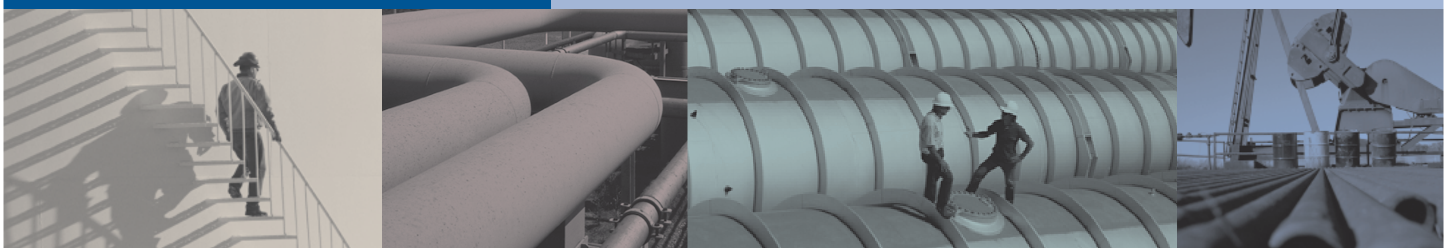

CDR 2007 PRIVATE FLOW-THROUGH LP

ANNUAL REPORT

December 31, 2009

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.

BOARD OF GOVERNORS' REPORT

Goodman & Company, Investment Counsel Ltd., as manager of your fund (the "Manager"), 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 funds managed by the Manager (the "Funds"), including your investment.

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 and Trustee of the Funds. This responsibility is expressed in the Board of Governors' mandate to:

- help protect the interests of the securityholders of the Funds;
- oversee the operations of the Funds such that they are managed in the best interests of the securityholders and in a fair and prudent manner; and
- act in an advisory role to the Manager and Trustee, where applicable, 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. Simon Hitzig, Mr. Garth MacRae, Mr. Robert Ruggles and Mr. Frank White. Mr. Singer is a retired partner of Hyde Houghton, Chartered Accountants. 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 Marchand Meloncon L.L.P., a law firm. Mr. Hitzig was an employee of the Manager from 1998 to 2009, holding various executive positions in marketing, product development and distribution strategy. Mr. MacRae is a director of DundeeWealth Inc. and Dundee Corporation 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 & Crysdale Inc., which subsequently merged with Guardian Capital Group Ltd., a portfolio management firm. Mr. White is the President of Frank White Enterprises Inc. A majority of the members of the Board of Governors are independent of management.

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

The Audit Committee: This committee reviews the financial statements and the management report of fund performance of the Funds, 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: This 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: This 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;
- 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, provides 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.

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by Goodman & Company, Investment Counsel Ltd. (the ''Manager'') in its capacity as Manager of the Limited Partnership. The Manager is responsible for the information and representations contained in these financial statements.

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 Limited Partnership are described in Note 2 to the financial statements.

The Board of Directors of the Manager has delegated responsibility for oversight of the financial reporting process to the Audit Committee of the Board of Governors of the Manager. The Audit Committee is responsible for reviewing the financial statements and recommending them to the Board of Directors of the Manager for approval, in addition to meeting with management, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board of Directors of the Manager is responsible for reviewing and approving the financial statements on recommendation of the Audit Committee, in addition to overseeing managements' performance of its financial reporting responsibilities. Additionally, the Board of Directors of the General Partner also reviews and approves the financial statements.

