

*Interim Consolidated Condensed Financial Statements of*

**CREW MINERALS ASA**

*For the six month period ended 31 December 2006*

*Unaudited – Prepared by Management*

# Crew Minerals ASA

## Consolidated Income Statements

For the periods ended 31 December 2006 and 30 June 2006

(Expressed in US Dollars)

(Unaudited – prepared by management)

	Note	Three months ended 31 December,		Six months ended 31 December,		Year ended
		2006	2005	2006	2005	30 June, 2006
		USD	USD	USD	USD	USD
Other income	1	54,268	-	108,536	-	-
<b>Gross profit</b>		<b>54,268</b>	<b>-</b>	<b>108,536</b>	<b>-</b>	<b>-</b>
Administrative expenses		(328,417)	(292,279)	(656,835)	(584,558)	(1,169,116)
		(328,417)	(292,279)	(656,835)	(584,558)	(1,169,116)
<b>Operating loss</b>	3	<b>(274,150)</b>	<b>(292,279)</b>	<b>(548,299)</b>	<b>(584,558)</b>	<b>(1,169,116)</b>
Interest income	4	110,174	128,904	220,348	257,809	515,617
Other financial income	5	184,827	154,453	369,655	308,907	617,813
		295,001	283,358	590,003	566,715	1,133,430
<b>Profit / (Loss) before tax</b>		<b>20,852</b>	<b>(8,922)</b>	<b>41,704</b>	<b>(17,843)</b>	<b>(35,686)</b>
Income tax expense		-	-	-	-	-
<b>Profit / (Loss) for the period / year</b>		<b>20,852</b>	<b>(8,922)</b>	<b>41,704</b>	<b>(17,843)</b>	<b>(35,686)</b>
<b>Profit / (Loss) per share, basic and diluted</b>	6	<b>0.00</b>	<b>(0.00)</b>	<b>0.00</b>	<b>(0.00)</b>	<b>(0.00)</b>
<b>Weighted average number of shares in issue</b>	6	<b>54,981,884</b>	50,000,000	<b>52,490,942</b>	50,000,000	50,000,000

*The Company has not recognised any other income or expenses other than the result for the period / year*

**Crew Minerals ASA**  
**Consolidated Balance Sheet**  
As at 31 December 2006 and 30 June 2006  
(Expressed in US Dollars)  
(Unaudited – prepared by management)

<b>ASSETS</b>	<i>Note</i>	<b>31 December, 2006</b>	<b>30 June, 2006</b>
		<b>USD</b>	<b>USD</b>
<i>Non-current assets</i>			
Property, plant and equipment	7	<b>133,640</b>	157,710
Exploration and evaluation costs	8	<b>1,151,960</b>	721,675
Owed by Group Undertakings		<b>11,599,669</b>	10,949,322
		<b>12,885,269</b>	11,828,707
<i>Current assets</i>			
Cash and cash equivalents		<b>80,300,236</b>	146,753
Trade and other receivables		<b>290,017</b>	145,867
Prepaid expenses		<b>26,767</b>	26,768
		<b>80,617,020</b>	319,388
<b>Total assets</b>		<b>93,502,289</b>	12,148,096
<b>EQUITY AND LIABILITIES</b>			
<i>Capital and reserves</i>			
Share capital	9	<b>293,653</b>	15,886
Additional paid in capital	9	<b>86,498,976</b>	10,824,884
Translation reserve		<b>(1,354,786)</b>	(1,342,094)
Accumulated losses		<b>(8,250,772)</b>	(8,292,476)
<b>Total equity</b>		<b>77,187,071</b>	1,206,200
<i>Current liabilities</i>			
Trade and other payables		<b>4,459,791</b>	220,931
Owed to group undertakings		<b>11,855,427</b>	10,720,966
<b>Total liabilities</b>		<b>16,315,218</b> #	10,941,897
<b>Total equity and liabilities</b>		<b>93,502,289</b>	12,148,096

# Crew Minerals ASA

## Consolidated Cash Flow Statement

For the six month periods ended 31 December 2006 and 31 December 2005

(Expressed in US Dollars)

(Unaudited - prepared by management)

