

2000 Annual Report



Canada Dominion Resources Limited Partnership IV



Highlights

- Canada Dominion Resources Limited Partnership IV's public offering of securities closed December 22, 1999 raising gross proceeds of \$26,103,175.
- Net proceeds of the offering were fully invested in flow-through shares of twenty-two Canadian resource companies as of December 31, 1999. The tax benefits of these investments have been fully renounced and "flowed-through" to the Limited Partners as of December 31, 1999.
- Portfolio adjusted during 2000 such that it was comprised of twenty-five Canadian resource companies at December 31, 2000, including oil and gas service sector stocks.
- De Beers Canada Mining Inc.'s acquisition of Winspear Resources Ltd. generated an accounting gain of \$1,840,000 and \$3,600,000 of cash for reinvestment.
- Net asset value increased by 23% during the year.

Canada Dominion Resources Limited Partnership IV



Canada Dominion Resources Limited Partnership IV provides an opportunity for Canadian investors to participate in the resource sector while enjoying significant tax benefits. Our public offering in December 1999 raised \$26.1 million from more than 1,200 investors nationwide. Canada Dominion Resources Group currently manages over \$140 million in resource assets.

The Partnership's primary business mission is to increase the value of its resource portfolio assets under management and increase value for unitholders.

Our principal objective is to achieve long-term capital appreciation through investment in a professionally managed, diversified portfolio of equity securities of oil and gas and mining companies. One of Canada's most successful resource portfolio managers, Normand E. Lamarche, manages the investments for the Partnership. Our decision to retain Mr. Lamarche and his company Tuscarora Capital Inc. was based on their experience, track record and reputation in the resource sector.

Flow-through shares are common shares of Canadian resource companies issued to finance the exploration and development of resource properties. To encourage investment in the exploration and development programs of Canadian resource companies, the federal government allows exploration and development expenses by these companies to be "flowed-through" to the investor and deducted for tax purposes.

Letter to Limited Partners

I am pleased to present the financial statements for Canada Dominion Resources Limited Partnership IV for the period ending December 31, 2000 and to report on our progress.

Investment Objective

Our investment objective is to provide our investors with long-term capital appreciation by investing in a diversified portfolio of companies engaged in exploration and development in the oil and gas and mining sectors. Tuscarora Capital Inc., the Partnership's investment advisor, continues to manage the portfolio with this long-term approach. Currently, the portfolio is focused on the energy sector with a strong weighting to gas producers.

Flow-Through Shares

The initial proceeds of the Partnership were invested exclusively in flow-through shares of Canadian resource companies. This provided significant tax benefits as a result of the Partnership's ability to "flow-through" Canadian Exploration Expenses to Limited Partners.

The Portfolio

During 2000 commodity prices experienced strong reversals with crude oil prices almost tripling from their lows of \$10 and natural gas pricing continuing to be very firm. Share prices began to increase through the year but did not match the gains in commodity prices. It appeared that investors were reacting with disbelief to the sustainability of commodity prices and were treating commodity price increases as an aberration. In addition, the investment fervor for anything that implied technology negatively impacted the flow of funds into the resource areas. The impact of the above resulted in the lowest resource sector weightings in TSE history. In spite of the above the companies that the fund invested in performed very well with many experiencing record cash flows and earning results.

The portfolio experienced a number of takeover bids as the consolidation theme in the natural resource sector continued. Particularly gratifying was the appearance of new entrants to the takeover bid process such as royalty trusts and U.S. energy companies. The effect of the above was clearly positive for the portfolio and the value of the portfolio increased as a result.

The portfolio composition has changed as our original investments were converted to cash and we have reinvested in other sectors of the industry such as drilling services, power generation and mining along with a continuing presence in the energy sector.

For regular updates on our portfolio, please visit our website at www.canadadominion.com.

The Outlook

In each and every business cycle, there are familiar elements that repeat themselves time and time again. However, each cycle is unique and the current disconnect between share prices and the business fundamentals of the oil and gas industry will be this cycle's legacy.

