Management's Discussion and Analysis
For the Nine Month Period Ended September 30, 2011

Management's Discussion and Analysis

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Special Note Regarding Forward Looking Statements

Certain statements included or incorporated by reference in this MD&A, including information as to the future financial or operating performance of the Company, its subsidiaries and its projects, constitute forward-looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “schedule” and similar expressions identify forward-looking statements. Forward-looking statements include, among other things, statements regarding targets, estimates and assumptions in respect of gold production and prices, operating costs, results and capital expenditures, mineral reserves and mineral resources and anticipated grades and recovery rates. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company’s actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Such factors include, among others, risks relating to additional funding requirements, political and foreign risk, uninsurable risks, competition, environmental regulation and liability, government regulation, currency fluctuations, recent losses and write-downs and dependence on key employees. See “Risk Factors” section of this MD&A. Due to risks and uncertainties, including the risks and uncertainties identified above, actual events may differ materially from current expectations. Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. Forward-looking statements are made as of the date of this MD&A and the Company disclaims any intent or obligation to update publicly such forward-looking statements, whether as a result of new information, future events or results or otherwise.

Cautionary Note to U.S. Investors

The terms "proven mineral reserve" and "probable mineral reserve" used in this report are Canadian mining terms as defined in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council on August 20, 2000 as may be amended from time to time by the CIM. These definitions differ from the definitions in the SEC's Industry Guide 7. The terms, "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" used in this report are Canadian mining terms as defined in accordance with National Instrument 43-101. While the terms "measured mineral resource", "indicated mineral resource", and "inferred mineral resource" are recognized and required by Canadian regulations, they are not defined terms under Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the SEC. As such, information contained in this report concerning descriptions of resources under Canadian standards may not be comparable to similar information made public by U.S. companies in SEC filings. With respect to "indicated mineral resource" and "inferred mineral resource" there is a great amount of uncertainty as to their existence and a great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "indicated mineral resource" or "inferred mineral resource" will ever be upgraded to a higher category. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.

General

This Management's Discussion and Analysis ("MD&A") of Crystallex International Corporation ("Crystallex" or the "Company") provides an analysis of the Company's unaudited interim consolidated financial statements and the related notes as at and for the nine months ended September 30, 2011. This MD&A should be read in conjunction with those unaudited interim consolidated financial statements as well as the annual audited consolidated financial statements of the Company and the related annual MD&A for the year ended December 31, 2010.

The Company prepares its consolidated financial statements in United States ("U.S.") dollars. Effective the first quarter of 2011, the financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The comparative financial information of 2010 in this Management's Discussion and Analysis has also been restated to conform to IFRS. This Management's Discussion and Analysis should be read with Note 4 "Transition to IFRS" to the unaudited interim consolidated financial statements.

This MD&A was prepared on November 11, 2011. The Company's public filings, including its most recent Financial Statements and Annual Information Form, can be accessed through the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com and the Company's website at www.crystallex.com.

The Company's common shares are traded on the Toronto Stock Exchange under the symbol "KRY" and in the United States on the OTCQB under the symbol "CRYXF".

Overview

Crystallex is a Canadian-based mining company with a focus on acquiring, exploring, developing and operating mining projects. Crystallex successfully operated an open pit gold mine in Uruguay and developed and operated three gold mines and a milling operation in Venezuela. Since the signing of a Mine Operating Contract (the "MOC") in September 2002 with the Corporacion Venezolana de Guayana (the "CVG"), which granted Crystallex exclusive rights to develop and operate the Las Cristinas gold properties ("Las Cristinas Project" or "Las Cristinas") located in Bolivar State, Venezuela, the Company has worked vigorously to bring the Las Cristinas Project to development. The CVG confirmed the validity of the MOC in August 2010. Notwithstanding its compliance with the MOC, the fulfilment of all the requirements necessary for the issuance of the Authorization to Affect Natural Resources (the "Permit") from the Ministry of Environment and Natural Resources ("MinAmb") and assurances that the Permit would be granted, on February 3, 2011, the MOC was unilaterally terminated by the CVG. The Company believes there is no justification for this unilateral rescission under Venezuelan or international law. On February 16, 2011, the Company filed a Request for Arbitration ("Arbitration Request") before the Additional Facility of the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") against the Bolivarian Republic of Venezuela ("Venezuela") pursuant to the Agreement between the Government of Canada and the Government of the Republic of Venezuela for the Promotion and Protection of Investments (the "Treaty"). The arbitration has been commenced as a result of the failure of the Government of Venezuela to grant the Permit for the Las Cristinas project, despite Crystallex's fulfilment of all conditions established by Venezuela, and the arbitrary unilateral termination of the MOC. The claim is for breach of the Treaty's protections against expropriation, unfair and inequitable treatment and discrimination.

Crystallex is currently seeking the restitution by Venezuela of its investments in Las Cristinas, including reinstatement of the MOC, the issuance of the Permit and compensation for interim losses suffered, or alternatively, full compensation for the loss in value of its investment in an amount in excess of US$3.8 billion.

The Arbitration Request was registered by ICSID on March 9, 2011. On October 5, 2011, Crystallex was advised by ICSID that the arbitral tribunal for its claim against Venezuela (the "Tribunal") had been constituted and that formal proceedings had commenced. The Tribunal will hold its first session on December 1, 2011. At the first session, the Tribunal will establish the procedural framework for the arbitration, and set out a schedule of written submissions from the parties.

