland mine area, located 2 miles west of the Eastside Corridor drill area. A minimum 3,500 feet of core is planned for this area, in 7 holes. True banded vein material has been encountered on the Rockland dumps, with grades up to 1.48 oz/ton gold, 51 oz/ton silver. Historic production at Rockland is estimated at 50,000 ounces gold equivalent (gold and silver produced). Romarco received a drill permit in October 2008, however a decision was made to delay the drilling until spring 2009, because of the potential weather problems anticipated with a late-year startup.

A portion of the property has been proposed for wilderness designation by the Nevada Wilderness Project, a private non-profit organization. There is strong local and governmental opposition to this proposal.

Yunnan China Earn-in Funds

The Company continues to maintain an office in Kunming, China while considering and investigating other potential opportunities in China. At September 30, 2008 the Company had $53,562 (2007 - $100,564) in segregated funds to Yunnan Carlin Mining Corporation, representing the remaining cash that was advanced three years ago for the Yunnan earn-in. These advances have been used to fund general administration and further investigation of potential new projects in China.

1.3 Results of Operations

The Company's consolidated net loss for the period ended September 30, 2008 was $825,575 (2007 - $1,835,260).

In the period ended September 30, 2008, the Company spent $485,465 (2007 – $465,789) on mineral property expenditures: $47,974 for property tax and maintenance fees, and $275,074 on exploration costs. These payments included a $30,000 US payment to maintain our option on the Willow Creek property and a $10,000 US payment on the BET claims. In the nine month period ended September 2008, Company recorded a $964,142 charge on the partial writedowns of the Willow Creek and Currant Creek properties and the write-off of the Iowa Canyon, Dome HiHo, Golconda Summit and Loomis mineral properties when it terminated its exploration options on those properties.

Non-cash expense for stock option compensation for the period was $27,614 compared to $22,964 for the previous year.

The Company had $(66,497) of other comprehensive income (loss) during the period, primarily due to a reduction in the value of its holdings in Constantine Metal Resources Ltd. since the beginning of 2008. Carlin owns 2,000,000 shares of Constantine Metal Resources Ltd. of which 1,400,000 were free-trading and 600,000 were held in escrow at September 30, 2008. Only free-trading shares are included in the value of marketable securities held by the Company.

Operating costs before adjustments were $237,781 in the period, consistent with the corresponding period for the previous year (2007 - $284,656). General and administrative expenses for the Company continued to remain at relatively low levels, consistent with the preceding year. The Company earned $7,341 in interest income during the period.

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	Total Revenues	Income (Loss)	Income (Loss) per share
September, 2008	$ 5,399	$ (411,845)	$(0.01)
June 30, 2008	1,220	(348,096)	(0.01)
March 31, 2008	723	(16,888)	(0.01)
December 31, 2007	4,880	229,766	0.01
September 30, 2007	22,810	(1,287,715)	(0.03)
June 30, 2007	4,021	(462,071)	(0.01)
March 31, 2007	1,042	(85,475)	(0.01)
December 31, 2006	5,417	(141,022)	(0.01)
September 30, 2006	16,572	(136,837)	(0.01)
June 30, 2006	1,983	(188,555)	(0.01)

The Company's operating costs for the second quarter were $54,697 lower than for the corresponding quarter last year, due to lower legal and technical fees in 2008. The Company incurred mineral property expenses of $351,888 during the quarter, on field programs on the Willow Creek and Current Creek properties and acquisitions on the Whisky Canyon property.

The Company terminated its option agreements on the Dome HiHo and Loomis properties during the quarter, and wrote off a total of $401,219 of investment in these properties.

1.4 Liquidity and Capital Resources

The Company had working capital of $1,075,124 at September 30, 2008 (2007 -$2,434,174). As at September 30, 2008, the Company had cash and cash equivalents of $601,971 compared to $1,011,526 at September 30, 2007. An amount of US300,000 was received from Piedmont Mining Company Inc. in June 2008, to be spent by Carlin as operator of an exploration program on which Piedmont is earning an interest. At September 30, 2008 the Company held a balance of US$41,117 in segregated funds from Piedmont.

Current assets excluding cash and cash equivalents at September 30, 2008 consisted of accounts receivable, prepaid expenses, and marketable securities totaling $554,029 (2007 - $1,541,121). The Company owns shares in 3 publicly traded mineral exploration companies, including 2,000,000 shares (1,400,000 free-trading) of Constantine Metal Resources Ltd. (TSXV: CEM), with a market value of $498,184 at September 30, 2008. In the third quarter the Company received 100,000 free-trading shares of Piedmont Mining Company with regard to an exploration agreement with Piedmont on the Willow Creek property.