PricewaterhouseCoopers LLP are the external auditors of the Limited 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 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 15, 2010

CDR 2007 Private Flow-Through LP

AUDITORS' REPORT

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

We have audited the statement of investments of the Partnership as at December 31, 2009, the statement of net assets as at December 31, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of management. 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, 2009, 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 15, 2010

CDR 2007 Private Flow-Through LP

STATEMENT OF INVESTMENTS

As at December 31, 2009

	Par Value (000s)/ Number of Shares/Units	Average Cost† (000s)	Fair Value (000s)
EQUITIES (92.8%)			
Diversified Metals and Mining (5.7%)			
Adex Mining Inc.	156,000	$94	$16
African Minerals Limited	200,000	956	1,238
Royal Nickel Corporation, Restricted*	350,000	403	700
		1,453	**1,954**
Energy (86.2%)			
Angle Energy Inc.	508,500	2,378	3,407
Arriva Energy Inc., Restricted*	1,333,500	2,000	1,020
Artek Exploration Ltd., Restricted*	86,000	2,494	1,634
Athabasca Oil Sands Corp., Restricted*	220,000	2,000	3,575
Cequence Energy Ltd.	350,000	1,336	1,260
Connacher Oil and Gas Limited	80,000	400	102
Forent Energy Ltd.	5,314,018	3,000	1,329
Forent Energy Ltd., Restricted	3,393,500	509	753
Forent Energy Ltd., Warrants, Apr. 28 11*	1,696,750	–	256
Monterey Exploration Ltd.	600,000	2,100	3,240
Nexstar Energy Ltd., Class “A”	3,334,900	250	1,251
OSUM Oil Sands Corp.*	386,500	4,000	3,281
Penn West Energy Trust	65,000	1,061	1,204
Power Play Resources Ltd.*	2,220,000	1,998	311
Serrano Energy Ltd.*	420,000	2,520	794
Sunshine Oilsands Ltd., Class “A” Restricted*	635,000	2,000	3,334
Temple Energy Inc., Restricted*	495,000	1,490	297
Tourmaline Oil Corp., Restricted*	94,488	1,906	1,417
West Energy Ltd.	219,600	547	848
Wild Stream Exploration Inc.	109,533	493	471
		32,482	**29,784**
Gold and Precious Metals (0.9%)			
Rockhaven Resources Ltd.	835,000	501	234
Roxgold Inc.	1,625,000	699	65
Valterra Resource Corporation	500,000	150	24
		1,350	**323**
AVERAGE COST AND FAIR VALUE OF INVESTMENTS (92.8%)		**35,285**	**32,061**
TRANSACTION COSTS (0.0%) (Note 2)		**(8)**	**–**
TOTAL AVERAGE COST AND FAIR VALUE OF INVESTMENTS (92.8%)		**35,277**	**32,061**
BANK LOAN (0.0%)			
Bank Loan		–	–
CASH AND CASH EQUIVALENTS (5.9%)			
Canadian		2,030	2,030
Foreign		–	–
		2,030	**2,030**
OTHER NET ASSETS (LIABILITIES) (1.3%)		**465**	**465**
NET ASSETS (100.0%)		**$37,772**	**$34,556**

Average cost or fair values of some securities may include non-zero amounts that are rounded to zero.

† Distributions received from holdings as a return of capital are used to reduce the adjusted cost base of the securities in the portfolio.

* These securities have no quoted market values and are valued using valuation techniques.

CDR 2007 Private Flow-Through LP

PORTFOLIO CONCENTRATION

As at

As a percentage of Net Assets (%)	December 31, 2009	December 31, 2008
EQUITIES	**92.8**	**91.4**
Diversified Metals and Mining	5.7	2.7
Energy	86.2	88.1
Gold and Precious Metals	0.9	0.6
CASH AND CASH EQUIVALENTS	**5.9**	**9.5**

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

DISCUSSION ON FINANCIAL RISK MANAGEMENT

As at December 31, 2009

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 7). The Statement of Investments presents the securities held by the Partnership 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 Partnership'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.

Credit risk

As at December 31, 2009 and 2008, other than short-term investments, the Partnership had no significant exposure to debt instruments and/or derivatives. All investment transactions are executed by brokers with an approved credit rating. As such, the risk of default on investment transactions with counterparties and brokers is considered minimal. In instances where the credit rating were to fall below the approved rating, the Manager would take appropriate action.

