



**CREW GOLD CORPORATION**  
**Management's Discussion and Analysis of Financial Condition and**  
**Results of Operations**  
**For the year ended December 31, 2007**  
(Expressed in US dollars)

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**PRESS RELEASE**

**HIGHLIGHTS**

**For the Quarter Ended December 31, 2007**

- Quarterly production increased by 88% to 44,914 ounces ("oz") from 23,920 oz in 2006
- Completed an equity placement of 41,922,487 common shares raising \$ 63.3 million
- Acquired remaining 17.5% of Nalunaq Gold Mine to become 100% owner
- Sold 15 million Intex Resources ASA ("Intex", formerly known as Crew Minerals ASA) shares raising \$33.2 million, net of transaction costs

**For the Year Ended December 31, 2007**

- Overview
  - Annual group gold production of 157,628 oz (six months ended December 31, 2006 – 65,988 oz)
  - Raised net proceeds of \$63.3 million from placement of 41,922,487 common shares
  - Raised aggregate net proceeds of approx. \$107.2 million in the year from the sale of 39.6 million Intex shares
- Results
  - EBITDA of \$52.9 million (six months ended December 31, 2006 – \$25.7 million)
  - Net loss of \$31.3 million (six months ended December 31, 2006 – net profit of \$7.3 million)
- LEFA
  - 2007 gold production of 91,684 oz (six months ended December 31, 2006 – 29,681 oz) (note that for accounting purposes, revenues and operating costs are capitalised as the plant has not yet reached commercial production)
  - Upgrade and rectification program progressing according to plan

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- Equipment all delivered as at March 14, 2008 and installation progressing according to plan
- Mid-year reserves increased by 0.49 million oz to 3.87 million oz (14% increase) and included a new reserve at Firifirini of 0.23 million oz
- Maco (formerly called Masara)
  - Appointed new Resident Manager
  - Phase 1 pilot plant at Maco operating on development ore
  - Infrastructure development and ore development progressing
  - Commenced construction of new tailings facility
  - Continued focus on adding further tenements around the existing mining operations and consolidating a larger long term gold and copper porphyry potential
  - Commenced discussions with a potential partner for the assessment of the copper porphyry resource
  - Commenced technical review of the mill expansion and mine plan; completed during Q1 2008
  - Appointed new President in January 2008
- Nalunaq Gold Mine and Nugget Pond Processing Facility
  - Refurbished plant and commenced operations at Nugget Pond Facility in Q1 2007
  - 2007 gold production of 58,716 oz (the plant only operated for 9 months due to the commissioning of Nugget Pond) (six months ended December 31, 2006 – 36,307 oz)
  - Nalunaq Gold Mine now 100% owned following acquisition of minority interest.
- Outlook
  - Continued production growth
  - Investment in resource and reserve expansion to continue with annual reserve and resource updates expected to be released during Q2 2008.
  - Completion of capacity increase and production ramp up at LEFA anticipated by the end of Q2 2008
  - Continued focus on securing new strategic land claims

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**OPERATIONS REVIEW**

**LEFA Gold Mine**

*Plant and Infrastructure*

Following the acquisition of the CIP plant and its relocation from Indonesia to Guinea and its assembly there, in May 2007 it became evident that the operation of the leach and absorption tank agitators was below expectation resulting in sand settling in the tanks. This was most prevalent when fresh ore was being processed. As a result of the need to replace the agitators, a decision to upgrade the processing capacity was made and management believes that the resulting configuration will enable the leach and absorption circuit to operate above the nameplate estimate of approximately 18,000 tonnes per day. The commissioning phase was extended to design, order and install new agitators, gearboxes, apron feeders and pumping capacity. These modifications have resulted in a reduction in gold production for 2007 from prior estimates and additional capital expenditures of approximately \$10 million. Management believes that an annualised production rate of approximately 350,000 - 400,000 ounces per year at the present reserve grade, and 400,000 - 450,000 ounces when higher grade material is mined from satellite pits should be achieved.

The upgrade and rectification project has progressed on schedule. All components have been delivered to site and installation is approximately 90% complete as of the date of this MD&A. Major improvements include an increase in recoveries from 88% to approximately 94% in the first two months of 2008.