The Arbitration procedure allows both parties the opportunity to present their case through written pleadings, oral hearings and testimony of witnesses and experts. Following the hearing, the Tribunal will deliberate and issue a written reasoned decision, which could, in certain circumstances, be contested by either party. This process can last a number of years in the absence of a negotiated settlement with Venezuela.

The Company is diligently advancing its arbitration claim, while remaining receptive to settlement alternatives with Venezuela. At the same time, the Company is continuing with its efforts to sell the remaining Las Cristinas project equipment. During the second and third quarters of 2011, the Company sold equipment for gross proceeds of $16.9 million and $1.8 million respectively. The Company continues to pursue financing alternatives to raise proceeds to repay the $100 million notes due December 23, 2011 (the “Notes”) and to provide the Company with additional liquidity. There are no assurances that alternative financing transactions will be successfully concluded. A portion of the proceeds from equipment sales and possibly proceeds from such a refinancing in excess of the aggregate Note repayment obligation, are planned to be used for evaluating and pursuing additional opportunities in the mining sector and advancing the arbitration claim.

On May 27, 2011, the Company was served with a Notice of Application by certain holders of the Notes. The Noteholders (the “Noteholders”) are seeking a declaration from the Court that there has been a "Project Change of Control". If successful, the Company would have been required to 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 September 29, 2011 the court dismissed the Noteholders’ claim for a declaration that a Project Change of Control had occurred, and awarded Crystallex its costs of the proceeding. On October 30, 2011, the Noteholders initiated an appeal of the court’s decision. Crystallex has been advised that the appeal is unlikely to be heard until the summer or fall of 2012 (refer to Legal Proceedings – Prior Noteholder Claims).

On June 1, 2011, the Company was advised by the NYSE Amex that its appeal of the Exchange’s delisting determination was denied. Crystallex appealed this decision to the full Committee on Securities of the NYSE Amex. The NYSE Amex suspended trading of Crystallex shares on the NYSE Amex while the Appeal process was ongoing. The full Committee considered the matter on August 3, 2011 and in a letter dated August 10, 2011, the Company was advised that the full Committee had upheld the Panel Decision to delist the securities from the NYSE Amex.

The August 10, 2011 letter from the NYSE Amex noted that, *“The Staff had reached this determination based on Section 1002(c) of the Company Guide, which provides that a stock may be delisted from the Exchange if the issuer ceases to be an operating company, and Section 1003(c)(1) of the Company Guide, which further provides that the Exchange should consider delisting a stock “[i]f the issuer has sold or otherwise disposed of its principal operating assets or has ceased to be an operating company or has discontinued a substantial portion of its operations or business for any reason whatsoever, including, without limitation, such events as ... condemnation, seizure or expropriation.”*

On October 5, 2011, Crystallex received a letter from the Compliance & Disclosure Department of Toronto Stock Exchange (“TSX”) requesting that the Company provide information to the TSX regarding its current operating activities as part of a fact gathering process related to meeting the TSX’s continuous listing requirements. The letter stated that if the TSX determines that the Company has discontinued a substantial portion of its business, the Company will be required to meet the original listing requirements (“OLRs”) of the TSX. The TSX may provide the Company with up to 120 days from the date of the letter, to meet the OLRs. If the Company fails to provide an acceptable plan to the TSX of how it intends to meet the OLRs in the short term, the TSX will initiate a delisting review.

The Company’s shares continue to trade in Canada on the TSX and in the United States on the OTCQB.

Summary of Quarterly Results (Unaudited)

US$,000 except per share	2011			2010
	Q3	Q2	Q1	Q4
Loss from continuing operations	(7,473)	(7,747)	(6,806)	(4,943)
Loss from discontinued operations	(1,142)	(2,395)	(8,149)	(10,089)
Net loss and comprehensive loss	(8,615)	(10,142)	(14,955)	(15,032)
Write-down of Las Cristinas	-	-	(696)	(1,716)
Provision for value-added taxes recoverable	(17)	(124)	(27)	(89)
Loss on write-down of equipment	-	-	(5,700)	(6,389)
Gain (loss) on revaluation of warrants	(31)	54	379	1,167
Loss per share from continuing operations – Basic and diluted	(0.02)	(0.02)	(0.02)	(0.01)
Loss per share from discontinuing operations – Basic and diluted	(0.00)	(0.01)	(0.02)	(0.03)
Loss per share – Basic and diluted	(0.02)	(0.03)	(0.04)	(0.04)

US$,000 except per share	2010			2009
	Q3	Q2	Q1	Q4[(a)]
Loss from continuing operations	(2,627)	(6,917)	(5,004)	(281,417)
Loss from discontinued operations	(3,699)	(6,226)	(3,195)	(406)
Loss after discontinued operations	-	-	-	(281,823)
Net loss and comprehensive loss	(6,326)	(13,143)	(8,199)	-
Write-down of Las Cristinas included in loss from continuing operations	(3,150)	(4,064)	(3,610)	(297,069)
Provision for value added taxes	(146)	(1,936)	-	-
Gain on revaluation of warrants	3,050	41	1,214	-
Future income tax recovery	-	-	-	17,459
Unrealized gain on translation of future income taxes included in (loss) from continuing operations	-	-	-	1,659
Gain on write-down of equipment sold and held for sale included in loss from continuing operations	-	-	-	1,968
Loss per share from continuing operations – Basic and diluted	(0.01)	(0.02)	(0.02)	(0.95)
Loss per share from discontinuing operations – Basic and diluted	(0.01)	(0.02)	(0.01)	(0.01)
Loss per share – Basic and diluted	(0.02)	(0.04)	(0.03)	(0.96)

(a) The financial results for the periods ending prior to January 1, 2010 have not been restated in accordance with IFRS.

