

CDR 2007 PRIVATE FLOW-THROUGH LP

ANNUAL REPORT

December 31, 2008

The annual management report of fund performance contains financial highlights, but does not contain the complete annual or interim financial statements of the partnership. For your reference, the annual financial statements of the partnership are attached to the annual management report of fund performance. You may obtain additional copies of these documents or a copy of the interim financial statements at your request, and at no cost, by calling toll free 1-800-268-8186 or by writing to us at Goodman & Company, Investment Counsel Ltd., Dundee Place, 1 Adelaide Street East, 29th Floor, Toronto, Ontario, M5C 2V9.

Securityholders may also contact us using one of these methods to request a copy of the partnership's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

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Board of Governors' Report

The Manager of your fund recognizes that its business rests on a foundation of trust. For this reason, the Manager has, since 1996, provided investors with the benefit of an independent governance body (the "Board of Governors") to oversee the operations of the Dynamic family of Funds (the "Funds"), including your investment. Some of the members of the Board of Governors have been associated with the Funds since their inception in 1957.

In 2007, pursuant to new regulatory requirements, the Manager appointed an Independent Review Committee ("IRC") to review and provide recommendations or approval, as required, regarding certain conflict of interest matters referred to it by the Manager. The IRC currently consists of five members, all of whom are also members of the Board of Governors. The IRC and the Board of Governors are two distinct bodies.

The function of the Board of Governors is to represent the interests of investors in the Funds and to act in an advisory capacity to the Manager of the Funds. This responsibility is expressed in the Board of Governors' 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 counsel at Lapointe Rosenstein, a law firm. Mr. MacRae is a director of Dundee Corporation and of DundeeWealth Inc., the parent company of the Manager. Mr. Ruggles is a retired investment counsel and portfolio manager and a founding partner of Ruggles & Crysedale Inc. which subsequently merged with Guardian Capital Group Ltd., an investment counseling firm. Mr. White is the President of Frank White Enterprises Inc. and has been associated with the Funds since 1957. A majority of the members of the Board of Governors are independent of management.

In order to carry out its mandate effectively, the Board of Governors has formed the following 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. Ronald Singer, Mr. Brahm Gelfand, Mr. Garth MacRae and Mr. Alain Benedetti.

The Fund Review Committee: The committee is responsible for overseeing, among other things, fund performance, certain activities of the portfolio managers, soft dollar arrangements and execution costs. The Fund Review Committee is comprised of Mr. Robert Ruggles (Chair), Mr. Garth MacRae and Mr. Richard Crowe.

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. Richard Crowe and Mr. Frank White.

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 being followed. Periodically, senior management, including representatives of the Manager's Compliance Committee and its Internal Auditor, report to the Board of Governors on the controls that the Manager has in place to protect the Fund's assets, and to review and discuss:

- Compliance with the Manager's Code of Ethics;
 - Internal controls over financial reporting;
 - The accuracy of daily net asset value calculations; and
 - Compliance with regulatory requirements.
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Board of Governors' Report (cont'd)

The position, Director, Internal Audit, provides reports to the Audit Committee of the Board of Governors 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.

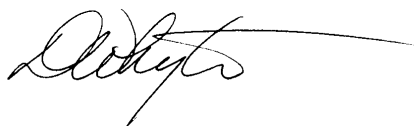
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Management Responsibility for Financial Reporting

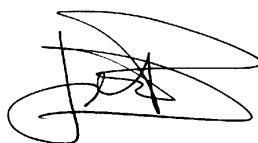
The accompanying financial statements have been prepared by Goodman & Company, Investment Counsel Ltd. in its capacity as Manager of the Partnership and approved by the Board of Directors of the General Partner. The General Partner is responsible for the information and representations contained in these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

The General Partner 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 General Partner. The significant accounting policies which the General Partner believes are appropriate for the Partnership are described in Note 2 to the financial statements.

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



DAVID WHYTE
President
Director and Vice Chairman Goodman & Company,
Investment Counsel Ltd.



