

**CREW GOLD CORPORATION**  
**Management's Discussion and Analysis of Financial Condition and**  
**Results of Operations**  
**For the quarter and six months ended June 30, 2008**  
(Expressed in US dollars)

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**INTRODUCTION**

This management's discussion and analysis ("MD&A") covers 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, 2008 with comparisons to the respective periods ended June 30, 2007. The MD&A should be read in conjunction with the Company's Consolidated Financial Statements for the year ended December 31, 2007 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, including the Company's Annual Information Form dated June 30, 2008, is available on SEDAR at [www.sedar.com](http://www.sedar.com). The effective date of this MD&A is August 12, 2008.

**HIGHLIGHTS**

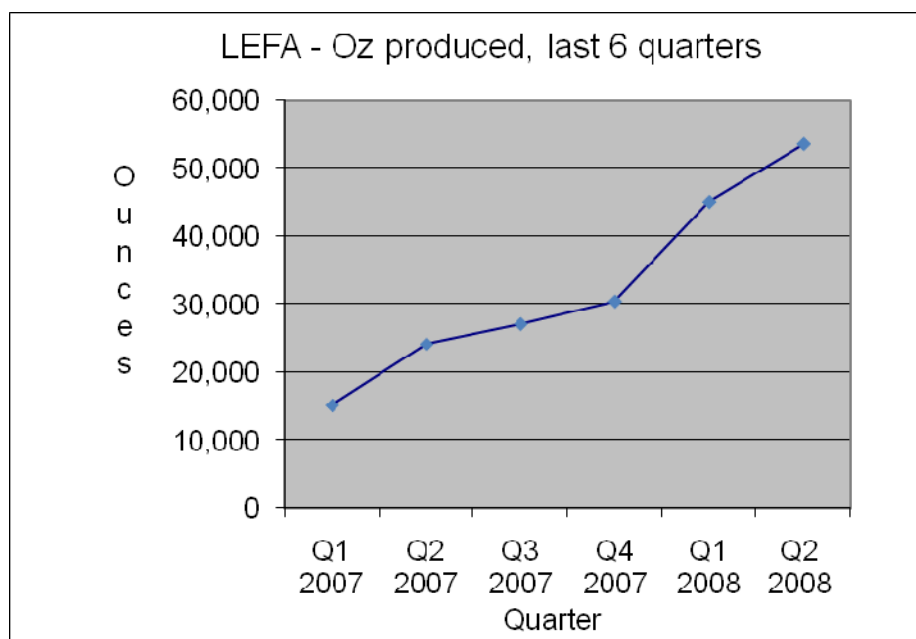
- Overview
  - Quarterly gold production of 69,912 ounces ("oz") (up 52% from 45,935 oz in Q2 2007)
  - 64,942 oz poured and 65,737 oz sold at an average realised gold price of \$913/oz
  - Raised net proceeds of \$59.5 million from the private placement of 49.9 million shares
- Results
  - EBITDA for the quarter of negative \$8.1 million (quarter ended June 30, 2007 – positive \$42.1 million primarily due to gains of \$46.0 million from sale of Intex Resources ASA ("Intex") shares)
  - Net loss of \$20.3 million (quarter ended June 30, 2007 – net profit of \$26.8 million primarily due to the sales of Intex shares) due to LEFA and Maco not being accounted for as in commercial production during the quarter, corporate costs of \$6.4 million, interest and finance charges of \$5.8 million and non cash foreign exchange losses of \$3.8 million on translation of NOK denominated debt

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- LEFA

- Ounces produced during last six quarters;



Quarter	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008
<b>Ounces Produced</b>	15,194	24,168	27,122	30,443	45,043	53,531

- Quarterly production of 53,531 oz (up 121% from Q2 2007 production of 24,168 oz)
- Positive operating cash flow in first half of 2008
- Upgrade and rectification program progressing on schedule
- Was deemed to be in commercial production July 1, 2008

- Maco

- Quarterly production of 5,380 oz (up 143% from Q2 2007 production of 2,212 oz)
- Completed construction of new tailings facility
- Positive operating cash flow year to date
- Continued re-evaluation of ore resources and mine plan

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- Nalunaq Gold Mine and Nugget Pond Processing Facility
  - Quarterly production of 11,001 oz (down 44% from Q2 2007 – 19,555 oz)
  - Operations at Nugget Pond facility interrupted by adverse weather causing ore shipping problems
  - 15,498 tonnes of ore shipped to Nugget Pond during the quarter
  - Stope production curtailed while development focused on exploration in Mountain Block
  - Ore strike length not meeting expectations and ore resources under review
  - Revised life of mine expectation to be announced in Q3
  
- Exploration
  - Field exploration work continued at Wa, Ghana and commenced at Glover Island, Canada
  
- Outlook
  - LEFA production growth
  - Continued improvement of LEFA process plant resulting in increased reliability
  - LEFA resource expansion focused on targets with near-term mining potential
  - Increased focus on West African opportunities
  - Ongoing technical review of Maco mill expansion, mine plan and copper porphyry potential
  - Resource re-evaluation at Nalunaq and strategic review
  - Greenfield exploration commencing at Glover Island and continuing at Wa after the wet season in September
  - Review and reduction of corporate costs

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**OVERVIEW**

Crew is an international mining company focused on identifying, acquiring and developing gold resource projects.

Our objective is to become a significant mid-tier gold producer, with an annual production rate in excess of 500,000 oz per year.

**Results**

Operating revenues and costs at both the LEFA and Maco operations during the quarter were capitalised. For the quarter ended June 30, 2008, Crew reported EBITDA of negative \$8.1 million (quarter ended June 30, 2007 – positive \$42.1 million primarily due to the sales of Intex shares). EBITDA from operations was negative \$1.0 million and corporate related expenditures were \$6.4 million including one-time severance costs of \$1.5 million.

