INTERIM CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2011
(UNAUDITED)

Crystallex International Corporation

Table of Contents

Crystallex International Corporation
Consolidated Statements of Financial Position – Unaudited
(US$ thousands)

	March 31, 2011 $	December 31, 2010 $	January 1, 2010 $
Assets			
Current assets			
Cash and cash equivalents	**7,970**	16,128	6,897
Restricted cash (Note 7)	**-**	-	4,688
Accounts receivable	**1,146**	1,042	1,877
Prepaid expenses, deposits and other assets	**1,795**	1,442	547
Equipment held for sale (Note 7)	**27,500**	-	3,180
	38,411	18,612	17,189
Non-current assets			
Property, plant and equipment (Note 6)	**-**	33,200	39,203
Value-added taxes recoverable (net of provision for recovery of $2,198 Dec 2010 - $nil and Jan 2010 - $nil)	**-**	-	1,736
Total assets	**38,411**	51,812	58,128
Liabilities			
Current liabilities			
Bank loan (Note 8)	**1,628**	930	-
Accounts payable and accrued liabilities	**10,556**	11,094	9,086
Promissory note (Note 9)	**-**	-	894
Demand loan (Note 10)	**2,500**	2,500	-
Notes payable (Note 11)	**96,238**	95,035	-
Warrants – derivative financial instruments (Note 14)	**66**	445	2,305
Current portion of asset retirement obligations (Note 12)	**1,138**	798	-
	112,126	110,802	12,285
Non-current liabilities			
Asset retirement obligations (Note 12)	**2,680**	2,655	2,872
Notes payable (Note 11)	**-**	-	90,639
Total liabilities	**114,806**	113,457	105,796
Shareholders' deficiency			
Share capital (Note 13)	**588,745**	588,745	561,751
Contributed surplus	**30,577**	30,372	28,707
Deficit	**(695,717)**	(680,762)	(638,126)
Total deficit	**(76,395)**	(61,645)	(47,668)
Total liabilities and deficit	**38,411**	51,812	58,128

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 21)
Subsequent events (Note 24)

(See accompanying notes to the interim consolidated financial statements)

Approved on behalf of the Board of Directors

// Robert Fung, Director // Johan van 't Hof, Director

Crystallex International Corporation

Consolidated Statements of Loss and Comprehensive Loss - Unaudited
For the three months ended March 31, 2011 and 2010
(US$ thousands, except per share data)

	2011 **$**	2010 $
(Expenses) income		
General and administrative	**(3,828)**	(2,576)
Foreign currency exchange gain (loss)	**223**	(43)
Litigation	**(20)**	(143)
Write-down of property, plant and equipment (Note 6)	**(6,396)**	(3,610)
Provision for value-added taxes recoverable	**(27)**	-
Expenditure on Las Cristinas	**(1,063)**	-
Withdrawal costs related to Las Cristinas	**(638)**	-
	(11,749)	(6,372)
Finance income (Note 17)	**402**	1,223
Finance expense (Note 17)	**(3,608)**	(3,536)
Net finance expense	**(3,206)**	(2,313)
Loss before income taxes (Note 17)	**(14,955)**	(8,685)
Future income tax recovery (Note 17)	**-**	486
Net loss and comprehensive loss for the period	**(14,955)**	(8,199)
Loss per common share, basic and diluted (Note 16)	**(0.04)**	(0.03)
Weighted average number of common shares outstanding	**364,817,719**	294,817,719

(See accompanying notes to the interim consolidated financial statements)

Crystallex International Corporation

Consolidated Statements of Changes in Shareholders' Deficiency (Unaudited)
(US$ thousands)

	Share capital $	Contributed surplus $	Deficit $	Total $
Balance – January 1, 2011	**588,745**	**30,372**	**(680,762)**	**(61,645)**
Net and comprehensive loss for the period	**-**	**-**	**(14,955)**	**(14,955)**
Stock - based compensation	**-**	**205**	**-**	**205**
Balance – March 31, 2011	**588,745**	**30,577**	**(695,717)**	**(76,395)**
Balance – January 1, 2010	561,751	28,707	(638,126)	(47,668)
Net and comprehensive loss for the period	-	-	(8,199)	(8,199)
Equity portion of demand loan	-	200	-	200
Stock - based compensation	-	38	-	38
Balance – March 31, 2010	561,751	28,945	(646,325)	(55,629)

(See accompanying notes to the interim consolidated financial statements)

Crystallex International Corporation

Consolidated Statements of Cash Flows – Unaudited
For the three months ended March 31, 2011 and 2010
(US$ thousands)

	2011 **$**	2010 $
Cash flow provided by (used in)		
Operating activities		
Net loss for the period	**(14,955)**	(8,199)
Items not affecting cash:		
Write-down of property, plant and equipment	**6,396**	3,610
Interest accretion	**1,203**	1,151
Future income tax recovery	**-**	(486)
Stock-based compensation	**205**	38
Increase in asset retirement obligations	**340**	-
Accretion of asset retirement obligations	**25**	14
Gain on revaluation of warrants	**(379)**	(1,214)
Provision for value-added taxes recoverable	**27**	-
Unrealized gain on translation of future income taxes	**-**	(40)
Unrealized foreign currency exchange (gain) loss	**(136)**	214
Change in non-cash working capital:		
(Increase) decrease in accounts receivable	**(115)**	821
(Increase) decrease in prepaid expenses, deposits and other assets	**(486)**	7
Increase (decrease) in accounts payable and accrued liabilities	**1,328**	(2,490)
Net cash used in operating activities	**(6,547)**	(6,574)
Investing activities		
Investment in property, plant and equipment	**(2,437)**	(3,247)
Net cash used in investing activities	**(2,437)**	(3,247)
Financing activities		
Decrease in restricted cash	**-**	4,688
Proceeds from demand loan	**-**	2,500
Proceeds from bank loan	**698**	-
Net cash generated in financing activities	**698**	7,188
Decrease in cash and cash equivalents	**(8,286)**	(2,633)
Effects of exchange rate changes on cash and cash equivalents	**128**	(1)
Cash and cash equivalents - beginning of period	**16,128**	6,897
Cash and cash equivalents - end of period	**7,970**	4,263

Supplemental disclosures with respect to cash flows (Note 18)

(See accompanying notes to the consolidated financial statements)

1. Nature of operations and going concern

Crystallex International Corporation ("Crystallex" or the "Company") is a Canadian-based company, with a record of acquiring, exploring, developing and operating mining properties. The Company is domiciled in Canada with a registered office at 8 King Street East, Suite 1201, Toronto, Ontario, Canada, M5C 1B5. The Company is listed on the Toronto Stock Exchange (Symbol: KRY).

