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STOCK EXCHANGE LISTINGS

The Toronto Stock Exchange

Trading Symbols:

Common Shares	CGI
Warrants	CGI.WT

Preference Shares,

Series 1	CGI.PR.A
Series 2	CGI.PR.B
Series 3	CGI.PR.C

The London Stock Exchange

Trading Symbols:

Common Shares	CGI
Warrants	CGIW

Managed by:



MorganMeighen
& ASSOCIATES

Investment Managers

CANADIAN GENERAL INVESTMENTS, LIMITED

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CGI

Canadian General Investments,
Limited



OVER 75 YEARS OF CANADIAN SUCCESS

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FIRST QUARTER
SHAREHOLDER UPDATE

March 31, 2007

GENERAL COMMENTARY

Canadian General Investments, Limited (CGI) finished 2007's first quarter with a net asset value return of 4.6%, well ahead of the 2.6% posted by the benchmark S&P/TSX Composite Index. CGI's market return for the period, however, was flat. Powerful market action is a feature of these times, fully evident in even stronger performance that has been experienced by CGI and global markets in general, as we write this report in April. Most of this recent vitality relates to the long bull market in resources, in which Canada is a premier player.

The year is proving to be one of serious new questions for investors, headed by the concept of global warming and its possible influences on the economy. Portfolio crafting is beginning to involve consideration of terms like greenhouse gas, emissions control, green credits, alternative energy, biomass, corn and ethanol. Meanwhile, old market words like employment numbers, inflation, interest rates and currency moves have, for the moment, become almost passé.

In Canada, government appears committed to taking initiatives relating to some of the new issues, although the ways forward are not yet clear.

A couple of potential investment plusses: Canada has over 50% of the world's unrestricted or "friendly country" oil supplies, mainly because of the oil sands; natural gas prices will likely be driven up to feed ethanol production and, in the U.S., also in substitution because of coal cancellations.

Our investment team hopes to see the TSX end 2007 up in record territory. We know the Morgan Meighen team will be working hard toward the same goal for the portfolio of CGI.

WARRANT EXPIRY

Holders of the Company's outstanding warrants are reminded that June 30, 2007 is the final exercise date, after which time the warrants will expire without value. The current exercise price is \$2.62.

Vanessa L. Morgan
Chairman

Jonathan A. Morgan
President & CEO

INVESTMENT COMMENTARY

CRAFTING THE PORTFOLIO

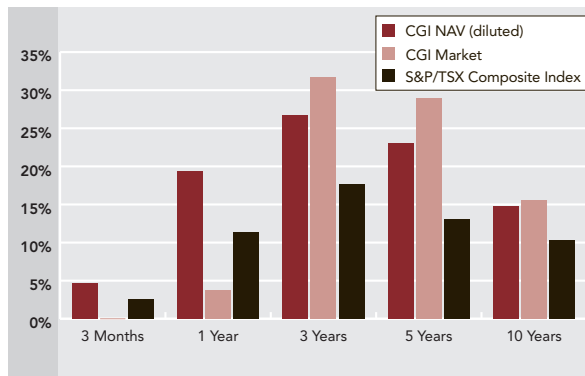
As we enter the second quarter of 2007, we are still broadly based in metals, with increased emphasis on molybdenum, nickel and yet more uranium. In molybdenum, we raised the holding in Blue Pearl Mining Ltd., as that is the only serious pure producer available. Subsequent to quarter end, we also bought into the new, heavily oversubscribed Sprott Molybdenum Participation Corporation units.

In nickel, we added to the now mid-tier FNX Mining Company Inc., which is by far our top ranking domestic producer with the main Sudbury Rim companies now taken out. We made one of a recent group of acquisitions in juniors, Crowflight Minerals Inc. in the Thomson Nickel Belt of Manitoba, which might well be the next domestic miner of choice.

Other juniors in nickel and other metals are carried in the portfolio, but none to the point of high financial risk. Early purchases like these can create a special uplift to the portfolio.

In gold, we bought Peak Gold Ltd., a new Ian Telfer promotion founded on a mine purchase from Goldcorp Inc. We have also added to Robert McEwen's new U.S. Gold Corporation, which is acquiring a group of exploration assets in Nevada and has also announced its first exploration results, as he pursues the challenge of entry into the Barrick and Newmont class. We have added to Guyana Goldfields Inc., which is building a rich resource profile in its monopoly position in Guyana in South America.

Compound Annual Returns for the Periods Ending March 31, 2007



AMAZING URANIUM

In uranium, with the metal soaring in price, the take-over games have just begun and it is a sector packed with amazing facts and rumours. Denison Mines Corporation has reported rich finds in the Athabasca Basin. Areva Resources Canada Inc. is rumoured to be sitting on a uranium property up to 80% in grade and is also thought to be working hard on technology to use up, rather than store, spent fuel. Uranium should remain a core portfolio asset.

NO 'PEAK OIL' YET

The next move in oil and gas should be positive, despite the muddle with emissions. Costs and prices should continue to rise, and then there is the failing struggle to maintain conventional reserves, fatigue in the Mexican oilfields, deterioration in Venezuela, costly conversion of bitumen in the Athabasca Basin and using natural gas to turn up to half the corn food stock of North America into ethanol for cars.

It's hard to believe, but statistics produced by the U.S. Geological Service and others show that, because of better technology, the global oil resource has always continued to rise and at a faster pace each year, constantly demolishing the easy to accept "peak oil" theorizing of many decades.

Our two preferred domestic energy stocks, Opti Canada Inc., and Petrobank Energy and Resources Ltd., seem appropriate in these times, having minimal exposure to natural gas consumption due to alternate methodologies used when

raising bitumen to the surface in the oil sands. Two fascinating international favourites are Addax Petroleum Corporation off the West Africa coast and in Kurdistan and Verenex Energy Inc., the Canadian junior which has started toward production in the rich Libyan oilfields that, until recently, were closed for decades to foreign entrants.

