



CANADA DOMINION RESOURCES GROUP



CANADA DOMINION RESOURCES
LIMITED PARTNERSHIPS

ANNUAL REPORT 2003

Canada Dominion Resources
Limited Partnership IX

Canada Dominion Resources
Limited Partnership X

Canada Dominion Resources
Limited Partnership XI

Canada Dominion Resources
Limited Partnership XII

December 31, 2003

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CANADA DOMINION RESOURCES GROUP

REPORT TO LIMITED PARTNERS

Fiscal 2003 has been a very rewarding and interesting year for our flow-through limited partnership groups and their investors. From an operational perspective it was the first full year that both Canada Dominion Resources Group (CDR) and CMP Group (CMP) of flow-through limited partnership products were available to investors under the Dynamic Mutual Fund umbrella. Together they make Dynamic the undisputed leader in flow-through financial product offerings in Canada both in terms of market share and performance. Dynamic is very proud of its track record in this regard and continues to work hard to retain its market position and investor support.

Through its offerings of CDR and CMP during 2003, Dynamic raised in aggregate over \$190 million that was invested in Canadian resource companies. All-in-all, by the end of 2003 Dynamic had over \$485 million of assets under administration with respect to CDR and CMP including their respective related mutual fund corporations.

Investment returns realized by CDR during 2003 were excellent. Canada Dominion Resources Limited Partnership IX (LP IX) and Canada Dominion Resources Limited Partnership X (LP X) recorded year-over-year net asset value (NAV) increases of 45.4% and 42.4% respectively. The composition of the portfolios of these limited partnerships was modified substantially during the year leading to realized gains on sale of investments of \$3.9 million in LP IX and \$4.8 million in LP X. New companies added to the portfolios that have performed well include Amerigo Resources, Dynatec, Fairborne Energy, Major Drilling Group and Starpoint Energy.

As for the new flow-through limited partnership offerings completed in 2003, both are performing very well. The NAV's of Canada Dominion Resources Limited Partnership XI (LP XI) and Canada Dominion Resources Limited Partnership XII (LP XII) were \$25.05 per unit and \$23.24 per unit respectively as at December 31, 2003, as compared to an initial investment cost of \$25.00 per unit. The NAV's of these limited partnerships represent the best performance at this respective stage of development of all of our past limited partnerships.

The only real disappointing event experienced by CDR during 2003 was the significant reduction in value of LP IX's and LP X's respective investments in Gauntlet Energy. The General Partner brought an action against Gauntlet and various other parties on behalf of these limited partnerships with respect to this matter. Late in the year a settlement agreement was reached with all parties with the result that the limited partnerships recovered a significant portion of their original investments.

We believe that the industry leading performance of our various flow-through offerings is due to a number of factors including our disciplined investment approach; large volume of deal flow to choose from; and of course, the underlying economic fundamentals driving commodity prices.

With respect to commodity prices, 2003 was highlighted by a significant increase in the price of gold to over U.S.\$ 400 per ounce while nickel, copper, zinc, silver and platinum also posted significant price gains. With regard to the energy sector, oil and gas prices traded in very profitable ranges for Canadian producers. On a go-forward basis, the General Partner expects that due to many global economic factors including a continued weakening of the U.S. dollar and increased demand from China for raw materials, commodity prices will maintain or increase from current levels creating a continued growth opportunity for Canadian resource companies and accordingly an excellent investment opportunity for our flow-through limited partnerships.

As for investment decisions, Ned Goodman will be primarily responsible for investment decisions relating to the mining sector while Dean Prodan of Crescent Capital Corp. will be responsible for advising on energy sector investments.

Dynamic intends to continue offering both CDR and CMP products to our investors, CDR will be weighted more to the energy sector while CMP will maintain its investment bias to the mining sector. We believe it is important to offer such product choice as it allows Canadians to purchase a resource portfolio that best meets their personal investment needs and criteria.

At this time we would like to thank our many investors and we look forward to a continuing and prosperous relationship with you.

Sincerely,



James A. Hutton
President and Chief Executive Officer

AUDITORS' REPORT

To the Partners of the:

Canada Dominion Resources Limited Partnership IX
Canada Dominion Resources Limited Partnership X
Canada Dominion Resources Limited Partnership XI
Canada Dominion Resources Limited Partnership XII

(the "Partnerships")

We have audited the statements of investments of the Partnerships and the statements of net assets, operations and changes in net assets as at and for the periods indicated in Note 1. These financial statements are the responsibility of the General Partners. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 from 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 management, 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 Partnerships and the results of their operations and changes in their net assets as at and for the periods indicated in Note 1 in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Toronto, Canada
March 26, 2004

INDUSTRY REVIEW AND OUTLOOK

The Oil and Gas Industry

2003 was a good year for oil and gas companies despite the fact that the U.S. economy continued to struggle and demand remained relatively weak. As with metal prices, the largest factor affecting oil prices over the past year has been global unrest and a decline in the U.S. dollar. The possibility of oil producing nations accepting Euros for oil, rather than U.S. dollars, and the General Partner's belief of a continued decline in the U.S. dollar, should provide support to the price of oil and hence, to shares of oil producing and exploration companies.

The General Partner believes the Canadian natural gas market will experience unique circumstances in the years ahead. The declining production profile coming out of North America represents a fundamental shift in the supply-side of the natural gas market. This is a longer-term trend, which should translate into sustainable higher gas prices. Inventories have declined during the past several years and the General Partner expects this trend to continue.

Given the sharp rise in oil and gas prices over the past several years, energy-related shares have performed well and the General Partner expects this trend to continue in 2004. On the natural gas side, fundamentals look healthy, driven by the supply shortage in North America, as well as the expectation that demand will improve in the near future. With the expectation of a continued uptrend in commodity prices in 2004, the General Partner anticipates share prices of oil and gas exploration companies to perform well.

The Mining Industry

During 2003 the price of gold rose above \$400 per ounce as speculators invested in the metal, hedge books continued to post massive declines and the trade-weighted U.S. dollar continued to decline. Nickel, copper, zinc, silver and platinum also recorded solid increases in price during the year, aided by the decline in the U.S. dollar.

The General Partner believes that the current economic and political environment continues to provide significant opportunities for attractive investments in the mining industry, as a whole, and in the shares of gold and precious metals companies, more specifically. This optimistic outlook is derived from the General Partner's assessment of a continued weakening of the U.S. dollar, relatively low worldwide interest rates, continuing industry consolidation and the impact of these factors on global supplies coupled with growing investment demand.

In particular with respect to the price of gold, the General Partner believes there are several factors that indicate a continuing increase in its price. First, there is a strong possibility that inflation levels will again begin to rise as a result of low real interest rates combined with the recent expansion of the U.S. money supply. Further, the General Partner also believes that there are several other key factors evident today that will combine to strengthen the price of gold and improve the performance of gold equities. The main factors are:

1. Widening gap between demand and mine supply
 - (i) Investment demand for gold is accelerating
 - (ii) Mine supply is expected to decline over the next three years
2. Global currency debasement

INDUSTRY REVIEW AND OUTLOOK (cont'd)

3. Money supply growth
4. Large short positions
5. Wealth in China and India.

Finally, we note that gold has been the universal currency and benchmark of wealth for more than 5000 years. Moreover, in times of economic uncertainty and turmoil gold has generally been regarded as a safe haven for preserving wealth. The General Partner believes that gold and shares of gold companies will continue with this role going forward, notwithstanding gold's lackluster performance in this regard over the past 20 years.

Historically, increases in the share prices of gold based companies have greatly exceeded increases in gold bullion prices, typically by as much as three times. As a result, the General Partner believes that gold company share prices should continue to increase as the gold price strengthens.

With regard to other metals, perhaps the biggest driver has been increased demand in China, which is currently consuming 10% to 15% of the world's major metals, including 8%, 18% and 18% of the world's nickel, copper and zinc production respectively. It is also the world's largest platinum consumer. With GDP growth estimated at 8.8% in 2003, China's growth is expected to slow modestly in 2004 to 7%; however, metal consumption on a per capita basis is expected to accelerate.

It is the General Partner's view that China's influence on the global metal market is likely to increase, providing strength to base metal prices. This factor, combined with nickel inventories that are at record lows and copper inventories that are falling fast has led the General Partner to conclude that copper and nickel prices will sustain their current high price levels and possibly rise even further.