	2006	2005
	USD	USD
<b>OPERATING ACTIVITIES</b>		
Net profit / (loss) for the period	\$ 41,704	\$ (17,843)
Add (deduct) items not affecting cash:		
Depreciation	25,424	23,761
Increase in trade and other receivables	(144,150)	(60,975)
Increase / (decrease) in trade and other payables	4,238,860	48,790
Decrease in prepaid expenses	2	16,613
Increase / (decrease) in amounts owing to group undertakings	1,134,461	(2,923,073)
	<b>5,296,301</b>	<b>(2,912,728)</b>
<b>INVESTING ACTIVITIES</b>		
Expenditures on property, plant and equipment	-	(98,072)
Expenditures on mineral property interests	(430,285)	(332,611)
	<b>(430,285)</b>	<b>(430,683)</b>
<b>FINANCING ACTIVITIES</b>		
Issuance of paid in common shares for cash	75,951,859	-
Amounts advanced to group undertakings	(650,347)	(1,277,642)
	<b>75,301,511</b>	<b>(1,277,642)</b>
<b>NET CASH INFLOW</b>	<b>80,167,527</b>	<b>(4,621,052)</b>
<b>CASH POSITION, BEGINNING OF PERIOD</b>	<b>146,753</b>	<b>10,036,255</b>
Effect of foreign exchange movements	(14,044)	(176,442)
<b>CASH POSITION, END OF PERIOD</b>	<b>80,300,236</b>	<b>5,238,761</b>

# Crew Minerals ASA

## Consolidated Statement of Changes in Equity

For the six month periods ended 31 December 2006 and 31 December 2005

(Expressed in US Dollars)

(Unaudited - prepared by management)

	<u>Share Capital</u> USD	<u>Additional paid in capital</u> USD	<u>Translation reserve</u> USD	<u>Retained deficit</u> USD	<u>Total</u> USD
Balance at 1 July 2005	15,251	-	(694,402)	(8,256,790)	(8,935,940)
Exchange differences arising on translation of foreign operations	317	-	(323,846)	-	(323,529)
Loss for the period	-	-	-	(17,843)	(17,843)
<b>Balance at 31 December 2005</b>	<b>15,569</b>	<b>-</b>	<b>(1,018,248)</b>	<b>(8,274,633)</b>	<b>(9,277,312)</b>
<b>Balance at 1 July 2006</b>	<b>15,886</b>	<b>10,824,884</b>	<b>(1,342,094)</b>	<b>(8,292,476)</b>	<b>1,206,200</b>
Exchange differences arising on translation of foreign operations	132	-	(12,692)	-	(12,560)
Issuance of new share capital	277,635	75,674,092	-	-	75,951,727
Profit for the period	-	-	-	41,704	41,704
<b>Balance at 31 December 2006</b>	<b>293,653</b>	<b>86,498,976</b>	<b>(1,354,786)</b>	<b>(8,250,772)</b>	<b>77,187,071</b>

**CREW MINERALS ASA**  
**Notes to the Consolidated Financial Statements**  
**Periods ended 31 December 2006, 30 June 2005 and 31 December 2005**  
**(Expressed in United States dollars)**  
**(Unaudited – prepared by management)**

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**1. OPERATIONS**

Crew Minerals Group is a majority-owned subsidiary of Crew Gold Corporation (“Crew Gold”), whose primary listing is on the Toronto Stock Exchange, Canada, and secondary listing on the Oslo Stock Exchange.

Crew Minerals ASA (“The Company”) is the parent company in the Crew Minerals Group (“The Group”). The Group has activities within mineral exploration primarily focusing on non-precious metal projects. At 31 December 2006, the Group’s primary assets are the Mindoro Nickel Project (MNP) in the Philippines and the Hurdal Molybdenum Project in Norway.

The Company sold its interest in Seqi Olivine AS on 30 June 2005. As part of the sale agreement the Company continues to accrue income from this investment. Further details of this are given in note 8(e) to these financial statements.

Crew Minerals’ objective is to develop its existing portfolio of exploration and development projects in order to realise its vision of becoming a sizeable exploration and industrial mining company within non-precious metals and minerals. In addition, the Group seeks to acquire other near-term producing assets within base metals and/or minerals.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These unaudited interim consolidated condensed financial statements have been prepared in accordance with all of the new and revised Statements and Interpretations issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2004, or later.

The interim condensed financial report is in compliance with IAS 34 – Interim Financial Reporting. These unaudited interim consolidated condensed financial statements do not include all of the disclosures required by International Financial Reporting Standards (“IFRS”) for annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended June 30, 2006.

