



NOTICE OF ANNUAL AND SPECIAL MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

OF

CREW GOLD CORPORATION

TO BE HELD

DECEMBER 18, 2006

CREW GOLD CORPORATION

Abbey House
Wellington Way,
Weybridge, Surrey,
KT13 OTT United Kingdom

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the "Meeting") of shareholders of Crew Gold Corporation (the "Corporation") will be held at Abbey House, Wellington Way, Weybridge, Surrey, United Kingdom, on Monday, the 18th day of December, 2006, at 10:00 a.m. (United Kingdom time), for the following purposes:

1. to receive the financial statements of the Corporation for the financial year ended June 30, 2006, and the report of the auditors thereon;
2. to elect directors;
3. to appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation and to authorize the directors to fix their remuneration;
4. to consider and, if thought advisable, approve a resolution authorizing amendments to the Corporation's 1995 Stock Incentive Plan; and
5. to transact such further and other business as may properly come before the meeting or any adjournment thereof.

Specific details of the above items of business are contained in the Management Information Circular which accompanies this Notice of Meeting and, together with management's Instrument of Proxy which also accompanies this Notice of Meeting, form part hereof and must be read in conjunction with this Notice of Meeting.

Shareholders are entitled to vote at the meeting either in person or by proxy. Shareholders who are unable to attend the meeting in person are requested to read, complete, sign and deliver the enclosed Instrument of Proxy in accordance with the instructions set out therein and in the Management Information Circular accompanying this Notice of Meeting.

DATED at Weybridge, Surrey, United Kingdom, this 15th day of November, 2006.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) William R. LeClair
Executive Vice President and
Chief Financial Officer

MANAGEMENT INFORMATION CIRCULAR

Unless otherwise specified, the information in this Management Information Circular is as of November 15, 2006.

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF CREW GOLD CORPORATION (THE "CORPORATION") FOR USE AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF THE CORPORATION TO BE HELD AT ABBEY HOUSE, WELLINGTON WAY, WEYBRIDGE, SURREY, UNITED KINGDOM, AT 10:00 A.M. (UNITED KINGDOM TIME), ON MONDAY, DECEMBER 18TH, 2006, OR AT ANY ADJOURNMENTS THEREOF, FOR THE PURPOSES SET FORTH IN THE ACCOMPANYING NOTICE OF MEETING.

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally, by electronic communication or by telephone by the directors, officers and regular employees of the Corporation at nominal cost. All costs of solicitation of proxies by management will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

THE PERSONS NAMED IN THE ACCOMPANYING INSTRUMENT OF PROXY ARE DIRECTORS OF THE CORPORATION. A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT ON THE SHAREHOLDER'S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING INSTRUMENT OF PROXY AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE INSTRUMENT OF PROXY OR BY COMPLETING ANOTHER PROPER INSTRUMENT OF PROXY.

AN INSTRUMENT OF PROXY MUST BE IN WRITING AND SIGNED BY THE SHAREHOLDER OR BY THE SHAREHOLDER'S ATTORNEY DULY AUTHORIZED IN WRITING OR, IF THE SHAREHOLDER IS A BODY CORPORATE OR ASSOCIATION, SIGNED BY ANY INDIVIDUAL AUTHORIZED BY A RESOLUTION OF THE DIRECTORS OR GOVERNING BODY OF THE BODY CORPORATE OR ASSOCIATION. A PROXY WILL NOT BE VALID UNLESS THE COMPLETED INSTRUMENT OF PROXY AND THE POWER OF ATTORNEY OR OTHER AUTHORITY, IF ANY, UNDER WHICH IT IS SIGNED, OR A NOTARIALY CERTIFIED COPY THEREOF, IS RECEIVED BY PACIFIC CORPORATE TRUST COMPANY, 2ND FLOOR – 510 BURRARD STREET, VANCOUVER, BRITISH COLUMBIA, CANADA V6C 3B9 (FAX: (604) 689-8144) NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE COMMENCEMENT OF THE MEETING OR ANY ADJOURNMENT THEREOF.

A shareholder who has given an Instrument of Proxy may revoke it by an instrument in writing signed by the shareholder or by the shareholder's attorney authorized in writing or, if the shareholder is a body corporate or association, signed by any individual authorized by a resolution of the directors or governing body of the body corporate or association, and delivered to the registered office of the Corporation, Suite 200 – 204 Lambert Street, Whitehorse, Yukon Territory, Canada Y1A 3T2, at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof at which the Instrument of Proxy is to be used, or to the Chair of the meeting on the day of the meeting or any adjournment thereof or in any other manner provided by law. A revocation of an Instrument of Proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF PROXIES

THE MANAGEMENT REPRESENTATIVES DESIGNATED IN THE ENCLOSED INSTRUMENT OF PROXY WILL VOTE OR WITHHOLD FROM VOTING THE SHARES IN RESPECT OF WHICH THEY ARE APPOINTED PROXY ON ANY POLL THAT MAY BE CALLED FOR IN ACCORDANCE WITH THE INSTRUCTIONS OF THE SHAREHOLDER AS INDICATED ON THE INSTRUMENT OF PROXY AND, IF THE SHAREHOLDER SPECIFIES A CHOICE WITH RESPECT TO ANY MATTER TO BE ACTED UPON, THE SHARES WILL BE VOTED ACCORDINGLY. WHERE NO CHOICE OR WHERE BOTH CHOICES ARE SPECIFIED IN THE INSTRUMENT OF PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED “FOR” THE MATTERS OR PERSONS DESCRIBED THEREIN AND IN THIS MANAGEMENT INFORMATION CIRCULAR.

The enclosed Instrument of Proxy confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting and with respect to other matters that may properly come before the meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the meeting or any other business is properly brought before the meeting, it is the intention of the persons designated in the enclosed Instrument of Proxy to vote in accordance with their best judgment on such matters or business. At the date of this Management Information Circular, management of the Corporation knows of no such amendment, variation or other matter which may be presented to the meeting.

NON-REGISTERED SHAREHOLDERS

Only registered shareholders or their duly appointed proxyholders are permitted to vote at the meeting. Most shareholders of the Corporation are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares or a clearing agency. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-102 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Management Information Circular and the Instrument of Proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given an Instrument of Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the Instrument of Proxy, this Instrument of Proxy is not required to be signed by the Non-Registered Holder when submitting the Instrument of Proxy. In this case, the Non-Registered Holder who wishes to submit an instrument of proxy should otherwise properly complete the Instrument of Proxy and deposit it with Pacific Corporate Trust Company as provided above; or
- (b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “proxy

authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the Instrument of Proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the Instrument of Proxy, properly complete and sign the Instrument of Proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the meeting in person, the Non-Registered Holder should contact their Intermediary well in advance of the meeting to determine how to do so. Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Instrument of Proxy or proxy authorization form is to be delivered.

APPROVAL OF RESOLUTIONS

Unless otherwise specified, a simple majority of affirmative votes cast at the meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment as the Corporation’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue 1,000,000,000 common shares without par or nominal value (the “Shares”), of which 422,224,875 Shares are issued and outstanding.

The holders of Shares at the close of business on November 9, 2006 (the “Record Date”) are entitled to vote or to have their Shares voted at the meeting, except to the extent such holder transfers the ownership of his or her Shares after the Record Date, and the transferee of those Shares:

- (a) produces properly endorsed Share certificates, or
- (b) otherwise establishes his or her ownership to the Shares, and makes a demand to the Corporation, not later than 10 days before the meeting, that his or her name be included on the shareholders’ list for use at the meeting.

On a show of hands, every individual who is present as a shareholder or as an authorized representative of one or more corporate or association shareholders, or who is holding an Instrument of Proxy on behalf of a shareholder who is not present at the meeting, will have one vote. On a poll, every shareholder present in person or represented by an Instrument of Proxy and every person who is a representative of one or more corporate or association shareholders will have one vote for each Share registered in the shareholder’s name on the list of shareholders, which is available for inspection during normal business hours at Pacific Corporate Trust Company and will be available at the meeting.

To the knowledge of the directors and executive officers of the Corporation, the only persons or companies that beneficially own, directly or indirectly, or exercise control or direction over, in excess of 10% of the outstanding Shares are:

<u>Name</u>	<u>Number of Shares</u> ⁽¹⁾	<u>% of Class</u> ⁽¹⁾
Goldman Sachs International Equity	63,582,494	15.06%

(1) As of November 14, 2006.

(2) As of the date hereof.

ELECTION OF DIRECTORS

The term of office of each of the present directors expires at the meeting. Management of the Corporation proposes to nominate the persons named below for election as directors of the Corporation at the meeting. Each director elected will hold office until the next annual general meeting of the Corporation or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the constating documents of the Corporation or the laws of the Corporation's governing jurisdiction.

UNLESS SUCH AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE ACCOMPANYING INSTRUMENT OF PROXY INTEND TO VOTE FOR THE ELECTION OF THE NOMINEES WHOSE NAMES ARE SET FORTH HEREIN. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THESE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IF, PRIOR TO THE MEETING, ANY OF THE NOMINEES IS UNABLE OR DECLINES TO SO SERVE, THE PERSONS NAMED IN THE ACCOMPANYING INSTRUMENT OF PROXY WILL VOTE FOR ANOTHER NOMINEE OF MANAGEMENT IF PRESENTED, OR TO REDUCE THE NUMBER OF DIRECTORS ACCORDINGLY, IN THEIR DISCRETION.

