Report to Limited Partners

During fiscal 2006, an aggregate of $425.0 million was raised in the Canada Dominion Resources Limited Partnership ("Canada Dominion") and the CMP Resource Limited Partnership ("CMP"). Together, these offerings make the Manager (Goodman & Company, Investment Counsel Ltd.) the leader in flow-through financial product offerings in Canada.

With the number of flow-through partnership offerings increasing in recent years, both CMP and Canada Dominion have made a concerted effort to be the first to market their issues. As more and more new partnerships enter this space, demand for quality flow-through shares is starting to overtake supply, which is why our issues have begun performing their initial public offerings much earlier in the year. By being one of the first to market a new issue, our partnerships are provided greater flexibility when building their portfolios and managing premiums (the added cost to receive the tax incentives from a flow-through share). This strategy affords our partnerships a significant advantage as the General Partner is provided more time to build a diversified portfolio of resource stocks from companies involved in various exploration and development efforts across Canada.

The Partnership has retained Goodman & Company, Investment Counsel Ltd. ("Goodman & Company") to provide investment management, administrative, and other services. As at December 31, 2006, Goodman & Company had approximately $1.03 billion in assets under management with respect to CMP and Canada Dominion, including the assets inside Dynamic Managed Portfolios Ltd. ("DMP Ltd."), the rollover vehicle for the two respective partnerships. DMP Ltd. is an open-end mutual fund corporation managed by Goodman & Company which offers investors the choice of seven different classes of mutual fund shares. Each class of shares constitutes a separate mutual fund managed by Goodman & Company. The multiple-class structure allows investors to switch between the different classes on a tax-deferred basis and reposition their investment portfolios to meet their individual investment requirements.

Goodman & Company is a leading Canadian investment firm tracing its portfolio management roots back nearly 50 years, with nearly $23 billion in assets under management. Goodman & Company, including Dynamic Funds™ and its affiliates, offers a wide range of wealth management solutions through registered financial advisors, including mutual funds, fee-based programs, a labour sponsored investment fund, hedge funds and a high net-worth investment counsel. As at December 31, 2006, Goodman & Company had approximately 63%, 94% and 95% of its funds in the top two quartiles for performance over a one-, three- and five-year period, respectively.

We would like to take this opportunity to thank our many investors and supporters from over the years and look forward to continuing our prosperous relationship for many years to come.

Canada Dominion Resources 2005 II Limited Partnership

Board of Governors' Report

The Manager of the Funds recognizes that its business rests on a foundation of trust. For this reason, the Manager has sought to provide the securityholders of the Funds with an independent governance body (the "Board of Governors") that traces its roots to September 1996. Some of the Governors have been associated with the Funds since inception in 1957.

The function of the Board of Governors is to represent the interests of the securityholders in the Funds and to act in an advisory capacity to the Manager and Trustee of the Funds. This responsibility is expressed in the Board of Governors' mission and mandate:

- To help protect the interests of the securityholders of the Funds
- To oversee the operations of the Funds in the best interests of the securityholders
- To act in an advisory role to the Manager and Trustee of the Funds

The members of the Board of Governors are: Mr. Ronald Singer (Chairman), Mr. Alain Benedetti, Mr. Richard Crowe, Mr. Brahm Gelfand, Mr. Garth MacRae, Mr. Robert Ruggles and Mr. Frank White. Mr. Singer is a retired partner of Hyde Houghton, Chartered Accountants and has been associated with the Funds since 1957 and with the Manager since 1996. Mr. Benedetti is a retired Vice-Chairman and Canadian Area Managing Partner of Ernst & Young LLP. Mr. Crowe is retired and formerly President, Portfolio Manager and a founding partner of Senecal and Associates Investment Counsel. Mr. Gelfand is a senior partner of Lapointe Rosenstein, a law firm. Mr. MacRae is a director of Dundee Corporation, a director of Dundee Wealth Management Inc. and has held various positions within the Dundee organization since 1987. Mr. Ruggles is a retired investment counsel and portfolio manager and a founding partner of Ruggles and Crysdale which subsequently merged with Guardian Capital Group Ltd., an investment counselling firm. Mr. White is the President of Frank White Enterprises Inc. and has been associated with the Funds since 1957. All of the members of the Board of Governors are independent of management. The Board of Governors has held four meetings in the last year.

In carrying out its mandate effectively, the Board of Governors has formed the following four committees:

The Audit Committee: The committee reviews the semi-annual and annual reports that are sent to securityholders, provides the independent auditors of the Funds with a means to raise any unresolved issues with management and provides the auditors the vehicle to maintain their independence. The Audit Committee is comprised of Mr. Frank White (Chair), Mr. Brahm Gelfand, Mr. Garth MacRae and Mr. Ronald Singer. The committee held five meetings last year.

The Fund Review Committee: The committee is responsible for overseeing, among other things, fund performance, the workings of fund managers, soft dollar arrangements and execution costs. The Fund Review Committee is comprised of Mr. Robert Ruggles (Chair), Mr. Ronald Singer, Mr. Garth MacRae and Mr. Richard Crowe. The committee held three meetings last year.

The Governance Committee: The committee deals with, among other things, succession planning, member evaluation and education, member selection and appointment, code of ethics, compliance with laws and regulations, whistleblowing mechanism and ongoing developments with securities regulations relating to the Manager and investment industry. The Governance Committee is comprised of Mr. Alain Benedetti (Chair), Mr. Ronald Singer and Mr. Frank White. The committee held two meetings last year.

The Independent Review Committee: On January 19, 2006, a decision (the "Decision") was rendered by the Canadian Securities Regulators exempting the Funds from certain requirements which would otherwise prohibit them from making an investment during, or for 60 days after, the period in which Dundee Securities Corporation, a related company, is a member of the underwriting syndicate in an offering. This exemptive relief is available to the Funds provided Dundee Securities does not have more than a 5% interest in the offering, an independent review committee oversees any such investments and a number of other conditions are met.

Several years prior to the Decision, the Fund Manager had established the IRC as a subcommittee of its Board of Governors to resolve certain issues of conflict of interest. The Fund Manager has mandated the IRC to act under the provisions of the Decision. Under the Decision, the IRC has the authority to approve or withhold its approval with respect to offerings of securities in which the Funds wish to participate.