Both SAG mills 1 and 2 were relined during Q4 2007. In preparation for the capacity upgrade of the CIP plant, a design review report has been undertaken by engineering consultants who have confirmed that the revised design capacity of the plant can be achieved with the planned modification and rectification works that are currently in progress.

Another important component of the rectification and expansion program is preparation of the site for operation during the wet seasons. These include mine dewatering and river diversions, plant spillage control and storm water drainage, road drainage and most importantly a joint government sponsored plan to upgrade the main road into site to allow logistical support during 2008's and future wet seasons.

The power plant electrical generation system has been fully commissioned. It is currently running on diesel oil and is being converted to operate with heavy fuel oil (HFO). 2 out of 8 generators were commissioned during October and November. Commissioning of the HFO treatment and conditioning plant is in progress. The rebuilding and conversion of the remaining generators to HFO will occur progressively. The conversion and re-builds are being managed by the original equipment manufacturers, Wartsilä. Specialist contract technicians are at site assisting with the final conversion works and substantial completion is expected prior to the onset of the next wet season. The change to HFO power generation is expected to reduce cash operating costs by an estimated 15-20 USD per ounce. Additionally, the storage capacity of 3.5 million litres of HFO, which has already been delivered to site, will provide an additional buffer against possible disruption to supply in the wet season. The bulk of diesel storage will then be required only for the open pit mining fleet mobile equipment.

The rectification and expansion project is expected to be completed during Q2, 2008 and has a cost

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estimate of approximately \$10 million. Commissioning of the plant is expected to be complete in Q2 2008. The plant will be declared commercially operational when daily throughput rates of  $\pm 16,000$  tonnes of ore are achieved on a sustainable basis. Following this, revenues and operating costs will be recorded in the earnings statement. During the remainder of 2008, plant throughput is expected to be progressively increased.

*Reserves and Resources*

In October 2007, we announced a mid year review of ore reserves, effective September 1, 2007. Proven and probable reserves increased by 490,000 oz (14%), from 3.38 million oz to 3.87 million oz. These include a new proven reserve of 0.21 million oz and a new probable reserve of 0.02 million oz at Firifirini (formerly Siguirini prospect) and an increase determined through a design review of the main open pits within the LEFA Corridor.

Of further significance, the Firifirini deposit continues to be open to both the east and west ends and drilling has also identified a parallel structure north of the current resource area. Drilling results following the last resource and reserve updates have been encouraging. Further work will focus on expanding the Firifirini resource as well as continuing the evaluation of the northern and nearby structures.

**Maco**

The Masara Mine in the Philippines was renamed Maco Mine in late 2007 to recognize the entire municipality where the mining occurs rather than one particular village near the mine.

*Operations*

The Maco Mine is still considered to be in the development phase while technical studies are completed and underground development is put in place to explore the orebody and upgrade the geological resources in preparation for stoping. In the process, this development has been opening large tracts of orebody in preparation for stoping so that the development stays well ahead of the planned stoping and planned production rates can be sustained.

The experience gained in 2006 and 2007 has led to a better understanding of the orebody and has identified issues including ground conditions, gas and water management that were originally not foreseen.

A study to review the stoping methods indicated that under ideal conditions, the maximum production peaks at 1,900 tpd when multiple vein systems are being mined simultaneously. A production rate of 1,000 tpd to 1,500 tpd is considered achievable taking into account the level of confidence in resources and physical mining conditions. The expansion of the mill in phases to be able to process a constant throughput of 700 tpd in 2008 is underway.

The approach for 2008 is to develop the infrastructure and ore drives in the vein systems where we have the highest level of confidence in the resource. This will allow us to convert as much as possible of the ore resource from inferred to indicated and measured status. At the same time, we are consolidating all of the existing geological and sampling data on these vein systems to identify which ore drives should be

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advanced outside the current plan as exploration drives and also to ensure that the current development follows the payable splits in the veins.

*Plant and Infrastructure*

During 2007 the 500 tpd pilot plant operated on development ore while the technical review of the mill expansion and mine plan continued. The plant has shown that it can operate at rates of up to 700 tpd, but not on a sustainable basis. The mill expansion is to be phased in with the mine expansion with the first phase to provide the capability to sustain 700 tpd that is scheduled from underground toward the end of 2008.