In the following table and notes thereto is stated the name of each person proposed to be nominated by management for election as a director, the province or state and country in which he is resident, all offices of the Corporation now held by him, his principal occupation business or employment, the period of time for which he has been a director of the Corporation, and the number of Shares beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof:

<u>Name, Position and Residence</u> ⁽¹⁾	<u>Principal Occupation, Business or Employment and, if not Previously Elected as a Director, Occupation During the Past 5 Years</u> ⁽¹⁾	<u>Previous Service as a Director</u>	<u>Number of Shares</u> ⁽²⁾
HANS CHRISTIAN QVIST ⁽³⁾⁽⁴⁾ Chairman Oslo, Norway	Management consultant with Converto AS (a management consulting company)	January 21, 2002	50,000
CAMERON G. BELSHER ⁽³⁾ Director British Columbia, Canada	Partner, Farris, Vaughan, Wills & Murphy LLP, Barristers & Solicitors (a law firm)	January 21, 2002	14,990

Name, Position and Residence ⁽¹⁾	Principal Occupation, Business or Employment and, if not Previously Elected as a Director, Occupation During the Past 5 Years ⁽¹⁾	Previous Service as a Director	Number of Shares ⁽²⁾
BRIAN C. HOSKING ⁽³⁾⁽⁴⁾ Director Kingswood, United Kingdom	Managing partner of Meyer Hosking & Associates (an executive search consulting company)	February 12, 2004	Nil
WILLIAM R. LECLAIR Executive Vice President, Chief Financial Officer and Director Weybridge, United Kingdom	Executive Vice-President and Chief Financial Officer of the Corporation	February 10, 2005	20,000
SIMON J. RUSSELL ⁽⁴⁾ Director British Columbia, Canada	Vice-President, Finance of Hy's of Canada Ltd. since June 2006. Previously Chief Financial Officer of Natures Path Foods Inc. and of Mr. Lube Canada Inc.	July 1, 2006	Nil
JAN A. VESTRUM President, Chief Executive Officer and Director London, United Kingdom	President and Chief Executive Officer of the Corporation	January 21, 2002	974,678

- (1) The information as to province or state and country of residence and principal occupation, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (2) The information as to Shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (3) Current member of the Compensation and Corporate Governance Committee.
- (4) Current member of the Audit Committee.

STATEMENT OF EXECUTIVE COMPENSATION

Unless indicated otherwise, all amounts in this Management Information Circular are in Canadian dollars.

Summary Compensation Table

The following table sets forth the compensation paid during the periods indicated to the individuals who served as Chief Executive Officer and Chief Financial Officer of the Corporation during the financial year ended June 30, 2006 and the other three most highly compensated executive officers of the Corporation who were serving as executive officers at the end of the financial year ended June 30, 2006 whose total salary and bonus exceeds \$150,000 and any individual who would have satisfied this criteria except that the individual was not serving as such an officer at June 30, 2006 (collectively, the "Named Executive Officers"):

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			
		Salary (US\$)	Bonus (US\$)	Other Annual Compensation (US\$)	Awards		Payouts	
					Securities Under Options/SARs Granted (#) ⁽¹⁾	Shares or Units Subject To Resale Restrictions (\$)	LTIP Payouts (\$)	All Other Compensation (\$)
JAN A. VESTRUM	2006	473,501 ⁽²⁾	100,000 ⁽²⁾	26,149 ⁽³⁾	1,600,000	Nil	N/A	Nil
Chief Executive Officer & President	2005	384,334 ⁽²⁾	180,421 ⁽²⁾	46,088 ⁽³⁾	Nil	Nil	N/A	Nil
	2004	360,599 ⁽²⁾	Nil	31,569 ⁽³⁾	175,000 ⁽⁴⁾	Nil	N/A	Nil
WILLIAM R. LECLAIR ⁽⁵⁾	2006	74,583 ⁽⁶⁾	Nil	Nil	750,000	Nil	N/A	Nil
Executive Vice President and Chief Financial Officer	2005	15,167	N/A	N/A	N/A	N/A	N/A	N/A
	2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SIMON BOOTH ⁽⁷⁾	2006	98,208	Nil	39,616 ⁽³⁾	500,000	Nil	N/A	Nil
Executive Vice President and Chief Operating Officer	2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A
JAMES COLE ⁽⁸⁾	2006	162,218	47,213	Nil	350,000	Nil	N/A	Nil
Chief Financial Officer	2005	145,840	37,528	Nil	Nil	Nil	N/A	Nil
	2004	97,525	Nil	Nil	200,000	Nil	N/A	Nil
JON S. PETERSEN	2006	193,693	54,476	26,149 ⁽³⁾	350,000	Nil	N/A	Nil
Senior Vice President and Chief Geologist	2005	187,938	50,337	23,886 ⁽³⁾	Nil	Nil	N/A	Nil
	2004	137,172	Nil	31,569 ⁽³⁾	Nil	Nil	N/A	Nil
BRIAN C. SPRATLEY	2006	164,639	47,213	Nil	350,000	Nil	N/A	Nil
Vice President, Project Development	2005	144,337	42,218	Nil	Nil	Nil	N/A	Nil
	2004	120,308	Nil	Nil	500,000	Nil	N/A	Nil

- (1) All securities under options are for Shares. No stock appreciation rights ("SARs") are outstanding.
- (2) Certain of these amounts were paid to a company 50% beneficially owned by Mr. Vestrum.
- (3) Represents one, or all of, housing, motor vehicle, cost of living or hardship allowance.
- (4) In addition, Mr. Vestrum purchased 800,000 call options from the Corporation for an aggregate consideration of \$56,000 during this period.
- (5) Mr. LeClair was appointed Executive Vice President, Administration on July 1, 2006, and was appointed Executive Vice President and Chief Financial Officer on September 21, 2006.
- (6) These amounts were paid to LeClair Holdings Ltd., a company beneficially owned by Mr. LeClair, which is paid GBP150,000 per annum (approximately CDN\$305,000) in fees by the Corporation.
- (7) Mr. Booth was appointed Executive Vice President and Chief Operating Officer on December 9, 2005, and is paid an annual salary of GBP118,000 (approximately CDN\$240,000).
- (8) Mr. Cole resigned as Chief Financial Officer effective September 21, 2006.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of management, no proposed director is, or within the ten years prior to the date hereof, has been, a director or executive officer of any other company that, while that person was acting in that capacity: (i) was the subject of a cease trade order or similar order, or an order that denied the relevant company access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days; (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (iii) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of management, no proposed director has, during the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to

or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold assets of the proposed director.

Long-Term Incentive Plan – Awards in Most Recently Completed Financial Year

The Corporation does not have a long-term incentive plan pursuant to which compensation was paid or distributed to the Named Executive Officers during the financial year ended June 30, 2006. A “long-term incentive plan” means a plan providing compensation intended to motivate performance over a period greater than one financial year, but does not include option or SAR plans or plans for compensation through shares or units that are subject to restrictions on resale.

Option/SAR Grants During the Most Recently Completed Financial Year

The following table sets forth information concerning the grant of options during the financial year ended June 30, 2006 held by the Named Executive Officers:

Name	Securities, Under Options/SARs Granted (#)	Percent of Total Options/SARs Granted to Employees in Financial Year	Exercise or Base Price (CDN\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (CDN\$/Security)	Expiration Date
JAN A. VESTRUM	400,000	6.7%	1.85	1.75	August 2, 2010
	1,200,000	20.2%	1.74	1.74	March 9, 2011
WILLIAM LECLAIR ⁽¹⁾	50,000	0.8%	1.85	1.75	August 2, 2010
	100,000	1.7%	1.74	1.74	March 9, 2011
	600,000	10.1%	1.74	2.11	June 22, 2011
SIMON BOOTH	500,000	8.4%	1.74	1.74	March 9, 2011
JAMES COLE ⁽²⁾	150,000	2.5%	1.85	1.75	August 2, 2010
	200,000	3.4%	1.74	1.74	March 9, 2011
JON S. PETERSEN	150,000	2.5%	1.85	1.75	August 2, 2010
	200,000	3.4%	1.74	1.74	March 9, 2011
BRIAN C. SPRATLEY	150,000	2.5%	1.85	1.75	August 2, 2010
	200,000	3.4%	1.74	1.74	March 9, 2011

(1) Mr. LeClair was appointed Executive Vice President, Administration on July 1, 2006, and was appointed Executive Vice President and Chief Financial Officer on September 21, 2006.

(2) Mr. Cole resigned as Chief Financial Officer effective September 21, 2006.

