



**Crew Gold Corporation**  
**Interim Consolidated Financial Statements**

**Quarter and six months ended June 30, 2008**  
(Unaudited)

**CREW GOLD CORPORATION**  
**Consolidated Balance Sheets**  
(Expressed in thousands of United States dollars - Unaudited)

|  | As at,<br>June 30, 2008 | As at,<br>December 31, 2007 |
|--|-------------------------|-----------------------------|
| <b>ASSETS</b>                                    |                         |                             |
| CURRENT  |                         |                             |
| Cash and cash equivalents                        | 57,459                  | 20,061                      |
| Restricted cash                                  | 180                     | 31                          |
| Accounts receivable                              | 32,731                  | 28,535                      |
| Prepaid expenses and deposits                    | 4,538                   | 2,613                       |
| Inventories and stockpiled ore (Note 4)          | 53,533                  | 40,842                      |
| Investment in Intex Resources ASA (Note 5)       | -                       | 16,851                      |
|  | <b>148,441</b>          | <b>108,933</b>              |
| MINING INTERESTS (Note 6 (a))                    | 464,348                 | 453,755                     |
| PROPERTY, PLANT AND EQUIPMENT (Note 6 (b))       | 326,185                 | 326,356                     |
| GOODWILL (Note 6 (c))                            | 104,592                 | 104,592                     |
| OTHER MINERAL PROPERTY INTERESTS                 | 1,028                   | 871                         |
| OTHER ASSETS                                     | 2,184                   | 1,855                       |
| RESTRICTED CASH                                  | 5,941                   | 6,014                       |
|  | <b>1,052,719</b>        | <b>1,002,376</b>            |
| <b>LIABILITIES</b>                               |                         |                             |
| CURRENT  |                         |                             |
| Accounts payable and accrued liabilities         | 90,058                  | 70,119                      |
|  | <b>90,058</b>           | <b>70,119</b>               |
| RECLAMATION AND CLOSURE COST OBLIGATIONS         | 3,180                   | 3,180                       |
| CONVERTIBLE BONDS (Note 7)                       | 243,423                 | 225,918                     |
| OTHER LONG-TERM DEBT (Note 8)                    | 146,052                 | 139,641                     |
| FUTURE INCOME TAXES                              | 98,418                  | 98,925                      |
|  | <b>581,131</b>          | <b>537,783</b>              |
| <b>SHAREHOLDERS' EQUITY</b>                      |                         |                             |
| Share capital (Note 9)                           | 631,197                 | 571,701                     |
| Equity component of convertible bonds (Note 7)   | 15,607                  | 15,607                      |
| Contributed surplus                              | 12,756                  | 11,524                      |
| Accumulated other comprehensive income (Note 10) | 538                     | 6,412                       |
| Deficit  | (188,510)               | (140,651)                   |
|  | <b>471,588</b>          | <b>464,593</b>              |
|  | <b>1,052,719</b>        | <b>1,002,376</b>            |

GOING CONCERN (Note 1)

ON BEHALF OF THE BOARD:

*"Simon J. Russell"*

Simon J. Russell, Director

*"Jan A. Vestrum"*

Jan A. Vestrum, Director

*See notes to Interim Consolidated Financial Statements*

**CREW GOLD CORPORATION**  
**Consolidated Statements of (Loss) Profit and Deficit**  
(Expressed in thousands of United States dollars, except per share amounts - Unaudited)