As we stated in our report to you last year, predicting business trends and investment strategies is at best a precarious proposition. It is, however, an age-old truth that capital investment seeks a return fundamentally based upon profit. The oil and gas industry is by its very nature cyclical but profitability in the oil and gas industry is here, and based on current supply demand fundamentals, the future has never looked brighter.

Drilling activity has been very strong as oil and gas exploration companies continue their search for more reserves and production. The outlook for 2001 is for a further 10% increase in drilling activity versus 2000 which was already at record levels. Well productivity is declining which partly explains the high activity levels but high returns from strong commodity prices are also a key driver of activity.

Commodity prices would appear to be firm through the year as the ongoing power shortage in the U.S. is driving natural gas demand to even higher levels. The crude oil price is reacting to the general slowdown in economic activity worldwide. It has been buoyed by OPEC's reduction in supply however ultimately it will be driven by natural demand forces.

The Opportunity

What does all this mean? It means investors have the opportunity to invest in a sector where oil and gas companies are enjoying their best business fundamentals in decades. The environment is one of increasing demand and decreasing supply of crude oil and natural gas coupled with reasonable share price ratios to earnings and cash flows.

At the time of writing, oil prices continue to be strong. Natural gas prices are very healthy. Most other resource commodities such as nickel, copper and platinum are at low inventory levels reflecting both declining supplies and a growing perception that the emerging economies are recovering. While stock prices have rebounded from their lows, the existing commodity price environment has turned our investment portfolio into growth companies again. The convergence of the electricity and fuel markets is a very powerful force which is not yet fully understood in the market but is a critical component of the demand function for energy. Share prices in the resource sector continue to be under valued by all historic measures. We continue to expect stock market multiples to expand during the course of 2001 to reflect the growth environment and we are excited about the growth opportunity for our portfolio in the year ahead.

"signed by"

James A. Hutton
President and Chief Executive Officer

May 10, 2001

Opportunity
Experience



Success

Canada Dominion Resources Group

Canada Dominion Resources Group (“CDRG”) has raised more than \$140 million on behalf of more than 8,000 Canadian retail investors. In addition to Canada Dominion Resources Limited Partnership IV, CDRG manages Canada Dominion Resources Limited Partnership III, V, and VI, other resource sector flow-through limited partnerships, as well as the StrategicNova Canada Dominion Resource Fund Ltd.

CDRG is striving to set new standards in professional portfolio management and investment criteria for Canadian flow-through shares.

CDRG's management team is headed by James A. Hutton, who has over 16 years investment-banking experience, the last 10 years principally involved in structured finance transactions with a focus on the resource sector.

CDRG believes the current market offers investors an excellent opportunity to make high quality flow-through investments. Such investments are made on a tax-advantaged basis and when combined with low price to cash flow multiples in the resource market, the potential exists for a significant return on investment.

CDRG is owned by Hutton Capital Corporation and StrategicNova Inc, a partner of Services Financier CDPO Inc.

More information about Canada Dominion and its partnerships can be found on our internet website at www.canadadominion.com.

The Investment Advisor

Tuscarora Capital Inc.

Tuscarora Capital Inc has been retained by CDRG to manage the Canada Dominion Resources Limited Partnership IV portfolio.

Tuscarora has many years of experience investing in the Canadian oil and gas and mining sectors and has established working relationships with a wide range of resource companies. Tuscarora expects to utilize its extensive contacts in the Canadian resource sector as well as its contacts in the investment dealer and investment management communities to identify investment opportunities consistent with the Partnership's investment strategies and guidelines.

Normand Lamarche is the principal investment strategist for the Partnership, responsible for developing and refining the Partnership's investment strategy, implementing the strategy on a day-to-day basis, and is the Partnership's principal portfolio analyst.