The interim consolidated condensed financial statements have been prepared on the historical cost basis. The principal accounting policies, equivalent to those used in the Company’s audited financial statements for the year ended June 30, 2006, are as set out below:

*(a) Functional and reporting currency*

The Parent Company has retained the Norwegian Kroner as its functional currency. In the interim consolidated condensed financial statements the presentation currency is United States dollar (“US\$”) as the results for the Group are considered to be more fairly reflected by adopting US\$ as the presentation currency.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*(b) Basis of consolidation*

The interim consolidated condensed financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the other members of the Group.

All intragroup transactions, balances, income and expenses are eliminated on consolidation.

*(c) Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

*(d) Foreign currency translation*

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the interim consolidated financial statements, the results and financial position of each entity are expressed in United States dollars ("USD"), which is the functional currency of the Company, and the presentation currency for the interim consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting interim consolidated condensed financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in USD using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

*(e) Provisions*

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are condensed at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

*(f) Critical judgements in applying the entity's accounting policies*

In the process of applying the entity's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the interim consolidated financial statements.

Carrying Values of Property, Plant and Equipment and Exploration and Evaluation Projects

The Company undertakes a review every year to evaluate the carrying values of its exploration and evaluation projects. For each project, the carrying value is compared to the estimated future discounted cash flows and any excess is written down against operations.

The estimates used by management are subject to various risks and uncertainties. It is reasonably possible that changes in estimates could occur which may affect the expected recoverability of the Company's investments in exploration and evaluation projects.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Depletion and Depreciation of Property, Plant and Equipment

Exploration projects, plant and equipment comprise the largest component of the Company's assets and, as such, the amortization of these assets has a significant effect on the Company's interim financial statements.

On the commencement of commercial production, depletion of each mining property is provided on the unit-of-production basis using estimated proven and probable reserves as the depletion basis. The mining plant and equipment and other capital assets are depreciated, following the commencement of commercial production, over their expected economic lives using either the unit-of-production method or the straight-line method (over two to 10 years), as appropriate.

Capital projects in progress are not depreciated until the capital asset has been put into operation.

The proven and probable reserves are determined based on a professional evaluation using accepted international standards for the assessment of mineral reserves. The assessment involves the study of geological, geophysical and economic data and the reliance on a number of assumptions. The estimates of the reserves may change, based on additional knowledge gained subsequent to the initial assessment. This may include additional data available from continuing exploration, results from the reconciliation of actual mining production data against the original reserve estimates, or the impact of economic factors such as changes in the price of commodities or the cost of components of production. A change in the original estimate of reserves would result in a change in the rate of depletion and depreciation of the related mining assets or could result in an impairment charge being recorded.

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**3. OPERATIONS**

*Operating segments*

For management purposes, the Group considers it has one business segment being the exploration and development of mineral concessions.

The Group sold its interest in Seqi Olivine AS on 30 June 2005. As part of the sale agreement, the Group expects to continue to accrue income from this investment. The Group accrued \$108,536 from this investment for the 6 month period ended 31 December 2006 (6 month period ended 31 December 2005 – \$nil) and \$54,268 for the quarter ended 31 December 2006 (quarter ended 31 December 2005 - \$nil) and \$nil for the year ended 30 June 2006. No other revenues were generated by the Group's continuing operations during these periods.

The following table is an analysis of the carrying amount of segment assets analysed by the geographical area in which the assets are based.

	<u>31 December,</u> <u>2006</u>	<u>30 June,</u> <u>2006</u>
<b>Philippines</b>	<b>\$ 2,836,779</b>	<b>\$ 2,759,143</b>
<b>Greenland</b>	<b>10,215</b>	<b>-</b>
<b>Norway</b>	<b>90,655,295</b>	<b>9,388,952</b>
	<b>\$ 93,502,289</b>	<b>\$ 12,148,096</b>

The following table is an analysis of additions to property plant and equipment and mineral property interests analysed by the geographical area in which the assets are based:

	<u>31 December,</u> <u>2006</u>	<u>30 June,</u> <u>2006</u>
<b>Philippines</b>	<b>\$ 293,065</b>	<b>\$ 389,788</b>
<b>Greenland</b>	<b>10,215</b>	<b>-</b>
<b>Norway</b>	<b>127,005</b>	<b>471,577</b>
	<b>\$ 430,285</b>	<b>\$ 861,365</b>