|   | Three months ended |                 | Six months ended |                 |
|---|--------------------|-----------------|------------------|-----------------|
|   | June 30<br>2008    | June 30<br>2007 | June 30<br>2008  | June 30<br>2007 |
| MINERAL SALES   | 10,844             | 13,492          | 22,049           | 13,620          |
| DIRECT COSTS OF MINERAL SALES   | (9,962)            | (10,470)        | (16,806)         | (11,798)        |
| MINE SITE ADMINISTRATION COSTS  | (1,853)            | (1,597)         | (3,737)          | (1,890)         |
| DEPLETION AND DEPRECIATION  | (2,413)            | (3,329)         | (4,834)          | (3,813)         |
|   | (3,384)            | (1,904)         | (3,328)          | (3,881)         |
| EXPENSES  |                    |                 |                  |                 |
| Administration, office and general  | (5,659)            | (4,574)         | (9,576)          | (8,182)         |
| Professional fees   | (761)              | (714)           | (1,193)          | (1,139)         |
| Stock compensation expense  | (150)              | (1,990)         | (1,232)          | (4,150)         |
|   | (6,570)            | (7,278)         | (12,001)         | (13,471)        |
| OTHER INCOME (EXPENSES)   |                    |                 |                  |                 |
| Gain on disposal of investment in Intex Resources ASA (Note 5)                | -                  | 45,988          | 2,587            | 45,988          |
| Loss on future / forward obligation contracts                                 | -                  | (1,250)         | (493)            | (1,250)         |
| Interest - Convertible bonds and other long-term loans                        | (4,484)            | (3,861)         | (8,860)          | (7,673)         |
| Other finance charges - Convertible bonds and other long-term loans           | (1,358)            | (1,353)         | (2,716)          | (2,705)         |
| Foreign exchange loss   | (3,841)            | (3,516)         | (22,155)         | (9,772)         |
| Interest and other expenses   | (714)              | (39)            | (977)            | 163             |
|   | (10,397)           | 35,969          | (32,614)         | 24,751          |
| (LOSS) PROFIT BEFORE RECOVERY OF INCOME TAXES<br>AND NON-CONTROLLING INTEREST | (20,351)           | 26,787          | (47,943)         | 7,399           |
| RECOVERY OF INCOME TAXES  | 55                 | -               | 84               | -               |
| (LOSS) PROFIT BEFORE NON-CONTROLLING INTEREST                                 | (20,296)           | 26,787          | (47,859)         | 7,399           |
| NON-CONTROLLING INTEREST  | -                  | -               | -                | 276             |
| NET (LOSS) PROFIT   | (20,296)           | 26,787          | (47,859)         | 7,675           |
| DEFICIT, BEGINNING OF PERIOD  | (168,214)          | (128,502)       | (140,651)        | (109,390)       |
| DEFICIT, END OF PERIOD  | (188,510)          | (101,715)       | (188,510)        | (101,715)       |
| (LOSS) PROFIT PER SHARE - BASIC   | \$ (0.04)          | \$ 0.06         | \$ (0.06)        | \$ 0.02         |
| (LOSS) PROFIT PER SHARE - DILUTED   | \$ (0.04)          | \$ 0.05         | \$ (0.06)        | \$ 0.02         |
| WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC                         | 470,983,207        | 422,513,886     | 467,965,285      | 422,416,588     |
| WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - DILUTED                       | 470,983,207        | 546,336,039     | 467,965,285      | 426,971,105     |

See notes to Interim Consolidated Financial Statements

**CREW GOLD CORPORATION**  
**Consolidated Statements of Cash Flows**  
(Expressed in thousands of United States dollars - Unaudited)

|  | Three months ended |                  | Six months ended |                  |
|--|--------------------|------------------|------------------|------------------|
|  | June 30<br>2008    | June 30<br>2007  | June 30<br>2008  | June 30<br>2007  |
| <b>OPERATING ACTIVITIES</b>  |                    |                  |                  |                  |
| Net (loss) profit  | \$ (20,296)        | \$ 26,787        | \$ (47,859)      | \$ 7,675         |
| Add (deduct) items not affecting cash:                             |                    |                  |                  |                  |
| Depletion and depreciation   | 2,413              | 3,329            | 4,834            | 3,813            |
| Other finance charges - amortisation and accretion                 | 1,358              | 1,353            | 2,716            | 2,705            |
| Gain on disposal of investment in Intex Resources ASA (Note 5)     | -                  | (45,988)         | (2,587)          | (45,988)         |
| Loss on forward / future obligation contracts                      | -                  | 1,250            | 493              | 1,250            |
| Unrealized foreign exchange loss on long term debt                 | 2,472              | 8,597            | 21,200           | 15,403           |
| Stock compensation expense   | 150                | 1,990            | 1,232            | 4,150            |
| Non-controlling interest   | -                  | -                | -                | (276)            |
| Change in non-cash operating working capital items                 | 7,512              | 5,560            | (1,127)          | (4,132)          |
|  | <b>(6,391)</b>     | <b>2,878</b>     | <b>(21,098)</b>  | <b>(15,400)</b>  |
| <b>FINANCING ACTIVITIES</b>  |                    |                  |                  |                  |
| Net issuance of common shares for cash                             | 59,496             | 69               | 59,496           | 101              |
|  | <b>59,496</b>      | <b>69</b>        | <b>59,496</b>    | <b>101</b>       |
| <b>INVESTING ACTIVITIES</b>  |                    |                  |                  |                  |
| Proceeds on disposal of investment in Intex Resources ASA (Note 5) | -                  | 6,014            | 13,564           | 6,014            |
| Expenditures on LEFA mineral property, plant and equipment         | (3,250)            | (28,566)         | (8,096)          | (45,947)         |
| Expenditures on Maco mineral property, plant and equipment         | (2,072)            | (2,513)          | (5,680)          | (15,225)         |
| Expenditures on Nalunaq mineral property, plant and equipment      | (657)              | (755)            | (1,570)          | (2,212)          |
| Expenditures on Nugget Pond property and equipment                 | -                  | (580)            | -                | (2,657)          |
| Expenditures on other mineral property interests                   | (5)                | (833)            | (157)            | (1,285)          |
| Increase in restricted cash  | (76)               | (4,648)          | (149)            | (4,914)          |
|  | <b>(6,060)</b>     | <b>(31,881)</b>  | <b>(2,088)</b>   | <b>(66,226)</b>  |
| <b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>                      |                    |                  |                  |                  |
| ON CASH AND CASH EQUIVALENTS                                       | 1,674              | (12,725)         | 1,088            | (10,320)         |
| <b>NET CASH INFLOW (OUTFLOW)</b>                                   | <b>48,719</b>      | <b>(41,659)</b>  | <b>37,398</b>    | <b>(91,845)</b>  |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>              | <b>8,740</b>       | <b>81,751</b>    | <b>20,061</b>    | <b>131,937</b>   |
| <b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>                    | <b>\$ 57,459</b>   | <b>\$ 40,092</b> | <b>\$ 57,459</b> | <b>\$ 40,092</b> |