Aggregated Option/SAR Exercises During the Most Recently Completed Financial Year and Financial Year-End Option/SAR Values

The following table sets forth information concerning the exercise of options during the financial year ended June 30, 2006 and the value at June 30, 2006 of unexercised in-the-money options held by the Named Executive Officers:

Name	Securities Acquired on Exercise (#)⁽¹⁾	Aggregate Value Realized (\$)⁽²⁾	Unexercised Options/SARs at Financial Year-End Exercisable / Unexercisable (#)	Value of Unexercised in-the-money Options/SARs at Financial Year-End Exercisable / Unexercisable (CDN\$)⁽³⁾
JAN A. VESTRUM	Nil	N/A	1,775,000 / Nil	\$1,143,000 / Nil
WILLIAM LECLAIR ⁽⁴⁾	Nil	N/A	1,000,000 / Nil	\$672,000 / Nil
SIMON BOOTH	Nil	N/A	500,000 / Nil	\$290,000 / Nil
JAMES COLE ⁽⁵⁾	Nil	N/A	550,000 / Nil	\$540,500 / Nil
JON S. PETERSEN	Nil	N/A	1,300,000 / Nil	\$1,627,000 / Nil
BRIAN C. SPRATLEY	Nil	N/A	850,000 / Nil	\$1,136,500 / Nil

(1) All securities acquired on exercise of options are Shares.

(2) Based on the closing trading price of the Shares on the Toronto Stock Exchange on the date of exercise.

(3) Based on the closing trading price of the Shares on the Toronto Stock Exchange on June 30, 2006, being CDN\$2.32.

(4) Mr. LeClair was appointed Executive Vice President, Administration on July 1, 2006, and was appointed Executive Vice President and Chief Financial Officer on September 21, 2006.

(5) Mr. Cole resigned as Chief Financial Officer effective September 21, 2006.

Option/SAR Repricings During the Most Recently Completed Year

During the financial year ended June 30, 2006, the Corporation did not reprice downward any options or freestanding SARs held by the Named Executive Officers.

Defined Benefit or Actuarial Plan

The Corporation does not have a defined benefit or actuarial plan for the Named Executive Officers under which benefits are determined primarily by final compensation (or average final compensation) and years of service.

Termination of Employment, Change in Responsibilities and Employment Contracts

On June 1, 2003, the Corporation entered into a consulting agreement with Kirkwick Consultants Ltd. pursuant to which Jan A. Vestrum provides consulting and advisory services to the Corporation. The term of the agreement is for twelve months and thereafter for repeating six month periods. Pursuant to the agreement, the Corporation pays compensation for Mr. Vestrum's services of NOK3,060,000 (approximately CDN\$540,000) per annum and Mr. Vestrum is eligible to receive an annual bonus based upon the results and achievements of the Corporation. Mr. Vestrum is also entitled to certain living and travel allowances. The Corporation or Mr. Vestrum may, after June 1, 2004, terminate the agreement without cause on six months' notice. No severance payments are due to Mr. Vestrum pursuant to the agreement, except where Mr. Vestrum is no longer offered the position of Chief Executive Officer following a change of control, in which circumstances Mr. Vestrum is entitled to 24 months severance pay.

On July 22, 2003, Crew Development Limited, a subsidiary of the Corporation, entered into an employment contract with Brian C. Spratley for his services as Vice President, Project Development. The

agreement is not for a fixed term. Pursuant to the agreement, Mr. Spratley receives a salary of GBP100,000 per annum (approximately CDN\$203,000), payable monthly in arrears, which is to be reviewed annually. The agreement also provides that a bonus may be paid to Mr. Spratley of up to 50% of his annual salary if objectives set by the Chief Executive Officer are achieved. The agreement provides that it may be terminated by either party without cause on three months' notice.

On January 4, 2005, Crew Development Limited, a subsidiary of the Corporation, entered into an employment contract with Jon S. Petersen for his services as Senior Vice President. The agreement is not for a fixed term. Pursuant to the agreement, Mr. Petersen receives a salary of GBP110,000 per annum (approximately CDN\$224,000), payable monthly in arrears, which is to be reviewed annually. The agreement also provides that a bonus may be paid to Mr. Petersen at a level to be determined by the Compensation and Corporate Governance Committee and approved by the Board of Directors in its absolute discretion, having regard to the criterion and rules set by the Compensation and Corporate Governance Committee. The agreement provides that it may be terminated by either party without cause on three months' notice.

On December 8, 2005, Crew Development Limited, a subsidiary of the Corporation, entered into an employment contract with Simon A. Booth for his services as Executive Vice President and Chief Operating Officer. The agreement is not for a fixed term. Pursuant to the agreement, Mr. Booth receives a salary of GBP118,000 per annum (approximately CDN\$240,000), payable monthly in arrears, which is to be reviewed annually. The agreement also provides that a bonus may be paid to Mr. Booth of up to 40% of the fixed salary as determined by the Compensation and Corporate Governance Committee and approved by the Board of Directors in its absolute discretion, having regard to the criterion and rules set by the Compensation and Corporate Governance Committee. Mr Booth is also entitled to certain living and travel allowances. The agreement provides that it may be terminated by either party without cause on three months' notice.

On June 22, 2006, the Corporation entered into a consulting agreement with LeClair Holdings Ltd. pursuant to which William R. LeClair provides advisory and consulting services to the Corporation. The agreement is not for a fixed term. Pursuant to the agreement, LeClair Holdings Ltd. is paid a base amount which includes GBP150,000 per annum in fees (approximately CDN\$305,000), payable monthly in arrears, and reimbursement and allowances for certain, travel and living expenses (the "Base Amount"). The agreement also provides for a one time Relocation Fee (the "Relocation Fee"). In addition the agreement provides for a bonus (the "Bonus") of up to GBP165,000 per annum (approximately CDN\$335,500) as recommended by the CEO and approved by the Compensation and Corporate Governance Committee. The Base Amount is to be reviewed annually. The agreement provides that it may be terminated by the Corporation without cause on three months' notice, in which case LeClair Holdings Ltd. is to be paid two times the aggregate Base Amount and last declared Bonus, and the amount of the Relocation Fee.

Except for the above, the Corporation and its subsidiaries have no compensatory plan or arrangement in respect of compensation received or that may be received by the Named Executive Officers.

Composition of the Compensation Committee

The Corporation's Compensation and Corporate Governance Committee for the year ended June 30, 2006 was comprised of Brian C. Hosking (Chair), Cameron G. Belsher and Hans Christian Qvist. Michael Price was formerly a member of the Compensation Committee. No committee member or former committee member was, during the most recently completed financial year, an officer or employee of the Corporation or any of its subsidiaries, or was formerly an officer of the Corporation or any of its subsidiaries. In addition, no committee member had or has any relationship described under "Indebtedness of Directors, Executive Officers and Employees" and "Interest of Informed Persons in Material Transactions".

Report on Executive Compensation

The Compensation and Corporate Governance Committee is responsible for making recommendations to the Board of Directors regarding the compensation to be paid to each of the executive officers of the Corporation. In addition, the Compensation and Corporate Governance Committee makes recommendations regarding compensation programs and policies and the granting of options under the Corporation's Incentive Plan.

The Corporation's compensation program for executive officers consists of three major components: (i) salary and benefits, (ii) bonuses, and (iii) the granting of options under the Incentive Plan. The Corporation's compensation program emphasises annual compensation and bonuses, with option grants intended to address long term compensation.

Base salaries are established by comparison to competitive salary levels of other mining companies of comparable size and complexity. Base salaries are affected by factors particular to the individual, such as experience and level of responsibility.

Bonuses of cash are used to reward executive officers for significant achievements. Bonuses generally are granted with reference to a formalized standard agreed to in advance with the employee. The performance of the particular executive as well as the profitability of the Corporation is considered in determining whether a bonus will be paid and the amount of such bonus. Recommendations of the Chief Executive Officer are also taken into consideration in determining whether a bonus will be paid and the amount of such bonus.

The Corporation's bonus provisions call for the amounts of bonus granted, including any stock compensation, to be based on the Corporations overall financial performance, individual divisional performance and individual personal performance. The measurement criteria for each individual is set at the beginning of the fiscal year and performance is monitored throughout the year. The Corporation utilizes grants of stock options under the Incentive Plan as the long-term incentive portion of its overall compensation for executive officers. Stock options are granted to new executive officers typically upon their commencement of employment with the Corporation. Additional grants are made periodically, consistent with the individuals level of responsibility and performance within the Corporation. Stock Options are generally priced at the closing price of the Shares on the Toronto Stock Exchange on the day preceding the grant plus 10%, generally vest over 18 months after the date of grant and expire five years after the date of grant. The amount and terms of outstanding stock options are taken into account when determining whether and how many new option grants will be made.

The compensation of the Chief Executive Officer is determined in accordance with the considerations described above, and in particular, by comparison to compensation packages of Chief Executive Officers of other mining companies of comparable size and complexity. The Chief Executive Officer's compensation is intended to be in the top quartile of the compensation received by chief executive officers of the comparative group of mining companies.