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**3. OPERATIONS (Continued)**

Operating loss is stated after charging the following:

*Staff Costs:*

	Three months ended 31 December,		Six months ended 31 December,		Year ended 30 June,
	2006	2005	2006	2005	2006
Staff salaries	\$ 132,683	\$ 26,800	\$ 265,366	\$ 53,599	\$ 107,199
Social security costs	4,605	2,531	9,209	5,063	10,125
Retirement benefit costs	1,650	1,556	3,300	3,112	6,224
	<b>\$ 138,937</b>	<b>\$ 30,887</b>	<b>\$ 277,875</b>	<b>\$ 61,774</b>	<b>\$ 123,548</b>

The average number of staff employed during the year was as follows:

	Three months ended 31 December,		Six months ended 31 December,		Year ended 30 June,
	2006	2005	2006	2005	2006
Average number of employees	15	12	14	12	13

**4. INTEREST INCOME**

	Three months ended 31 December,		Six months ended 31 December,		Year ended 30 June,
	2006	2005	2006	2005	2006
Interest on bank deposits	\$ 12,304	\$ 6,152	\$ 24,608	\$ 12,304	\$ 24,608
Interest on borrowings	-				
advanced to related parties	97,870	92,141	195,740	184,282	368,565
	<b>\$ 110,174</b>	<b>\$ 98,293</b>	<b>\$ 220,348</b>	<b>\$ 196,586</b>	<b>\$ 393,173</b>

**5. OTHER FINANCE INCOME**

	Three months ended 31 December,		Six months ended 31 December,		Year ended 30 June,
	2006	2005	2006	2005	2006
Foreign exchange gains	\$ 184,827	\$ 154,453	\$ 369,655	\$ 308,907	\$ 617,813

**CREW MINERALS ASA**  
**Notes to the Consolidated Financial Statements**  
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**6. PROFIT / (LOSS) PER SHARE**

Profits from operations for the three months ending 31 December 2006 were USD 20,852 (three months ending 31 December 2005, loss of USD 8,922). The average number of shares in issue for the three months ending 31 December 2006 were 54,981,884 (three months ending 31 December 2005, 50,000,000). This gives a basic and diluted profit per share for the Group of USD 0.00 for the three months ended 31 December 2006 (three months ended 31 December 2005, basic and diluted loss of USD 0.00).

Profits from operations for the six months ending 31 December 2006 were USD 41,704 (six months ending 31 December 2005, loss of USD 17,843). The average number of shares in issue for the six months ending 31 December 2006 were 52,490,942 (six months ending 31 December 2005, 50,000,000). This gives a basic and diluted profit per share for the Group of USD 0.00 for the six months ended 31 December 2006 (six months ended 31 December 2005, basic and diluted loss of USD 0.00).

Losses from operations during the year ended 30 June 2006 were USD 35,686. The weighted average number of shares in issue for the year ended 30 June 2006 was 50,000,000. This gives a basic and diluted loss per share for the Group of USD 0.00.

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**7. PROPERTY, PLANT AND EQUIPMENT**

	<u>Property, plant and equipment</u>	<u>Total</u>
<i>Cost</i>		
<b>Balance at 1 July 2005</b>	533,097	<b>533,097</b>
Exchange movements	22,558	<b>22,558</b>
Additions	196,144	<b>196,144</b>
Disposals	(44,944)	<b>(44,944)</b>
<b>Balance at 30 June 2006</b>	<b>706,855</b>	<b>706,855</b>

<i>Accumulated depreciation</i>		
<b>Balance at 1 July 2005</b>	524,380	<b>524,380</b>
Exchange movements	22,188	<b>22,188</b>
Charge for year	47,521	<b>47,521</b>
Disposals	(44,944)	<b>(44,944)</b>
<b>Balance at 30 June 2006</b>	<b>549,145</b>	<b>549,145</b>

<i>Carrying amounts</i>		
<b>At 30 June 2006</b>	<b>157,710</b>	<b>157,710</b>
<b>At 30 June 2005</b>	<b>8,717</b>	<b>8,717</b>

	<u>Property, plant and equipment</u>	<u>Total</u>
<i>Cost</i>		
<b>Balance at 1 July 2006</b>	706,855	<b>706,855</b>
Exchange movements	801	<b>801</b>
Additions	-	-
Disposals	-	-
<b>Balance at 31 December 2006</b>	<b>707,656</b>	<b>707,656</b>