*See notes to Interim Consolidated Financial Statements*

**CREW GOLD CORPORATION****Consolidated Statements of Comprehensive (Loss) Gain**

(Expressed in thousands of United States dollars - Unaudited)

|  | Three months ended |                  | Six months ended   |                 |
|--|--------------------|------------------|--------------------|-----------------|
|  | June 30            | June 30          | June 30            | June 30         |
|  | 2008               | 2007             | 2008               | 2007            |
| Net (loss) profit  | \$ (20,296)        | \$ 26,787        | \$ (47,859)        | \$ 7,675        |
| Realized gain on available-for-sale investment (Note 10) | -                  | (119)            | 5,874              | 402             |
| <b>Comprehensive (loss) gain</b>                         | <b>\$ (20,296)</b> | <b>\$ 26,668</b> | <b>\$ (41,985)</b> | <b>\$ 8,077</b> |

*See notes to Interim Consolidated Financial Statements*

**CREW GOLD CORPORATION**  
**Notes to the Interim Consolidated Financial Statements**  
**For the quarter and six months ended June 30, 2008**  
(Expressed in thousands of US dollars - Unaudited)

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**1. Description of Business and Going Concern**

Crew Gold Corporation (“Crew” or the “Company”) is an international mining company focused on identifying, acquiring and developing gold resource projects world-wide. Crew has gold mining operations and exploration projects in Guinea, the Philippines, Greenland, Norway and Canada.

The Company has adopted the disclosure requirements of The Canadian Institute of Chartered Accountants (“CICA”) Section 1400 - General Standards of Financial Statement Presentation. This standard requires that management make an assessment of a company's ability to continue as a going concern and to use the going concern basis in the preparation of the financial statements unless management either intends to liquidate the company or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon a company's ability to continue as a going concern, those uncertainties should be disclosed.

While these financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and satisfaction of liabilities in the normal course of operations, there are conditions and events that may cast doubt about the validity of that assumption. During the quarter ended June 30, 2008, the Company incurred a net loss of \$20,296,000 (Quarter ended June 30, 2007 – profit of \$26,787,000) and at June 30, 2008 has net working capital of \$58,383,000 (December 31, 2007 - \$21,963,000).

The Company has continued to incur start up costs for the LEFA project since December 31, 2007 and has capital commitments amounting to approximately \$1.3 million as at June 30, 2008. In addition, the Company is expecting to incur an additional \$11.5 million in capital costs during 2008 to complete the rectification and upgrade of the LEFA project in Guinea and to complete the development of the Maco processing plant in the Philippines. If the finalization of the LEFA plant rectification program is delayed beyond the company's planned completion, the Company may be required to defer certain capital programs and possibly seek funding from outside sources. While the Company has been successful in raising its required funding from outside sources in the past, it cannot be certain that any such funding would be available in the future, or that funds would be available on terms acceptable to management.

**2. Adoption of New Accounting Standards and Basis of Presentation**

These interim consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles (“GAAP”) for interim financial statements using the same policies set out in the company’s annual financial statement except as follows:

Effective January 1, 2008, the Company adopted CICA Handbook Section 1535 “Capital Disclosure”. This Section establishes standards for disclosing information about an entity's capital and how it is managed. Disclosures required by this standard are included in Note 9.