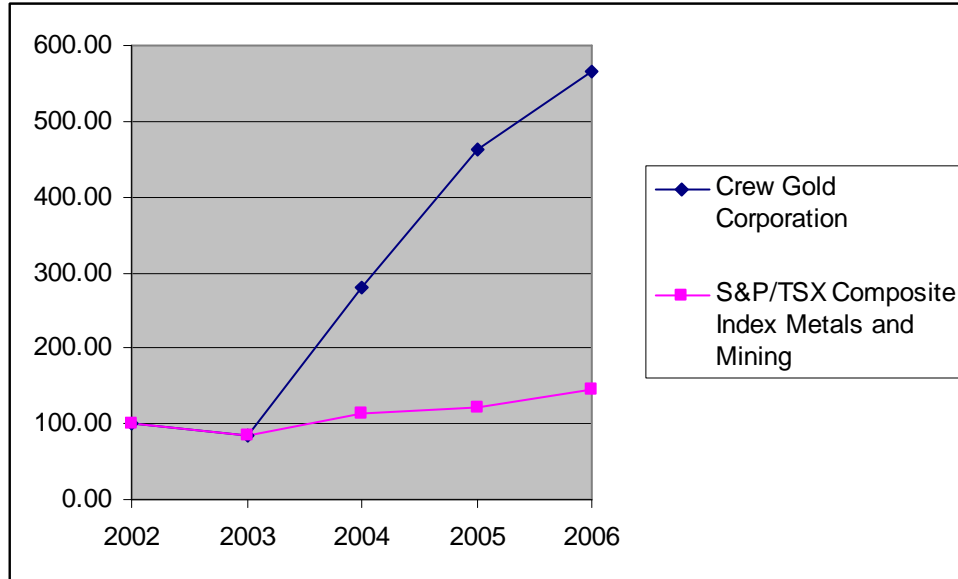
In general, the Corporation's policies on executive compensation are intended to provide an appropriate compensation for executive officers that is internally equitable, externally competitive and reflects individual achievements.

The Compensation and Corporate Governance Committee believes that the Corporation's compensation policies have allowed the Corporation to attract and retain a team of talented, motivated and experienced executive officers working towards the common goal of creating and enhancing shareholder value.

Submitted by the Compensation and Corporate Governance Committee

Performance Graph

The following chart compares the total cumulative shareholder return for the last five recently completed financial years (at June 30th) for \$100 invested in the Shares of the Corporation with the total cumulative return from the S&P/TSX Composite Index Metals and Mining.



INDEX VALUES

	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006
Crew Gold Corporation	\$100.00	\$85.37	\$280.49	\$463.41	\$565.85
S&P/TSX Composite Index Metals and Mining	\$100.00	\$83.55	\$113.95	\$121.51	\$145.82

ACTUAL VALUES

	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006
Crew Gold Corporation	\$0.41	\$0.35	\$1.15	\$1.90	\$2.32
S&P/TSX Composite Index Metals and Mining	1,362	1,138	1,552	1,655	1,986

Compensation of Directors

An annual honorarium of US\$20,000 is paid to each director of the Corporation, other than the Chairman, for their services as a director. The Chairman receives an annual honorarium of US\$110,000. A fee of US\$1,500 is paid to each director for each directors' meeting or committee meeting attended in person, or US\$750 if such meeting is attended by the director by conference phone. Directors receive a disbursement of US\$750 per day for travel time, plus reimbursement of expenses. Directors may also receive compensation in the form of incentive stock options for serving as directors of the Corporation.

During the financial year ended June 30, 2006, Farris, Vaughan, Wills & Murphy LLP, a law firm of which Cameron G. Belsher is a partner, received aggregate fees of \$903,000 for legal services performed at the request of the Corporation.

During the financial year ended June 30, 2006, Meyer Hosking & Associates, a recruitment firm of which Brian Hosking is Managing Director, received total fees of \$64,000 for recruitment services provided at the request of the Corporation.

Directors' and Officers' Liability Insurance

Under an existing policy of insurance, the Corporation is entitled to be reimbursed for indemnity payments which it is required or permitted to make to the Corporation's directors and officers. Directors and officers of the Corporation, as individuals, are insured for losses arising from claims against them for certain of their acts, errors or omissions. The policy provides maximum coverage in any one policy year of \$20,000,000 in annual claims (subject to a deductible of \$25,000 to \$500,000 per claim, payable by the Corporation). The annual premium in the current financial year is US\$311,667, which is paid by the Corporation. The premiums for the policy are not allocated between directors and officers as separate groups.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the compensation plans under which equity securities of the Corporation are authorized for issuance as of June 30, 2006, the Corporation's recent financial year end:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	9,140,000	CDN\$1.43	12,727,667
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	9,140,000	CDN\$1.43	12,727,667

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer and no former director, executive officer of the Corporation or any of its subsidiaries is indebted to the Corporation or indebted to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation, other than routine indebtedness.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, proposed nominee for election as a director of the Corporation or an associate of any such director, executive officer or proposed nominee is, or at any time since the beginning of the Corporation's most recently completed financial year has been, indebted to the Corporation or any of its subsidiaries or indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, other than routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth elsewhere in this Management Information Circular no person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing, has any material interest, direct or indirect in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

APPOINTMENT OF AUDITOR

Management of the Corporation proposes to nominate PricewaterhouseCoopers LLP, Chartered Accountants ("PWC"), as auditor of the Corporation to hold office until the next annual meeting of shareholders, at remuneration to be fixed by the board of directors of the Corporation.

This is the first year that PWC has been nominated for appointment as the Corporation's auditor. Deloitte & Touche LLP, Chartered Accountants, has acted as auditor of the Corporation since March 20, 2000.

Pursuant to section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations*, attached hereto as Appendix A is the change of auditor reporting package.

UNLESS SUCH AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE ACCOMPANYING INSTRUMENT OF PROXY INTEND TO VOTE FOR THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP, CHARTERED ACCOUNTANTS, AS AUDITOR OF THE CORPORATION, TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE CORPORATION, AT A REMUNERATION TO BE FIXED BY THE BOARD OF DIRECTORS.

THE DIRECTORS OF THE CORPORATION RECOMMEND THAT THE SHAREHOLDERS VOTE FOR THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP.

CORPORATE GOVERNANCE

On June 30, 2005, the Canadian Securities Administrators adopted National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") which requires issuers to disclose their governance practices in accordance with that instrument. A discussion of the Corporation's governance practices within the context of NI 58-101 is attached to this Management Information Circular as Appendix "B".

SPECIAL BUSINESS OF THE MEETING

The 1995 Stock Incentive Plan

The Corporation's Stock Incentive Plan (the "Incentive Plan") was adopted and approved by shareholders on February 3, 1995 and was last amended by shareholder approval on December 2, 2005. The purpose of the Incentive Plan is, through the grant of stock options, to attract, retain and compensate persons who are important for the growth and success of the Corporation, to ensure that such persons' interests are aligned with those of the shareholders and to encourage equity participation in the Corporation. Persons eligible to receive options under the Incentive Plan include directors, officers, full-time, seasonal full-time and part-time employees of the Corporation or any of its subsidiaries.

The aggregate number of Shares of the Corporation reserved for issuance upon the exercise of options issuable under the Incentive Plan since the commencement of the Incentive Plan in 1995 is 26 million, representing

6.16% of the Corporation's currently outstanding Shares. There are presently options outstanding for an aggregate of 9,140,000 Shares, or approximately 2.16% of the Corporation's currently outstanding capital and 12,727,667 Shares remain available for issuance under the Incentive Plan.

The aggregate maximum number of shares which the Corporation may at any time reserve for issuance under the Incentive Plan to any individual may not exceed 5% of the then issued and outstanding Shares. The Corporation does not provide financial assistance to participants to facilitate the purchase of securities under the Incentive Plan.

The exercise price of options granted pursuant to the Incentive Plan is fixed by the Board at a price which is greater than or equal to the fair market value of a Share on the date that the option is granted. Options vest according to the schedule set out in the option agreement as determined by the Board. An option expires on the fifth anniversary of the date that the option was granted, subject to earlier expiry in the event of the participant's death or termination of the participant's employment or directorship with the Corporation.

The Corporation is proposing a resolution to amend the Incentive Plan (see "Amendment of the 1995 Stock Incentive Plan" below).

Amendment of the 1995 Stock Incentive Plan

At the Meeting, shareholders will be asked to consider and, if thought advisable, approve, with or without amendment, a resolution authorizing amendments to the Incentive Plan. The Board has determined that as a result of the growth of the Corporation in recent years, amendments to the rules of the Toronto Stock Exchange affecting the Incentive Plan, and general changes within the Corporation, it is in the best interests of the Corporation to recommend that shareholders approve the proposed amendments to modernize the Incentive Plan. In particular, the Board believes that the amendments relating to merger and acquisition transactions are necessary to provide the Corporation with appropriate flexibility in planning or undertaking such transactions. The material amendments proposed for the Incentive Plan are to:

- (a) include consultants and other persons approved by the Compensation Committee as eligible persons to participate in the Incentive Plan;
- (b) extend the expiry date of any option granted under the Incentive Plan in the event that the option would otherwise expire during a blackout period;
- (c) allow participants in the Incentive Plan to transfer options to certain permitted assigns;
- (d) specify types of amendments to the provisions of either the Incentive Plan or outstanding options granted under the Incentive Plan that must be approved by shareholders; and
- (e) address the treatment of options in the event of any merger, acquisition, amalgamation, arrangement or other scheme of reorganization that results or could potentially result in a change of control.

The following is a description of the material amendments of the Incentive Plan which have been proposed. The following summary descriptions are modified in their entirety by the actual text of the amended Incentive Plan, a copy of which is attached hereto as Appendix D.

