

STATEMENTS OF NET ASSETS

(prepared without audit)

| | March 31 2002 | December 31 2001 |
|--|------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 170,646 | \$ 681,146 |
| Accounts receivable | – | 321 |
| Investments, at market value (see schedule) | 35,630,608 | 28,678,280 |
| | 35,801,254 | 29,359,747 |
| LIABILITIES | | |
| Due to General Partner | 90,571 | 189,656 |
| Net assets | \$ 35,710,683 | \$ 29,170,091 |
| PARTNERS' EQUITY | | |
| Issued and fully paid partnership units | \$ 38,853,355 | \$ 38,853,355 |
| Unrealized depreciation of investments | (2,532,213) | (9,281,479) |
| Deficit | (610,459) | (401,785) |
| | \$ 35,710,683 | \$ 29,170,091 |
| Units outstanding | 1,690,000 | 1,690,000 |
| Net asset value per unit | \$ 21.13 | \$ 17.26 |

STATEMENTS OF OPERATIONS

Three months ended March 31, 2002

(prepared without audit)

| | 2002 |
|---|--------------|
| Investment income | |
| Interest and other | \$ 3,418 |
| Expenses | |
| Administration | 51,537 |
| General Partner fee | 160,555 |
| | 212,092 |
| Loss before change in unrealized appreciation (depreciation) of investments | (208,674) |
| Change in unrealized appreciation (depreciation) of investments | |
| End of period | (2,532,213) |
| Beginning of period | (9,281,479) |
| | 6,749,266 |
| Income for the period | \$ 6,540,592 |
| Income (loss) per unit: | |
| Before change in unrealized appreciation (depreciation) of investments | \$ (0.12) |
| Change in unrealized appreciation (depreciation) of investments | 3.99 |
| Income per unit | \$ 3.87 |

1. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements are prepared by the Partnership in accordance with Canadian generally accepted accounting principles following accounting policies consistent with the Partnership's audited financial statements and notes for the year ended December 31, 2001.

These interim financial statements should be read on conjunction with the audited financial statements and the accompanying notes included in the Partnership's latest annual report.

On June 14, 2001, the Partnership completed its initial prospectus offering and commenced activities from that date. Accordingly, there are no comparative statements of operations, surplus (deficit) or changes in net assets for the period.

STATEMENT OF DEFICIT

Three months ended March 31, 2002

(prepared without audit)

| | 2002 |
|--|--------------|
| Deficit, beginning of period | \$ (401,785) |
| Income (loss) before unrealized appreciation of investments | (208,674) |
| Deficit, end of period | \$ (610,459) |

STATEMENT OF CHANGES IN NET ASSETS

Three months ended March 31, 2002

(prepared without audit)

| | 2002 |
|--|---------------|
| Net assets, beginning of period | \$ 29,170,091 |
| Decrease in net assets from operations | |
| Income (loss) before unrealized appreciation of investments | (208,674) |
| Unrealized appreciation of investments | 6,749,266 |
| | 6,540,592 |
| Net assets, end of period | \$ 35,710,683 |

SCHEDULE OF INVESTMENTS

As at March 31, 2002

(prepared without audit)