Effective January 1, 2008, the Company adopted CICA Handbook Section 3862, “Financial Instruments – Disclosures” and CICA Handbook Section 3863, “Financial Instruments – Presentation”. These sections require the Company to provide disclosure of quantitative and qualitative information in its financial statements that enables users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management’s objectives, policies and procedures for managing such risks. Disclosures required by these standards are included in Note 11.

Effective January 1, 2008, the Company adopted CICA Handbook Section 3031, “Inventories”. This Section prescribes the accounting treatment for inventories and provides guidance on the determination of costs and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories. Management has reviewed the requirements of this guidance and believes that its adoption will not have any significant effect on the Company’s financial statements.

**CREW GOLD CORPORATION**  
**Notes to the Interim Consolidated Financial Statements**  
**For the quarter and six months ended June 30, 2008**  
(Expressed in thousands of US dollars - Unaudited)

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**3. Changes in Estimates – Mineral Resources and Reserves**

Estimates of mineral resources and reserves at each mineral property are updated annually at the end of each year. Following the update of these estimates on December 31, 2007, calculations of depreciation and amortization of property, plant and equipment and of future income tax recoveries were prospectively revised.

**4. Inventories and stockpiled ore**

|                                   | <u>June 30, 2008</u> | <u>December 31, 2007</u> |
|-----------------------------------|----------------------|--------------------------|
| Stockpiled ore                    | \$ 16,225            | \$ 14,398                |
| Materials and consumable supplies | 37,308               | 26,444                   |
|                                   | <u>\$ 53,533</u>     | <u>\$ 40,842</u>         |

**5. Investment in Intex Resources ASA**

On February 6, 2008, the Company sold 680,000 shares in Intex at NOK6.31 per share for net proceeds of \$0.8 million. On February 11, 2008, the Company sold 220,000 shares in Intex at NOK7.65 for net proceeds of \$0.3 million. On February 14, the Company sold its remaining 9.5 million shares in Intex for NOK7.50 per share, for net proceeds of \$12.2 million. As a result of these sales transactions, the Company recorded a gain on the sale of the Intex shares of \$2.6 million, before taxes, for the six months ended June 30, 2008.

**CREW GOLD CORPORATION**  
**Notes to the Interim Consolidated Financial Statements**  
**For the quarter and six months ended June 30, 2008**  
(Expressed in thousands of US dollars - Unaudited)

**6. Mining Interests, Property, Plant and Equipment**

*(a) Mining Interests*

|                                   | <b>June 30, 2008</b>     |                              |                       |
|-----------------------------------|--------------------------|------------------------------|-----------------------|
|                                   | <b>Cost</b>              | <b>Accumulated depletion</b> | <b>Net book value</b> |
| LEFA                              |                          |                              |                       |
| - Mineral property                | \$ 363,349               | \$ 5,934                     | \$ 357,415            |
| Maco                              |                          |                              |                       |
| - Mineral property in development | 69,281                   | -                            | 69,281                |
| Nalunaq                           |                          |                              |                       |
| - Producing mineral property      | 47,738                   | 10,086                       | 37,652                |
|                                   | <b>\$ 480,368</b>        | <b>\$ 16,020</b>             | <b>\$ 464,348</b>     |
|                                   |                          |                              |                       |
|                                   | <b>December 31, 2007</b> |                              |                       |
|                                   | <b>Cost</b>              | <b>Accumulated depletion</b> | <b>Net book value</b> |
| LEFA                              |                          |                              |                       |
| - Mineral property in development | \$ 357,361               | \$ 5,934                     | \$ 351,427            |
| Maco                              |                          |                              |                       |
| - Mineral property in development | 63,775                   | -                            | 63,775                |
| Nalunaq                           |                          |                              |                       |
| - Producing mineral property      | 47,738                   | 9,185                        | 38,553                |
|                                   | <b>\$ 468,874</b>        | <b>\$ 15,119</b>             | <b>\$ 453,755</b>     |

**CREW GOLD CORPORATION**  
**Notes to the Interim Consolidated Financial Statements**  
**For the quarter and six months ended June 30, 2008**  
(Expressed in thousands of US dollars - Unaudited)