In summary, the General Partner believes that the outlook for gold and most other metals remains quite bullish and expects the metal sector to continue to outperform, with the current downtick in share prices reflecting profit taking in what the General Partner believes was an overheated market. The General Partner expects 2004 will be another strong year for the metal equities and views the most recent correction in the stocks as a short-term buying opportunities.

KEY PORTFOLIO HOLDINGS

Wolfden Resources is a Canadian based mineral exploration and development company engaged in the exploration for economic precious metal deposits. The company holds several advanced stage gold properties and a 100% interest in the High Lake Deposit, one of the highest grade undeveloped poly-metallic deposits in Canada. Advancing these projects to production will be Wolfden's primary focus. Wolfden's goal will always be growth. Strengthening the company in its management team, and by acquiring significant advanced exploration projects, provides shareholders with an excellent opportunity to increase the value of their investments. Our short-term goal is to advance projects to the feasibility stage, with the intent of becoming a small to medium tier metals producer. The quality of the company's projects, an aggressive acquisition strategy, and the proven background of the management team will allow Wolfden to become one of the emerging leaders in the Canadian Mining Industry.

Miramar Mining Corporation is a gold producer and exploration company currently focused on operating and developing gold mines in the Canadian North. Led by an experienced management team, Miramar is committed to its strategy for increasing shareholder value in the gold sector through the discovery, acquisition, development and operation of profitable gold mines. Miramar is listed on the Toronto Stock Exchange (MAE) and also trades on the American Stock Exchange (MNG).

High Point Resources is a Canadian junior oil and gas company committed to creating shareholder value. The business plan is exploration focused; targeting 80% or greater natural gas in the deeper part of the Western Canadian Sedimentary Basin on large land blocks and close to gas infrastructure. Exploration and development activities are conducted in Western Alberta and British Columbia.

Compton Petroleum Corporation is a Calgary, Alberta based independent, public company actively engaged in the exploration, development and production of natural gas, natural gas liquids and crude oil in the Western Canadian Sedimentary Basin. The Company's capital stock is listed and trades on The Toronto Stock Exchange under the trading symbol CMT and is included in both the S&P/TSX Composite index and the TSX Mid-Cap index. Compton began operations in 1993 with \$1 million of share capital, a small dedicated technical team and a large seismic data base. The objective was to build a company from the grassroots through internal full-cycle exploration, complemented by strategic acquisitions. Our vision was to create a company capable of long-term sustained growth with a primary focus on natural gas. Compton's vision and strategy has remained unchanged since inception. Eight years later, in 2001, the Company has attained average production of 23,404 boe per day (6:1 gas conversion), long life established reserves of 83.7 million boe, control of over 1,500 sections of undeveloped land and a total net asset value in excess of one-half billion dollars.

Tempest Energy Corp. is an oil and gas exploration, development and production enterprise operating primarily in Alberta. Tempest, which is led by the former management team of Tier 1 Energy Corp., continues to grow and impress. The company's senior management is directly invested through ownership of 24% of the outstanding shares.

KEY PORTFOLIO HOLDINGS (cont'd)

StarPoint Energy (formerly Tappit Resources) is an oil and natural gas exploration and production company with operations in Saskatchewan and Alberta. The company expanded in 2004 by acquiring Upton Resources.

Canadian Superior is a Calgary, Alberta based oil and gas exploration and production company with operations in western Canada, offshore Nova Scotia and offshore Trinidad. The Company is one of the largest acreage holders offshore Nova Scotia, with interests in 1,293,946 acres offshore Nova Scotia.

Fairborne Energy is a crude oil and natural gas exploration, development and production company headquartered in Calgary, Alberta, Canada. Its common shares trade on the Toronto Stock Exchange under the symbol "FEL". Fairbourne's founder, Dr. Richard Walls, has a successful three-decade record in Canada's oil and gas industry, building and selling four profitable businesses in that time.

Petrobank Energy and Resources has banked on domestic petroleum assets in Western Canada to fuel the exploration and production company's profits. After selling some noncore properties, Petrobank acquired rival Western Canadian explorer Barrington Petroleum (with oil and gas assets in Alberta) in 2001. However, the company is also looking for opportunities abroad. It has moved into Colombia as a new focus of exploration and production, and has established two producing fields and three exploration blocks. Petrobank, which began operating in 1994, has proved reserves of 25.7 million barrels of oil equivalent.

Pan Global Ventures is an oil and gas exploration company whose prospective oil and gas property is one of the largest contiguous land bases in Eastern Alberta and Western Saskatchewan. The Company is entitled to exclusively explore and develop approximately 148,000 acres of existing and new Treaty Land Entitlement (TLE) Reserves in Eastern Alberta and Western Saskatchewan under the terms of an agreement with Onion Lake Energy Ltd., which is solely owned by Onion Lake First Nation of Saskatchewan/Alberta.



CANADA DOMINION RESOURCES GROUP



**Canada Dominion Resources
Limited Partnership IX**

FINANCIAL STATEMENTS

BUSINESS OF THE LIMITED PARTNERSHIP

Canada Dominion Resources Limited Partnership IX (the "Partnership") was formed as a limited partnership under the laws of the Province of Ontario on December 28, 2001. The principal purpose of the Partnership is to achieve capital appreciation primarily through investment in equity securities (including flow-through shares) of resource issuers.

On May 16, 2002 and June 17, 2002, the Partnership completed an issue of 2,200,000 units at \$25 per unit for gross proceeds of \$55,000,000.

The Limited Partnership Agreement provides that the General Partner will be irrevocably authorized to transfer the assets of the Partnership to an open-ended mutual fund corporation (the "Mutual Fund Rollover Transaction") and implement the dissolution of the Partnership in connection with the Mutual Fund Rollover Transaction. Such a transaction would require the approval of regulatory authorities and would need to be finalized by June 30, 2004 in order to avoid dissolution of the Partnership.

The General Partner has advised the Partnership that it intends to complete the Mutual Fund Rollover Transaction on or before May 31, 2004, subject to regulatory approvals.

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. In addition, Canadian Exploration Expenses renounced to the Partnership from its investments in "flow-through" shares of Canadian resource companies are also allocated to Unitholders of the Partnership.

INCOME

Income of the Partnership during the current year primarily consisted of dividends received from various of its investments.

During 2002 the Partnership's income was derived from investing its surplus cash in interest bearing financial instruments.

EXPENSES

The 2003 Partnership expenses are generally speaking significantly greater than the 2002 comparative expenses. This increase was as expected since the Partnership closed its initial public offering in June of 2002 and as such the 2002 administration expenses reflect only about six month's operating activity as compared to a full year in 2003. Additional factors contributing variances in specific expenses are described below.

Legal fees increased significantly in 2003 largely reflecting the cost to the Partnership from pursuing an action against Gauntlet Energy Corporation. The action arose because of the precipitous decline in value of Gauntlet that occurred shortly after the Partnership made an investment in the company through a prospectus offering. The action was settled in December with the Partnership recovering a significant portion of its investment.

Management fees increased in part due to the difference in length of reporting periods described above offset by decreases in the monthly net asset value (NAV) of the Partnership for periods of time throughout 2003.

During 2003 the Partnership recorded a charge for an incentive fee based on the cumulative to date performance of the Partnership's NAV. The fee is an estimate only and no payment will be made until just prior to the mutual fund roll-over transaction and only then if the Partnership's NAV continues to exceed a certain threshold amount. No such fee was recorded during 2002 as the threshold NAV had not been reached.

GAIN ON SALE OF INVESTMENTS

During 2003 the Partnership realized a net gain on sale of investments in the amount of \$3,960,282. Most all of this gain arose from the Partnership's disposition of all or a portion of its investments in Amerigo Resources, Bema Gold, Defiant Energy, DRC Resources, FNX Gold, High Point Resources, Major Drilling, and Northern Orion, offset by its net loss on investment in Gauntlet Energy.

This latter event represents the only significant disappointment with regards to the Partnership's investing activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont'd)

NET ASSET VALUE AND INVESTMENT ACTIVITY

The NAV of the Partnership at December 31, 2003 was \$69,073,675 representing an increase of 45.4% over the December 31, 2002 NAV of \$47,520,331 which in turn was 6.2% less than the net proceeds received from the issuance of Partnership units in 2002.