During the course of 2006, the IRC met on 14 different occasions in relation to the Decision, primarily to review offerings in which the Funds were contemplating participating in, but also to review the policies and procedures of the Fund Manager and the procedures required to follow the terms of the Decision.

Regularly, representatives from the portfolio management team of the Manager report to the Board of Governors on the operations of the Funds to ensure that the stated mandate of each Fund is maintained. Periodically, senior management, including representatives of the Manager's Compliance Committee and Internal Auditor, report to the Governors to ensure that the Manager has effective controls in place to protect the Fund's assets, and to review and discuss:

- Compliance with the Manager's Code of Ethics;
- Appropriate resolution of potential or perceived conflicts of interest;
- Internal controls over financial reporting;
- The accuracy of daily net asset value calculations; and
- Compliance with regulatory requirements.

The position, Director, Internal Audit, reports to the Audit Committee of the Board of Governors and provides independent oversight and reports on the operations of the Manager that affect the Funds. In addition, the Manager formed a committee called the Oversight Committee for Sub-Advisors and Portfolio Solutions which is responsible for monitoring and evaluating sub-advisors. The Oversight Committee periodically reports to the Board of Governors.

The purpose and function of the Board of Governors continues to evolve over time in response to changing market conditions and investment fund regulations and legislation.

Canada Dominion Resources 2005 II Limited Partnership

Management Responsibility for Financial Reporting

The accompany financial statements have been prepared by Goodman & Company, Investment Counsel Ltd. in its capacity as Manager of the Fund and approved by the Board of Directors of the Manager. The Fund's Manager is responsible for the information and representations contained in these financial statements and other sections of the Annual Report.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgements made by the Manager. The significant accounting policies which the Manager believes are appropriate for the Fund are described in Note 2 to the financial statements.

PricewaterhouseCoopers LLP are the external auditors of the Fund, appointed by the unitholders. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their report is set out herein.

DAVID GOODMAN
President and Chief Executive Officer
Goodman & Company, Investment Counsel Ltd.

JOHN PEREIRA
Executive Vice President and Chief Financial Officer
Goodman & Company, Investment Counsel Ltd.

March 14, 2007

Management Report of Fund Performance

Investment Objective and Strategies

The Partnership's primary objective is to provide for a tax-assisted investment in a diversified portfolio of flow-through shares and other securities of resource companies, including junior issuers, with a view to earning income and achieving capital appreciation for the limited partners.

The Partnership's investment strategy entails initially investing in flow-through shares of resource companies engaged in oil and gas or mining exploration, development and/or production or certain energy production that may incur Canadian Renewable and Conservation Expense ("CRCE") that:

- have experienced management;
- have a strong exploration program in place;
- may require time to mature; and
- offer potential for future growth.

In order to enhance the returns to limited partners, the Partnership will invest primarily in flow-through shares of resource companies such that the limited partners will be entitled to claim certain deductions from income or credits for income tax purposes, as further described in the Partnership's prospectus.

The Partnership will, as a general rule, at the time of investment, use its best efforts to observe the following guidelines in committing available funds to resource companies:

- at least 80% of Available Funds will be invested in Resource Companies that are listed on a stock exchange and at least 50% of Available Funds will be invested in Resource Companies which are listed on the TSX, the New York Stock Exchange, the American Stock Exchange or NASDAQ;
- not more than 20% of Available Funds will be invested in any one Resource Company;
- the Partnership will not own more than 10% of any class of equity or voting securities of any Resource Company or purchase securities of any Resource Company for the purpose of exercising control or management over such Resource Company; and
- not more than 20% of Available Funds in aggregate will be invested in Resource Companies that are Related Issuers,

as further described in the Partnership's prospectus and in the Partnership Agreement and subject to compliance with all applicable laws and regulatory requirements.

Whenever possible, the General Partner intends to obtain incentives for the Partnership, such as share purchase warrants, in addition to purchasing flow-through shares.

Any interest earned on the money not yet distributed by the Partnership and any dividends received on the flow-through shares and other securities of resource companies purchased by the partnership will accrue to the benefit of the Partnership and may be used in the discretion of the General Partner, as specified in the partnership's prospectus.

Risk

The risks associated with investing in the Partnership are as described in the prospectus. There were no material changes to the Partnership over its last completed financial year that affected the overall level of risk of the Partnership.

Results of Operations

For the year ended December 31, 2006, units of the Canada Dominion Resources 2005 II Limited Partnership ("the Partnership") generated a total return of 6.5%. The Partnership's benchmark, a blend of the S&P/TSX Capped Energy Index (⅔) and the S&P/TSX Capped Materials Index (⅓), returned 15.2% during the same period. While the Partnership invests in a diversified mix of resource companies involved in exploration, development and production, performance is not expected to match that of any specific index.

As at December 31, 2006, the Partnership's net asset value per unit was $22.26. This represents a total after-tax return(1) on money-at-risk of approximately 39.0% for an Ontario investor subject to the highest marginal tax rate. Money-at-risk is calculated as the total investment less all income tax savings from deductions plus taxable capital gains.

On September 26, 2005, the Partnership established credit facilities with a Canadian Chartered Bank (the "Bank") for the payment of issuance costs and provided the Bank with a security interest in all of the assets of the Partnership. The Partnership paid an up-front loan fee of $10,000 which was expensed when the Partnership entered into the credit agreement with the Bank. Interest on the outstanding balance is charged 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 ½ of 1% per annum. The BA interest rate per annum is equivalent to the rate existing at the borrowing date. All outstanding loans and credit facilities will be fully repaid prior to the Partnership's tax-deferred rollover. As at December 31, 2006, the balance outstanding on the loan was $4,290,000. The Partnership may also seek credit by way of prime loans or other bankers' acceptances. The average interest rate on the outstanding balances during the year was 4.18%.

For the period ended December 31, 2006, the Partnership's highest and lowest bank borrowings were $4,810,000 and $3,500,000, respectively.

