Directors of the General Partner

Gordon J. Bogden
Managing Director
Beacon Group Advisors Inc.

John P. A. Budreski
Managing Director
Scotia Capital Inc.

Larry J. Macdonald
Chairman
Pointwest Energy Inc.

Robert J. Toole
Managing Director
Creststreet Asset Management Limited

Officers of the General Partner

Robert J. Toole, President
Donna McLean
Secretary Treasurer

Lead Agent

Scotia Capital Inc.
Toronto, Ontario

Legal Counsel

Fasken Martineau DuMoulin LLP
Toronto, Ontario

Auditors

KPMG LLP
Toronto, Ontario

Tax Shelter ID No.

TS 066415

Registered Address

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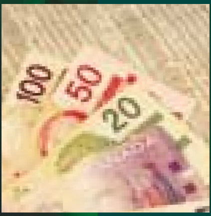

Creststreet 2001 Limited PArtnership

Q2 2001

Dear Unitholder:

We are pleased to welcome you as a unitholder in Creststreet 2001 Limited Partnership and to provide the June 30, 2001 quarterly report for the Partnership.

The Partnership completed its initial public offering by June 28, 2001 raising gross proceeds of $17,786,500.

To date the Partnership's investment portfolio is as follows:

Company	Sector	Market Cap (MM)	% of Portfolio
Compton Petroleum Corporation	Oil & Gas	$389	24%
Canadian Hydro Developers	Alternative Energy	77	7%
Miramar Mining Corp.	Mining	62	3%
Hope Bay Gold Corp.	Mining	40	3%
Energy North Inc.	Oil & Gas	24	5%
Case Resources Inc.	Oil & Gas	10	1%
Temple Exploration Inc.	Oil & Gas	Private	2%
Cash, Net of Working Capital			55%
Total			100%

Natural gas prices in North America have come under considerable downward pressure in the past several months. Alberta spot prices for natural gas have dropped from $7.56 at the end of the first quarter to $4.07 per million cubic feet presently. As the Partnership's investment portfolio is heavily weighted toward natural gas producers, the unit value has come under similar downward pressure. As of August 17, 2001 the net asset value of the Partnership was $7.46 per unit. Because of the downside protection mechanism that the flow-through structure provides, this net asset value still represents an 8% after-tax return for an Ontario investor at the highest marginal tax rate.

The Partnership's investment strategy is to focus on natural gas producers in order to capitalize on anticipated tightening of natural gas supplies in North America over the next 3 to 5 years. While the significant weakness in natural gas prices since the end of the first quarter of 2001 was not widely anticipated, the basic premise of Creststreet's natural gas investment strategy remains intact; - that tightening natural gas supplies will lead to increasingly higher sustained natural gas prices over the next 3-5 years.

The primary cause of recent natural gas price weakness has been slowing demand growth due to the weakness of the U.S. economy and in particular the manufacturing sector. Substitutions of other sources of fuel have also been a factor in increased natural gas storage inventories. Weather, despite regularly reported comments to the contrary, has not been a significant factor. The net result being that after an increase in North American natural gas demand of 4.9% in 2000, demand growth this year is now expected to be flat. It is interesting to note, however, that for all the concern regarding the natural gas storage inventories and the negative impact they have had on natural gas prices, inventory levels are only just now expected to reach average historical levels going into the winter heating season.

In Creststreet's view, the defining factor of medium-to longer term natural gas prices will be that, despite the record levels of drilling for natural gas in North America, production is estimated to increase by only 1.5% this year and will likely be flat to negative in 2002. We expect that natural gas demand growth will resume as economic growth in North America picks up and as significant new natural gas fired electrical generation capacity comes on line. If anything, the present short term weakness in natural gas prices will likely lead to higher sustained natural gas prices in the future as further drilling is curtailed due to presently lower price levels.

To date the Partnership has built a solid core of high quality and significantly undervalued companies. With more than 50% of the Partnership's funds remaining to be committed, the Partnership is very well positioned to take advantage of this cyclical low in natural gas prices, and will selectively invest the balance of its portfolio to take full benefit when natural gas prices turnaround.

Respectfully submitted,

Robert J. Toole
Managing Director
August 23, 2001

Statement of Net Assets

As at June 30, 2001 and April 4, 2001

Unaudited

	June 30 **2001**	April 4 **2001**
Assets:		
Investments in Resource Companies	$ 1,539,316	$ –
Cash and Short-Term Investments	14,776,202	10
	16,315,518	10
Liabilities:		
Accounts Payable and Accrued Liabilities	274,238	–
	274,238	–
Net Assets	$16,041,280	$ 10
Represented by:		
Partners' Capital Contributions	$17,786,510	$ 10
Costs of Issue – Agents' Fees	(1,200,589)	–
– Other	(300,000)	–
Retained Earnings	16,043	–
Unrealized Appreciation (Depreciation) of Investments	(260,684)	–
Partner's Equity at End of Period	$16,041,280	$ 10

See accompanying notes to financial statements

Approved Creststreet 2001 Management Limited as General Partner on behalf of Creststreet 2001 Limited Partnership

Director

Director

Statement of Operations and Retained Earnings

For the Period April 4, 2001 (Inception) to June 30, 2001 and April 4, 2001
Unaudited