The significant increase in NAV realized during the year resulted in part from the robust resource market that occurred during 2003 and in part from the investment activities of the Investment Advisor.

With respect to the resource market, the price of gold surged upward from U.S.\$ 345 per ounce at the beginning of the year to as high as U.S.\$ 416 per ounce near the end of the year while oil spent much of the year trading between U.S.\$ 27 per bbl and U.S.\$ 32 per bbl and natural gas traded largely between U.S.\$ 4.50 per mcf and U.S.\$ 6.00 per mcf.

These commodity prices presented both excellent opportunities for locking in profits in some cases and new investment opportunities in other cases. Investment holdings that were sold in part or in whole for substantial gains are detailed above in the section titled Gain On Sale Of Investments. New names added to the portfolio include Amerigo Resources, Crew Energy, Defiance Mining, Dynatec, Major Drilling, ShawCor, Southern Cross Resources, Starpoint Energy and Storm Energy.

By comparison, during the second half of 2002 investing activities of the Partnership consisted entirely of the Investment Advisor, on behalf of the Partnership, researching potential investments and entering into agreements with select issuers wherein the Partnership provided financing in exchange for flow-through shares of the issuers. Particular emphasis was placed on ensuring compliance with the requirements for investment in Toronto Stock Exchange listed companies and companies with a market capitalization in excess of \$50 million. The Partnership at all times focussed on investing in quality Canadian resource issuers with a weighting to gas producers.

INCOME TAX DEDUCTIONS

Cumulative net income tax deductions available to Limited Partners to December 31, 2003 were approximately \$20.70 per unit, including deductions of approximately \$26.24 per unit and taxable capital gains of \$5.54 per unit.

LIQUIDITY AND FUTURE TRADING

There currently is no formal market through which Units of the Partnership may be sold, and none is expected to develop until the mutual fund roll-over transaction is completed on or about April 26, 2004.

STATEMENT OF INVESTMENTS

As at December 31, 2003

	Number of Shares	Average Cost	Market Value
Amerigo Resources Ltd.	857,867	\$ 617,621	\$ 1,715,734
Amerigo Resources Ltd., Warrants, Jun.18 05	733,333	–	990,000
Aurizon Mines Ltd.	242,000	326,700	476,740
Aurora Platinum Corp.	548,000	2,000,225	1,687,840
Aurora Platinum Corp., Warrants, Aug.06 04	274,000	–	158,920
Canadian Superior Energy Inc.	1,319,166	3,957,538	4,300,481
Compton Petroleum Corporation	403,156	2,297,989	2,418,936
Continuum Resources Ltd.	500,000	125,000	450,000
Crew Energy Inc	254,600	928,042	964,934
Cumberland Resources Inc.	200,000	570,000	864,000
Deer Creek Energy Limited	1,590,800	1,749,880	2,545,280
Defiance Mining Corporation	1,136,364	500,000	681,818
Defiance Mining Corporation, Restricted	500,000	250,000	300,000
Defiance Mining Corporation, Warrants, Oct.24 05	250,000	–	2,500
Defiance Mining Corporation, Warrants, Jun.25 06	568,182	–	28,409
Diamondex Resources Ltd.	900,001	708,334	729,001
Diaz Resources Ltd., Restricted	731,000	299,710	562,870
DRC Resources Corporation	175,000	525,013	1,408,750
DRC Resources Corporation, Restricted	186,000	1,302,000	1,497,300
Dynatec Corporation	801,600	1,175,222	1,410,816
Endeavour Mining Capital Corp., Restricted	100,000	345,000	408,000
Endeavour Mining Capital Corp., Warrants, Nov.10 08	50,000	–	500
Esprit Exploration Ltd.	300,000	900,000	834,000
Exall Resources Limited, Restricted	1,250,000	500,000	462,500
Falconbridge Limited	29,500	612,125	925,120
General Minerals Corporation, Restricted	200,000	600,000	555,000
General Minerals Corporation, Warrants, Dec.11 06	200,000	–	2,000
Geodex Minerals Ltd., Units	500,000	100,000	190,000
Great Northern Exploration Ltd.	93,750	375,000	435,938
High Point Resources Inc.	1,118,733	1,498,574	2,886,331
Impact Energy Inc.	1,008,225	1,529,025	1,361,104
Impact Energy Inc., Restricted	300,000	495,000	405,000
Ketch Resources Ltd.	182,000	600,600	1,638,000
Kinloch Resources Inc.	500,000	550,000	875,000
Kinloch Resources Inc., Restricted	500,000	775,000	875,000

The accompanying notes are an integral part of these financial statements.

STATEMENT OF INVESTMENTS (cont'd)

As at December 31, 2003

	Number of Shares	Average Cost	Market Value
Majescor Resources Inc.	680,000	\$ 408,025	\$ 197,200
Major Drilling Group International Inc.	115,239	605,005	1,117,818
Metalex Ventures Ltd.	625,000	250,000	1,468,750
Midnight Oil & Gas Ltd.	100,000	648,000	685,000
Milagro Energy Inc.	225,000	180,000	263,250
Miramar Mining Corporation	900,000	1,800,050	3,015,000
Navigator Exploration Corp.	1,875,000	750,050	787,500
Nordic Diamonds Ltd.	500,000	400,000	350,000
Nordic Diamonds Ltd., Warrants, Nov.22 04	500,000	—	5,000
OPTI Canada Inc., Class "C"	93,750	1,500,000	1,462,500
Pele Mountain Resources Inc., Restricted	500,000	250,000	220,000
PGM Ventures Corporation	1,154,000	750,125	577,000
Rally Energy Corp.	1,000,000	600,000	600,000
Randsburg International Gold Corp., Restricted	950,000	807,500	1,092,500
Real Resources Inc.	200,000	965,000	1,100,000
Rider Resources Ltd.	218,500	797,525	753,825
Rock Creek Resources Ltd., Class "A"	436,400	109,125	1,217,556
Rock Creek Resources Ltd., Class "B"	98,190	981,925	490,950
Rosetta Exploration Inc., Class "A"	1,400,000	1,400,000	1,400,000
Sentra Resources Corporation, Class "A"	889,220	2,161,667	2,712,121
ShawCor Ltd., Class "A"	115,000	1,739,600	1,792,850
Sherritt International Corporation	100,000	508,000	710,000
Southern Cross Resources Inc.	625,000	250,000	781,250
Southern Cross Resources Inc., Warrants, Jul.11 05	312,500	—	187,500
Southern Star Resources Inc., Restricted	1,000,000	500,000	560,000
StarPoint Energy Ltd., Restricted	750,000	2,643,000	3,382,500
Storm Energy Ltd.	197,500	1,007,701	1,106,000
Tempest Energy Corp., Class "A"	362,766	1,781,500	2,122,181
UEX Corporation	1,666,667	500,025	650,000
Virtus Energy Ltd.	720,000	432,000	612,000
Wireless Matrix Corporation	300	609	492
Wolfden Resources Inc.	434,800	645,039	2,465,316
Wolfden Resources Inc., Warrants, Jan.31 05	50,000	—	121,000
		\$ 51,585,069	\$ 69,054,881

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF NET ASSETS

As at December 31,	2003	2002
Assets		
Investments, at market value*	\$ 69,054,881	\$ 46,994,006
Cash	1,239,755	746,003
Interest receivable	1,021	—
	70,295,657	47,740,009
Liabilities		
Management fee payable	111,063	160,187
Performance fee payable	1,074,043	—
Accounts payable and accrued liabilities	36,876	59,491
	1,221,982	219,678
Net assets	\$ 69,073,675	\$ 47,520,331
Limited partner units outstanding (Note 5)	2,200,000	2,200,000
Net asset value per unit	\$ 31.40	\$ 21.60
* Investments, at average cost	\$ 51,585,069	\$ 49,551,419

On behalf of the General Partner, Canada Dominion Resources IX Corporation:



Jonathan Goodman
Director



David Goodman
Director

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF OPERATIONS

For the periods ended December 31,	2003	2002
Investment Income		
Interest income	\$ 5,295	\$ 149,596
Dividend income	70,466	–
	75,761	149,596
Expenses (Note 4)		
Management fee	1,111,521	593,488
Incentive fee	1,074,043	–
Administration	234,834	115,180
Legal	69,938	8,122
Audit	13,999	16,906
Filing	5,589	54
	2,509,924	733,750
Net investment income (loss)	(2,434,163)	(584,154)
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on sale of investments	3,960,282	–
Change in unrealized appreciation (depreciation) of investments	20,027,225	(2,557,413)
Net gain (loss) on investments	23,987,507	(2,557,413)
Increase (decrease) in net assets from operations	\$ 21,553,344	\$ (3,141,567)

STATEMENTS OF CHANGES IN NET ASSETS

For the periods ended December 31,	2003	2002
Net assets, beginning of period	\$ 47,520,331	\$ –
Increase (decrease) in net assets from operations	21,553,344	(3,141,567)
Partners' Transactions		
Proceeds of issuance of partnership units	–	55,000,100
Payment on redemption of initial partnership units	–	(100)
Issuance costs	–	(4,338,102)
Net increase (decrease) in net assets	21,553,344	47,520,331
Net assets, end of period	\$ 69,073,675	\$ 47,520,331

The accompanying notes are an integral part of these financial statements.



