



CGI

Canadian General Investments,
Limited

2004

FOCUSED
ON CANADA

Annual Report

Corporate Profile

Canadian General Investments, Limited (CGI) is a closed-end equity fund focussed on medium to long-term investments in Canadian corporations. It strives, through prudent security selection, timely recognition of capital gains and appropriate income generating instruments, to provide better than average returns to investors.

CGI was established in 1930 and has been managed since 1956 by investment manager Morgan Meighen & Associates Limited (website: www.mmainvestments.com).

Net asset value per share (NAV) is calculated daily, and distributed via various news services in Canada, the U.K. and the U.S. NAV and market price information are published in the financial press in Canada, the U.K. and the U.S. on a daily/weekly basis.

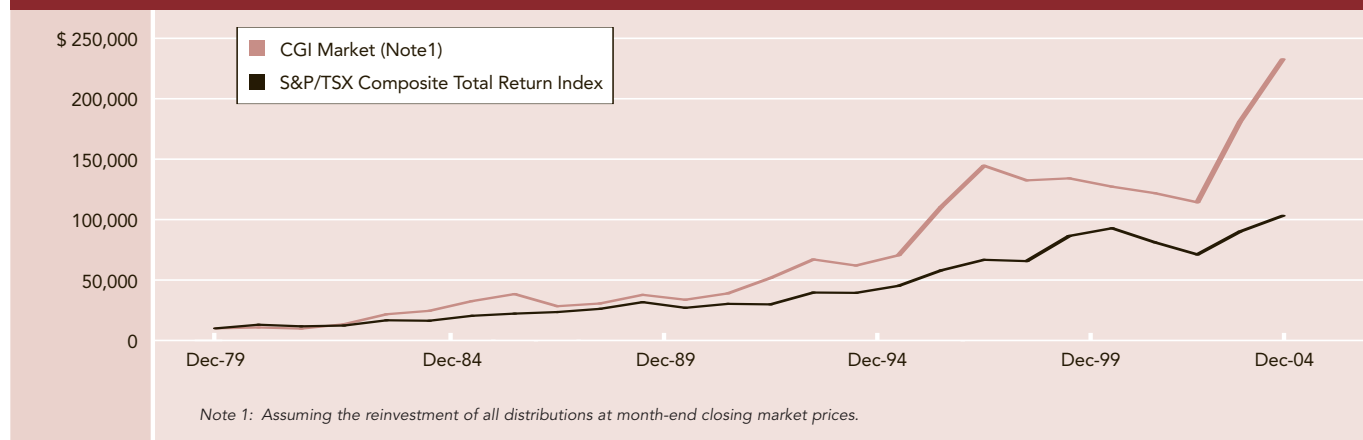
CGI's shares and warrants are traded through stock brokers and listed on the Toronto Stock Exchange (symbols: common shares – CGI; preference shares - CGI.PR.A and CGI.PR.B; and warrants - CGI.WT) and on the London Stock Exchange (symbols: common shares – CGI; and warrants - CGIW). CGI is the only active internationally listed closed-end Canadian equities fund.

CGI is a founding member of the Closed-End Fund Association (CEFA) in North America (website: www.cefa.com).

CGI celebrates its 75th anniversary in 2005, ranking it amongst the longest standing closed-end funds in North America. It continues to benefit its shareholders as the graph below illustrates. A \$10,000 investment in CGI common shares (assuming the reinvestment of all distributions at month-end closing market prices) would have grown to more than \$230,000 over the 25-year period ended December 31, 2004. This equates to a compound annual average growth rate of 13.4%.

Comparatively, a \$10,000 investment based on the change in the benchmark S&P/TSX Composite Total Return Index over the same period would have grown to approximately \$103,000 over the same period, resulting in a compound annual average growth rate of 9.8%.

Growth of a \$10,000 Investment – 25 Years to December 31, 2004





Jonathan A. Morgan, Vanessa L. Morgan, D. Greg Eckel and Michael A. Smedley

- NAV return **26.6%**
- Market return **28.8%**
- Common share yield **5.4%**

Canadian General Investments, Limited, in its pursuit of attractive growth and income from Canadian equities, has again delivered the numbers. A 26.6% total return in net assets, with dividends reinvested, almost double the 14.5% of the S&P/TSX Composite Total Return Index, follows the remarkable 44.0% return of CGI in 2003. CGI's common share market return, with dividends reinvested, was 28.8% in 2004.