	Jun. 30 **2001**	Apr. 4 **2001**
Revenues:		
Interest Income	$ 45,450	$ –
	45,450	–
Expenses:		
Management Fees (Note 3)	28,489	–
Administrative Costs	918	–
Net Operating Income	16,043	–
Retained Earnings Beginning of Period	–	–
Retained Earnings End of Period	$ 16,043	$ –

See accompanying notes to financial statements

Statement of Change in Net Assets

For the Period April 4, 2001 (Inception) to June 30, 2001 and April 4, 2001
Unaudited

	Jun. 30 **2001**	Apr. 4 **2001**
Operations:		
Net Operating Income	$ 16,043	$ –
Change in Net Unrealized Depreciation of Investments	(260,684)	–
	(244,641)	–
Unitholder Transactions:		
Proceeds from Issue of Units	17,786,510	10
Payment of Agents' Fees	(1,200,589)	–
Payment of Costs of Issue	(300,000)	–
	16,285,921	10
Retained Earnings	–	–
Net Increase in Net Assets, Being Net Assets at the End of the Period	$16,041,280	$ 10

See accompanying notes to financial statements

Statement of Investment Portfolio

As at June 30, 2001

Unaudited

Description	Number of Shares	Market value
Energy North Inc.	1,111,111	$ 777,778
Miramar Mining Corp.	384,615	461,538
Temple Exploration Inc.	250,000	300,000
Total Investment Portfolio		$ 1,539,316

Management Discussion and Analysis

No comparison to prior periods has been provided as this is the first period of operation of the Partnership.

Financial Condition – As of June 30, 2001 the Partnership had investments of $1,539,316 in flow-through shares of resource companies and had net working capital of $14,501,965 consisting mainly of cash invested in short term money market instruments. The Partnership expects to invest the balance of its net working capital in flow-through shares of resource companies prior to year end.

Results From Operations – For the period of April 4, 2001 (inception) to June 30, 2001 the Partnership earned $45, 450 in interest income on short term investments held by the Partnership and paid management fees of $28,489 being 1/12 of 2% of the net assets of the Partnership at the end of each month.

Change in Net Assets – The Partnership raised gross proceeds of $17,786,500 through a public offering of limited partnership units that was completed by June 28, 2001. The Partnership paid Agents fees of $1,200,589 being 6.75% of the proceeds raised and incurred $300,000 in issue costs to complete the offering. The value of the Partnership's investment portfolio depreciated by $260, 684 during the period.

Notes to FINANCIAL STATEMENTS

For the period ended June 30, 2001
Unaudited

1. Creststreet 2001 Limited Partnership

CRESTSTREET 2001 LIMITED PARTNERSHIP (the "Partnership") was formed as a limited partnership under the laws of the Province of Ontario on April 4, 2001.

The principal purpose of the Partnership is to invest in flow-through shares of resource companies involved in oil and gas exploration in Canada. Pursuant to a prospectus dated May 17, 2001, Limited Partners subscribed for 1,778,650 units of limited partnership interest. The General Partner of the Partnership is CRESTSTREET 2001 MANAGEMENT LIMITED (the "General Partner").

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and the following is a summary of significant accounting policies followed by the Partnership:

a. Short term Investments

Short term investments are comprised of highly liquid investments having original terms to maturity of 90 days or less when acquired. Short term investments are valued at cost plus accrued interest which approximates market value.

b. Valuation of Investments in Public Resource Companies

Securities listed on a recognized public securities exchange are valued at year-end quoted market prices. Securities not traded on that date are valued at the average of the closing bid and ask prices or the latest available sale price.

The difference between the current market value and the original cost is treated as an unrealised gain or loss and is included in Partners' Equity. Since these securities benefited from exemption from prospectus requirements, they were subject to resale restrictions.

c. Investment Transactions and Income Recognition

Investment transactions are accounted for as of the trade date and any related gains or losses from such transactions are calculated on an average cost basis. Dividend income is recognized on the ex-dividend date.

d. Allocation of Partnership Income and Loss

The net income of the Partnership for each fiscal period is allocated 0.01 % to the General Partner and the balance, along with 100% of the net loss of the Partnership, among the Limited Partners in proportion to the number of units held by each of them at the end of each period. The Partnership is not itself a taxable entity. Accordingly, no provision for income taxes is required.

e. Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

3. Related Party Transactions

The General Partner is entitled to receive a fee equal to 2.0% per annum of the net asset value of the Partnership, calculated and payable monthly in arrears. In the three months ended June 30, 2001, the management fee amounted to $28,489. The General Partner also has a 0.01% beneficial interest in the Partnership. The General Partner is reimbursed for reasonable costs related to maintaining the register of the Partnership and preparation and distribution of financial statements and other documents sent to the Limited Partners which costs amounted to $nil.

4. Liquidity of Partnership Units and Termination of the Partnership

On or about January 15, 2003 the Partnership is currently expected to transfer all of its assets to Creststreet Resource Fund Limited, an open end mutual fund (the "Mutual Fund") in exchange for shares of the Mutual Fund.

Upon this transfer the Partnership will be dissolved at which time the net assets will be allocated 99.99% to the Limited Partners and 0.01% to the General Partner. Upon dissolution, Limited Partners would then receive their pro rata share of the shares of the Mutual Fund.

5. Tax Shelter Identification Number

The identification number issued for this tax shelter Partnership shall be included in any income tax return filed by the Limited Partners. Issuance of the identification number is for administration purposes only and does not in any way confirm the entitlement of an investor to claim any tax benefits associated with the tax shelter.