**6. Mining Interests, Property, Plant and Equipment (continued)**

*(b) Property, Plant and Equipment*

|                            | <u>Cost</u>              | <u>Accumulated<br/>depreciation</u> | <u>Net book<br/>value</u> |
|----------------------------|--------------------------|-------------------------------------|---------------------------|
| LEFA                       |                          |                                     |                           |
| - Producing Plant          | \$ 262,631               | \$ -                                | \$ 262,631                |
| Maco                       |                          |                                     |                           |
| - Under Construction       | 42,138                   | 54                                  | 42,084                    |
| Nalunaq                    |                          |                                     |                           |
| - Producing                | 29,775                   | 18,036                              | 11,739                    |
| Nugget Pond                |                          |                                     |                           |
| - Processing facility      | 11,298                   | 1,567                               | 9,731                     |
|                            | <u>\$ 345,842</u>        | <u>\$ 19,657</u>                    | <u>\$ 326,185</u>         |
|                            | <u>December 31, 2007</u> |                                     |                           |
|                            | <u>Cost</u>              | <u>Accumulated<br/>depreciation</u> | <u>Net book<br/>value</u> |
| LEFA                       |                          |                                     |                           |
| - Plant under construction | \$ 260,523               | \$ -                                | \$ 260,523                |
| Maco                       |                          |                                     |                           |
| - Under Construction       | 41,964                   | 54                                  | 41,910                    |
| Nalunaq                    |                          |                                     |                           |
| - Producing                | 28,205                   | 14,705                              | 13,500                    |
| Nugget Pond                |                          |                                     |                           |
| - Processing facility      | 11,298                   | 875                                 | 10,423                    |
|                            | <u>\$ 341,990</u>        | <u>\$ 15,634</u>                    | <u>\$ 326,356</u>         |

During the six months ended June 30, 2008, pre-operating revenues and costs of \$85.0 million and \$81.2 million respectively, were capitalised to the LEFA plant under construction (year ended December 31, 2007 - pre-operating revenues and costs of \$62.0 million and \$123.1 million respectively).

The Company operates the LEFA Project through ownership of its subsidiary Société Minière de Dinguiraye. The mining lease expires in 2019 and is renewable for an additional five years. The Company's operations in Guinea are governed by the Convention de Base agreement with the Government of Guinea.

The Company's principal gold asset in the Philippines is the Maco Gold Mine ("Maco") in the south of Mindanao Island. The Company acquired its interest in Maco through its acquisition, in conjunction with local Philippine partners, of Apex Mining Company.

Nalunaq Gold Mine ("Nalunaq") is located in the Kirkespiralden valley in Southern Greenland.

**CREW GOLD CORPORATION**  
**Notes to the Interim Consolidated Financial Statements**  
**For the quarter and six months ended June 30, 2008**  
(Expressed in thousands of US dollars - Unaudited)

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**6. Mining Interests, Property, Plant and Equipment (continued)**

(c) *Goodwill*

The goodwill allocated to the LEFA Project reporting unit and included in the operating segment asset is \$104.6 million at June 30, 2008 (December 31, 2007 - \$104.6 million).

**7. Convertible Bonds**

The bonds bear a 6% coupon, payable annually in arrears. The principal portion of the bonds is convertible, at the option of the holder and subject to request for conversion pursuant to the conditions of the agreement, into common shares of the Company at a conversion price of NOK 11.00 per share. The maximum number of shares that may be issued on conversion is 120 million. In the period from issue until June 30, 2008, 45,454 shares were issued following conversion of bonds. If the bonds are not converted, the principal portion is fully repayable in NOK on December 15, 2010.

The convertible bonds have been segregated into their debt and equity components as follows:

|                  | <u>June 30, 2008</u> | <u>December 31, 2007</u> |
|------------------|----------------------|--------------------------|
| Equity component | \$ 15,607            | \$ 15,607                |
| Debt component   | 243,423              | 225,918                  |

The finance costs associated with the issue of the convertible bonds have been recorded as a reduction in the carrying value of the convertible bond and are being amortized over the period of the liability. As at June 30, 2008, deferred financing costs amounted to \$3.7 million (December 31, 2007 - \$4.5 million).

Over the term of the debt obligation, an accretion charge will reflect the total value of the equity component. The Company estimates that the fair value of the debt component of the 6% convertible bonds is \$246.8 million at June 30, 2008 (December 31, 2007 - \$231.0 million).

**CREW GOLD CORPORATION**  
**Notes to the Interim Consolidated Financial Statements**  
**For the quarter and six months ended June 30, 2008**  
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**8. Other Long Term Debt**

Other long term debt comprises:

|                             | <u>June 30, 2008</u> | <u>December 31, 2007</u> |
|-----------------------------|----------------------|--------------------------|
| 9.5% Bonds (a)              | \$ 29,344            | \$ 27,338                |
| March 2006 Bonds (b)        | 112,568              | 108,163                  |
| Other long term obligations | 4,140                | 4,140                    |
|                             | <u>\$ 146,052</u>    | <u>\$ 139,641</u>        |

**(a) 9.5% Bonds**

The bonds have a fixed interest rate of 9.5% with interest payable annually in arrears. The loan matures on October 27, 2009. The Company may redeem the loan in October 2008 at a price of 101.5%.