Net loss for the quarter ended June 30, 2008 was \$20.3 million (quarter ended June 30, 2007 – net profit of \$26.8 million primarily due to the sale of Intex shares). The losses in the period were comprised mainly of corporate related expenditures of \$6.4 million (including one-time severance costs of \$1.5 million), interest and finance costs on the bonds and long term debt of \$5.8 million, non cash foreign exchange losses of \$3.8 million and depletion and depreciation of \$2.4 million.

Gold poured was 64,942 oz of gold during the quarter ended June 30, 2008 (quarter ended June 30, 2007 – 48,365 oz). Gold sold during the quarter ended June 30, 2008 was 65,737 oz (quarter ended June 30, 2007 – 45,663 oz).

For the six months ended June 30, 2008, EBITDA was negative \$7.7 million (six months ended June 30, 2007 – positive \$37.0 million primarily due to the sale of Intex shares). EBITDA from operations of \$1.5 million and gains from the sale of Intex shares of \$2.6 million were offset by corporate related expenditures of \$10.8 million including one-time severance costs of \$1.5 million.

Net loss for the six months ended June 30, 2008 was \$47.9 million (six months ended June 30, 2007 – net profit of \$7.7 million primarily due to the sale of Intex shares). The losses in the period were mainly due to non cash foreign exchange losses of \$22.2 million (following a 6.4% appreciation of the Norwegian Kroner against the US dollar primarily in Q1), interest and finance costs on the bonds and long term debt of \$11.6 million, corporate related expenditures of \$10.8 million (including one-time severance costs of \$1.5 million) and depletion and depreciation of \$4.8 million, partially offset by gains on the sale of Intex shares of \$2.6 million.

Crew poured 126,131 oz of gold during the six months ended June 30, 2008 (six months ended June 30, 2007 – 61,276 oz, an increase of 106%). Gold sold during the six months ended June 30, 2008 was 126,397 oz (six months ended June 30, 2007 – 54,499 oz, an increase of 132%).

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**OPERATIONS AND PROJECTS REVIEW**

**Gold Production – Quarter ended June 30, 2008**

<b>Production for Quarter ended June 30, 2008</b>	<b>LEFA</b>	<b>Nalunaq/ Nugget Pond</b>	<b>Maco</b>	<b>Total</b>
Tonnes mined	830,085	26,242	50,098	906,425
Tonnes milled	880,772	26,691	45,292	952,755
Milled Grade (g/t)	2.1	12.9	4.3	-
Gold produced (ounces)	53,531	11,001	5,380	69,912
Gold poured (ounces)	47,385	12,223	5,334	64,942
Gold sold (ounces)	47,829	12,113	5,795	65,737
Sale price realised (\$/oz) <sup>(1)</sup>	\$921	\$896	\$882	\$913

<sup>(1)</sup> Sales price per ounce is a “Non-GAAP” measure which is 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.

<sup>(2)</sup> Operating costs at LEFA and Maco have been capitalized as part of commissioning and development costs

<b>Production for Quarter ended June 30, 2007</b>	<b>LEFA</b>	<b>Nalunaq/ Nugget Pond</b>	<b>Maco</b>	<b>Total</b>
Tonnes mined	480,276	40,736	19,947	540,959
Tonnes milled	669,196	38,221	21,996	729,413
Milled Grade (g/t)	1.2	16.8	3.7	-
Gold produced (ounces)	24,168	19,555	2,212	45,935
Gold poured (ounces)	24,412	21,697	2,255	48,365
Gold sold (ounces)	22,549	20,476	2,638	45,663
Sale price realised (\$/oz) <sup>(1)</sup>	\$673	\$666	\$654	\$669

<sup>(1)</sup> Sales price per ounce is a “Non-GAAP” measure which is 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.

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**Gold Production – Six months ended June 30, 2008**

<b>Production for six months ended June 30, 2008</b>	<b>LEFA</b>	<b>Nalunaq/ Nugget Pond</b>	<b>Maco</b>	<b>Total</b>
Tonnes mined	2,002,277	61,952	77,471	2,141,700
Tonnes milled	1,589,584	61,439	84,764	1,735,787
Milled Grade (g/t)	2.1	11.9	4.3	-
Gold produced (ounces)	98,574	22,507	10,211	131,292
Gold poured (ounces)	91,196	24,897	10,038	126,131
Gold sold (ounces)	92,967	24,159	9,271	126,397
Sale price realised (\$/oz) <sup>(1)</sup>	\$915	\$913	\$898	\$913

<sup>(1)</sup> Sales price per ounce is a “Non-GAAP” measure which is 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.

<sup>(2)</sup> Revenues and operating costs at LEFA and Maco have been capitalized as part of commissioning and development costs

<b>Production for six months ended June 30, 2007</b>	<b>LEFA</b>	<b>Nalunaq/ Nugget Pond</b>	<b>Maco</b>	<b>Total</b>
Tonnes mined	921,791	68,514	31,580	1,021,885
Tonnes milled	1,077,911	51,060	33,290	1,162,261
Milled Grade (g/t)	1.2	16.0	3.5	-
Gold produced (ounces)	39,362	24,670	3,220	67,252
Gold poured (ounces)	35,049	23,051	3,176	61,276
Gold sold (ounces)	31,385	20,476	2,638	54,499
Sale price realised (\$/oz) <sup>(1)</sup>	\$670	\$666	\$654	\$668

<sup>(1)</sup> Sales price per ounce is a “Non-GAAP” measure which is 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.

