

## CANADA DOMINION RESOURCES LIMITED PARTNERSHIP XI

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### AUDITORS

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### LEGAL COUNSEL

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### TRANSFER AGENT

Computershare Trust Company of Canada  
Toronto, Ontario

### INVESTMENT ADVISOR

Front Street Investment Management Inc.  
Toronto, Ontario



### 2ND QUARTER 2003 INTERIM REPORT

## CANADA DOMINION RESOURCES LIMITED PARTNERSHIP XI



## 2ND QUARTER INTERIM REPORT

*For the six months ended June 30*

It is with pleasure that I welcome you, the unitholders of the Partnership, to the Canada Dominion Resources Group and present herewith the Partnership's interim financial statements for the period ended June 30, 2003.

On May 23, 2003, the Partnership completed its initial prospectus offering. Gross proceeds of the offering realized from the issuance of Partnership units amounted to \$65,708,300. This is the single largest offering completed by the Canada Dominion Resources Group and represents in part the quality and success of prior partnerships.

Given the short period of time that lapsed from the date of completing the offering to the reporting date, the Partnership has had limited opportunity to build its investment portfolio. Nonetheless, a number of investments have been made, including a \$4.1 million investment in Storm Energy; a \$2.1 million investment in Highpoint Resources; and a \$2.0 million investment in McWatters Mining. Appended to this report is a schedule detailing the Partnership's complete investment portfolio.



Throughout the coming weeks, the Partnership's investment manager, Front Street Investment Management Inc., will be reviewing investment opportunities and negotiating terms of investment on behalf of the Partnership. We are confident that this process will be completed well before the end of the year and generate a portfolio comprised of quality investments.

The Partnership's NAV at June 30th was \$21.94 per Unit. The decrease in value from your original investment of \$25.00 per Unit reflects the cost to complete the offering and certain premiums paid on some of the initial investments. This valuation is consistent with prior partnerships at this stage of the Partnership's development.

JAMES A. HUTTON  
PRESIDENT AND CHIEF OPERATING OFFICER

July 16, 2003

## STATEMENT OF NET ASSETS

(prepared without audit)

	June 30, 2003
<b>Assets</b>	
Cash and cash equivalents	\$ 44,963,985
Investments, at market value (see schedule)	17,660,427
	<u>62,624,412</u>
<b>Liabilities</b>	
Bank indebtedness	4,635,734
Due to General Partner	314,046
	<u>4,949,780</u>
Net assets	<u>\$ 57,674,632</u>
<b>Partners' Equity</b>	
Issued and fully paid partnership units	\$ 60,630,638
Unrealized depreciation of investments	(2,639,352)
Deficit	(316,654)
	<u>\$ 57,674,632</u>
Units outstanding	2,628,332
Net asset value per unit	<u>\$ 21.94</u>

## STATEMENT OF OPERATIONS

(prepared without audit)

	Period from inception on April 16, 2003 to June 30, 2003
<b>Investment income</b>	
Interest and other	\$ 9,699
<b>Expenses</b>	
Administration	109,646
General Partner fee	216,707
	<u>326,353</u>
Loss before change in unrealized appreciation (depreciation) of investments	(316,654)
Change in unrealized appreciation (depreciation) of investments	
End of period	(2,639,352)
Beginning of period	–
	<u>(2,639,352)</u>
Loss for the period	<u>\$ (2,956,006)</u>
<b>Loss per unit:</b>	
Before change in unrealized appreciation (depreciation) of investments	\$ (0.12)
Change in unrealized appreciation (depreciation) of investments	(1.00)
Loss per unit	<u>\$ (1.12)</u>

## STATEMENT OF DEFICIT

(prepared without audit)

	Period from inception on April 16, 2003 to June 30, 2003
Deficit, beginning of period	\$ –
Loss before unrealized appreciation (depreciation) of investments	(316,654)
Deficit, end of period	<u>\$ (316,654)</u>

## STATEMENT OF CHANGES IN NET ASSETS

(prepared without audit)

	Period from inception on April 16, 2003 to June 30, 2003
<b>Operations</b>	
Loss for period	\$ (2,956,006)
Decrease in net assets from operations	(2,956,006)
<b>Partners' transactions</b>	
Proceeds from issuance of Partnership Units	65,708,400
Redemption of Initial Limited Partner	(100)
Cost of issuance of Partnership Units	(5,077,662)
	<u>60,630,638</u>
Net assets, end of period	<u>\$ 57,674,632</u>

### NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements are prepared by the Partnership in accordance with Canadian generally accepted accounting principles.

On April 16, 2003 the Partnership completed the first close of its initial prospectus offering and commenced activities from that date. Accordingly, there are no comparative statements of operations, deficit or changes in net assets for the period.

## SCHEDULE OF INVESTMENTS

As at June 30, 2003

Number of Shares	Company	Cost	Market Value
740,740	Aurizon Mines Ltd.	\$ 999,999	\$ 933,332
1,450,000	E3 Energy Inc.	1,522,500	1,392,000
1,500,000	Heritage Explorations Ltd.	750,000	825,000
1,050,000	Highpoint Resources Inc.	2,100,000	1,680,000
1,303,571	Majescor Resources Inc.	365,000	469,286
651,786	Majescor Resources Inc. (Wt)		
11,000,000	McWatters Mining Inc.	1,980,000	1,485,000
217,392	Metalex Ventures Ltd	750,002	760,872
858,000	Miramar Mining Corp.	1,801,800	1,458,600
1,250,000	Pan Global Ventures	1,000,000	1,237,500
514,500	Storm Energy Limited	4,116,000	3,087,000
1,805,028	Tagish Lake Gold	523,458	451,257
4,133,333	Terraquest Energy Corp.	1,240,000	1,116,000
322,800	Triquest Energy Corp.	1,501,020	1,162,080
3,571,428	Twin Mining Corp.	1,000,000	1,000,000
3,500,000	UEX Corp.	350,000	332,500
600,000	Ursa Major Minerals Inc.	300,000	270,000
<b>Total investments</b>		<u>\$ 20,299,779</u>	<u>\$ 17,660,427</u>