Mr. Lamarche is Chairman of Tuscarora and is the senior portfolio manager of Tuscarora. He has been engaged in the business of providing investment advisory services and portfolio management since 1987. Mr. Lamarche was a portfolio manager with Altamira Management Ltd. from August 1987 to March 1995. From February 1, 1991 to January 31, 1995, Mr. Lamarche was the manager of both the Altamira Resource Fund, a mutual fund with an investment portfolio consisting of oil and gas, mining, pulp and paper, and forestry and related resource business issuers, similar to those expected to comprise the investment portfolio of the Partnership, and the Orbitex Resource Fund. From January 1, 1995 to January 31, 1995 he managed Altamira's AltaFund Investment Corp. and during that period was also responsible for the equity component of the Altamira Balanced Fund. Mr. Lamarche left Altamira in March 1995 for a one-year sabbatical before establishing Tuscarora with Mr. Selke in 1996. Mr. Lamarche holds a Bachelor of Arts degree in economics from Carleton University and is a Chartered Financial Analyst.

Gary Selke is President and Director of Tuscarora Capital Inc. From 1981 until 1996, Mr. Selke was employed by RBC Dominion Securities Inc. and its predecessor firms. During his employ, he served in the investment banking department where he concentrated on public and private financings for three years, debt restructurings for two years, became a member of the firm's equity syndication area for three years, served in the capital markets group for two years, and headed the firm's corporate team in the United States and managed the securitization team. In 1993, Mr. Selke joined the RBC Dominion Securities Institutional Equity Department in the sales area where he concentrated his activities until 1996, serving all types of institutional clientele including mutual funds, pension clientele, life insurance companies, investment counsellors, and high net worth money managers. Mr. Selke formed Tuscarora in 1996 with Mr. Lamarche. Mr. Selke holds a Bachelor of Commerce degree from the University of Toronto and is a Chartered Accountant.

Strength *Performance*



Timing

Investment Portfolio

The following companies were held in the portfolio on December 31, 2000. Along with a brief description, we have provided the companies' ticker symbols and exchanges.

[Altgas Services Inc. \(ALA:TSE\)](#)

Altgas Services Inc is an independent midstream natural gas company. The company focuses on natural gas facilities and services necessary for the movement of gas from the wellhead to the end-user. Altgas operates in Alberta and Saskatchewan.

[Blackrock Ventures Inc. \(BVI:TSE\)](#)

Blackrock Ventures Inc, an oil exploration and development company, has a pilot project in the Cold Lake area in Alberta.

[Compton Petroleum Corporation \(CMT:TSE\)](#)

Compton Petroleum Corporation is an exploration and production company. The company explores for, develops and produces oil and gas in western Canada. Compton's interests include the areas of Shekille, Senex, Deep Basin, Rimbey and Vulcan/Gladys, all in Alberta.

[Empire Energy Inc. \(Private\)](#)

A petroleum company operating in the Western Canadian Sedimentary Basin.

[Encounter Energy Inc. \(ENC:TSE\)](#)

The company explores for, develops, and produces petroleum and natural gas properties in western Canada. Encounter operates primarily in Alberta and British Columbia.

[Equatorial Energy Inc. \(OZ:TSE\)](#)

Equatorial Energy Inc. acquires, explores, and develops oil and gas properties in western Canada and Indonesia.

[Forte Energy Ltd \(Private\)](#)

An oil and gas exploration company operating in the province of Alberta.

[Ketch Energy Ltd. \(KCH:TSE\)](#)

Ketch Energy Ltd. explores and develops natural gas and oil properties in Alberta, British Columbia and Saskatchewan. The company focuses primarily on the exploration and development of natural gas properties.

[Hope Bay Gold Corp \(HGC:TSE\)](#)

Acquires, explores, and develops mineral properties. The company currently holds interests in properties located in the Nunavut Territory, Quebec and French Guiana. Hope Bay is currently exploring for gold.

[Meota Resources Corp. \(MRZ:TSE\)](#)

The company explores and develops oil and gas properties throughout the province of Alberta.

