



# CANADA DOMINION RESOURCES GROUP



## CANADA DOMINION RESOURCES LIMITED PARTNERSHIPS

### FIRST QUARTER INTERIM REPORT 2004

**Canada Dominion Resources  
Limited Partnership IX**

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**Canada Dominion Resources  
Limited Partnership XI**

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**Canada Dominion Resources  
Limited Partnership XII**

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March 31, 2004

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CANADA DOMINION RESOURCES GROUP

## FIRST QUARTER INTERIM REPORT

The first quarter of 2004 saw continued conflict and turmoil in Iraq and the Middle East, while domestically in the US and Canada pre-election activities escalated. Stock markets exhibited volatility during the period with modest gains overall. Oil, natural gas and gold prices, although volatile during the period, generally remained within a fairly narrow trading range. Oil increased from US\$33 per BBL at the beginning of the year to a high of nearly US\$38 per BBL in March, retracting to US\$37 per BBL at the end of the quarter. The General Partner's bias is for somewhat lower oil prices over the medium term, but the market has been very resilient to price decreases of late and accordingly, prices may well remain in their current range.

Natural gas prices began and ended the quarter at about US\$6.0 per MCF. In the short term, the General Partner's bias is for a softening of gas prices due to current gas inventory levels, with a price rebound over the long haul based on underlying supply and demand fundamentals.

Gold began the period priced at about US\$416 per ounce rising to a high of US\$425 per ounce in January and ending the quarter at about US\$424 per ounce. Subsequent to the end of the quarter, the price of gold has declined to the low US\$390's per ounce. Notwithstanding the post-quarter decline in gold's price, the General Partner's bias is for a continued strong price of gold because of its historical "safe haven" status in view of continued Middle East conflict and because of continued anticipated strong supply/demand fundamentals stemming in part from increasing wealth in China and India as well as from a possible increasing rate of inflation.

All three active partnerships, Canada Dominion Resources Limited Partnership IX ("LP IX"), Canada Dominion Resources Limited Partnership XI ("LP XI"), and Canada Dominion Resources Limited Partnership XII ("LP XII") (collectively "the Partnerships"), recorded modest decreases in their NAV's at March 31, 2004 as compared to December 31, 2003. Despite these decreases, the respective NAV's represent continued strong overall performance by the Partnerships.

It should be noted that LP IX rolled into the Canada Dominion Resource Fund Ltd. ("the Fund") on April 8, 2004. Canada Dominion Resources Limited Partnership X ("LP X") had previously rolled into the Fund on March 10, 2004. Shares of the Fund were distributed to former unitholders of LP IX and LP X and were redeemable from the Fund effective April 27, 2004.

Administration expenses and management fees recorded by the Partnerships for the period were as expected. Incentive fees for the LPs are based on their performance from the date of inception to the date of the mutual fund roll-over transaction. These fees are accrued daily and paid subsequent to the roll-over. With respect to LP IX, the performance fee payable decreased from \$1,074,043 at December 31, 2003 to \$623,462 at March 31, 2004. This decrease of \$450,581 is recorded as a reduction in the expense in the Statement of Operations for the period ended March 31, 2004. For the period ended March 31, 2003, no incentive fee expense was incurred.

FIRST QUARTER INTERIM REPORT (cont'd)

LP IX and LP XI realized gains on sale of investments during the period, with LP IX's gain being quite substantial. In the case of LP IX, this event was largely driven by the need to have cash on hand in preparation for the anticipated redemption of a substantial amount of its former partnership units post roll-over into the Fund. In the aggregate, LP IX recorded a realized gain of \$10.7 million. Some of the more significant trades and gains realized include disposition of shares in Amerigo Resources (\$1.2 million); Aur Resources (\$0.2 million); Canadian Superior Energy (\$0.3 million); High Point Resources (\$0.9 million); Ketch Resources (\$0.5 million); Metalex Ventures (\$1.9 million); Miramar Mining (\$0.6 million); Southern Cross Resources (\$0.6 million); and Wolfden Resources (\$1.9 million). In the aggregate, LP IX's trading activities generated \$38.8 million in net proceeds, of which about \$25 million was retained in cash with the remainder placed in new portfolio investments.