The Company's principal focus since 2002 was the exploration and development of the Las Cristinas gold properties (the "Las Cristinas Project") located in Bolivar State in south-eastern Venezuela. Crystallex entered into a Mine Operating Contract (the "MOC") in September 2002 with the Corporación Venezolana de Guayana (the "CVG"). The MOC granted Crystallex exclusive rights to develop and operate the Las Cristinas Project. Following the issuance of the MOC, the Company worked to bring the Las Cristinas Project to a "shovel ready" state. The Company completed all of the requirements necessary for the issuance of the Authorization to Affect Natural Resources (the "Permit") from the Ministry of Environment and Natural Resources ("MinAmb"), while maintaining compliance with the terms of the MOC. Notwithstanding the Company's fulfillment of the requisite conditions, Venezuela's approval of the Environmental Impact Study and assurances that the Permit would be issued, in April 2008 MinAmb denied the Company's request for the Permit.

On November 24, 2008, Crystallex wrote to the Venezuelan Minister of Mines to notify it of a dispute under the Agreement between the Government of Canada and the Government of the Republic of Venezuela for the Promotion and Protection of Investments (the "Treaty"). Subsequently, CVG unilaterally terminated the MOC on February 3, 2011, despite having confirmed the validity of the MOC in August 2010.

On February 16, 2011, the Company filed a Request for Arbitration against Venezuela before the Additional Facility of the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") pursuant to the Treaty. On March 9, 2011, the Request for Arbitration was registered by ICSID.

Crystallex claims that Venezuela breached the Treaty's protections against expropriation, unfair and inequitable treatment and discrimination. Crystallex is seeking the restitution by Venezuela of its investments, including the MOC, and the issuance ot the Permit and compensation for interim losses suffered, or, alternatively full compensation for the value of its investments in an amount is excess of US$3.8 billion.

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of business as they become due. Management has considered all available information in assessing the Company's ability to continue as a going concern for the foreseeable future, which is at least, but is not limited to, twelve months from the balance sheet date.

As at March 31, 2011, the Company had negative working capital of $73,715, including cash and cash equivalents of $7,970. Management estimates that the existing cash and cash equivalents, without additional sources of financing, will not be sufficient to meet the Company's obligations and budgeted expenditures during 2011 including the July 15, 2011 semi-annual interest payment and the principal amount of the $100,000 notes payable (the "Notes") due on December 23, 2011.

Management commenced a process to sell the Company's remaining mining and milling equipment. Subsequent to March 31, 2011, the Company concluded the carrying value exceeded the realizable value of the equipment and a write-down was recorded. If the equipment is sold for the proceeds approximating the carrying value, management projects that sales proceeds would be sufficient to fund ongoing activities, including the July interest payment, up to December 2011 when the Notes are due. There are, however, no

1. Nature of operations and going concern (continued)

assurances that the sale process will be successful and, if it is successful, there are no assurances as to the amount or timing of any potential proceeds.

The Company is in discussions with the Noteholders to restructure the Notes. There are no assurances that such discussions will be successful, and if the Company is not successful in this initiative, then the Company will need to raise substantial additional funds to repay the Notes which could result in further dilution. Despite the financings that have been completed by the Company, it has limited access to financial resources as a direct result of the unilateral cancellation of the MOC and there is no assurance that sufficient additional financing will be available to the Company on acceptable terms, or at all, as a consequence of the Government of Venezuela's conduct. Failure to restructure the Notes or obtain such additional financing could result in the Company defaulting on its debt repayments.

These material uncertainties raise substantial doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, as to the appropriateness of the use of accounting principles applicable to a going concern. The Company may be unable to realize its assets or discharge its liabilities in the normal course of business.

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. These adjustments could be material.

2. Basis of preparation and adoption of IFRS

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company has commenced reporting on this basis in these interim consolidated financial statements. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 and IFRS 1. Subject to certain transition elections disclosed in Note 4, the Company has consistently applied the same accounting policies in its opening IFRS statement of financial position at January 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 4 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended December 31, 2010.

The policies applied in these interim consolidated financial statements are based on IFRS issued and outstanding as of June 9, 2011, the date the Board of Directors approved the statements. Any subsequent changes to IFRS, that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2011 could result in restatement of these interim consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

The interim consolidated financial statements should be read in conjunction with the Company's Canadian GAAP annual consolidated financial statements for the year ended December 31, 2010.

3. Significant accounting policies

The significant accounting policies used in the preparation of these interim consolidated financial statements, following the adoption of IFRS, are described below:

Basis of measurement

The interim consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial assets and liabilities to fair value, including derivative instruments.

Estimates and uncertainties

The preparation of financial statements in conformity with IFRS requires management to make estimates judgements and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates, and those differences could be material.

In addition to the appropriateness of the assumption of using the going concern basis of accounting, significant estimates used include those relating to the net realizable value of mining equipment, value-added taxes recoverable and payable in Venezuela, tax provisions, carrying value of asset retirement obligations, and the fair values of stock options and warrants.

Consolidation

The financial statements of the Company consolidate the accounts of Crystallex International Corporation and its subsidiaries. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries are those entities which Crystallex International Corporation controls by having the power to govern the financial and operating policies. Subsidiaries are fully consolidated from the date on which control is obtained by Crystallex International Corporation and are deconsolidated from the date that control ceases.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's subsidiaries in the Crystallex International Corporation group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company has determined that the United States dollar ("US$") is the functional currency of the parent and each of its subsidiaries.

The interim consolidated financial statements are presented in US$.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the statement of loss and comprehensive loss.

3. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

Restricted cash

Restricted cash is cash which is not available, by agreement, for general operating purposes.

Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(i) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges.

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the statement of loss and comprehensive loss. Gains and losses arising from changes in fair value are presented in the statement of loss and comprehensive loss within other gains and losses in the period in which they arise. Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which is classified as non-current. Equipment held for sale and Canadian denominated warrants have been classified at fair value through profit and loss.

(ii) Loans and receivables: Loans and receivables including restricted cash and deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at the amount expected to be received less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment. Cash and cash equivalents, restricted cash and accounts receivable and deposits have been classified as loans and receivables.