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, 2009 and 2008. Accordingly, the Partnership is not directly subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

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. Exposure to other price risks arises from the Partnership's investment in equity securities. As at December 31, 2009, approximately 93% (Dec. 2008 – 91%) of the Partnership's net assets were invested in equity securities. If prices of the Partnership's equity investments had decreased or increased by 5%, with all other factors remaining constant, net assets may have decreased or increased, respectively, by approximately $1,603,000 (Dec. 2008 – $1,017,000). In practice, actual results will differ from this sensitivity analysis and the difference could be material.

Currency risk

As at December 31, 2009 and 2008, the Partnership had no foreign currency exposure.

CDR 2007 Private Flow-Through LP

STATEMENTS OF NET ASSETS

As at

(in 000s of Canadian dollars except number of units and per unit amounts)	December 31, 2009	December 31, 2008
Assets		
Investments, at fair value*	$32,061	$20,335
Cash and cash equivalents	2,030	2,103
Receivable for investment securities sold	539	–
Accrued interest, dividends and other	10	–
	34,640	22,438
Liabilities		
Bank overdraft	–	–
Loan payable	–	–
Payable for investment securities purchased	–	–
Management fee payable	60	49
Issuance costs payable	–	–
Performance bonus payable	–	–
Accrued expenses	24	140
	84	189
Net assets – representing partners' equity (Note 4)	**$34,556**	**$22,249**
Partners' capital	40,888	40,888
Retained earnings (deficit) (Note 4)	(6,332)	(18,639)
	$34,556	**$22,249**
*Investments, at average cost	$35,277	$36,318
Number of units outstanding (Note 4)	**1,755,000**	**1,755,000**
Net assets per unit (Note 2)	**$19.69**	**$12.68**

STATEMENTS OF OPERATIONS

For the period ended (Note 1)

(in 000s of Canadian dollars except per unit amounts)	December 31, 2009	December 31, 2008
Investment Income		
Interest	$38	$18
Dividends	–	–
Foreign withholding taxes	–	–
	38	18
Expenses (Note 3)		
Management fee	507	714
Performance bonus	–	–
Independent Review Committee fees	–	–
Unitholder reporting costs	42	42
Unitholder administration costs	353	314
Custodian fee and bank charges	4	18
Audit fees	19	19
Legal fees	10	3
Filing fees	5	5
Interest expense	–	18
Transaction costs (Note 2)	45	27
	985	1,160
Net investment income (loss)	(947)	(1,142)
Realized and unrealized gain (loss) on investments		
Net realized gain (loss) on sale of investments	472	(1,252)
Net realized and change in unrealized foreign exchange gain (loss), and change in unrealized derivatives gain (loss)	15	–
Change in unrealized appreciation (depreciation) in value of investments	12,767	(10,485)
Net gain (loss) on investments	13,254	(11,737)
Increase (decrease) in net assets from operations	**$12,307**	**$(12,879)**
Increase (decrease) in net assets from operations per unit (Note 2)	**$7.01**	**$(7.33)**

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 ended (Note 1)

(in 000s of Canadian dollars)	December 31, 2009	December 31, 2008
Net assets, beginning of period	$22,249	$34,947
Increase (decrease) in net assets from operations	12,307	(12,879)
Partners' transactions		
Proceeds from issue	–	–
Issuance costs	–	181
	–	181
Increase (decrease) in net assets	12,307	(12,698)
Net assets, end of period	**$34,556**	**$22,249**

STATEMENTS OF CASH FLOWS

For the period ended (Note 1)