Results of Continuing Operations

The Company recorded losses from continuing operations for the nine months and three months ended September 30, 2011 of $22.0 million ($(0.06) per share) and $7.5 million ($(0.02) per share) respectively, compared to losses of $14.5 million ($(0.05 per share) and $2.6 million ($(0.01) per share) for the comparable periods in 2010. The increased loss of $7.4 million for the first nine months of 2011 compared to 2010 is mainly due to increased general and administrative expenses of $2.7 million, resulting from onetime expenses associated with the current refinancing and higher legal and consulting expenses associated with the start up of the Company's arbitration claim. In addition to the increased general and administration expenses on a year over year basis the Company incurred increased litigation expense of $0.7 million, increased finance expense of $0.2 million, decreased finance income of $3.8 million, and decreased foreign exchange gain of $0.5 million which was entirely offset by an increase in income tax recoveries of $0.5 million.

General and Administrative Expenses

	Nine months ended September 30, 2011 (US$ 000's)	2010 (US$ 000's)	Incr(decr) (US$ 000's)
Total general and admistration expenses	12,042	9,332	2,710
Consisting of:			
Legal/arbitration/consulting/and audit expenses	7,784	3,391	4,393
All other general and adminstration expense	4,258	5,941	(1,683)

a) Nine months to September 30, 2011

General and administrative expenses increased by $2.7 million to $12.0 million (2010 - $9.3 million) for the nine month period ended September 30, 2011 due to higher legal and consulting expenses of $4.4 million, mainly due to expenses associated with the commencing of the Company's arbitration claim in 2011, and the refinancing alternatives currently being worked on, offset by reductions in non-cash stock option expense of $0.8 million, lower Venezuelan administrative expenses of $0.7 million and lower other administration expenses of $0.2 million.

b) Three months ended September 30, 2011

General and administrative expenses increased by $0.4 million to $3.4 million (2010 - $3.0 million) for the three month period ended September 30, 2011 as compared to the same period for 2010. The increased expense was due to higher legal and consulting expenses of $2.9 million associated with both the start up of the Company's arbitration claim in 2011 and the current refinancing alternatives being worked on, offset by reductions in administrative expenses of $1.6 million in Venezuela, $0.6 million in head office, and a $0.3 million reduction in non-cash stock option expense.

The Company expects to continue to incur significant costs in the future related to its arbitration claim against Venezuela.

Litigation Expenses

Non arbitration litigation expenses increased $0.6 million (2010 recovery of $0.3 million) to $0.3 million for the nine month period ended September 2011. The Company was awarded $0.8 million in costs on the successful completion of the first Noteholders' lawsuit in 2010. The second Noteholders' lawsuit was dismissed on September 29, 2011 with costs again awarded to the Company. Such costs have not been recovered as the Noteholders have appealed the judgement.

Interest on Notes Payable

Interest expense on the Notes was $10.7 and $3.6 million for the nine months and three months ended September 30, 2011, respectively, compared to $10.3 million and $3.5 million for the corresponding periods in 2010. The Notes bear interest at 9.375% per annum, and interest is payable semi-annually in January and July.

Interest expense on the Notes also includes amortization of debt transaction costs and non-cash interest accretion of $3.7 million and $1.3 million for the nine months and three months ended September 30, 2011 as compared to $3.4 million and $1.2 million for the same periods in 2010, as the Notes were originally derived from a financial instrument that contained both liability and equity components.

Interest on Demand Loan and Promissory Note

Interest expense on the demand loan was $113 thousand and $38 thousand in the nine and three month periods ended September 30, 2011 respectively as compared to $302 thousand and $38 thousand in the comparable periods of 2010. Included in the nine month period ended September 30, 2010 is non cash interest accretion of $200 thousand and interest on the promissory note which was repaid in April 2010, of $18 thousand.

Foreign Currency Exchange Gain

The Company recorded a foreign currency exchange gain of $0.2 million and a loss of $0.2 million for the nine and three month periods ended September 30, 2011 respectively.

For the nine and three month periods ended September 30, 2010 the Company reported exchange gains of $0.7 million and $0.9 million respectively. Exchange gains and losses in both 2011 and 2010 arose mainly as a result of fluctuations in the value of CAD$ held against the US dollar which is the functional currency of the Company.

Results of Discontinued Operations - Venezuela

Following the Government of Venezuela's unilateral cancellation of the Las Cristinas MOC on February 3, 2011, the Company filed for arbitration before ICSID's Additional Facility and commenced the process of handing the Las Cristinas project back to the Government of Venezuela. The handover to the Government of Venezuela was completed on April 5, 2011, upon receipt of a certificate of delivery from the CVG. As a result, the Company has determined that its operations in Venezuela should be accounted for as a discontinued operation.

The Company reported losses from discontinued operations for the nine months and three months ended September 30, 2011 of $11.7 million ($(0.03) per share) and $1.1 million ($(Nil) per share), respectively, compared to losses of $13.1 million ($(0.04) per share) and $3.7 million ($(0.01) per share) for the comparable periods in 2010. The decreased loss of $1.4 million for the first nine months of 2011 compared to 2010 is mainly due to increased operations expenses of $3.0 million as the Las Cristinas project is no longer being capitalized, a $5.7 million write-down of equipment held for sale, and a $2.0 million reduction in future income tax recoveries, offset by a $10.1 million reduction in the write-down of mineral properties, a $1.9 million reduction in the provision for value added taxes and a $0.1 million reduction in foreign exchange losses.