Flotation studies were originally started to reduce the amount of cyanacides in the ore including, copper, lead and zinc. Tests however have shown that saleable concentrates of these base metals can be obtained that could potentially double the value of the ore. Indications are that the additional flotation costs are essentially offset by the reduction in cyanide cost. This study will be expanded further during 2008 with emphasis on differential flotation.

The design of the expansion of the tailings management facility was completed during Q3 2007 and the expanded tailings facility is being constructed in two phases to reduce the immediate impact on cash flow. The first phase of the facility will allow for production into 2009 with the timing of the second phase dependant upon the tailings consumed in the mine backfilling process.

Staff training continues to be a major focus with transfer of professional Philippine staff between Crew operations to expand their experience and provide properly trained staff in a difficult labour market. An expatriate training manager has been appointed and nationally accredited training programmes have commenced on the mine with emphasis on training of trainers.

A new General Manager was recruited and started during Q3 2007. Mr. Fernando (Ferdie) Agustin was previously employed by Philex Mining Corporation, the largest Philippine-owned mining company in the country, and has over 20 years of mine site operations and management experience. Ferdie has taken on the role of Vice President Operations and Resident Manager and is stationed at the mine site. In addition, a new corporate administrative manager was recruited. Mr. Deo Contreras Jr also comes from Philex and has over 40 years of experience in the industry. Deo is based in Manila and has the role of Executive Vice President and General Counsel. As the President of Apex Mining Company announced his retirement in Q3 2007, Deo also began performing the duties of the President. He has subsequently been appointed CEO and President of Apex Mining Company on January 14, 2008.

These appointments have instilled a new enthusiasm and a higher degree of responsibility in the work force and major advances have been made in streamlining the organisational structure with both cost reductions and improved productivity.

The Company has, for some time, been evaluating the copper-gold porphyry potential of the Maco property. After having been approached by a number of companies we have now commenced discussions with a limited number of major international mining companies relating to exploration and possible development of the copper-gold porphyry resources existing on the concession.

*Exploration and underground development*

Drilling to define the vein extensions on strike and at depth from old workings continued through the quarter, with 17,409 metres of diamond drilling being completed for the year ended December 31, 2007

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bringing the total drilled to 43,369 metres since the program began.

We released an update of mineral resources for our Maco Mine in the Philippines, in February 2007. The total resource inventory for Maco included an estimated 304,000 oz of Indicated Resource (1.46 million tonnes at 6.5 g/t Au), representing a 15% increase from the previous estimate. Inferred resources increased significantly by over 60% to 1.85 million oz (9.60 million tonnes @ 6.0 g/t Au) compared with the previous estimate of 1.15 million oz (5.74 million tonnes @ 6.3 g/t Au). Resource extension and conversion drilling has continued throughout 2007 with similar results to those obtained in 2006 and the company is confident it will continue the substantial resource expansion achieved last year.

The Company is planning to commence drilling and associated work to confirm and expand the historical copper porphyry resource (historical reserve) of approximately 80 million tonnes with 0.4% copper and 0.4 g/t gold on the property. The region is known for its considerable copper porphyry deposits.

In the mid 1970s, the property had a limited open pit copper operation based on the Theresa and Kurayao porphyry deposits. An internal feasibility study based on a mineable resource (neither JORC nor NI 43-101 compliant) at the time indicated approximately 80 million tonnes at 0.4% Cu and 0.4 g/t Au. A recent review of geological data indicates potential for the smaller porphyry stocks to merge at depth. Due to the topography and limited access in the area, a potential combined copper porphyry and gold operation within the same area may cause logistical challenges and is now being assessed. As a part of this assessment, we are considering a regional exploration program to establish a better basis for future development programs. This regional exploration program may be undertaken in joint venture with a large international mining company.

### **Nalunaq and Nugget Pond**

#### *Operations*

Nalunaq mine performance has continued to improve with the average daily production for the year ending December 31, 2007 being 403 tonnes per planned production day and production for the December quarter 2007 averaged 450 tonnes per planned production day.