(iii) Financial liabilities at amortized cost: Financial liabilities at amortized cost include accounts payable, bank debt, promissory notes, demand loans, notes payable and long-term debt. Accounts payable are initially recognized at the amount required to be paid less, when material, a discount to reduce payables to fair value. Subsequently, financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

(iv) Derivative financial instruments: The Company has issued warrants that are treated as derivative liabilities. All derivatives have been classified as held for trading, are included on the balance sheet within warrants or other liabilities and are classified as current or non-current based on contractual terms specific to the instrument. Gains and losses on re-measurement are included in interest and other income in the case of warrants.

3. Significant accounting policies (continued)

Impairment of financial assets: At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss, as follows:

Financial assets carried at amortized costs: The loss is the difference between the amortized costs of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

Impairment losses on financial assets carried at amortized costs are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the statement of loss and comprehensive loss.

Mineral properties and deferred exploration and development expenditures

Mineral exploration and evaluation costs such as topographical, geochemical and geophysical studies are capitalized and carried at cost until the properties to which they relate are placed into production, sold or where management has determined there to be impairment in value. Development costs incurred to access ore bodies identified in the current mining plan are expensed as incurred after production has commenced. Development costs necessary to extend a mine beyond those areas identified in the current mining plan and which are incurred to access additional reserves are deferred until the incremental reserves are mined. Once a mine has achieved commercial production, mineral properties and development costs, including the mineral acquisition and direct mineral exploration costs relating to the current mining plan, are depleted and amortized using the unit-of-production method over the estimated life of the ore body based on proven and probable reserves.

Impairment of non-financial assets

Property, plant and equipment and other non-financial assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Long-lived assets that are not amortized are subject to a periodic impairment test. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGU's). The recoverable amount is the higher of a CGU's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the CGU's carrying amount exceeds its recoverable amount.

The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

3. Significant accounting policies (continued)

Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as interest expense in the statement of loss and comprehensive loss in the period in which they are incurred.

Asset retirement obligations and provisions

Provisions for environmental restoration, where applicable, are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Estimated environmental provisions, comprising rehabilitation and mine closure, are based on the Company's environmental policy taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognized as and when the environmental liability arises and is re-evaluated annually. The effect of subsequent changes to assumptions in estimating an obligation for which the provision was recognized is classified, as interest expense.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value using a pre-tax rate that reflects current market measurements of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Stock-based compensation

The Company recognizes compensation expense for stock options based on the estimated fair value at the grant date using the Black-Scholes option pricing model. The cost is recognized over the vesting period of the respective option. In estimating fair value, management is required to make certain assumptions and estimates regarding such items as the life of options, volatility and forfeiture rates. Changes in the assumptions used to estimate fair value could result in materially different results.

Income tax

Income tax comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect to previous years.

Deferred tax is accounted for using the liability method whereby deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the interim consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the asset can be recovered. Deferred income tax assets and liabilities are presented as non-current.

3. Significant accounting policies (continued)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Loss per share

Basic loss per share ("LPS") is calculated by dividing the net loss for the period attributable to equity owners of Crystallex International Corporation by the weighted average number of common shares outstanding during the period.

Diluted LPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed using the treasury stock method.

Accounting standards issued but not yet applied

International Financial Reporting Standard 9, *Financial Instruments* ("IFRS 9").

This standard was issued in November 2009 and it addresses the classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

International Financial Reporting Standard 13*, Fair Value Measurements* ("IFRS 13")

IFRS 13, *Fair Value Measurements*, defines fair value, sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. The IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specific circumstances. IFRS 13 is to be applied for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is assessing the effect of the changes to IFRS 13 on its financial results and financial position.

4. Transition to IFRS

The accounting policies in Note 3 have been applied in preparing these consolidated interim financial statements for the three month period ended March 31, 2010, the financial statements for the year ended December 31, 2010 and the preparation of an opening IFRS balance sheet on the Transition Date, January 1, 2010.

The effect of the Company's transition to IFRS, described in Note 2, is summarized as follows:

(i) Transition elections
(ii) Reconciliation of shareholders' deficiency as previously reported under Canadian GAAP to IFRS
(iii) Reconciliation of consolidated statements of loss and comprehensive loss as previously reported under Canadian GAAP to IFRS
(iv) Explanatory notes

(i) Transition elections

The Company has applied the following transition elections and exemptions to full retrospective application of IFRS:

	As described in Note 4(iv)
Cumulative translation adjustment	(a)
Asset retirement obligations	(d)
Business combinations	(f)
Stock-based compensation	(g)
Borrowing costs	(h)

(US$ thousands, except as noted)

4. Transition to IFRS (continued)

(ii) Reconciliation of shareholders' deficiency as previously reported under Canadian GAAP to IFRS

		December 31, 2010			March 31, 2010			January 1, 2010		
		Cdn GAAP	Adj	IFRS	Cdn GAAP	Adj	IFRS	Cdn GAAP	Adj	IFRS
Assets	4 (iv)									
Current assets										
Cash and cash equivalents		16,128	-	16,128	4,263	-	4,263	6,897	-	6,897
Restricted cash					-		-	4,688		4,688
Accounts receivable	c	108	934	1,042	75	918	993	780	1,097	1,877
Prepaid expenses, deposits and other assets	c	1,435	7	1,442	534	6	540	515	32	547
Equipment held for sale		-	-	-	3,180	-	3.180	3,180	-	3,180
Discontinued operations	c	941	(941)	-	924	(924)	-	1,129	(1,129)	-
		18,612	-	18,612	8,976	-	8,976	17,189	-	17,189
Non-current assets										
Property, plant and equipment		33,200	-	33,200	39,203	-	39,203	39,203	-	39,203
Value-added taxes recoverable		-	-	-	1,598	-	1,598	1,736	-	1,736
		51,812	-	51,812	49,777	-	49,777	58,128	-	58,128
Liabilities										
Current liabilities										
Accounts payable and accrued liabilities	c	9,528	1,566	11,094	5,440	1,004	6,444	8,043	1,043	9,086
Notes payable		95,035	-	95,035						
Promissory note		-	-	-	894	-	894	894	-	894
Bank loan		930	-	930						
Demand loan		2,500	-	2,500	2,386	-	2,386	-	-	-
Warrants	b	-	445	445	-	1,091	1,091	-	2,305	2,305
Current portion of asset retirement obligation	d	-	798	798	-	798	798	-	-	-
Discontinued operations	c	2,364	(2,364)	-	1,003	(1,003)	-	1,043	(1,043)	-
		110,357	445	110,802	9,723	1,890	11,613	9,980	2,305	12,285
Non-current liabilities										
Notes payable		-	-	-	91,704	-	91,704	90,639	-	90,639
Asset retirement obligation	c	-	2,655	2,655	-	-	-	-	2,872	2,872
Discontinued operations	c	2,081	(2,081)	-	2,217	(129)	2,088	2,217	(2,217)	-
		112,438	1,019	113,457	103,644	1,761	105,405	102,836	2,960	105,796
Shareholders' deficiency										
Share capital		588,745	-	588,745	561,751	-	561,751	561,751	-	561,751
Contributed surplus	b	40,643	(10,271)	30,372	35,604	(6,659)	28,946	35,366	(6,659)	28,707
Accumulated other comprehensive income	a	11,959	(11,959)	-	11,959	(11,959)	-	11,959	(11,959)	-
Deficit	a/b	(701,973)	21,211	(680,762)	(663,181)	16,857	(646,325)	(653,784)	15,658	(638,126)
		(60,626)	(1,019)	(61,645)	(53,867)	(1,761)	(55,628)	(44,708)	(2,960)	(47,668)
		51,812	-	51,812	49,777	-	49,777	58,128	-	58,128