Note that information regarding operating cash cost per ounce has been excluded from these tables as all costs have been capitalised at both LEFA and Maco. For the six months ended June 30, 2008, the operating cash cost for Nalunaq/Nugget Pond was \$846/oz due to ore shipping problems and the temporary curtailment of mining operations. Operating cash cost is a “Non-GAAP” measure which is 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.

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**LEFA**

*Plant and Infrastructure*

The LEFA CIP Plant upgrade and rectification project progressed during the quarter with significant items on the rectification plan being completed. A debottlenecking exercise is ongoing to increase reliability of process plant.

Replacement of the apron feeder at the Lero crusher will occur during the scheduled plant maintenance program in Q4 at the same time as modifications to the tracking system for the belt of the overland conveyor from Lero Crusher to the plant (CV04). In parallel improvements to the Semi-autogenous Grinding mill number 2 (SAG02) are also scheduled for Q4. The upgrade of SAG01 is scheduled for late in Q4.

The conversion of generators to run on heavy fuel oil (HFO) is complete in 3 of the 8 generators. These will be brought on line in September. In addition to the cost saving benefit, HFO operation will allow for increased fuel storage capacity which was an issue during the wet season last year. As previously reported, during April and May, the site experienced power shortages as unscheduled work had to be performed on three of the generators. A further two generators have been fully refurbished and upgraded so that the full requirement of 4 generators plus 1 standby became available in Q3.

The upgrade to the water supply previously reported, is in progress and on schedule. The arrival of the large Godwin pumps for dewatering in Q3 will allow the Stalker pumps to provide the long term solution to water supply to the mills.

During the quarter the major earthworks for the river diversion allowing the expansion of the Lero pit was completed. Deployment of mining equipment to complete this diversion reduced the mining production rate but this was planned and the diversion was completed on time and budget.

*Operations*

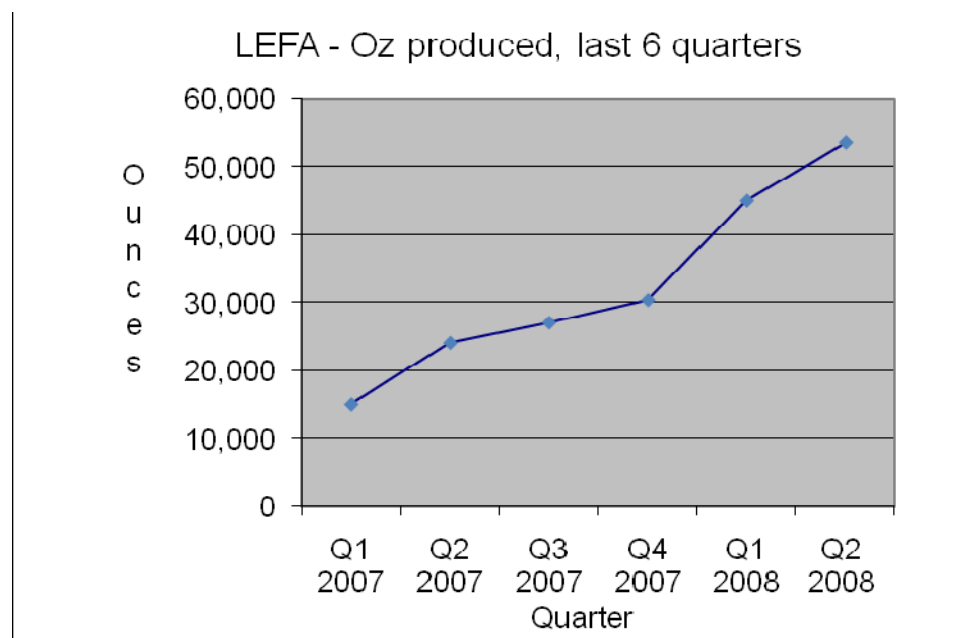
Ore mined in the quarter ended June 30, 2008 totalled 830,085 tonnes at an average grade of 2.4 g/t and containing 63,279 oz (quarter ended June 30, 2007 – 480,276 tonnes at an average grade of 1.6 g/t and containing 24,818 oz). The mining rate was reduced from 1.2 million tonnes in Q1 2008 due to the planned deployment of equipment to the river diversion project. Total ore mined for the six months ended June 30, 2008 was 2,002,277 tonnes at an average grade of 1.9 g/t (six months ended June 30, 2007 – 921,791 tonnes at an average grade of 1.5 g/t).

Ore throughput at the CIP plant in the quarter ended June 30, 2008 was 880,772 tonnes at a head grade of 2.1 g/t (quarter ended June 30, 2007 – 669,196 tonnes at a head grade of 1.2 g/t). Year-to-date throughput for the six months ended June 30, 2008 totalled 1,589,584 tonnes at a head grade of 2.1 g/t (six months ended June 30, 2007 – 1,077,911 tonnes at a head grade of 1.2 g/t).

Gold produced in the quarter was 53,531 oz (quarter ended June 30, 2007 – 24,168 oz) and for the six months to June was 98,574 oz (six months to June 30, 2007 – 39,362 oz). The gold ounces produced for the past six quarters are as follows;

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Quarter	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008
<b>Ounces Produced</b>	15,194	24,168	27,122	30,443	45,043	53,531

The major issues resulting in lost processing capacity in Q2 were power shortages due to the generators being off-line, reliability problems with SAG02, the Crusher and Apron Feeder at Lero and the cyclone feeder pumps. To a lesser extent, issues with CV04 and SAG01 also had an adverse impact on production. The rectification and debottlenecking exercise will resolve many of these issues in Q3 and Q4. Considerable improvements in throughput are expected as plant reliability issues are resolved, however, volatility from month to month during the year should continue to be expected due to planned rectification work, occasional equipment breakdown and weather conditions.