The decreased loss of $2.6 million in the three month period ended September 30, 2011 as compared to the same three month period of 2010 is attributable to a decrease in the write-down of mineral properties of $3.2 million, a decrease in the provision for value added taxes recoverable of $0.1 million and a decrease in foreign exchange expense of $0.2 million, offset by an increase in operating expenses of $0.3 million and a reduction in future income tax recovery of $0.6 million.

Write-down of the Carrying Value of Las Cristinas, Provision for VAT and Future Income Tax Recovery

At December 31, 2009, it was determined that the uncertainty regarding the receipt of the Permit for Las Cristinas had a significant impact on the estimated future net cash flows associated with the Las Cristinas Project. Accordingly, the Company recorded a non-cash write-down of $297.1 million relating to all Las Cristinas mineral property costs, except the carrying value of the remaining mining equipment. The accumulated non-cash write-down on Las Cristinas resulted in the reversal of future income tax liabilities of $17.5 million as at December 31, 2009 relating to temporary differences between book and tax values previously recorded.

The Company continued to perform impairment assessments at the end of each quarter in 2010 and for reasons similar to those indicated above, the Company recorded non-cash write-downs totalling $12.5 million in 2010. In the first quarter of 2011, the Company recorded an additional write-down of $696 thousand bringing the cumulative write-down to $310.3 million. As a result of the cancellation of the MOC, no further write-downs against Las Cristinas were recorded, as all costs associated with Las Cristinas commencing from February 2011 were expensed directly in the Statement of Loss and Comprehensive Loss. In addition, the Company recorded a provision of $2.2 million against Venezuelan value-added taxes recoverable ("VAT") from cumulative expenditures incurred on Las Cristinas. This provision was recorded as this VAT was only recoverable from future operations at Las Cristinas as it could not be transferred or assigned. These write-downs of the Las Cristinas project are based on accounting principles only, and are thus without prejudice to the legal qualifications that the Venezuelan measures may be given under Venezuelan or International law (including the Treaty).

The Company's main focus since signing the MOC in September, 2002, was the development of Las Cristinas. The Company incurred costs such as, interest on the Notes and significant general and administrative costs which have not been capitalized to the Las Cristinas Project for accounting purposes. Accordingly, the write-downs relate only to the direct costs capitalized for accounting purposes and do not include the indirect costs which have been expensed by the Company in its pursuit of the development of Las Cristinas.

Losses on Write-down and Sale of Mining Equipment

At March 31, 2011, the Company recorded a $5.7 million write-down of the value of its remaining mining equipment, reducing the net realizable value to $27.5 million. Fair value less costs to sell was determined based on a range of estimated net proceeds expected to arise from the sale of the equipment.

In June, 2011, the Company entered into two agreements with the same counterparty related to the sale of the remaining equipment originally purchased for Las Cristinas. On June 17, 2011, the Company entered into a purchase agreement to sell a portion of the remaining equipment. The purchase agreement closed on June 28, 2011 and generated gross proceeds for the Company of $16.9 million. On June 22, 2011, the Company entered into an option agreement with the same counterparty that provides the counterparty an exclusive option to purchase the balance of the Company's equipment until December 31, 2011. Concurrent with signing the option agreement, the Corporation was paid a non-refundable fee of $1.0 million. The counterparty has agreed to pay 50% of the storage costs of the equipment during the option period and the Company will deduct the counterparty's share of the storage costs from the $1.0 million non-refundable fee. Any balance left of the $1.0 million non refundable fee after the counterparty's share of the storage costs will be credited to any equipment purchased under the option agreement.

On September 13, 2011 the Company sold a portion of the equipment covered by the option agreement for gross proceeds of $1.8 million, made up of cash of $1.1 million and a $0.7 million drawdown on the $1.0 million non-refundable option fee.

The proceeds of both the June and September sales approximated the carrying value of the assets.

Las Cristinas Capitalization Policy

With the unilateral termination of the MOC on February 3, 1011, the Company discontinued the capitalization of costs for the Las Cristinas project at the end of January 2011.

Las Cristinas Withdrawal Expense

The Company withdrew from the Las Cristinas site effective March 31, 2011 following the termination of the MOC and transferred the property to the CVG.

Costs associated with the hand-over and transfer of Las Cristinas to the CVG were expensed directly in the statement of loss and comprehensive loss, during the first nine months of 2011.

Liquidity and Capital Resources

The Company expects to continue to incur operating losses throughout the period of pursuing its arbitration claim.

The Company estimates that its existing cash and cash equivalents along with anticipated proceeds from equipment sales will enable it to meet its obligations and budgeted expenditures to the end of 2012; however, without a refinancing or a restructuring of the Notes, the Company will not be able to repay the $100 million of Notes due December 23, 2011.

The Company is currently pursuing a financing to repay the Notes and to provide the Company with additional liquidity. There can be no assurances that the refinancing efforts will be successful or that financing will be available to the Company on acceptable terms, or at all.

Cash and Cash Equivalents

On September 30, 2011, the Company had cash and cash equivalents of $7.6 million compared to $16.1 million on December 31, 2010.

The change in the cash and cash equivalents balance during 2011 is reconciled as follows ($ millions):

		Continuing Operations	Discontinued Operations	Total
Cash, December 31, 2010	$	16.1	-	16.1
Cash used in operating activities		(17.5)	(4.3)	(21.8)
Capital expenditures – Las Cristinas		-	(2.4)	(2.4)
Proceeds on sale of equipment		-	16.6	16.6
Proceeds from bank loan in Venezuela		3.0	-	3.0
Repayment of Venezuelan bank loan		(3.9)	-	(3.9)
		(18.4)	9.9	(8.5)
Cash and cash equivalents, September 30, 2011	$	7.6	-	7.6

Cash Used in Operating Activities

Cash used in operating activities from continuing operations in the nine month period ended September 30, 2011 was $17.5 million compared to $17.6 million used in the comparable period of 2010.