[Navigator Exploration Corp. \(NVR:CDNX\)](#)

Navigator Exploration Corp. is a natural resource exploration company. The company investigates, acquires, evaluates, explores, and develops mineral properties. Navigator operates primarily in the Northwest Territories and Honduras.

[Peak Energy Services Ltd. \(PES:TSE\)](#)

Peak Energy Services Ltd. is a diversified energy services company. The company provides oilfield rental equipment and related services to the petroleum industry in western Canada.

[Range Petroleum Corp. \(RAN:CDNX\)](#)

Range Petroleum Corporation is a junior oil and gas company exploring and developing natural gas and oil properties. The company is currently conducting activities in the Western Canadian Sedimentary and Michigan Basins.

[Request Seismic Surveys Ltd. \(RSH:TSE\)](#)

Request Seismic Surveys Ltd. provides access to seismic data information to customers in the oil and gas industry. The company manages the flow of seismic information for sale purposes on behalf of other companies and acts as a broker to facilitate the licensing of seismic information between vendors and purchasers. Request creates, markets, and supervises the acquisition of new seismic data.

[Richland Petroleum Corporation \(RLP:TSE\)](#)

Richland Petroleum Corporation is an exploration and development company with oil and gas interests in western Canada and the United States.

[Rubicon Minerals Corp \(RMX:CDNX\)](#)

Rubicon Minerals Corp. is a mineral exploration company. The company operates in the Red Lake and Timmons camps.

[Search Energy Corp \(SGY:TSE\)](#)

The company explores, develops, and acquires oil and gas reserves in Canada, currently operating in Alberta and British Columbia.

[Sharon Energy Ltd. \(SHY:CDNX\)](#)

Sharon Energy Ltd. is an oil and gas exploration and development company. The company holds various oil and gas interests in Canada, and Colorado, California, Michigan and Wyoming in the United States. Sharon specializes in the application of high-resolution 2-D and 3-D seismic to reduce exploration risk and enhance development opportunity.

[Tiomin Resources Inc. \(TIO:TSE\)](#)

Tiomin Resources Inc. explores for minerals. The company currently owns several titanium-bearing mineral sands deposits in Canada and Kenya. Tiomin, together with a joint venture partner, is also exploring for nickel in Quebec.

[Trinidad Drilling Ltd. \(TDG:TSE\)](#)

Trinidad Drilling Ltd. provides oilfield drilling services to oil and natural gas exploration and production companies in western Canada. The company constructs and acquires new drilling rigs and develops long term drilling service relationships with its customers with respect to these rigs.

[Triumph Energy Corp \(TPH:TSE\)](#)

Triumph Energy Corporation is an oil and gas exploration company with activity focused primarily in western Canada. The company is currently producing natural gas in the Chinchaga River area of northeastern British Columbia. Triumph's Cow Lake and Sunchild properties in west-central Alberta also contain natural gas.

[Twin Mining Corp \(TWG:TSE\)](#)

Twin Mining Corporation is a gold mining and diamond exploration company with operations in Canada and other countries.

[Velvet Exploration Ltd. \(VLV:TSE\)](#)

Velvet Exploration Ltd. is an energy company involved in the exploration, development and production of natural gas and crude oil. The company currently holds interests in properties located in Alberta and Saskatchewan.

[Ventus Energy Ltd. \(VTU:TSE\)](#)

Ventus Energy Ltd. acquires, explores, and develops oil and gas properties. The company is currently producing crude oil, natural gas, and natural gas liquids on its properties located in Alberta.

[Vermilion Resources Ltd. \(VRM:TSE\)](#)

Vermilion Resources Ltd. is an international oil and gas exploration production company. The company focuses on natural gas properties in west central Alberta and light crude oil properties in northern Alberta as well as the Paris and Aquitaine Basins of France.