In late 2006, we acquired the Nugget Pond facility in Newfoundland to process ore produced from our Nalunaq Gold Mine in Greenland. Refurbishment and recommissioning of the plant was completed in February 2007. The first gold was poured in March 2007, approximately four months ahead of initial plans. Ore is currently shipped to South Brook and trucked to Nugget Pond. Performance of the Nugget Pond facility has exceeded expectations enabling a planned upgrade to be deferred.

#### *Reserves and Resources*

Updated reserve and resource estimates for the year will be completed and presented in Q2 2008. Drill results will be published on the basis of concluded programs or sections.

#### *Acquisition of minority interest in Nalunaq Gold Mine*

On November 1, 2007 we announced the acquisition of the remaining 17.5 % of Nalunaq Gold Mine from Nuna Minerals A/S ("Nuna") bringing our total ownership to 100%. Including the acquisition of the loans made by Nuna of CAD\$2.5 million, total cash consideration was CAD\$5.0 million. In addition, Nuna will be entitled to a 1.5% Net Smelter Royalty on production in excess of 992,000 cumulative oz from the date of the opening of the mine. Approximately 230,400 oz have been produced to date.

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**RESULTS FROM OPERATIONS**

**LEFA Gold Mine**

Ore mined in the quarter ended December 31, 2007 totalled 828,405 tonnes at an average grade of 1.85 g/t and containing 49,317 oz of gold. Mining activities early in the period were affected by the heavy rainfall, but are now performing well. Mining production has progressively increased with excavator production rates now in line with that forecast in the feasibility study. Total mine production (ore plus waste) for November and December was the best so far and exceeds by 15-20% the monthly average planned for 2008. This performance results from improved planning, equipment utilisation, the positive impact of operator training and recruitment of key mining operations personnel.

Ore mined in the twelve months to December 31, 2007 totalled 2,253,671 tonnes at an average grade of 1.62 g/t, containing 117,136 oz of gold.

Ore milled during the quarter ended December 31, 2007 was 791,450 tonnes containing 33,823 oz of gold. Throughput in December was reduced when the site experienced a component failure in an electrical panel for one of the grinding mills. This impacted production by five days whilst repairs were effected and replacement PLC cards were sourced and delivered to site.

Ore processed for the twelve months ended December 31, 2007 was 2,482,203 tonnes.

Gold produced in the quarter was 27,579 oz, compared to the 28,953 oz for the previous quarter ended September, 2007. The production during Q4 was lower than expected due to the impact of the disruptions to plant operations mentioned above.

Gold produced for the year to December 31, 2007 was 91,684 oz.

Gold sold was 24,824 oz and 87,188 oz for the quarter and year ended December 31, 2007 respectively. All proceeds from gold sold and associated costs were capitalised for accounting purposes.

**Maco**

During the quarter ended December 31, 2007 26,901 tonnes of lower grade development ore was processed through the pilot plant at 2.6 g/t. Gold recovered from the plant in the period was 1,957 oz. Gold sold in the quarter was 2,196 oz.

For the twelve months ended December 31, 2007, 84,965 tonnes were processed through the plant at 3.2 g/t Au and 13.59 g/t Ag. Gold recovered in the year was 7,228 oz and gold sold was 7,155 oz. The mine also produced 21,790 oz of silver in the year.

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

During the twelve months ended December 31, 2007, \$3.4 million (six months ended December 31, 2006 - \$1.2 million) was spent on further development of the mine. The focus of this work was ramp development to provide access from the Upper Target Block to the Mountain Block. A portal was

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established at the 600MB level to provide for exhaust ventilation and access to an additional waste dump. The South Block development has continued down to the 230SB level as the Upper Target Block has intersected the 600m level.

Ore produced in the quarter ended December 31, 2007 was 31,748 tonnes, an average of approximately 345 tpd, and for the twelve months the ore production was 132,930 tonnes representing an average of 364 tpd (six months ended December 31, 2006 – 52,139 tonnes representing an average of 283 tpd). Production for the year was focussed on three mining fronts, the Upper Target Block, the Lower Target Block and the South Block.