Current liabilities of $80,676 (2007 - $118,473) were comprised of trade accounts payable and accrued liabilities in the normal course of business, and included $4,600 (2007 - $7,224) in amounts payable to a related party.

It is projected that the Company's cash position will be sufficient to meet its corporate and property obligations for the next year.

1.5 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.6 Transactions with Related Parties

Administration fees paid to a company controlled by the president	$	9,000
Technical consulting fees and expenses paid to directors		40,733
Accounting and administration fees paid to a company 50% owned by an officer and director		31,500
	$	81,233

At September 30, 2008, accounts payable and accrued liabilities totaling $4,600 were payable to related parties. These amounts were incurred in the ordinary course of business, are non-interest bearing, unsecured and due on demand.

1.7 Accounting Policies and Changes to Prior Year:

The accounting policies of the Company are disclosed in Note 2 of the audited consolidated financial statements for the year ended December 31, 2007.

The consolidated financial statements of the Company have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's continued existence is dependent upon its ability to raise additional financing and to generate profitable operations in the future. The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate because management believes that the actions already taken or planned, such as future equity financings, search for optionees for resource properties, will mitigate the adverse conditions and events which raise doubts about the validity of the going concern assumption used in preparing these financial statements. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying values of assets and liabilities, the reported revenue and expenses and the consolidated balance sheet classifications used.

Some of the prior year's figures have been restated for comparative purposes and to conform to current year presentation.

On January 1, 2007, the Company adopted the new accounting recommendations of the Canadian Institute of Chartered Accountants for the recognition, measurement and disclosure of financial instruments, hedges and comprehensive income effective for the current fiscal year. This requires that all non-derivative financial assets be measured at fair value with changes in fair value of available-for-sale marketable securities disclosed in other comprehensive income. Since this is the first year in which this policy has been applied, the opening balance of accumulated other comprehensive income includes the difference between cost and fair value for marketable securities at the end of the previous fiscal year. The current year's gains in value are recognized in other comprehensive income. The adoption of this accounting policy will have an effect on opening accumulated other comprehensive income of $51,001, at January 1, 2007 and the opening marketable securities balance of $112,786, being the fair market value at December 31, 2006.

When securities are sold and gains or losses are realized, these gains or losses will be removed from other comprehensive income and reported in the Consolidated Statement of Operations. The transition provisions do not require restatement of previous financial statements. The fair values of securities which are traded on a recognized exchange are reported at the closing price on the balance sheet date or the last date on which the shares traded.

1.8 Changes in Accounting Policies

On January 1, 2008, the Company adopted the following provisions of the Canadian Institute of Chartered Accountants ("CICA") Handbook. There was no material impact on the Company's financial condition or operating results as a result of the adoption of these new standards:

(a) Section 3862 – Financial Instruments – Disclosures, which replaces Section 3861, provides expanded disclosure requirements that provide additional detail by financial asset and liability categories.

(b) Section 3863 – Financial Instruments – Presentation, to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows.

(c) Section 1535 – Capital Disclosures, which establishes standards for disclosing information about an entity's capital and how it is managed. Under this standard, the Company will be required to disclose the following:

• qualitative information about its objectives, policies and processes for managing capital;

• summary quantitative data about what it manages as capital;

• whether during the period it complied with any externally imposed capital requirement to which it is subject; and

• when the Company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

(d) Section 1400 – General Standards of Financial Statement Presentation, to include requirements for management to assess and disclose an entity's ability to continue as a going concern.

1.9 New Accounting Policies

Financial Instruments

All financial instruments are recorded initially at estimated fair value on the balance sheet and classified into one of five categories: held for trading, held to maturity, available for sale, loans and receivables and other liabilities

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and amount due to related parties.

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

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

The Company's only exposure to credit risk is on its cash and cash equivalents. Cash and cash equivalents are with a Canadian Schedule 1 bank with a $20 million counterparty credit limit. The Company has no asset-backed commercial paper.

Liquidity Risk

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's cash is invested in business accounts which are available on demand.

The Company has a portfolio of marketable securities which are available for sale. The Company may, from time to time, liquidate a part of its holdings depending on market conditions and the Company's cash requirements. Depending on timing, the Company's ability to liquidate these securities are subject to price fluctuations and market conditions, which may result in the Company being unable to liquidate the securities in a timely manner for their recorded fair values.

Market Risk

The Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its marketable securities portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates and fluctuations.