With respect to LP XI, the portfolio manager realigned the portfolio somewhat, taking profits on such names as E3 Energy (\$0.2 million); Miramar Mining (\$0.4 million); True Energy (\$0.3 million); Ursa Major Minerals (\$0.2 million); and Wolfden Resources (\$0.2 million), while taking a loss of \$0.5 million on Triquest Energy. Aggregate proceeds from disposition of portfolio securities amounted to \$8.3 million of which \$7.1 million was invested in new names such as Amerigo Resources (\$0.7 million); Lightning Energy (\$1.0 million); Savanna Energy Services (\$1.5 million); Sherritt International (\$0.8 million); and Tenke Mining (\$0.7 million).

The General Partner believes that macro economic fundamentals are in place to maintain commodity prices at current levels which are strong prices for Canadian resource companies thereby creating growth and profitability opportunities for fiscal 2004.



CANADA DOMINION RESOURCES GROUP



**Canada Dominion Resources  
Limited Partnership IX**

FINANCIAL STATEMENTS

## STATEMENT OF INVESTMENTS

As at March 31, 2004

	Number of Shares	Average Cost	Market Value
<b>EQUITIES</b>			
Amerigo Resources Ltd., Warrants, Jun.18 05	733,333	\$ —	\$ 953,333
Aurora Platinum Corp.	622,000	2,031,886	1,337,300
Compton Petroleum Corporation	363,156	2,069,989	2,770,880
Continuum Resources Ltd.	400,000	100,000	300,000
Crew Energy Inc.	104,600	381,277	478,022
Deer Creek Energy Limited	1,590,800	1,749,880	2,783,900
Defiance Mining Corporation	884,864	405,563	451,281
Defiance Mining Corporation, Warrants, Jun.25 06	568,182	—	5,682
Defiance Mining Corporation, Warrants, Oct.24 05	250,000	—	2,500
Diamondex Resources Ltd.	700,001	550,927	686,001
Diaz Resources Ltd., Class "A", Subordinated Voting	631,000	258,710	391,220
DRC Resources Corporation	311,000	1,677,009	1,943,750
Dynatec Corporation	801,600	1,175,222	1,274,544
Endeavour Mining Capital Corp.	100,000	345,000	411,000
Endeavour Mining Capital Corp., Warrants, Nov.10 08	50,000	—	90,000
Esprit Exploration Ltd.	520,000	1,477,024	1,357,200
EuroZinc Mining Corporation, Restricted	1,500,000	600,000	930,000
EuroZinc Mining Corporation, Warrants, Feb.06 06	750,000	—	90,000
Exall Resources Limited, Restricted	1,250,000	500,000	550,000
General Minerals Corporation, Restricted	200,000	600,000	430,000
General Minerals Corporation, Warrants, Dec.11 06	200,000	—	2,000
Geodex Minerals Ltd., Restricted	500,000	100,000	110,000
Geodex Minerals Ltd., Warrants, Dec.31 04	250,000	—	2,500
Great Northern Exploration Ltd.	106,250	447,913	488,750
Great Northern Exploration Ltd., Restricted	160,000	720,000	736,000
High Point Resources Inc.	159,400	213,520	333,146
Impact Energy Inc.	425,000	644,534	688,500
Impact Energy Inc., Restricted	300,000	495,000	486,000
Ketch Resources Ltd.	106,700	352,110	1,067,000
Kinloch Resources Inc.	800,000	1,105,000	1,096,000
Lightning Energy Ltd.	100,000	405,000	405,000
Majescor Resources Inc.	680,000	408,025	197,200
Major Drilling Group International Inc.	34,739	182,380	305,703
Milagro Energy Inc.	225,000	180,000	128,250
Navigator Exploration Corp.	1,845,000	738,049	627,300
Nordic Diamonds Ltd.	500,000	400,000	250,000
Nordic Diamonds Ltd., Warrants, Nov.22 04	500,000	—	5,000