Management's Discussion and Analysis

The Partnership is a Canadian Limited Partnership, and as such all income or losses of the Partnership are allocated to its Unitholders. Canadian Exploration Expenses and Canadian Development Expenses renounced to the Partnership from its investments in "flow-through" shares of Canadian resource companies are allocated to Unitholders of the Partnership.

Investment Income

Investment income of the Partnership primarily consisted of interest income earned on cash and cash equivalents held by the Partnership. Only nominal interest income was realized during the year as the Partnership was fully invested at the beginning of the year and the cash on hand at the time was utilized during the year to cover operating expenses.

During 1999 the Partnership closed its initial financing late in the fourth quarter, investing such funds in qualifying flow-through share issuers. Again, only a nominal amount of interest income was earned as the net proceeds of the offering were invested shortly after the closing date without significant time to earn interest income.

Expenses

Administration expenses increased by 504% from 1999. This is as expected since the Partnership completed its prospectus offering in two tranches, the first on November 30, 1999 and the second on December 22, 1999, and accordingly only recorded operating expenses for one month in that year. The administration expenses of approximately \$254,000 recorded in 2000 are in line with the expected annual administration expenses for the Partnership.

Similarly, the investment advisor fee and general partner fee increased significantly (1217%) primarily because of the twelve-month operating period in 2000 versus the one-month operating period in 1999. In addition, these fees increased in 2000 in part as a result of the overall net asset value ("NAV") of the Partnership increasing.

Realized Gain On Sale Of Investments

The Partnership realized a gain of sale of investments during 2000 in the amount of \$2,089,737 (1999 – Nil). Most all of this gain was recorded as a result of the Partnership tendering its holdings in Winspear Resources Ltd. to a \$5.00 per share cash offer from De Beers Canada Mining Inc. for all of the outstanding shares of Winspear Resources Ltd.

Net Asset Value

The NAV of the Partnership at December 31, 2000 is 23% greater than corresponding NAV at December 31, 1999 which in turn was approximately 11% less than the net proceeds received from the issuance of Partnership units in 1999. The decrease in the Partnership's NAV during 1999 was entirely attributable to premiums paid to market price on completing the purchase of the flow-through shares comprising the initial portfolio.

The increase in NAV during 2000 was the result of a number of factors. Primarily the increase resulted from the strong oil and gas commodity market and correspondingly improved oil and gas equity market. With respect to the Partnership's portfolio, significant market value changes on a year-over-year basis included its investment in Compton Petroleum Corp. increasing by \$1.79 million; Equatorial Energy Inc.

increasing by \$0.41 million; Range Petroleum Corporation decreasing by \$0.85 million; Search Energy Corp. increasing by \$0.63 million; and Vermilion Resources Ltd. increasing by \$1.44 million. In addition the NAV increased by \$1.84 million due to De Beers Canada Inc.'s takeover of Winspear Resources Ltd. Other changes to the composition of the portfolio reflect the merger and acquisition activity that occurred during the year in the oil and gas industry sector as well as normal course portfolio management decisions with regard to modifying the composition of the portfolio.

Investment Activity

As previously described, there was significant merger and acquisition activity in the oil and gas industry sector during 2000. This led to a number of changes in the Partnership's portfolio including Vermilion Resources Ltd.'s takeover of Big Sky Resources Inc.; Ventus Energy Ltd.'s takeover of Edge Energy Inc.; Rio Alto Exploration Ltd.'s takeover of Renata Resources Inc.; and Velvet Exploration Ltd.'s takeover of PanAltas Energy Inc. The most significant takeover impacting the portfolio was De Beers Canada Mining Inc.'s all-cash takeover bid for Winspear Resources Ltd. Gross proceeds from this transaction amounted to \$3.6 million. These proceeds were invested in part in resource issuers including Ketch Energy Ltd., Peak Energy Services Ltd., Trinidad Drilling Ltd., and Request Seismic Surveys Ltd., with a significant portion remaining in cash.

Investment activity during 1999 occurred throughout the fourth quarter during which time the Investment Advisor, on behalf of the Partnership, researched potential investments and entered into agreements with select issuers wherein the Partnership provided financing in exchange for flow-through shares of the issuers.