Gold poured in the quarter was 47,385 oz (quarter ended June 30, 2007 – 24,412 oz) and for the six months to June was 91,196 oz (six months to June 30, 2007 – 35,049 oz). Gold sold in the quarter to June 30, 2008 was 47,829 oz at an average gold price of \$921/oz (quarter ended June 30, 2007 – 22,549 oz at an average gold price of \$673/oz) and operating cash flow at LEFA was positive during the quarter. All proceeds from gold sold and associated costs continued to be capitalised as part of CIP plant construction and commissioning costs. Total gold sold in the six months ended June 30, 2008 was 92,967 oz at an average gold price of \$915/oz (six months ended June 30, 2007 – 31,385oz at an average gold price of \$670/oz).

During the quarter the collective agreement for the 2008/2009 bargaining year was successfully negotiated with no work stoppages. Relations with the union and workforce continue to be positive.

Gold produced during the months of April, May and June was 19,178 oz, 14,169 oz and 20,184 oz

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respectively and for the month of July was 18,715 oz. The factors involved in deciding when a plant has achieved commercial production status are:

- Mining rate
- Plant throughput
- Plant recovery

During the past year the operation has consistently mined ore at or above planned rates; average daily throughput during the months of April, May and June was 9,629 tpd, 8,119 tpd and 11,340 tpd respectively and for the month of July was 11,003 tpd and recoveries have consistently been well in excess of the 88% planned recovery rate. The plant is deemed by management to be in commercial production for accounting purposes from July 1, 2008 onwards and as a result future sales revenues and operating costs for LEFA will be recorded in the income statement and not capitalized.

*Reserves and Resources*

Exploration drilling at LEFA from April to July 2008 has continued to extend the Firifirini resource to both the east and west and the newly defined Toume Toume skarn deposit located 3 kilometres north of Firifirini. Drilling at Camp de Base is continuing to support the model linking the mineralization to the Pharmacie mineralization to the east and infill drilling is also showing continuation of the Camp de Base structure at depth.

Drilling has been focussed at Firifirini, Toume Toume and Camp de Base and has been a combination of RC and diamond drilling. To the end of June 2008, 7,816m of RC drilling and 1,869m of HQ3 Diamond drilling have been completed comprising 109 RC Holes and 15 DDH.

Drilling down dip and along strike from known mineralisation at Camp de Base has yielded expected results with broad zones of typical Camp de Base style of mineralisation consisting of disseminated and fracture filled pyrite in highly fractured, siliceous Birimian sandstone. Drilling at depth approaching the sinistral Karta fault has continued to delineate wide dilation zones of gold mineralization. Exploration in this area is ongoing and it is now expected the Camp de Base pit will link up to the Karta pit, significantly improving the economics of this area.

The geological understanding of the Firifirini and Toume Toume deposits skarn mineralization is continuing to improve and has highlighted a new focus for exploration going forward across selected areas of the concession. In June 2008, the Company announced further resource increases for LEFA including Firifirini and Toume Toume. Total Measured and Indicated Resources have increased by 0.47 million ounces (7%) from 5.95 million ounces announced in March 2007 to 6.42 million ounces and take into account mining of 175,849 ounces (3,383,207t @ 1.62g/t). The new mineral resources are based on drilling from 2007 and early 2008.

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**Maco**

The technical review of the Maco mill expansion and mine plan continued during the quarter, including a re-evaluation of the ore resources.

*Plant and Infrastructure*

This quarter the CIL processing rate improved due to the simultaneous operations of two pumps at tailings handling station #5. With the increased pumping rate of 700 tpd, the CIL plant is able to sustain the crushing and milling rate of up to 700 tpd.

The Maco plant metallurgists are completing a comprehensive study of differential flotation in order to reduce the amount of cyanacides in the ore such as copper, lead and zinc and to produce a marketable base metal concentrate.

The new tailings management facility at Maco has been constructed with no disruption to operations. The timely completion of this facility will allow for sustainable production into 2009. The design is such that subsequent upgrades can be done in-house using mine waste and low permeability material from on site.

A newly organized Training Division is performing effectively to support the training needs of the CIL Plant as well as the Mine Operations.

*Operations*

The planned development of the 530 sill level ore drift has been completed up to its western extremity at ramp #1. This will allow trial stoping to commence on the retreat. The eastern development of the 530 sill level, 545 and 560 ore drives are continuing towards ramp #2.

In addition, a 600-meter drainage tunnel is being developed as a medium term solution to water management. This project is planned to be completed by the end of Q4 2008.

Ore mined in the quarter ended June 30, 2008 was 50,098 tonnes at an average grade of 5.1 g/t (quarter ended June 30, 2007 – 19,947 tonnes at 3.7 g/t). Ore mined in the six months to June 30, 2008 was 77,471 tonnes at an average grade of 5.0 g/t (six months ended June 30, 2007 – 31,580 tonnes at an average grade of 3.5 g/t). During the current quarter, the plant processed 45,292 tonnes at 4.3 g/t (quarter ended June 30, 2007 – 21,996 tonnes at 3.7 g/t). Total ore processed in the six months to June 30, 2008 was 84,764 tonnes at an average grade of 4.3 g/t (six months ended June 30, 2007 – 33,290 tonnes at an average grade of 3.5 g/t).