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

February 12, 2009

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Auditors' Report

To the General Partner of
CDR 2007 Private Flow-Through LP (the Partnership)

We have audited the statement of investments of the Partnership as at December 31, 2008, the statement of net assets as at December 31, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the General Partner. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2008, the results of its operations, the changes in its net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Ontario
March 17, 2009

CDR 2007 Private Flow-Through LP

STATEMENT OF INVESTMENTS

As at December 31, 2008

(in 000s of Canadian dollars except number of shares/units)	Par Value(\$)/ Number of Shares/Units	Cost	Market Value
EQUITIES (91.4%)			
Diversified Metals and Mining (2.7%)			
Adex Mining Inc.	156,000	\$94	\$5
Royal Nickel Corporation, Restricted*	350,000	403	586
		497	591
Energy (88.1%)			
Angle Energy Inc.	508,500	2,378	1,831
Arriva Energy Inc., Restricted*	1,333,500	2,000	360
Artek Exploration Ltd., Restricted*	86,000	2,494	432
Athabasca Oil Sands Corp.*	420,000	3,553	2,539
Athabasca Oil Sands Corp., Restricted*	200,000	1,992	1,209
Athabasca Oil Sands Corp., Warrants, Feb. 16 09*	589,100	24	–
Athabasca Oil Sands Corp., Warrants, Feb. 26 09*	200,000	8	–
Connacher Oil and Gas Limited	80,000	400	58
Crew Energy Inc.	111,400	1,313	585
Exshaw Oil Corp., Restricted*	380,000	1,805	1,045
Forent Energy Ltd.*	2,608,700	3,000	1,977
Livingstone Energy Ltd.*	1,000,000	1,490	220
Monterey Exploration Ltd.	1,000,000	3,500	600
OSUM Oil Sands Corp.*	386,500	4,000	3,076
Power Play Resources Ltd.*	2,220,000	1,998	–
Serrano Energy Ltd.*	420,000	2,520	1,785
Sunshine Oilsands Ltd., Class "A" Restricted*	635,000	2,000	3,893
		34,475	19,610
Gold and Precious Metals (0.6%)			
Rockhaven Resources Ltd.	835,000	501	58
Rockhaven Resources Ltd., Warrants, Dec. 13 09*	417,500	–	2
Roxgold Inc.	1,625,000	699	33
Roxgold Inc., Warrants, Dec. 05 09*	812,500	–	16
Valterra Resource Corporation	500,000	149	25
		1,349	134
COST AND MARKET VALUE OF INVESTMENTS (91.4%)		36,321	20,335
TRANSACTION COSTS (0.0%) (Note 2)		(3)	–
TOTAL COST AND MARKET VALUE OF INVESTMENTS (91.4%)		36,318	20,335
BANK LOAN (0.0%)			
Bank Loan		–	–
CASH AND CASH EQUIVALENTS (9.5%)			
Canadian		2,103	2,103
Foreign		–	–
		2,103	2,103
OTHER NET ASSETS (LIABILITIES) (–0.9%)		(189)	(189)
NET ASSETS (100.0%)		\$38,232	\$22,249

*These securities have no quoted market values and are valued using valuation techniques. Costs and market values of the securities may include non-zero amounts that are rounded to zero.

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

CDR 2007 Private Flow-Through LP

DISCUSSION ON FINANCIAL RISK MANAGEMENT

As at December 31, 2008

A. Risk management

CDR 2007 Private Flow-Through LP's (the "Partnership") investment objective is to provide Limited Partners with a tax-assisted investment in a diversified portfolio of equity securities of Resource Companies with a view to earning income and achieving capital appreciation for Limited Partners.

The investment activities of the Partnership expose it to a variety of financial risks (for a general discussion of these risks see Note 8). The Statement of Investments presents the securities held by the Partnership as at December 31, 2008, and groups the securities by asset type and/or market segment. The Manager seeks to minimize potential adverse effects of these risks on the Partnership's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Partnership's optimal asset mix and market events, as well as diversify the investment portfolio within the constraints of the investment objective.

