

**SECOND QUARTER 2009
FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2009
(UNAUDITED)**

Crystallex International Corporation
Consolidated Balance Sheets - Unaudited
(US\$ thousands)

	June 30 2009	December 31 2008
Assets		
Current		
Cash and cash equivalents (Note 8)	\$ 13,381	\$ 34,520
Accounts receivable	221	172
Prepaid expenses, deposits and other assets	1,445	1,145
Discontinued operations (Note 4)	1,297	1,689
	16,344	37,526
Property, plant and equipment (Note 5)	353,320	343,652
Other	1,361	1,286
	\$ 371,025	\$ 382,464
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 7,058	\$ 7,767
Discontinued operations (Note 4)	3,447	3,494
	10,505	11,261
Notes payable (Note 6)	88,634	86,746
Future income taxes	14,728	16,661
	113,867	114,668
Shareholders' Equity		
Share capital (Note 7)	561,751	561,751
Contributed surplus	35,291	33,971
Accumulated other comprehensive income	11,959	11,959
Deficit	(351,843)	(339,885)
	257,158	267,796
	\$ 371,025	\$ 382,464

Nature of operations and going concern (Note 1)

Commitments and contingencies (Note 10)

Approved on behalf of the Board of Directors

"Robert Fung", Director

"Johan van't Hof", Director

The accompanying notes are an integral part of the consolidated financial statements.

Crystallex International Corporation**Consolidated Statements of Operations, Comprehensive Loss and Deficit - Unaudited**

(US\$ thousands, except share amounts)

	Three months ended		Six months ended	
	June 30		June 30	
	2009	2008	2009	2008
(Expenses) income				
General and administrative	\$ (3,410)	\$ (3,803)	\$ (5,665)	\$ (7,160)
Litigation	(1,113)	-	(2,337)	-
Interest on debt	(3,287)	(3,182)	(6,575)	(6,364)
Foreign currency exchange (loss) gain	1,743	(5,026)	3,672	(12,120)
Amortization of property, plant and equipment	-	(20)	-	(42)
Gain on sale of equipment	-	1,636	-	1,636
Interest and other income	4	185	8	399
Loss from continuing operations	(6,063)	(10,210)	(10,897)	(23,651)
(Loss) income from discontinued operations	(687)	215	(1,061)	2,454
Net loss and comprehensive loss for the period	(6,750)	(9,995)	(11,958)	(21,197)
Deficit, beginning of period	(345,093)	(325,367)	(339,885)	(314,165)
Deficit, end of period	\$ (351,843)	\$ (335,362)	\$ (351,843)	\$ (335,362)
Loss per common share from continuing operations				
– Basic and diluted	\$ (0.02)	\$ (0.03)	\$ (0.04)	\$ (0.08)
Loss per common share				
– Basic and diluted	\$ (0.02)	\$ (0.03)	\$ (0.04)	\$ (0.07)
Weighted average number of common shares outstanding	294,817,719	294,670,869	294,817,719	287,076,377

The accompanying notes are an integral part of the consolidated financial statements.

Crystallex International Corporation
Consolidated Statements of Cash Flows - Unaudited
(US\$ thousands)

	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Cash flows from (used in) operating activities				
Net loss from continuing operations for the period	\$ (6,063)	\$ (10,210)	\$ (10,897)	\$ (23,651)
Items not affecting cash:				
Amortization of property, plant and equipment	-	20	-	42
Interest accretion on debt	944	837	1,888	1,676
Stock-based compensation	789	164	894	537
Warrants issued for advisory services	245	-	245	-
Directors' fees paid in shares	-	-	-	112
Unrealized loss (gain) on translation of future income taxes	(679)	3,769	(2,888)	9,908
Unrealized foreign currency exchange gain	(449)	(452)	(583)	(1,223)
Gain on sale of equipment	-	(1,636)	-	(1,636)
Changes in other operating assets and liabilities:				
Decrease (increase) in accounts receivable	(59)	57	(106)	32
Decrease (increase) in prepaid expenses and other	815	248	(300)	(16)
Increase (decrease) in accounts payable and accrued liabilities	1,639	2,998	(83)	(1,006)
	(2,818)	(4,205)	(11,830)	(15,225)
Cash flows from (used in) investing activities				
Investment in property, plant and equipment	(5,031)	(7,260)	(8,829)	(12,731)
Proceeds from sale of equipment	-	5,902	-	5,902
	(5,031)	(1,358)	(8,829)	(6,829)
Cash flows from financing activities				
Issuance of common shares	-	-	-	64,306
Increase (decrease) in cash and cash equivalents from continuing operations	(7,849)	(5,563)	(20,659)	42,252
Increase (decrease) in cash and cash equivalents from discontinued operations	(529)	(434)	(715)	2,413
Effects of foreign currency exchange rate fluctuations on cash	181	282	235	760
Cash and cash equivalents, beginning of period	21,578	67,205	34,520	16,065
Cash and cash equivalents, end of period	\$ 13,381	\$ 61,490	\$ 13,381	\$ 61,490