<i>Accumulated depreciation</i>		
<b>Balance at 1 July 2006</b>	549,145	<b>549,145</b>
Exchange movements	(553)	<b>(553)</b>
Charge for period	25,424	<b>25,424</b>
Disposals	-	-
<b>Balance at 31 December 2006</b>	<b>574,016</b>	<b>574,016</b>

<i>Carrying amounts</i>		
<b>At 31 December 2006</b>	<b>133,640</b>	<b>133,640</b>
<b>At 30 June 2006</b>	<b>157,710</b>	<b>157,710</b>

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**8. EXPLORATION AND EVALUATION COSTS**

The carrying value of exploration and evaluation costs includes acquisition costs and deferred exploration expenditures relating to properties in which mining of an ore reserve has not commenced.

Details of these at 31 December 2006 and 30 June 2006:

	<b>6 months ended 31 December, 2006</b>	Year ended 30 June, 2006
Exploration and evaluation costs, beginning of period / year	\$ 721,675	\$ 56,454
Expenditures incurred during the period / year	430,285	665,221
Interest disposed of during the period / year	-	-
	<hr/>	<hr/>
Exploration and evaluation costs, end of period / year	\$ 1,151,960	\$ 721,675

Consisting of:

	<b>6 months ended 31 December, 2006</b>	Year ended 30 June, 2006
Mindoro Nickel Project (Philippines) (a)	\$ 475,452	\$ 250,050
Hurdal Porphyry Molybdenum (Norway) (b)	580,711	453,854
Maniitsoq Diamond Project (Greenland) (c)	10,215	-
Other Mineral Projects (d)	85,582	17,771
Other Exploration and evaluation costs, end of period / year	\$ 1,151,960	\$ 721,675

(a) *Mindoro Nickel Project*

In 1997, an Exploration Permit (“EP”) for the Mindoro concession was granted to Aglubang Mining Corp, a subsidiary of Crew Minerals. In 2001 the key section of the concession was granted a Mineral Production-Sharing Agreement (“MPSA”). This agreement secured the group the exclusive right to develop the property into a mine for a period of 25 years. According to this agreement the Group was granted a five-year period to complete a Bankable Feasibility Study (“BFS”) and an Environmental Impact Assessment (“EIA”). The MPSA covered the area where the Group had defined a measured and indicated resource.

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**8. EXPLORATION AND EVALUATION COSTS (Continued)**

In July 2001 the MPSA in Mindoro was cancelled unexpectedly by the Department of Environment and Natural Resources in the Philippines. As a consequence of the cancellation the Group recorded impairment provisions against the full carrying value of its investment in the project totalling USD 26,4 million. On March 24 2004 the Group announced that its Philippine subsidiary Aglubang Mining Corp. had received notification that the cancellation of its MPSA had been revoked and set aside, which effectively reinstated fully the MPSA and title to the property.

As at 31 December 2006 the carrying value of the project in the financial statements was USD 475,452 (30 June 2006 - USD 250,050). No adjustments have been made in the financial statements to re-instate the project at its original carrying value. Management believes that the costs incurred to date on the project are of significant worth to the Company and will be of ongoing benefit as work recommences on the project.

The concession areas are controlled by Aglubang Mining Corporation (“Aglubang”) and Alag-Ag Mining Corporation (“Alag-Ag”), which are owned by Crew Minerals ASA (“Crew”) (40%) and a Philippine holding syndicate (60%). Crew has an option to acquire all the shares in Aglubang and Alag-Ag, should the project qualify for a foreign majority-owned status i.e. an FTAA status.

Aglubang holds a Mineral Products Sharing Agreement (MPSA) covering a large part of the most developed project area, and Alag-Ag Mining Corp and Aglubang has submitted MPSA applications, referred to AMA IVB-101 and AMA IVB-103, respectively, over the two remaining parts of the concession area, while they hold Exploration Permits for these areas.

At the time of cancellation in 2001, MNP had commenced work towards a Definitive Feasibility Study following a Pre-Feasibility/Scoping Study conducted by Kvaerner Metals in 1998. All field investigations and technical studies for MNP were conducted by Crew Minerals Philippines Inc, a wholly owned subsidiary of Crew.