To assist in managing risks, the Manager has established and maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Partnership's stated investment objectives and guidelines. Significant risks that are relevant to the Partnership are discussed below.

B. Credit risk

As at December 31, 2008, the Partnership had no significant exposure to debt instruments and/or derivatives.

C. Interest rate risk

Except for short term investments, the majority of the Partnership's financial assets and liabilities were non-interest bearing as at December 31, 2008. Accordingly, the Partnership is not directly subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

D. Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Since all financial instruments held by the Partnership are exposed to market risk and present a risk of loss of capital, the Partnership's price risk is driven primarily by volatility in investment prices. If prices of the Partnership's investments had increased by 5%, with all other factors remaining constant, net assets may have increased by approximately \$1,017,000, conversely, had such investment prices decreased, net assets may have decreased by a corresponding amount. In practice, actual results will differ from this sensitivity analysis and the difference could be material.

E. Currency risk

As at December 31, 2008, the Partnership had no foreign currency exposure.

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STATEMENTS OF NET ASSETS

As at

(in 000s of Canadian dollars except number of units and per unit amounts)	December 31, 2008	December 31, 2007
Assets		
Investments, at market value*	\$20,335	\$35,839
Cash and cash equivalents	2,103	126
Receivable for investment securities sold	–	–
Accrued interest, dividends and other	–	–
	22,438	35,965
Liabilities		
Bank overdraft	–	–
Loan payable	–	–
Payable for investment securities purchased	–	–
Management fee payable	49	482
Issuance costs payable	–	188
Performance fee payable	–	–
Accrued expenses (Note 3)	140	348
	189	1,018
Net assets – representing partners' equity (Note 6)	\$22,249	\$34,947
Partners' capital	\$40,888	\$40,707
Retained earnings (deficit) (Note 4)	(18,639)	(5,760)
	\$22,249	\$34,947
*Investments, at cost	\$36,318	\$41,337
Number of units outstanding (Note 4)	1,755,000	1,755,000
Net assets per unit (Note 6)	\$12.68	\$19.91

STATEMENTS OF OPERATIONS

For the period indicated in Note 1

(in 000s of Canadian dollars except per unit amounts)	2008	2007
Investment Income		
Interest	\$18	\$568
Dividends	–	–
Foreign withholding taxes	–	–
	18	568
Expenses (Note 3)		
Management fee	714	482
Performance fee	–	–
Independent Review Committee fees	1	1
Unitholder reporting costs	42	89
Unitholder administration costs	313	227
Custodian fee and bank charges	18	7
Audit fees	19	20
Legal fees	3	2
Filing fees	5	2
Interest expense	18	–
Transaction costs (Note 3, Note 5)	27	–
	1,160	830
Net investment income (loss)	(1,142)	(262)
Realized and unrealized gain (loss) on investments		
Net realized gain (loss) on sale of investments	(1,252)	–
Net realized and change in unrealized foreign exchange gain (loss)	–	–
Change in unrealized appreciation (depreciation) in value of investments	(10,485)	(5,498)
Net gain (loss) on investments	(11,737)	(5,498)
Increase (decrease) in net assets from operations	\$(12,879)	\$(5,760)
Increase (decrease) in net assets from operations per unit (Note 2)	\$(7.33)	\$(3.28)

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

CDR 2007 Private Flow-Through LP

STATEMENTS OF CHANGES IN NET ASSETS

For the period indicated in Note 1

(in 000s of Canadian dollars)	2008	2007
Net assets, beginning of period (Note 6)	\$34,947	\$-
Increase (decrease) in net assets from operations	(12,879)	(5,760)
Partners' transactions		
Proceeds from issue	-	43,875
Issuance costs	181	(3,168)
	181	40,707
Increase (decrease) in net assets	(12,698)	34,947
Net assets, end of period (Note 6)	\$22,249	\$34,947

