



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

**Quarter and nine months ended September 30, 2008**  
(Unaudited)

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

	As at, Sept 30, 2008	As at, December 31, 2007
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	27,915	20,061
Restricted cash	1,402	31
Accounts receivable	32,278	33,635
Prepaid expenses and deposits	329	2,613
Inventories and stockpiled ore (Note 4)	68,770	40,842
Investment in Intex Resources ASA (Note 5)	-	16,851
	<b>130,694</b>	114,033
MINING INTERESTS (Notes 6 (a) & 6 (d))	426,955	453,755
PROPERTY, PLANT AND EQUIPMENT (Notes 6 (b) and 6 (d))	305,709	326,356
GOODWILL (Notes 6 (c) and 6 (d))	22,240	104,592
OTHER MINERAL PROPERTY INTERESTS	1,110	871
OTHER ASSETS	2,203	1,855
RESTRICTED CASH	6,407	6,014
	<b>895,318</b>	1,007,476
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	87,785	75,219
Short term portion of other long-term debt (Note 8)	25,925	-
	<b>113,710</b>	75,219
RECLAMATION AND CLOSURE COST OBLIGATIONS	3,180	3,180
CONVERTIBLE BONDS (Note 7)	214,954	225,918
OTHER LONG-TERM DEBT (Note 8)	109,646	139,641
FUTURE INCOME TAXES	90,401	98,925
	<b>531,891</b>	542,883
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 9)	630,877	571,701
Equity component of convertible bonds (Note 7)	15,607	15,607
Contributed surplus	11,809	11,524
Accumulated other comprehensive income (Note 10)	538	6,412
Deficit	(295,404)	(140,651)
	<b>363,427</b>	464,593
	<b>895,318</b>	1,007,476

GOING CONCERN (Note 1)

ON BEHALF OF THE BOARD:

*"Simon J. Russell"*

Simon J. Russell, Director

*"William R. LeClair"*

William R. LeClair, Director

*See notes to Interim Consolidated Financial Statements*

## CREW GOLD CORPORATION

### Consolidated Statements of Loss and Deficit

(Expressed in thousands of United States dollars, except per share amounts - Unaudited)

	Three months ended		Nine months ended	
	September 30 2008	September 30 2007	September 30 2008	September 30 2007
MINERAL SALES	59,145	14,364	81,194	27,984
DIRECT COSTS OF MINERAL SALES	(41,463)	(13,317)	(58,269)	(25,115)
MINE SITE ADMINISTRATION COSTS	(7,840)	(1,778)	(11,577)	(3,668)
DEPLETION AND DEPRECIATION	(13,398)	(3,496)	(18,232)	(7,309)
	(3,556)	(4,227)	(6,884)	(8,108)
EXPENSES				
Administration, office and general	(7,711)	(4,015)	(17,287)	(12,197)
Professional fees	(611)	(369)	(1,804)	(1,508)
Stock compensation expense	900	(1,624)	(332)	(5,774)
	(7,422)	(6,008)	(19,423)	(19,479)
OTHER INCOME (EXPENSES)				
Gain on disposal of investment in Intex Resources ASA (Note 5)	-	-	2,587	54,051
Equity loss from investment in Intex Resources ASA	-	210	-	291
Gain on disposals of other investments	-	505	-	505
Loss on future / forward obligation contracts	-	(4,139)	(493)	(5,389)
Impairment charges (Note 6 (d))				
Mineral property, plant and equipment	(55,814)	-	(55,814)	-
Goodwill	(82,352)	-	(82,352)	-
Future income tax	6,903	-	6,903	-
Interest - Convertible bonds and other long-term loans	(7,157)	(4,040)	(16,017)	(11,713)
Other finance charges - Convertible bonds and other long-term loans	(1,357)	(1,357)	(4,073)	(4,062)
Foreign exchange gain (loss)	43,075	(32,051)	20,920	(41,613)
Interest and other expenses	(75)	(210)	(1,052)	(47)
	(96,777)	(41,082)	(129,391)	(7,977)
LOSS BEFORE RECOVERY OF INCOME TAXES AND NON-CONTROLLING INTEREST	(107,755)	(51,317)	(155,698)	(35,564)
RECOVERY OF INCOME TAXES	861	-	945	-
LOSS BEFORE NON-CONTROLLING INTEREST	(106,894)	(51,317)	(154,753)	(35,564)
NON-CONTROLLING INTEREST	-	-	-	276
NET LOSS	(106,894)	(51,317)	(154,753)	(35,288)
DEFICIT, BEGINNING OF PERIOD, AS PREVIOUSLY STATED	(188,510)	(101,715)	(140,651)	(109,390)
CORRECTION OF ERROR FOR THREE MONTHS ENDED JUNE 30, 2007	-	8,354	-	-
DEFICIT, BEGINNING OF PERIOD AS RESTATED	-	(93,361)	-	-
DEFICIT, END OF PERIOD	(295,404)	(144,678)	(295,404)	(144,678)
LOSS PER SHARE - BASIC	\$ (0.21)	\$ (0.12)	\$ (0.32)	\$ (0.08)
LOSS PER SHARE - DILUTED	\$ (0.21)	\$ (0.12)	\$ (0.32)	\$ (0.08)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC	515,309,610	426,625,988	483,861,919	423,767,741
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - DILUTED	515,309,610	426,625,988	483,861,919	423,767,741