The finance costs associated with the issue of the bonds have been recorded as a reduction in the carrying value of the convertible bond and are being amortized over the period of the liability. As at June 30, 2008, deferred financing costs amounted to \$242,000 (December 31, 2007 - \$343,000). The Company estimates that the fair value of the 9.5% bonds approximates their carrying value at June 30, 2008.

**(b) March 2006 Bonds**

On March 30, 2006 the Company received subscriptions for an issue of collateralized bonds in the aggregate principal amount of approximately \$101.6 million, comprising a USD tranche of \$50 million and a NOK tranche of NOK325 million, approximately \$51.6 million. After deducting financing costs of \$2.8 million, net proceeds were \$98.8 million.

The USD tranche of the bonds has a floating interest rate of 3 month LIBOR + 5.0% per annum, whereas the NOK tranche has a floating interest of 3 month NIBOR + 5.0% per annum. Interest on these bonds is payable quarterly, they have a 5 year term, and Crew may redeem the bonds (wholly or in part) at the third anniversary of the issuance at a price of 105.0% and at the fourth anniversary of issuance at a price of 102.5%.

Interest on the bonds totalling \$6.0 million (six months ended June 30, 2007 - \$5.1 million) has been capitalised to the LEFA project for the six months ended June 30, 2008. To date, interest payments of \$23.9 million have been made.

The finance costs associated with the issue of the bonds are recorded as deferred financing costs, are being amortized over the period of the liability and have been included within the value of the bonds. As at June 30, 2008, deferred financing costs amounted to \$1.5 million (December 31, 2007 - \$1.8 million). The Company estimates that the fair value of the March 2006 bonds approximates their carrying value at June 30, 2008.

The bonds are collateralized by a pledge over all the shares of Crew's wholly owned subsidiary Guinor Gold Corporation. Crew has undertaken not to raise any new debt which results in the Company exceeding certain specified financial ratios, nor raise any new debt in Guinor. In addition, Crew also agreed not to make any dividend payments or other distributions to its shareholders that would constitute more than, on a consolidated basis, 50% of Crew's net profit after taxes for the previous financial year (other than in respect of certain qualified divestitures of non-gold assets).

**CREW GOLD CORPORATION**  
**Notes to the Interim Consolidated Financial Statements**  
**For the quarter and six months ended June 30, 2008**  
(Expressed in thousands of US dollars - Unaudited)

**9. Share Capital**

*(a) Changes in the issued share capital*

The movements in the issued share capital during the six months ended June 30, 2008 were as follows:

|                            | Number<br>of shares | Net<br>Amount |
|----------------------------|---------------------|---------------|
| Balance, December 31, 2007 | 464,947,362         | \$ 571,701    |
| New shares issued for cash | 49,932,900          | 59,496        |
| Balance, June 30, 2008     | 514,880,262         | \$ 631,197    |

On June 15, 2008, the Company concluded a private placement of 49,932,900 common shares at NOK6.50 per share (approximately US \$1.25 per share) for aggregate net proceeds of \$59.5 million after issue expenses of \$3.4 million.

*(b) Share options*

Share options outstanding at June 30, 2008 are as follows:

| Options<br>outstanding | Options<br>exercisable | Expiry<br>date     | Weighted<br>average<br>exercise price<br>(CDN\$) | Remaining<br>contractual life<br>(years) |
|------------------------|------------------------|--------------------|--|--|
| 500,000                | 500,000                | July 22, 2008      | 0.42   | 0.06                                     |
| 275,000                | 275,000                | October 23, 2008   | 0.84   | 0.33                                     |
| 250,000                | 250,000                | March 10, 2009     | 1.20   | 0.67                                     |
| 250,000                | 250,000                | February 10, 2010  | 1.35   | 1.58                                     |
| 400,000                | 400,000                | December 9, 2010   | 1.50   | 2.42                                     |
| 200,000                | -                      | March 14, 2013     | 1.72   | 4.75                                     |
| 3,095,000              | 3,095,000              | March 9, 2011      | 1.74   | 2.67                                     |
| 600,000                | 600,000                | June 29, 2011      | 1.74   | 3.00                                     |
| 1,290,000              | 1,290,000              | August 2, 2010     | 1.85   | 2.08                                     |
| 750,000                | -                      | January 11, 2013   | 1.89   | 4.50                                     |
| 250,000                | 250,000                | September 20, 2011 | 2.05   | 3.25                                     |
| 316,666                | 250,000                | June 7, 2012       | 2.20   | 3.92                                     |
| 9,554,167              | 5,354,167              | December 12, 2011  | 2.42   | 3.42                                     |
| 350,000                | 233,333                | May 1, 2012        | 2.65   | 3.83                                     |
| 18,080,833             | 12,747,500             |                    | \$ 2.07  | 3.03                                     |

