

## CANADA DOMINION RESOURCES LIMITED PARTNERSHIP XI

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### TRANSFER AGENT

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Toronto, Ontario

### INVESTMENT ADVISOR

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Toronto, Ontario



### 3RD QUARTER 2003 INTERIM REPORT

## CANADA DOMINION RESOURCES LIMITED PARTNERSHIP XI



## 3RD QUARTER INTERIM REPORT

*For the nine months ended September 30*

The NAV of the Partnership at the end of the 2003 third quarter (\$22.02 per unit) was virtually unchanged from the beginning of the quarter (\$21.94). This is a very positive development for the Partnership after taking into consideration the fact that during the quarter about \$32 million was invested in flow-through shares of Canadian resource issuers. Basically, to the extent that the Partnership paid premiums to market price on the purchase of flow-through shares from certain Canadian resource issuers, such premiums were completely offset by an increase in the value of the portfolio as a whole. This phenomena was largely driven by the strong increase in the price of gold during the quarter and the corresponding increase in underlying gold mining securities. Investments that performed well during the third quarter include Aurizon Mines, Lake Shore Gold and Miramar Mining.

With respect to commodity prices, the price of gold increased during the quarter by 9.3% from \$US 355 an ounce to \$US 388 an ounce. Subsequent to quarter end gold has continued to trade at around \$US 390 an ounce and the General Partner expects gold will maintain such price level or possibly increase in value over the medium term. The increase in the price of gold is directly correlated to the continuing weakness of the US dollar.

Both oil and natural gas traded in relatively narrow price ranges from beginning of quarter to end of quarter, exiting the quarter at the lower end of the range being \$US 29 per bbl in the case of oil and \$US 4.80 per mcf in the case of natural gas. The General Partner believes that the price of oil will continue to be volatile and to trade in its current range with a bias in the



medium term to higher prices. With respect to natural gas we continue our bias in the short term to slightly lower prices but expect stronger prices over the medium term.

About 80% of the Partnership's required investment in flow-through shares had been completed by the end of the quarter and as at the date of this report such investment is virtually 100% complete. Investments made during the third quarter include such names as Defiant Energy, Devlan Exploration, Petrobank Energy, Ranchgate Energy, Rider Resources, Tempest Energy and Tiverton Petroleum.

With respect to financial operating results for the quarter ended September 30, 2003, the Partnership recorded income of \$214,858 which includes the previously referenced unrealized gain in value of portfolio investments of \$538,401. The amount of administration expenses and general partner fees reported are as expected.

The General Partner continues to believe that the economic fundamentals are in place to maintain strong commodity prices for Canadian resource companies thereby creating growth and profitability opportunities for fiscal 2003 and beyond.

JAMES A. HUTTON  
PRESIDENT AND CHIEF OPERATING OFFICER

November 16, 2003

## STATEMENT OF NET ASSETS

(prepared without audit)

	Sept. 30, 2003
<b>Assets</b>	
Cash and cash equivalents	\$ 12,666,840
Investments, at market value (see schedule)	50,008,145
	<u>62,674,985</u>
<b>Liabilities</b>	
Bank indebtedness	4,675,684
Due to General Partner	133,891
	<u>4,809,575</u>
<b>Net assets</b>	<u>\$ 57,865,410</u>
<b>Partners' Equity</b>	
Issued and fully paid partnership units	\$ 60,606,558
Unrealized depreciation of investments	(2,100,951)
<b>Deficit</b>	<u>(640,197)</u>
	<u>\$ 57,865,410</u>
<b>Units outstanding</b>	<u>2,628,332</u>
<b>Net asset value per unit</b>	<u>\$ 22.02</u>

## STATEMENTS OF OPERATIONS

(prepared without audit)

	Period from Inception on April 16, 2003 to Sept 30, 2003	Three Months Ended Sept 30, 2003
<b>Investment income</b>		
Interest and other	\$ 99,413	\$ 89,714
<b>Expenses</b>		
Administration	226,908	117,262
General Partner fee	512,702	295,995
	<u>739,610</u>	<u>413,257</u>
Loss before change in unrealized appreciation (depreciation) of investments	(640,197)	(323,543)
Change in unrealized appreciation (depreciation) of investments		
End of period	(2,100,951)	(2,100,951)
Beginning of period	-	(2,639,352)
	<u>(2,100,951)</u>	<u>538,401</u>
<b>Loss (income) for the period</b>	<u>\$ (2,741,148)</u>	<u>\$ 214,858</u>
<b>Loss per unit:</b>		
Before change in unrealized appreciation (depreciation) of investments	\$ (0.24)	\$ (0.12)
Change in unrealized appreciation (depreciation) of investments	(0.80)	0.20
<b>Loss per unit</b>	<u>\$ (1.04)</u>	<u>\$ 0.08</u>

## STATEMENTS OF DEFICIT

(prepared without audit)