(US$ thousands, except as noted)

4. Transition to IFRS (continued)

(ii) Reconciliation of shareholders' deficiency as previously reported under Canadian GAAP to IFRS

		Dec 31, 2010 $	Mar 31, 2010 $	Jan 1, 2010 $
Deficit	**4 (iv)**			
Deficit as reported under Canadian GAAP		(701,973)	(663,181)	(653,784)
Cumulative translation adjustment	a	11,959	11,959	11,959
Revaluation of warrants	b	9,826	5,568	4,354
Asset retirement obligation	d	(574)	(671)	(655)
Deficit as reported under IFRS		(680,762)	(646,325)	(638,126)

As described in Note 4 (iv)

(a)	Cumulative translation adjustment
(b)	Warrants
(c)	Discontinued operations
(d)	Asset retirement obligations

(iii) Reconciliation of consolidated statements of loss and comprehensive loss as previously reported under Canadian GAAP to IFRS

		Year ended December 31, 2010			Three months ended March 31, 2010		
	4 (iv)	Cdn GAAP	Adj	IFRS	Cdn GAAP	Adj	IFRS
(Expenses) income							
General and administrative	c	(12,187)	(2,399)	(14,586)	(2,172)	(404)	(2,576)
Litigation expenses		319	-	319	(143)	-	(143)
Foreign currency exchange gain (loss)	c	949	342	1,291	(22)	(21)	(43)
Write-down of property, plant and equipment		(18,929)	-	(18,929)	(3,610)	-	(3,610)
Provision for value-added taxes recoverable		(2,171)	-	(2,171)	-	-	-
		(32,019)	(2,057)	(34,076)	(5,947)	(425)	(6,372)
Finance income	b	79	5,472	5,551	9	1,214	1,223
Finance expense	d	(14,111)	-	(14,111)	(3,522)	(14)	(3,536)
Net interest expense		(14,032)	5,472	(8,560)	(3,513)	1,200	(2,313)
Loss before income taxes		(46,051)	3,415	(42,636)	(9,460)	775	(8,685)
Future income tax recovery		-	-	-	486	-	486
Loss from continuing operations		(46,051)	3,415	(42,636)	(8,974)	775	(8,199)
Loss from discontinued operations		(2,138)	2,138	-	(423)	423	-
Net loss and comprehensive loss		(48,189)	5,553	(42,636)	(9,397)	1,198	(8,199)

4. Transition to IFRS (continued)

(iv) Explanatory notes:

a) In accordance with IFRS transitional provisions, the Company has elected to reset the cumulative translation adjustment account, which includes gains and losses arising from the translation of foreign operations, to zero at the date of transition to IFRS. Accumulated other comprehensive income has been decreased and deficit has been decreased by $11,959.

b) The warrants entitle the holder to acquire a fixed number of common shares for a fixed Canadian dollar price per share. In accordance with IFRS, an obligation to issue shares for a price that is not fixed in the Company's functional currency, and that does not qualify as a rights offering, must be classified as a derivative liability and measured at fair value with changes recognized in the statement of loss and comprehensive loss as they arise. The Company has recorded these changes in interest and other income in the statement of loss and comprehensive loss.

   Under Canadian GAAP, the warrants were classified as equity and changes in fair value were not recognized. This change in accounting increased liabilities at January 1, 2010 by $2,305, March 31, 2010 by $1,091 and December 31, 2010 by $445, reduced contributed surplus at January 1, 2010 by $6,659, March 31, 2010 by $6,659 and December 31, 2010 by $10,271 and reduced the deficit at January 1, 2010 by $4,354, at March 31, 2010 by $5,568 and December 31, 2010 by $9,826.

c) Discontinued operations:

   The determination and classification of discontinued operations under IFRS differs from the treatment applicable under Canadian GAAP and as a result the closure of the El Callao operations are no longer classified as discontinued operations. Accordingly, the asset, liability and expenditure accounts, previously reported as discontinued operations have now been included with the appropriate asset, liability and expenditure items in the financial statements, as the former operations at El Callao are not considered to be discontinued operations under IFRS.

d) Asset retirement obligation (see also Note 12):

   The Company elected to take the exemption from full retroactive application of IFRS to asset retirement obligations on the transition date. IAS 37 requires the use of management's best estimate of the Company's cash outflows, rather than fair value measurement on initial recognition under Canadian GAAP, and requires provisions to be updated at cash balance sheet date using a current pre-tax discount rate (which reflects current market assessment of the time value of money and the risk specific to the liability). Canadian GAAP requires the use of a current credit-adjusted, risk-free rate for upward adjustments, and the original credit-adjusted, risk-free rate for downward revisions.

e) Adjustment to the statement of cash flows:

   The transition from Canadian GAAP to IFRS had no significant impact on cash flows generated by the Company.

f) Business combinations:

   The Company may elect under IFRS 1 to retrospectively apply IFRS 3 *Business Contributions* or to not restate business combinations prior to a selected date chosen by the Company. The Company has applied the business combinations exemption in IFRS 1. Hence, it has not restated any business combinations that took place prior to January 1, 2010.