(in 000s of Canadian dollars)	December 31, 2009	December 31, 2008
Cash flows from operating activities:		
Net investment income (loss)	$(947)	$(1,142)
Changes in non-cash working capital:		
(Increase) decrease in accrued interest, dividends and other	(10)	–
Increase (decrease) in other payables	(105)	(829)
(Increase) decrease in receivable for investments securities sold	(539)	–
Increase (decrease) in payable on investment securities purchased	–	–
(Investments purchased)	(5,244)	(1,486)
Proceeds from sale of investments	6,757	5,253
Net realized and change in unrealized foreign exchange gain (loss)	15	–
Net cash provided by (used in) operating activities	(73)	1,796
Cash flows from financing activities:		
Proceeds from issue	–	–
Issuance costs	–	181
Increase (decrease) in loan payable	–	–
(Increase) decrease in deferred interest expense on bank loan	–	–
Net cash provided by (used in) financing activities	–	181
Net Cash provided (used) during the period	(73)	1,977
Cash and cash equivalents, beginning of period	2,103	126
Cash and cash equivalents, end of period	**$2,030**	**$2,103**

Cash flows from operating activities include:		
Interest paid	**$–**	**$18**
Cash and cash equivalents are comprised of:		
Cash (Bank overdraft)	$2,030	$2,103
Short-term investments	–	–
	$2,030	**$2,103**

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

1. The Partnership

a) Organization of the Limited Partnership

CDR 2007 Private Flow-Through LP (the ''Partnership'') was formed as a limited partnership under the laws of the Province of Ontario on February 7, 2007 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 commenced operations on May 29, 2007.

CDR 2007 Private Corporation (the ''General Partner'') was incorporated on January 24, 2007 and is the General Partner of the Partnership, as indicated in the Limited Partnership Agreement dated 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. The Partnership has retained Goodman & Company, Investment Counsel Ltd. (the ''Manager'') to provide investment, management, administrative and other services.

b) Financial Reporting Dates

The Statement of Investments is as at December 31, 2009. The Statements of Net Assets are as at December 31, 2009 and December 31, 2008. The Statements of Operations, Changes in Net Assets and Cash Flows are for the years ended December 31, 2009 and December 31, 2008. Throughout this document, reference to the periods refers to the reporting periods described here.

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.

c) 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

The following is a summary of significant accounting policies used by the Partnership:

a) Basis of Presentation

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 amount of assets, liabilities, income and expenses during the reporting period. Actual results could materially differ from those estimates.

b) Accounting Standard Changes

Emerging Issues Committee Abstract 173

In January 2009, the Canadian Accounting Standards Board issued Emerging Issues Committee Abstract 173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities (''EIC – 173'')*. The provisions of EIC – 173 requires the Partnership's own credit risk and the credit risk of counterparties to be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments, for financial statements presentation and disclosure purposes. The Partnership has adopted this standard effective this fiscal year. These changes supplement CICA Handbook Section 3855 and will have no impact on the Partnership's results of operations or financial position.

The Manager has reviewed its valuation policies for assets and liabilities to ensure that the fair values ascribed to the financial assets and financial liabilities in these financial statements incorporate appropriate levels of credit risks.

Amendments to Section 3862, *Financial Instruments – Disclosures*

In June 2009, the Canadian Accounting Standards Board incorporated the recent amendments to International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, into CICA Handbook Section 3862, *Financial Instruments – Disclosures*. The amendments expand the disclosures required in respect of fair value measurements recognized in the financial statements. For the purpose of these expanded disclosures, a three-level hierarchy has been introduced as follows:

– Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

– Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– Level 3: Inputs for the asset or liability that are not based on observable market data. Additional quantitative disclosures are required for Level 3 securities.

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

The amendments also require disclosure of transfers between levels. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such case, the instrument may be reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

The amendments also require a reconciliation between the opening and closing balances for Level 3 financial instruments, including total realized gains or losses for the period plus the amount of the unrealized gains or losses relating to instruments still held at the period end; purchases, sales, issues and settlements; and transfers into and out of Level 3.

The Partnership has adopted these amendments effective this fiscal year with no impact on the Partnership's results of operations or financial position. Refer to Note 8 for the required disclosures for the Partnership.

c) 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.