| Number of Shares | Company | Cost ⁽¹⁾ \$ | Market Value \$ |
|---------------------|--------------------------------------|---------------------------|-----------------------|
| 100,000 | Agnico Eagle Mines Ltd | 2,000,025 | 2,119,000 |
| 350,000 | Bow Valley Energy Ltd. | 665,025 | 500,500 |
| 1,130,000 | Canadian Hydro Developers Inc. | 4,068,000 | 3,051,000 |
| 1,470,589 | Canadian Superior Energy Inc. | 2,500,026 | 2,941,178 |
| 450,000 | Case Resources Inc | 405,025 | 270,000 |
| 545,000 | Cigar Oil & Gas Ltd | 436,025 | 354,250 |
| 500,000 | Claude Resources Inc. | 275,000 | 490,000 |
| 975,000 | Compton Petroleum | 5,850,000 | 3,948,750 |
| 588,235 | Defiant Energy Corporation | 1,000,025 | 705,882 |
| 312,500 | Diamondex Resources Ltd. | 250,000 | 246,875 |
| 200,000 | Diaz Resources Ltd. | 100,025 | 94,000 |
| 850,000 | Energy North Inc. | 765,025 | 331,500 |
| 1,110,000 | Equatorial Energy Inc. | 3,607,525 | 2,541,900 |
| 250,000 | Fort Knox Gold Resources | 250,025 | 757,500 |
| 2,500,000 | Hope Bay Gold Corporation | 1,000,025 | 900,000 |
| 1,250,000 | International Curator Resources Ltd. | 200,025 | 137,500 |
| 760,000 | Ketch Energy Ltd. | 3,800,000 | 3,686,000 |
| 150,000 | Keywest Energy Corporation | 300,000 | 315,000 |
| 1,000,000 | Kinross Gold Corporation | 1,750,025 | 2,030,000 |
| 416,667 | Majescor Resources | 250,025 | 537,500 |
| 350,000 | Meota Resources Corp. | 1,400,025 | 1,732,500 |
| 436,300 | Miramar Mining Corporation | 567,215 | 628,272 |
| 370,000 | Navigator Exploration | 203,525 | 225,700 |
| 357,142 | Northgate Exploration Ltd. | 500,024 | 478,570 |
| 740,000 | Oiltec Resources Ltd. | 1,517,025 | 1,406,000 |
| 297,820 | Opti Canada | 350,025 | 350,000 |
| 800,000 | Rosetta Exploration Inc. | 1,000,000 | 608,000 |
| 571,429 | Rubicon Minerals Corporation | 200,025 | 571,429 |
| 166,666 | SouthernEra Resources Ltd | 499,998 | 866,663 |
| 17,400 | Storm Energy Inc. | 203,062 | 243,600 |
| 384,615 | Sudbury Contact Mines Ltd. | 250,021 | 561,538 |
| 800,000 | SynEnCo Energy Inc. | 2,000,025 | 2,000,000 |
| Total investments | | 38,162,821 | 35,630,608 |

(1) Represents investment in common shares of public companies, except for Defiant Energy Corporation, SynEnCo Energy Inc. and Opti Canada, which are private companies, issued by private placement with part or all of the position subject to a hold period.



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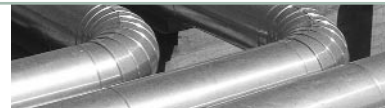
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1ST QUARTER 2002
INTERIM REPORT



CANADA DOMINION RESOURCES LIMITED PARTNERSHIP VII

1ST QUARTER INTERIM REPORT

For the three months ended March 31

The results of operations for the first quarter of 2002 were highlighted by a 22.4% increase in the Partnership's NAV as compared to December 31, 2001. The market value of the Partnership's portfolio increased from \$28.7 million at December 31, 2001 to \$35.6 million at March 31, 2002.

The increase in portfolio value was largely driven by significant increases in the market prices of gold and oil, which in turn were reflected by increases in the market value of companies operating in these industry sectors. In particular, the Partnership's holdings in Agnico-Eagle Mines Limited, Fort Knox Gold Resources Inc., GoldCorp. Inc., Hope Bay Gold Corp., Kinross Gold Corporation, Miramar Mining Corporation, Sudbury Contact Mines Ltd. and SouthernEra Resources Limited all experienced solid gains during the quarter.

Subsequent to the end of the quarter, oil prices have maintained their gains for the quarter while the price of gold has continued to increase to US \$320 per ounce, its highest level since 1999. Gas prices experienced modest gains during the first quarter and have maintained those price levels subsequent to the end of the quarter.

The composition of the Partnership's portfolio was largely unchanged from December 31, 2001, as expected. Going forward, it is likely that adjustments to the portfolio will be made depending on the market opportunities that are presented.

The Partnership recorded income for the period of \$6,541,000 after taking into account a change in unrealized depreciation of investments amounting to \$6,749,000. Loss before change in unrealized depreciation of investments was \$209,000.

Administration expenses amounted to \$52,000, well within the expected range for such costs. General Partner fees were \$161,000.

With the underpinnings of an improvement in commodity prices well underway, the Partnership is well positioned to grow in value over the course of the next few months.

JAMES A. HUTTON
PRESIDENT AND CHIEF EXECUTIVE OFFICER

May 31, 2002