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		Nine months ended	
	September 30 2008	September 30 2007	September 30 2008	September 30 2007
<b>OPERATING ACTIVITIES</b>				
Net loss	\$ (106,894)	\$ (51,317)	\$ (154,753)	\$ (35,288)
Add (deduct) items not affecting cash:				
Depletion and depreciation	13,398	3,496	18,232	7,309
Other finance charges - amortisation and accretion	1,357	1,357	4,073	4,062
Gain on disposal of investment in Intex Resources ASA (Note 5)	-	-	(2,587)	(54,051)
Equity loss from investment in Intex Resources ASA	-	(210)	-	(291)
Gain on disposals of other investments	-	(505)	-	(505)
Impairment charges (Note 6 (d))				
Mineral property, plant and equipment	55,814	-	55,814	-
Goodwill	82,352	-	82,352	-
Future income tax	(6,903)	-	(6,903)	-
Loss on forward / future obligation contracts	-	4,139	493	5,389
Unrealized foreign exchange (gain) loss on long term debt	(40,623)	27,326	(19,423)	42,519
Stock compensation expense	(900)	1,624	332	5,774
Non-controlling interest	-	-	-	(276)
Change in non-cash operating working capital items	(10,594)	(11,674)	(11,721)	(24,974)
	<b>(12,993)</b>	<b>(25,764)</b>	<b>(34,091)</b>	<b>(50,332)</b>
<b>FINANCING ACTIVITIES</b>				
Gross proceeds from common shares issued	206	67,961	63,089	68,062
Costs of issuance of common shares	(573)	(2,969)	(3,960)	(2,969)
	<b>(367)</b>	<b>64,992</b>	<b>59,129</b>	<b>65,093</b>
<b>INVESTING ACTIVITIES</b>				
Proceeds on disposal of investment in Intex Resources ASA (Note 5)	-	(295)	13,564	5,719
Proceeds on disposal of other investments	-	-	-	1,338
Expenditures on LEFA mineral property, plant and equipment	(7,539)	(19,169)	(15,635)	(65,116)
Expenditures on Maco mineral property, plant and equipment	(3,241)	(14,042)	(8,921)	(29,267)
Expenditures on Nalunaq mineral property, plant and equipment	(473)	(1,170)	(2,043)	(3,382)
Expenditures on Nugget Pond property and equipment	-	175	-	(2,482)
Expenditures on other mineral property interests	(759)	(161)	(916)	(1,446)
Increase in restricted cash	(244)	4,216	(393)	(698)
	<b>(12,256)</b>	<b>(30,446)</b>	<b>(14,344)</b>	<b>(95,334)</b>
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION ON CASH AND CASH EQUIVALENTS</b>				
	<b>(3,928)</b>	<b>(4,372)</b>	<b>(2,840)</b>	<b>(6,862)</b>
<b>NET CASH (OUTFLOW) INFLOW</b>	<b>(29,544)</b>	<b>4,410</b>	<b>7,854</b>	<b>(87,435)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>57,459</b>	<b>40,092</b>	<b>20,061</b>	<b>131,937</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 27,915</b>	<b>\$ 44,502</b>	<b>\$ 27,915</b>	<b>\$ 44,502</b>