Gold produced in the quarter was 5,380 oz (quarter ended June 30, 2007 – 2,212 oz) and for the six months to June was 10,211 oz (six months to June 30, 2007 – 3,220 oz). Gold poured and sold in the quarter ended June 30, 2008 was 5,334 oz and 5,795 oz respectively (quarter ended June 30, 2007 – gold produced of 2,255 oz and gold sold of 2,638 oz). Year-to-date total gold poured and sold were 10,038 oz and 9,271 oz respectively (six months ended June 30, 2007 – gold poured of 3,176 oz and gold sold of 2,638 oz).

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*Exploration and underground development*

Re-evaluation of the ore resources in the multiple vein systems is ongoing based on the consolidated data collected from sampling at exploration drives and drill holes. This process has also involved reviewing historical records to input the ore characteristics for the mined out areas to give improved accuracy to the resource estimation and identify pay shoots for current development. This information has assisted in determining the priority for the ore drives and re-evaluation of those with relatively low-grade projections.

In preparation for the planned trial stoping in the third quarter of 2008, the ore blocking has been defined and models have been generated with the aim of maximizing profits by delineating the high-grade pay shoots of the vein structure and minimizing dilution.

Surface mapping activities as well as desk studies of past open pit mining and drill hole data, are also being conducted to identify new vein systems for correlation with the known ones and with the copper porphyry systems in the western portion of the MPSA. A full review of the copper porphyry systems is currently underway and new geological models are being prepared that will be tested by drilling late in the third quarter or early in the fourth quarter. Surface mapping and sampling is continuing in these areas.

In Sagaysagay, the new exploration area, surface rock-chip samples and channel samples have been collected to help delineate the surface potential of this resource. This work will be supplemented by further exploration, trial mining and bulk sampling in Q3 when the 3km logging road is upgraded to accept road trucks.

**Nalunaq and Nugget Pond**

Nalunaq experienced disappointing results for the quarter. The Company is undertaking a comprehensive review of the ore resources arising from ore strike lengths not meeting management's expectations.

*Operations*

Nalunaq produced 26,242 ore tonnes during the quarter ended June 30, 2008 (quarter ended June 30, 2007 – 40,736 tonnes). Ore produced in the six months to June 30, 2008 totalled 61,952 tonnes (six months ended June 30, 2007 – 68,514 tonnes). During the quarter, stoping operations at the mine continued on a curtailed basis as the stockpiled material was prepared for shipping to Nugget Pond. The curtailment was planned to allow for the large stockpiles of previously mined material to be shipped and to reduce costs while exploration of the Mountain block is accelerated through concentrated development of the internal ramp access to the area. The Mountain block cannot be effectively drilled from the surface and drilling from within the mine is more expensive than developing ramps to allow access. The impact for the quarter was reduced mine production and lower total costs; in addition, production was impacted by power issues and adverse weather conditions disrupted shipping and reduced throughput at Nugget Pond.

During the quarter, two ore shipments totalling 15,498 tonnes were shipped to Nugget Pond, bringing the year-to-date ore shipped total to 43,875 tonnes. At June 30, 2008, 24,119 tonnes of run-of-mine ore was stockpiled at Nalunaq's port in Greenland containing management's estimate of approximately 10,000 oz of gold.

The Nugget Pond plant processed a total of 26,691 dry metric tonnes of ore at an average grade of 12.9 g/t

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during the quarter (quarter ended June 30, 2007 – 38,221 tonnes at an average grade of 16.8 g/t). Operations at Nugget Pond were interrupted by ore availability as weather conditions adversely affected ore shipping. Milling was suspended between May 14 and June 2 and also between June 18 and July 3 due to the complete depletion of available ore stockpiles at Nugget Pond. Total ore processed in the six months ended June 30, 2008 was 61,439 tonnes at a grade of 11.9 g/t (period from the commencement of mill operations at the end of February 2007 to June 30, 2007 – 51,060 tonnes at 16.0 g/t).

Gold produced from the plant during the quarter ended June 30, 2008 was 11,001 oz (quarter ended June 30, 2007 – 19,555 oz). Total gold produced in the six months to June 30, 2008 was 22,507 oz (six months ended June 30, 2007 – 24,670 oz). Gold poured in the quarter was 12,223 oz (quarter ended June 30, 2007 – 21,697 oz) and for the six months to June was 24,897 oz (six months to June 30, 2007 – 23,051 oz). Gold sold during the quarter was 12,113 oz at an average realised gold price of \$896/oz (quarter ended June 30, 2007 – 20,476 oz at an average price of \$666/oz). For the six months ended June 30, 2008, gold sold totalled 24,159 oz at an average gold price of \$913/oz (six months ended June 30, 2007 – 20,476 oz at an average price of \$666/oz).

### **Exploration Projects**

Field work commenced on two projects at the end of the quarter.

#### *Wa, Ghana*

Successful meetings regarding permit renewals with officials from the Mining ministry and the Environmental Protection Authority in Ghana were completed during the quarter. A budget for the exploration work was set at \$1,000,000 and this will be spent incrementally depending on the outcome of each phase of the exploration. Exploration work during the quarter involved further trenching, mapping and surface sampling. New geological models have been constructed and these will be tested by drilling in late September when field work recommences after the wet season. The old database and historic data were recovered and compiled into a combined new database. The results of the work are not expected to be available until the first half of 2009. The total area of the claims is over 300km<sup>2</sup>.

#### *Glover Island, Newfoundland*

Phase 1 of the Glover Island exploration program is scheduled to be complete by October 2008. The program includes geophysical analysis of previous exploration data and data captured this year in an aerial program to be conducted in August. Ground work including surface sampling, trenching and drilling will be completed over the next 3 months with results reported in the fiscal 2008 year end report.