4. Transition to IFRS (continued)

g) Stock-based compensation:

In accordance with IFRS transitional provisions, the Company has elected to apply the exemption from full retrospective application of IFRS 2 share-based payments with respect to unvested share options granted to directors, employees and others prior to transition. On review of the Company's practices and transactions, no adjustments were required.

h) Borrowing costs:

The Company may apply the transitional provisions to IAS 23 *Borrowing Costs* from the later of January 1, 2009 or transition date. The optional exemption applies to all qualifying assets measured at cost. Alternatively, the Company may elect IAS 23 from an earlier date and capitalize borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after that date. The Company has chosen January 1, 2010 as the commencement date for capitalization.

5. Venezuelan operations

In the third quarter of 2007, Crystallex changed the rate it used to translate its Venezuelan subsidiaries' transactions and balances from the official exchange rate of 2.15 Venezuelan bolivar fuerte ("BsF") to 1 US dollar, to the parallel exchange rate. This was done due to the increasing spread between the official exchange rate and the parallel exchange rate, and the Company's inability to access the official rate.

The Venezuelan subsidiaries have a US dollar functional currency. As a result of the US dollar functional currency, monetary assets and liabilities denominated in BsF generate gains or losses for changes in value associated with foreign currency exchange rate fluctuations against the US dollar.

On January 11, 2010, the Venezuelan government devalued the BsF and changed to a two-tier exchange structure. The official exchange rate moved from 2.15 BsF per US dollar to 2.60 for essential goods and 4.30 for non-essential goods and services.

On May 17, 2010, the Venezuelan government enacted reforms to its foreign currency exchange control regulations to close down the parallel exchange market. Therefore, continued use of the parallel rate to translate BsF denominated transactions is no longer acceptable.

On June 9, 2010, the Venezuelan government enacted additional reforms to its exchange control regulations and introduced a newly regulated foreign currency exchange system; Sistema de Transacciones con Titulos en Moneda Extranjera ("SITME"), which is controlled by the Central Bank of Venezuela ("BCV"). The SITME imposes volume restrictions on the conversion of BsF to US dollar (and vice versa), currently limiting such activity to a maximum equivalent of $350 thousand per month.

As a result of the enactment of the reforms to the exchange control regulations, the Venezuelan subsidiaries did not meet the requirements to use the SITME to convert US dollars to BsF as at June 30, 2010. Accordingly, the Company changed the rate used to re-measure BsF-denominated transactions from the parallel exchange rate to the official rate specified by the BCV, which was fixed at 4.30 BsF per US dollar effective June 30, 2010.

Venezuelan subsidiaries had approximately $2,622 of net monetary liabilities denominated in BsF as at March 31, 2011. For every $1,000 of net monetary liabilities denominated in BsF, a 15% increase/(decrease) in the foreign currency exchange rate would increase/(decrease) the Company's loss by approximately $150.

(US$ thousands, except as noted)

6. Property, plant and equipment

		March 31, 2011	
	Mining Equipment	**Mineral Properties**	**Total**
	$	**$**	**$**
Cost			
Balance at beginning of period	**40,197**	**309,609**	**349,806**
Additions	**-**	**696**	**696**
Balance at March 31, 2011	**40,197**	**310,305**	**350,502**
Write-down			
Balance beginning of year	**6,997**	**309,609**	**316,606**
Additions	**5,700**	**696**	**6,396**
Balance at March 31, 2011	**12,697**	**310,305**	**323,002**
	27,500	**-**	**27,500**
Reclassification to equipment held for sale	**(27,500)**	**-**	**(27,500)**
Net book value March 31, 2011	**-**	**-**	**-**

		December 31, 2010	
	Mining Equipment	Mineral Properties	Total
	$	$	$
Cost			
Balance at beginning of year	39,203	297,069	336,272
Additions	-	12,540	12,540
Reclassification from equipment held for sale	994	-	994
Balance at December 31, 2010	40,197	309,609	349,806
Write-down			
Balance beginning of year	-	297,069	297,069
Additions	6,389	12,540	18,929
Reclassification from equipment held for sale	608	-	608
Balance at December 31, 2010	6,997	309,609	316,606
Net book value December 31, 2010	33,200	-	33,200
		January 1, 2010	
Net book value January 1, 2010	39,203	-	39,203

On December 31, 2009, the Company assessed the Las Cristinas Project for impairment and concluded that, despite its continued efforts to secure the Permit and pursue accretive transactions in respect of the Las Cristinas Project, a non-cash write-down of the carrying value should be recorded as at December 31, 2009 based on certain impairment triggers noted including, but not limited to, the permitting delays described in Note 1. The Company determined that, among other things, the uncertainty regarding the Permit had a significant impact on the estimated future net cash flows associated with the Las Cristinas Project and on recoverability of the carrying value of the asset. Accordingly, the Company recorded a non-cash write-down of $297,069 as at December 31, 2009 relating to all mineral property costs, except the carrying value of the remaining mining equipment.

(US$ thousands, except as noted)

6. Property, plant and equipment (continued)

The Company conducted similar impairment assessments as at the end of each quarter in 2010 and for similar reasons to those indicated above; the Company recorded additional non-cash write-downs totalling $12,540 of which $3,610 relate to the quarter ended March 31, 2010.

In February of 2011, the Company ceased capitalization of expenditures on Las Cristinas due to the termination of the MOC. For January 2011, a final impairment assessment resulted in a non-cash write-down of $696.

Subsequent to the termination of the MOC, all costs related to Las Cristinas are recorded in expense.

7. Equipment held for sale

During 2009, the Company sold mining equipment for net proceeds of $12,361 from which $4,688 was restricted to pay the scheduled January 15, 2010 interest obligation on the Notes described in Note 11.

As at December 31, 2009, the Company was in the process of selling additional mining equipment with a net book value of $4,416 and recorded a write-down of $1,236 based on estimated fair value less cost to sell of $3,180. In December 2009, the Company received an advance of $894 from the auctioneer who subsequently sold the majority of this equipment in April 2010 for $2,794. The Company issued to the auctioneer a demand promissory note for $894 bearing interest at the Bank of America, Australia, Bank Bill buying semi-annual rate plus 4%, which was secured by the underlying equipment. The Company repaid the promissory note and related interest charges from the auction proceeds.

In June 2010, the Company decided not to proceed further with the sale of equipment with a net book value of $386 (cost of $994 less write-down of $608) which was reallocated to mining equipment prior to the write-down recorded at December 31, 2010.