Eligible Participants. Under the amended Incentive Plan, the Compensation Committee can, from time to time, grant options to purchase common shares to any director, officer, employee or any individual, company or other person (a "Consultant") engaged to provide ongoing valuable services to the Corporation, or a person otherwise approved by the Compensation Committee (an "Eligible Person").

Blackout Periods. The amended Incentive Plan provides that if the expiry date for an option occurs during a blackout period, the expiry date for such option shall be extended to the date which is 10 business days following the end of such Blackout Period.

Assignability. Options granted under the amended Incentive Plan are non-transferable and non-assignable to anyone other than to a permitted assign, which means: (i) a holding entity, which is an entity that is controlled by an Eligible Person, (ii) a trustee, custodian or administrator acting on behalf of or for the benefit of an Eligible Person, (iii) a registered retirement savings plan or a registered retirement income fund of an Eligible Person, (iv) a spouse of an Eligible Person, (v) a trustee, custodian or administrator acting on behalf of or for the benefit of the spouse of an Eligible Person, (vi) a holding entity of the spouse of an Eligible Person, or (vii) a registered retirement savings plan or registered retirement income fund of the spouse of an Eligible Person.

Procedure for Amending. Under the amended Incentive Plan, the Compensation Committee has the right at any time to amend the Incentive Plan or any option agreement under the Incentive Plan provided that shareholder approval has been obtained by ordinary resolution. Notwithstanding the foregoing, shareholder approval is not required for amendments of a clerical nature, amendments to reflect any regulatory authority requirements (including those of the Toronto Stock Exchange), amendments to vesting provisions of option agreements, amendments to the expiry of options that do not extend past the original date of expiration and any amendments which provide a cashless exercise feature to an option that provides for the full deduction of the number of underlying common shares from the total number of common shares subject to the Incentive Plan.

Merger and Acquisition Transactions. The amended Incentive Plan provides that in the event of any merger, acquisition, amalgamation, arrangement or other scheme of reorganization that results or could potentially result in a change of control, the Compensation Committee can: (i) determine the manner in which all unexercised option rights granted under the Incentive Plan will be treated; (ii) offer any Participant the opportunity to obtain a new or replacement option over any securities into which the common shares are changed or are convertible or exchangeable, on a basis proportionate to the number of common shares under option and the exercise price (and otherwise substantially upon the terms of the option being replaced, or upon terms no less favourable to the Participant); or (iii) exchange for or into any other security or any other property or cash, any option that has not been exercised, upon giving to the Participant to whom the option has been granted at least 30 days written notice of its intention to exchange the option, and during such notice period, the option, to the extent it has not been exercised, can be exercised by the Participant without regard to any vesting conditions attached thereto, and on the expiry of such notice period, the unexercised portion of the Option will lapse and be cancelled. In addition, in the event of a change of control of the Corporation, all outstanding options shall become immediately vested.

The text of the resolution providing for the amendments to the Incentive Plan is attached hereto as Appendix C. In order for this resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting, excluding the votes of insiders to whom Shares may be issued pursuant to the Incentive Plan and associates of those insiders.

UNLESS SUCH AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE ACCOMPANYING INSTRUMENT OF PROXY INTEND TO VOTE FOR THE RESOLUTION TO AMEND THE 1995 SHARE INCENTIVE PLAN.

THE DIRECTORS OF THE CORPORATION RECOMMEND THAT THE SHAREHOLDERS VOTE FOR THE RESOLUTION TO AMEND THE 1995 SHARE INCENTIVE PLAN.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Management of the Corporation knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Management Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the Instrument of Proxy accompanying this Management Information Circular to vote the same in accordance with their best judgment of such matters.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Information in respect of the Corporation's audit committee is contained in the Corporation's annual information form for its most recently completed financial year under the caption "Audit Committee Information" commencing on page 38. Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for the financial year ended June 30, 2006. Copies of the Corporation's financial statements and management's discussion and analysis are available upon request from the Corporation's investor relations department at Abbey House, Wellington Way, Weybridge, Surrey, United Kingdom, KT13 OTT, telephone +44 193-226-8755.

APPROVAL OF CIRCULAR

The undersigned hereby certifies that the contents and the sending of this Management Information Circular have been approved by the directors of the Corporation.

DATED at Weybridge, Surrey, United Kingdom, this 15th day of November, 2006.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) William R. LeClair
Executive Vice President and Chief Financial Officer

APPENDIX "A"

CHANGE OF AUDITOR REPORTING PACKAGE

APPENDIX “B”

CORPORATE GOVERNANCE DISCLOSURE

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>1. Board of Directors</p> <p>(a) Disclose the identity of directors who are independent.</p>	<p>Simon Russell and Hans Christian Qvist are “independent” as the term is defined in NI 58-101. In addition, although Cameron G. Belsher and Brian C. Hosking performed consulting services for the Corporation as disclosed in the Management Information Circular and therefore may not be considered “independent” within the meaning of that term in Multilateral Instrument 52-110 <i>Audit Committees</i> (“MI 52-110”), Messrs. Russell and Qvist have concluded that Messrs. Belsher and Hosking are independent of management of the Corporation.</p>
<p>(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.</p>	<p>Of the nominees for directors, William LeClair, Executive Vice President and Chief Financial Officer of the Corporation, and Jan A. Vestrum, the Chief Executive Officer and President of the Corporation, are by virtue of their positions with the Corporation, not “independent” directors. In addition, Messrs. Belsher and Hosking may not be considered “independent” within the meaning of that term in MI 52-110.</p>
<p>(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgement in carrying out its responsibilities.</p>	<p>A majority of directors may not be “independent” within the meaning of that term in MI 52-110. Regular meetings were held among Messrs. Russell, Belsher, Hosking, and Qvist separate and apart from management to ensure that the Board of Directors exercises independent judgement.</p>
<p>(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>Mr. Belsher is presently the only director who holds a directorship of another reporting issuer. Mr. Belsher is a director of the following organizations: Pender Growth Fund (VCC) Inc., Pender NDI Life Sciences Fund (VCC) Inc. and KnightHawk Inc.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	At each quarterly meeting of the Board of Directors the independent directors meet in the absence of management. In addition, during the last year, 2 additional meetings of this group by telephone were held, for a total of 6 during the year.
(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.	The chair of the Board of Directors was an executive officer, but effective September 22, 2005 he reverted to the position of non-executive chair. Leadership among the independent directors is exercised collectively.
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	All directors had 100% attendance at meetings of the Board of Directors held since the beginning of the Corporation's most recent financial year.
2. Board Mandate – Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.	The Board of Directors does not have a written mandate. The Board of Directors delineates its role and responsibilities through discussion at each meeting of the Board of Directors and through the adoption of the Audit Committee Charter and the Compensation and Corporate Governance Committee Charter. The Board of Directors believes that its current method of delineating its role and responsibilities provides a high level of flexibility for the effective and efficient stewardship of the Corporation.
3. Position Descriptions: (a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.	The Board of Directors has developed a written position description for the chair. While written position descriptions for the chair of the Audit Committee and Compensation and Corporate Governance Committee have not been developed, the role and responsibility of chairs of these committees is delineated in their respective Charters.

