

**CREW GOLD CORPORATION**  
**Management's Discussion and Analysis of Financial Condition and**  
**Results of Operations**  
**For the quarter and six months ended June 30, 2009**  
(Expressed in US dollars)

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**INTRODUCTION**

This management's discussion and analysis ("MD&A"), prepared effective August 14, 2009, provides detailed analysis of the financial condition and results of operations of Crew Gold Corporation ("Crew", "the Corporation", "the Company", "we" or "our") for the quarter and six months ended June 30, 2009 with comparisons to the respective periods ended June 30, 2008. The MD&A should be read in conjunction with the Company's Unaudited Interim Consolidated Financial Statements for the period ended June 30, 2009 and the Audited Financial Statements for the year ended December 31, 2008 and the related notes thereto which have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Unless the context otherwise requires, all references to yearly periods are to calendar years and all amounts are in US dollars unless otherwise stated.

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**HIGHLIGHTS**

- Overview
  - Total gold sold in the quarter was 60,525 oz at an average realised price of \$926/oz (Q2 2008 – 65,737 oz sold at an average realised price of \$913/oz)
  - Total gold sold for the six months ended June 30, 2009 was 136,933 oz (six months ended June 30, 2008 – 126,397 oz)
- Financial Results
  - EBITDA for the quarter of \$14.0 million (quarter ended June 30, 2008 – negative \$11.5 million)
  - Net profit of \$4.1 million for the quarter ended June 30, 2009 (quarter ended June 30, 2008 – net loss of \$30.6 million) with EBITDA of \$14.0 million being offset mainly by amortisation charges of \$6.0 million and interest and finance charges of \$5.8 million
- LEFA
  - Quarterly gold production of 40,743 oz, due to reduced SAG mill capacity (Q2 2008 - 53,531 oz)
  - SAG Mill 2 ("SAG2") reinstalled in June 2009
  - SAG Mill 1 ("SAG1") taken offline for trunnion repair in July 2009, expected to be operational in early September 2009
  - Lero crusher stopped operations in June 2009 due to lightning, expected to be operational in early September 2009
  - Annual 2009 production target revised downwards to a range of 220,000 to 240,000 oz from previous estimate of 290,000 oz
  - Environmental bond agreed with the Government of Guinea with an unbudgeted \$5 million being paid in June and July, to be followed by further analysis to reconfirm the estimated amounts of reclamation costs and the annual review process

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- Maco
  - Quarterly gold production of 5,447 oz, (Q2 2008 - 5,380 oz)
  - Continuing to explore strategic alternatives
  
- Nalunaq Gold Mine ("Nalunaq") and Nugget Pond Processing Facility ("Nugget Pond")
  - Q2 gold production of 15,131 poured oz (Q2 2008 – 11,001 oz). The final gold recovery of the ore processed from Nalunaq is not yet complete. The treatment of the residual material from the process plant has not yet been completed
  - Toll milling at Nugget Pond commenced on June 29, 2009
  - Sale of all Nalunaq gold mine's assets, infrastructure, inventories and goodwill to Angus & Ross Plc completed in early July for \$1.5 million cash of which \$1 million has been paid and the remainder is due on authorisation of the transfer of the mining license by the Greenlandic Bureau of Minerals and Petroleum
  
- Outlook
  - SAG1 will be operational in early September 2009. A replacement for the Lero crusher transformer will be installed in August 2009 bringing the crusher back on line
  - Improve process plant reliability, improve efficiencies and reduce costs at LEFA
  - Continue to explore strategic alternatives for Maco
  - Continued reduction of corporate costs
  - Continue to work with the Government of Guinea on various issues. For example, industrial relations difficulties being resolved proactively to attempt to minimize disruptions as the workers and unions confirm various issues with the new Government, review of import duties to be completed and finalising the analysis on the environmental bond

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**OVERVIEW**

Crew is an international mining company currently focused on restructuring its project portfolio and maximising the performance of its gold projects.

**Results**

The Company adopted Canadian Institute of Chartered Accountants statement 3064 "Goodwill and Intangible Assets" during the year ended December 31, 2008. As a result prior period pre-operating revenues and costs for LEFA and Maco were recognised in the profit and loss statement and comparative unaudited profit and loss statement and balance sheet amounts have been restated where applicable.

For the quarter ended June 30, 2009, Crew reported EBITDA of \$14.0 million (quarter ended June 30, 2008 – negative \$11.5 million) with mineral sales of \$56.7 million, realized gains of \$1.9 million on the repurchase of a portion of the Company's outstanding long-term bonds in the quarter, direct mining and mine site administration costs of \$40.2 million and general corporate expenditures of \$3.5 million.

Net profit for the quarter ended June 30, 2009 was \$4.1 million (quarter ended June 30, 2008 – net loss of 30.6 million) with EBITDA of \$14.0 million being offset by amortisation charges of \$6.0 million and interest and finance costs on the bonds and other long term debt of \$5.8 million.

Total gold produced in the quarter ended June 30, 2009 was 61,321 oz (quarter ended June 30, 2008 – 69,912 oz). Total gold sold during the quarter ended June 30, 2009 was 60,525 oz (quarter ended June 30, 2008 – 65,737 oz).

For the six months ended June 30, 2009, Crew reported EBITDA of \$27.4 million (six months ended June 30, 2008 – negative \$14.5 million) with mineral sales of \$124.5 million, realized gains of \$1.9 million on the repurchase of a portion of the Company's outstanding long-term bonds in the period, direct mining and mine site administration costs of \$92.1 million and general corporate expenditures of \$5.7 million.

Net loss for the six months ended June 30, 2009 was \$7.8 million (six months ended June 30, 2008 – net loss of \$68.4 million). This net loss arises from the EBITDA of \$27.4 million offset by higher amortisation charges of \$22.4 million (due mainly to the acceleration of the amortisation of some major components of the open pit mining equipment at LEFA) and interest and finance costs on the bonds and other long term debt of \$12.8 million.

Total gold produced in the six months ended June 30, 2009 was 124,168 oz (six months ended June 30, 2008 – 131,292 oz). Total gold sold during the six months ended June 30, 2009 was 136,933 oz (six months ended June 30, 2008 – 126,397 oz).