As a result of the termination of the MOC, the Company also assessed the mine equipment for recoverability at December 31, 2010 and recorded an impairment charge of $6,389 related to its mining equipment. Fair value was determined based on a range of estimated future net cash flows expected to arise from the future sale of the mine equipment, on the basis that this represents management's likely course of action.

During the quarter ended March 31, 2011, the Company began the process of selling its remaining mining equipment. At March 31, 2011, the Company took a write-down of $5,700 and reduced the estimated net realizable value of the equipment to $27,500.

8. Bank loan

At March 31, 2011, the Company's Venezuelan Branch had a bank loan of approximately $1,628 (December 2010: $930 and January 1, 2010: $nil) to fund operations, which the Company uses in connection with the conversion of U.S. funds into BsF in Venezuela on a timely basis. This demand bank loan bears interest at 19% per annum and is secured by cash collateral.

	March 31, 2011	Dec 31, 2010
Opening balance	**$ 930**	$ -
Increase	**1,628**	2,953
Repayments	**(930)**	(2,023)
Closing balance	**$ 1,628**	$ 930

(US$ thousands, except as noted)

9. Promissory note

		March 31, 2011		Dec 31, 2010
Opening balance	**$**	**-**	$	894
Repayments		**-**		(894)
Closing balance	**$**	**-**	$	-

10. Demand loan

In early 2010, the Company commenced negotiations with China Railway Resources Group Co. Ltd. ("CRRC") to create a strategic partnership for the development of Las Cristinas. The proposed transaction was never completed. During these negotiations, CRRC loaned Crystallex $2,500, which is repayable on demand and ranks subordinate to the Notes described in Note 11. At the time of the loan advance, it was contemplated that, upon closing of the proposed transaction with CRRC, the loan would be convertible at the option of CRRC into common shares of Crystallex at a price of Cdn$0.40 per common share of Crystallex. The conversion feature of the loan was ascribed a fair value of $200 using the Black-Scholes option pricing model and recorded as contributed surplus. The residual liability component of the loan of $2,300 was accreted up to its face value using the effective interest method, and, accordingly, interest accretion of $200 was recorded during the year ended December 31, 2010 as a component of interest expense. The conversion feature of this loan has been terminated on the basis that no strategic partnership was reached with CCRC.

		March 31, 2011		Dec 31, 2010
Opening balance	**$**	**2,500**	$	-
Increase		**-**		2,500
Closing balance	**$**	**2,500**	$	2,500

11. Notes payable

In conjunction with a unit offering on December 23, 2004, the Company issued $100,000 of senior unsecured 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 if there is a change in control in the Company where the acquirer'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 if there is a change in the applicable Canadian withholding tax legislation. As described in Note 21, the Company successfully defended against an action brought by Noteholders relating to a project change in control.

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 determined 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 method over its seven-year term, with the resulting charge recorded to interest expense. Interest accretion of $1,203 on the Notes was recorded during the three months ended March 31, 2011 as a component of interest expense.

(US$ thousands, except as noted)

11. Notes payable (continued)

The movement of the promissory note during the three months ended March 31 is as follows:

	March 31, 2011	Dec 31, 2010
Opening balance at January 1	**$ 95,035**	$ 90,639
Accretion	**1,078**	3,796
Amortization of financing fees	**125**	600
Closing balance	**$ 96,238**	$ 95,035

12. Asset retirement obligations

Asset retirement obligations relate to environmental rehabilitation costs associated with the retirement of a long-lived asset that results from the acquisition, construction, development and/or normal operation of a long-lived asset. Reclamation obligations on the Company's mineral properties or previous mineral properties are recorded as an environmental rehabilitation provision. These include the removal of residual materials and remediation of disturbed areas. These estimated costs are provided for in the accounting period when the obligation from related disturbance occurs, whether this occurs during the mine development or during the production phase, based on the present value of estimated future costs. The costs are estimated based on mine closure plan. The cost estimates are updated annually during the life of the operation to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Reclamation and closure costs are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value.

The movement of the asset retirement obligations during the three month period ended March 31, is as follows:

Asset retirement obligations are as follows:

	March 31 2011	December 31 2010
Asset retirement obligations, beginning of year	**$ 3,453**	$ 2,872
Reclamation expenditures	**-**	(233)
Accretion expense	**25**	58
Revision in estimated cash flows	**340[a]**	756
Asset retirement obligations, end of period	**3,818**	3,453
Less current portion	**1,138**	798
	$ 2,680	$ 2,655

[a] In the quarter ended March 31, 2011, the Company identified additional obligations associated with the reforestation of 3 hectares on the Las Cristinas site. The Las Cristinas concessions consist of 3,885 hectares.

(US$ thousands, except as noted)

13. Share capital

Authorized

Unlimited common shares, no par value
Unlimited Class A preference shares, no par value
Unlimited Class B preference shares, no par value

Issued

	Number of Shares	Amount $
Balance January 1, 2010 and March 31, 2010	294,817,719	561,751
Public offering, June 30, 2010	70,000,000	26,994
Balance December 31, 2010 and March 31, 2011	364,817,719	588,745

Financing transaction

On June 30, 2010, the Company completed a public offering of 70 million units at Cdn $0.50 per unit for gross proceeds of Cdn $35.0 million (US$ 33.0 million).

Each unit consisted of one common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase a further common share of the Company at an exercise price of Cdn $0.70 expiring June 30, 2011.

The net proceeds received by the Company, after payment of issuance costs of $2,396, was $30,605, of which $26,994 was recorded as share capital and $3,611 was recorded as contributed surplus.

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 Rights Plan is designed to ensure the fair treatment of shareholders in connection with any takeover bid for the Company and to provide the board of directors and shareholders with sufficient time to fully consider any unsolicited takeover bid. The Rights Plan also provides the board of directors with time to pursue, if appropriate, other alternatives to maximize shareholder value in the event of a takeover 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 that 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 ten business days.