CANADA DOMINION RESOURCES GROUP



Canada Dominion Resources
Limited Partnership X

FINANCIAL STATEMENTS

BUSINESS OF THE LIMITED PARTNERSHIP

Canada Dominion Resources Limited Partnership X (the "Partnership") was formed as a limited partnership under the laws of the Province of Ontario on December 28, 2001. The principal purpose of the Partnership is to achieve capital appreciation primarily through investment in equity securities (including flow-through shares) of resource issuers.

On November 29, 2002, the Partnership completed an issue of 1,200,000 units at \$25 per unit for gross proceeds of \$30,000,000.

The Limited Partnership Agreement provides that the General Partner will be irrevocably authorized to transfer the assets of the Partnership to an open-ended mutual fund corporation (the "Mutual Fund Rollover Transaction") and implement the dissolution of the Partnership in connection with the Mutual Fund Rollover Transaction. Such a transaction would require the approval of regulatory authorities and would need to be finalized by June 30, 2004 in order to avoid dissolution of the Partnership.

The General Partner has advised the Partnership that it intends to complete the Mutual Fund Rollover Transaction on or before May 31, 2004, subject to regulatory approvals.

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. In addition, Canadian Exploration Expenses renounced to the Partnership from its investments in "flow-through" shares of Canadian resource companies are also allocated to Unitholders of the Partnership.

INCOME

Income of the Partnership during the current year primarily consisted of dividends received from various of its investments.

During 2002 the Partnership did not record any income as its initial public offering closed on November 29, 2002 and substantially all such funds were invested in flow-through shares of Canadian resource companies on or just prior to the end of the year.

EXPENSES

The 2003 Partnership expenses are generally speaking significantly greater than the 2002 comparative expenses. This increase was as expected since the Partnership closed its initial public offering in late November of 2002 and as such the 2002 administration expenses reflect only one month's operating activity as compared to a full year in 2003. Additional factors contributing to variances in specific expenses are described below.

Legal fees increased significantly in 2003 largely reflecting the cost to the Partnership from pursuing an action against Gauntlet Energy Corporation. The action arose because of the precipitous decline in value of Gauntlet that occurred shortly after the Partnership made an investment in the company through a prospectus offering. The action was settled in December with the Partnership recovering a significant portion of its investment.

Management fees increased in part due to the difference in length of reporting periods described above and in part due to increases in the monthly net asset value (NAV) of the Partnership for periods of time throughout 2003.

During 2003 the Partnership recorded a charge for an incentive fee based on the cumulative to date performance of the Partnership's NAV. The fee is an estimate only and no payment will be made until just prior to the mutual fund roll-over transaction and only then if the Partnership's NAV continues to exceed a certain threshold amount. No such fee was recorded during 2002 as the threshold NAV had not been reached.

GAIN ON SALE OF INVESTMENTS

During 2003 the Partnership realized a net gain on sale of investments in the amount of \$4,833,315. Most of this gain arose from the Partnership's disposition of all or a portion of its investments in Aurizon Mines, Canadian Superior Energy, Fairborne Energy, Falconbridge, Great Northern Resources and Winstar Resources, offset by its net loss on investment in Gauntlet Energy.

This latter event represents the only significant disappointment with regards to the Partnership's investing activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont'd)

NET ASSET VALUE AND INVESTMENT ACTIVITY

The NAV of the Partnership at December 31, 2003 was \$37,137,315 representing an increase of 42.3% over the December 31, 2002 NAV of \$26,091,522 which in turn was 5.0% less than the net proceeds received from the issuance of Partnership units in 2002.

The significant increase in NAV realized during the year resulted in part from the robust resource market that occurred during 2003 and in part from the investment activities of the Investment Advisor.

With respect to the resource market, the price of gold surged upward from U.S.\$ 345 per ounce at the beginning of the year to as high as U.S.\$ 416 per ounce near the end of the year while oil spent much of the year trading between U.S.\$ 27 per bbl and U.S.\$ 32 per bbl and natural gas traded largely between U.S.\$ 4.50 per mcf and U.S.\$ 6.00 per mcf.

These commodity prices presented both excellent opportunities for locking in profits in some cases and new investment opportunities in other cases. Investment holdings that were sold in part or in whole for substantial gains are detailed above in the section titled Gain On Sale Of Investments. New names added to the portfolio include Amerigo Resources, Crew Energy, DRC Resources, Duvernay Oil, Dynatec, Fairborne Energy, Impact Energy, Kinloch Resources, Major Drilling, Midnight Oil & Gas, Rider Resources, ShawCor, St. Jude Resources, Starpoint Energy and Storm Energy.

By comparison, during the second half of 2002 investing activities of the Partnership consisted entirely of the Investment Advisor, on behalf of the Partnership, researching potential investments and entering into agreements with select issuers wherein the Partnership provided financing in exchange for flow-through shares of the issuers. Particular emphasis was placed on ensuring compliance with the requirements for investment in Toronto Stock Exchange listed companies and companies with a market capitalization in excess of \$50 million. The Partnership at all times focussed on investing in quality Canadian resource issuers with a weighting to gas producers.

INCOME TAX DEDUCTIONS

Cumulative net income tax deductions available to Limited Partners to December 31, 2003 were approximately \$15.45 per unit, including deductions of approximately \$23.80 per unit and taxable capital gains of \$8.35 per unit.

LIQUIDITY AND FUTURE TRADING

There currently is no formal market through which Units of the Partnership may be sold, and none is expected to develop until the mutual fund roll-over transaction is completed on or about April 26, 2004.

STATEMENT OF INVESTMENTS

As at December 31, 2003

	Number of Shares	Average Cost	Market Value
2034879 Ontario Limited, Class "A" Subscription Receipts	2,450,000	\$ 612,500	\$ 612,500
2034879 Ontario Limited, Restricted	1,050,000	262,500	262,500
Amerigo Resources Ltd.	250,000	337,000	500,000
Canadian Royalties Inc.	255,000	765,000	502,350
Compton Petroleum Corporation	395,000	2,251,500	2,370,000
Crew Energy Inc.	225,000	830,750	852,750
Defiance Mining Corporation, Restricted	500,000	250,000	300,000
Defiance Mining Corporation, Warrants, Oct.24 05	250,000	–	2,500
Diaz Resources Ltd., Class "A", Subordinated Voting	1,142,857	400,000	880,000
DRC Resources Corporation, Restricted	100,000	700,000	805,000
Duvernay Oil Corp., Restricted	160,000	1,424,000	1,424,000
Dynatec Corporation	922,200	1,277,410	1,623,072
Endeavour Mining Capital Corp., Restricted	100,000	345,000	408,000
Endeavour Mining Capital Corp., Warrants, Nov.10 08	50,000	–	500
Escavar Energy Inc., Restricted	300,000	300,000	300,000
Exall Resources Limited, Restricted	1,428,571	500,000	528,571
Exall Resources Limited, Warrants, Jun.16 05	714,286	–	35,714
Fairborne Energy Ltd.	459,850	1,523,456	2,529,175
Gentry Resources Ltd.	339,394	560,000	672,000
Great Northern Exploration Ltd.	211,250	769,604	982,312
Guyana Goldfields Inc.	277,780	126,390	227,780
Impact Energy Inc.	600,000	801,000	810,000
Inca Pacific Resources Inc., Restricted	2,000,000	400,000	480,000
Inca Pacific Resources Inc., Warrants, Nov.27 06	2,000,000	–	100,000
Ketch Resources Ltd.	182,000	600,600	1,638,000
Kinloch Resources Inc., Restricted	500,000	775,000	875,000
Major Drilling Group International Inc.	117,476	616,749	1,139,517
Midnight Oil & Gas Ltd.	194,400	1,179,640	1,331,640
Milagro Energy Inc.	225,000	180,000	263,250
Northgate Exploration Limited	150,000	397,500	400,500
Oiltec Resources Ltd.	688,000	1,788,800	853,120
OPTI Canada Inc., Class "C"	93,750	1,500,000	1,462,500
Rally Energy Corp.	1,000,000	600,000	600,000
Resolute Energy Inc.	100,000	282,000	323,000
Rider Resources Ltd.	353,500	1,286,225	1,219,575

The accompanying notes are an integral part of these financial statements.