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**OPERATIONS AND PROJECTS REVIEW**

**Gold Production - Quarter ended June 30,**

		LEFA	Nalunaq/ Nugget Pond	Maco	Total
<b>Tonnes mined</b>	<b>- 2009</b>	<b>1,108,028</b>	<b>-</b>	<b>40,123</b>	<b>1,148,151</b>
	- 2008	830,085	26,242	50,098	906,425
<b>Mined Grade (g/t)</b>	<b>- 2009</b>	<b>1.6</b>	<b>-</b>	<b>5.4</b>	
	- 2008	2.4	13.4	5.1	
<b>Tonnes milled</b>	<b>- 2009</b>	<b>984,566</b>	<b>31,336</b>	<b>37,813</b>	<b>1,053,715</b>
	- 2008	880,772	26,691	45,292	952,755
<b>Milled Grade (g/t)</b>	<b>- 2009</b>	<b>1.4</b>	<b>13.7</b>	<b>5.1</b>	
	- 2008	2.1	12.9	4.3	
<b>Recovery (%)</b>	<b>- 2009</b>	<b>90.8</b>	<b>95.4</b>	<b>83.0</b>	
	- 2008	92.4	93.9	83.5	
<b>Gold produced (ounces)</b>	<b>- 2009</b>	<b>40,743</b>	<b>15,131</b>	<b>5,447</b>	<b>61,321</b>
	- 2008	53,531	11,001	5,380	69,912
<b>Gold sold (ounces)</b>	<b>- 2009</b>	<b>38,665</b>	<b>16,672</b>	<b>5,188</b>	<b>60,525</b>
	- 2008	47,829	12,113	5,795	65,737
<b>Sale price realized (\$/oz)<sup>(1)</sup></b>	<b>- 2009</b>	<b>928</b>	<b>923</b>	<b>923</b>	<b>926</b>
	- 2008	921	896	882	913
<b>Cash cost per ounce (\$/oz)<sup>(1)</sup></b>	<b>- 2009</b>	<b>704</b>	<b>373</b>	<b>619</b>	
	- 2008	936	998	1,130	

<sup>(1)</sup> Sales price realized and cash cost per ounce are "Non-GAAP" measures which are more specifically described in the section "Non-GAAP measures" on the final page of this Management's Discussion and Analysis of Financial Condition and Results of Operations.

**Commentary on LEFA and Maco quarterly cash costs**

LEFA cash costs per oz for the quarter ended June 30, 2009 of \$704 were relatively high due mainly to lower than expected production caused by ongoing rectification work on the mills and refurbishment of the mining equipment. Maco's cash costs per oz of \$619 were broadly in line with expectations. Cash costs per oz for LEFA and Maco for Q2 2008 are not meaningful as the operations were in the commissioning stage.

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**Gold Production - Six months ended June 30,**

		LEFA	Nalunaq/ Nugget Pond	Maco	Total
<b>Tonnes mined</b>	<b>- 2009</b>	<b>2,351,428</b>	<b>20,600</b>	<b>70,921</b>	<b>2,442,949</b>
	- 2008	2,002,277	61,952	77,471	2,141,700
<b>Mined Grade (g/t)</b>	<b>- 2009</b>	<b>1.5</b>	<b>11.7</b>	<b>5.6</b>	
	- 2008	1.9	12.9	5.0	
<b>Tonnes milled</b>	<b>- 2009</b>	<b>1,983,035</b>	<b>65,714</b>	<b>65,881</b>	<b>2,114,630</b>
	- 2008	1,589,584	61,439	84,764	1,735,787
<b>Milled Grade (g/t)</b>	<b>- 2009</b>	<b>1.5</b>	<b>13.3</b>	<b>5.0</b>	
	- 2008	2.1	11.9	4.3	
<b>Recovery (%)</b>	<b>- 2009</b>	<b>90.7</b>	<b>95.1</b>	<b>83.2</b>	
	- 2008	92.9	93.5	87.1	
<b>Gold produced (ounces)</b>	<b>- 2009</b>	<b>85,349</b>	<b>29,614</b>	<b>9,205</b>	<b>124,168</b>
	- 2008	98,574	22,507	10,211	131,292
<b>Gold sold (ounces)</b>	<b>- 2009</b>	<b>94,175</b>	<b>33,514</b>	<b>9,244</b>	<b>136,933</b>
	- 2008	92,967	24,159	9,271	126,397
<b>Sale price realised (\$/oz)<sup>(1)</sup></b>	<b>- 2009</b>	<b>908</b>	<b>911</b>	<b>908</b>	<b>909</b>
	- 2008	915	913	898	913
<b>Cash cost per ounce (\$/oz)<sup>(1)</sup></b>	<b>- 2009</b>	<b>690</b>	<b>486</b>	<b>783</b>	
	- 2008	927	846	1,191	

<sup>(1)</sup> Sales price realized and cash cost per ounce are "Non-GAAP" measures which are more specifically described in the section "Non-GAAP measures" on the final page of this Management's Discussion and Analysis of Financial Condition and Results of Operations.

**Commentary on LEFA and Maco year-to-date cash costs**

LEFA cash costs per oz for the six months ended June 30, 2009 of \$690 were relatively high due mainly to lower than expected production caused by ongoing rectification work on the mills and refurbishment of the mining equipment. Maco's cash costs per oz of \$783 were due principally to lower than budgeted production caused by the flash flood in mid-January. Cash costs per oz for LEFA and Maco for 2008 are not meaningful as the operations were in the commissioning stage.

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**LEFA Gold Mine**

*Plant and Infrastructure*

SAG2 was returned to operation in June after the trunnion had been machined in Turkey and fitted to the mill in May. At the beginning of July, SAG1 was shut down to replace the trunnion bearings, but this was unsuccessful due to damage to the Discharge End trunnion surface. This damage is similar to that of SAG2, but is less severe. Work has started to machine the trunnion in situ by external contractors, which is expected to allow SAG1 to be fully operational by early September, resulting in both mill trains being operational.

The main transformer feeding the Lero crusher was damaged by a lightning strike in July. A replacement transformer is being adapted for delivery by air freight in week of 12th August. It is expected to be installed and operational in late August to ensure that the ore from the Lero Crusher is available to feed the two mill trains operating at the beginning of September. The de-bottlenecking projects will continue with a significant upgrade planned for the gold room in the second half of the year. Plant maintenance should be normalised in 2010, however there remains some minor risk of partial interruptions to production into 2010, until all of the ordered insurance spares are on site. The fleet rebuild program will be ongoing through 2011.