STATEMENTS OF CASH FLOWS

For the period indicated in Note 1

(in 000s of Canadian dollars)	2008	2007
Cash flows from operating activities:		
Net investment income (loss)	\$(1,142)	\$(262)
Changes in non-cash working capital:		
(Increase) decrease in accrued interest, dividends and other	-	-
Increase (decrease) in other payables	(829)	1,018
(Increase) decrease in receivable for investments securities sold	-	-
Increase (decrease) in payable on investment securities purchased	-	-
(Investments purchased)	(1,486)	(41,337)
Proceeds from sale of investments	5,253	-
Net realized and change in unrealized foreign exchange gain (loss)	-	-
Net cash provided by (used in) operating activities	1,796	(40,581)
Cash flows from financing activities:		
Proceeds from issue	-	43,875
Issuance costs	181	(3,168)
Increase (decrease) in loan payable	-	-
(Increase) decrease in deferred interest expense on bank loan	-	-
Net cash provided by (used in) financing activities	181	40,707
Cash and cash equivalents, beginning of period	126	-
Cash and cash equivalents, end of period	\$2,103	\$126

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

CDR 2007 Private Flow-Through LP

NOTES TO THE FINANCIAL STATEMENTS

For the periods ended December 31, 2008 and 2007

1. Organization of the Limited Partnership

The CDR 2007 Private Flow-Through LP (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:

	Date Formed	Commenced Operations
CDR 2007 Private Flow-Through LP	February 7, 2007	May 29, 2007

The General Partner of the Partnership is as follows:

	General Partner	Date Incorporated	Date of Limited Partnership Agreement
CDR 2007 Private Flow-Through LP	CDR 2007 Private Corporation	January 24, 2007	April 18, 2007

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 as at December 31, 2008. The Statements of Net Assets are as at December 31, 2008 and December 31, 2007. The Statements of Operations, Changes in Net Assets and Cash Flows are for the period ended December 31, 2008 and for the period from commencement of operations on May 29, 2007 to December 31, 2007.

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.

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 ("GAAP"), 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. Some of the zero balances reported on the financial statements may include non-zero amounts rounded to zero. The following is a summary of significant accounting policies used by the Partnership:

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on deposit and short-term debt instruments with terms to maturity less than 90 days. Cash and cash equivalents are deemed to be held for trading and are therefore carried at fair value.

Investment Transactions and Income Recognition

All investment transactions are reported on the business day the order to buy or sell is executed. The cost of portfolio securities, for realized gains and losses from investment transactions and unrealized appreciation or depreciation of investments is calculated and reported on an average cost basis.

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.

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 for Transactional NAV Purposes

Net asset value per unit ("NAVPU") for the Partnership is calculated at the end of each day on which the Manager is open for business (to be called "valuation date") by dividing the net asset value ("Transactional NAV") of the Partnership by its outstanding units. The Partnership has calculated the NAVPU in accordance with the exemption granted by the Canadian Securities Administrators (CSA)

CDR 2007 Private Flow-Through LP

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the periods ended December 31, 2008 and 2007

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

Statement of Cash Flows

The Statement of Cash Flow has 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 of 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.

The General Partner is entitled to 0.01% of the net income or loss of the Partnership. Net Income is determined in accordance with GAAP.

Increase (decrease) in Net Assets from Operations per Unit

"Increase (decrease) in net assets per unit" from operations is disclosed in the Statement 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.

Valuation of Investments

In accordance with Section 3855 *Financial Instruments – Recognition and Measurement*, investments, options and derivative financial instruments are deemed to be categorized as held for trading, and are required to be recorded at fair value. The main impact of Section 3855 relates to the determination of the fair value of financial assets listed on an active market with the bid price for a long position and the ask price for a short position instead of the closing price.