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

## STATEMENT OF INVESTMENTS (cont'd)

As at March 31, 2004

	Number of Shares	Average Cost	Market Value
OPTI Canada Inc., Class "C", Voting	93,750	\$ 1,500,000	\$ 1,757,812
Pele Mountain Resources Inc., Restricted	500,000	250,000	170,000
PGM Ventures Corporation	654,000	425,114	542,820
Rally Energy Corp.	900,000	540,000	450,000
Randsburg International Gold Corp., Restricted	950,000	807,500	617,500
Rock Creek Resources Ltd., Class "A"	436,400	109,125	960,080
Rock Creek Resources Ltd., Class "B"	98,190	981,925	542,500
Rosetta Exploration Inc., Class "A"	1,173,500	1,173,500	422,460
Sentra Resources Corporation, Class "A"	889,220	2,161,667	1,333,830
ShawCor Ltd., Class "A", Subordinated Voting	115,000	1,739,600	1,712,350
Southern Cross Resources Inc., Warrants, Jul.11 05	312,500	—	309,375
Southern Star Resources Inc.	1,000,000	500,000	620,000
StarPoint Energy Ltd.	362,700	1,174,712	1,595,880
StarPoint Energy Ltd., Restricted	55,000	239,250	242,000
StarPoint Energy Ltd., Restricted	450,000	1,890,000	1,980,000
Tempest Energy Corp., Class "A"	362,766	1,781,500	1,904,521
UEX Corporation	587,167	176,159	434,504
Virtus Energy Ltd.	420,000	252,000	235,200
Wolfden Resources Inc., Warrants, Jan.31 05	50,000	—	117,500
		<b>\$ 36,016,070</b>	<b>\$ 40,113,294</b>

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

## STATEMENTS OF NET ASSETS

As at	March 31, 2004	December 31, 2003
<b>Assets</b>		
Investments, at market value*	\$ 40,113,294	\$ 69,054,881
Cash	26,895,327	1,239,755
Receivable for investment securities sold	171,754	–
Interest receivable	8,054	1,021
	<u>67,188,429</u>	<u>70,295,657</u>
<b>Liabilities</b>		
Management fee payable	109,470	111,063
Performance fee payable	623,462	1,074,043
Accounts payable and accrued liabilities	39,749	36,876
	<u>772,681</u>	<u>1,221,982</u>
<b>Net assets</b>	<b>\$ 66,415,748</b>	<b>\$ 69,073,675</b>
<b>Limited partner units outstanding (Note 4)</b>	<b>2,200,000</b>	<b>2,200,000</b>
<b>Net asset value per unit</b>	<b>\$ 30.19</b>	<b>\$ 31.40</b>

\* Investments, at average cost \$ 36,016,070 \$ 51,585,069

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



Jonathan Goodman  
Director



David Goodman  
Director

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

## STATEMENTS OF OPERATIONS

For the period ended March 31	2004	2003
<b>Investment Income</b>		
Interest income	\$ 13,152	\$ 11,303
Dividends income	3,500	–
	16,652	11,303
<b>Expenses</b>		
Management fee	364,300	231,606
Incentive fee	(450,581)	–
Administration	82,721	77,551
Legal	3,503	–
Filing	27	–
	(30)	309,157
<b>Net investment income (loss)</b>	<b>16,682</b>	<b>(297,854)</b>
<b>Net Realized and Unrealized Loss on Investments</b>		
Net realized gain (loss) on sale of investments	10,697,979	10,715
Change in unrealized appreciation (depreciation) of investments	(13,372,588)	(3,791,990)
<b>Net gain (loss) on investments</b>	<b>(2,674,609)</b>	<b>(3,781,275)</b>
<b>Net increase (decrease) in net assets from operations</b>	<b>\$ (2,657,927)</b>	<b>\$ (4,079,129)</b>

## STATEMENTS OF CHANGES IN NET ASSETS

For the period ended March 31	2004	2003
<b>Net assets, beginning of period</b>	<b>\$ 69,073,675</b>	<b>\$ 47,520,331</b>
Net increase (decrease) in net assets from operations	(2,657,927)	(4,079,129)
<b>Net assets, end of period</b>	<b>\$ 66,415,748</b>	<b>\$ 43,441,202</b>