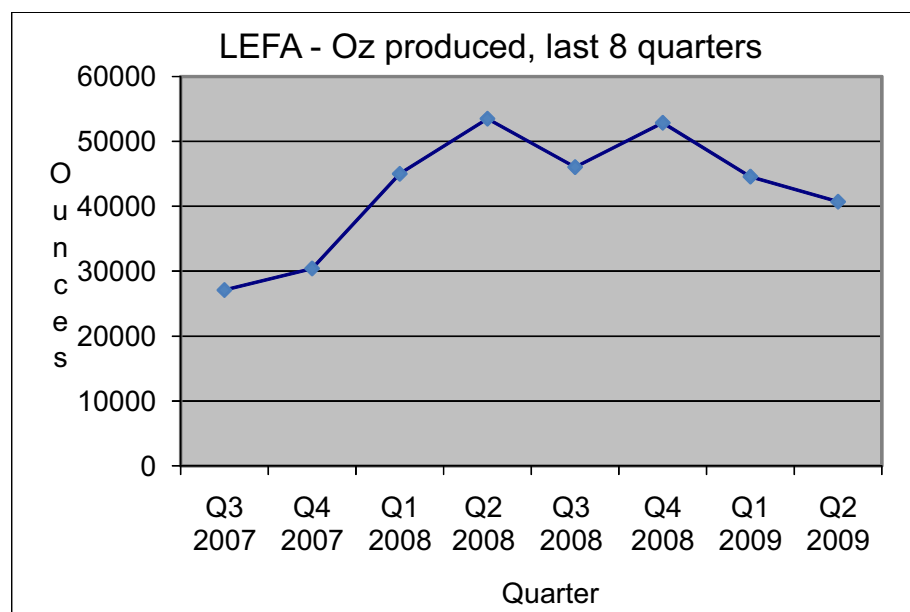
*Operations*

Ore mined in the quarter ended June 30, 2009 was 1,108,028 tonnes at an average grade of 1.6 g/t, down from the 1,243,400 tonnes mined in Q1 2009 (quarter ended June 30, 2008 - 830,085 tonnes at grade of 2.4 g/t). Mining activities in the quarter continued to be hampered by equipment availability and work continued on the refurbishment of the open pit mining equipment to original equipment manufacturer standards following the takeover of mining operations from the contractor in September 2008. Total ore mined for the six months ended June 30, 2009 was 2,351,428 tonnes at an average grade of 1.5 g/t (six months ended June 30, 2008 - 2,002,277 tonnes at an average grade of 1.9 g/t).

Ore milled during the quarter ended June 30, 2009 was 984,566 tonnes at an average grade of 1.4 g/t (quarter ended June 30, 2008 - 880,772 tonnes at an average grade of 2.1 g/t). Year-to-date throughput for the six months ended June 30, 2009 totalled 1,983,035 tonnes at a head grade of 1.5 g/t (six months ended June 30, 2008 - 1,589,584 tonnes at a head grade of 2.1 g/t). Mill operations have been adversely affected by plant equipment failures (primarily SAG2). Since June the higher grade Lero material has not been available due to a lightning strike on its crushing station transformer but the average grade in 2009 has also been lower than in 2008 when mining of the higher available grades was done at the then higher cost structure and to meet the cash flow concerns of the Company.

Gold produced in the quarter ended June 30, 2009 was 40,743 oz (quarter ended June 30, 2008 - 53,531 oz) and for the six months ended June 30, 2009 was 85,349 oz (six months ended June 30, 2008 - 98,574 oz). Gold produced during the last eight quarters was as follows:

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Quarter	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009
<b>Ounces Produced</b>	27,122	30,443	45,043	53,531	46,078	52,904	44,606	40,743

Operations in 2009 have been adversely affected by both plant and mining equipment availability.

Gold sold in the quarter ended June 30, 2009 was 38,665 oz at an average gold price of \$928/oz (quarter ended June 30, 2008 – 47,829 oz at an average gold price of \$921/oz). Total gold sold in the six months ended June 30, 2009 was 94,175 oz at an average gold price of \$908/oz (six months ended June 30, 2008 – 92,967 oz at an average gold price of \$915/oz).

*Reserves and Resources*

The June 2008 update for LEFA's resources showed a total resource base of 6.42 million oz. The Measured and Indicated resources totalled 5.1 million oz and the Inferred resources were 1.3 million oz. Resources have been updated for mining depletion since April 2008 to date and the drilling results between April 2008 and February 2009 and will be independently verified during August 2009. This will be used to redo the life of mine plan recognising the continuing extension and deepening of the pits and an increasing proportion of harder ore.

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*Government Issues*

Since the change in Government of Guinea in December 2008, the Government has shut down the gold mines on various occasions as they increase their understanding of the operations of the mines and the related agreements made in the past. The Government has repeatedly stated it wants to work with the gold mining companies, and the following issues are being actively discussed:

1. Environmental closure liabilities – While the Convention de Base calls for the closure process to be funded by the Company at the end of the mine's life, the Government has demanded a cash deposit to cover the expected liability. In LEFA's case, the deposit amount currently agreed to is \$5 million;
2. Review of refining process – A government delegation, accompanied by Company management, travelled to Switzerland on May 13, 2009 in order for them to observe and review the refining process. The Government had previously not allowed any of LEFA's bullion to be shipped pending this review;
3. Import duties – the Customs department stated that it is reviewing import duties with the potential to increase them in advance of the dates stated in the Convention de Base;
4. Value Added Tax – the Government owes the Company US\$9 million of VAT. While the Convention de Base calls for all VAT to the mining companies be refundable, the Government is not up to date with the repayments; and
5. Royalty payments – these were previously offset against VAT (point 4 above), but are now required to be paid in cash.

**Maco Gold Mine**

*Plant and Infrastructure*

The processing plant operates at an optimum rate of 500 tpd. Milling rates improved compared to the 1<sup>st</sup> quarter which was adversely affected by the flooding in January 2009. Operating time was affected by a major maintenance shutdown including ball mill re-lining and preventative maintenance activities while cyanidation was affected by tailings pumping issues.

Recent laboratory scale flotation tests show positive results that could significantly improve gold and silver recoveries and also produce saleable copper concentrate. Plant tests will be conducted later this year.

The raising of the tailings management facility by 5 meters was completed mid-July 2009. Installation of the 3<sup>rd</sup> tailings line is on-going and expected to be finished by the end of August.

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*Operations*

Development of ore drives in the vein systems at the Masara, Bonanza and Sandy veins has improved the level of confidence in the mineral resource. With these developments, the result has been higher grade ore delivery as compared to projected delivery grades. Production volumes were however adversely affected by low availability of underground equipment, partly due to long delivery time of spare parts.

Ore from stopes in fully developed sub-levels at the Bonanza main vein and Sandy main vein contributed 70% of the tons delivered to the mill during the second quarter.

Ore mined in the quarter ended June 30, 2009 was 40,123 tonnes at an average grade of 5.4 g/t (quarter ended June 30, 2008 – 50,098 tonnes at 5.1 g/t). Ore mined in the six months to June 30, 2009 was 70,921 tonnes at an average grade of 5.6 g/t (six months ended June 30, 2008 – 77,471 tonnes at an average grade of 5.0 g/t).

The Maco plant processed 37,813 tonnes at 5.1 g/t in the quarter ended June 30, 2009 (quarter ended June 30, 2008 – 45,292 tonnes at 4.3 g/t). Total ore processed in the six months to June 30, 2009 was 65,881 tonnes at an average grade of 5.0 g/t (six months ended June 30, 2008 – 84,764 tonnes at an average grade of 4.3 g/t).