On September 8, 2008, the Canadian Securities Administrators adopted amendments to National Instrument 81-106 on Investment Fund Continuous Disclosure. The amendments are aimed at modifying the requirements pertaining to the calculation of the unit value due to the inclusion of Section 3855. These changes allow the Partnership to report two distinct net asset values: one for the financial statements purposes, which is calculated in accordance with Canadian GAAP called "GAAP Net Assets" (or "net assets") and another for all other purposes, such as purchases and redemptions called "Transactional NAV" (or "net asset value"). A reconciliation between the Transactional NAV per unit and the GAAP Net Assets per unit is provided in Note 6.

The fair value of investments as at the financial reporting date is determined as follows:

- I. All long securities listed on a recognized public stock exchange are valued at their last bid price on the valuation date. All short securities listed on a recognized public stock exchange are valued at the last ask price on the valuation date. Securities that are traded on an over-the-counter market basis, are priced at the last bid price as quoted by a major dealer. Securities with no available bid or ask prices are valued at their closing sale price.
- II. Investments in securities having no quoted market values or in illiquid securities are valued using valuation techniques. Valuation techniques include, but are not limited to, referencing the current value of similar instruments, using recent arm's length market transactions, discounted cash flow analyses or option pricing models. These values may differ from values that would have been used had a ready market existed for these investments.
- III. In a situation where, in the opinion of the Manager, a market quotation for a security is inaccurate, not readily available or does not accurately reflect fair value, the security is valued at a fair value as determined by the Manager.
- IV. The market value of investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange established at noon on each valuation date. Under the Partnership's fair pricing policy, when the rates of exchange established at 3 p.m. are materially different from the noon exchange rates on a given valuation date, the market value of investments and other assets and liabilities denominated in foreign currencies will be translated at the 3 p.m. exchange rates for that valuation date.

Transactions Costs

Transaction costs are incremental costs directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges and transfer taxes and duties. In accordance with Section 3855, transaction costs are expensed and are included in "Transaction costs" in the Statements of Operations.

Adoption of New Accounting Standards

On December 1, 2006, the Accounting Standards Board issued CICA Handbook Section 1535, Capital Disclosures, Section 3862, Financial Instruments – Disclosures, and Section 3863, Financial Instruments – Presentation. The new standards provide additional disclosure and presentation requirements on capital and financial instruments. They apply to semi-annual and annual financial statements relating to fiscal years beginning on or after October 1, 2007. The Partnership has adopted Section 1535 with no impact to the net assets of the Partnership. Qualitative disclosures have been provided in Note 4.

CDR 2007 Private Flow-Through LP

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the periods ended December 31, 2008 and 2007

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

Sections 3862 and 3863 require quantitative and qualitative disclosures for some of the most common risks associated with investing in investment funds. The effects of the adoption of Sections 3862 and 3863 are limited to the new disclosures with no impact on the Partnership's results of operations or financial position. The disclosures for financial risk management for the Partnership are under the Statement of Investments. Refer to Note 8 for the required Section 3862 disclosures.

International Financial Reporting Standards

In February 2008, the CICA Accounting Standards Board confirmed that Canadian GAAP for publicly accountable enterprises, including investment funds will be replaced with International Financial Reporting Standards ("IFRS") effective in calendar year 2011. IFRS will apply to the Partnership's interim and annual financial statements beginning on or after January 1, 2011, including the restatement of comparative amounts for fiscal year 2010. The impact of the change to IFRS on the Partnership's financial instruments is under review by the Manager.

3. Income and Expenses

Management Fee

In consideration for the Manager's services and pursuant to the terms of the Management Agreement, the Partnership pays to the Manager an annual fee equal to 2% of the Transactional Net Asset Value. The management fee is calculated and paid monthly in arrears based on the Transactional Net Asset Value at the end of the preceding month.

Performance Fee

The Manager is entitled to a performance fee to be paid by the Partnership equal to 20% of the amount by which the Transactional Net Asset Value per Unit exceeds \$28 on the performance fee date. The performance fee is calculated on a per unit basis and multiplied by the number of units existing at the performance fee date. The performance fee will be calculated on the performance fee date and paid as soon as practicable thereafter. As at December 31, 2008, performance fee accrued was nil.