National Instrument 81-106 – Investment Fund Continuous Disclosure (''NI 81-106'') requires all investment funds to calculate net asset value for all purposes other than financial statements in accordance with part 14.2, which differs in some respects from the requirements of Section 3855 of Canadian GAAP. Canadian GAAP includes the requirement that the fair value of financial instruments listed on a recognized public stock exchange be valued at their last bid price for securities held in a long position and at their last ask price for securities held in a short position, instead of close price or the last sale price of the security for the day as required by NI 81-106. This results in differences between net assets calculated based on Canadian GAAP (''GAAP Net Assets'') and net asset value which is based on NI 81-106 (''Transactional NAV''). A reconciliation between GAAP Net Assets per unit and Transactional NAV per unit is provided in Note 5.

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 at the end of each day on which the Manager is open for business (''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.

   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 other valuation models. The fair value of certain securities may be estimated using valuation techniques based on assumptions that are not supported by observable market inputs. 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 its fair value as determined by the Manager.

ii) Bonds and debentures are valued at their last evaluated bid price received from recognized investment dealers for long positions and their last evaluated ask price for short positions.

iii) Investments in underlying funds are valued at the series' net asset value per unit. If the net asset value is unavailable, the investment fund holdings are valued using the last published net asset value or at the fair value as determined by the Manager.

iv) Short-term securities are valued using market quotations, amortized costs plus accrued interest, all of which approximate fair value.

v) Unlisted warrants are valued based on a pricing model which considers factors such as the market value of the underlying security, strike price, volatility and terms of the warrant.

vi) Forward contracts are marked to market using last bid prices for long positions and the last ask price for short positions. Last trade price is used where bid and ask prices are not available.

vii) The fair value of interest rate swap agreements is the estimated amount that the Partnership would receive or pay to terminate the swap, taking into account current interest rates and the current credit worthiness of the swap counterparties.

viii) Futures are valued using the last bid price for long positions and the last ask price for short positions. The settlement price is used where bid and ask prices are not available.

ix) The fair 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.

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

x) In determining the fair value of securities, other than those in an active market, the Manager makes estimates and assumptions based on the best available information at the time of valuation. These estimates are reviewed periodically to ensure that they are reasonable. Estimates are adjusted, where appropriate, to allow for additional factors such as liquidity risk and counterparty risk. The estimates or approximation determined by the Manager could differ materially from the actual results.

d) Other Assets and Liabilities

Accrued interest and dividends receivable, amount due from brokers and other net assets are designated as loans and receivables and recorded at amortized cost. Similarly, accrued expenses, amounts due to brokers, and other liabilities are designated as other financial liabilities and reported at amortized cost. These balances are short-term in nature and, therefore, amortized cost approximates fair value for these assets and liabilities.

e) Cost of Investments

The cost of investments represents the amount paid for each security, and is determined on an average cost basis excluding transaction costs. Investment transactions are accounted for as of the trade date.

f) 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 the Statements of Operations in ''Transaction costs''.

g) 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.

h) 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.

i) Valuation of Partnership Units for Transactional NAV Purposes

Net asset value per unit for the Partnership is calculated at the end of each valuation date by dividing the net asset value of the Partnership by its outstanding units.

j) Statements of Cash Flows

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

k) Increase (Decrease) in Net Assets from Operations per Unit

''Increase (decrease) in net assets from operations per unit'' 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.

l) 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.

m) Non-zero Amounts

Some of the balances reported on the financial statements may include non-zero amounts that are rounded to zero.

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

n) Comparative Data

Certain prior year comparative data may have been reclassified to conform to the current year's presentation.

3. Expenses and Related Party Transactions

a) Management Fee

The Partnership pays the Manager a management fee for the continuous advice, recommendations and services provided to the Partnership. This includes acting as the Manager, Trustee, Portfolio Advisor, Principal Distributor, Transfer Agent and Registrar to the Partnership. The Manager is also responsible for the Partnership's day-to-day operations.