STATEMENT OF INVESTMENTS (cont'd)

As at December 31, 2003

	Number of Shares	Average Cost	Market Value
Sentra Resources Corporation, Class "A"	354,610	\$ 833,334	\$ 1,081,561
ShawCor Ltd., Class "A"	50,000	757,000	779,500
Silk Road Resources Ltd., Special Warrants	425,000	425,000	858,500
SpectrumGold Inc., Restricted	140,000	434,000	567,000
St. Jude Resources Ltd., Restricted	555,000	1,110,000	1,443,000
St. Jude Resources Ltd., Warrants, Nov.20 08	277,500	–	13,875
StarPoint Energy Ltd., Restricted	300,000	753,000	1,353,000
Storm Energy Ltd.	110,000	558,654	616,000
Sudbury Contact Mines Limited	228,000	501,600	433,200
Tempest Energy Corp., Class "A"	84,700	441,287	495,495
Viracocha Energy Inc.	250,000	500,000	650,000
Winstar Resources Ltd.	1,127,700	448,313	1,364,517
Wireless Matrix Corporation	200,000	452,000	328,000
Wolfden Resources Inc., Warrants, Jan.31 05	50,000	–	121,000
		\$ 30,856,812	\$ 37,419,474

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF NET ASSETS

As at December 31,	2003	2002
Assets		
Investments, at market value*	\$ 37,419,474	\$ 25,415,828
Cash	656,087	875,453
Interest receivable	679	—
	38,076,240	26,291,281
Liabilities		
Management fee payable	61,422	50,700
Accrued performance fee	840,871	—
Accounts payable and accrued liabilities	36,632	149,059
	938,925	199,759
Net assets	\$ 37,137,315	\$ 26,091,522
Limited partner units outstanding (Note 5)	1,200,000	1,200,000
Net asset value per unit	\$ 30.95	\$ 21.74

* Investments, at average cost \$ 30,856,812 \$ 26,699,704

On behalf of the General Partner, Canada Dominion Resources X Corporation:



Jonathan Goodman
Director



David Goodman
Director

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF OPERATIONS

For the periods ended December 31,	2003	2002
Investment Income		
Interest income	\$ 13,411	\$ –
Dividend income	93,020	–
	106,431	–
Expenses (Note 4)		
Management fee	624,100	50,700
Incentive fee	840,871	–
Administration	203,220	13,528
Legal	50,587	2,854
Audit	16,082	16,050
Filing	5,631	–
	1,740,491	83,132
Net investment income (loss)	\$ (1,634,060)	\$ (83,132)
Net Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on sale of investments	4,833,315	–
Change in unrealized appreciation (depreciation) of investments	7,846,538	(1,283,876)
Net gain (loss) on investments	12,679,853	(1,283,876)
Increase (decrease) in net assets from operations	11,045,793	(1,367,008)

STATEMENTS OF CHANGES IN NET ASSETS

For the periods ended December 31,	2003	2002
Net assets, beginning of period	\$ 26,091,522	\$ –
Increase (decrease) in net assets from operations	11,045,793	(1,367,008)
Partners' Transactions		
Proceeds of issuance of Partnership Units	–	30,000,100
Payment on redemption of initial partnership units	–	(100)
Issuance costs	–	(2,541,470)
Net increase (decrease) in net assets	11,045,793	26,091,522
Net assets, end of period	\$ 37,137,315	\$ 26,091,522

The accompanying notes are an integral part of these financial statements.



CANADA DOMINION RESOURCES GROUP



Canada Dominion Resources
Limited Partnership XI

FINANCIAL STATEMENTS

BUSINESS OF THE LIMITED PARTNERSHIP

Canada Dominion Resources Limited Partnership XI (the "Partnership") was formed as a limited partnership under the laws of the Province of Ontario on December 28, 2002. The principal purpose of the Partnership is to achieve capital appreciation primarily through investment in equity securities (including flow-through shares) of resource issuers.

On April 16, 2003 and May 23, 2003, the Partnership completed an issue of 2,628,332 units at \$25 per unit for gross proceeds of \$65,708,300.

The Limited Partnership Agreement provides that the General Partner will be irrevocably authorized to transfer the assets of the Partnership to an open-ended mutual fund corporation (the "Mutual Fund Rollover Transaction") and implement the dissolution of the Partnership in connection with the Mutual Fund Rollover Transaction. Such a transaction would require the approval of regulatory authorities and would need to be finalized by June 30, 2005 in order to avoid dissolution of the Partnership.

The General Partner has advised the Partnership that it intends to complete the Mutual Fund Rollover Transaction on or before May 31, 2005, subject to regulatory approvals.

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. In addition, Canadian Exploration Expenses renounced to the Partnership from its investments in "flow-through" shares of Canadian resource companies are also allocated to Unitholders of the Partnership.

ASSETS OF THE PARTNERSHIP

The Partnership received in the aggregate \$65.7 million gross proceeds from the issuance of Partnership units on April 16 and May 23, 2003 for investment in flow-through shares of Canadian resource issuers.

As at December 31, 2003, the Partnership had a net asset value ("NAV") of \$65.8 million. Essentially the increase in portfolio value from inception of operations to year end was sufficient to offset both the premiums paid to market prices for the purchase of the flow-through shares comprising the portfolio and the issue costs of the offering.

The increase in portfolio value realized during the year resulted from the robust resource market that occurred during 2003. The price of gold surged upward from U.S.\$ 345 per ounce at the beginning of the year to as high as U.S.\$ 416 per ounce near the end of the year while oil spent much of the year trading between U.S.\$ 27 per bbl and U.S.\$ 32 per bbl and natural gas traded largely between U.S.\$ 4.50 per mcf and U.S.\$ 6.00 per mcf.

As for the portfolio, it is comprised of securities held in fifty-six Canadian resource companies, including names such as High Point Resources, International Uranium, Metalex Ventures, Miramar Mining, Pan-Global Ventures, Petrobank Energy, Storm Energy, Tempest Energy and Wolfden Resources.

OPERATIONS

The Partnership recorded an increase in net assets from operations for the period ended December 31, 2003 of \$5.2 million. There is no comparative figure for 2002 as the Partnership did not commence its operating activities until May 23, 2003, the date of the initial closing of its prospectus offering. Included in the increase in assets is an amount of \$6.3 million relating to the unrealized appreciation of investments which represents the aggregate net difference between the market value of the portfolio at December 31, 2003 and the original cost of the investments.

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont'd)

Interest income consists of interest earned from investing the Partnership's surplus cash in interest bearing financial instruments. By the end of the year the Partnership's surplus cash had decreased to \$536,000 and the Partnership was fully invested. Nominal interest income is expected to be received in 2004 as the cash balance on hand at year end will be drawn down to cover operating fees and expenses.

Administration expenses for the period were as expected. The Partnership anticipates its administration expenses for 2004 to be about \$280,000.

Management fees for 2003 were also as expected and are calculated monthly in arrears at 2% per annum based on the Partnership's month end NAV.

INCOME TAXES DEDUCTIONS

Deductions available to Limited Partners for the period ended December 31, 2003 were approximately \$24.81 per unit.