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>(b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.</p>	<p>The Board of Directors has not developed a written position description for the Chief Executive Officer, however the Board of Directors sets objectives for the Chief Executive Officer and reviews the Chief Executive Officer's performance against those objectives at least annually. These objectives include the general mandate to implement the approved corporate objectives and the strategic business plan.</p>
<p>4. Orientation and Continuing Education</p> <p>(a) Briefly describe what measures the board takes to orient new directors regarding:</p> <p>(i) the role of the board, its committees and its directors, and</p> <p>(ii) the nature and operation of the issuer's business.</p>	<p>It is the intention of the Board of Directors that as and when a new nominee is identified, it will ensure that a program of orientation and education is provided for the nominee, including (but not limited to) provision of a complete corporate history, including copies of past minutes of meetings of the Board of Directors, as well as information regarding the Corporation's business and operations. In addition, the Corporation's counsel briefs each new director on his or her role and responsibilities.</p>
<p>(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary for them to meet their obligations as directors.</p>	<p>The Board of Directors receives updates from experienced counsel with respect to corporate governance initiatives and corporate governance updates are a standing agenda item of the Compensation and Corporate Governance Committee.</p>
<p>5. Ethical Business Conduct</p> <p>(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:</p> <p>(i) disclose how an interested party may obtain a copy of the written code;</p> <p>(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board ensures compliance with its code; and</p> <p>(iii) provide a cross-reference to any material change report(s) filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</p>	<p>The Board of Directors has adopted a Code of Ethics for the directors, officers and employees of the Corporation.</p> <p>Interested parties may obtain a copy of the Code of Ethics by writing to the Corporation.</p> <p>The Corporation's Chief Financial Officer is responsible for monitoring compliance with the Code of Ethics.</p> <p>The Corporation is not aware of any conduct of a director or executive officer that constitutes a departure from the Code of Ethics.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
(b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.	Where a director or executive officer has a material interest in a transaction or agreement being considered at a meeting of Board of Directors, the interested individual is asked to leave the meeting and abstain from any votes.
(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	The Board has taken steps to ensure that the Corporation’s Code of Ethics, Stock Trading Policy, Whistle Blower Policy and Corporate Disclosure Policy have been circulated Corporation wide.
<p>6. Nomination of Directors</p> <p>(a) Describe the process by which the board identifies new candidates for board nomination.</p>	<p>The process by which the Board of Directors identifies new candidates for board nomination is established by the Corporation’s Compensation and Corporate Governance Committee Charter. The Compensation and Corporate Governance Committee identifies individuals believed to be qualified as candidates to serve on the Board of Directors. In identifying candidates for membership on the Board of Directors, the committee takes into account all factors it considers appropriate, which may include strength of character, mature judgement, career specialization, relevant technical skills, diversity and the extent to which the candidate would fill a present need on the Board of Directors. The Committee conducts all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates, and has sole authority to retain and to terminate any search firm to be used to assist it in identifying candidates to serve as directors of the Corporation.</p>
(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.	<p>The Corporation’s Compensation and Corporate Governance Committee nominates candidates for director. The Compensation and Corporate Governance Committee is comprised of Messrs. Belsher, Hosking and Qvist. Although the committee may not be composed entirely of directors who are “independent” within the meaning of that term in MI 52-110 as a result of Messrs. Belsher and Hosking performing consulting services for the Corporation as disclosed in the Management Information Circular, they are independent of management of the Corporation and encourage an objective nomination process.</p>
(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	<p>The Corporation’s Compensation and Corporate Governance Committee nominates candidates for director. The Committee is responsible for, among other things, identifying candidates to serve on the Board of Directors. The Committee is empowered to study or investigate any matter of interest or</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
	concern that the Committee deems appropriate and has the sole authority to retain outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention.
<p>7. Compensation</p> <p>(a) Describe the process by which the board determines the compensation for your company's directors and officers.</p>	The amount and form of director and officer compensation is reviewed periodically by the Compensation and Corporate Governance Committee, with any resultant recommendations made to the full Board of Directors, to ensure that such compensation realistically reflects the responsibilities and risks of being an effective director or officer, as applicable.
<p>(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.</p>	The Compensation and Corporate Governance Committee is comprised of Messrs. Belsher, Hosking and Qvist. Although the committee may not be composed entirely of directors who are "independent" within the meaning of that term in MI 52-110 as a result of Messrs. Belsher and Hosking performing consulting services for the Corporation as disclosed in the Management Information Circular, they are independent of management of the Corporation and encourage an objective compensation process.
<p>(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	In addition to the responsibilities outlined on (a) above, the Committee is responsible for, among other things, establishing and reviewing the overall compensation philosophy of the Corporation, including annually reviewing and approving the President and Chief Executive Officer's corporate goals and objectives and annually performing an appraisal on the performance of the President and Chief Executive Officer in light of the corporate goals and objectives and, based on such appraisal, reviewing and approving the annual salary, bonus, any awards under the Incentive Plan and other benefits of the President and Chief Executive Officer. The Committee is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority to retain outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention.
<p>(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's</p>	During the last fiscal year, no such advisor was retained.

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.</p>	
<p>8. Other Board Committees - If the board has standing committees other than the audit, compensation and nominating committees identify the committees and describe their function.</p>	<p>There are no other committees of the Board of Directors.</p>
<p>9. Assessments – Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that it, its committees, and individual directors are performing effectively.</p>	<p>The chair of the Board of Directors and the chair of each of the committees of the Board of Directors are responsible for ensuring the effective administration and performance of the Board of Directors and its committees, and the Compensation and Corporate Governance Committee Charter provides for periodic review and evaluation of the effectiveness of the Board of Directors and the contribution of each director.</p>

APPENDIX “C”

STOCK OPTION PLAN RESOLUTION

BE IT RESOLVED THAT:

- (a) the amendments to the 1995 Stock Incentive Plan of the Corporation substantially in the form set out as Appendix D to the management information circular (the “Circular”) of the Corporation dated November 15, 2006, be approved;
- (b) any one director or officer of the Corporation be authorized to make all such arrangements, to do all acts and to sign and execute all documents and instruments in writing as may be considered necessary or advisable to give full force and effect to the foregoing; and
- (c) the board of directors of the Corporation may revoke this resolution before it is acted on without further approval of the holders of Common Shares.

APPENDIX "D"

AMENDED 1995 STOCK INCENTIVE PLAN

CREW GOLD CORPORATION

1995 STOCK INCENTIVE PLAN

(as amended)

PART 1 - PURPOSE OF THE PLAN

1.01 Purpose: The purpose of this Stock Incentive Plan (the “Plan”) is to advance the interests of Crew Gold Corporation (the “Company”) by encouraging equity participation in the Company by certain directors, officers, employees or consultants of the Company or subsidiaries of the Company through the acquisition of shares without par value in the Company.

PART 2 - DEFINITIONS

2.01 Definitions. In this Plan, unless there is something in the subject matter or context inconsistent therewith, capitalized words and terms will have the following meanings:

- (a) **“Affiliate”** means an affiliate company as defined in the Securities Act and includes issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;
- (b) **“Associate”** means an associate as defined in the Securities Act;
- (c) **“Blackout Period”** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of confidential information pertaining to the Company;
- (d) **“Board of Directors”** means the board of directors of the Company as constituted from time to time;
- (e) **“Change of Control”** means:
 - (A) any merger, arrangement, amalgamation, reorganization or consolidation in which voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction and the composition of the Board of Directors following such transaction is such that the directors of the Company prior to the transaction constitute less than fifty percent (50%) of the Board of Directors’ membership following the transaction,
 - (B) any acquisition, directly or indirectly, by a person or Related Group of Persons (other than a person that is a registered dealer as described in Section (x)(C) and other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities,
 - (C) any acquisition, directly or indirectly, by a person or Related Group of Persons of the right to appoint a majority of the directors of the Company or otherwise

directly or indirectly control the management, affairs and business of the Company,

- (D) the election of a majority of the directors of the Company who are not nominees of management at a general meeting of the shareholders of the Company,
- (E) any sale, transfer or other disposition of all or substantially all of the assets of the Company, and
- (F) a liquidation or dissolution of the Company,

provided however, that a Change of Control shall not be deemed to have occurred if such Change of Control results solely from the issuance, in connection with a bona fide financing or series of financings by the Company or any of its Affiliates, of voting securities of the Company or any of its Affiliates or any rights to acquire voting securities of the Company or any of its Affiliates which are convertible into voting securities;

- (f) **“Common Shares”** means the common shares in the capital of the Company as constituted on the Effective Date, provided that if the rights of any Participant are subsequently adjusted pursuant to Article 7 hereof, “Common Shares” thereafter means the shares or other securities or property which such Participant is entitled to purchase after giving effect to such adjustment;
- (g) **“Company”** means Crew Gold Corporation and includes any successor company thereto;
- (h) **“Compensation Committee”** has the meaning ascribed thereto by Section 3.01 of this Plan;
- (i) **“Consultant”** means any individual, company or other person engaged to provide ongoing valuable services to the Company or its Affiliates;
- (j) **“Effective Date”** has the meaning ascribed thereto by Section 8.06 of this Plan;
- (k) **“Eligible Person”** means a director, officer, employee or Consultant of the Company or its Affiliates or a person otherwise approved by the Compensation Committee;
- (l) **“Exercise Price”** means the price per Common Share at which a Participant may purchase Common Shares pursuant to an Option, provided that if such price is adjusted pursuant to Section 7.01 hereof, “Exercise Price” thereafter means the price per Common Share at which such Participant may purchase Common Shares pursuant to such Option after giving effect to such adjustment;
- (m) **“Expiry Date”** has the meaning ascribed thereto by Section 5.09 of this Plan;
- (n) **“Holding Entity”** means an entity that is controlled by an Eligible Person, and an Eligible Person is considered to control an entity if the Eligible Person, directly or indirectly, has the power to direct the management and policies of the entity by virtue of:
 - (A) ownership of or direction over voting securities in the entity,
 - (B) a written agreement or indenture,
 - (C) being the general partner or controlling the general partner of the entity, or
 - (D) being the trustee of the entity;

- (o) **“Insider”** means:
 - (A) an insider as defined in the Securities Act, and
 - (B) an Associate or Affiliate of any person who is an Insider;
- (p) **“Legal Representative”** has the meaning ascribed thereto by Section 5.12 of this Plan;
- (q) **“Merger and Acquisition Transaction”** means:
 - (A) any merger,
 - (B) any acquisition,
 - (C) any amalgamation,
 - (D) any offer for shares of the Company which if successful would entitle the offeror to acquire more than 50% of the voting securities of the Company,
 - (E) any arrangement or other scheme of reorganization, or
 - (F) any consolidation,that results in a Change of Control;
- (r) **“Options”** means stock options granted hereunder to purchase Common Shares from treasury pursuant to the terms and conditions hereof and as evidenced by an Option Agreement and “Option” means any one of them;
- (s) **“Option Agreement”** means an agreement evidencing an Option, entered into by and between the Company and an Eligible Person;
- (t) **“Outstanding Common Shares”** at the time of any share issuance or grant of Options means the number of Common Shares that are outstanding immediately prior to the share issuance or grant of Options in question, on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange;
- (u) **“Participant”** means a person to whom Options have been granted under this Plan;
- (v) **“Permitted Assign”** means:
 - (A) a Holding Entity of,
 - (B) a trustee, custodian, or administrator acting on behalf of, or for the benefit of,
 - (C) a registered retirement savings plan or a registered retirement income fund of,
 - (D) a spouse of,
 - (E) a trustee, custodian, or administrator acting on behalf of or for the benefit of the spouse of,
 - (F) a Holding Entity of the spouse of, or