Partnership performance

The majority of the portfolio management process begins early in the Partnership's life, once the issue has closed its initial public offering and the monies raised are invested. Careful consideration is given to each security added to the Partnership based on: a company's strategic position inside Canada's resource sector, the health of the company's balance sheet and its prospects for growth or exploration success. Once added, a stock may be sold for any and all of the following reasons: taking profits, deteriorating fundamentals within the firm or industry, liquidity constraints faced by smaller positions held within the Partnership, merger or acquisitions activities, in preparation for the tax-deferred rollover into Dynamic Managed Portfolios Ltd. ("DMP") or to rebalance the Partnership's commodity allocation or security selection.

Our outlook for the commodities sector remains positive for the coming year though an economic slowdown in North America may temper what has been a healthy appetite for commodities from the energy, base and precious metals sectors. While this is likely to be offset by continued strength in BRIC (Brazil, Russia, India and China) nations such as China and India, we are unlikely to see the same type of commodities bull market investors have enjoyed over the last two fiscal years. Nevertheless, whilst producers are making every effort to bring on additional capacity, many planned projects are being pushed back, leaving inventory levels at their lows and providing an environment where it will likely take another few years before inventory levels (and prices) return to more normal levels. We continue to believe that we are in the midst of a secular bull market for commodities that can be expected to last for another five to ten years.

As at the end of the period, the Partnership's weighting in the energy sector was approximately 37.4%. Despite the energy sector's recent softness, our long-term outlook for oil and natural gas remains positive. On a short-term basis, key factors supporting energy prices weakened. Political instability in the Middle East became more subdued as the war between Lebanon and Israel ended. Fears of another stream of hurricanes along the Gulf Coast began to subside by mid-summer and the collapse of hedge fund Amaranth helped create further volatility in the natural gas market. The price of oil retreated from its high of US$78/barrel in July to dip below US$60/barrel by the third quarter. Natural gas prices continued to slide as storage levels in North America rose above their five-year average. As recent weakness in the energy sector made for a somewhat more volatile environment, the market value of the Partnership's weighting in energy continued to trade below the cost of its investment. The bulk of this deficit is explained by the Partnership's exposure to companies involved in exploration and development activities for natural gas. This component of the Partnership's energy weighting was built when prices for natural gas were trading at US$15/mcf. Prices have since retreated, reaching as low as US$4.20/mcf in the third quarter of 2006. While the Partnership's overall performance was relatively strong during 2006, our requirement to be fully invested before the end of 2005 resulted in purchases being made in the energy sector prior to a correction in natural gas prices.

Outside of oil and gas, the Partnership made a concerted effort to invest a significant amount of its portfolio in resource companies involved in exploration efforts for uranium. With nuclear power once again becoming an acceptable and viable energy alternative, the price of uranium climbed from just over US$45/lb to close the year at US$72/lb – an increase of about 60%. The price of uranium has tripled since 2004 due to an imbalance between primary supply and demand, and these fundamental pressures are now becoming exacerbated by recent events in the uranium sector. Nuclear power will be a crucial component of base load electricity generation in both developed and developing countries for years, if not decades, to come. The growing gap between demand and supply can only be resolved by a significant increase in production, a reality that bodes well for investments made in Canada's uranium companies. Canada produces about one third of the world's uranium mine output, with production that is expected to increase even further as more new mines come into production. This promising environment helped push the stock prices for holdings such as CanAlaska Uranium Ltd. and Cash Minerals Ltd. up significantly during the period.

The price of gold enjoyed yet another year of strength climbing to a record high of US$725/oz in May before finishing the year at US$638/oz on the New York

Mercantile Exchange ("NYMEX"). The price of silver experienced an even greater lift, rising over 40%. Many of our holdings from the precious metals sector were up for the year, including Bolnisi Gold NL, Kirkland Lake Gold Inc. and Miramar Mining Corporation. Economic forces are behind the rising price of gold, the most notable being the declining US dollar, which recently hit a 20-month low and is likely to fall much further in the coming years. It is our belief that prices for gold and silver still have a lot further to go (on a long-term basis) given the economic forces surrounding their spectacular rise over the last five years. It is this same supportive environment which has helped the value of the gold and precious metals component of the portfolio to more than double over the life of the Partnership.

Net assets increased significantly for the year ended December 31, 2006. Additionally, expenses also increased since the partnership was in existence for the full fiscal period in 2006, compared to a partial year in the previous period.

Recent Developments

On January 5, 2007, the Partnership completed its tax-deferred rollover into Dynamic Managed Portfolios Ltd. in exchange for shares of DMP Resource Class. The DMP Resource Class shares were distributed to the limited partners on dissolution.

Related Party Transactions

Commissions

Brokerage commissions were paid on securities transactions during the period of approximately $74,000 (2005 – $2,000). Of this amount, Dundee Securities Corporation, an indirect subsidiary of Dundee Wealth Management Inc., the parent of the Manager, received approximately $16,000 (2005 – nil).

Management Fee

In consideration for portfolio and advisory services received from the Manager, Goodman & Company, Investment Counsel Ltd., the Partnership accrued a management fee of $0.9 million (2005 – $0.2 million). The management fee is an annualized management fee based on the net asset value of the Partnership and is accrued daily and paid at month-end as a percentage of the month-end net assets. Of the management fee paid to the Manager, 100% is attributed to the portfolio and advisory services and general administrative costs.

The Partnership reimbursed the Manager for operating costs incurred in administering the Partnership of approximately $530,000 (2005 – $145,000).

(1) After-tax return numbers assume that an investor is able to deduct the indicated net asset value per unit against income for income tax purposes and the subsequent disposition of an investment will result in a capital gain. The difference in the tax treatment of deducting against income and inclusion as capital gain at more favourable effective marginal tax rates has the effect of reducing the break-even proceeds of disposition. The actual after-tax rates of return may be different. Actual after-tax rates of return for a Limited Partner will vary depending on a number of factors including province of residence, date of disposition, marginal tax rates, receipt of distribution, actual capital gain inclusions and actual deductions or credits received.