Due to the extended period of work suspension, and many significant technological advances to Ni-laterite processing in recent years, it has been decided to recommence the feasibility process. The plans for the advancement of the nickel project during calendar 2007 are to complete metallurgical and process bench-scale test work, to conduct additional systematic drilling in Upper Kisluyan and Buraboy areas, to complete a new desktop study by the end of calendar Q2 2007 as a basis for completion of a Pre-Feasibility Study by the end of calendar 2007 and to submit key regulatory applications.

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**8. EXPLORATION AND EVALUATION COSTS (Continued)**

*(b) Hurdal Porphyry Molybdenum*

Crew acquired the Nordli molybdenum porphyry deposit in Hurdal in January 2005, with the aim of upgrading and verifying historic resource results. The approach was to conduct supplementary exploration drilling to test the mineralization at depth and to further define the extent of the mineralization. A thorough re-logging of the existing core materials stored in the NGU core library in Løkken near Trondheim, was conducted by Crew geologists in late 2005. During the re-logging of the historic cores, sampling was carried out on some key intervals for which assay results had not been reported. The samples were submitted for assaying and a database with all the new information on historic cores was compiled.

Based on the historic data, 4 new holes were planned and drilled in spring 2006 totaling 3,770 meters which, when added to 24 previous holes in Hurdal, brings the total drilling to more than 14,000 m in this deposit. Assay results from the historic cores returned sections of 650 meters with an average grade of 0.12 % MoS<sub>2</sub> and 367 meters with an average grade of 0.19% MoS<sub>2</sub>. These assay results confirm the existence of the reported high-grade part of the mineralization.

The first hole drilled by Crew intersected this high grade zone at an angle and confirmed the high grade molybdenum mineralisation at depth. The next two holes were located further to the SE along the assumed extension of the deposit and intersections from these two holes returned 110 metres with 0.13 % MoS<sub>2</sub>. This data suggested a weakening of the mineralisation towards SE. The last hole, which was drilled to test mineralization beneath a radiant historic shallow drill pattern, intersected a molybdenum mineralised zone at depth, returning 185 metres of 0.08 % MoS<sub>2</sub> including 55 metres with 0.11 % MoS<sub>2</sub> and extended the mineralised zone further to the SSE.

Crew has recently awarded requested an independent, computer-generated resource estimation of the Hurdal molybdenum porphyry deposit. At the same time, a complete re-sampling of one of the high-grade historical cores was carried out. This was done to verify the historic assay results, as a step towards the preparation of an internationally acceptable resource estimation for the Hurdal deposit. Preliminary results of the geological modelling of the Hurdal deposit supports the earlier estimates of an (unclassified) resource of 140 mill tonnes with 0.14 % MoS<sub>2</sub> (at 0.1% cut off).

In 2006 Crew acquired additional Mo-deposits in the Oslo region including the Ramnes deposit near Tonsberg and have now secured rights over 4 promising Mo-occurrences through exclusive claims covering 22 sq. km. Outcrops in some of these show very high-grade mineralization of 2-4% MoS<sub>2</sub>.

In Ramnes, where a significant Mo-mineralization occurs along the rim of a large subvolcanic caldera-collapse structure, has detailed ground work been completed while core drilling and further geochemical surveying is being planned for 2007. Geochemical anomalies show strong N-S trending mineralization across the Caldera rim and the drilling at Ramnes is aimed at testing both mineralized rhyolite domes along the caldera rim and post-caldera mineralization fractures.

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**8. EXPLORATION AND EVALUATION COSTS (Continued)**

(c) *Maniitsoq Diamond Project*

In West Greenland the company has now acquired exclusive title to an area of over 2,000 sq km near Maniitsoq, covering the second largest diamond district in the country and conducted a first-pass diamond exploration and sampling campaign in 2006. The area Crew has been granted for its diamond exploration is situated north of Greenland's capital Nuuk, in one of the main regions of diamondiferous kimberlites in West Greenland.

The main purpose of the summer's project was to collect and test a number of kimberlites for diamond content by caustic fusion in a well-controlled Canadian laboratory facility. A further purpose was to search for new dykes in areas where anomalous amounts of diamond-indicator minerals had suggested the presence of unknown, potentially mineralized kimberlite sources.