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**FINANCIAL REVIEW**

**Selected Quarterly Financial Information**

Expressed in thousands of United States dollars (except for per share information)	June-30		Mar-31		Dec-31		Sept-30	
	2008	2007	2008	2007	2007	2006	2007	2006
Mineral Sales	<b>10,844</b>	13,492	<b>11,205</b>	128	<b>11,578</b>	13,560	<b>14,364</b>	25,901
Net (loss) profit	<b>(20,296)</b>	26,787	<b>(27,563)</b>	(19,112)	<b>4,027</b>	5,644	<b>(51,317)</b>	1,632
(Loss) profit per share – basic	<b>(0.04)</b>	0.06	<b>(0.06)</b>	(0.05)	<b>0.09</b>	0.02	<b>(0.12)</b>	0.00
(Loss) profit per share – diluted	<b>(0.04)</b>	0.05	<b>(0.06)</b>	(0.05)	<b>0.09</b>	0.02	<b>(0.12)</b>	0.00
Operating cash flows	<b>(6,391)</b>	2,878	<b>(14,707)</b>	(18,278)	<b>(5,440)</b>	(33,317)	<b>(25,764)</b>	(3,345)
Cash and cash equivalents	<b>57,459</b>	40,092	<b>8,740</b>	81,751	<b>20,061</b>	131,937	<b>44,502</b>	19,991
Total assets	<b>1,052,719</b>	936,262	<b>991,415</b>	919,925	<b>1,002,376</b>	918,062	<b>990,683</b>	801,226
Long term debt	<b>389,475</b>	334,282	<b>385,645</b>	327,674	<b>365,559</b>	319,520	<b>366,101</b>	313,222
Shareholders' equity	<b>471,588</b>	431,687	<b>432,238</b>	402,960	<b>464,593</b>	419,359	<b>454,715</b>	307,023

EBITDA <sup>(1)</sup> is calculated as follows:		
Net (loss) profit	<b>(20,296)</b>	26,787
Depletion and depreciation	<b>2,413</b>	3,329
Interest and finance charges	<b>5,842</b>	5,214
Stock compensation expense	<b>150</b>	1,990
Loss on forward obligation	-	1,250
Foreign exchange loss (gain)	<b>3,841</b>	3,516
Taxes	<b>(55)</b>	-
EBITDA <sup>(1)</sup>	<b>(8,105)</b>	42,086

<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.

**Financial Results for the Quarter Ended June 30, 2008**

Sales reported for the quarter ended June 30, 2008 were \$10.8 million (quarter ended June 30, 2007 - \$13.5 million). Gold sales comprised 12,113 oz from Nalunaq/Nugget Pond. Sales from LEFA and Maco during the period continued to be offset against capital costs, in accordance with our accounting policies.

Direct costs for the quarter ended June 30, 2008 were \$10.0 million (quarter ended June 30, 2007 - \$10.5 million) and mine site administration costs were \$1.9 million (quarter ended June 30, 2007 - \$1.6 million). Direct costs for LEFA and Maco were capitalised in both periods.

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Gross margin for the quarter ended June 30, 2008 was negative \$1.0 million (quarter ended June 30, 2007 – \$1.4 million). Depletion and depreciation expense, which is a non-cash measure, was \$2.4 million (quarter ended June 30, 2007 – \$3.3 million).

For the quarter ended June 30, 2008, general corporate expenditures were \$6.4 million (quarter ended June 30, 2007 – \$5.3 million) comprising head office administration costs of \$4.1 million, insurance costs of \$0.8 million and one-time severance costs of \$1.5 million. Interest and finance charges were \$5.8 million (quarter ended June 30, 2007 – \$5.2 million) and the unrealised loss on foreign currency translation was \$3.8 million compared to a loss of \$3.5 million for the same period last year due to the translation of NOK denominated debt into US dollars.

**Financial Results for the Six Months Ended June 30, 2008**

Mineral sales reported for the six months ended June 30, 2008 were \$22.0 million (six months ended June 30, 2007 - \$13.6 million). Gold sales from LEFA and Maco during the period continued to be offset against capital costs, in accordance with our accounting policies, as the plants had not reached commercial production status for accounting purposes.

Direct costs for the six months ended June 30, 2008 were \$16.8 million (six months ended June 30, 2007 - \$11.8 million) and mine site administration costs were \$3.7 million (six months ended June 30, 2007 - \$1.9 million). Direct costs for LEFA and Maco in the year have been capitalised. In 2007, LEFA and Maco costs were capitalised and the majority of Nalunaq's costs in Q1 were inventoried as the Nugget Pond processing facility was being commissioned.

Gross margin for the six months ended June 30, 2008 was \$1.5 million (six months ended June 30, 2007 – negative \$0.1 million). Depletion and depreciation expense, which is a non-cash measure, was \$4.8 million (six months ended June 30, 2007 – \$3.8 million).

For the six months ended June 30, 2008 general corporate expenditures were \$10.8 million (six months ended June 30, 2007 – \$9.3 million) comprising head office administration costs of \$7.9 million, insurance costs of \$1.4 million and one-time severance costs of \$1.5 million. Interest and finance charges were \$11.6 million (six months ended June 30, 2007 – \$10.4 million) and the unrealised loss on foreign currency translation of NOK denominated debt following a 6.4% appreciation of the NOK against the US dollar in the period was \$22.2 million compared to a loss of \$9.8 million for the same period last year.

**Liquidity and Capital Resources**

At June 30, 2008 our main source of liquidity was unrestricted consolidated cash of \$57.5 million (December 31, 2007: \$20.1 million). Of the cash held, \$47.4 million was held in Norwegian kroner, \$7.5 million was held in US dollars, \$1.2 million was held in Philippine pesos, \$0.6 million was held in Danish kroner, \$0.3 million was held in British pounds sterling, \$0.4 million was held in Canadian dollars, and the balance of \$0.1 million comprised Australian dollars and South African rand.