Canada Dominion Resources 2005 II Limited Partnership

Financial Highlights

The following tables show selected key financial information about the Partnership and are intended to help you understand the Partnership's financial performance for the fiscal periods indicated. This information is derived from the Partnership's audited annual financial statements. The information on the following tables is based on prescribed regulations and as a result, are not expected to add due to the increase (decrease) in net assets from operations being based on average units outstanding during the period and all other numbers being based on actual units outstanding at the relevant point in time.

The Partnership's Net Asset Value per Unit ("NAV")**

	Data Per Unit (commencement of operations September 26, 2005)	
	December 31, 2006	**December 31, 2005**
Initial offering price	**$–**	**$25.00**
Issue costs	–	(1.99)
Net asset value, beginning of period(1)	**$20.90**	**$23.01**
Increase (decrease) in net assets from operations:		
Total revenue	$0.05	$0.08
Total expenses	(0.88)	(0.24)
Realized gain (loss) for the period	0.02	0.09
Unrealized gain (loss) for the period	2.17	(2.04)
Total Increase (decrease) in net assets from operations(1)	**$1.36**	**$(2.11)**
Distributions to Partners:		
From income (excluding dividends)	$–	$–
From dividends	–	–
From net realized gain on investments	–	–
From return on capital	–	–
Total annual distributions(1)	**$–**	**$–**
Net asset value, end of period(1)	**$22.26**	**$20.90**

Ratios and Supplemental Data**

Net assets (in 000s)	$44,523	$41,809
Number of units outstanding	1,999,800	2,000,000
Management fee	2.00%	2.00%
Management Expense Ratio ("MER")(2)	4.04%	13.45%*
MER before waivers or absorptions(2)	4.04%	13.45%*
Portfolio turnover rate(3)	29.76%	4.84%
Trading expense ratio(4)	0.17%	0.02%*

* Annualized

** Footnotes for the tables are found at the end of the Financial Highlights section.

(1) Net asset value per unit and distributions per unit are based on the actual number of units outstanding at the relevant time. The increase (decrease) in net assets from operations per unit is based on the weighted average number of units outstanding over the fiscal period.

(2) Management expense ratio (''MER'') is based on the total expenses of the Partnership for the stated period expressed as an annualized percentage of daily average net assets during the period. The annualized MER for 2005 (the year of inception) includes issue costs of $600,000 and agent fees of $3,375,000, which are treated as one time expenses and therefore are not annualized. Had we annualized these expenses, the annualized MER would have been 38.99%; the MER before waivers and absorptions would have been 38.99%. MER excluding issue cost and agent fees is 4.04%.

(3) The Partnership's portfolio turnover rate indicates how actively the Partnership's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Partnership buying and selling all of the securities in its portfolio once in the course of the fiscal period. The higher a Partnership's portfolio turnover rate in a period, the greater the trading costs payable by the Partnership in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Partnership. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, excluding any portfolio re-balancing transactions following a merger and cash and short-term investments maturing in less than one year, by the average market value of investments during the period.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs, excluding those relating to portfolio re-balancing transactions following a merger, expressed as an annualized percentage of daily average net assets of the Partnership during the period.

Canada Dominion Resources 2005 II Limited Partnership

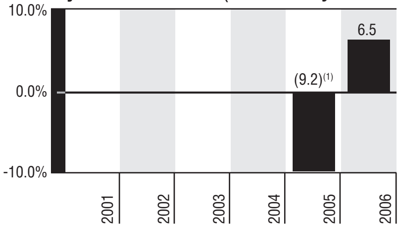
Past Performance

The following chart and table show the past performance of the Partnership and will not necessarily indicate how the Partnership will perform in the future. In addition, the information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance.

Year-by-Year Returns

The following chart shows the annual performance of the Partnership for each year shown and illustrates how the Partnership's performance has varied from year to year. The chart shows, in percentage terms, how much an investment held on the first day of each financial year would have increased or decreased by the last day of each financial year for units of the Partnership.

Year-by-Year Returns (for fiscal years ended December 31)



(1) Since inception date to the fiscal year-end.

Canada Dominion Resources 2005 II Limited Partnership

Annual Compound Returns

The following table shows the annual compound total return for each period indicated, compared with a blended index of the S&P/TSX Capped Energy Index (⅔) and the S&P/TSX Capped Materials Index (⅓).

The annual compound returns table compares the Partnership's performance to a benchmark. Benchmarks are usually an index or a composite of more than one index. An index is generally made up of a group of securities. Since the Partnership does not necessarily invest in the same securities as an index or in the same proportion, the Partnership's performance is not expected to equal the performance of the index. It may be more helpful to compare the Partnership's performance to that of other partnerships with similar objectives and investment disciplines.

The S&P/TSX Capped Energy Index is a sector-based index of the Global Industry Classification Standard (GICS®) developed by S&P and MSCI. The S&P/TSX Capped Energy Index is comprised of securities of Canadian energy sector issuers listed on the TSX, selected by S&P using its industrial classifications and guidelines for evaluating issuer capitalization, liquidity and fundamentals. The relative weight of any single index constituent is capped at 25%. The index assumes the reinvestment of all dividends.

The S&P/TSX Capped Materials Index is a sector-based index of the Global Industry Classification Standard (GICS®) developed by S&P and MSCI. The S&P/TSX Capped Materials Index is comprised of the securities of Canadian materials sector issuers listed on the TSX, selected by S&P using its industrial classifications and guidelines for evaluating issuer capitalization, liquidity and fundamentals. The relative weight of any single index constituent is capped at 25%. The index assumes the reinvestment of all dividends.

A discussion of the performance of the Partnership as compared to the Blended Index is found in the Results of Operations section of this report.

	One Year	Since Inception
Return (%)	6.5	(2.6)
Blended Index (%)	15.2	16.8
S&P/TSX Capped Energy Total Return Index (%)	4.2	4.3
S&P/TSX Capped Materials Total Return Index (%)	39.8	45.4

Canada Dominion Resources 2005 II Limited Partnership

Summary of Investment Portfolio

Portfolio Breakdown as at December 31, 2006

Portfolio by Category	Percentage of Market Value of Long Investments
Energy	37.4
Gold & Precious Metals	25.2
Energy – Other*	20.9
Cash and Cash Equivalents	8.1
Diversified Metals & Mining	4.6
Other Net Assets	3.8
Total	**100.0**

*The "Energy – Other" component of the portfolio consists of companies whose primary focus is on the exploration, development and production of alternative energy sources (outside of oil and natural gas), including uranium, wind generation and geothermal energy."