Share purchase options with a fair value of \$0.5 million were granted in the six months ended June 30, 2008 (six months ended June 30, 2007 – \$0.7 million) and the related stock-based compensation is charged to operations over the vesting period. The total compensation expense for the six months ended June 30, 2008 is \$1.2 million (six months ended June 30, 2007 – \$4.2 million).

**CREW GOLD CORPORATION**  
**Notes to the Interim Consolidated Financial Statements**  
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**9. Share Capital (continued)**

On July 2, 2008, 250,000 options at a price of \$1.10 were granted to a new director of the company. During July 2008, an ex-employee exercised options to purchase 500,000 common shares at an exercise price of \$0.42 per share. The options were originally granted on July 22, 2003 and were set to expire on July 22, 2008.

(c) *Capital Disclosures*

The Company manages its common shares and options as capital. It is the Company's objectives to safeguard its ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and to meet external capital requirements on its debt and credit facilities. Crew monitors capital based on the debt to debt-plus-equity ratio. Debt is total debt shown on the balance sheet. Debt-plus-equity is calculated as debt shown on the balance sheet plus total shareholder's equity as shown on the balance sheet.

Crew's strategy is to keep the debt to debt-plus-equity ratio below 60%. However, the ratio may be higher for periods of time due to certain transactions, such as an acquisition. These transactions, while causing the ratio to be out of range for the short term, are intended to help meet Crew's capital management objectives in the long term. Crew's debt to debt-plus-equity ratio at June 30, 2008 and December 31, 2007 is 55% and 54% respectively.

**10. Accumulated Other Comprehensive Income**

The accumulated other comprehensive income comprises;

**Components of accumulated other comprehensive income at December 31, 2007**

|                                 |       |
|---------------------------------|-------|
| Currency translation adjustment | 538   |
| Unrealized gains on investments | 5,874 |

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|  |                 |
|--|-----------------|
| <b>Accumulated other comprehensive income at December 31, 2007</b> | <b>\$ 6,412</b> |
|--|-----------------|

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|   |         |
|---|---------|
| Other comprehensive income for the six months ended June 30, 2008 | (5,874) |
|---|---------|

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|  |               |
|--|---------------|
| <b>Accumulated other comprehensive income at June 30, 2008</b> | <b>\$ 538</b> |
|--|---------------|

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**Components of accumulated other comprehensive income at June 30, 2008**

|                                 |     |
|---------------------------------|-----|
| Currency translation adjustment | 538 |
|---------------------------------|-----|

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|  |               |
|--|---------------|
| <b>Accumulated other comprehensive income at June 30, 2008</b> | <b>\$ 538</b> |
|--|---------------|

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**CREW GOLD CORPORATION**  
**Notes to the Interim Consolidated Financial Statements**  
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**11. Financial Instruments**

*(a) Sales and purchase contracts*

All of the company's gold sales are made at spot prices prevailing at the time of sale. Revenues are therefore recorded at the time of sale based on spot prices obtained on the date of sales.

*(b) Accounts receivable, prepaid expenses and deposits, cash and cash equivalents, and accounts payable and accrued liabilities*

The carrying amounts approximate fair values because of the short-term duration of these instruments.

*(c) Convertible bonds and other long-term debt*

The convertible bonds and other long term debt are designated as held to maturity financial instruments and changes in fair values are not included in regular earnings or other comprehensive income. They are accounted for at amortized cost.

*(d) Credit risk*

The Company's credit risk is primarily attributable to receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Company's management based on the current economic environment. The credit risk on liquid funds is limited because the counter-parties are banks with high credit ratings.

*(e) Foreign currency and commodity risk*

The Company has foreign currency investments and liabilities and, as a result, the Company is subject to foreign exchange risk from fluctuations in foreign exchange rates. In addition, the Company is exposed to risk due to changes in the gold price. The Company is not currently using derivative instruments to manage these risks.

At June 30, 2008, Crew held cash balances of \$57.5 million. Of the cash held, \$47.4 million was held in Norwegian kroner, \$1.2 million was held in Philippine pesos, \$7.5 million was held in US dollars, \$0.3 million was held in British pounds sterling, \$0.4 million was held in Canadian dollars, \$0.6 million was held in Danish kroner and the balance of \$0.1 million comprised Australian dollars and South African rand.