At June 30, 2008 our consolidated working capital comprising cash, restricted cash, accounts receivable,

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prepayments and inventories, less accounts payable was \$58.4 million (December 31, 2007 – \$22.0 million).

In February 2008, the Company sold its remaining interest in Intex Resources ASA totalling 10.4 million shares and closed out the forward obligation for aggregate net proceeds of \$13.3 million.

On June 17, 2008, the Company completed the private placement of 49,932,000 shares at a subscription price of NOK 6.50 per share, raising aggregate net proceeds of \$59.5 million after issue expenses of \$3.4 million. The proceeds of the transaction will be used to finance the Company's investment program at the LEFA gold project in Guinea, and for general working capital requirements.

We have held no asset backed commercial paper at, or since, the quarter-end. We have 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 and will depend on production rates and anticipated gold prices and exchange rates.

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**OUTLOOK**

Our goals for Q2 were to substantially complete the LEFA rectification program and have the operation reach commercial production status for accounting purposes by the end of the quarter. These goals have been largely achieved but we continue to focus on improving the reliability of the plant and significantly improving throughput.

For the balance of the year our primary objective is to continue to improve the productivity at LEFA and to systematically resolve any remaining production bottlenecks. Q3 and Q4's production will be impacted by planned maintenance, weather conditions and completion of remaining rectification projects, however we anticipate this to be followed by a significant improvement in production by the end of Q4 leading to achieving our goal of an annualized production rate for LEFA of 360,000 oz by the end of Q4.

The LEFA mine and its expansion potential will continue to be the main contributor to Group production in the years to come, particularly as the capacity ramp-up is completed and higher grade satellite deposits, such as Firifirini, are brought into production. The near mine and regional exploration programmes will remain focused on the delineation of reserves primarily to further increase the capacity at the LEFA plant and potentially to justify the building of new mine and plant operations elsewhere within the LEFA concession in the medium term.

The technical review of the mill expansion, mine plan and ore resources at Maco continues to be the focus for that operation in addition to the regional exploration and work on the copper porphyry deposits. However, while the focus is primarily on LEFA, Maco will remain in a holding pattern with no capital expenditures planned in the near future. It is anticipated that Maco will continue to break even during the period until decisions are made regarding its expansion.

Nalunaq has experienced disappointing results and continues to be challenged by falling grades, power issues and low throughput at Nugget Pond due to poor weather conditions. For the balance of Q3, Nalunaq will continue to curtail production and reduce costs and Nugget Pond will process stockpiled and development ore as further investigation is undertaken into Nalunaq's potential. It is anticipated that a review of the ore resources and life of mine will be completed and announced in Q3.

Our corporate costs are also under review. We expect to reduce those costs over the next two quarters.

There are exciting prospects at the exploration projects in Ghana and Newfoundland. The results of this exploration are not expected until Q1 2009. In addition we are reviewing certain prospects in Mali.

The Company is reviewing all of its operations and its strategic plan. The LEFA mine continues to be the major asset and focus of the company. We expect to grow utilising our West African experience and significant presence in the region and increase exploration both on our concession in Guinea, our property in Ghana and in surrounding countries.

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**SHARE CAPITAL**

The authorized share capital at August 12, 2008 was 1,000,000,000 common shares without par value. At August 12, 2008, we had 515,380,262 shares issued and outstanding. An additional 119,954,546 shares may be issued on 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 12, 2008, there remained 5,992,000 options available for grant.

At August 12, 2008, there were 17,830,834 share options outstanding at an average weighted price of CDN\$2.11 each.

**RELATED PARTY TRANSACTIONS**

During the six months ended June 30, 2008 a law firm of which a director is a partner received legal fees of \$160,000 from the Company (six months ended June 30, 2007 - \$195,000). During the six months ended June 30, 2008 a recruitment firm controlled by a director of the Company received fees of \$nil (six months ended June 30, 2007 - \$67,000). At June 30, 2008, \$177,000 was outstanding from advances made to the Chief Executive Officer, representing an interest-free advance of his 2008 contractual housing and living allowances (December 31, 2007 – \$319,000).

**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 therefrom are included in Note 3 to the Consolidated Financial Statements for the year ended December 31, 2007. 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;
- Goodwill;
- Reclamation and Remediation Obligations;
- Income Taxes

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**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.

**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.

On the commencement of commercial production, depletion of each mining property is provided on the unit-of-production basis using estimated proven and probable reserves as the depletion basis. The mining plant and equipment and other capital assets are depreciated, following the commencement of commercial production, 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 are determined based on a professional evaluation using accepted international standards for the assessment of mineral reserves. The assessment involves the study of geological, geophysical and economic data and the reliance on a number of assumptions. The estimates of the reserves 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 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 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.

**Goodwill**

The acquisition of Guinor was accounted for using the purchase method whereby assets acquired and liabilities assumed were recorded at their fair market values as of the date of acquisition and any excess of the purchase price over such fair value was recorded as goodwill. Goodwill was identified and assigned

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to the reporting unit, based on management's best estimates of the fair value of the reporting unit and comparing this amount to the fair value of assets and liabilities in the reporting unit.

The Company reviews and evaluates, on at least an annual basis, the carrying value of goodwill to determine whether current events and circumstances indicate that such carrying amount may no longer be recoverable. To accomplish this, the Company compares the fair value of the reporting unit to its carrying amount. If the carrying value of a reporting unit exceeds its fair value, the Company compares the implied fair value of the reporting unit's goodwill to its carrying amount, and any excess of the carrying value over the fair value is charged to operations. Assumptions underlying fair values are subject to risks and uncertainties.