Top 25 Holdings as at December 31, 2006

Name of Security	Percentage of Total Net Assets
Miramar Mining Corporation	11.9
Cash and Cash Equivalents	8.8
Denison Mines Corp.	5.3
Value Creation Inc.	5.1
Yamana Gold Inc.	4.3
Cash Minerals Ltd.	4.2
Alberta Clipper Energy Inc.	3.9
Uranium Star Corp., Restricted Units	3.6
Fair Sky Resources Inc.	2.9
Terra Energy Corp.	2.7
Crosshair Exploration and Mining Corp.	2.2
San Gold Corporation	2.2
Triex Minerals Corporation	2.2
Fortune Minerals Limited	2.2
Rising Tide Oil and Gas Ltd.	1.9
Bolnisi Gold NL	1.9
Gentry Resources Ltd.	1.7
Kirkland Lake Gold Inc.	1.6
Tango Energy Inc.	1.6
Great Plains Exploration Inc.	1.5
Bow Valley Energy Ltd.	1.5
Delphi Energy Corp.	1.4
West Energy Ltd.	1.4
SkyPower Wind Energy Fund LP, Units	1.3
Liberty Mines Inc.	1.3

The Partnership's investment portfolio may change due to the ongoing portfolio transactions of the Partnership. The Portfolio by Category chart above provides a portfolio breakdown based on the total gross assets of the Partnership. Quarterly updates of the Partnership's investment portfolio are available within 60 days (90 days in the case of the Partnership's subsequent annual management report of partnership performance) of the end of each calendar quarter on the internet at www.canadadominion.com.

Caution regarding forward-looking statements

Certain portions of this report, including, but not limited to, "Recent Developments", may contain forward-looking statements about the Fund, including its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" and similar forward-looking expressions or negative versions thereof.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government relations, unexpected judicial or regulatory proceedings and catastrophic events. We stress that the above mentioned list of important factors is not exhaustive.

We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing any undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

Canada Dominion Resources 2005 II Limited Partnership
Auditors' Report

To the partners of

Canada Dominion Resources 2005 II Limited Partnership
(the Partnership)

We have audited the statement of investments of the Partnership as at December 31, 2006, the statements of net assets as at December 31, 2006 and 2005 and the statements of operations, changes in net assets and cash flows for the year ended December 31, 2006 and the period from September 26, 2005 to December 31, 2005. 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 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 Partnership as at December 31, 2006 and 2005 and the results of its operations, the changes in its net assets and its cash flows for the year ended December 31, 2006 and the period from September 26, 2005 to December 31, 2005 in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants
Toronto, Ontario
March 14, 2007

Canada Dominion Resources 2005 II Limited Partnership

STATEMENT OF INVESTMENTS

As at December 31, 2006

(in Canadian dollars)	Par Value($)/ Number of Shares/Units	Cost	Market Value
EQUITIES (96.7%)			
Diversified Metals and Mining (5.0%)			
Canadian Royalties Inc.	75,000	$108,750	$188,250
Coro Mining Corp.	43,486	65,229	65,229
Fortune Minerals Limited	416,667	1,500,001	962,501
Liberty Mines Inc.	200,000	90,000	558,000
Mantle Resources Inc.	312,500	250,000	306,250
Messina Minerals Inc.	140,000	231,000	168,000
Quinto Technology Inc., Warrants, Dec. 15 07	75,000	150	–
Regis Resources Inc.	1,250,000	150,000	–
		2,395,130	**2,248,230**
Energy (41.1%)			
Alberta Clipper Energy Inc.	285,000	1,396,500	1,718,550
Angle Energy Inc.	36,400	131,040	182,000
Bear Ridge Resources Ltd.	9,000	58,950	33,300
Berens Energy Ltd.	165,000	519,750	179,850
Berkana Energy Corp.	156,058	682,756	215,360
Bow Valley Energy Ltd.	99,080	617,432	666,808
Capitol Energy Resources Ltd.	90,500	459,303	386,435
Caribou Resources Corp.	112,180	258,014	87,500
Choice Resources Corp.	361,676	652,579	224,239
Choice Resources Corp., Warrants, Jul. 21 07	125,000	2,500	–
Churchill Energy Inc., Class "A"	214,000	363,800	196,880
Crew Energy Inc.	25,000	600,000	307,500
Delphi Energy Corp.	250,000	1,787,500	620,000
Duvernay Oil Corp.	15,400	800,800	531,762
EnerCoil Resources Incorporated, Restricted	278,347	208,760	208,760
Fair Sky Resources Inc.	571,429	2,000,002	1,308,572
G2 Resources Inc., Class "A"	617,700	555,930	432,390
Gentry Resources Ltd.	153,300	899,463	746,571
GeoPetro Resources Company	100,980	410,968	312,446
Grand Petroleum Inc.	150,000	722,286	532,500
Great Plains Exploration Inc.	484,000	1,500,400	672,760
Long View Resources Corporation	1,500,000	975,000	393,750
Magnus Energy Inc., Class "A" Restricted	273,100	314,065	188,439
Marauder Resources East Coast Inc.	366,000	135,423	62,220
Petrostar Petroleum Corporation	1,500,000	300,000	217,500
Petrostar Petroleum Corporation, Warrants, Dec. 15 07	2,500,000	–	3
PetroWorth Resources Inc.	666,666	999,999	400,000
ProspEx Resources Ltd.	120,000	522,000	532,800
Raptor Capital Corporation	8,000,000	560,000	360,000
Richards Oil & Gas Limited	522,697	470,427	496,562
Rising Tide Oil and Gas Ltd.	600,000	540,000	840,000
Rolling Thunder Exploration Ltd., Class "A"	175,200	292,584	240,024
Sierra Vista Energy Ltd., Class "A"	383,200	95,800	310,392
Sierra Vista Energy Ltd., Class "B"	86,220	862,200	295,735
SignalEnergy Inc.	524,894	694,545	503,898
Silverwing Energy Inc.	506,589	1,213,178	557,248
Silverwing Energy Inc., Warrants, Feb. 22 08	106,589	–	10,659
Stylus Energy Inc.	100,000	450,000	327,000
Tango Energy Inc.	893,122	893,122	714,498
Terra Energy Corp.	1,000,000	1,900,000	1,200,000
Vanquish Oil & Gas Corporation	213,500	427,000	427,000
WaveForm Energy Ltd., Class "A"	222,200	408,848	33,330
West Energy Ltd.	111,800	920,268	605,956
		27,603,192	**18,281,197**