Supplemental disclosures with respect to cash flows (Note 8)

The accompanying notes are an integral part of the consolidated financial statements.

Crystallex International Corporation

Consolidated Statements of Shareholders' Equity - Unaudited (US\$ thousands, except as noted)

	Number of common shares (thousands)	Amount	Number of warrants (thousands)	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
Balance at December 31, 2007	261,659	\$ 503,489	18,186	\$ 27,124	\$ 11,959	\$ (314,165)	\$ 228,407
Shares issued							
Public offering	32,890	57,730	16,445	6,414	-	-	64,144
Exercise of stock options	96	278	-	(96)	-	-	182
Directors' fees	173	254	-	-	-	-	254
Warrants expired	-	-	(5,936)	-	-	-	-
Stock-based compensation	-	-	-	529	-	-	529
Loss for the year	-	-	-	-	-	(25,720)	(25,720)
Balance at December 31, 2008	294,818	561,751	28,695	33,971	11,959	(339,885)	267,796
Stock-based compensation	-	-	-	1,075	-	-	1,075
Warrants issued for advisory services	-	-	3,000	245	-	-	245
Loss for the period	-	-	-	-	-	(11,958)	(11,958)
Balance at June 30, 2009	294,818	\$ 561,751	31,695	\$ 35,291	\$ 11,959	\$ (351,843) ^(a)	\$ 257,158

a) Includes total comprehensive deficit for the six months ended June 30, 2009 of \$(339,884) (June 30, 2008 - \$(323,403)).

The accompanying notes are an integral part of the consolidated financial statements.

Crystallex International Corporation

Notes to the Consolidated Financial Statements - Unaudited

June 30, 2009

(US\$ thousands, except as noted)

1. Nature of operations and going concern

Crystallex International Corporation ("Crystallex" or the "Company") is engaged in the development of gold properties in Venezuela.

(a) Background

The Company's principal asset is the Las Cristinas Project, currently under pre-development in Venezuela. On September 17, 2002, the Company entered into a non-assignable Mine Operating Contract (the "Mine Operating Contract") with the Corporación Venezolana de Guayana ("CVG"), acting under the authority of the Ministry of Energy and Mines of Venezuela, pursuant to Venezuelan mining law, under which the Company was granted the exclusive right to explore, develop and exploit the Las Cristinas 4, 5, 6 and 7 properties including the processing of gold for its subsequent commercialization and sale.

The Company is currently awaiting the decision of the Venezuelan Ministry of the Environment and Natural Resources ("MinAmb") for the issuance of the Authorization to Affect Natural Resources (the "Permit") to commence construction at Las Cristinas.

The construction and ultimate commencement of commercial production at Las Cristinas are dependent upon receipt of the Permit, which will allow management to proceed to put in place financing to fund construction. In addition, the Las Cristinas Project is subject to sovereign risk, including political and economic instability, changes in existing government regulations, government regulations relating to mining which may withhold the receipt of required permits, as well as currency fluctuations and local inflation. The April 2008 communication from the Director General of Permits at MinAmb and subsequent denial of the Company's appeal, followed by an appeal to the Minister of MinAmb in June 2008 with no decision being received to date, demonstrate the significant risks that the Las Cristinas Project faces. The Company, nonetheless, has made specific decisions to continue to meet its obligations under the Mine Operating Contract and, in March 2009, received confirmation from the CVG that the Mine Operating Contract remains in full force and effect, which provides the Company with continued control over the Las Cristinas Project. These risks may adversely affect the investment and may result in the impairment or loss of all or part of the Company's investment which could be material.