MONTRÉAL'S DEBUT

Away from resources, our most exciting senior purchase in the quarter was the Bourse de Montréal Inc., publicly launched on the TSX on March 27 with a market cap of well above \$1 billion and only approximately 30 million shares outstanding on the listing. This exchange is an important participant in the North American financial derivatives business, has ownerships and relationships with other exchanges such as Boston Options Exchange and NYMEX and is partnering with the futuristic Chicago Climate Exchange. It is noted that, unlike stock trading which is quite mobile, it is rare historically for derivatives business to be captured by competing platforms. While the TSX will ultimately be a competitor, it does not move into financial derivatives trading until 2009, while Montréal has been building a strong pure-play business and good results for many years and is under owned by investors.

On behalf of the Manager,

Michael A. Smedley
Chief Portfolio Officer

D. Greg Eckel
Senior Vice-President

SUMMARY OF INVESTMENT PORTFOLIO

as at March 31, 2007

Sector Allocation

		% of Net Investment Assets*	% of Investment Portfolio
	(\$000's)		
Financials	239,763	35.1	27.0
Materials	212,901	31.2	24.0
Energy	184,531	27.1	20.8
Industrials	80,560	11.8	9.1
Consumer Discretionary	59,871	8.8	6.7
Information Technology	32,944	4.8	3.7
Telecommunication Services	31,940	4.7	3.6
Consumer Staples	17,837	2.6	2.0
Utilities	13,394	2.0	1.5
Health Care	10,439	1.5	1.2
Cash & Cash Equivalents	1,684	0.2	0.2

Asset Allocation

		% of Net Investment Assets*	% of Investment Portfolio
	(\$000's)		
Canadian Equities	795,610	116.6	89.6
Canadian Income Trusts	41,511	6.1	4.7
Limited Partnerships	29,760	4.4	3.3
Preferred Shares	8,949	1.3	1.0
Foreign Equities	8,350	1.2	1.0
Cash & Cash Equivalents	1,684	0.2	0.2

SUMMARY OF INVESTMENT PORTFOLIO (CONTINUED)

Top 25 Holdings as at March 31, 2007

Issuer (all Canada-based)	Sector	% of Net Assets*	% of Investment Portfolio
Cameco Corporation	Energy	3.3	2.5
Rogers Communications Inc.	Telecommunication Services	3.0	2.3
BPO Properties Ltd.	Financials	2.9	2.2
TSX Group Inc.	Financials	2.6	2.0
Caldwell New York Limited Partnership**	Financials	2.5	1.9
HudBay Minerals Inc.	Materials	2.4	1.8
Research In Motion Limited	Information Technology	2.3	1.8
BMTC Group Inc.	Consumer Discretionary	2.1	1.6
Russel Metals Inc.	Industrials	2.1	1.6
Denison Mines Corporation	Energy	2.1	1.6
Algoma Central Corporation	Industrials	2.0	1.5
Canadian Western Bank	Financials	2.0	1.5
Enbridge Inc.	Energy	1.9	1.5
Corby Distilleries Limited	Consumer Staples	1.9	1.4
Caldwell New York LP IV**	Financials	1.9	1.4
Bourse de Montréal Inc.	Financials	1.8	1.4
National Bank of Canada	Financials	1.8	1.4
Husky Energy Inc.	Energy	1.8	1.4
Algoma Steel Inc.	Materials	1.7	1.3
Brookfield Asset Management Inc.	Financials	1.7	1.3
TransCanada Corporation	Energy	1.7	1.3
Bank of Montreal	Financials	1.6	1.3
Shore Gold Inc.	Materials	1.6	1.3
Skye Resources Inc.	Materials	1.6	1.3
Ritchie Bros. Auctioneers Incorporated	Industrials	1.6	1.2
		51.9*	39.8
Total Net Assets* (\$000's)			\$ 682,430
Total Investment Portfolio* (\$000's)			\$ 887,663

* Total Net Assets represents Total Investment Portfolio adjusted for leverage in the form of preference shares (\$210 million), other assets and other liabilities. The Total Investment Portfolio includes a receivable on securities sold, net of a payable on securities purchased, of \$1.8 million.

** The primary underlying assets of these two limited partnerships are shares in NYSE Euronext. In aggregate, CGI's holding in these two limited partnerships represents 4.4% of Net Assets, or 3.3% of the Investment Portfolio.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Company. The most recent quarterly portfolio disclosure may be obtained by visiting the Manager's web site at www.mmainvestments.com, by calling 416-366-2931 (Toll-free: 1-866-443-6097), or by writing to the Company at 110 Yonge Street, Suite 1601, Toronto, Ontario, Canada, M5C 1T4.

Certain financial information contained in this report, including investment growth rates, rates of return and other such statistical information are historical values; past performance is no assurance or indicator of future returns. Share prices, net asset values and investment returns will fluctuate. Stated historical returns assume the reinvestment of all distributions. Such financial information does not reflect any broker commissions, transaction costs or such other fees and expenses which may have been applicable nor income taxes payable by any shareholder, which would have the effect of reducing such historical returns. Stated returns for periods greater than one year are compound average annual rates of return. Further information concerning risk can be found in the Management Report of Fund Performance of the Annual Report to Shareholders.

The Company is an investment fund, and as such, this Quarterly Update to Shareholders carries a variety of information concerning stocks and other investments, all for informational purposes only. The reader should assume that the Company and all individuals and entities (including the Manager and members of its staff) who have contributed to this publication may have a conflict of interest. Readers should therefore not rely solely on this Report in evaluating whether or not to buy or sell securities discussed herein.