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

Canada Dominion Resources 2005 II Limited Partnership

STATEMENT OF INVESTMENTS (cont'd)

As at December 31, 2006

(in Canadian dollars)	Par Value($)/ Number of Shares/Units	Cost	Market Value
EQUITIES (96.7%) (cont'd)			
Energy (Other)* (22.9%)			
CanAlaska Uranium Ltd.	625,000	$250,000	$468,750
Cash Minerals Ltd.	1,100,000	495,000	1,870,000
Denison Mines Corp.	200,000	1,550,000	2,360,000
Nomis Power Corp., Restricted	125,000	250,000	68,750
SkyPower Wind Energy Fund LP, Units	60,000	600,000	600,000
Triex Minerals Corporation	200,000	500,000	970,000
Value Creation Inc.	187,500	3,000,000	2,250,000
Uranium Star Corp., Restricted Units	1,000,000	574,925	1,597,746
		7,219,925	**10,185,246**
Gold and Precious Metals (27.7%)			
Aura Gold Inc., Warrants, Nov. 30 07	156,250	–	10,938
Bolnisi Gold NL	300,000	582,055	838,911
Commander Resources Ltd.	428,575	150,001	342,860
Crosshair Exploration and Mining Corp.	300,000	299,700	996,000
Crosshair Exploration and Mining Corp., Warrants, Nov. 03 07	318,750	638	500,438
Exeter Resource Corporation	155,651	389,128	326,867
Grandview Gold Inc.	86,500	108,125	51,900
Kirkland Lake Gold Inc.	81,000	364,500	723,330
Miramar Mining Corporation	1,000,000	2,050,000	5,310,000
San Gold Corporation	721,155	418,270	973,559
Silver Quest Resources Ltd.	500,000	200,000	315,000
Yamana Gold Inc.	126,100	1,002,326	1,930,591
		5,564,743	**12,320,394**
COST AND MARKET VALUE OF INVESTMENTS (96.7%)		**42,782,990**	**43,035,067**
BANK LOAN (–9.6%) (Note 3)		**(4,290,000)**	**(4,290,000)**
CASH AND CASH EQUIVALENTS (8.8%)			
Canadian		3,930,531	3,930,531
Foreign		–	–
Encumbered		–	–
		3,930,531	**3,930,531**
OTHER NET ASSETS (LIABILITIES) (4.1%)		**1,847,883**	**1,847,883**
NET ASSETS (100.0%)		**$44,271,404**	**$44,523,481**

*The "Energy – Other" component of the portfolio consists of companies whose primary focus is on the exploration, development and production of alternative energy sources (outside of oil and natural gas), including uranium, wind generation and geothermal energy."

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

Canada Dominion Resources 2005 II Limited Partnership

STATEMENTS OF NET ASSETS

As at

(in Canadian dollars)	December 31, 2006	December 31, 2005
Assets		
Investments – long, at market value*	$43,035,067	$46,202,713
Cash and cash equivalents	3,930,531	59,548
Receivable for investment securities sold	2,313,998	–
Deferred interest expense on bank loans (Note 3)	13,139	35,624
Accrued interest, dividends and other	7,965	7,272
	49,300,700	46,305,157
Liabilities		
Loan payable (Note 3)	4,290,000	3,500,000
Payable for investment securities purchased	–	–
Management fee payable	76,540	241,581
Issuance costs payable	247,633	561,418
Performance bonus payable	–	–
Accrued expenses	163,046	193,279
	4,777,219	4,496,278
Net assets – representing partners' equity	**$44,523,481**	**$41,808,879**
Partners' capital	46,020,652	46,025,000
Retained earnings (deficit) (Note 5)	(1,497,171)	(4,216,121)
	$44,523,481	**$41,808,879**
*Investments, at cost	$42,782,990	$50,288,055
Number of units outstanding (Note 7)	**1,999,800**	**2,000,000**
Net asset value per unit	**$22.26**	**$20.90**

STATEMENTS OF OPERATIONS

For the periods indicated in Note 1

(in Canadian dollars)	2006	2005
Investment income		
Interest	$85,633	$174,223
Dividends	5,912	–
Foreign withholding taxes	(279)	–
	91,266	174,223
Expenses (Note 4)		
Management fee	930,211	241,581
Performance bonus	–	–
Unitholder reporting costs	28,493	23,483
Unitholder administration costs	543,918	148,755
Custodian fees and bank charges	15,355	1,810
Audit fees	17,946	15,087
Legal fees	–	1,926
Filing fees	8,156	2,250
Interest expense (Note 3)	207,590	34,378
Upfront loan facility expense (Note 3)	–	10,000
	1,751,669	479,270
Expenses absorbed by the Manager	–	–
	1,751,669	479,270
Net investment income (loss)	(1,660,403)	(305,047)
Realized and unrealized gain (loss) on investments		
Net realized gain (loss) on sale of investments	50,258	174,268
Net realized and change in unrealized foreign exchange gain (loss)	(8,324)	–
Change in unrealized appreciation (depreciation) in value of investments	4,337,419	(4,085,342)
Net gain (loss) on investments	4,379,353	(3,911,074)
Increase (decrease) in net assets from operations	**$2,718,950**	**$(4,216,121)**
Increase (decrease) in net assets from operations per unit (Note 2)	**$1.36**	**$(2.11)**