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



CANADA DOMINION RESOURCES GROUP



**Canada Dominion Resources  
Limited Partnership XI**

FINANCIAL STATEMENTS

## STATEMENT OF INVESTMENTS

As at March 31, 2004

	Number of Shares	Average Cost	Market Value
<b>EQUITIES</b>			
Amerigo Resources Ltd.	352,000	\$ 720,440	\$ 679,360
Aquest Energy Ltd.	245,000	490,000	637,000
Aurizon Mines Ltd.	640,740	864,999	1,070,036
bcMetals Corporation	1,034,000	620,400	1,551,000
Cambior Inc.	190,814	667,849	786,154
Canadian Gold Hunter Corp.	1,375,000	550,000	1,402,500
Canadian Royalties Inc.	305,000	838,750	567,300
Cinch Energy Corp.	500,000	550,000	475,000
Clear Energy Inc.	185,000	767,750	634,550
Continuum Resources Ltd.	500,000	100,000	375,000
Continuum Resources Ltd., Restricted	200,000	100,000	150,000
Crowflight Minerals Inc.	1,530,700	750,043	612,280
Deer Creek Energy Limited, Restricted	800,000	1,600,000	1,400,000
Defiant Energy Corporation	318,400	1,273,600	1,369,120
Devlan Exploration Inc.	312,500	1,000,000	750,000
Diamondex Resources Ltd.	1,334,000	1,000,500	1,307,320
Diamondex Resources Ltd., Warrants, Mar.08 05	667,000	–	86,710
Diamonds North Resources Ltd.	375,000	300,000	446,250
E3 Energy Inc.	1,069,734	1,123,220	1,818,547
EuroZinc Mining Corporation, Restricted	1,000,000	400,000	620,000
EuroZinc Mining Corporation, Warrants, Feb.06 06	500,000	–	60,000
Great Northern Exploration Ltd.	100,000	463,000	460,000
Heritage Explorations Ltd.	1,500,000	750,000	622,500
High Point Resources Inc.	800,000	1,600,000	1,672,000
International Uranium Corporation	1,500,000	1,650,000	4,320,000
Jaguar Mining Inc.	30,000	120,900	171,000
Kinloch Resources Inc.	370,000	740,000	506,900
Lake Shore Gold Corp.	1,071,500	750,050	1,285,800
Lake Shore Gold Corp., Warrants, Aug.20 05	535,750	–	187,513
Landore Resources Inc.	2,000,000	500,000	440,000
Landore Resources Inc., Warrants, Feb.07 05	1,000,000	–	10,000
Lightning Energy Ltd.	250,000	1,012,500	1,012,500
Lightning Energy Ltd., Special Warrants	150,000	750,000	607,500
Limerick Mines Ltd., Special Warrants	895,000	223,750	223,750
Luke Energy Ltd.	100,000	200,000	215,000