*See notes to Interim Consolidated Financial Statements*

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

	Three months ended		Nine months ended	
	September 30 2008	September 30 2007	September 30 2008	September 30 2007
Net loss	\$ (106,894)	\$ (51,317)	\$ (154,753)	\$ (35,288)
Realized (loss) gain on available-for-sale investment (Note 10)	-	(625)	5,874	(223)
<b>Comprehensive loss</b>	<b>\$ (106,894)</b>	<b>\$ (51,942)</b>	<b>\$ (148,879)</b>	<b>\$ (35,511)</b>

*See notes to Interim Consolidated Financial Statements*

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

---

**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 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 September 30, 2008, the Company incurred a net loss of \$106,894,000 (Quarter ended September 30, 2007 – loss of \$51,317,000) and at September 30, 2008 has net working capital of \$42,909,000 (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 \$2.4 million as at September 30, 2008. In addition, the Company is expecting to incur an additional \$10.4 million in capital costs 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. In order to complete the LEFA plant rectification program, the Company will be required to 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 unaudited 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.

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

---

**2. Adoption of New Accounting Standards and Basis of Presentation (continued)**

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.

**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>September 30, 2008</u>	<u>December 31, 2007</u>
Stockpiled ore	\$ 19,704	\$ 14,398
Materials and consumable supplies	49,066	26,444
	<u>\$ 68,770</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, 2008, 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 nine months ended September 30, 2008.

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

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

*(a) Mining Interests*

	September 30, 2008			
	Cost	Accumulated depletion	Impairment charge (Note 6(d))	Net book value
LEFA				
- Producing mineral property	\$ 363,033	\$ (8,783)	\$ -	\$ 354,250
Maco				
- Mineral property in development	72,705	-	-	72,705
Nalunaq				
- Producing mineral property	47,738	(12,052)	(35,686)	-
	<b>\$ 483,476</b>	<b>\$ (20,835)</b>	<b>\$ (35,686)</b>	<b>\$ 426,955</b>
	December 31, 2007			
	Cost	Accumulated depletion	Impairment charge (Note 6(d))	Net book value
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>\$ -</b>	<b>\$ 453,755</b>

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

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

*(b) Property, Plant and Equipment*

	Sept 30, 2008			
	Cost	Accumulated depreciation	Impairment charge	Net book value
LEFA				
- Producing Plant	\$ 270,486	\$ (6,678)	\$ -	\$ 263,808
Maco				
- In Commissioning	41,955	(54)	-	41,901
Nalunaq				
- Producing	30,248	(19,647)	(10,601)	-
Nugget Pond				
- Processing facility	11,298	(1,771)	(9,527)	-
	<b>\$ 353,987</b>	<b>\$ (28,150)</b>	<b>\$ (20,128)</b>	<b>\$ 305,709</b>
	December 31, 2007			
	Cost	Accumulated depreciation	Impairment charge	Net book value
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
	<b>\$ 341,990</b>	<b>\$ (15,634)</b>	<b>\$ -</b>	<b>\$ 326,356</b>

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 determined that commercial production commenced at LEFA from July 1, 2008 and the project has been accounted for on that basis since then.

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 and the Nugget Pond processing facility is located in Newfoundland, Canada (See Note 6(d)).

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

---

**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 \$22.2 million at September 30, 2008 (December 31, 2007 - \$104.6 million) (See Note 6(d)).

*(d) Asset impairment*

The Company reviews and evaluates its mining properties for impairment at least annually or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment is considered to exist if the total estimated future undiscounted net 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. 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.

As at September 30, 2008, the Company reviewed the performance and ore resources of both Nalunaq and Nugget Pond and concluded that the current resource is uneconomic due to high costs of mining, shipping and processing. A programme of care and maintenance will be implemented at both the Nalunaq mine and the Nugget Pond processing plant while further options are being explored. The Company has identified that the carrying value of both the Nalunaq mine and the Nugget Pond processing facility is unlikely to be recovered, resulting in impairment charges to mineral properties and plant and equipment of \$46.3 million for Nalunaq and \$9.5 million for Nugget Pond. The future income tax implications are a reversal of the liability relating to Nalunaq of \$4.6 million and Nugget Pond of \$2.3 million. The total net charge relating to the impairment of the Nalunaq and Nugget Pond assets is \$48.9 million.

The Company evaluates, on at least an annual basis, the carrying amount 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 its reporting units to their carrying amounts. 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 value estimates are subject to significant risks and uncertainties.