Shipping of ore to Nugget Pond continued throughout the quarter as planned and four shipments totalling 45,406 tonnes of ore at an average grade of 12.0 g/t containing 17,500 oz were delivered to South Brook in Newfoundland, for subsequent road haulage to Nugget Pond. Total ore shipments for the year to December 31, 2007 to Nugget Pond were 161,514 tonnes containing 77,036 oz, representing an average grade of 14.8 g/t. At December 31, 2007, 6,000 tonnes of run-of-mine ore was stockpiled at Nalunaq's port in Greenland containing management's estimate of approximately 2,100 oz of gold. In addition there was 28,000 tonnes of ore containing approximately 12,700 oz of gold at Nugget Pond.

During the quarter, a total of 40,183 dry metric tonnes of ore were processed at the plant (an average mill throughput of 437 tpd) at a grade of 13.2 g/t. Ore processed for the year to December 31, 2007 was 132,579 tonnes at an average grade of 14.9 g/t. Gold produced from the plant during the quarter and year ended December 31, 2007 were 15,378 oz and 58,716 oz, respectively. There was no gold produced in Q1 2007 as the Nugget Pond plant was being commissioned.

Gold sold during the quarter and year ended December 31, 2007 were 14,809 oz and 56,570 oz, respectively.

#### **FINANCIAL RESULTS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007**

For the twelve months ended December 31, 2007, we reported mineral sales of \$39.6 million (six months ended December 31, 2006 - \$39.5 million). Gold sales from LEFA and Maco during the year were offset against capital costs, in accordance with our accounting policies, as the plants have not reached commercial production. In 2006 there was revenue reported from the former heap leach operation at LEFA.

Direct costs for the twelve months ended December 31, 2007 were \$35.2 million (six months ended December 31, 2006 - \$38.7 million). Mine site administration costs were \$7.6 million (six months ended December 31, 2006 - \$6.9 million). Direct costs and mine site administration costs in 2006 included costs relating to the LEFA heap leach operation and also mobilization and other start-up costs of \$5.6 million at LEFA. LEFA and Maco costs in the year have been capitalised as the plants have not yet reached commercial production..

Gross margin for the twelve months ended December 31, 2007 was negative \$3.2 million (six months ended December 31, 2006 – negative \$6.1 million). Depletion and depreciation expense, which is a non-cash measure, was \$8.7 million (six months ended December 31, 2006 – \$6.7 million).

For the year ended December 31, 2007, general corporate administration and related costs were \$17.7

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million (six months ended December 31, 2006 – \$11.6 million). Interest and finance charges expense were \$21.6 million (six months ended December 31, 2006 – \$10.1 million) and a 13.2% appreciation in the value of the Norwegian Kroner against the US Dollar resulted in unrealised foreign currency translation losses of \$38.9 million (six months ended December 31, 2006 - \$0.6 million). The Company also recorded realized fair value losses of \$7.6 million and unrealized fair value losses of \$0.4 million on its forward obligations.

The Company reduced its holdings of Intex shares systematically during the year and this resulted in the recognition of \$72.2 million gains for the twelve months ended December 31, 2007 (six months ended December 31, 2006 – gains of \$35.2 million). In 2006, the Company realised a gain of \$6.7 million on the sale of its interest in Barberton Mines Ltd to Metorex and subsequent disposal of the Metorex shares.

## **OUTLOOK**

Our main focus during 2007 has been the rectification and upgrade of the LEFA plant. In spite of adverse weather and other challenges at the plant during the year, the rectification and upgrade program proceeded according to schedule and production is increasing. As previously advised, during the first half of 2008 there will be some interruptions to production to allow components of the rectification program to be completed. Management expects that the production rates will continue to improve throughout 2008. The plant is expected to reach 75 % (approximately 16,000 tonnes per day) of its new design capacity during Q2 2008 at which time the plant will be deemed to be in commercial production. Towards the end of 2008, as plant reliability issues are progressively corrected, the throughput is expected to approach 90% of design capacity (approximately 20,000 tonnes per day).

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 Company is focusing on two key strategic issues to achieve the overall longer term production plan, and to be able to mitigate the continued cost pressure on our sector. These two issues are:

1. higher throughput and efficiency improvements at all operations; and
2. specifically at LEFA, blending of ore from higher grade satellite deposits to process higher average grades.

After 10 of the 12 new agitators have been installed there have been efficiency improvements in the LEFA plant through significantly higher recoveries. Recoveries in the first two months of 2008 have increased from 88% to approximately 94%. Upon achieving sustained increased throughput, the conversion to heavy fuel oil and other planned cost efficiencies, the Company will be in a much better cost position at LEFA, countering the general industry cost pressures.