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

## STATEMENT OF INVESTMENTS (cont'd)

As at March 31, 2004

	Number of Shares	Average Cost	Market Value
Majescor Resources Inc.	1,303,571	\$ 365,000	\$ 378,036
Majescor Resources Inc., Warrants, Jun.09 04	651,786	—	6,518
Masters Energy Inc.	344,444	1,240,000	878,332
McWatters Mining Inc.	11,000,000	1,980,000	165,000
Meridian Energy Corporation	175,000	367,500	481,250
Metalex Ventures Ltd.	931,677	3,250,000	1,723,602
Midnight Oil & Gas Ltd.	185,000	1,498,500	1,415,250
Milagro Energy Inc.	680,000	884,000	387,600
Miramar Mining Corporation	314,100	659,610	741,276
Pacific Roderia Ventures Inc.	500,000	100,000	250,000
Pan-Global Energy Ltd.	1,250,000	1,000,000	2,125,000
Patricia Mining Corp.	1,750,000	700,000	945,000
Petrobank Energy and Resources Ltd.	1,025,000	3,690,000	2,613,750
Ranchgate Energy Inc.	1,315,000	1,512,250	1,315,000
Rider Resources Ltd.	450,000	2,182,500	1,710,000
Rock Creek Resources Ltd., Class "A"	380,000	950,000	836,000
Rubicon Minerals Corporation	800,000	1,000,000	1,256,000
Savanna Energy Services Corp.	150,000	1,467,000	1,507,500
Sentra Resources Corporation, Class "A"	433,000	1,515,500	649,500
Sherritt International Corporation, Restricted Voting	100,000	754,000	726,000
Southern Cross Resources Inc.	200,000	261,000	328,000
Storm Energy Ltd.	454,500	3,636,000	2,704,275
Tagish Lake Gold Corp.	1,805,028	523,458	460,282
Tagish Lake Gold Corp., Warrants, Jul.05 04	902,514	—	9,025
Tempest Energy Corp., Class "A"	445,000	3,115,000	2,336,250
Tenke Mining Corp., Restricted	250,000	687,500	837,500
Tiverton Petroleum Ltd., Class "A"	4,000,000	1,500,000	1,720,000
Twin Mining Corporation	3,571,428	1,000,000	1,214,286
UEx Corporation	3,450,000	345,000	2,553,000
URSA Major Minerals Incorporated	400,000	200,000	620,000
Vedron Gold Inc., Restricted	2,200,000	385,000	1,067,000
Virtus Energy Ltd.	640,000	499,200	358,400
Winslow Resources Inc.	875,000	175,000	131,250
Wolfden Resources Inc.	1,020,500	4,034,797	5,714,800
		<b>\$ 63,955,566</b>	<b>\$ 68,697,272</b>

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

## STATEMENTS OF NET ASSETS

As at	March 31, 2004	December 31, 2003
<b>Assets</b>		
Investments, at market value*	\$ 68,697,272	\$ 70,502,712
Cash	682,627	535,674
Receivable for investment securities sold	596,658	—
Deferred interest expense	2,085	49,012
Interest receivable	130	1,223
	69,978,772	71,088,621
<b>Liabilities</b>		
Loan payable	5,100,000	5,100,000
Management fee payable	117,215	116,031
Accounts payable and accrued liabilities	49,083	40,320
	5,266,298	5,256,351
<b>Net assets</b>	<b>\$ 64,712,474</b>	<b>\$ 65,832,270</b>
<b>Limited partner units outstanding (Note 4)</b>	<b>2,628,332</b>	<b>2,628,332</b>
<b>Net asset value per unit</b>	<b>\$ 24.62</b>	<b>\$ 25.05</b>

* Investments, at average cost	\$ 63,955,566	\$ 64,242,594
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On behalf of the General Partner, Canada Dominion Resources XI Corporation:



Jonathan Goodman  
Director



David Goodman  
Director

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

## STATEMENT OF OPERATIONS

For the period ended March 31, 2004

<b>Investment Income</b>	
Interest income	\$ 427
<b>Expenses</b>	
Management fee	346,458
Interest expense (Note 3)	46,927
Administration	109,955
Legal	9,158
Audit	3,197
Filing	515
	516,210
<b>Net investment income (loss)</b>	<b>(515,783)</b>
<b>Net Realized and Unrealized Loss on Investments</b>	
Net realized gain (loss) on sale of investments	914,399
Change in unrealized appreciation (depreciation) of investments	(1,518,412)
<b>Net gain (loss) on investments</b>	<b>(604,013)</b>
<b>Net increase (decrease) in net assets from operations</b>	<b>\$ (1,119,796)</b>

## STATEMENT OF CHANGES IN NET ASSETS

For the period ended March 31, 2004

<b>Net assets, beginning of period</b>	<b>\$ 65,832,270</b>
Net increase (decrease) in net assets from operations	(1,119,796)
<b>Net assets, end of period</b>	<b>\$ 64,712,474</b>