The management fee for the Partnership is an annualized rate of 2% based on the net asset value of the Partnership and is accrued daily and paid monthly in arrears as a percentage of the month-end net asset value, in accordance with the terms of the Management Agreement for the Partnership.

b) 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 will be calculated on the performance bonus date and paid as soon as practicable thereafter. As at December 31, 2009, the Partnership accrued a performance bonus of nil (Dec. 2008 – nil).

c) Administrative and Operating Expenses

The Partnership is responsible for its administrative and operating expenses relating to its operation and the carrying on of its business, including custodial services, legal, audit fees, transfer agency services relating to the issue and redemption of units, and the cost of financial and other reports in compliance with all applicable laws, regulations and policies. Such expenses are calculated and accrued daily based on the average net asset value of the Partnership. The Manager pays for such expenses on behalf of the Partnership, except for certain expenses such as interest and taxes, and is then reimbursed by the Partnership.

The Partnership paid the Manager $293,000 (2008 – $295,000) for administrative and operating expenses incurred by the Manager during the period.

d) Portfolio Transactions

Brokerage commissions paid on securities transactions during year ended December 31, 2009 were $45,000 (2008 – $27,000). Of this amount, Dundee Securities Corporation received commissions of nil (2008 – $2,000). For the year ended December 31, 2009, nil (2008 – nil) soft dollar commissions were paid. Soft dollar commissions reflect amounts paid indirectly to third parties through a broker or dealer for services received by the Partnership for services other than trading execution.

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.

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

e) Private Placements

In addition to the commissions paid on the security transactions in d) above, the Partnership invests in flow-through shares through registered dealers, including Dundee Securities Corporation. Commissions on flow-through shares are paid directly from the issuer of the shares to the broker/dealer. In certain circumstances, Dundee Securities Corporation 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.

f) 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 Corporation received approximately $592,000 of these fees.

g) Other Related Party Transaction

Dundee Securities Corporation

Dundee Securities Corporation, a subsidiary of DundeeWealth Inc., the parent of the Manager, is a related party. In consideration for professional services provided by Dundee Securities Corporation, the Partnership paid $46,000 (2008 – nil) during the period.

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 Partnership units were issued at a price of $25 per unit, subject to a minimum subscription of 1,000 units for $25,000. Issuance costs related to the initial offering of the Partnership units have been accounted for as a reduction of partners' equity.

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.

Summaries of the outstanding units and changes to retained earnings (deficit) are outlined in the following tables:

Outstanding Units	**December 31, 2009**	**December 31, 2008**
Beginning of period	1,755,000	1,755,000
Subscriptions	–	–
Reinvestments	–	–
Redemptions	–	–
End of period	**1,755,000**	**1,755,000**

Retained Earnings (Deficit)	**December 31, 2009 (000s)**	**December 31, 2008 (000s)**
Retained earnings (deficit), beginning of period	$(18,639)	$(5,760)
Increase (decrease) in net assets from operations	12,307	(12,879)
Retained earnings (deficit), end of period	**$(6,332)**	**$(18,639)**

5. Reconciliation of GAAP Net Assets per Unit and Transactional NAV per Unit

The table below provides a comparison of GAAP Net Assets (''net assets'') per unit and Transactional NAV (''net asset value'') per unit. The primary reason for the difference between GAAP Net Assets per unit and Transactional NAV per unit is described in Note 2 above.

Reconciliation of GAAP Net Assets per Unit and Transactional NAV per Unit	**December 31, 2009**	**December 31, 2008**
GAAP Net Assets per unit	$19.69	$12.68
Transactional NAV per unit	$19.68	$12.73

6. 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.

7. Financial Risk Management

Investment activities of the Partnership expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). The level of risk depends on the Partnership's investment objectives and the type of securities it invests in.

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 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 significant.

The Manager maintains a risk management practice that includes monitoring compliance with investment restrictions to ensure that the Partnership is being managed in accordance with the Partnership's stated investment objectives, strategies and securities regulations.

In addition, the below noted risk positions are monitored by the portfolio managers on a regular basis and reviewed by the Fund Review Committee on a quarterly basis.