14. Warrants

Common share purchase warrants were outstanding enabling the holders to acquire common shares as follows:

Exercise price March 31, 2011	December 31, 2010	Number of warrants (thousands)
$0.72 (Cdn$0.70)	$0.70 (Cdn$0.70)	35,000[a]
$0.31 (Cdn$0.30)	$0.30 (Cdn$0.30)	3,000[b]
$3.09 (Cdn$3.00)	$3.02 (Cdn$3.00)	16,445[c]
$4.25	$4.25	12,250[d]
		66,695

Exercise price January 1, 2010	Number of warrants (thousands)
$0.29 (Cdn$0.30)	3,000[b]
$2.87 (Cdn$3.00)	16,445[c]
$4.25	12,250[d]
	31,695

a) These warrants expire on June 30, 2011.
b) These warrants expire on April 23, 2012.
c) These warrants expire six months following the date that is 45 days following the receipt of the Permit for the Company's Las Cristinas Project.
d) These warrants become exercisable for an 18-month period commencing on the date which is 45 days following the receipt of the Permit for the Company's Las Cristinas Project.

Derivative liability (see also Note 4 iv (b))

Under IFRS, warrants with an exercise price in a currency other than the functional currency are to be recorded as a derivative liability and carried at fair value. The liability is re-measured at each reporting date with the change in value recorded as a financing cost included in interest and other income in the interim consolidated statement of loss and comprehensive loss.

The change in the derivative liability for the three month period ended March 31, 2011 is as follows:

Warrants	**Issued**	**Fair Value at Dec 31, 2010**	**Issued**	**Mark to market adjustments**	**Fair value at March 31, 2011**
Cdn$0.70	**35,000**	**35**	**-**	**35**	**-**
Cdn$0.30	**3,000**	**410**	**-**	**344**	**66**
Cdn$3.00	**16,445**	**-**	**-**	**-**	**-**
	54,445	**445**	**-**	**379**	**66**

14. Warrants (continued)

The change in the derivative liability for the year ended December 31, 2010 is as follows:

Warrants	Issued	Fair Value at Jan 1, 2010	Issued	Mark to market adjustments	Fair value at Dec 31, 2010
Cdn$0.70	-	-	3,611	3,576	35
Cdn$0.30	3,000	860	-	450	410
Cdn$3.00	16,445	1,445	-	1,445	-
	19,445	2,305	3,611	5,471	445

15. Stock Options

Effective June 24, 2009, shareholders of the Company approved a Fixed Share Option Plan (the "New Plan"), which provides for the granting of a maximum 8,000,000 stock 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.

Effective June 23, 2010, shareholders of the Company approved an increase in the number of stock options in the New Plan, authorizing an additional 5,000,000 stock options to acquire common shares of the Company to executive officers, directors, employees and service providers of the Company. As at March 31, 2011, 11,077,900 stock options were granted under the New Plan.

Prior to June 25, 2008, the Company had a rolling stock option plan (the "Old Plan"), which provided for the granting of stock 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.

As at March 31, 2011, stock options were outstanding enabling the holders to acquire common shares as follows:

	Outstanding stock options			Exercisable stock options	
Range of exercise prices (Cdn$)	Number of stock options (thousands)	Weighted average remaining contractual life (years)	Weighted average exercise price (Cdn$)	Number exercisable (thousands)	Weighted average exercise price (Cdn$)
$0.24	6,175	6.19	0.24	6,175	0.24
$0.45	4,903	7.45	0.45	4,903	0.45
$1.90 to $2.60	2,349	1.13	2.22	2,349	2.22
$3.00 to $3.57	2,653	3.23	3.14	2,653	3.13
$4.05 to $4.87	2,292	3.15	4.43	2,217	4.44
	18,372	5.07	1.49	18,297	1.48

15. Stock Options (continued)

A summary of the outstanding stock options as at March 31 and changes during each of the three months then ended are as follows:

	Three months ended March 31 2011		2010	
	Number of options (thousands)	**Weighted average exercise price (Cdn$)**	Number of options (thousands)	Weighted average exercise price (Cdn$)
Balance, beginning of period	**18,397**	**1.49**	15,254	3.14
Expired or forfeited	**25**	**-**	(133)	3.67
Balance, end of period	**18,372**	**1.49**	15,121	1.92

16. Loss per share

Basic loss per share is calculated by dividing the net loss for the period attributable to equity owners of the Company by the weighted average number of ordinary shares outstanding during the period:

	Three months ended March 31 2011		2010	
Loss for the period:	**$**	**(14,955)**	$	(8,199)
Weighted average number of outstanding shares		**364,817,719**		294,817,719
Basic and diluted (loss) per common share	$	**(0.04)**	**$**	(0.03)

Diluted loss per share equals basic loss per share as, due to losses incurred in both periods, there is no dilutive effect from outstanding options and warrants.

17. Finance income and expense

During the period, the Company earned and expensed the following:

	March 31, 2011 $	March 31, 2010 $
Unrealized gain on revaluation of warrants	**379**	1,214
Other finance income	**23**	9
Finance income	**402**	1,223
Accretion of asset retirement obligation	**(25)**	(14)
Interest on notes payable	**(3,546)**	(3,418)
Other finance expense	**(37)**	(104)
Finance expense	**(3,608)**	(3,536)
Net finance expense	**(3,206)**	(2,313)

(US$ thousands, except as noted)

18. Supplemental disclosures with respect to cash flows

Cash paid during the three month period ended March 31:

	2011	2010
For interest	**$ 4,688**	$ 4,688
For income taxes	**$ -**	$ -

Investment in property, plant and equipment for the three month period ended March 31:

	2011	2010
Net book value of property, plant and equipment January 1	**$ 33,200**	$ 39,203
Net book value of property, plant and equipment March 31	**-**	39,203
Net decrease in property, plant and equipment	**33,200**	-
Write-down of property, plant and equipment	**(6,396)**	(3,781)
Future income taxes	**-**	526
Net book value of equipment held for sale	**(27,500)**	-
Net increase in investments before working capital items	**(696)**	(3,255)
Changes in working capital related to property, plant and equipment acquisitions	**(1,741)**	8
Cash investment in property, plant and equipment	**$ (2,437)**	$ (3,247)

19. Segmented information

The Company has one operating segment, which is the exploration and development of mineral properties.

20. Risk management

Credit risk

Credit risk is the risk of loss due to a counterparty's inability to meet its obligations under a financial instrument that will result in a financial loss to the Company. The Company's credit risk is primarily attributable to cash that is held with major Canadian chartered banks.

The Company is exposed to the credit risk of Venezuelan banks, which hold cash for the Company's Venezuelan operations. The Company limits its exposure to this risk by maintaining minimal cash balances to fund the immediate needs of its Venezuelan subsidiaries.

The Company has additional credit risk relating to value-added taxes recoverable from the Government of Venezuela.