Cash used in continuing operations for the nine month period ended September 30, of 2011 and 2010 was largely attributable to corporate general and administrative expenses (net of non-cash stock-based compensation in both years); and cash interest payments of $9.4 million (2010 - $9.4 million).

Cash used for operating activities in discontinued operations in the nine month period ended September 30, 2011 was $4.3 million, and together with cash invested in Las Cristinas of $2.4 million reflect total 2011 spending on Las Cristinas of $6.7 million, as compared to cash invested in Las Cristinas of $9.0 million for the nine month period ended September 30, 2010. The lower cash expenditures in the nine month period ended September 30, 2011 are due to the wind-down of the project in 2011 following its transfer to the Government of Venezuela on April 5, 2011.

Investing Activities

Cash used in discontinued operations for capital expenditures, for the Las Cristinas Project, were $2.4 million in the nine month period ended September 30, 2011 compared to $9.0 in the corresponding period of 2010.

Financing Activities

During the nine month period ended September 30, 2011, the Company increased its Venezuelan bank loan by $3.3 million (14.1 million BsF) to $4.2 million (18.1 million BsF). This loan of $4.2 million (18.1 million BsF) was repaid in the third quarter of 2011. There were no outstanding bank loans at September 30, 2010.

Contractual Obligations and Commitments

The Company's significant contractual obligations and commitments, as at September 30, 2011, are tabled below: (in $millions)

Millions	Less than 1 month	1 - 3 months	3 months to 1 Year	1 year to 5 Years	Total
Debt	$ -	$ 100.0	$ 2.5	$ -	$ 102.5
Interest on notes payable	-	4.1	0.2	-	4.3
Asset retirement obligations	-	0.7	0.4	2.8	3.9
Total contractual obligations	**$ -**	**$ 104.8**	**$ 3.1**	**$ 2.8**	**$ 110.7**

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements with special purpose entities.

Related Party and Other Transactions

For the nine month period ended September 30, 2011, the Company paid head office rent of $103 thousand (2010 - $90 thousand) and consulting fees of $22 thousand (2010 - $Nil) to a subsidiary of Sunwah International Limited (previously Kingsway International Holdings Limited), a company that retains the Chairman and Chief Executive Officer of the Company as a director. In addition, in August 2009, another subsidiary of Sunwah International Limited entered into an agreement with the Company to provide advisory services. The advisory fee included a work fee, and a success fee which only becomes payable upon the fulfilment of certain conditions. For the nine month period ended September 30, 2011, the Company paid advisory fees of $Nil (2010 - $125 thousand) under the terms of this advisory agreement. The Sunwah advisory agreement terminated on December 31, 2010; however, for a period of one year after the termination date, the success fee is payable if certain conditions are met.

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.

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.

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 give rise to income or expense 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. The 2.60 exchange rate for essential goods has since been eliminated.

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 for 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, currently limiting such activity to a maximum equivalent of US$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 on June 30, 2010.

Venezuelan subsidiaries had approximately $1.6 million of net monetary liabilities denominated in BsF as at September 30, 2011. For every $1 million of net monetary assets denominated in BsF, a 15% increase/(decrease) in the foreign currency exchange rate would (decrease)/increase the Company's loss by approximately $0.2 million.

The Company ceased mining and processing activities at its El Callao operations on September 30, 2008. The Company has transferred the Tomi and La Victoria mining concessions to Minerven, a Venezuelan state controlled mining company, and is currently reviewing its reclamation obligations with respect to these mining concessions with MinAmb and MIBAM. The Company has also returned a number of other properties back to the government of Venezuela. The Company has agreed to a reclamation plan to address its previous processing activities at the Revemin mill near El Callao. Reclamation work at Revemin has commenced and is expected to be completed in the first quarter of 2012.

Effective March 31, 2011, the Company withdrew from the Las Cristinas site and transferred the property to the CVG. On April 5, 2011, The Company received a signed certificate of delivery to finalize the handover of Las Cristinas in accordance with Venezuelan law.

Legal Proceedings

Noteholders' claim

In December 2008, the Company was served with a notice of application (the "Application") by the trustee for the holders of the $100 million unsecured Notes. 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, 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.

On December 16, 2009, the Ontario Superior Court of Justice dismissed all of the Noteholders' claims against Crystallex and ordered the Noteholders to pay Crystallex its costs incurred with respect to the Application. In detailed reasons, the court held that Crystallex and its Board acted reasonably and in accordance with its obligations to all stakeholders including the Noteholders. The Noteholders appealed this decision, which was heard in late April 2010.

On May 9, 2010, the Court of Appeal for Ontario dismissed the Noteholders' appeal and awarded costs to Crystallex.

On May 11, 2010, the Company was served with a statement of claim by the trustee for the Noteholders seeking indemnification of costs.

On June 16, 2010, the Company and the trustee agreed to a cost settlement to Crystallex of $0.8 million on account of Crystallex's costs in defending the litigation. That payment was effected by netting against the July 15, 2010 semi-annual interest payment on the Notes. The Noteholders also signed a release against the Company and its directors at the same time.

On May 26, 2011, the Company was served with a Notice of Application by certain holders of the Notes. The Noteholders were 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 thereby requiring Crystallex 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 hearing occurred on September 7, 2011, and on September 29, 2011 the court dismissed the Noteholders' claim and awarded the Company costs of the proceedings.