*(f) Interest rate risk*

The Company has long term bond financing subject to floating interest rates and, as a result, the Company is subject to interest rate risk from fluctuations in interest rates. The Company does not use derivative instruments to manage this risk.

**CREW GOLD CORPORATION**  
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**12. Segmented Information**

The Company manages its operations by geographical location. The Nugget Pond operation is included within the Greenland reportable operating segment. The reportable operating segments are summarised in the tables below;

|                                      | Quarter ended June 30, 2008 |           |             |   |           |
|--------------------------------------|-----------------------------|-----------|-------------|---|-----------|
|                                      | Guinea                      | Greenland | Philippines | Corporate,<br>other and<br>eliminations | Total     |
| Mineral sales                        | \$ -                        | \$ 10,844 | \$ -        | \$ -                                    | \$ 10,844 |
| Depletion and depreciation           | -                           | (2,413)   | -           | -                                       | (2,413)   |
| Interest and other expenses          | (302)                       | (1,704)   | (88)        | 1,380                                   | (714)     |
| Interest and finance costs           | -                           | -         | -           | (5,842)                                 | (5,842)   |
| Loss from operations                 | (739)                       | (6,046)   | (8,224)     | (5,287)                                 | (20,296)  |
| Inter-segment charges                | -                           | (1,377)   | -           | 1,377                                   | -         |
| Capital assets and goodwill          | 724,638                     | 59,122    | 111,365     | 1,028                                   | 896,153   |
|                                      | Quarter ended June 30, 2007 |           |             |   |           |
|                                      | Guinea                      | Greenland | Philippines | Corporate,<br>other and<br>eliminations | Total     |
| Mineral sales                        | \$ -                        | \$ 13,492 | \$ -        | \$ -                                    | \$ 13,492 |
| Depletion and depreciation           | -                           | (3,329)   | -           | -                                       | (3,329)   |
| Interest and other (expenses) income | (139)                       | (93)      | (109)       | 302                                     | (39)      |
| Interest and finance costs           | -                           | -         | -           | (5,214)                                 | (5,214)   |
| (Loss) profit from operations        | (441)                       | (931)     | -           | 28,159                                  | 26,787    |
| Inter-segment charges                | -                           | (1,434)   | -           | 1,434                                   | -         |
| Capital assets and goodwill          | 518,197                     | 44,731    | 66,434      | 639                                     | 630,001   |

**CREW GOLD CORPORATION**  
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**For the quarter and six months ended June 30, 2008**  
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**12. Segmented Information (continued)**

|                                      | Six months ended June 30, 2008 |           |             |   |           |
|--------------------------------------|--------------------------------|-----------|-------------|---|-----------|
|                                      | Guinea                         | Greenland | Philippines | Corporate,<br>other and<br>eliminations | Total     |
| Mineral sales                        | \$ -                           | \$ 22,049 | \$ -        | \$ -                                    | \$ 22,049 |
| Depletion and depreciation           | -                              | (4,834)   | -           | -                                       | (4,834)   |
| Interest and other (expenses) income | (310)                          | (3,307)   | (166)       | 2,806                                   | (977)     |
| Interest and finance costs           | -                              | -         | -           | (11,576)                                | (11,576)  |
| Loss from operations                 | (835)                          | (4,869)   | (8,386)     | (33,769)                                | (47,859)  |
| Inter-segment charges                | -                              | (2,742)   | -           | 2,742                                   | -         |
| Capital assets and goodwill          | 724,638                        | 59,122    | 111,365     | 1,028                                   | 896,153   |
|                                      | Six months ended June 30, 2007 |           |             |   |           |
|                                      | Guinea                         | Greenland | Philippines | Corporate,<br>other and<br>eliminations | Total     |
| Mineral sales                        | \$ 128                         | \$ 13,492 | \$ -        | \$ -                                    | \$ 13,620 |
| Depletion and depreciation           | -                              | (3,813)   | -           | -                                       | (3,813)   |
| Interest and other (expenses) income | (166)                          | (146)     | (109)       | 584                                     | 163       |
| Interest and finance costs           | -                              | -         | -           | (10,378)                                | (10,378)  |
| (Loss) profit from operations        | (218)                          | (3,813)   | -           | 11,706                                  | 7,675     |
| Inter-segment charges                | -                              | (2,670)   | -           | 2,670                                   | -         |
| Capital assets and goodwill          | 518,197                        | 44,731    | 66,434      | 639                                     | 630,001   |