	Period from Inception on April 16, 2003 to Sept 30, 2003	Three Months Ended Sept 30, 2003
Deficit, beginning of period	\$ -	\$ (316,654)
Loss before unrealized appreciation (depreciation) of investments	(640,197)	(323,543)
<b>Deficit, end of period</b>	<u>\$ (640,197)</u>	<u>\$ (640,197)</u>

## STATEMENTS OF CHANGES IN NET ASSETS

(prepared without audit)

	Period from Inception on April 16, 2003 to Sept 30, 2003	Three Months Ended Sept 30, 2003
<b>Operations</b>		
(Loss) income for period	\$ (2,741,148)	\$ 214,858
<b>Decrease in net assets from operations</b>	<u>(2,741,148)</u>	<u>214,858</u>
<b>Partners' transactions</b>		
Proceeds from issuance of Partnership Units	65,708,400	-
Redemption of Initial Limited Partner	(100)	-
Cost of issuance of Partnership Units	(5,101,742)	(24,080)
	<u>60,606,558</u>	<u>(24,080)</u>
<b>Net assets, beginning of period</b>	<u>-</u>	<u>57,674,632</u>
<b>Net assets, end of period</b>	<u>\$ 57,865,410</u>	<u>\$ 57,865,410</u>

### NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements are prepared by the Partnership in accordance with Canadian generally accepted accounting principles.

On April 16, 2003 the Partnership completed the first close of its initial prospectus offering and commenced activities from that date.

Accordingly, there are no comparative statements of operations, deficit or changes in net assets for the period.

## SCHEDULE OF INVESTMENTS

As at September 30, 2003

Number of Shares	Company	Cost	Market Value
980,000	Aquest Exploration	\$ 490,000	\$ 460,600
740,740	Aurizon Mines	999,999	1,407,406
1,034,000	bcMetals Corporation	620,400	837,540
285,714	Cambior Inc.	999,999	1,059,999
305,000	Canadian Royalties Inc	838,750	588,650
500,000	Continuum Resources	100,000	200,000
1,530,700	Crowflight Minerals	750,043	811,271
128,000	Cumberland Resources	422,400	544,000
327,900	Defiant Energy Corp	1,311,600	1,341,111
312,500	Devlan Exploration	1,000,000	784,375
625,000	Diamonds North Resources	500,000	425,000
1,334,000	Diamonex Resources	1,000,600	1,200,600
1,450,000	E3 Energy Inc	1,522,500	1,667,500
1,500,000	Heritage Explorations Ltd	750,000	1,020,000
1,050,000	High Point Resources Inc	2,100,000	1,669,500
6,875,000	International Curator	550,000	1,065,625
1,071,500	Lake Shore Gold Corp	750,050	1,821,550
2,000,000	Landore Resources Inc.	500,000	430,000
100,000	Luke Energy Ltd.	200,000	198,000
1,303,571	Majescor Resources	365,000	299,821
11,000,000	McWatters Mining Inc	1,980,000	1,100,000
217,392	Metalex Ventures Ltd	750,002	521,741
85,000	Midnight Oil & Gas	722,500	565,250
858,000	Miramar Mining Corp	1,801,800	1,930,500
1,250,000	Pan Global Ventures Ltd	1,000,000	1,625,000
1,750,000	Patricia Mining	700,000	892,500
1,225,000	Petrobank Energy	4,410,000	3,209,500
1,315,000	Ranchgate Energy	1,512,250	1,393,900
450,000	Rider Resources	2,182,500	1,701,000
380,000	Rock Creek Resources Ltd.	950,000	927,200
800,000	Rubicon Minerals	1,000,000	920,000
514,500	Storm Energy FT	4,116,000	2,572,500
1,805,028	Tagish Lake Gold	523,458	649,810
445,000	Tempest Energy	3,115,000	2,314,000
4,133,333	Terraquest Energy Corp	1,240,000	1,198,667
4,000,000	Tiverton Petroleum Ltd	1,500,000	1,320,000
322,800	Triquest Energy Corp	1,501,020	994,224
500,000	True Energy Inc	575,000	605,000
3,571,428	Twin Mining Corp Restricted	1,000,000	1,357,143
3,500,000	UEX Corp FT Com	350,000	297,500
600,000	URSA Major Minerals Inc	300,000	594,000
640,000	Virtus Energy Ltd.	499,200	480,000
875,000	Winslow Resources Inc.	175,000	87,500
521,500	Wolfden Resources Units	1,434,125	2,059,925
600,000	Wolfden Resources Units	3,000,000	2,370,000
<b>WARRANTS</b>			
1,034,000	bcMetals Corporation PW		0
1,000,000	Landore Resources Wts		0
535,750	Lake Shore Gold Corp		455,388
651,786	Majescor Resources Inc P/W		0
902,514	Tagish Lake Gold		0
667,000	Diamonex Resources		33,350
<b>Total investments</b>		<u>\$ 52,109,196</u>	<u>\$ 50,008,145</u>