Expenses

The Partnership pays all of the expenses relating to its operation and the carrying on of its business, including mailing and printing, legal and audit fees, interest, administrative costs relating to the cost of financial and other reports and compliance with all applicable laws, regulations and policies. The Partnership reimbursed the Manager for operating costs incurred in administering the Partnership of approximately \$295,000 (2007 – \$221,000).

Brokerage commissions paid on securities transactions are considered to be part of operating expenses. These commissions are not included in the cost of purchasing securities, nor are they netted out of the proceeds from selling securities.

4. Partners' Capital

The Partnership's capital represents the net assets of the Partnership and is comprised of issued units and retained earnings. The Partnership is not subject to any regulatory requirements on capital. The capital of the Partnership is managed in accordance with the Partnership's investment objectives, policies and restrictions, as outlined in the Partnership's offering memorandum. The offering memorandum qualifies the distribution by CDR 2007 Private Flow-Through LP (the "Partnership") of a maximum of 2,000,000 limited partnership units ("Units"). The Units were issued at a price of \$25 per Unit, subject to a minimum subscription of 1,000 Units for \$25,000.

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 May 29, 2007, 1,755,000 Partnership units were issued.

Unitholder transactions of units for period ended December 31, 2008 and the period from commencement of operations on May 29, 2007 to December 31, 2007 are as follows:

	2008	2007
Units outstanding, beginning of period	1,755,000	–
Subscriptions	–	1,755,000
Reinvestments	–	–
Redemptions	–	–
Units outstanding, end of period	1,755,000	1,755,000

CDR 2007 Private Flow-Through LP

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the periods ended December 31, 2008 and 2007

4. Partners' Capital (cont'd)

The changes to retained earnings (deficit) for the period ended December 31, 2008 and the period from commencement of operations on May 29, 2007 to December 31, 2007 are as follows:

(in \$000s)	December 31, 2008	December 31, 2007
Retained earnings (deficit), beginning of period	\$(5,760)	\$-
Increase (decrease) in net assets from operations	(12,879)	(5,760)
Retained earnings (deficit), end of period	\$(18,639)	\$(5,760)

5. Related Party Transactions

a) Portfolio Transactions

Broker commissions paid on securities transactions during the period ended December 31, 2008 and from commencement of operations on May 29, 2007 to December 31, 2007 and the amounts paid to Dundee Securities Corporation ("Dundee Securities"), a subsidiary of DundeeWealth Inc., the parent of the Manager, for brokerage services provided to the Partnership, are as follows:

(in \$000s)	Total Brokerage Commissions Paid		Paid to Dundee Securities	
	2008	2007	2008	2007
CDR 2007 Private Flow-Through LP	27	nil	2	nil

DundeeWealth Inc. 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 in connection with the offering of 6.75% for each unit sold, except for the first 200,000 units (\$5,000,000) purchased by President's List Subscribers, where agents' fees were reduced to 3.375%. Dundee Securities received approximately \$592,000 of these fees.

6. Reconciliation of Net Asset Value

The reconciliation below is between Transactional NAV (net asset value) and the GAAP Net Assets as at December 31, 2008 and 2007.

December 31, 2008				December 31, 2007			
As at 31-Dec-08 Transactional NAV (\$000s)	Application of Section 3855 adjustment (\$000s)	As at 31-Dec-08 GAAP Net Assets (\$000s)	As at 31-Dec-08 Transactional NAV Per Unit (\$)	As at 31-Dec-07 Transactional NAV (\$000s)	Application of Section 3855 adjustment (\$000s)	As at 31-Dec-07 GAAP Net Assets Per Unit (\$)	As at 31-Dec-07 Transactional NAV Per Unit (\$)
22,343	(94)	22,249	12.73	34,850	97	34,947	19.85

7. Filing Exemption

The Partnership is relying on the exemption available under section 2.11 of National Instrument 81-106 – *Investment Fund Continuous Disclosure* which exempts an investment fund that is not a reporting issuer from publicly filing its financial statements for a financial year or for an interim period.