As at September 30, 2008, the Company reviewed the goodwill allocated to the LEFA Project reporting unit. The Company compared the implied fair value of the LEFA project reporting unit's goodwill to LEFA's carrying amount and concluded that the fair value of the LEFA project reporting unit was likely to be less than its carrying value and conducted a goodwill impairment test, resulting in an impairment charge of \$82.4 million.

The fair value of the LEFA project reporting unit was estimated using all available information at the effective date of the impairment tests, including discounted estimated future cash flows, replacement costs and other market related data. Estimated future cash flows used to test impairment of goodwill included management's estimates of operating results and capital requirements over the life of the LEFA project mineral property. Key assumptions for gold prices, inflation, discount rates and US\$ exchange rates were based on consensus estimates and other information available from third party sources that management believed to be reasonable in the circumstances.

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

---

**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 September 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>September 30, 2008</u>	<u>December 31, 2007</u>
Equity component	\$ 15,607	\$ 15,607
Debt component	214,954	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 September 30, 2008, deferred financing costs amounted to \$3.3 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 \$217.9 million at September 30, 2008 (December 31, 2007 - \$231.0 million).

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

**8. Other Long Term Debt**

Other long term debt comprises:

	<u>September 30, 2008</u>	<u>December 31, 2007</u>
9.5% Bonds (a)	\$ 25,925	\$ 27,338
March 2006 Bonds (b)	105,191	108,163
Other long term obligations	4,455	4,140
	<u>\$ 135,571</u>	<u>\$ 139,641</u>
Short term portion of other long-term debt	(25,925)	-
	<u>\$ 109,646</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 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 September 30, 2008, deferred financing costs amounted to \$0.2 million (December 31, 2007 - \$0.3 million). The Company estimates that the fair value of the 9.5% bonds approximates their carrying value at September 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 (nine months ended September 30, 2007 - \$7.8 million) has been capitalised to the LEFA project for the nine months ended September 30, 2008. To date, interest payments of \$26.7 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 September 30, 2008, deferred financing costs amounted to \$1.4 million (December 31, 2007 - \$1.8 million). The Company estimates that the fair value of the March 2006 bonds approximates their carrying value at September 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 nine months ended September 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 September 30, 2008 were as follows:

	Number of shares	Net Amount
Balance, December 31, 2007	464,947,362	\$ 571,701
New shares issued for cash	49,932,900	58,923
Options exercised for cash	500,000	253
<b>Balance, September 30, 2008</b>	<b>515,380,262</b>	<b>\$ 630,877</b>

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 \$58.9 million after issue expenses of \$4.0 million.

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.

*(b) Share options*

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

Options outstanding	Options exercisable	Expiry date	Weighted average exercise price (CDN\$)	Remaining contractual life (years)
275,000	275,000	October 23, 2008	0.84	0.08
250,000	-	July 2, 2013	1.10	4.75
250,000	250,000	March 10, 2009	1.20	0.42
250,000	250,000	February 10, 2010	1.35	1.33
400,000	400,000	December 9, 2010	1.50	2.08
200,000	-	March 14, 2013	1.72	4.50
2,770,000	2,770,000	March 9, 2011	1.74	2.42
600,000	600,000	June 29, 2011	1.74	2.75
1,140,000	1,140,000	August 2, 2010	1.85	1.83
750,000	250,000	January 11, 2013	1.89	4.25
250,000	250,000	September 20, 2011	2.05	3.00
316,667	250,000	June 7, 2012	2.20	3.67
7,724,167	5,324,167	December 12, 2011	2.42	3.17
350,000	233,333	May 1, 2012	2.65	3.58
<b>15,525,834</b>	<b>11,992,500</b>		<b>\$ 2.08</b>	<b>2.87</b>

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

---

**9. Share Capital (continued)**

Share purchase options with a fair value of \$0.7 million were granted in the nine months ended September 30, 2008 (nine months ended September 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 nine months ended September 30, 2008 is \$0.3 million (nine months ended September 30, 2007 – \$5.8 million). On July 2, 2008, 250,000 options at a price of \$1.10 were granted to a new director of the company.