**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 \$3.2 million discounted future value we estimated at June 30, 2008.

**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 loss carry-forwards to offset future income tax payable requires that we exercise judgment and make assumptions about the future performance of the Company.

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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.

**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 interim consolidated financial statements for the quarter ended June 30, 2008.

**Currency Risk**

Results of our operational and development projects based in Guinea, Greenland, Canada, the Philippines and Norway, 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.

Our long term debt and convertible bonds are denominated in Norwegian kroner, therefore there is a risk of translation and conversion loss as our functional currency is US dollars and our revenues are received in US dollars

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

**Interest Rate Risk**

Monetary assets and liabilities are subject to the risk of movements in interest rates. At June 30, 2008 we had total term debt of \$340.8 million denominated in Norwegian kroner and \$50.0 million denominated in US dollars. These liabilities are held either at fixed interest terms (\$276.7 million) or at floating rates (\$114.1 million) linked to LIBOR or NIBOR interest rates.

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At June 30, 2008, we held a total of \$57.5 million of cash on deposit. Of this, \$53.3 million was held in the United Kingdom, \$2.0 million in the Philippines, \$1.9 million was held in Greenland and \$0.1 million was held in Norway.

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 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, Ghana, Greenland, Canada, the Philippines and Norway. Accordingly, our activities are exposed to varying degrees of political, economic and other risks and uncertainties.

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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.

During March 2008, the Company was subject to an attack at its Maco project by a local anti-government group. Certain pieces of mining equipment were damaged but there was no effect on operations. The Company does not believe the impact of the attack to be significant.

**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 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.

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**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 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

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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.

**Additional Financing**

The mining, processing, development and exploration 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.

**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 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

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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 an interest in Apex Mining Company, Inc. will be realized by the Corporation.

The carbon-in-pulp gold processing plant (the "CIP Plant") at the LEFA Gold Project in the Republic of Guinea 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 the Maco Mine in the Philippines may not be completed on schedule or at all, or may never become fully commissioned. Such failures could have a material adverse effect 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, the Oslo Børs, the Frankfurt exchange, and are traded on the over-the-counter bulletin board in the United States.

Securities of mining and exploration companies have experienced substantial volatility in the past, 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.

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**Financial Instruments**

The Company currently holds no 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 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 Q1 2008 of \$0.5 million.

**COMPREHENSIVE INCOME**

The most significant components of other comprehensive income were realised mark-to-market gains on the company's investments in available-for-sale marketable securities.

**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 Chief Executive Officer and Chief Financial Officer have 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 operating effectively.

There have been no changes in the Company's internal controls over financial reporting during the quarter ended June 30, 2008, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

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**ADOPTION OF NEW ACCOUNTING STANDARDS**

*Effective January 1, 2008*

The CICA has issued four new standards which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning January 1, 2008. The Company adopted the requirements commencing in the interim period ended March 31, 2008 and their application has not significantly impacted on the financial statements.

**(a) Section 1535 – Capital Disclosures**

This Section establishes standards for disclosing information about an entity's capital and how it is managed. Under this standard the Company will be required to disclose the following, based on the information provided internally to the entity's key management personnel:

- (i) qualitative information about its objectives, policies and processes for managing capital,
- (ii) summary quantitative data about what it manages as capital.
- (iii) whether during the period it complied with any externally imposed capital requirements to which it is subject.
- (iv) when the company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

**(b) 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.

**(c) Section 3862 – Financial Instruments – Disclosures and Section 3863 – Financial Instruments – Presentation**

These sections require entities to provide disclosure of quantitative and qualitative information in their financial statements that enable 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. Entities will be required to disclose the measurement basis or bases used, and the criteria used to determine classification for different types of instruments.

These sections require specific disclosures to be made, including the criteria for:

- (i) designating financial assets and liabilities as held for trading;
- (ii) designating financial assets as available-for-sale; and
- (iii) determining when impairment is recorded against the related financial asset or when an allowance account is used.

**(d) Section 1400 - General Standards of Financial Statement Presentation**

This section requires that management make an assessment of a company's ability to continue as a going

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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.

***Effective January 1, 2009***

The CICA has issued a new standard which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning January 1, 2009. The Company will adopt the requirements commencing in the interim period ended March 31, 2009 and is considering the impact this will have on the Company's financial statements.

**Section 3064 – Goodwill and intangible assets**

This section established revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC 27, Revenues and Expenses during the pre-operating period. As a result of the withdrawal of EIC 27, the Company will no longer be able to defer costs and revenues incurred prior to commercial production at new mine operations. The Company is currently considering the impact this will have on its financial statements.

**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.

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**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 and (13) the timing and possible outcome of pending litigation. 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, conclusions of economic evaluations, (2) changes in project parameters as plans continue to be refined, (3) possible variations in grade and ore densities or recovery rates, (4) failure of plant, equipment or processes to operate as anticipated, (5) accidents, labour disputes and other risks of the mining industry, (6) delays in obtaining government approvals or financing or in completion of development or construction activities. Although Crew has attempted to identify important factors that could cause actual actions, events or cause actions events or results not to be anticipated, estimated or intended, there can be no assurance that forward looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements.

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, Nalunaq 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.

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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, non-cash foreign exchange loss or gain, stock compensation charges, fair value losses or gains on forward obligations and non-cash foreign exchange movements.

“Operating 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. Operating cash cost is presented as we believe it represents an industry standard of comparison.

“Operating cash cost per ounce” is a non-GAAP measure derived from the operating 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.

EBITDA, operating 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, operating cash cost per ounce and sales price per ounce may not be directly comparable to EBITDA, operating cash cost per ounce and sales price per ounce reported by other similar issuers.