(b) Basis of presentation and going concern

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles using the going concern basis of accounting which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Management has considered all available information in assessing the Company's ability to continue as a going concern and satisfy its obligations as they fall due in the normal course of business, which is at least, but is not limited to, having sufficient cash resources to fund 12 months of operations from the balance sheet date.

Crystallex International Corporation

Notes to the Consolidated Financial Statements - Unaudited

June 30, 2009

(US\$ thousands, except as noted)

1. Nature of operations and going concern (continued)

As at June 30, 2009, the Company has positive working capital of \$5,439 including cash and cash equivalents of \$13,381. Management estimates that these funds will be sufficient to meet the Company's obligations and budgeted expenditures into the fourth quarter of 2009, but may not be sufficient to cover its obligations falling due in January 2010. This uncertainty raises substantial doubt as to the validity of the going concern basis of accounting.

The anticipated funding shortfall may be met in the future in a number of ways including a future liquidity event. Accordingly, the Company has a number of financing options available to generate sufficient cash to fund ongoing operations and service its debt requirements as they come due in order to meet such a test in the future including, but not limited to, the following:

- a) sale of equity securities;
- b) further expenditure reductions;
- c) sale of equipment;
- d) introduction of joint venture partners; and
- e) negotiated settlement with its note holders to reduce, eliminate or otherwise decrease its obligations, particularly interest costs.

There is, however, no assurance that these sources of funding or initiatives will be available to the Company, or that they will be available on terms that are acceptable to the Company. Accordingly, these interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used, that would be necessary should the Company be unable to continue as a going concern in the normal course of operations. Such adjustments could be material.

2. Significant accounting policies

These unaudited interim consolidated financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles. These unaudited interim consolidated financial statements do not contain all of the disclosures required by Canadian generally accepted accounting principles and, therefore, should be read together with the most recent audited annual consolidated financial statements and the accompanying notes thereto.

The preparation of these unaudited interim consolidated financial statements is based on the accounting policies and practices consistent with those used in the preparation of the Company's annual consolidated financial statements as at December 31, 2008 and for the year then ended, except for certain new accounting pronouncements that have been adopted effective January 1, 2009, as described in Note 3.

Certain comparative amounts have been reclassified to conform to the current period's presentation.

Crystallex International Corporation**Notes to the Consolidated Financial Statements - Unaudited**

June 30, 2009

(US\$ thousands, except as noted)

3. Changes in accounting policies

The CICA has issued new accounting standards which are effective for the Company's interim and annual consolidated financial statements effective January 1, 2009.

Section 3064, "Goodwill and Intangible Assets", establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. The adoption of this standard had no impact on the Company's unaudited interim consolidated financial statements.

EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities", requires an entity to take into account the credit risk of the entity and the counterparty in determining the fair value of financial assets and financial liabilities. The adoption of this standard had no impact on the Company's presentation of its financial position or results of operations in its unaudited interim consolidated financial statements.

4. Discontinued operations

Assets and liabilities on the consolidated balance sheets include the following amounts for discontinued operations at El Callao, Venezuela.

	June 30 2009	December 31 2008
Current assets		
Accounts receivable	\$ 8	\$ 28
Prepaid expenses and other assets	1,289	1,661
	\$ 1,297	\$ 1,689
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,104	\$ 1,151
Asset retirement obligations	2,343	2,343
	\$ 3,447	\$ 3,494

5. Property, plant and equipment

	June 30, 2009		
	Cost	Accumulated amortization	Net book value
Plant and equipment	\$ 112,910	\$ 430	\$ 112,480
Mineral properties	240,840	-	240,840
	\$353,750	\$ 430	\$ 353,320
	December 31, 2008		
	Cost	Accumulated amortization	Net book value
Plant and equipment	\$ 111,800	\$ 430	\$ 111,370
Mineral properties	232,282	-	232,282
	\$ 344,082	\$ 430	\$ 343,652