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

Canada Dominion Resources 2005 II Limited Partnership

STATEMENTS OF CHANGES IN NET ASSETS

For the periods indicated in Note 1

(in Canadian dollars)	2006	2005
Net assets, beginning of period	$41,808,879	$–
Increase (decrease) in net assets from operations	2,718,950	(4,216,121)
Partners' transactions		
Proceeds from issue	–	50,000,000
Issuance costs	–	(3,975,000)
Payments on redemption	(4,348)	–
	(4,348)	46,025,000
Increase (decrease) in net assets	2,714,602	41,808,879
Net assets, end of period	**$44,523,481**	**$41,808,879**

STATEMENTS OF CASH FLOWS

For the periods indicated in Note 1

(in Canadian dollars)	2006	2005
Cash flows from operating activities:		
Net investment income (loss)	$(1,660,403)	$(305,047)
Changes in non-cash working capital:		
(Increase)/decrease in accrued interest, dividends and other	(693)	(42,896)
Increase/(decrease) in other payables	(509,059)	996,278
Decrease/(increase) in receivable for investment securities sold	(2,313,998)	–
(Decrease)/increase in payable for investment securities purchased	–	–
(Investments purchased)	(13,638,180)	(50,978,055)
Proceeds from sale of investments	21,193,503	864,268
Net realized and change in unrealized foreign exchange gain (loss)	(8,324)	–
Net cash provided by (used in) operating activities	3,062,846	(49,465,452)
Cash flows from financing activities:		
Proceeds from issue	–	50,000,000
Issuance costs	–	(3,975,000)
Redeemed units	(4,348)	–
Increase/(decrease) in loan payable	790,000	3,500,000
(Increase)/decrease in deferred interest expense on bank loan	22,485	–
Net cash provided by (used in) financing activities	808,137	49,525,000
Cash and cash equivalents, beginning of period	**$59,548**	**$–**
Cash and cash equivalents, end of period	**$3,930,531**	**$59,548**

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

1. Organization of the Limited Partnership

The Canada Dominion Resources 2005 II Limited Partnership (''the Partnership'') was formed as a limited partnership 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 Limited Partners. The Partnership was formed and commenced operations on the following dates:

Name of Partnership	Date Formed	Commenced Operations
Canada Dominion Resources 2005 II Limited Partnership	August 26, 2005	September 26, 2005

The General Partner of the Partnership is as follows:

Name of Partnership	General Partner	Date Incorporated	Date of Limited Partnership Agreement
Canada Dominion Resources 2005 II Limited Partnership	Canada Dominion Resources 2005 II Corporation (''CDR 2005 II'')	August 19, 2005	September 19, 2005

The General Partner is responsible for the management of the Partnership in accordance with the terms and conditions of the partnership agreement.

Financial Reporting Dates

The Statement of Investments is at December 31, 2006. The Statements of Net Assets is as at December 31, 2006 and December 31, 2005. The Statements of Operations, Changes in Net Assets and Cash Flows of the Partnership are for the year ended December 31, 2006 and for the period from commencement of operations on September 26, 2005 to December 31, 2005.

Transactions of the Manager

All directors, officers and employees (''Employees'') of the Manager are subject to its Code of Ethics and Standards of Professional Conduct (the ''Code''). The Code has been put in place to protect the interests of all investors of the Partnership. The Board of Directors of the General Partner and the Board of Governors of the Partnership have reviewed and approved the Code. The Code includes a Trading Policy that Employees must adhere to.

2. Summary of Significant Accounting Policies

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

Valuation of Investments

The market value of investments is determined as follows:

a) All 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.

   The quoted market values of publicly traded securities that are subject to a hold period are fair valued using the following guidelines: they are initially carried at cost until settlement of the transaction. Where the security was purchased at a discount, it is valued by amortizing the percentage discount over the length of the hold period. Where the security was purchased at a premium to the traded value of that security, the security is valued based on the market price of the related common shares.

   Investments in securities having no quoted market values or in illiquid securities are valued based on fair value as determined by the Manager using the following guidelines: they are initially carried at cost until there is a substantial arm's length transaction that establishes a different value, or at their fair value as determined by the Manager. These values may differ from values that would have been used had a ready market existed for these investments.

   In a situation where, in the opinion of the Manager, a market quotation for a security is inaccurate, unreliable or not readily available, the security is valued primarily using dealer supplied valuations or at its fair value as determined by the Manager.

b) Short-term securities are valued based on original cost plus accrued interest, which approximates market value.

c) Warrants are valued based on the market value of the underlying security less the strike price of the warrant. Where the market value of the underlying security is less than the strike price of the warrant, the warrant is valued with nil cost.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

December 31, 2006

2. Summary of Significant Accounting Policies (cont'd)

Investment Transactions and Income Recognition

All investment transactions are reported on the business day 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. The cost of portfolio securities are calculated and reported on an average cost basis. Transaction costs related to the purchases and sales of investments are included in the cost of purchases of investments or treated as a reduction of the proceeds from investments sold.

Income from investments held is recognized on an accrual basis. Interest income is accrued as earned and dividend income and distributions from investment trusts are recognized on the ex-dividend date.

Distributions received from investment trusts are recorded as income, capital gains or a return of capital, based on the best information available to the Manager. Due to the nature of these investments, actual allocations could vary from this information. Distributions from investment trusts that are treated as a return of capital for income tax purposes reduce the average cost of the underlying investment trust on the Statement of Investments.

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.

Valuation of Partnership Units

Net asset value per unit for the Partnership is calculated at the end of each day on which the Partnership's Manager is open for business (''valuation date'') by dividing the net assets of the Partnership by its outstanding units.

Statements of Cash Flows

The Statements of Cash Flows have been included where the Partnership utilizes leverage or borrowing.

Issuance Costs

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

Allocation of Partnership Income and Loss

99.99% of the income or loss the Partnership for the fiscal year is allocated to limited partners 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.

These financial statements present the financial position and results of operations of the Partnership and as such, do not include all assets, liabilities, revenues and expenses of the partners.

Increase (decrease) in net assets from operations per Unit

''Increase (decrease) in net assets per unit'' from operations is disclosed in the Statements of Operations and represents the increase or decrease in net assets from operations for the period divided by the average number of units outstanding during the period.