Gold produced in the quarter ended June 30, 2009 was 5,447 oz (quarter ended June 30, 2008 – 5,181 oz) and for the six months to June was 9,205 oz (six months to June 30, 2008 – 10,211 oz). Gold production in 2009 has been adversely affected by a flash flood that hit the mine in mid-January, partly flooding the underground workings which reduced production due to unavailability of workplaces.

Gold sold in the quarter ended June 30, 2009 was 5,188 oz (quarter ended June 30, 2008 – 5,795 oz). Year-to-date total gold sold was 8,523 oz (six months ended June 30, 2008 – 10,038 oz).

Maco also produced a total 27,599 oz of silver in the six months ended June 30, 2009 (six months ended June 30, 2008 – 34,781 oz).

*Updated Resources*

The ore resource estimate for the Maco Mine was updated in May 2009 and showed a marginal increase in indicated ore resource tonnage and a substantial decrease in inferred resource tonnage compared to the previously published estimates released in February 2007.

- The Inferred Resource category decreased from 9.6 million tonnes at 6.0 g/t Au to 1.3 million tonnes at 4.8 g/t Au.
- The Indicated Resource category increased from 1.46 million tonnes at 6.5 g/t Au to 1.51 million tonnes at 6.6 g/t Au.

This updated resource estimate has been reviewed for technical correctness by Mr. Tomas D. Malihan, a registered Competent Person with the Geological Society of the Philippines. Mr. Malihan, who has

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extensive experience in epithermal gold vein systems, and who shares the cautious approach adopted by the Geological Staff and confirms the validity and soundness of this estimate. Mr Malihan is also a 'Qualified Person' within the meaning of Canadian National Instrument 43-101, 'Standards of Disclosure for Mineral Projects'. Mr. Malihan was 'independent' of Crew Gold Corporation and Apex Mining Company Inc. in the context of NI 43-101.

**Nalunaq Gold Mine and Nugget Pond Processing Facility**

*Operations*

All underground mining activities at Nalunaq were completed prior to February 28, 2009 and the mine was placed on care and maintenance. Crew completed the sale of all the assets, infrastructure, inventories and goodwill at the Nalunaq gold mine to Angus & Ross Plc in early July for a total agreed-upon consideration of \$1.5 million cash of which \$1 million is a down payment and the remainder due on authorisation of the transfer of the mining license by the Greenlandic Bureau of Minerals and Petroleum.

The Nugget Pond plant continued to process the remaining Nalunaq ore of 31,336 dry metric tonnes at an average grade of 13.7 g/t during the quarter ended June 30, 2009 (quarter ended June 30, 2008 – 26,691 tonnes at an average grade of 12.9 g/t). Total ore processed in the six months to June 30, 2009 was 65,714 tonnes at an average grade of 13.3 g/t (six months ended June 30, 2008 – 61,439 tonnes at an average grade of 11.9 g/t). All Nalunaq ore stockpiles at Nugget Pond had been processed by June 30, 2009. The plant commenced toll milling operations on June 29, 2009 for a third party.

Gold produced during the quarter ended June 30, 2009 was 13,231 oz (quarter ended June 30, 2008 – 11,001 oz) and for the six months to June was 26,714 oz (six months to June 30, 2008 – 22,507 oz). Gold sold during the quarter ended June 30, 2009 was 16,672 oz at an average realised gold price of \$923/oz (quarter ended June 30, 2008 – 12,113 oz at an average price of \$896/oz) and for the six months to June was 33,514 oz (six months to June 30, 2008 – 24,159 oz)

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**FINANCIAL REVIEW**

**Selected Quarterly Financial Information - Unaudited**

Expressed in thousands of United States dollars (except for per share information)	Jun-30		Mar-31		Dec-31		Sept-30	
	2009	2008	2009	2008	2008	2007	2008	2007
Mineral Sales	<b>56,731</b>	56,540	<b>67,775</b>	56,901	<b>48,889</b>	28,225	<b>62,317</b>	31,011
Net profit (loss)	<b>4,080</b>	(30,587)	<b>(11,910)</b>	(37,854)	<b>(14,878)</b>	(10,527)	<b>(111,060)</b>	(74,227)
Profit (loss) profit per share – basic	<b>0.04</b>	(0.52)	<b>(0.11)</b>	(0.65)	<b>(0.21)</b>	(0.18)	<b>(1.72)</b>	(1.39)
Profit (loss) per share – diluted	<b>0.04</b>	(0.52)	<b>(0.11)</b>	(0.65)	<b>(0.21)</b>	(0.18)	<b>(1.72)</b>	(1.39)
Operating cash inflows (outflows)	<b>17,564</b>	(10,463)	<b>1,050</b>	(21,499)	<b>(12,385)</b>	(32,387)	<b>(15,902)</b>	(50,780)
Cash and cash equivalents	<b>18,528</b>	57,458	<b>12,602</b>	8,740	<b>17,169</b>	20,061	<b>27,915</b>	43,997
Total assets	<b>635,747</b>	906,241	<b>614,963</b>	874,511	<b>636,598</b>	858,811	<b>634,822</b>	891,924
Long term debt	<b>292,553</b>	389,475	<b>289,853</b>	385,645	<b>284,012</b>	366,395	<b>324,600</b>	366,101
Shareholders’ equity	<b>199,065</b>	359,148	<b>194,770</b>	336,272	<b>206,436</b>	342,048	<b>128,041</b>	360,942

EBITDA <sup>(1)</sup> is calculated as follows:	
Net profit (loss)	<b>4,080</b> (30,587)
Depletion and depreciation	<b>5,989</b> 10,396
Interest and finance charges	<b>5,844</b> 8,678
Stock compensation expense	<b>241</b> 150
Foreign exchange gain (loss)	<b>(1,405)</b> 3,841
Recovery of Income Taxes	<b>(741)</b> (4,017)
EBITDA <sup>(1)</sup>	<b>14,008</b> (11,539)

<sup>(1)</sup> The Company defines EBITDA as “earnings before interest and finance charges, taxes, depletion and depreciation, non-cash foreign exchange gain or loss and stock compensation expense”. It is a non-GAAP measure and is more specifically described in the section entitled “Non-GAAP measures” on the final page of this Management’s Discussion and Analysis.

Note – above table updated for restatements required by implementation of CICA3064

**Financial Results for the Quarter Ended June 30, 2009**

Sales reported for the quarter ended June 30, 2009 were \$56.7 million (quarter ended June 30, 2008 - \$56.5 million). Sales comprised 60,525 oz at an average realised gold price of \$926/oz (quarter ended June 30, 2008 – 65,737 oz at an average realised gold price of \$913/oz).

Direct costs for the quarter ended June 30, 2009 were \$31.6 million (quarter ended June 30, 2008 - \$51.8 million) and mine site administration costs were \$8.7 million (quarter ended June 30, 2008 - \$9.1 million). Direct and mine site administration costs were lower compared to 2008 due primarily to reduced costs from Nalunaq as it ceased mining activities and was put on ‘care and maintenance’ in the first quarter of 2009.