Crystallex International Corporation

Notes to the Consolidated Financial Statements - Unaudited

June 30, 2009

(US\$ thousands, except as noted)

5. Property, plant and equipment (continued)

The aggregate expenditures incurred on the Las Cristinas Project by the Company to June 30, 2009 are summarized as follows:

	Cash	Non-cash	Total
Plant and equipment	\$ 112,480	\$ -	\$ 112,480
Exploration, development and related expenses	161,015	5,732	166,747
Property payment and finders' fees	24,978	11,192	36,170
Future income taxes	-	36,184	36,184
Stock-based compensation	-	1,739	1,739
	\$ 298,473	\$ 54,847	\$ 353,320

6. Notes payable

In conjunction with a unit offering on December 23, 2004, the Company issued \$100,000 principal amount of senior unsecured notes (the "Notes") with a coupon rate of 9.375%, due on December 23, 2011 for net proceeds of \$75,015 after expenses and equity allocation. Interest is payable semi-annually on January 15 and July 15 of each year, beginning on July 15, 2005. The Company may redeem the Notes, in whole or in part, at any time after December 31, 2008 at a redemption price of between 100% and 102% of the principal amounts of the Notes, depending on the redemption date, plus accrued and unpaid interest and additional interest, if any, to the date of the redemption. In addition, the Company may be required to redeem the Notes for cash under certain circumstances, such as a change in control in the Company where the acquiror's debt rating is below the debt rating of the Company before or after the change in control, or where the Company ceases to beneficially own, directly or indirectly, at least a majority interest in the Las Cristinas Project. The Company may also redeem the Notes, in whole but not in part, for cash at its option under certain circumstances, such as a change in the applicable Canadian withholding tax legislation.

As described in Note 10, the trustee for the holders of the Notes (the "Noteholders") has commenced an action that, if successful, could result in Crystallex having to redeem all of the outstanding Notes of each Noteholder who has so requested at a price equal to 102% of the principal amount of the notes, together with accrued and unpaid interest to the date of purchase. The Company believes this action, excluding the derivative action, which was dismissed with prejudice on May 4, 2009, is without merit and will vigorously defend against this action. On this basis, the Notes continue to be classified as a long term obligation of the Company.

The initial carrying value of the Notes was derived from a unit structure that contained both a Note and a share component. As a result, the share component was allocated based on the fair value of the common shares issued with the unit offering, calculated at \$21,450 with \$78,550 being the discounted fair value of the Notes. The discounted fair value of the Notes, net of expenses, is accreted up to the face value of the Notes using the effective interest rate method over its seven-year term, with the resulting charge recorded to interest expense. Interest accretion of \$1,888 (2008 - \$1,676) on the Notes was expensed during the six months ended June 30, 2009 as a component of interest expense.

Fair value of debt

The fair value of the debt is approximately \$25,000 (2008 - \$30,000), calculated using a discounted cash flow methodology. The methodology uses the risk-free interest rate and the Company's credit spread as inputs. As the Company's credit spread is an unobservable input due to limited trading of the Company's debt in the market, the Company has estimated its credit spread by reference to current yields to maturity for debt with similar terms and risks and also by reference to the yield to maturity implicit in the prices obtained from the limited trading of the Company's debt.

Crystallex International Corporation**Notes to the Consolidated Financial Statements - Unaudited****June 30, 2009****(US\$ thousands, except as noted)****7. Share capital**

	June 30 2009	December 31 2008
Authorized		
Unlimited common shares, without par value		
Unlimited Class A preference shares, no par value		
Unlimited Class B preference shares, no par value		
Issued		
294,817,719 common shares	\$ 561,751	\$ 561,751

Warrants

As at June 30, 2009, common share purchase warrants were outstanding enabling the holders to acquire common shares as follows:

Exercise Price	Number of warrants (thousands)
\$0.25 (CDN \$0.30)	3,000 ^(a)
\$2.45 (CDN \$3.00)	16,445 ^(b)
\$4.25	12,250 ^(c)
	31,695

a) These warrants expire on April 23, 2012.

b) These warrants expire on the later of: (i) August 11, 2009; and (ii) six months following the date which is 45 days following the receipt of the Permit for the Company's Las Cristinas Project.

c) These warrants become exercisable for an eighteen month period commencing on the date which is 45 days following the receipt of the Permit for the Company's Las Cristinas Project.