Recent market events and conditions, including disruptions in the U.S. and international credit markets and other financial systems and the deterioration of the U.S. and global economic conditions, could, among other things, impede access to capital or increase the cost of capital, which would have an adverse effect on our ability to fund our working capital and other capital requirements.

In 2007 and into 2008, the U.S. credit markets began to experience serious disruption due to a deterioration in residential property values, defaults and delinquencies in the residential mortgage market (particularly, subprime and non-prime mortgages) and a decline in the credit quality of mortgage backed securities. These problems led to a slow-down in residential housing market transactions, declining housing prices, delinquencies in non-mortgage consumer credit and a general decline in consumer confidence. These conditions continued and worsened in 2008, causing a loss of confidence in the broader U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by the U.S. and foreign governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. In addition, general economic indicators have deteriorated, including declining consumer sentiment, increased unemployment and declining economic growth and uncertainty about corporate earnings.

These unprecedented disruptions in the current credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions could, among other things, make it more difficult for us to obtain, or increase our cost of obtaining, capital and financing for our operations. Our access to additional capital may not be available on terms acceptable to us or at all.

Exchange Risk

As at September 30, 2008, the majority of the Company's cash was held in Canada in Canadian dollars. The Company's significant operations are carried out in Nevada, USA. As a result a portion of the Company's cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are denominated in United States Dollars and are therefore subject to fluctuations in exchange rates.

Management of Capital

The Company manages its cash, common shares, stock options and warrants as capital (see Note 6). 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.

The Company expects that its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period and may attempt to raise additional capital through an equity transaction.

2.0 Critical Accounting Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the financial statements. Actual amounts could differ materially from the estimates used and, accordingly, affect the results of the operations. These include:

- the carrying values of mineral properties
- the determination of the valuation allowance for future income tax assets
- the estimate of future income tax liabilities
- the estimate of asset retirement obligation; and
- the valuation of stock-based compensation expense.

2.1 Risks and Uncertainties

Companies operating in the mining industry face many and varied kind of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors most applicable to the Company.

2.2 Industry

Exploring and developing mineral resource projects bears a high potential for all manner 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. The Company closely monitors its risk based activities and employs experienced consulting, engineering, insurance and legal advisors to assist in its risk management reviews.

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.

2.3 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.

2.4 Political Risk

Some resource properties on which the Company is considering pursuing exploration and development activities are located in China. 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 China operations on an as-needed basis. The Company does not presently maintain political risk insurance for its foreign exploration projects.

For those resource properties on which the Company has acquired interests in Nevada, the Company funds these activities through its wholly owned subsidiary on an as-needed basis.

2.5 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.

2.6 Exploration Stage Company

Carlin does not have an operating history and has no operating revenues and is unlikely to generate any in the foreseeable future. It anticipates that its existing cash resources will be sufficient to cover its projected funding requirements for the current year. If its exploration program is successful, additional funds will be required for further exploration to prove economic deposits and to bring such deposits to production. Additional funds will also be required for the Company to acquire and explore other mineral interests. The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to fulfill its obligations or for further exploration and development, on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or terminate its operations.

2.7 Proposed Transactions

At the present time, there are no proposed transactions that are required to be disclosed.

2.8 Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning Carlin's general and administrative expenses and resource property costs is provided in the Company's Consolidated Statement of Operations and Schedule of Resource Property Costs contained in its audited consolidated financial statements for December 31, 2007 that are available on SEDAR (which can be accessed through www.sedar.com).

2.9 Outstanding Share Data

Carlin's authorized capital is unlimited common shares without par value. As at August 27, 2008, the following common shares, options and share purchase warrants were outstanding:

The Company has 41,271,803 common shares outstanding.

- The Company has 3,260,000 warrants outstanding to purchase 3,260,000 shares at a price of $0.30 per share, which expire on April 12, 2009. Each warrant is subject to the following: if the Company's shares close at $0.60 or higher for a period of 10 consecutive business days, the warrant holders will have 30 days to exercise their warrants or they will be cancelled.

The Company's outstanding stock options are as follows:

	Number	Vested (exercisable)	Exercise Price per Share	Expiry Date
Issued in 2004	2,100,000	2,100,000	$0.13	November 2, 2009
Issued in 2005	800,000	800,000	$0.13	June 27, 2010
Issued in 2006	375,000	375,000	$0.275	July 17, 2011
Issued in 2006	50,000	50,000	$0.28	October 17, 2011
Issued in 2007	75,000	65,625	$0.28	March 7, 2012
Issued in 2007	100,000	62,500	$0.28	August 12, 2012
	3,500,000	3,453,125	$0.16*	

* Weighted Average Exercise Price

3.0 Approval

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

3.1 Additional Information

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.