8. Risks Associated with Financial Instruments

Investment activities of the Partnership expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, other price risk and currency risk). The manager of the Partnership seeks to minimize these risks by employing experienced portfolio managers that will manage the security portfolios of the Partnership on a daily basis according to market events and the investment objectives of the Partnership. Section 3862 and 3863 disclosures that are specific to the Partnership are presented in the Discussion of Financial Risk Management

CDR 2007 Private Flow-Through LP

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the periods ended December 31, 2008 and 2007

8. Risks Associated with Financial Instruments (cont'd)

under the Statement of Investments. The sensitivity analysis shown in the Discussion on Financial Risk Management will differ from actual results and the difference could be material.

A. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge a commitment that it has entered into with the Partnership. The fair value of a financial instrument takes into account the credit rating of its issuer. All transactions in securities are settled or paid for upon delivery through brokers. Credit risk is considered minimal in the Partnership, as delivery of securities sold is made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

B. Liquidity Risk

Liquidity risk is the risk that a partnership may not be able to settle or meet its obligation on time or at a reasonable price. The Partnership retains sufficient cash and cash equivalent positions to maintain liquidity. The Partnership may, from time to time, invest in securities that are not traded in an active market and may be illiquid. Such investments are identified as private and restricted securities in the Statement of Investment Portfolio.

C. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when a partnership invests in interest-bearing financial instruments. The Partnership is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on any cash and cash equivalents, invested at short-term market interest rates since securities are usually held to maturity and tend to be short-term in nature.

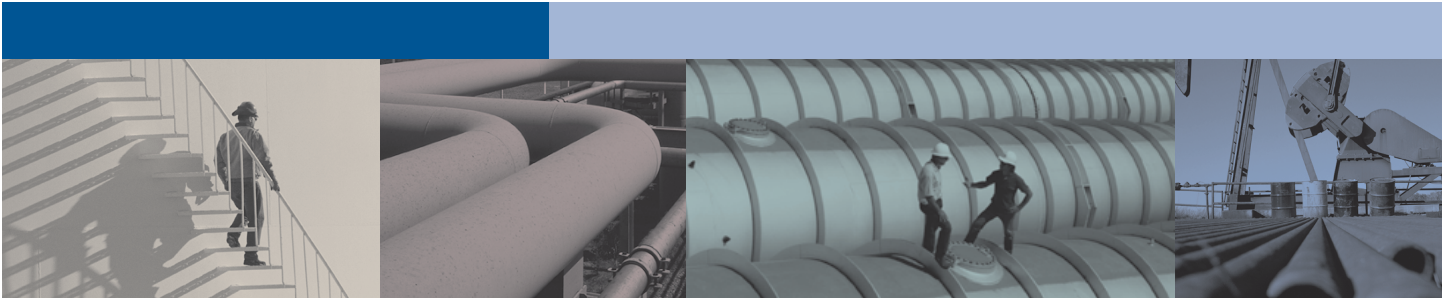
D. Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer, or all factors affecting a market or a market segment. The Partnership is exposed to market risk since all financial instruments held by the Partnership are exposed to market risk and present a risk of loss of capital. Maximum risk resulting from financial instruments is equivalent to their fair value, except for options written and future contracts where possible losses can be unlimited.

E. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Changes in the value of the Canadian Dollar compared to foreign currencies will affect the value, in Canadian Dollars, of any foreign securities in the Partnership. These changes will affect the value of foreign securities. Bonds issued in foreign currencies are listed in the investment portfolio. Foreign stocks are also exposed to currency risks since the value of such stocks are converted to Canadian dollars to determine their fair value.

The above noted risk positions are monitored by the portfolio manager on a regular basis and reviewed by the Fund Review Committee on a quarterly basis.



CDR 2007 PRIVATE FLOW-THROUGH LP

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