Stock options

Effective June 24, 2009, shareholders of the Company approved a Fixed Share Option Plan (the "New Plan") which provide for the granting of a maximum 8,000,000 options to acquire common shares of the Company to executive officers, directors, employees and service providers of the Company. Under the New Plan, the exercise price of each stock option cannot be less than the closing price of the Company's common shares on the Toronto Stock Exchange, on the trading day immediately preceding the date of the grant. Stock options have a life of up to ten years and may vest immediately, or over periods ranging from one year to three years. In addition, the directors of the Company may permit an optionee to elect to receive without payment by the optionee of any additional consideration, common shares equal to the value of stock options surrendered. As at June 30, 2009, 6,175,000 stock options were granted under the New Plan.

Prior to June 25, 2008, the Company had a Rolling Share Option Plan (the "Old Plan"), which provided for the granting of options to acquire common shares of the Company equal to 10% of the issued and outstanding common shares from time to time, and had characteristics similar to the New Plan. Effective June 24, 2008, the Company ceased to grant stock options under the Old Plan and no additional stock options are available for grant under the Old Plan.

Crystallex International Corporation**Notes to the Consolidated Financial Statements - Unaudited****June 30, 2009****(US\$ thousands, except as noted)****7. Share capital (continued)**

The Company determines the fair value of the employee stock options using the Black-Scholes option pricing model. The estimated fair value of the stock options is expensed over their respective vesting periods. The fair value of stock options granted was determined using the following assumptions for stock options granted during the six month period ended June 30, 2009. No stock options were granted during the six months ended June 30, 2008.

	Six months ended June 30	
	2009	2008
Risk-free interest rate	1.8%	-
Expected life (years)	3	-
Expected volatility over expected life	118%	-
Expected dividend rate	0%	-
Weighted average fair value of stock options granted during the period	\$ 905	\$ -

The fair value compensation recorded for stock options that have vested for the six months ended June 30, 2009 was \$1,075 (2008 - \$569) of which \$894 (2008 - \$537) was expensed and \$181 (2008 - \$32) was capitalized to mineral properties.

As at June 30, 2009, options were outstanding enabling the holders to acquire common shares as follows:

Range of exercise price (CDN\$)	<u>Outstanding stock options</u>			<u>Exercisable stock options</u>		
	Number of stock options (thousands)	Weighted average remaining contractual life (years)	Weighted average exercise price (CDN\$)	Number exercisable (thousands)	Weighted average exercise price (CDN\$)	
\$0.24	6,175	7.94	0.24	6,175	0.24	
\$1.00 to \$1.50	240	0.48	1.41	240	1.41	
\$1.75 to \$2.60	3,829	2.19	2.23	3,829	2.23	
\$2.65 to \$3.57	3,007	4.49	3.12	3,007	3.12	
\$3.91 to \$4.87	3,170	3.71	4.34	2,940	4.32	
	16,421	5.04	2.04	16,191	2.00	

Crystallex International Corporation**Notes to the Consolidated Financial Statements - Unaudited**

June 30, 2009

(US\$ thousands, except as noted)

7. Share capital (continued)

A summary of the outstanding stock options as at June 30 and changes during each of the six month periods then ended is as follows:

	Six months ended June 30, 2009		Six months ended June 30, 2008	
	Number of options (thousands)	Weighted average exercise price (CDN\$)	Number of options (thousands)	Weighted average exercise price (CDN\$)
Balance - beginning of period	10,517	\$ 3.14	12,527	\$ 3.04
Granted	6,175	0.24	-	-
Exercised	-	-	(76)	2.14
Expired or forfeited	(271)	3.16	(502)	3.20
Balance - end of period	16,421	\$ 2.04	11,949	\$ 3.03

Shareholder Rights Plan

On June 24, 2009, the shareholders of the Company approved the continuation of the Company's shareholder rights plan (the "Rights Plan") which was previously approved on October 30, 2006. The rights issued under the Rights Plan are subject to reconfirmation at every third annual meeting of shareholders and will expire at the close of the Company's annual meeting in 2016 (the "Expiration Time"). The Rights Plan is designed to ensure the fair treatment of shareholders in connection with any take-over bid for the Company and to provide the Board and shareholders with sufficient time to fully consider any unsolicited take-over bid. The Rights Plan also provides the Board with time to pursue, if appropriate, other alternatives to maximize shareholder value in the event of a take-over bid.