On October 30, 2011, the Noteholders appealed the court's decision to the Court of Appeal for Ontario. The Company is of the opinion that the court's decision should be upheld however, the outcome of the appeal cannot be determined at this time. Crystallex has been advised that the appeal is unlikely to be heard until the summer or fall of 2012.

Claims by former employees

The Company's subsidiaries in Venezuela have been served with statements of claim from several former employees for additional severance and health related issues for an aggregate claim of approximately $0.9 million. The Company has recorded a provision based on its best estimates of amounts that may need to be paid based on experience with other cases settled to date.

Critical Accounting Estimates and Uncertainties

In preparing financial statements in accordance with International Financial Reporting Standards ("IFRS"), management is required to make estimates and assumptions that affect the reporting amounts of assets, liabilities, revenues and expenses for the period end. Critical accounting estimates represent estimates that are uncertain and for which changes in those estimates could materially impact the Company's interim consolidated financial statements. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

As the Company has prepared its financial statements for the third quarter of 2011 using IFRS, certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS that are not included in the Company's most recent annual financial statements prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP") have been included in the interim consolidated financial statements of the third quarter of 2011 for the comparative periods.

The consolidated interim financial statements for the third quarter of 2011 should be read in conjunction with the Company's 2010 annual financial statements prepared in accordance with Canadian GAAP, the Company's first and second quarter 2011 interim consolidated financial statements, and in consideration of the IFRS transition disclosures included in Note 4 to the interim consolidated financial statements for the third quarter of 2011 and the additional disclosures included therein, including the Significant Accounting Policies described in Note 3.

The critical accounting estimates and uncertainties are as follows:

Going concern basis of accounting

As at September 30, 2011, the Company had negative working capital of $92.6 million, including cash and cash equivalents of $7.6 million. Most of this working capital amount is the obligation to repay the Noteholders the principal amount of the $100 million notes payable due on December 23, 2011 (the "Notes"). Management estimates that its existing cash and cash equivalents and expected proceeds from additional equipment sales will be sufficient to meet its on-going requirements through 2012 assuming either a settlement or refinancing of the notes; however, without receipt of additional sources of financing, will not be sufficient to pay the notes. The unilateral cancellation of the MOC by CVG and the subsequent arbitration claim may impact on the Company's ability to raise financing. 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 ultimate appropriateness of the use of accounting principles applicable to a going concern.

The Company will need to raise substantial additional funds to repay the Notes or, in the alternative, the Company will need to negotiate a restructuring of the Notes. Despite the financings that have been completed by the Company, it has limited access to further 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 obtain such additional financing, or a failure to restructure the Notes, could result in the Company defaulting on its debt repayments.

The Company's 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.

Assessment of impairment of Las Cristinas mineral property and value-added taxes

The Company periodically evaluates the recoverability of the net carrying value of its long-lived assets or when events or changes in circumstances indicate that their carrying values may not be recoverable.

The Company previously 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.

The Company recorded an accumulated non-cash write-down totalling $310.3 million as a result of impairment assessments conducted on Las Cristinas from December 31, 2009 to January 31, 2011. Following the unilateral cancellation of the MOC, the Company ceased capitalizing expenditures related to Las Cristinas. In addition, the Company recorded a provision of $2.2 million against Venezuelan value-added taxes recoverable from cumulative expenditures incurred on Las Cristinas.

These write-downs of the Las Cristinas Project are based on accounting principles only, and are thus without prejudice to the legal qualification that the Venezuelan measures may be given under Venezuelan or international law (including the Treaty).

Write-down of equipment to estimated net realizable value

The Company is in the process of selling its remaining Las Cristinas equipment and in June 2011 realized gross proceeds of $16.9 million for the sale of a portion of the remaining equipment and in September 2011 realized further gross proceeds of $1.8 million on a second sale of equipment. As at September 30, 2011 the Company had remaining equipment at estimated fair value less costs to sell, of $10.1 million. There can be no assurance that the Company will obtain this estimated net realizable value.

Asset retirement obligations

Mining, development and exploration activities are subject to various laws and regulations governing the protection and reclamation of the environment. The Company has recorded asset retirement obligations related to its former El Callao operations, and for the nine month period ended September 30, 2011 a provision was established for minor reclamation work related to Las Cristinas.

Significant judgments and estimates have been made in determining the nature and costs associated with these obligations. Changes in the underlying assumptions used to estimate these obligations as well as changes to environmental laws and regulations could cause material changes in the expected cost and the fair value of these obligations.

Income taxes

In determining both the current and deferred components of income taxes, the Company interprets tax legislation in a variety of jurisdictions as well as makes assumptions as to the expected time of the reversal of future tax assets and liabilities. If the interpretations or assumptions differ from the tax authorities, or if the timing of the reversal is not properly anticipated, the provision for or relief of taxes could increase or decrease in future periods.

Financial instruments and estimated fair values

At September 30, 2011, the Company's financial instruments consisted of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, bank loan, demand loan payable, notes payable and warrants denominated in CAD$. These warrants denominated in CAD$ are measured at fair value, and the assurance level of the inputs going into the valuation are classified as Level 2. Accounts receivable, accounts payable and accrued liabilities, bank loan and demand loan payable are measured at amortized cost and their estimated fair values approximate carrying values due to their short-term nature. The Notes are classified as other financial liabilities and are measured at amortized cost.