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Depletion and depreciation expense, a non-cash measure, for the quarter ended June 30, 2009 was \$6.0 million (quarter ended June 30, 2008 – \$10.4 million). Depletion and depreciation expense were lower in the quarter compared to 2008 because all Nalunaq/Nugget Pond's and a majority of Maco's tangible assets were written off due to their impairment in the year ended December 31, 2008.

For the quarter ended June 30, 2009, general corporate expenditures and exploration costs expensed reduced to \$3.8 million compared to \$6.6 million in the quarter ended June 30, 2008, due mainly to decreased head office costs and stock compensation charges.

Interest and finance charges decreased to \$5.8 million in the quarter from \$8.7 million in the quarter ended June 30, 2008 due mainly to the general reduction in market interest rates (LIBOR/NIBOR), the reduction in the interest rate on the NOK denominated debt that was converted into USD denominated bonds in February 2009 and also the weakening of the NOK against the USD in 2009.

The Company made realized gains of \$1.9 million on the repurchase of a portion of its long-term debt and also recognised unrealised foreign currency translation gains of \$1.4 million principally on the translation of the NOK denominated debt into US dollars (quarter ended June 30, 2008 – foreign exchange loss of \$3.8 million).

**Financial Results for the Six Months Ended June 30, 2009**

Sales reported for the six months ended June 30, 2009 were \$124.5 million (six months ended June 30, 2008 - \$113.4 million). Sales comprised 136,933 oz at an average realised price of \$909/oz (six months ended June 30, 2008 – 126,397 oz at an average realised price of \$913/oz).

Direct costs for the six months ended June 30, 2009 were \$74.7 million (six months ended June 30, 2008 - \$100.5 million) and mine site administration costs were \$17.4 million (six months ended June 30, 2008 - \$18.3 million). Costs were lower compared to 2008 due primarily to reduced costs from Nalunaq as it ceased mining activities and was put on 'care and maintenance' in the first quarter of 2009.

Depletion and depreciation expense, a non-cash measure, for the six months ended June 30, 2009 was \$22.4 million (six months ended June 30, 2008 – \$20.8 million). The depletion and depreciation charge related almost entirely to LEFA as all Nalunaq/Nugget Pond's and a majority of Maco's tangible assets were written off due to their impairment in the year ended December 31, 2008. The Company carried out a review of the rate of amortisation for LEFA's open pit mining equipment and this resulted in certain major components being separated and assigned shorter useful lives, significantly increasing the amortisation charge for the six months ended June 30, 2009 as compared to the six months ended June 30, 2008.

For the six months ended June 30, 2009, general corporate expenditures and exploration costs expensed reduced to \$6.2 million compared to \$12.0 million in the six months ended June 30, 2008, due mainly to decreased head office costs and stock compensation charges.

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Interest and finance charges for the six months ended June 30, 2009 were \$12.8 million, compared to \$17.2 million in the quarter ended June 30, 2008. The decrease was due mainly to the general reduction in market interest rates (LIBOR/NIBOR), the reduction in the interest rate on the NOK denominated debt that was converted into USD denominated bonds in February 2009 and also the weakening of the NOK against the USD in 2009.

The Company made realized gains of \$1.9 million on the repurchase of a portion of its long-term debt and also recognised unrealised foreign currency translation losses of \$1.1 million relating mainly to the translation of the NOK denominated debt into US dollars (six months ended June 30, 2008 – foreign exchange loss of \$22.2 million).

#### **LIQUIDITY AND CAPITAL RESOURCES**

At June 30, 2009 the Group's main source of liquidity was consolidated cash of \$18.5 million. Of the cash held, \$15.6 million was held in US dollars, \$1.2 million was held in Norwegian kroner, \$0.6 million was held in Philippine pesos, \$0.5 million was held in Canadian dollars, \$0.3 million was held in Danish kroner and the balance of \$0.3 million comprised British pounds sterling, South African rand and Australian dollars.

At June 30, 2009 the consolidated working capital comprising cash, restricted cash, accounts receivable, prepayments and inventories, less current liabilities was \$27.9 million (December 31, 2008: \$19.7).

On February 18, 2009, certain bondholders of the NOK 325 million tranche of the March 2006 bonds and of the NOK 1,319.5 million 6% convertible bonds agreed to exchange their bonds to US dollar denominated bonds.

NOK 194 million of the NOK 325 million tranche was converted to US dollars, using an agreed exchange rate of 6.9079, resulting in a replacement bond issuance of \$28,083,789, consisting of floating rate bonds of \$1 each. NOK 1,200.5 million of the NOK 1,319.5 million 6% convertible bonds was converted to US dollars, using an agreed exchange rate of 6.9079, resulting in a replacement issuance of \$173,784,380 convertible bonds (of \$72,380 each) at fixed rate of 5.4056% p.a.

All other terms and conditions of the 6% convertible bonds and the March 2006 bonds remain the same.

During May 2009 the Company repurchased 9.5% bonds with a face value of NOK28 million (\$4.6 million) for NOK15.8 million (\$2.7 million) and recorded a gain on the repurchase of this debt of \$1.9 million, before income taxes.

The Company held no asset backed commercial paper at, or since, the quarter-end, and has not entered into gold or other hedging contracts during the quarter or since the quarter-end. Consideration will be given to hedging in the future but will depend on production rates and anticipated gold prices and exchange rates.

The Company believes that the completion of the rectification program and the achievement of the anticipated 2009 production targets at LEFA will result in the operations generating sufficient cash flow to fund its working capital requirements and repay its obligations as they fall due during 2009, however,

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this cannot be assured as the cash flows are dependent on significant factors outside the control of management such as changes in the gold price, foreign exchange rates, political uncertainty and the increasing costs of inputs. Further, the Company will be required to renegotiate or refinance debt facilities coming due in 2010. There can be no assurance that the negotiations will be successful or that the Company will be able to raise the necessary financing to repay the debt as it comes due.

**RELATED PARTY TRANSACTIONS**

During the six months ended June 30, 2009 a law firm of which a director is a partner received legal fees of \$218,000 from the Company (six months ended June 30, 2008 - \$165,000). All transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed between the related parties.

**OUTLOOK**

For 2009, our primary objective is to complete the rectification and debottlenecking program at LEFA and to ramp up production to an average of 28,000 - 30,000 ounces per month by year end.

The LEFA mine and its expansion potential will continue to be the main contributor to Crew's production in the years to come, particularly as the capacity ramp-up is completed and higher than average grade satellite deposits, such as Firifirini, are brought into production. The regional exploration program is currently focused on consolidation of the existing data for target generation and prioritisation of exploration. Fieldwork is ongoing and drilling will be recommenced once the cash flow permits. Actions by the Guinea government, local employees and trade unions since recent changes in Government are being proactively addressed but may continue to result in short disruptions to continuous operations.