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, and accordingly, represents the maximum credit risk exposure of the Partnership. The Partnership's main credit risk concentration is in debt securities and trading derivative instruments which are disclosed in the Partnership's Statement of Investments. All transactions in securities are settled or paid for upon delivery through brokers. As such, credit risk on investment transactions 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.

7. Financial Risk Management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Partnership will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Therefore, in order to maintain sufficient liquidity, the Partnership invests its assets in investments that are traded in an active market and can be readily disposed. In addition, the Partnership also aims to retain sufficient cash and cash equivalent positions to maintain liquidity. The Partnership also invests 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 Investments.

Interest rate risk

Interest rate risk is the risk that the fair value of the Partnership's interest-bearing investments will fluctuate due to changes in the prevailing levels of market interest rates. Interest rate risk arises when a Partnership invests in interest-bearing financial instruments. The Partnership's exposure to interest rate risk is concentrated in investment in debt securities (such as bonds and debentures or short-term instruments) and interest rate derivative instruments, if any. Other assets and liabilities are short-term in nature and are non-interest bearing. There is minimal sensitivity to interest rate fluctuations on any cash and cash equivalents, invested at short-term market interest rates.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from financial instruments (including cash and cash equivalents and foreign currency derivative instruments) that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Partnership. Therefore the Partnership's financial instruments that are denominated in other currencies will fluctuate due to changes in the foreign exchange rates of those currencies in relation to the Partnership's functional currency. Foreign currencies of issued bonds 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.

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 risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to other price risk arises from the Partnership's investments in equity securities. The 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.

8. Financial Instruments

Three Level Hierarchy

The Partnership has adopted CICA Handbook Section 3862, *Financial Instruments – Disclosures* effective year ended December 31, 2009. The following table summarizes the fair value hierarchy of the Partnership's financial assets and liabilities (''financial instruments'') by class as at December 31, 2009:

Financial Instruments	**(Level 1) Quoted prices in active markets for identical assets (000s)**	**(Level 2) Significant observable inputs (000s)**	**(Level 3) Significant unobservable inputs (000s)**	**Total (000s)**
Equities	$13,451	$1,991	$16,363	$32,061
Preferred shares	–	–	–	–
Bonds	–	–	–	–
Warrants	–	256	–	–
Total Investments	**13,451**	**2,247**	**16,363**	**32,061**
Cash and cash equivalents	2,030	–	–	2,030
Derivative assets	–	–	–	–
Derivative liabilities	–	–	–	–
Total Financial Instruments	**$15,481**	**$2,247**	**$16,363**	**$34,091**

Level 1 financial instruments are those whose values are based on quoted market prices in actively markets and include active listed equities, exchange traded derivatives and other publicly quoted investments. The Manager does not adjust the quoted price for these instruments.

Level 2 financial instruments are those that trade in markets that are not considered to be active but are valued based on quoted market prices or dealer quotations supported by observable inputs or adjusted for fair value factors. These include investment-grade corporate bonds, listed equities and over-the-counter derivatives. As Level 2 investments include positions that are not traded in active markets or may be subject to sale restrictions, valuations may be adjusted to reflect illiquidity which is generally based on available market information.

Level 3 financial instruments are those that have at least one significant unobservable input, as they are not based on quoted market prices. Level 3 instruments include private equity and private debt securities. As observable prices are not available for these securities, the Manager has used valuation techniques to derive the fair value.

8. Financial Instruments (cont'd)

The Level 3 equity amount consists mainly of private equity positions. The main fair value factors in the Manager's valuation determination for these investments include, where applicable, but are not limited to, the original transaction price, recent transactions in the same or similar instruments and completed third-party transactions in comparable instruments. In the absence of such information, the Manager may also determine a fair value based on cash flows, production information, reserve information based on company's independent reserve engineers and net assets of the company. In addition, the Manager may also adjust such models as deemed necessary.

In determining the fair value for the Level 3 debt instruments, the Manager takes into consideration the net present value of estimated future cash flows. The Manager also considers other liquidity, credit and market risk factors and may adjusts the model as deemed necessary.