International Financial Reporting Standards

Transition to IFRS

On transition to IFRS from Canadian GAAP, the adjustments at transition were:

- Cumulative Translation Account - the balance which resulted from the Company's change to US dollars as the functional currency in 2004, was transferred to deficit and the account reset to nil. As a result the Accumulated Other Comprehensive Loss balance was reduced to nil.

- Warrants - certain warrants are required to be accounted for as Derivative Liabilities and valued at each reporting period at fair value.

- Discontinued Operations – the criteria used to determine the classification of a discontinued operation differs under IFRS from CAD GAAP. Accounts previously reported as discontinued operations have been reclassified with like items at transition.

- Asset Retirement Obligations – the methodology used to determine the obligation differs from that previously required under Canadian GAAP. The result is a reduction in the opening deficit and an increase in the liability at transition.

Outstanding Share Data

A summary of common shares, common share options and common share purchase warrants at November 11, 2011, are tabled below:

Common Shares Issued	365,417,737
Common Share Options	21,846,633
Warrants	31,695,000
Fully Diluted Common Shares	**418,959,370**

Disclosure Controls and Internal Control over Financial Reporting

Disclosure controls and procedures

The Company maintains disclosure controls and procedures which are designed to provide reasonable assurance that information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified by regulations. The Company performed an evaluation, under the supervision and participation of management, including the Chief Executive Officer and President, of the effectiveness of the design and operation of its disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, the Chief Executive Officer and President concluded that the Company's disclosure controls and procedures were not effective as of September 30, 2011 due to the reasons described in "Internal control over financial reporting." The steps taken by management of the Company to address each of these areas of weakness are also described under the heading "Management's plans to remediate material weaknesses".

Internal control over financial reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

During the audit of the Company's financial statements for the year ended December 31, 2010, which was concluded on March 31, 2011, the Company had identified the following material weaknesses:

(a) Information and communication: The Company did not have a defined process to ensure all relevant events and obligations arising in Venezuela, including the details of contracts and other arrangements, are provided in a complete, accurate and timely manner to those responsible for the financial reporting function.

(b) Delegation of authority: The Company did not have a comprehensive defined authority structure or framework to specify the thresholds for those acting on behalf of the Company.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected on a timely basis.

Either of these material weaknesses could result in a material misstatement to the Company's annual consolidated financial statements that would not be prevented or detected. Material weakness (b) noted above could also result in the unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Following the conclusion of the audit of the Company's financial statements for the year ended December 31, 2010 and the identification of the material weaknesses outlined above the Company designed new controls described below in "Management's plan to remediate material weaknesses". During the third quarter of 2011 the Company implemented the new controls outlined below. These new controls must be in place and tested over an extended period of time before management can conclude that the material weaknesses identified have been remediated.

Management continues to evaluate the effectiveness of the Company's internal control over financial reporting throughout the year based on the criteria set forth in "Internal Control–Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

As of September 30, 2011, Management evaluated the Company's internal control over financial reporting ("ICFR"), as defined under National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings of the Canadian Securities Administrators.

As the new controls have not been tested throughout the year, management cannot determine that the material weaknesses have been remediated at September 30, 2011 and as a result must conclude that its control over financial reporting was not effective.

Management's plans to remediate material weaknesses

To remediate the material weaknesses in the Company's internal control over financial reporting, Management has designed and approved additional controls to specifically augment those controls relating to information and communication and the delegation of authority. Management has redesigned and implemented an approval framework, which specifies the threshold for those acting on behalf of the Company.

Risk Factors

The business and operations of the Company and its affiliates are subject to risks. In addition to considering the other information in the Company's 2010 Annual Information Form, which is available on SEDAR at www.sedar.com, an investor should carefully consider the following factors. Any of the following risks could have a material adverse effect on the Company, its business and future prospects.

International arbitration against Venezuela

On February 16, 2011, the Company filed the Arbitration Request under the Additional Facility Rules of ICSID against Venezuela. The Arbitration Request was registered by the Secretary General of ICSID on March 9, 2011. The arbitration, pursuant to the Treaty, was commenced by the Company following the Venezuelan Government's failure to grant the Permit and the subsequent unlawful termination on February 3, 2011 of the Las Cristinas MOC.

The Company's claim is for breach of the Treaty's protections against expropriation, unfair and inequitable treatment and discrimination. The Company is seeking restitution by Venezuela of the Company's investments, including the MOC, the issuance of the Permit to develop Las Cristinas and compensation for interim losses suffered, or alternatively full compensation for the loss in value of its investment in an amount excess of US$3.8 billion.

The Company cannot provide assurances as to the outcome of the arbitration process, which can last a number of years and can be costly.

Political and economic uncertainty in Venezuela

The Company's international arbitration claim is against the Government of Venezuela. Should the Company be successful in winning an award of compensation to be paid by the Government of Venezuela, the Company cannot provide any assurance that it would be able to collect an award of compensation which would materially adversely affect the Company.

Should Crystallex obtain the restitution of the MOC and the grant of the Permit to allow development activities at Las Cristinas pursuant to an arbitral award, then the Company may face a number of political, economic and regulatory risks in Venezuela.

Additional funding requirements

The Company will need to raise additional funds to pursue international arbitration, to fund its reclamation obligations in Venezuela and for general working capital. The Company has sold equipment held in storage for $18.7 million and has signed an option agreement to sell additional equipment. If the equipment covered by the option agreement is sold, those proceeds, together with the proceeds already received are expected to be sufficient to fund litigation and general working capital until the end of 2012. There are however, no assurances that the proceeds of equipment sales will be sufficient to cover these expenses and the timing of the receipt of further sales proceeds is uncertain.