INVESTMENT ACTIVITY

Throughout the second half of 2003 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. Particular emphasis was placed on ensuring compliance with the requirements for investment in Toronto Stock Exchange listed companies and companies with a market capitalization in excess of \$50 million. The Partnership focussed on investing in quality Canadian resource issuers with a weighting to oil and gas producers.

LIQUIDITY AND FUTURE TRADING

There currently is no formal market through which Units of the Partnership may be sold, and none is expected to develop until the mutual fund roll-over transaction is completed on or about May 31, 2005.

STATEMENT OF INVESTMENTS

As at December 31, 2003

	Number of Shares	Average Cost	Market Value
Aquest Explorations Ltd.	980,000	\$ 490,000	\$ 656,600
Aurizon Mines Ltd.	740,740	999,999	1,459,258
BcMetals Corporation	1,034,000	620,400	1,189,100
Cambior Inc., Restricted	285,714	999,999	1,139,999
Canadian Gold Hunter Corp.	250,000	100,000	287,500
Canadian Gold Hunter Corp., Restricted	1,125,000	450,000	1,293,750
Canadian Royalties Inc.	305,000	838,750	600,850
Cinch Energy Corp.	500,000	550,000	475,000
Clear Energy Inc., Restricted	185,000	767,750	656,750
Continuum Resources Ltd.	500,000	100,000	450,000
Continuum Resources Ltd., Restricted	200,000	100,000	180,000
Crowflight Minerals Inc.	1,530,700	750,043	857,192
Cumberland Resources Inc.	128,000	422,400	552,960
Deer Creek Energy Limited, Restricted	800,000	1,600,000	1,280,000
Defiant Energy Corporation	327,900	1,311,600	1,442,760
Devlan Exploration Inc., Restricted	312,500	1,000,000	734,375
Diamondex Resources Ltd., Restricted	1,334,000	1,000,500	1,080,540
Diamondex Resources Ltd., Warrants, Mar.08 05	667,000	–	33,350
Diamonds North Resources Ltd.	625,000	500,000	681,250
E3 Energy Inc.	1,450,000	1,522,500	1,943,000
Heritage Explorations Ltd.	1,500,000	750,000	750,000
High Point Resources Inc.	1,050,000	2,100,000	2,709,000
International Uranium Corporation, Restricted	1,500,000	1,650,000	2,385,000
Kinloch Resources Inc., Restricted	370,000	740,000	647,500
Lake Shore Gold Corp.	1,071,500	750,050	1,553,675
Lake Shore Gold Corp., Warrants, Aug.20 05	535,750	–	321,450
Landore Resources Inc.	2,000,000	500,000	570,000
Landore Resources Inc., Warrants, Feb.07 05	1,000,000	–	10,000
Lightning Energy Ltd., Special Warrants	150,000	750,000	750,000
Limerick Mines Ltd., Special Warrants	895,000	223,750	223,750
Luke Energy Ltd., Restricted	100,000	200,000	176,000
Majescor Resources Inc.	1,303,571	365,000	378,036
Majescor Resources Inc., Warrants, Jun.09 04	651,786	–	6,518
McWatters Mining Inc.	11,000,000	1,980,000	605,000
Meridian Energy Corporation, Restricted	175,000	367,500	385,000
Metalex Ventures Ltd.	931,677	3,250,000	2,189,441
Midnight Oil & Gas Ltd., Restricted	85,000	722,500	582,250
Milagro Energy Inc., Restricted	680,000	884,000	795,600
Miramar Mining Corporation	858,000	1,801,800	2,874,300

The accompanying notes are an integral part of these financial statements.

STATEMENT OF INVESTMENTS (cont'd)

As at December 31, 2003

	Number of Shares	Average Cost	Market Value
Pacific Roderia Ventures Inc., Restricted	500,000	\$ 100,000	\$ 160,000
Pan-Global Ventures Ltd.	1,250,000	1,000,000	2,012,500
Patricia Mining Corp., Restricted	1,750,000	700,000	1,347,500
Petrobank Energy and Resources Ltd., Restricted	1,225,000	4,410,000	3,430,000
Ranchgate Energy Inc.	1,315,000	1,512,250	1,380,750
Rider Resources Ltd., Restricted	450,000	2,182,500	1,552,500
Rock Creek Resources Ltd., Class "A", Restricted	380,000	950,000	1,060,200
Rubicon Minerals Corporation	800,000	1,000,000	1,144,000
Sentra Resources Corporation, Restricted	433,000	1,515,500	1,320,650
Storm Energy Ltd.	514,500	4,116,000	2,881,200
Tagish Lake Gold Corp.	1,805,028	523,458	523,458
Tagish Lake Gold Corp., Warrants, Jul.05 04	902,514	—	45,126
Tempest Energy Corp., Class "A", Restricted	445,000	3,115,000	2,603,250
Terraquest Energy Corporation	4,133,333	1,240,000	1,116,000
Tiverton Petroleum Ltd., Restricted	4,000,000	1,500,000	1,960,000
TriQuest Energy Corp.	322,800	1,501,020	994,224
True Energy Inc.	500,000	575,000	830,000
Twin Mining Corporation	3,571,428	1,000,000	1,428,570
UEX Corporation	3,500,000	350,000	1,365,000
URSA Major Minerals Incorporated	600,000	300,000	540,000
Vedron Gold Inc., Restricted	2,200,000	385,000	880,000
Virtus Energy Ltd.	640,000	499,200	544,000
Winslow Resources Inc.	875,000	175,000	118,125
Wolfden Resources Inc.	521,500	1,434,125	2,956,905
Wolfden Resources Inc., Restricted	600,000	3,000,000	3,402,000
		\$ 64,242,594	\$ 70,502,712

The accompanying notes are an integral part of these financial statements.

STATEMENT OF NET ASSETS

As at December 31,	2003
Assets	
Investments, at market value*	\$ 70,502,712
Cash	535,674
Deferred interest expense (Note 3)	49,012
Interest receivable	1,223
	71,088,621
Liabilities	
Loan payable (Note 3)	5,100,000
Management fee payable	116,031
Accounts payable and accrued liabilities	40,320
	5,256,351
Net assets	\$ 65,832,270
Limited partner units outstanding (Note 5)	2,628,332
Net asset value per unit	\$ 25.05

* Investments, at average cost \$ 64,242,594

On behalf of the General Partner, Canada Dominion Resources XI Corporation:



Jonathan Goodman
Director



David Goodman
Director

The accompanying notes are an integral part of these financial statements.

STATEMENT OF OPERATIONS

For the period ended December 31,	2003
Investment Income	
Interest income	\$ 161,545
Expenses (Note 4)	
Management fee	925,192
Interest expense (Note 3)	59,288
Administration	196,645
Legal	167
Audit	14,659
	1,195,951
Net investment income (loss)	(1,034,406)
Net Realized and Unrealized Gain (Loss) on Investments	
Net realized gain (loss) on sale of investments	–
Change in unrealized appreciation (depreciation) of investments	6,260,118
Net gain (loss) on investments	6,260,118
Increase (decrease) in net assets from operations	\$ 5,225,712

STATEMENT OF CHANGES IN NET ASSETS

For the period ended December 31,	2003
Net assets, beginning of period	\$ –
Increase (decrease) in net assets from operations	5,225,712
Partners' Transactions	
Proceeds of issuance of partnership units	65,708,400
Payment on redemption of initial partnership units	(100)
Issuance costs	(5,101,742)
Net increase (decrease) in net assets	65,832,270
Net assets, end of period	\$ 65,832,270

The accompanying notes are an integral part of these financial statements.



CANADA DOMINION RESOURCES GROUP



**Canada Dominion Resources
Limited Partnership XII**

FINANCIAL STATEMENTS

BUSINESS OF THE LIMITED PARTNERSHIP

Canada Dominion Resources Limited Partnership XII (the "Partnership") was formed as a limited partnership under the laws of the Province of Ontario on October 1, 2003. The principal purpose of the Partnership is to achieve capital appreciation primarily through investment in equity securities (including flow-through shares) of resource issuers.

On December 4, 2003, the Partnership completed an issue of 800,000 units at \$25 per unit for gross proceeds of \$20,000,000.

The Limited Partnership Agreement provides that the General Partner will be irrevocably authorized to transfer the assets of the Partnership to an open-ended mutual fund corporation (the "Mutual Fund Rollover Transaction") and implement the dissolution of the Partnership in connection with the Mutual Fund Rollover Transaction. Such a transaction would require the approval of regulatory authorities and would need to be finalized by June 30, 2005 in order to avoid dissolution of the Partnership.