- (G) a registered retirement savings plan or registered retirement income fund of the spouse of,

an Eligible Person;
- (w) **“Plan”** means this 1995 Stock Incentive Stock Plan, as the same may from time to time be supplemented or amended and in effect;
- (x) **“Related Group of Persons”** means:
 - (A) persons and any one or more of their Associates and Affiliates, and
 - (B) any two or more persons who have an agreement, commitment or understanding, whether formal or informal, with respect to:
 - (1) the acquisition of or the intention to acquire, directly or indirectly, beneficial ownership of, or control and direction over, voting securities of the Company, or
 - (2) the exercise of voting rights attached to the securities of the Company beneficially owned by such persons, or over which such persons have control and direction, on matters regarding the appointment of directors or control of the management, affairs and business of the Company,
 - (C) despite the above Section (B)(1), a registered dealer acting solely in an agency capacity for a person or Related Group of Persons in connection with the acquisition of beneficial ownership of, or control and direction over, securities of the Company, and not executing principal transactions for its own account or performing services beyond customary dealer's functions, shall not be deemed solely by reason of such agency relationship to be a related person for the purposes of the definition of Related Group of Persons;
- (y) **“Securities Act”** means the Securities Act (British Columbia), as amended from time to time; and
- (z) **“Stock Exchange”** means such stock exchanges or other organized markets on which the Common Shares are listed or posted for trading.

PART 3 - ADMINISTRATION OF THE PLAN

3.01 Administration of the Plan: The Board of Directors may at any time appoint a committee (the “Compensation Committee”) to, among other things, interpret, administer and implement this Plan on behalf of the Board of Directors in accordance with such terms and conditions as the Board of Directors may prescribe, consistent with this Plan (provided that if at any time such a committee has not been appointed by the Board of Directors, this Plan will be administered by the Board of Directors, and in such event references herein to the Compensation Committee shall be construed to be a reference to the Board of Directors). The Board of Directors will take such steps which in its opinion are required to ensure that the Compensation Committee has the necessary authority to fulfil its functions under this Plan.

3.02 Powers of the Compensation Committee: The Compensation Committee is authorized to interpret the Plan and may from time to time amend or rescind rules and regulations required for carrying out this Plan. Any such interpretation or construction of any provision of this Plan shall be final and conclusive. All administrative costs of this Plan shall be paid by the Company. The senior officers of the Company are authorized and directed to do all things and execute and deliver all instruments, undertakings and applications and writings as they in their

absolute discretion consider necessary for the implementation of the rules and regulations established for administering this Plan.

For greater certainty, without limiting the generality of the foregoing, the Compensation Committee will have the power, where consistent with the general purpose and intent of this Plan and subject to the specific provisions of this Plan and any approvals or requirements of any regulatory authorities to which the Company is subject, including the Stock Exchange, if applicable, to adopt such modifications, procedures and subplans as may be necessary or desirable to comply with the provisions of the laws of Canada, the United States and other countries in which the Company or its Affiliates may operate to ensure the viability and maximization of the benefits from the Options granted to Participants residing in such countries and to meet the objectives of this Plan.

PART 4 - COMMON SHARES SUBJECT TO PLAN

4.01 Maximum Number of Shares: The number of Common Shares available or made available for this Plan will be determined from time to time by the Board of Directors, subject to the approval of the Stock Exchange, but the aggregate maximum number of Common Shares which the Company may at any time issue upon exercise of Options granted under this Plan from its inception shall be 26,000,000, and the aggregate maximum number of Common Shares which the Company may at any time reserve for issuance under this Plan to any individual shall not exceed 5% of the issued and outstanding Common Shares of the Company at such time.

4.02 Lapsed Options: In the event that options granted under this Plan are surrendered, terminate or expire without being exercised in whole or in part, new options may be granted covering the Common Shares not purchased under such lapsed options.

PART 5 - GRANT OF OPTIONS

5.01 Grant of Options: Subject to the rules set out below, the Compensation Committee may from time to time grant to any Eligible Person one or more Options as the Compensation Committee deems appropriate.

5.02 Date Option Granted: The date on which an Option will be deemed to have been granted under this Plan will be the date on which the Compensation Committee authorizes the grant of such Option or such other future date as may be specified by the Compensation Committee at the time of such authorization.

5.03 Option Agreement: Upon the grant of an option to a Participant, the Company and the Participant shall enter into an option agreement setting out the number of optioned Common Shares granted to the Participant and incorporating the terms and conditions of this Plan and any other requirements of regulatory bodies having jurisdiction over the securities of the Company.

5.04 Number of Optioned Common Shares per Participant: The determination regarding the number or value of optioned Common Shares that may be granted to each Participant will take into consideration the Participant's present and potential contribution to the success of the Company, provided that such number or value of optioned Common Shares shall not exceed that permitted by the rules and policies of the Stock Exchange.

5.05 Price: The option price per Common Share will be fixed by the Compensation Committee at a price which is greater than or equal to the fair market value of a Common Share on the date the option is granted (such fair market value to be determined by the Compensation Committee in its sole discretion), provided that the option price per Common Share shall not be less than that required by the rules and policies of the Stock Exchange.

5.06 Exercise of Options: In order to ensure that the Company will receive the benefits contemplated in exchange for the options granted hereunder no option shall be exercisable until it has vested. The vesting schedule for each option shall be specified in the Option Agreement, provided however, that the Compensation Committee shall have the right with respect to any one or more Participants in this Plan to accelerate the time at which an option may be exercised.

Options shall be exercisable, either all or in part, at any time after vesting. If less than all of the Common Shares included in the vested portion of any Option are purchased, the remainder may be purchased at any subsequent time prior to the Expiry Date.

Except as set forth in Section 5.09, no option may be exercised unless the Participant is at the time of such exercise an Eligible Person and shall have continuously qualified as an Eligible Person since the grant of the Participant's option. Absence on leave, with the approval of the Company or any of its subsidiaries, shall not be considered to be an interruption of qualification as an Eligible Person for any purpose of this Plan.

The exercise of any Option will be contingent upon receipt by the Company of full payment for the Common Shares being purchased. Such consideration may be paid in any combination of the following:

- (a) bank draft, certified cheque or wire transfer; or
- (b) such other consideration as the Compensation Committee may permit consistent with applicable laws.

No Participant or his or her legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Common Shares subject to an option under this Plan, unless and until certificates for such Common Shares are issued to him, her or them under the terms of this Plan.

5.07 Subsequent Options: After an Option is fully exercised, any grant of a subsequent Option by the Company to the Participant, whether such subsequent Option be granted under this Plan or any other stock option plan of the Company, shall be subject to the rules and policies of the Stock Exchange.

5.08 Renegotiation of Options: Subject to the prior consent of the Stock Exchange, an Option, to the extent that it has not been exercised, may be renegotiated in accordance with the rules and policies of the Stock Exchange.

5.09 Term of Options. Subject to Section 5.10, each Option will expire (the "Expiry Date") on the earlier of:

- (a) the date determined by the Compensation Committee and specified in the Option Agreement pursuant to which such Option is granted, provided that such date may not be later than the date which is the fifth anniversary of the date on which such Option is granted;
- (b) one year from the date on which the Participant ceases to be an Eligible Person for any reason other than the death of the Participant or the termination of the Participant for cause, unless otherwise determined by the Compensation Committee;
- (c) in the event of the termination for cause of the Participant as an officer, employee or Consultant of the Company or its Affiliates, the date of notice of such termination; and
- (d) one year from the date of the death of the Participant, unless otherwise determined by the Compensation Committee.

5.10 Blackout Extension. Where the Expiry Date for an Option occurs during a Blackout Period, the Expiry Date for such Option shall be extended to the date which is 10 business days following the end of such Blackout Period.

5.11 Vesting. Except as determined from time to time by the Compensation Committee, all Options will cease to vest as at the date upon which the Participant ceases to be an Eligible Person (which, in the case of a director, employee or Consultant of the Company or its Affiliates, shall be the date on which the Participant's directorship, active employment or engagement, as applicable, with the Company or its Affiliates terminates, specifically without regard to any period of reasonable notice or any salary continuance). In the event of a Change of Control, all outstanding Options shall become immediately vested.

5.12 Non-Transferability of Options. Each Option Agreement will provide that the Option granted thereunder is not transferable or assignable to anyone other than a Permitted Assign. The Option Agreement will also provide that the Option granted thereunder may only be exercised by the Participant or in the event of:

- (a) the death of the Participant; or
- (b) the appointment of a committee or duly appointed attorney of the Participant or of the estate of the Participant on the grounds that the Participant is incapable, by reason of physical or mental infirmity, of managing their affairs;

the Participant's legal representative or such committee or attorney, as the case may be (the "Legal Representative").