Pursuant to the Rights Plan, one right (a "Right") is attached to each outstanding common share of the Company held by shareholders of record at the close of business on the record date. The Rights will separate from the Common Shares at the time (the "Separation Time") which is the close of business on the eighth trading day (or such later day as determined by the Board of Directors of the Company) after the public announcement of the acquisition of, or intention to acquire, beneficial ownership of 20% of the common shares of the Company by any person other than in accordance with the terms of the Rights Plan.

In order to constitute a "Permitted Bid", an offer must be made in compliance with the Rights Plan and must be made to all shareholders (other than the offeror), must be open for at least 60 days and be accepted by shareholders holding more than 50% of the outstanding voting shares and, if so accepted, must be extended for a further period of 10 business days.

Crystallex International Corporation**Notes to the Consolidated Financial Statements - Unaudited****June 30, 2009****(US\$ thousands, except as noted)****8. Supplemental disclosures with respect to cash flows**

	June 30	December 31
	2009	2008
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Cash and cash equivalents consist of:		
Cash	\$ 6,881	\$ 1,600
US treasury bills with interest rate of 0.001%	6,500	-
Canadian treasury bills	-	32,920
	<hr/>	<hr/>
	\$ 13,381	\$ 34,520
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<i>Cash paid during the six months ended June 30:</i>		
	2009	2008
For interest	\$ 4,688	\$ 4,688
For income taxes	\$ -	\$ 178
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<i>Investment in property, plant and equipment for the six months ended June 30:</i>		
	2009	2008
Net book value of property, plant and equipment January 1	\$ 343,652	\$ 317,179
Net book value of property, plant and equipment June 30	353,320	327,770
	<hr/>	<hr/>
Net increase in property, plant and equipment	(9,668)	(10,591)
Capitalization of stock compensation	181	32
Future income taxes	955	2,332
Amortization	-	(42)
Net book value of equipment sold	-	(4,266)
	<hr/>	<hr/>
Net increase before working capital items	(8,532)	(12,535)
Changes in working capital related to property, plant and equipment acquisitions	(297)	(196)
	<hr/>	<hr/>
Cash investment in property, plant and equipment	\$ (8,829)	\$ (12,731)
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<i>Issuance of common shares for cash for the six months ended June 30:</i>		
	2009	2008
Cash received from:		
Public offering	\$ -	\$ 64,144
Exercise of stock options	-	162
	<hr/>	<hr/>
	\$ -	\$ 64,306
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Crystallex International Corporation

Notes to the Consolidated Financial Statements - Unaudited

June 30, 2009

(US\$ thousands, except as noted)

9. Segmented information

The Company has one operating segment, which is the development of mining properties with the Las Cristinas Project as its principal asset.

Property, plant and equipment capitalized costs all relate to the Las Cristinas Project and include long-lead time equipment required for its development, of which significant amounts are located temporarily in the USA and various other countries.

10. Commitments and contingencies

Las Cristinas

Under the terms of the Las Cristinas Mine Operating Contract with the CVG, the Company has undertaken to make all investments necessary to develop and exploit the deposits at Las Cristinas.

The capital cost of the Las Cristinas Project was revised to \$356,000 in November 2007 (previously estimated at \$293,000 in August 2005), of which \$102,000 has been spent to date. The capital cost estimate is subject to revision due to changing construction and equipment costs.

The Company is committed to spend approximately \$400 to complete certain social projects at Las Cristinas.

Claim by an individual

On May 23, 2006, the Company and certain directors and officers were served with a statement of claim by an individual alleging misrepresentation, conspiracy and breach of contract, and claiming damages of approximately CDN\$1.75 million. The Company has filed its statement of defence and believes that there is little likelihood of any ultimate liability. However, as the outcome of this matter cannot be determined at this time, the Company has made no provision for this contingency as at June 30, 2009.