The General Partner has advised the Partnership that it intends to complete the Mutual Fund Rollover Transaction on or before May 31, 2005, subject to regulatory approvals.

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. In addition, Canadian Exploration Expenses renounced to the Partnership from its investments in "flow-through" shares of Canadian resource companies are also allocated to Unitholders of the Partnership.

ASSETS OF THE PARTNERSHIP

The Partnership received in the aggregate \$20.0 million gross proceeds from the issuance of Partnership units on December 4, 2003 for investment in flow-through shares of Canadian resource issuers.

As at December 31, 2003, the Partnership had a net asset value ("NAV") of \$18.6 million. The decrease in NAV from the closing of the initial public offering is largely attributable to the cost of the offering plus the premiums paid to market prices for the purchase of the flow-through shares comprising the portfolio at year end. These costs were offset somewhat by the net increase in portfolio value which was largely the result of the significant increase in market value of Athlone Minerals.

Other names contained in the portfolio include Fairborne Energy, Hawker Resources, Miramar Mining, Pan-Global Energy, StarPoint Energy and Tusk Energy. All-in-all, the portfolio is comprised of securities held in twenty-nine Canadian resource companies.

OPERATIONS

The Partnership recorded an increase in net assets from operations for the period ended December 31, 2003 of \$0.4 million. There is no comparative figure for 2002 as the Partnership did not commence its operating activities until November 29, 2003, the date of closing its prospectus offering. Included in the increase in assets is an amount of \$0.5 million relating to the unrealized appreciation of investments which represents the aggregate net difference between the market value of the portfolio at December 31, 2003 and the original cost of the investments.

Interest income consists of interest earned from investing the Partnership's surplus cash in interest bearing financial instruments. By the end of the year the Partnership's surplus cash had decreased to \$433,000 and the Partnership was fully invested. Nominal interest income is expected to be received in 2004 as the cash balance on hand at year end will be drawn down to cover operating fees and expenses.

Administration expenses for the period were as expected. The Partnership anticipates its administration expenses for 2004 to be about \$280,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont'd)

Management fees for 2003 were also as expected and are calculated monthly in arrears at 2% per annum based on the Partnership's month end NAV.

INCOME TAXES DEDUCTIONS

Deductions available to Limited Partners for the period ended December 31, 2003 were approximately \$24.84 per unit.

INVESTMENT ACTIVITY

Throughout the month of December 2003 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. Particular emphasis was placed on ensuring compliance with the requirements for investment in Toronto Stock Exchange listed companies and companies with a market capitalization in excess of \$50 million. The Partnership focussed on investing in quality Canadian resource issuers with a weighting to oil and gas producers.

LIQUIDITY AND FUTURE TRADING

There currently is no formal market through which Units of the Partnership may be sold, and none is expected to develop until the mutual fund roll-over transaction is completed on or about May 31, 2005.

STATEMENT OF INVESTMENTS

As at December 31, 2003

	Number of Shares	Average Cost	Market Value
AIM PowerGen Corporation, Restricted	52,200	\$ 300,150	\$ 300,150
Athlone Minerals Ltd., Restricted Units	1,333,334	1,000,000	2,433,334
Baffinland Iron Mines Limited, Restricted	287,500	230,000	230,000
Bear Creek Energy Ltd., Restricted	100,000	505,000	395,000
Birch Mountain Resources Ltd, Restricted	1,000,000	500,000	480,000
Bow Valley Energy Ltd., Restricted	350,000	700,000	560,000
Claude Resources Inc., Restricted	125,000	312,500	270,000
Crowflight Minerals Inc., Restricted	638,340	478,755	357,470
Deep Resources Ltd., Restricted	1,420,000	426,000	383,400
Delphi Energy Corp., Restricted	272,700	599,940	477,225
Eastmain Resources Inc., Restricted	381,000	400,050	415,290
Eastmain Resources Inc., Warrants, Jun.15 05	190,500	—	9,525
Fairborne Energy Ltd., Restricted	240,000	1,620,000	1,320,000
Geodex Minerals Ltd., Units	1,500,000	300,000	570,000
Hawker Resources Inc., Restricted	265,000	1,391,250	1,351,500
Impact Energy Inc., Restricted	300,000	495,000	405,000
Miramar Mining Corporation, Restricted	548,000	2,000,200	1,835,800
Murgor Resources Inc., Restricted	2,500,000	250,000	356,250
Pan-Global Energy Ltd., Restricted	666,667	1,000,001	1,073,334
Purcell Energy Ltd., Restricted	330,000	990,000	841,500
Sabina Resources Limited, Restricted	650,000	747,500	1,072,500
Sharon Energy Ltd., Restricted	1,250,000	500,000	450,000
Southern Star Resources Inc., Restricted	1,000,000	500,000	560,000
St Andrew Goldfields Ltd., Restricted	1,500,000	450,000	390,000
StarPoint Energy Ltd., Restricted	250,000	1,050,000	1,127,500
Tribute Minerals Inc., Restricted	833,334	250,000	233,334
True North Gems Inc., Restricted Units	240,000	252,000	249,600
TUSK Energy Inc., Restricted	375,000	1,687,500	1,417,500
Winstar Resources Ltd., Restricted	285,714	400,000	345,714
Wolfden Resources Inc., Restricted	62,000	465,000	351,540
		\$ 19,800,846	\$ 20,262,466

The accompanying notes are an integral part of these financial statements.

STATEMENT OF NET ASSETS

As at December 31,	2003
Assets	
Investments, at market value*	\$ 20,262,466
Cash	433,058
Deferred interest expense (Note 3)	10,055
Interest receivable	11,165
	20,716,744
Liabilities	
Loan payable (Note 3)	1,600,000
Issuance costs payable	441,910
Management fee payable	31,003
Accounts payable and accrued liabilities	49,445
	2,122,358
Net assets	\$ 18,594,386
Limited partner units outstanding (Note 5)	800,000
Net asset value per unit	\$ 23.24

* Investments, at average cost \$ 19,800,846

On behalf of the General Partner, Canada Dominion Resources XII Corporation:



Jonathan Goodman
Director



David Goodman
Director

The accompanying notes are an integral part of these financial statements.

STATEMENT OF OPERATIONS

For the period ended December 31,	2003
Investment Income	
Interest income	\$ 11,165
Expenses (Note 4)	
Management fee	31,003
Interest expense (Note 3)	4,615
Administration	36,426
Audit	14,445
	86,489
Net investment income (loss)	(75,324)
Net Realized and Unrealized Gain (Loss) on Investments	
Net realized gain (loss) on sale of investments	–
Change in unrealized appreciation (depreciation) of investments	461,620
Net gain (loss) on investments	461,620
Increase (decrease) in net assets from operations	\$ 386,296

STATEMENT OF CHANGES IN NET ASSETS

For the period ended December 31,	2003
Net assets, beginning of period	\$ –
Increase (decrease) in net assets from operations	386,296
Partners' Transactions	
Proceeds of issuance of partnership units	20,000,000
Issuance costs	(1,791,910)
Net increase (decrease) in net assets	18,594,386
Net assets, end of period	\$ 18,594,386

The accompanying notes are an integral part of these financial statements.



CANADA DOMINION RESOURCES GROUP



**Canada Dominion Resources
Limited Partnership IX**

**Canada Dominion Resources
Limited Partnership X**

**Canada Dominion Resources
Limited Partnership XI**

**Canada Dominion Resources
Limited Partnership XII**

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

December 31, 2003 and 2002

1. ORGANIZATION OF THE LIMITED PARTNERSHIPS

The Canada Dominion Resources Limited Partnerships (the "Partnerships") were formed as limited partnerships under the laws of the Province of Ontario for the purpose of acquiring flow-through shares and other securities of resource companies with a view to achieving capital appreciation for the Limited Partners. The Partnerships were formed and incorporated on the following dates:

Name of Limited Partnership	Date Formed
Canada Dominion Resources Limited Partnership IX ("LP IX")	December 28, 2001
Canada Dominion Resources Limited Partnership X ("LP X")	December 28, 2001
Canada Dominion Resources Limited Partnership XI ("LP XI")	December 28, 2002
Canada Dominion Resources Limited Partnership XII ("LP XII")	October 1, 2003

The General Partner of the Partnerships is as follows:

Partnership	General Partner	Date Incorporated	Date of Limited Partnership Agreement
LP IX	Canada Dominion Resources IX Corporation ("CDR IX")	December 18, 2001	April 26, 2002
LP X	Canada Dominion Resources X Corporation ("CDR X")	December 18, 2001	November 20, 2002
LP XI	Canada Dominion Resources XI Corporation ("CDR XI")	December 12, 2002	March 31, 2003
LP XII	Canada Dominion Resources XII Corporation ("CDR XII")	December 12, 2002	November 24, 2003

(collectively known as the "General Partners")

The General Partners are responsible for the management of their Partnerships in accordance with the terms and conditions of each partnership agreement.