Maco continues to operate at 500tpd. Crew is reviewing strategic alternatives for this investment.

The Nugget Pond plant commenced toll milling operations on June 29, 2009 for a third party.

Corporate costs will continue to be analyzed and reduced.

The Company believes that LEFA has considerable value which can be realized for shareholders and bondholders. The Company will continue to explore various strategic alternatives to ensure that the value is realized.

**SHARE CAPITAL**

On January 30, 2009, the Company's shareholders approved a share consolidation at a special meeting. The Company has effected the consolidation of its issued and outstanding common shares on the basis of a ratio of eight pre-consolidation shares for every one post-consolidation share. The Company had 855,380,288 common shares issued and outstanding but as a result of and following the share consolidation, it had 106,922,536 common shares issued and outstanding.

The authorized share capital at August 14, 2009 was an unlimited number of common shares without par value. At August 14, 2009, there were 106,922,536 shares issued and outstanding. An additional

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14,994,348 shares may be issued upon the conversion of our convertible bonds.

The Company maintains a Share Option Plan which authorizes our Board of Directors to grant options to directors, officers and employees of Crew or its subsidiaries, to acquire common shares of the Company at a price which is greater than or equal to the fair market value of each common share on the date the option is granted. Options are generally exercisable for up to five years from the date of grant. As at August 14, 2009, there remained 966,667 options available for grant.

At August 14, 2009, there were 2,332,396 share options outstanding at a weighted average exercise price of CDN\$11.95 each.

### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles in Canada requires companies to establish accounting policies and to make estimates that affect both the amount and timing of the recording of assets, liabilities, revenues and expenses. Some of these estimates require judgments about matters that are inherently uncertain.

All of our significant accounting policies and the estimates derived there from are included in Note 3 to the Consolidated Financial Statements for the year ended December 31, 2008. While all of the significant accounting policies are important to our consolidated financial statements, the following accounting policies, and the estimates derived there from, have been identified as being critical:

- Carrying Values of Mining Property, Plant and Equipment and Other Mineral Property Interests;
- Depletion and Depreciation of Mining Property, Plant and Equipment;
- Reclamation and Remediation Obligations; and;
- Income Taxes.

#### **Carrying Values of Mining Property, Plant and Equipment and Other Mineral Property Interests**

We review and evaluate our mining properties for impairment when events and changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment is considered to exist if the total estimated future undiscounted cash flows are less than the carrying amount of the assets. Estimated undiscounted future net cash flows for properties in which a mineral resource has been identified are calculated using estimated future production, commodity prices, operating and capital costs and reclamation and closure costs. Undiscounted future cash flows for exploration stage mineral properties are estimated by reference to the timing of exploration and / or development work, work programs proposed, the exploration results achieved to date and the likely proceeds receivable if we sold specific properties to third parties. If it is determined that the future net cash flows from a property are less than the carrying value, then an impairment loss is recorded with a charge to operations, to the extent the carrying value exceeds discounted estimated future cash flows.

The estimates we use are subject to various risks and uncertainties. It is reasonably possible that changes in estimates could occur which may affect the expected recoverability of our investments in mining projects and other mineral property interests.

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**Depletion and Depreciation of Property, Plant and Equipment**

Mining property, plant and equipment comprise the largest component of our assets and, as such, the amortization of these assets has a significant effect on our financial statements.

Depletion of each mining property is provided on the unit-of-production basis using estimated proven and probable reserves and measured and indicated resources as the depletion basis. The mining plant and equipment and other capital assets are depreciated, over their expected economic lives using either the unit-of-production method or the straight-line method (over two to 10 years), as appropriate.

Capital projects in progress are not depreciated until the capital asset has been put into operation.

The proven and probable reserves and measured and indicated resources are determined based on a professional evaluation using accepted international standards for the assessment of mineral reserves and resources. The assessment involves the study of geological, geophysical and economic data and the reliance on a number of assumptions. The estimates of the reserves and resources may change, based on additional knowledge gained subsequent to the initial assessment. This may include additional data available from continuing exploration, results from the reconciliation of actual mining production data against the original reserve and resources estimates, or the impact of economic factors such as changes in the price of commodities or the cost of components of production. A change in the original estimate of reserves and resources would result in a change in the rate of depletion and depreciation of the related mining assets or could result in impairment resulting in a write-down of the assets.

**Reclamation and Remediation Obligations**

We have obligations for site restoration and decommissioning related to our mining properties. We use mine closure plans, or other similar studies that outline the requirements planned to be carried out, in order to estimate our future obligations from mine closure activities. Because the obligations are dependent on the laws and regulations of the countries in which the mines operate, the requirements could change resulting from amendments in those laws and regulations relating to environmental protection and other legislation affecting resource companies.

We recognize liabilities for statutory, contractual or legal obligations associated with the retirement of mining property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement cost is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of- production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the amount or timing of the underlying cash flows needed to settle the obligation.

As the estimate of obligations is based on future expectations, in the determination of closure provisions, we make a number of assumptions and judgments. The closure provisions are more uncertain the further into the future the mine closure activities are to be carried out. Actual costs incurred in future periods related to the disruption to date could differ materially from the discounted future value we estimated at June 30, 2009 as per the interim consolidated financial statements.

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The Government of Guinea through the Minister of Environment has been reviewing the requirements for reclamation upon ultimate closure for all of the mines in Guinea. It appears that the establishment of a closure fund in Guinea will be required to cover the related existing balance sheet liability for the mines. While this is not required in the LEFA Project governing document, the Convention de Base, it is however, regular practice in the industry. The Government of Guinea has demanded a cash deposit to cover the expected liability and in LEFA's case the currently agreed deposit amount is \$5 million.

**Income Taxes**

Future income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the balance sheet and their corresponding tax values, using the enacted or substantially enacted, as applicable, income tax rates at each balance sheet date. Future income tax assets also result from unused loss carry-forwards and other deductions. The valuation of future income tax assets is reviewed quarterly and adjusted, if necessary, by use of a valuation allowance to reflect the estimated realizable amount.

The determination of our ability to utilize tax losses carried forward to offset future income tax payable requires that we exercise judgment and make assumptions about the future performance of the Company. We are required to assess whether the Company is "more likely than not" to benefit from these tax losses. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing the losses.

**RISKS AND UNCERTAINTIES**

Our company and projects must be considered in light of the risks, expenses and difficulties frequently encountered by companies engaged in mining operations and the acquisition, exploration and development of mineral properties. These risk factors could materially affect our future operating results and cause actual future events to differ materially from those described in forward-looking statements. The key risk factors are outlined below.