(US$ thousands, except as noted)

20. Risk management (continued)

Currency risks

The Company continues to have activities in Venezuela, where currently there is an exchange control regime, and is exposed to currency risks from the exchange rate of the Venezuelan BsF relative to the U.S. dollar. In addition, some of the Company's head office operations are transacted in Canadian dollars.

The Company's risk management objective is to reduce cash flow risk related to foreign denominated cash flows. Currency risk is derived from monetary assets and liabilities denominated in Venezuelan BsF and Canadian dollars.

The following table provides a sensitivity analysis of the positive/(negative) impact on operations as a result of a hypothetical weakening or strengthening of the Venezuelan BsF and Canadian dollar relative to the U.S. dollar:

	March 31 2011	December 31 2010
Venezuelan BsF net monetary assets		
15% increase in value	**$ 344**	$ 312
15% decrease in value	**$ (344)**	$ (312)
Canadian dollar net monetary liabilities		
15% increase in value	**$ (573)**	$ (1,304)
15% decrease in value	**$ 573**	$ 1,304

Liquidity risk

The Company faces liquidity risk to the extent that it will be unable to settle liabilities as they come due. In order to manage this risk, management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flow. The maturities of the Company's financial liabilities are as follows:

	1 month	1 to 3 months	3 months to 1 year	1 year to 5 years
Current liabilities	$ 2,143	$ 3,771	$ 108,770	$ -
Asset retirement obligations (undiscounted)	-	1,138	-	2,778
Total	$ 2,143	$ 4,909	$ 108,770	$ 2,778

Fair value

As at March 31, 2011, the Company's financial instruments consisted of cash and cash equivalents, accounts receivable, accounts payable and certain accrued liabilities, bank loan, demand loan payable, notes and warrants denominated in Cad$. These warrants denominated in Cad$ are measured at fair value and classified as Level 2. Accounts receivables, accounts payable and certain accrued liabilities, bank loan and demand loan payable are measured at amortized costs and their fair values approximate carrying value due to their short-term nature. The notes are classified as other financial liabilities and are measured at amortized costs.

21. Commitments and contingencies

Actions 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 11. The trustee, on behalf of certain Noteholders sought, among other things, a declaration from the court that there had 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.

On May 26, 2011 the Company was served with a Notice of Application by certain Noteholders seeking a declaration from the court that there has been a Project Change of Control event as defined in the First Supplemental Indenture made as of December 23, 2004 which would require the Company to purchase all of the notes of each note holder 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 the Company ceases to beneficially own, directly or indirectly, at least a majority interest in the Las Cristinas project asset.

The Company believes this claim is without merit and is vigorously defending itself against this claim; however, the outcome of the claim cannot be determined at this time.

Proposed class action dismissed

The Company and certain officers and directors were named as defendants (the "Defendants") in a putative securities fraud class action that commenced on December 8, 2008, in the United States District Court for the Southern District of New York. The plaintiffs in the lawsuit were described as investors who acquired the Company's common shares during the period from March 27, 2006 to April 30, 2008, inclusive (the "Proposed Class Period"). The complaint alleged that the Defendants made several statements during the Proposed Class Period about the Company's Las Cristinas Project, 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 asserted 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 sought 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 there under by each of the Defendants, and a violation of Section 20A of the Exchange Act by one of the individual Defendants.

On March 28, 2011, the court dismissed this lawsuit in its entirety and without prejudice. The court allowed the plaintiffs to file a second amended complaint if they had reason to do so in good faith within 21 days of the court order. After the plaintiffs did not file a second amended complaint, the district court entered a final judgement closing the case on April 26, 2011.

On April 21, 2011 the plaintiffs appealed the court's decision to dismiss the complaint. The appeal was dismissed by the United States Court of Appeals for the Second Circuit on May 24, 2011.

Claims by former employees

The Company's subsidiaries in Venezuela have been served with statements of claims from several former employees for additional severance and health related issues for an aggregate claim of approximately $1.0 million. Management has recorded a provision based on its best estimates of amounts that may need to be paid based on the experience with cases settled to date.

(US$ thousands, except as noted)

22. Compensation of key management

Key management includes the Company's directors and senior management team. Compensation awarded to key management included:

	Three months ended	
	March 31, 2011	March 31, 2010
	$	$
Salaries and short-term employee benefits	**485**	378
Post-employment benefits	**29**	27
Stock-based compensation	**-**	-
Directors' fees earned	**103**	100
	617	505

23. Related party transactions

During the three month period ended March 31, 2011, the Company paid head office rent of $32 (2010 - $25) to a subsidiary of a company that retains the Chairman and Chief Executive Officer ("CEO") of the Company as a director. In addition, in August 2009, another subsidiary of this company entered into an agreement with the Company to provide advisory services. The advisory fee included a work fee, and a success fee that was only payable on the fulfilment of certain conditions. For the three month period ended March 31, 2011 the Company paid advisory fees of $Nil (2010 - $75), under the terms of this advisory agreement.

As at March 31, 2011, $11 (December 31, 2010: $12 and January 1, 2010: nil) was receivable from the Chairman and CEO of the Company. The entire balance was repaid subsequent to the period end.

These transactions were in the normal course of operations and were measured at the exchange values, which represented the amount of consideration established and agreed to by the related parties.

24. Subsequent events

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Action by Noteholders:

On May 26, 2010, the Company was served with a notice of application by certain Noteholders seeking a declaration from the court that there had been a project change of control event.

The Company believes this claim is without merit and is vigorously defending itself against this claim, however, the outcome cannot be determined at this time (see also notes 11 and 21).

Proposed class action:

On March 28, 2011, the Appeals Court dismissed the lawsuit in its entirety. The plaintiffs appealed and this appeal was dismissed by the Appeals Court on May 24, 2011 (see also Note 21).

AMEX – OTCQB listing:

On April 6, 2011, the Company received a delisting notice from the NYSE AMEX Exchange. The Company appealed the notice and was advised the appeal was unsuccessful. The Company plans to appeal this decision.

Effective June 7, 2011, the Company's shares now trade on the OTCQB (symbol: CRYXF). Shares continue to trade on the TSX (symbol: KRY).

24. Subsequent events (continued)

Handover of Las Cristinas:

On April 5, 2011, Crystallex and the CVG signed a Certificate of Delivery to finalize the handover of Las Cristinas to the CVG in accordance with Venezuelan law.