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



CANADA DOMINION RESOURCES GROUP



**Canada Dominion Resources  
Limited Partnership XII**

FINANCIAL STATEMENTS

## STATEMENT OF INVESTMENTS

As at March 31, 2004

	Number of Shares	Average Cost	Market Value
<b>Canadian Equities</b>			
AIM PowerGen Corporation, Restricted	52,200	\$ 300,150	\$ 300,150
Athlone Minerals Ltd., Restricted Units	1,333,334	1,000,001	1,333,334
Athlone Minerals Ltd. Warrants	666,667	–	33,333
Baffinland Iron Mines Limited, Restricted	383,333	230,000	546,249
Bear Creek Energy Ltd., Restricted	100,000	505,000	510,000
Birch Mountain Resources Ltd, Restricted	1,000,000	500,000	640,000
Bow Valley Energy Ltd., Restricted	350,000	700,000	465,500
Claude Resources Inc., Restricted	125,000	312,500	228,750
Crowflight Minerals Inc., Restricted	638,340	478,755	255,336
Crowflight Minerals Inc. Warrants	319,170	–	3,192
Deep Resources Ltd., Restricted	1,420,000	426,000	461,500
Delphi Energy Corp., Restricted	272,700	599,940	493,587
Eastmain Resources Inc., Restricted	381,000	400,050	281,940
Eastmain Resources Inc., Warrants, Jun.15 05	190,500	–	1,905
Fairborne Energy Ltd., Restricted	240,000	1,620,000	2,160,000
Geodex Minerals Ltd., Units	1,500,000	300,000	330,000
Geodex Minerals Ltd. Warrants	750,000	–	7,500
Hawker Resources Inc., Restricted	265,000	1,391,250	1,325,000
Impact Energy Inc., Restricted	300,000	495,000	486,000
Miramar Mining Corporation, Restricted	548,000	2,000,200	1,293,280
Murgor Resources Inc., Restricted	2,500,000	250,000	300,000
Pan-Global Energy Ltd., Restricted	666,667	1,000,000	1,133,334
Purcell Energy Ltd., Restricted	330,000	990,000	782,100
Sabina Resources Limited, Restricted	650,000	747,500	884,000
Sharon Energy Ltd., Restricted	1,250,000	500,000	350,000
Southern Star Resources Inc., Restricted	1,000,000	500,000	620,000
St Andrew Goldfields Ltd., Restricted	1,500,000	450,000	345,000
StarPoint Energy Ltd., Restricted	250,000	1,050,000	1,100,000
Tribute Minerals Inc., Restricted	833,334	250,000	225,000
True North Gems Inc., Restricted Units	240,000	252,000	199,200
True North Gems Inc. Warrants	120,000	–	1,200
TUSK Energy Inc., Restricted	375,000	1,687,500	1,440,000
Winstar Resources Ltd., Restricted	285,714	400,000	340,000
Wolfden Resources Inc., Restricted	62,000	465,000	347,200
		<b>\$ 19,800,846</b>	<b>\$ 19,223,590</b>

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

## STATEMENTS OF NET ASSETS

As at	March 31, 2004	December 31, 2003
<b>Assets</b>		
Investments, at market value*	\$ 19,223,590	\$ 20,262,466
Cash	30,187	433,058
Deferred interest expense	9,149	10,055
Interest receivable	23	11,165
	19,262,949	20,716,744
<b>Liabilities</b>		
Loan payable	1,725,000	1,600,000
Issuance costs payable	100,804	441,910
Management fee payable	34,061	31,003
Accounts payable and accrued liabilities	30,148	49,445
	1,890,013	2,122,358
<b>Net assets</b>	<b>\$ 17,372,936</b>	<b>\$ 18,594,386</b>
<b>Limited partner units outstanding (Note 4)</b>	<b>800,000</b>	<b>800,000</b>
<b>Net asset value per unit</b>	<b>\$ 21.72</b>	<b>\$ 23.24</b>

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

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



Jonathan Goodman  
Director



David Goodman  
Director

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

## STATEMENT OF OPERATIONS

For the period ended March 31, 2004

<b>Investment Income</b>	
Interest income	\$ —
<b>Expenses</b>	
Management fee	101,416
Interest expense (Note 3)	14,629
Administration	36,329
Legal	1,230
Audit	3,197
Upfront loan fee expense	25,000
Filing	773
	182,574
<b>Net investment income (loss)</b>	<b>(182,574)</b>
<b>Net Realized and Unrealized Gain (Loss) on Investments</b>	
Net realized gain (loss) on sale of investments	—
Change in unrealized appreciation (depreciation) of investments	(1,038,876)
<b>Net Gain (loss) on investments</b>	<b>(1,038,876)</b>
<b>Net increase (decrease) in net assets from operations</b>	<b>\$ (1,221,450)</b>