Income Taxes

Aggregate income tax deductions available to Limited Partners to December 31, 2000 were approximately \$19.60 per Unit. For fiscal 2000 Limited Partners were required to include as taxable income \$2.88 per Unit (1999 – deduction of \$22.48). This inclusion arose primarily because of the capital gains incurred on the sale of the Partnership's shares of Winspear Resources Ltd.

Liquidity And Future Trading

There currently is no formal market through which Units of the Partnership may be sold. However, at a special meeting of Unitholders held December 14, 2000, as adjourned until January 3, 2001, the Limited Partners voted to, among other things, cause the assets of the Partnership to roll into StrategicNova Canada Dominion Resource Fund Ltd. in exchange for shares of the mutual fund corporation on a tax deferred basis, and further, to distribute such shares pro-rata to the Limited Partners. Thereafter the Partnership will be dissolved.

The transaction is subject to regulatory approval and is expected to complete on or before May 31, 2001. Subsequent to the completion of the rollover transaction, Unitholders may redeem the mutual fund shares at any time at prices determined by the market for such shares.

Auditors' Report

To the Partners of Canada Dominion Resources Limited Partnership IV

We have audited the statements of net assets of Canada Dominion Resources Limited Partnership IV as at December 31, 2000 and 1999 and the statements of operations, (surplus) deficit and changes in net assets for the year ended December 31, 2000 and the period from inception on September 2, 1999 to December 31, 1999. These financial statements are the responsibility of the General Partner. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the General Partner, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2000 and 1999 and the results of its operations and the changes in its net assets for the year ended December 31, 2000 and the period from inception on September 2, 1999 to December 31, 1999 in accordance with Canadian generally accepted accounting principles.

The image shows the handwritten signature of KPMG LLP in black ink. The letters are bold and slightly slanted, with a horizontal line underneath the 'KPMG' part.

Chartered Accountants

Montréal, Canada

February 1, 2001

Statements of Net Assets

December 31, 2000 and 1999

	2000	1999
Assets		
Cash and cash equivalents	\$ 1,452,667	\$ 888,645
Investments, at market value (see schedule)	24,804,215	20,631,309
	<u>26,256,882</u>	<u>21,519,954</u>
Liabilities		
Accounts payable and accrued liabilities	54,500	322,150
Due to General Partner (note 3)	137,012	49,009
	<u>191,512</u>	<u>371,159</u>
Net assets	<u>\$ 26,065,370</u>	<u>\$ 21,148,795</u>
Partners' Capital		
Issued and fully paid partnership units	\$ 23,846,198	\$ 23,846,198
Unrealized appreciation (depreciation) of investments	938,523	(2,624,340)
Surplus (deficit)	1,280,649	(73,063)
	<u>\$ 26,065,370</u>	<u>\$ 21,148,795</u>
Units outstanding	<u>1,044,127</u>	<u>1,044,127</u>
Net asset value per unit	<u>\$ 24.96</u>	<u>\$ 20.26</u>

See accompanying notes to financial statements.

Approved by the General Partner:

"signed by"

James A. Hutton

Director

"signed by"

John D. Muir

Director

Statements of Operations

Year ended December 31, 2000 and period from inception on September 2, 1999 to December 31, 1999

	2000	1999
Investment income		
Interest	\$ 3,573	\$ 5,883
Expenses		
Administration	254,262	42,087
Investment advisor fee (note 3)	279,884	21,194
General Partner fee (note 3)	205,452	15,665
	739,598	78,946
Net investment loss	(736,025)	(73,063)
Realized gain on sale of investments	2,089,737	-
Income (loss) before change in unrealized appreciation (depreciation) of investments	1,353,712	(73,063)
Change in unrealized appreciation (depreciation) of investments		
End of period	938,523	(2,624,340)
Beginning of period	(2,624,340)	-
	3,562,863	(2,624,340)
Income (loss) for the period	\$ 4,916,575	\$ (2,697,403)
Income (loss) per unit:		
Before change in unrealized appreciation (depreciation) of investments	\$ 1.30	\$ (0.07)
Change in unrealized appreciation (depreciation) of investments	3.41	(2.51)
Income (loss) per unit	\$ 4.71	\$ (2.58)

See accompanying notes to financial statements.