Under the Limited Partnership Agreement between the General Partners and each of their limited partners, the General Partners are entitled to a 0.01% beneficial interest in their Partnership.

The Statements of Investments are as at December 31, 2003. The Statements of Net Assets are as at December 31, 2003 and 2002 for LP IX and LP X and the Statements of Net Assets are as December 31, 2003 for LP XI and LP XII. The Statements of Operations and Changes in Net Assets are for the years ended December 31, 2003 and 2002 for LP IX and LP X. The Statements of Operations and Changes in Net Assets are for the year ended December 31, 2003 for LP XI. The Statements of Operations and Changes in Net Assets are for the period from October 1, 2003, date of inception, to December 31, 2003 for LP XII.

NOTES TO FINANCIAL STATEMENTS (cont'd)**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements, prepared in accordance with Canadian generally accepted accounting principles, include estimates and assumptions by management that affect the reported amount of assets, liabilities, income and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies used by the Partnerships.

a) Valuation of Investments

Securities listed on a recognized public stock exchange are valued at their closing sale price on the valuation date. Securities not traded on that date are valued at the average of the closing bid and ask price. Securities traded on an over-the-counter market are valued in the same manner. Investments in securities having no quoted market values or in illiquid securities are normally carried at cost, unless there is a substantial arm's length transaction that establishes a different value, or there is a significant change from the General Partner's expectations. The quoted market values of those few securities that are subject to a hold period have not been adjusted for the potential impact of such hold periods. The market values can be impacted by trading volumes and restrictions, and the quoted market value may not be indicative of what the Partnership could realize on the immediate sale as it may take an extended period of time to liquidate positions without causing a significant negative impact on the market price. These values may differ from values that would have been used had a ready market existed for the investments. Any difference between the market value and the cost of the investments is treated as unrealized appreciation or depreciation. Short-term securities are valued based on original cost plus accrued interest, which approximates market value.

b) Investment Transactions and Income Recognition

All investment transactions, with the exception of short-term securities, are accounted for on the business day following the date the order to buy or sell is executed. Short-term securities are accounted for on the date the order to buy or sell is executed. Realized gains and losses from investment transactions and unrealized appreciation or depreciation of investments are calculated on an average cost basis.

Income from investment transactions is recognized on an accrual basis. Interest income is accrued as earned and dividend income is recognized on the ex-dividend date.

For income tax purposes, the adjusted cost base of flow-through shares is reduced by the amount of expenditures renounced to the Partnership. Upon disposition of such shares, a capital gain will result and be allocated to the Limited Partners based upon their proportionate share of the Partnership.

c) Issuance Costs

Expenses related to the initial offering of the Partnership units have been accounted for as a reduction of partners' equity.

d) Financial Instruments

The fair value of the Partnership's financial assets and liabilities approximate the carried value due to their short-term nature.

e) Allocation of Partnership Income and Loss

99.99% of the income or loss of the Limited Partnership for the fiscal year will be allocated to owners of the limited partnership units at the end of the fiscal year in proportion to the number of limited partnership units owned. The Partnership is not itself a taxable entity. Accordingly, no provision for income tax is required.

NOTES TO FINANCIAL STATEMENTS (cont'd)

3. LOAN PAYABLE

LP XI and LP XII established credit facilities with The Bank of Nova Scotia (the "Bank") for the payment of issuance costs and has provided the Bank with a security interest in all of the assets of the Partnerships. LP IX and LP X have not established credit facilities. The credit facilities were established on May 23, 2003 and December 4, 2003 for LP XI and LP XII respectively. As at December 31, 2003, the principal loan balance outstanding was \$5,100,000 for LP XI and \$1,600,000 for LP XII. The Partnership pays interest on the outstanding loan balance at the greater of the Prime Lending Rate and the sum of the rate per annum for Canadian Dollar Bankers' Acceptances ("BA") having a term of 30 days as reported by the Bank and 1/2 of 1% per annum. The initial interest paid on the drawdown or renewal of the BAs is deferred and amortized over the term of the BA. For the year ended December 31, 2003, LP XI and LP XII recorded interest expense of \$59,288 and \$4,615 respectively.

4. EXPENSES OF THE PARTNERSHIP

The General Partners, related parties, are entitled to an annual management fee equal to 2% of the net asset value of their respective Partnership, calculated and payable monthly in arrears. For the years ended December 31, the Partnerships recorded a management fee expense as follows:

	2003	2002
LP IX	\$ 1,111,521	\$ 593,488
LP X	624,100	50,700
LP XI	925,192	—
LP XII	31,003	—

In respect of each financial year, an aggregate performance bonus equal to 20% of the amount by which the Net Asset Value per Unit of the Partnerships, as defined in the Limited Partnership Agreements, exceeds a threshold increase of 12% will be payable to the portfolio advisor and the General Partners. As at December 31, 2003 there was no performance bonus payable.

The General Partners are entitled to 0.01% of the net income or loss of the Partnerships.

The Partnerships pay all the expenses of their operations and carrying on of their businesses including legal and audit fees, interest, taxes, administrative costs relating to the cost of financial and other reports, and compliance with all applicable laws, regulations and policies.

The General Partners are reimbursed for expenses incurred in the performance of their duties, including professional fees. For the years ended December 31, the Partnership incurred expenses in respect of these services as follows:

	2003	2002
LP IX	\$ 234,834	\$ 115,180
LP X	203,220	13,528
LP XI	196,645	—
LP XII	36,426	—

LP XI paid approximately \$15,000 of the issuance costs to Hutton Capital Corporation, a related party. These payments were at cost as reimbursement for expenses incurred on behalf of the Partnership.

NOTES TO FINANCIAL STATEMENTS (cont'd)

5. PARTNERS' EQUITY

The authorized capital of the Partnerships 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, 2003, the Partnership units issued and outstanding are as follows:

LP IX	Number of Units	LP XI	Number of Units
Issue of Partnership units	2,200,004	Issue of Partnership units	2,628,336
Issue costs	–	Issue costs	–
Redemption of initial Partnership units	(4)	Redemption of initial Partnership units	(4)
Balance – December 31, 2003	2,200,000	Balance – December 31, 2003	2,628,332

LP X	Number of Units	LP XII	Number of Units
Issue of Partnership units	1,200,004	Issue of Partnership units	800,000
Issue costs	–	Issue costs	–
Redemption of initial Partnership units	(4)	Redemption of initial Partnership units	–
Balance – December 31, 2003	1,200,000	Balance – December 31, 2003	800,000

6. TAX SHELTER IDENTIFICATION NUMBER

The identification numbers issued for these tax shelters shall be included in any income tax return filed by the partners. Issuance of the identification number is for administration purposes only and does not in any way confirm the entitlement of the partners to claim any tax benefits associated with the tax shelter.

7. BROKERAGE COMMISSIONS

Broker commissions paid on securities transactions during the years ended December 31 and the amounts paid to Dundee Securities Corporation, an indirect subsidiary of Dundee Wealth Management Inc., the parent of the Manager for brokerage services provided to the Partnerships, are as follows:

(in 000s of Canadian dollars) Name of Partnership	Total Brokerage Commissions Paid		Paid to Dundee Securities	
	2003	2002	2003	2002
LP IX	\$ 185	\$ –	\$ 1	\$ –
LP X	166	–	1	–

8. COMPARATIVE INFORMATION

Certain of the prior period's comparative figures have been reclassified to conform to the current period's financial statement presentation.



CANADA DOMINION RESOURCES GROUP



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