3. Loan Payable

The Partnership established credit facilities with a Canadian Chartered Bank (the ''Bank'') for the payment of issuance costs and has provided the Bank with a security interest in all of the assets of the Partnership. The credit facilities were established on September 26, 2005. As at December 31, 2006, the principal loan balance outstanding was $4,290,000. The maximum and minimum amounts borrowed during the year ended December 31, 2006 were $4,810,000 and $3,500,000 respectively. For the Partnership, the maximum amount borrowed during the period September 26, 2005 to December 31, 2005 was $3,500,000; and the minimum amount borrowed during the period September 26, 2005 to December 31, 2005 was $3,500,000. The Partnership paid an up-front loan fee of $10,000, which was expensed when the Partnership entered into the credit agreement with the Bank.

The Partnership may avail credit by way of prime loans or Bankers' Acceptances (''BA''). The Partnership pays interest on the outstanding prime 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 ½ of 1% per annum. The BA interest rate per annum is equivalent to the rate existing at the borrowing date. The average interest rate on the outstanding balances during the year was 4.18%.

The initial interest paid on the drawdown or renewal of the BA is deferred and amortized over the term of the BA. For the year ended December 31, 2006, the Partnership recorded interest expense of $207,590 (2005 – $34,378).

4. Income and Expenses

The General Partner is entitled to 0.01% of the net income or loss of the Partnership.

Canada Dominion Resources 2005 II Limited Partnership

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

December 31, 2006

4. Income and Expenses (cont'd)

Management Fee

In consideration for the Manager's services, the Partnership pays to the Manager an annual fee equal to 2% of the Net Asset Value, payable monthly in arrears.

Performance Bonus

The Manager is entitled to a performance bonus to be paid by the Partnership, equal to 20% of the amount by which the Net Asset Value per Unit exceeds $28.00 on the performance bonus date. The performance bonus is calculated on a per unit basis and multiplied by the number of units existing at the performance bonus date. The performance bonus date is on the earlier of the date on which the Partnership assets are transferred to DMP Resource Class of Dynamic Managed Portfolios Ltd. and the day immediately prior to the date of dissolution or termination of the Partnership. The performance bonus will be calculated on the Performance Bonus Date and paid as soon as practicable thereafter. As at December 31, 2006, no performance bonus was accrued.

Expenses

The Partnership pays all of the expenses relating to its operation and the carrying on of its business, 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. Brokerage commissions paid on securities transactions are included in the cost of purchasing, or netted out of the proceeds from selling securities.

The General Partner is reimbursed for expenses incurred in the performance of its duties.

5. 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. On September 26, 2005, 2,000,000 Partnership units were issued.

The changes to retained earnings (deficit) for the year ended December 31, 2006 and from commencement of operations on September 26, 2005 to December 31, 2005 are as follows:

	2006	2005
Increase (decrease) in net assets from operations	$2,718,950	$(4,216,121)
Retained Earnings (deficit), beginning of period	(4,216,121)	–
Retained Earnings (deficit), end of period	**$(1,497,171)**	**$(4,216,121)**

6. Brokerage Commissions and Related Party Transactions

a) Portfolio Transactions

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

Name of Partnership	Total Brokerage Commissions Paid 2006	2005	Paid to Dundee Securities 2006	2005
Canada Dominion Resources 2005 II Limited Partnership	$73,710	$2,000(1)	$15,618	–(1)

(1) For the period from commencement of operations on September 26, 2005 to December 31, 2005

Dundee Wealth is the indirect parent of both the General Partner and Dundee Securities, one of the agents for the offering of the Partnership. Accordingly, the Partnership is related to Dundee Securities.

b) Private Placements

In addition to the commissions paid on the security transactions in a) above, the Partnership invests in flow-through shares through registered dealers, including Dundee Securities. Commissions on flow-through shares are paid directly from the issuer of the shares to the broker/dealer. In certain circumstances, Dundee Securities and the other agents may be entitled to receive fees and, in some cases, rights to purchase shares in connection with the sale of flow-through shares to the Partnership.

c) Initial Offering of Partnership

The Partnership paid agents' fees of 6.75% for each unit sold in connection with the offering of the Partnership. Dundee Securities received a portion of these fees.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

December 31, 2006

7. Partners' Capital

Unitholder transactions of units for the periods ended December 31 are as follows:

	2006	2005
Units outstanding, beginning of period	2,000,000	–
Subscriptions	–	2,000,000
Reinvestments	–	–
Redemptions	(200)	–
Units outstanding, end of period	1,999,800	2,000,000

8. Subsequent Event

On January 5, 2007, the partnership completed its tax-deferred rollover into Dynamic Managed Portfolios Ltd. in exchange for shares of DMP Resource Class. Upon the dissolution of the partnership, the DMP Resource Class shares will be distributed to the limited partners.

9. Future Accounting Standards

On April 1, 2005, the Canadian Institute of Chartered Accountants (''CICA'') issued CICA Handbook section 3855, ''Financial Instruments – Recognition and Measurement'', which establishes Canadian GAAP for financial instruments. This section applies to fiscal years beginning on or after October 1, 2006.

Pursuant to National Instrument 81-106 Investment Fund Continuous Disclosure (''NI 81-106''), investment funds are required to calculate their net asset value in accordance with Canadian GAAP, which has been modified by section 3855. The Canadian Securities Administrators (''CSA'') have granted relief on an interim basis from the requirement of NI 81-106 that investment funds calculate their net asset values in accordance with Canadian GAAP, with the exception of financial reporting purposes, for a period of one year ending September 30, 2007. This allows for further review of alternatives to calculating the net asset value in accordance with Canadian GAAP. Depending upon the outcome of such a review, the method for calculating the net asset value may result in a change to the trading net asset value per unit of an investment fund.

In accordance with relief granted by the CSA, a reconciliation of the net asset value between the trading net asset value and the net asset value calculated in accordance with section 3855 of an investment fund is required to be disclosed in the notes to the financial statements for financial reporting purposes for fiscal years beginning on or after October 1, 2006.

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