PART 6 - SUSPENSION, AMENDMENT OR TERMINATION OF PLAN

6.01 Suspension, Amendment or Termination of Plan. The Compensation Committee will have the right at any time to suspend or terminate this Plan and, subject to Section 6.02, may:

- (a) with approval of shareholders of the Company by ordinary resolution make any amendment to any Option Agreement or this Plan; and
- (b) without approval of shareholders of the Company make the following amendments to any Option Agreement or this Plan:
 - (A) amendments of a clerical nature, including but not limited to the correction of grammatical or typographical errors or clarification of terms;
 - (B) amendments to reflect any requirements of any regulatory authorities to which the Company is subject, including the Stock Exchange;
 - (C) amendments to vesting provisions of Option Agreements;
 - (D) amendments to the expiry of Options that do not extend past the original date of expiration for the Option; and
 - (E) amendments which provide a cashless exercise feature to an Option or this Plan that provides for the full deduction of the number of underlying Common Shares from the total number of Common Shares subject to the Plan.

Notwithstanding the foregoing, all procedures and necessary approvals required under the applicable rules and regulations of all regulatory authorities to which the Company is subject shall be complied with and obtained in connection with any such suspension, termination or amendment to this Plan or amendments to any Option Agreement.

6.02 Limitations. In exercising its rights pursuant to Section 6.01, the Compensation Committee will not have the right to:

- (a) reduce the Exercise Price per Common Share under any Option or cancel any Option and replace such Option with a lower Exercise Price per Common Share under such replacement Option, without the prior approval of shareholders, except as permitted pursuant to Article 7; or
- (b) affect in a manner that is adverse or prejudicial to, or that impairs the benefits and rights of any Participant under any Option previously granted under this Plan, except: (i) with the consent of such Participant, (ii) as permitted pursuant to Article 7, or (iii) for the

purpose of complying with the requirements of any regulatory authorities to which the Company is subject, including the Stock Exchange.

PART 7 - ADJUSTMENTS

7.01 Stock Dividend, Reorganization or Liquidation: Until the Participant becomes a record holder of the Common Shares covered by each outstanding Option, the number of such Common Shares and the Exercise Price per Common Share shall be proportionately adjusted for any increase or decrease in the number of issued shares of the Company resulting from a subdivision or consolidation of shares, payment of a stock dividend, or any other increase or decrease in the number of shares effected by the Company without receipt of any, or for nominal consideration.

If the Common Shares of the Company are changed into the same number of Common Shares with a different par value, the Common Shares resulting from any such change shall be deemed to be Common Shares within the meaning of this Plan, and each Option shall apply to the same number of Common Shares of such new shares resulting from such change as applied to old Common Shares immediately prior to such change.

If, pursuant to the terms of any reorganization in which the Company is not the surviving or resulting Company, Options granted hereunder are assumed by the surviving or resulting Company, each Option shall continue in full force and effect, and shall apply to such securities of the surviving Company as a holder of the number of Common Shares subject to the Option would be entitled under the terms of the reorganization. Should any such surviving or resulting Company assume Options granted hereunder, the type and terms of securities of the surviving or resulting Company to which Options would then be deemed to apply shall be fixed solely by the terms of any applicable reorganization agreement and holders of Options shall have no rights whatsoever concerning the type and terms of the substituted securities to which Options would then apply. In particular, holders of Options shall have no rights as to the setting of distribution, payment, expiration or maturity dates of any preferred stock, certificates of contingent interest, bonds, debentures, warrants, rights, options or other securities of any surviving or resulting Company, with respect to the date or dates of exercise of such Options, and any such distribution, payment, expiration or maturity dates shall be determined solely by the terms of the reorganization agreement. In the event of any dissolution or liquidation of the Company, or of any reorganization in which the Company is not the surviving or the resulting Company, and in connection with which no assumption of or substitution of new options for the Options granted hereunder is made, each outstanding Option shall terminate as of the effective date of such dissolution, liquidation or reorganization.

The foregoing adjustments in the Common Shares shall be made by the Compensation Committee, or by the applicable terms of any assumption or substitution document, and any adjustments so made shall be final, binding, and conclusive.

Except as provided in this Section 7.01, no Participant shall have rights by reason of any subdivision or consolidation of shares of any class including the Common Shares, or the payment of any stock dividend on Common Shares, or any other increase or decrease in the number of Common Shares, or by reason of any liquidation, dissolution, corporate combination or division; and any issue by the Company of shares of any class including the Common Shares, or securities convertible into shares of any class including the Common Shares, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or price of the Common Shares subject to any Option.

The grant of an Option shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

7.02 Merger and Acquisition Transaction. In the event of a Merger and Acquisition Transaction or proposed Merger and Acquisition Transaction:

- (a) subject to Section 5.11, the Compensation Committee may, in a fair and equitable manner, determine the manner in which all unexercised option rights granted under this

Plan will be treated including, without limitation, requiring the acceleration of the time for the exercise of such rights by the Participants, the time for the fulfilment of any conditions or restrictions on such exercise, and the time for the expiry of such rights;

- (b) the Compensation Committee or any company which is or would be the successor to the Company or which may issue securities in exchange for Common Shares upon the Merger and Acquisition Transaction becoming effective may offer any Participant the opportunity to obtain a new or replacement option over any securities into which the Common Shares are changed or are convertible or exchangeable, on a basis proportionate to the number of Common Shares under option and the Exercise Price (and otherwise substantially upon the terms of the Option being replaced, or upon terms no less favourable to the Participant) including, without limitation, the periods during which the Option may be exercised and expiry dates; and in such event, the Participant shall, if he accepts such offer, be deemed to have released his Option over the Common Shares and such Option shall be deemed to have lapsed and be cancelled; or
- (c) the Compensation Committee may exchange for or into any other security or any other property or cash, any Option that has not been exercised, upon giving to the Participant to whom such Option has been granted at least 30 days written notice of its intention to exchange such Option, and during such notice period, the Option, to the extent it has not been exercised, may be exercised by the Participant without regard to any vesting conditions attached thereto, and on the expiry of such notice period, the unexercised portion of the Option shall lapse and be cancelled.

Subsections (a), (b) and (c) of this Section 7.02 are intended to be permissive and may be utilized independently of, successively with, or in combination with each other and Section 7.01, and nothing therein contained shall be construed as limiting or affecting the ability of the Compensation Committee to deal with Options in any other manner. All determinations by the Compensation Committee under this Article 7 will be final, binding and conclusive for all purposes.

7.03 No Fractional Common Shares. No adjustment or substitution provided for in this Article 7 will require the Company to issue a fractional share in respect of any Option and the total substitution or adjustment with respect to each Option will be limited accordingly.

PART 8 - GENERAL

8.01 No Rights as Shareholder. Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a shareholder of the Company with respect to any Common Shares reserved for the purpose of any Option.

8.02 Employment: In the case of employees, nothing contained in this Plan shall confer upon any Participant any right with respect to employment or continuance of employment with the Company or any of its subsidiaries, or interfere in any way with the right of the Company or any of its subsidiaries to terminate the Participant's employment at any time. Participation in this Plan by a Participant is voluntary.

8.03 Record Keeping: The Company shall maintain a register in which shall be recorded:

- (a) the name and address of each Participant; and
- (b) the number of Common Shares subject to an Option granted to a Participant and the number of Common Shares subject to the Option remaining outstanding.

8.04 Securities Regulation and Tax Withholding:

- (a) Where necessary to effect exemption from registration of the Common Shares under securities laws applicable to the securities of the Company, a Participant shall be required, upon the acquisition of any Common Shares pursuant to the Plan, to acquire the Common Shares with investment intent (i.e. for investment purposes) and not with a view to their distribution, and to present to the Compensation Committee an undertaking to that effect in a form acceptable to the Compensation Committee. The Compensation Committee may take such other action or require such other action or agreement by such Participant as may from time to time be necessary to comply with applicable securities laws. This provision shall in no way obligate the Company to undertake the registration of any Options or the Common Shares under any securities laws applicable to the securities of the Company.
- (b) The Compensation Committee and the Company may take all such measures as they deem appropriate to ensure that the Company's obligations under the withholding provisions under income tax laws applicable to the Company and other provisions of applicable laws are satisfied with respect to the issuance of Common Shares or the grant or exercise of Options under this Plan.
- (c) Issuance, transfer or delivery of certificates for Common Shares purchased pursuant to this Plan may be delayed, at the discretion of the Compensation Committee, until the Compensation Committee is satisfied that the applicable requirements of securities and income tax laws have been met.

8.05 No Representation or Warranty: The Company makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this Plan.

8.06 Effective Date and Term: The Plan shall be effective as of the date (the "Effective Date") the shareholders of the Company approve the Plan, and options, benefits and rights may be granted by Compensation Committee from time to time thereafter up to and including a date which is 10 years from the effective date of the Plan.

8.07 Necessary Approvals: This Plan will be effective only upon the approval of the shareholders of the Company given by the affirmative vote of a majority of the shares represented at a meeting of holders of shares and voted thereon. The obligation of the Company to issue and deliver any Common Shares in accordance with the Plan is subject to any necessary approval of any regulatory authority having jurisdiction over the securities of the Company. If any Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Company to issue such Common Shares shall terminate and any Participant's contribution held in trust for a Participant and any option exercise price paid to the Company will be returned to the Participant.

8.08 Interpretation: This Plan and any Option Agreement granted hereunder shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.