In view of the upcoming maturity of the notes the Company is undertaking a variety of refinancing and restructuring initiatives. Despite the financings that have been completed by the Company, the Company has limited access to financial resources as a direct result of the cancellation of the MOC and there is a risk that sufficient additional financing may not be available to the Company on acceptable terms, or at all, as a consequence of the Government of Venezuela's conduct. If the Company is not successful in its initiatives potential actions by the Noteholders may have negative consequences for the shareholders.

Environmental regulation and liability

The Company is no longer engaged in operating activities at its former properties near El Callao in Venezuela and has transferred ownership of the Revemin processing facility and El Callao mining concessions to the Government of Venezuela. The Company has environmental reclamation obligations related to its previous mining and processing operations on the El Callao concessions. The scope of the reclamation work required to be undertaken by the Company on the El Callao concessions has yet to be determined as the Government of Venezuela may continue with mining or other activities on the concessions.

The reclamation activities are subject to laws and regulations controlling the environment. Environmental legislation may change and result in greater reclamation costs than the Company currently estimates. In general, environmental legislation is evolving towards stricter standards, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Future environmental legislation could cause additional expense the extent of which cannot be predicted.

The Company does not maintain environmental liability insurance. The Company has adopted high standards of environmental compliance; however, failure with or unanticipated changes in Venezuela's laws and regulations pertaining to the protection of the environment could adversely affect the Company.

Currency fluctuations

The Company's functional and reporting currency is the U.S. dollar. A significant portion of the Company's operating and capital expenditures are in Venezuelan BsF and Canadian dollars. Fluctuations in exchange rates between the U.S. dollar and both the BsF and Canadian dollar, either favourable or unfavourable, could have a material impact on the results of operations and financial position.

Operating losses are expected to continue in the near future

The Company expects that it will continue to incur losses and there can be no assurance that the Company will become profitable in the near future.

Potential dilution

As at November 11, 2011, the Company had outstanding options to purchase 21,846,633 common shares of the Company and warrants to purchase 31,695,000 common shares of the Company (including 12,250,000 warrants that do not become effective until after the receipt of the Permit). The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional stock options and warrants or additional common shares from time to time in the future. Furthermore, in connection with any successful future financings, any refinancing of the Notes or in connection with the restructuring of the Notes, the Company may issue additional securities. If it does so, the ownership interest of the Company's then current shareholders would be further diluted.

Common share price volatility

The market price of the common shares of the Company could fluctuate significantly based on a number of factors in addition to those listed in this document, including:

- the Company's operating performance and the performance of competitors and other similar companies;
- the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities;
- changes in recommendations by research analysts who track the common shares or the shares of other companies in the resource sector;
- changes in general economic conditions;
- the arrival or departure of key personnel;
- significant global economic events;
- acquisitions, strategic alliances or joint ventures involving the Company or its competitors; and
- outcomes of litigation.

In addition, the market price of the common shares of the Company are affected by many variables not directly related to the Company's success and are, therefore, not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the common shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of common shares on the exchanges on which the Company trades has historically made the Company's share price volatile and suggests that the Company's share price will continue to be volatile in the future.

Dependence on key employees

The Company’s business is dependent on retaining the services of a small number of key management personnel and directors, in particular those who possess important historical knowledge of Las Cristinas relevant to the arbitration claim. The loss of key personnel and/or directors could have a material adverse effect on future operations of the Company.

Credit and market risks

The Company may enter into financial agreements (financial instruments) with major international banks, other international financial institutions and other accredited third parties in order to manage underlying revenue and future cash flow exposures arising from commodity prices. Financial instruments, which subject the Company to market risk and concentrations of credit risk, consist primarily of cash and accounts receivable.

Market risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates or currency exchange rates. The Company manages the market risk associated with commodity prices by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

Credit risk is the risk that a counterparty might fail to fulfill its performance obligations under the terms of a contract. The Company limits the amount of credit exposure in cash and cash equivalents by placing these in high quality securities issued by government agencies and financial institutions. The Company’s cash equivalents include deposits with Schedule 1 Canadian banks, denominated in U.S. dollars. The Company also has concentrations of credit risk with respect to accounts receivable as the accounts receivable are due from the Servicio Nacional Integrado de Administracion Tributaria (SENIAT - Venezuelan Tax Department).

Enforcement by investors of civil liabilities

The enforcement by investors of civil liabilities under United States federal securities laws may be adversely affected by the fact that the Company is organized under the laws of Canada, that most of its officers and directors are residents of Canada, and that a substantial portion of the Company’s assets and the assets of a majority of the Company’s directors and officers named in the 2010 Annual Information Form are located outside the United States. Furthermore, it may not be possible to enforce against the Company or its directors or officers, judgments obtained in U.S. courts. The Company believes that a monetary judgment of a Canadian court predicated solely on the Canadian civil liability regime would likely be enforceable in the U.S. if the Canadian court in which the judgment was obtained had a basis for jurisdiction in the matter that was recognized by a U.S. court for such purposes, but this area of the law is not free from doubt and there is a risk that such a judgment will not be enforceable.

No payment of cash dividends in the near future

The Company intends to retain cash to finance its arbitration claim, to service debt and for working capital, including pursuing other business opportunities. The Company does not intend to declare or pay cash dividends in the near future, nor has it done so since its inception. In the event that the Company decides to declare and pay cash dividends in the future, such a decision will be made entirely in the discretion of the board of directors and shall be dependent on factors such as earnings, capital requirements, future business opportunities, financing agreements and market conditions for the Company’s shares and the underlying commodities markets.