**Additional Financing**

The completion, development or debugging of our projects may require additional external financing. Failure to obtain sufficient financing could result in the delay or indefinite postponement of exploration, development or production on any or all of our projects. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable.

**Liquidity Risk**

Liquidity risk measures the risk that we may not be able to meet our liabilities as they fall due. At the quarter-end we had no committed credit facilities in place. We may not be able to meet future liabilities without further capital raising activities or relying upon liquidity reserves. There can be no assurance such capital will be available if required, as referenced in Note 1 to the unaudited consolidated financial statements for the quarter and six months ended June 30, 2009.

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**Currency Risk**

Results of our operational and development projects based in Guinea, Greenland, Canada and the Philippines, are reported and measured in US dollars, and are therefore affected by exchange rates between the US dollar and local currencies. All of our revenues are recorded and measured in US dollars. A weaker dollar would cause costs incurred in a currency other than US dollars to increase. We do not, at present, undertake any trading activity in financial instruments; however foreign exchange risk is managed by satisfying foreign denominated expenditures or liabilities with cash flows or assets denominated in the same currency. We fund our foreign currency denominated operations on a short-term basis to minimize the level of foreign currency denominated assets held and therefore, mitigate the risk of exposure against the US dollar.

At June 30, 2009, Crew held cash balances of \$18.5 million. Of the cash held, \$15.6 million was held in US dollars, \$1.2 million was held in Norwegian kroner, \$0.6 million was held in Philippine pesos, \$0.5 million was held in Canadian dollars, \$0.3 million was held in Danish kroner and the balance of \$0.3 million comprised British pounds sterling, South African rand and Australian dollars.

**Interest Rate Risk**

Monetary assets and liabilities are subject to the risk of movements in interest rates. At June 30, 2009 we had total long-term debt of \$55.5 million denominated in Norwegian kroner and \$251.9 million denominated in US dollars. These liabilities are held either at fixed interest rates (\$209.0 million) or at floating rates (\$98.4 million) linked to LIBOR or NIBOR interest rates.

At June 30, 2009, we held a total of \$18.5 million of cash on deposit. Of this, \$16.9 million was held in the United Kingdom, \$0.8 million was held in the Philippines, and the balance of \$0.7 million was held in Greenland, France, Norway and Canada.

These deposits are held in the multiple local currency accounts at floating interest rates. Interest rates are commercial rates, which are fixed by reference to LIBOR for sterling and dollar assets, or the applicable inter-bank interest rates for financial assets held in other currencies.

**Exploration, Development and Operating Risk**

Our activities are primarily directed towards mining operations and the development of our mineral deposits. Our activities also include the exploration for and development of mineral deposits.

Mining operations generally involve a high degree of risk. Our LEFA, Nalunaq and Maco operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold. These include unusual and unexpected geologic formations, rock bursts, cave-ins, adverse weather conditions, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk are and will be taken, operations are subject to risks which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a

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combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs that we plan will result in a profitable commercial mining operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; commodity prices which are highly cyclical; cost of fuel; government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; and country stability. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in an inadequate return on invested capital.

There is no certainty that our expenditures towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore.

**Foreign Operations**

Our interests in mining operations are based in Guinea, Greenland, Canada and the Philippines, with further exploration and development projects in Guinea. Accordingly, our activities are exposed to varying degrees of political, economic and other risks and uncertainties.

These risks and uncertainties vary from country to country and include, but are not limited to: terrorist activities, hyperinflation, labour unrest, the risks of war or civil unrest, expropriation, national strikes, martial law and nationalization, renegotiation or nullification of existing concessions, licenses, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes in mining or investment policies or shifts in political attitude could materially impact our financial results. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on profitability.

Crew's LEFA operation in Guinea was suspended on April 20, 2009 for 48 hours while a review of the environmental reclamation plan was conducted. The review of all mining operations in Guinea is continuing and Crew is in continuous dialogue with the Government and supportive of the Government's review.

In various ways, recent changes in the Government of Guinea impacted the Company's operations in

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2009. This has taken the form of operational stoppages and delays in gold shipments as the Government established new controls over gold exports and environmental issues. Gold shipment procedures were demonstrated in detail to Government officials and are completely transparent to the Government of Guinea. The issues related to the strategy for reclamation upon ultimate closure and its funding are being fully communicated to, and reviewed with, the Government. Discussions are also ongoing with respect to Import Duties, Value Added Tax and Royalty payments. See "LEFA Gold Mine – Government Issues".

**Insurance and Uninsured Risks**

Our business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, snow falls and avalanches. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although we maintain insurance to protect against certain risks in such amounts as we consider reasonable, our insurance will not cover all the potential risks associated with a mining company's operations. We also are unable to maintain insurance to cover some of these risks at economically feasible premiums.

Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to companies in the mining industry on acceptable terms.

We may also become subject to liability for pollution or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may result in significant costs that could have a material adverse effect upon our financial performance and results of operations.

**Environmental Risks and Hazards**

All phases of our operations are subject to environmental regulation in the various jurisdictions where we operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect our operations.

Government approvals and permits are currently, and may in the future be, required in connection with our operations. To the extent such approvals are required and not obtained; we may be curtailed or prohibited from continuing mining operations or from proceeding with planned exploration or

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development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on us and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

**Uncertainty in the Estimation of Ore/Mineral Reserves and Mineral Resources**

The figures for ore/mineral reserves and mineral resources contained in this document are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that ore/mineral reserves could be mined or processed profitably.

There are numerous uncertainties inherent in estimating ore/mineral reserves and mineral resources, including many factors beyond our control. Such estimation is a subjective process, and the accuracy of any reserve or resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors relating to the ore/mineral reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold recoveries derived from small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Fluctuation in commodity prices, results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. The volume and grade of reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of ore/mineral reserves and mineral resources, or of our ability to extract these ore/mineral reserves, could have a material adverse effect on our results of operations and financial condition.

**Additional Ore and Mineral Reserves**

Because mines have limited lives based on proven and probable ore/mineral reserves, we must continually replace and expand our ore/mineral reserves as we produce gold. The life-of-mine estimates for our mining operations may not be correct. Our ability to maintain or increase our annual production of gold will be dependent on our ability to bring new mines into production and to expand ore/mineral reserves at our existing mines.

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**Commodity Prices**

The market price of our common shares, financial results and exploration, development and mining activities have previously been, and may in the future be, adversely affected by declines in commodity prices, which are subject to significant fluctuation. The factors giving rise to these fluctuations are generally out of our control, being largely driven by external global economic factors.

In particular, the price of gold has fluctuated significantly in recent years. Declines in the price of gold in the future could render our exploration and mining activities uneconomical until such time as the price recovers. These declines could result in a re-calculation of life-of-mine plans and reserve calculations which could have a material adverse affect on measured financial performance.