Transfers Between Levels

During the year ended December 31, 2009, there were no significant transfers between Level 1 and Level 2.

Reconciliation of Level 3 Financial Instruments

The following table presents the movement in Level 3 financial instruments for the year ended December 31, 2009 by class of financial instrument:

	Equities (000s)	Other (000s)	Total (000s)
Beginning Balance, January 1, 2009	$14,100	$–	$14,100
Purchases	3,428	–	3,428
Sales	(5,804)	–	(5,804)
Transfers into Level 3	–	–	–
Transfers out of Level 3	–	–	–
Net realized gains (losses)	705	–	705
Net change in unrealized appreciation (depreciation) during the period for assets held at December 31, 2009	3,934	–	3,934
Ending Balance, December 31, 2009	**$16,363**	**$–**	**$16,363**

The net realized gains (losses) in the table above are reflected in the Statements of Operations in ''Income (loss) from derivatives'', if applicable, or ''Net realized and change in unrealized foreign exchange gain (loss) and change in unrealized derivatives gain (loss)''. Net change in unrealized appreciation (depreciation) relates to those financial instruments held by the Partnership as at December 31, 2009, and are included in ''Change in unrealized appreciation (depreciation) in value of investments'' in the Statements of Operations.

For private equity investments, if the significant unobservable inputs used in determining fair value increased or decreased by 5%, net assets would have increased or decreased, respectively, by approximately $818,000.

9. Changeover to International Financial Reporting Standards

The Canadian Accounting Standards Board has confirmed that effective January 1, 2011, International Financial Reporting Standards (''IFRS'') will replace Canadian GAAP for publicly accountable enterprises, which includes investment funds. IFRS will apply to financial years beginning on or after January 1, 2011 and will be applicable to the Partnership for the fiscal year beginning January 1, 2011.

The Manager has initiated the process of developing its IFRS change-over plan by performing an impact assessment and identifying differences between current Canadian GAAP and IFRS. The process of evaluating the potential impact of IFRS on the financial statements is ongoing as the International Accounting Standards Board and the Canadian Accounting Standards Board continue to issue new standards and recommendations.

Based on the Manager's current evaluation of the differences between Canadian GAAP and IFRS, the Manager expects that the impact of IFRS on the Partnership's financial statements will be additional disclosures and potentially different presentation of certain items. Further, the value used to determine the daily price of the Partnership's units (Transactional NAV) will not be affected.

10. Subsequent Events

Rollover into Dynamic Managed Portfolios Ltd.

On January 22, 2010, the Partnership completed a transfer of all net assets of $34,921,398 into Dynamic Managed Portfolios Ltd. in exchange for 1,806,597 Series A shares of DMP Resource Class.

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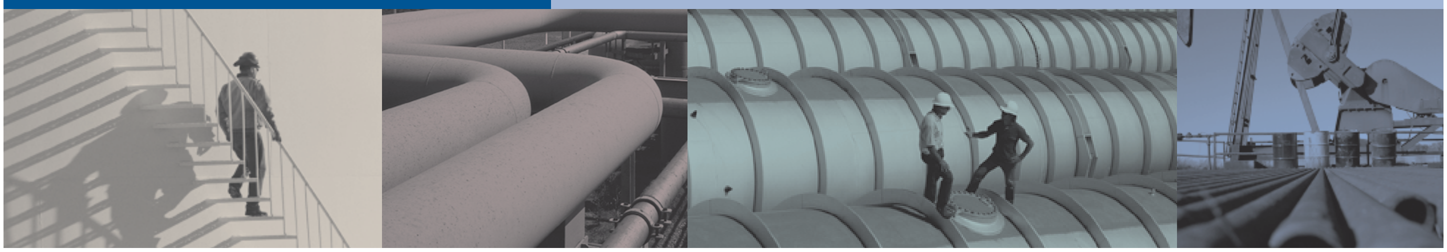

CDR 2007 PRIVATE FLOW-THROUGH LP

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