Statements of Surplus (Deficit)

Year ended December 31, 2000 and period from inception on September 2, 1999 to December 31, 1999

	2000	1999
Deficit, beginning of period	\$ (73,063)	\$ -
Income (loss) before change in unrealized appreciation (depreciation) of investments	1,353,712	73,063
Surplus (deficit), end of period	\$ 1,280,649	\$ (73,063)

Statements of Changes in Net Assets

Year ended December 31, 2000 and period from inception on September 2, 1999 to December 31, 1999

	2000	1999
Proceeds from sale of investments	\$ 7,918,724	\$ -
Cost of investments sold	5,828,957	-
Realized gain on sale of investments	2,089,737	-
Net investment loss	(736,025)	(73,063)
Income (loss) before change in unrealized appreciation (depreciation) of investments	1,353,712	(73,063)
Change in unrealized appreciation (depreciation) of investments	3,562,863	(2,624,340)
	4,916,575	(2,624,340)
Partners' transactions:		
Proceeds from issuance of Partnership units	-	26,103,175
Cost of issuance of Partnership units	-	(2,256,977)
	-	23,846,198
Increase in net assets	4,916,575	21,148,795
Net assets, beginning of period	21,148,795	-
Net assets, end of period	\$ 26,065,370	\$ 21,148,795

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended December 31, 2000 and period from inception on September 2, 1999 to December 31, 1999.

1. Organization of the Limited Partnership

Canada Dominion Resources Limited Partnership IV (the "Partnership") was formed as a limited partnership under the laws of the Province of Ontario on September 2, 1999. The principal purpose of the Partnership is to achieve capital appreciation primarily through investment in equity securities (including flow-through shares) of resource issuers.

The General Partner of the Partnership is Canada Dominion Resources IV Corporation ("the General Partner") and the investment advisor of the Partnership is Tuscarora Capital Inc. ("the Investment Advisor"). Under the Amended and Restated Limited Partnership Agreement dated November 17, 1999 ("the Limited Partnership Agreement") between the General Partner and each of the limited partners, the General Partner is entitled to a 0.01% beneficial interest in the Partnership. At December 31, 2000 and 1999, the General Partner held no units in the Partnership.

During the period ended December 31, 1999, the Partnership completed an issue of 1,044,127 units at \$25 per unit for gross proceeds of \$26,103,175.

At a special meeting of limited partners held December 14, 2000, as adjourned to January 3, 2001, a resolution was passed approving the transfer of all assets of the Partnership to StrategicNova Canada Dominion Resource Fund Ltd. ("the Fund") on a tax-deferred basis in exchange for Series A preferred shares of the Fund ("the Series A Preferred Shares"). Following this, all of the Series A Preferred Shares will be distributed to the Partners on pro rata basis and the Partnership will be dissolved. The transaction is subject to regulatory review and approval.

2. 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.

Cash equivalents

Cash equivalents are comprised of highly liquid investments having original terms to maturity of 90 days or less when acquired.

Investments

Investments in publicly traded securities are valued at quoted market value. Investments in private companies are valued at estimated fair value. The difference between market value and average cost, as recorded in the accounts, is described as unrealized appreciation (depreciation) of investments and is included as a separate component of Partners' Equity. The change from year to year is reflected in operations as changes in unrealized appreciation (depreciation) of investments. Average cost is used to determine the gain or loss on investments sold.

Income recognition

The accrual method of recording income and expense is followed, with dividends being recorded on the ex-dividend date.

Unit values

The unit value is calculated as net assets at market value after the General Partner's entitlement divided by the number of units of the Partnership outstanding.