The technical review of the mill expansion and mine plan at the Maco operation is expected to yield cost savings in capital and efficiencies in the plant. Even though only limited work has been undertaken on

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the copper-gold porphyry resources located on the concession so far, more focus will be given to evaluate what seems to be very significant copper porphyry potential. A number of international companies have approached Crew to develop an exploration joint venture. These opportunities are being considered. The focus at Maco will continue to be on the technical review of the plant expansion and mine plan.

Our Nalunaq operation continues to improve, with average daily ore production during 2007 being the highest achieved since the commencement of operations. As the mine produces from an inferred resource we do experience some variation in grade from month to month. With the acquisition of the remaining minority interest, Crew is in a better position to achieve its longer term strategic goals. We expect Nalunaq to generate stable production in the years to come.

Nugget Pond continues to operate efficiently with throughput and recoveries exceeding initial expectations. Previously planned improvements to increase throughput at the mill have been deferred. In addition, the construction of a planned offloading facility for Nugget Pond at Snooks Arm was deferred as a larger, shared community facility is being considered. This reduced expected 2007 capital expenditures by approximately \$7 million.

Crew's annualised production rate for Q3 and Q4 2007 has been approximately 200,000 ounces. With the completion of the LEFA rectification and expansion project delivering rapid production growth, and LEFA's significant exploration potential and continued encouraging drill results, the Company is well positioned to show significant and sustained increases in production in the longer term. Our decision to increase the production capacity at LEFA, taken in May 2007, and our focus on grade improvement was driven to a great extent by the cost pressure seen by the mining industry. Our industry continues to be faced with escalating costs and we see these cost pressures continuing. We have taken conscientious, deliberate and pro-active action to address cost control and believe our actions will add value to our shareholders' investment. The upgrade and rectification program is expected to be finalised during the first half of 2008. While a quarter-on-quarter production increase is expected, month to month production variations should be expected, particularly during the wet season at LEFA.

It is Management's view that the outlook for the Company not only remains positive, but has strengthened during the year, based on the present status of the Company's projects, continued increases in reserves and resources, and the strong gold price. Increases in the price of gold will most likely also cause higher general costs to the industry offsetting some of the favourable impact of the gold price increases, but do improve margins significantly for Crew and the industry in general. Management's projected margins for the LEFA project have increased considerably based on the present gold price since Crew purchased LEFA. Since the decision to upgrade and rectify the plant was made in May 2007, the gold price has increased by more than US\$300 per ounce. The deferred revenues from the postponed production in 2007 will to some extent be recouped in 2008 assuming the higher gold price is sustained. Mining production at LEFA for the last 5-6 months has been well ahead of schedule, recoveries from the limited tonnage processed through the plant have improved significantly and are above expectations, and exploration continues to be encouraging. With the anticipated completion and commissioning of the rectification and the expansion project at LEFA in Q2 2008, it is Management's view that the outlook for the Company is very encouraging.

Our Maco pilot plant has been operating well and above budget during the first few months of 2008. The review of the mill expansion and mine plan is being finalised. The Nalunaq/Nugget Pond operation is improving and is now a stable producer. We have had systematic and disciplined growth over past

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quarters in both production and resource and reserve growth and expect to see continued growth quarter by quarter over the near term.

We believe that the quality of the Company's projects and the strategic decisions taken by management and the board will create shareholder value over 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>.

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**For the year ended December 31, 2007**  
(Expressed in US dollars)