*(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 ratios at September 30, 2008 and December 31, 2007 are 61% 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
<b>Accumulated other comprehensive income at December 31, 2007</b>	<b>\$ 6,412</b>
Other comprehensive income for the nine months ended September 30, 2008	(5,874)
<b>Accumulated other comprehensive income at September 30, 2008</b>	<b>\$ 538</b>

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

Currency translation adjustment	538
<b>Accumulated other comprehensive income at September 30, 2008</b>	<b>\$ 538</b>

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

---

**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 September 30, 2008, Crew held cash balances of \$27.9 million. Of the cash held, \$19.4 million was held in Norwegian kroner, \$1.0 million was held in Philippine pesos, \$5.5 million was held in US dollars, \$0.2 million was held in British pounds sterling, \$0.4 million was held in Canadian dollars, \$1.3 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**  
**Notes to the Interim Consolidated Financial Statements**  
**For the quarter and nine months ended September 30, 2008**  
(Expressed in thousands of US dollars - Unaudited)

**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;

	<b>Quarter ended September 30, 2008</b>				
	<b>Guinea</b>	<b>Greenland</b>	<b>Philippines</b>	<b>Corporate, other and eliminations</b>	<b>Total</b>
Mineral sales	\$ 45,075	\$ 14,070	\$ -	\$ -	\$ 59,145
Depletion and depreciation	(9,527)	(3,871)	-	-	(13,398)
Interest and other (expenses) income	(185)	(1,743)	(76)	1,929	(75)
Interest and finance costs	-	-	-	(8,514)	(8,514)
Operating profit (loss)	2,221	(7,611)	(2,104)	31,863	24,369
Impairment charges	(82,352)	(48,911)	-	-	(131,263)
Net (loss) profit	(80,131)	(56,522)	(2,104)	31,863	(106,894)
Inter-segment charges	-	(1,122)	-	1,122	-
Capital assets and goodwill	640,298	-	114,606	1,110	756,014
	<b>Quarter ended September 30, 2007</b>				
	<b>Guinea</b>	<b>Greenland</b>	<b>Philippines</b>	<b>Corporate, other and eliminations</b>	<b>Total</b>
Mineral sales	\$ -	\$ 14,364	\$ -	\$ -	\$ 14,364
Depletion and depreciation	-	(3,496)	-	-	(3,496)
Interest and other (expenses) income	(150)	(210)	(133)	283	(210)
Interest and finance costs	-	-	-	(5,397)	(5,397)
Operating loss	(881)	(8,817)	(1,974)	(31,291)	(42,963)
Impairment charges	-	-	-	-	-
Net loss	(881)	(8,817)	(1,974)	(31,291)	(42,963)
Inter-segment charges	-	(1,312)	-	1,312	-
Capital assets and goodwill	685,668	61,217	90,015	817	837,717

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

**12. Segmented Information (continued)**

	Nine months ended September 30, 2008				
	Guinea	Greenland	Philippines	Corporate, other and eliminations	Total
Mineral sales	\$ 45,075	\$ 36,119	\$ -	\$ -	\$ 81,194
Depletion and depreciation	(9,527)	(8,705)	-	-	(18,232)
Interest and other (expenses) income	(495)	(5,050)	(242)	4,735	(1,052)
Interest and finance costs	-	-	-	(20,090)	(20,090)
Operating profit (loss)	1,386	(12,480)	(10,490)	(1,906)	(23,490)
Impairment charges	(82,352)	(48,911)	-	-	(131,263)
Net loss	(80,966)	(61,391)	(10,490)	(1,906)	(154,753)
Inter-segment charges	-	(3,864)	-	3,864	-
Capital assets and goodwill	640,298	-	114,606	1,110	756,014
	Nine months ended September 30, 2007				
	Guinea	Greenland	Philippines	Corporate, other and eliminations	Total
Mineral sales	\$ 128	\$ 27,856	\$ -	\$ -	\$ 27,984
Depletion and depreciation	-	(7,309)	-	-	(7,309)
Interest and other (expenses) income	(316)	(356)	(242)	867	(47)
Interest and finance costs	-	-	-	(15,775)	(15,775)
Operating loss	(1,099)	(12,630)	(1,974)	(19,585)	(35,288)
Impairment charges	-	-	-	-	-
Net loss	(1,099)	(12,630)	(1,974)	(19,585)	(35,288)
Inter-segment charges	-	(3,982)	-	3,982	-
Capital assets and goodwill	685,668	61,217	90,015	817	837,717