Action by Noteholders

In December 2008, the Company was served with a notice of application (the "Application") by the trustee for the Noteholders as described in Note 6. The trustee, on behalf of certain Noteholders, is, among other things, seeking a declaration from the court that there has been a project change of control (a "Project Change of Control") event as defined in the First Supplemental Indenture made as of December 23, 2004 thereby requiring Crystallex to accelerate payment and purchase all of the Notes of each Noteholder who has so requested at a price equal to 102% of the principal amount of the Notes, together with accrued and unpaid interest to the date of purchase.

A Project Change of Control is defined as "the occurrence of any transaction as a result of which Crystallex ceases to beneficially own, directly or indirectly, at least a majority interest in the Las Cristinas Project asset".

In the alternative, the trustee sought permission from the Court to commence a derivative action in the name of and on behalf of Crystallex against its entire Board of Directors.

On May 4, 2009, the Noteholders agreed to have the derivative action dismissed with prejudice. The agreement calls for the claims for oppression relief under the Application, except for the derivative action, to be held in abeyance until the end of July 2009, at which time the parties can appear before the Court to set a schedule for the continuation of the Application. The Company is in discussions with the Noteholders.

Crystallex International Corporation

Notes to the Consolidated Financial Statements - Unaudited

June 30, 2009

(US\$ thousands, except as noted)

10. Commitments and contingencies (continued)

The Company has strong defences to this action and will vigorously defend against the Application. In particular, the Company believes that the Noteholders' allegation that there has been a Project Change of Control has no merit. At this stage in the process, the Company cannot provide an assignment of losses, if any, it may suffer as a result of this proceeding.

Proposed class action

The Company and certain officers and directors have been named as defendants in a putative securities fraud class action commenced on December 8, 2008, in the United States District Court for the Southern District of New York. The plaintiffs in the lawsuit are described as investors who acquired the Company's common stock during the period from March 27, 2006 to April 30, 2008, inclusive (the "Proposed Class Period"). The complaint alleges that the defendants made several statements during the Proposed Class Period about the Company's Las Cristinas Project located in Sifontes, Venezuela, and that the issuance of the required Venezuelan government Permit in connection with that project was imminent and guaranteed to be issued to the Company. The complaint asserts that the defendants did not have, during the Proposed Class Period, a reasonable expectation that the Company would receive the required Permit, and that on April 30, 2008, the Permit was, in fact, denied. The proposed class action seeks compensatory damages plus costs and fees, alleging violations of Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder by each of the defendants, and a violation of Section 20A of the Exchange Act by one of the individual defendants.

In a court order dated April 7, 2009, the lead plaintiffs were appointed and, on June 12, 2009, they filed an amended complaint. The defendants have until August 14, 2009 to file a motion to dismiss. The lead plaintiffs can file an opposition to the motion to dismiss by September 11, 2009 and the defendants have until September 29, 2009 to file any reply thereto.

Crystallex believes that the complaint is without merit and intends to vigorously defend itself against the action. However, because the action is in preliminary stages, the Company cannot provide assurances as to the outcome of the action, nor can the range of losses, if any, be estimated. Accordingly, no losses have been accrued.

Advisory services

The Company has engaged a financial advisor to assist the Company in assessing options to settle the Noteholders' claim and, if appropriate, assist in negotiating, structuring and executing the selected option. The Company has granted to such advisor 3,000,000 warrants to acquire common shares of the Company at CDN\$0.30 per common share with an expiry date of April 23, 2012. In addition, the Company has agreed to pay a success fee of CDN\$1 million to such advisor.

11. Related party transactions

During the six months ended June 30, 2009, the Company entered into the following transactions with related parties:

- a) paid underwriting fees of \$nil (2008 - \$2,279) to a company that retains the Chairman of the Company as an employee; and
- b) paid head office rent of \$58 (2008 - \$nil) to a company that retains the Chairman of the Company as a director.

The amounts charged to the Company for the services provided have been determined by negotiation among the parties. These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.