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

	As at, December 31, 2007	As at, December 31, 2006
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	20,061	131,937
Restricted cash	31	302
Accounts receivable	33,635	4,363
Prepaid expenses and deposits	2,613	1,445
Inventories and stockpiled ore	40,842	23,243
Investment in Golden Star Resources Limited	-	833
Investment in Intex Resources ASA	16,851	-
	<b>114,033</b>	<b>162,123</b>
MINING INTERESTS	453,755	396,775
PROPERTY, PLANT AND EQUIPMENT	326,356	244,190
GOODWILL	104,592	104,592
OTHER MINERAL PROPERTY INTERESTS	871	1,889
OTHER ASSETS	1,855	12,665
RESTRICTED CASH	6,014	4,639
	<b>1,007,476</b>	<b>926,873</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	75,219	38,791
	<b>75,219</b>	<b>38,791</b>
RECLAMATION AND CLOSURE COST OBLIGATIONS	3,180	3,196
6 % CONVERTIBLE BONDS	225,918	197,725
OTHER LONG-TERM DEBT	139,641	130,829
FUTURE INCOME TAXES	98,925	96,462
NON-CONTROLLING INTERESTS	-	40,734
	<b>542,883</b>	<b>507,737</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	571,701	508,106
Equity component of convertible bonds	15,607	15,607
Contributed surplus	11,524	4,275
Accumulated other comprehensive income	6,412	-
Cumulative translation adjustment	-	538
Deficit	(140,651)	(109,390)
	<b>464,593</b>	<b>419,136</b>
	<b>1,007,476</b>	<b>926,873</b>

**CREW GOLD CORPORATION**  
**Management's Discussion and Analysis of Financial Condition and**  
**Results of Operations**  
**For the year ended December 31, 2007**  
(Expressed in US dollars)

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

	Year ended December 31, 2007	Six months ended December 31, 2006	Year ended June 30, 2006
MINERAL SALES	39,562	39,461	37,953
DIRECT COSTS OF MINERAL SALES	(35,186)	(38,681)	(28,050)
MINE SITE ADMINISTRATION COSTS	(7,613)	(6,855)	(8,342)
DEPLETION AND DEPRECIATION	(8,704)	(6,657)	(9,762)
	<b>(11,941)</b>	<b>(12,732)</b>	<b>(8,201)</b>
EXPENSES			
Administration, office and general	(16,461)	(8,786)	(5,982)
Exploration	(137)	(1,379)	(353)
Professional fees	(1,122)	(1,419)	(1,437)
Stock compensation expense	(7,249)	(1,972)	(1,805)
	<b>(24,969)</b>	<b>(13,556)</b>	<b>(9,577)</b>
OTHER INCOME (EXPENSES)			
Equity earnings from investment in Barberton Mines Limited	-	153	831
Equity loss from investment in Intex Resources ASA	(404)	-	-
Gain on disposals of other investments	-	6,664	2,824
Gain on disposal of Golden Star Resources	505	597	628
Gain on disposal / dilution of investment in Intex Resources ASA	72,231	35,205	-
Realized (loss) / gain on future / forward obligation contracts	(7,574)	63	214
Unrealized loss on forward obligation contract	(358)	-	-
Interest - Convertible bonds and other long-term loans	(16,010)	(7,367)	(8,993)
Other finance charges - Convertible bonds and other long-term loans	(5,552)	(2,730)	(2,945)
Foreign exchange loss	(38,874)	(644)	(12,859)
Interest and other income - net	1,088	647	708
	<b>5,052</b>	<b>32,588</b>	<b>(19,592)</b>
(LOSS) EARNINGS BEFORE PROVISION FOR INCOME TAXES AND NON-CONTROLLING INTEREST	<b>(31,858)</b>	<b>6,300</b>	<b>(37,370)</b>
RECOVERY OF INCOME TAXES	135	945	834
(LOSS) EARNINGS BEFORE NON-CONTROLLING INTEREST	<b>(31,723)</b>	<b>7,245</b>	<b>(36,536)</b>
NON-CONTROLLING INTEREST	462	31	940
NET (LOSS) EARNINGS	<b>(31,261)</b>	<b>7,276</b>	<b>(35,596)</b>
DEFICIT, BEGINNING OF PERIOD	<b>(109,390)</b>	<b>(116,666)</b>	<b>(81,070)</b>
DEFICIT, END OF PERIOD	<b>(140,651)</b>	<b>(109,390)</b>	<b>(116,666)</b>
(LOSS) EARNINGS PER SHARE - BASIC	\$ (0.07)	\$ 0.02	\$ (0.13)
(LOSS) EARNINGS PER SHARE - DILUTED	\$ (0.07)	\$ 0.02	\$ (0.13)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC	434,147,546	394,561,832	281,543,480
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - DILUTED	434,147,546	397,896,557	281,543,480