**Government Regulation**

Our mining, processing, development and mineral exploration activities are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Although we believe our mining operations and exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and mining activities or their application could have a substantial adverse impact on our company.

**Acquisition Strategy**

Part of our business strategy is to seek new mining and development opportunities with a particular focus on gold. We could, however, fail to select appropriate acquisition targets, fail to negotiate favourable acquisition or financing terms, or could complete acquisitions or business arrangements which do not ultimately benefit our ongoing business. We also face strong competition from other mining and exploration companies in connection with the acquisition of properties producing, or capable of producing, precious metals, and many of these competing companies have greater resources than Crew.

**Risks Relating to Acquisitions**

There can be no assurance that the benefits anticipated from the Corporation's acquisition of Guinor Gold Corporation and interest in Apex Mining Company, Inc. will be realized by the Corporation.

The carbon-in-pulp gold processing plant (the "CIP Plant") at LEFA may not achieve the production capacity or production cost per ounce expected by Crew. Similarly, construction of any additional phases of the processing plant at Maco may not be completed at all, or may never become fully commissioned. Such failures could have a material adverse affect on the Corporation's future production, profitability, financial performance and results of operations.

**Market Price of Stock**

Our common shares are listed on the Toronto Stock Exchange and the Oslo Børs.

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Securities of mining and exploration companies have experienced substantial volatility in the past, particularly in recent months, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include global macroeconomic developments and market perceptions of the attractiveness of particular industries. Our share price is also likely to be significantly affected by short-term changes in gold prices or in our financial condition or results of operations as reflected in our quarterly financial statements.

As a result of any of these factors, the market price of our common shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. Crew may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Sales of a large number of our common shares in the public markets, or the potential for such sales, could decrease the trading price of our shares, and could impair our ability to raise capital through future share issues.

**Dependence on Key Personnel**

Our success is dependent on senior management. The experience of these individuals will be a factor contributing to our continued success and growth. The loss of one or more of these individuals could have a material adverse effect on our business prospects.

**Financial Instruments**

In the previous periods, the Company had a repurchase obligation in respect of Intex Resources ASA shares and certain other marketable securities. These instruments were all recorded at fair values on the Company's balance sheet with unrealized gains and losses in each period included in other comprehensive income or net profit as appropriate. The repurchase obligation was closed out on February 20, 2008, resulting in the realisation of a loss in the six months ended June 30, 2008 of \$0.5 million.

**COMPREHENSIVE INCOME**

There were no components of other comprehensive income during the quarter and six months ended June 30, 2009.

**MANAGEMENT'S REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING**

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's Interim Chief Executive Officer and Chief Financial Officer has concluded that internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP are

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appropriately designed and are operating effectively.

There have been no changes in the Company's internal controls over financial reporting during the quarter and six months ended June 30, 2009, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

**INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")**

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five-year transitional period. In February 2008, the AcSB announced that 2011 is the transition date for publicly listed companies to use IFRS, replacing Canadian GAAP. The effective date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company's transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

**SAFE HARBOUR STATEMENT**

Certain statements contained herein that are not statements of historical fact, may constitute "forward-looking statements" and are made pursuant to applicable and relevant national legislation (including the Safe-Harbour provisions of the United States Private Securities Litigation Reform Act of 1995) in countries where Crew is conducting business and/or investor relations. Forward-looking statements, include, but are not limited to those with respect to (1) the price of gold, (2) the estimation of mineral reserves and resources, (3) the realization of mineral reserves estimates, (4) the timing and amount of estimated future success of exploration activities, (5) the timing and amount of production estimates, (6) targeted production cash costs and forecasted cash reserves, (7) Crew's hedging practices, (8) currency fluctuations, (9) requirements for additional capital, (10) government regulation of mining operations, (11) environmental risk, (12) title disputes or claims limitations on insurance coverage, (13) the timing and possible outcome of pending litigation, (14) expected cost reductions, (15) the expected future capacity and success of the LEFA mine and its expansion potential, and (16) relations with the Government of Guinea. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "does not expect", "is expected", "targets", "budget", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or equivalents or variation, including negative variation, of such words and phrases, or state that certain actions, events or results, "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others, (1) the actual results of current exploration activities, (2) conclusions of economic evaluations, (3) changes in project parameters as plans continue to be refined, (4) possible variations in grade and ore densities or recovery rates, (5) failure of plant, equipment or processes to operate as anticipated, (6) accidents, labour disputes and other risks of the mining industry, (7) delays in obtaining

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government approvals or financing or in completion of development or construction activities, and (8) risks and uncertainties existing in world capital markets generally. Although Crew has attempted to identify important factors that could cause actual events or results to differ from those described in forward-looking statements contained herein, there can be no assurance that the forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements.

The material factors and assumptions used to develop forward-looking statements which may be incorrect, include, but are not limited to, (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, damage to equipment or otherwise, (2) continued development, operation and production at LEFA and Maco consistent with our current expectations, (3) foreign exchange rates among the currencies the Crew does business in being approximately consistent with current levels, (4) certain price assumptions for gold, (5) prices for electricity, fuel oil and other key supplies remaining consistent with current levels, (6) production forecasts meeting expectations, (7) the accuracy of our current mineral reserve and mineral resource estimates, and (8) materials and labour costs increasing on a basis consistent with Crew's expectations.

Except as may be required by applicable law or stock exchange regulation, the Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements.

Cautionary Note to US investors — The United States Securities and Exchange Commission permits US mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms in this document, such as "measured", "indicated", and "inferred" "resources", which the SEC guidelines strictly prohibit US registered companies from including in their filings with the SEC. US Investors are urged to consider closely the disclosure from the SEC's website at <http://www.sec.gov/edgar.shtml>.

#### **NON-GAAP MEASURES**

"EBITDA" is a non-GAAP measure of performance that describes earnings before interest, taxes, depletion and depreciation, stock compensation charges, fair value losses or gains on forward obligations and non-cash foreign exchange movements.

"Cash cost" is a non-GAAP measure calculated in accordance with the Gold Institute Production Cost Standard and includes site costs for all mining (excluding deferred stripping costs), processing and administration, royalties and production taxes, but exclusive of depletion, depreciation, reclamation, financing costs, capital costs, and exploration costs. Cash cost is presented as we believe it represents an industry standard of comparison.

"Cash cost per ounce" is a non-GAAP measure derived from the cash cost of ounces produced as a measure of total ounces produced.

"Sales price per ounce" is a non-GAAP measure derived by dividing the total cash amounts received on gold sales by the number of ounces sold in the period.

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EBITDA, cash cost per ounce and sales price per ounce are not terms defined under Canadian generally accepted accounting principles, nor do they have a standard, agreed upon meaning. As such, EBITDA, cash cost per ounce and sales price per ounce may not be directly comparable to EBITDA, cash cost per ounce and sales price per ounce reported by other similar issuers.