## STATEMENT OF CHANGES IN NET ASSETS

For the period ended March 31, 2004

<b>Net assets, beginning of period</b>	<b>\$ 18,594,386</b>
Net increase (decrease) in net assets from operations	(1,221,450)
<b>Net assets, end of period</b>	<b>\$ 17,372,936</b>

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



## CANADA DOMINION RESOURCES GROUP



**Canada Dominion Resources  
Limited Partnership IX**

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**Canada Dominion Resources  
Limited Partnership XI**

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**Canada Dominion Resources  
Limited Partnership XII**

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NOTES TO THE FINANCIAL STATEMENTS

## NOTES TO FINANCIAL STATEMENTS

March 31, 2004

### 1. ORGANIZATION OF THE LIMITED PARTNERSHIPS

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

Name of Limited Partnership

<b>Canada Dominion Resources Limited Partnership IX ("LP IX")</b>	<b>December 28, 2001</b>
<b>Canada Dominion Resources Limited Partnership XI ("LP XI")</b>	<b>December 28, 2002</b>
<b>Canada Dominion Resources Limited Partnership XII ("LP XII")</b>	<b>October 1, 2003</b>

The General Partner of the Partnerships is as follows:

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

(collectively known as the "General Partners")

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

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

The Statements of Investments are as at March 31, 2004. The Statements of Net Assets are as at March 31, 2004 and December 31, 2003. The Statements of Operation and Changes in Net Assets are for the three month periods ended March 31, 2004 and 2003 for LP IX. The Statements of Operation and Changes in Net Assets are for the three month periods ended March 31, 2004 for LP XI and LP XII.

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

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and follow the same accounting principles and methods of application as those disclosed in note 2 of the Partnerships' financial statements for the year ended December 31, 2003. These interim financial statements should be read in conjunction with the Partnerships' audited financial statements for the year ended December 31, 2003. The following is a summary of significant accounting policies used by the Partnerships.

**a) Valuation of Investments**

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

**b) Investment Transactions and Income Recognition**

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

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

For income tax purposes, the adjusted cost base of flow-through share 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.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 3. LOAN PAYABLE

LP XI and LP XII established credit facilities with The Bank of Nova Scotia (the "Bank") for the payment of issuance costs and has provided the Bank with a security interest in all of the assets of the Partnerships. LP IX has not established credit facilities. The credit facilities were established on May 23, 2003 and December 4, 2003 for LP XI and LP XII respectively. As at March 31, 2004, the principal loan balance outstanding was \$5,100,000 for LP XI and \$1,725,000 for LP XII. The Partnership pays interest on the outstanding loan balance at the greater of the Prime Lending Rate and the sum of the rate per annum for Canadian Dollar Bankers' Acceptances ("BA") having a term of 30 days as reported by the Bank and 1/2 of 1% per annum. The initial interest on the drawdown or renewal of the BAs is deferred and amortized over the term of the BA. For the period ended March 31, 2004, LP XI and LP XII recorded interest expense of \$46,629 and \$14,629 respectively.

### 4. PARTNERS' EQUITY

The authorized capital of the Partnerships consists of an unlimited number of Partnership units. All Partnership units are of the same class with equal rights and privileges, including equal participation in any distribution made by the Partnership and the right to one vote at any meeting of the limited partners.

As at March 31, 2004, the Partnership units issued and outstanding are as follows:

Partnership	Number of Units
<b>LP IX</b>	2,200,000
<b>LP XI</b>	2,628,332
<b>LP XII</b>	800,000

### 5. COMPARATIVE INFORMATION

LP XI and LP XII were formed on December 28, 2002 and October 1, 2003 respectively, but LP XI did not complete its initial financing until May 23, 2003. Accordingly, there are no comparative figures for 2003 on the Statements of Operations and Changes in Net Assets.





## CANADA DOMINION RESOURCES GROUP



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