Measurement uncertainty

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

Allocation of Partnership income and loss

Income and loss is allocated 99.99% to the Limited Partners and 0.01% to the General Partner.

These financial statements include only the assets, liabilities and operations of the Partnership and do not include other assets and liabilities, including income taxes of the limited partners.

Notes to Financial Statements

3. Expenses of the Partnership

The General Partner is entitled to an annual fee of 0.85% of the Net Asset Value of the Partnership, as defined, which is calculated and paid monthly in arrears.

The investment advisor is entitled to an annual fee of 1.15% of the Net Asset Value of the Partnership, as defined, which is calculated and paid monthly in arrears.

In respect of each financial year, a performance bonus equal to 20% of the amount by which the Net Asset Value per Unit of the Partnership, as defined, exceeds a threshold increase of 12% will be payable to the General Partner and the investment advisor in proportions of 25% and 75%, respectively. For the period ended December 31, 2000 and 1999 there was no performance bonus payable.

The Partnership is responsible for all costs relating to its administration.

Amounts due to or from General Partner are non-interest bearing and have no specific terms of repayment.

4. Partners' Equity

The authorized capital of the Partnership consists of an unlimited number of Partnership units. All Partnership units are of the same class with equal rights and privileges, including equal participation in any distribution made by the Partnership and the right to one vote at any meeting of the limited partners.

As at December 31, 2000 and 1999 there were 1,044,127 Partnership units issued and outstanding as follows:

	Number of units	Price per unit	Amount
Issue of Partnership units, net of redemptions	1,044,127	\$ 25	\$ 26,103,175
Issue costs			(2,256,977)
Balance at December 31, 2000 and 1999	1,044,127		\$ 23,846,198

5. Income Taxes

No provision for income taxes has been recorded in the accompanying financial statements as all income (loss) of the Partnership for the period is allocated to unitholders.

6. Financial Instruments

The carrying values of cash and cash equivalents, accounts payable and accrued liabilities, and due to General Partner approximate their fair values due to the relatively short period to maturity of these instruments.

Schedule of Investments

As at December 31, 2000

Number of Shares	Company	Cost	Market Value
25,000	Altagas Services Inc.	\$ 145,954	\$ 127,499
300,000	Blackrock Ventures Inc.	288,025	279,000
1,304,223	Compton Petroleum Corporation	3,391,005	4,916,921
500,000	Empire Energy Inc.	500,025	500,000
1,200,000	Encounter Energy Inc	1,500,025	900,000
582,000	Equatorial Energy Inc.	1,251,325	1,455,000
80,000	Forte Energy Ltd.	200,025	200,000
1,435,000	Hope Bay Gold Corporation	502,275	502,250
512,800	Ketch Energy Ltd	1,918,710	1,948,640
75,000	Meota Resources Corp.	281,275	262,500
1,300,000	Navigator Exploration Corp.	650,000	546,000
150,000	Peak Energy Services Ltd.	363,990	420,000
1,250,000	Range Petroleum Corporation	1,000,000	250,000
261,100	Request Seismic Surveys Ltd.	1,012,851	678,860
100,000	Richland Petroleum Corporation	375,025	385,000
500,000	Rubicon Minerals Corp	250,000	130,000
1,043,700	Search Energy Corp.	2,097,996	2,400,510
910,000	Sharon Energy Ltd.	200,000	200,200
175,000	Tiomin Resources Inc.	148,775	131,250
200,000	Trinidad Drilling Ltd.	500,025	280,000
454,545	Triumph Energy Corp	999,999	999,999
714,286	Twin Mining Corp.	250,025	285,714
495,999	Velvet Exploration Ltd	1,400,025	1,735,998
268,725	Ventus Energy Ltd.	2,613,286	2,028,874
405,000	Vermilion Resources Ltd.	2,025,050	3,240,000
Total investments		\$ 23,865,692	\$ 24,804,215



Corporate Information

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