Twenty 50-kg kimberlite samples were collected from three major dyke systems, and submitted to caustic fusion and diamond extraction by Thunder Bay Diamond Services, a Canadian ISO17025-accredited laboratory. The results showed that all samples returned natural diamonds, with one to eight stones in each sample. In addition to two stones categorised as 'macrodiamonds', 3 stones reported to the +0.425 mm, 5 to the +0.300 mm, 10 to the +0.212 mm, 30 to the +0.125 mm and 19 to the +0.106 mm sieve fractions.

Of the total 67 diamonds recovered were 31 described as intact and 36 as fragmented, i.e. chips of larger stones; 54 diamonds were classified as transparent while 13 as translucent; colour classification gave 35 white, 22 grey and 10 brown stones, and of the 35 white stones 14 were described as clear with no inclusions or cleavages while 12 were transparent with some inclusions or cleavages. Six diamonds measured between 0.5 and 1mm along at least one edge and that five of these six were characterized as fragments, indicating they are chips of larger stones. The limited reconnaissance program in 2006 by the Company led to the discovery of several new kimberlite occurrences as a result of follow-up on 'diamond-positive' indicator mineral trains, in addition to the dozen or so already known occurrences. It is believed that intensive ground search will lead to finds of further kimberlite occurrences in the future. The main kimberlite dykes occur in an approximately 60 × 25 km linear corridor, forming three to five sub-parallel, major trends striking about 60° ENE with individual dykes striking 80°, which suggests that the kimberlites are related to deep fractures. Management is particularly encouraged by the fact that diamonds were found systematically over such strike lengths.

It is Crew's plan to conduct systematic studies of the local variations in diamond content of the known kimberlite dykes, many of which occur over strike lengths of 2-6 km. In addition, extensive ground search for additional kimberlite occurrences will be conducted by a number of field teams in an attempt to cover a significant portion of the nearly 2,000 km<sup>2</sup> license area.

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**8. EXPLORATION AND EVALUATION COSTS (Continued)**

*(d) Other Mineral Projects*

These represent non-core projects which were disposed, at cost, to the parent undertaking following the end of the financial period.

*(e) Sequinner Olivine*

During the year ended 30 June 2003, the Company exercised an option to acquire 100% of the mineral rights to the Sequinner Olivine property (“Seqi”) in Southern Greenland.

During the year ended 30 June 2004, the Company entered into an agreement with Minelco AB, a subsidiary of iron ore producer LKAB of Sweden, to develop a Bankable Feasibility Study (“BFS”) for the Olivine project. The Company was responsible for the management of further drilling and for the preparation of the BFS, whereas Minelco covered related costs. The BFS was completed and approved by the Minelco Board during fiscal 2004.

During fiscal 2005, the Company disposed of its entire interest in the Seqi Project to Minelco AB resulting in a gain on disposal of USD 9,468,320. The sale price consisted of a cash payment of USD 10 million paid upon closing and a 17-year termination agreement based on tonnage produced. Under the terms of the termination agreement, the Company is entitled to an annual minimum termination fee income of USD 1 million in the years 2008 to 2021 from the commercial production of the Seqi Project, subject to certain conditions. The termination fee income will be recorded as other income in the period it is considered earned and payable.

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**9. SHARE CAPITAL**

The Company's issued share capital at 30 June 2006, was NOK 100.000 (2005, NOK 100.000) comprising 10 ( 2005, 10) shares each with a par value of NOK 10.000, all of which were fully paid, and converted to USD at the exchange rate at balance-sheet day. Each share carried one vote, and otherwise gave equal rights in the Company. The Company received gross proceeds of NOK 68.141.561 in June 2006, by conversion of debt to Crew Gold Corporation in respect of the increase in the par value of each share from NOK 10.000 to NOK 100.000 per share. These par value increases were paid in, but not registered as at 30 June 2006. These shares were registered on 30 September 2006. These shares were converted into 50,000,000 shares each with a par value of NOK0.02 on 30 September 2006. Each share carried one vote, and otherwise gave equal rights in the Company.

The Company received gross proceeds of NOK500 million in respect of the further issuance of 41,666,667 shares on 20 December 2006. Each share was issued at a par value of NOK0.02 and the additional amount received of NOK499.2 million in respect of the offering was credited to Additional paid in capital, net of issue costs. Each share carried one vote, and otherwise gave equal rights in the Company.

**10. SUBSEQUENT EVENTS**

There have been no material subsequent events after the balance-sheet date.