In addition to high capital appreciation, shareholders through 2004 received total income and capital gains dividends of \$0.84, resulting in a yield of 5.4% on the year-end closing price of the common shares. Correspondingly, total dividends aggregated \$0.60 per share in 2003, providing a yield of 4.7%.

Portfolio assets at December 31, 2004 topped a record \$612 million, with unrealized gains of nearly \$188 million. The Corporation paid out \$17.2 million in total dividends in 2004, and over the past five years, the Fund has provided an annual average yield, based on the year-end closing price, of 5.3%. The yields enjoyed by CGI investors rank among the best available through common shares on the Toronto Stock Exchange.

The 26.6% total return is significantly better than the average returns in Canadian mutual fund classes except for the Latin America category, according to results sourced from globefund.com in the Globe and Mail on January 6, 2005. Measured against the universe of 328 Canadian equity mutual funds as reported by Morningstar, CGI's return would have ranked 4th for 2004.

BOARD OF DIRECTORS AND MANAGEMENT

Al Bates, a director of the Corporation since 1993, has advised the Board that he will not be standing for re-election at the next Annual Meeting of Shareholders. His colleagues and Management acknowledge with gratitude Mr. Bates' outstanding contribution and tireless enthusiasm over the past twelve years.

In response to Mr. Bates' impending retirement, the Board of Directors voted unanimously to put forward Mr. James F. Billett as a nominee for election to the Board at the April 6, 2005 shareholder meeting. Mr. Billett was a partner with PricewaterhouseCoopers LLP (PwC) until June 2003, and since then has served as an independent consultant with PwC, a relationship scheduled to terminate on March 31, 2005.

Also at the February 8, 2005 meeting of the Board, Michael A. Smedley confirmed his decision to stand down as President of the Corporation, a position he has held since November 1989. The Board expressed its appreciation to Mr. Smedley for his valued contribution that has benefited all shareholders over the years. Mr. Smedley will remain actively involved with CGI both as a member of the Board, and also as Chief Portfolio Officer of the Manager.

To fill the vacancy created by Mr. Smedley's resignation, the Board appointed Jonathan A. Morgan as President and Chief Executive Officer of the Corporation. Mr. Morgan and Mr. Smedley continue as members of the Board of CGI, and will carry on their close working relationship, assuring continuity with respect to management of the Company.

Vanessa L. Morgan
Chairman

Jonathan A. Morgan
President

Searching for Stocks

A year of strong performance resulted, as always, primarily from the search for special opportunities in stocks across the market. As well as continuing with longer term positions in major and liquid stocks, the portfolio management team of the Manager, Morgan Meighen & Associates Limited, also frequently buys with patience into lesser known companies. Although primarily a bottom-up researcher, the Manager pays close attention to the events that influence sector behaviour.

Natural resources shares are significant in the portfolio and gave us some of our best returns in 2004. We expect many of these positions to at least hold their gains in 2005, led by Cameco Corporation, the richest uranium producer in the world. At year-end, Cameco, whose share price was up 68.4% during the year, was the largest holding in the portfolio. We hold several other Canadian companies focused on uranium. Supply/demand and clean energy factors could keep uranium the most reliably strong commodity in our resources universe.

Grande Cache Coal Corporation is one of several of our 2004 purchases on the surge in metallurgical coal prices. Since being added to CGI's portfolio in September, its share price was up 194.6% at year-end with some gains having been taken during the year.

Among new oil and gas positions, Centurion Energy International Inc., up 147.0% above cost, was the top performing stock on the Toronto Stock Exchange last year. Centurion is a fast growth junior operating in the prolific desert and coastal regions of North Africa, in Egypt and Tunisia. Other Canadian companies are also in those regions, including First Calgary Petroleum Ltd., which we bought in 2003 and at year-end showed a 281.7% gain over cost, backed by the building of gas

reserves in Algeria. In Canada, Peyto Energy Trust, converted from the corporate structure and with well-balanced cash flow apportionment between development funding and shareholder distributions, has appreciated 273.1% since purchase.

The Fund benefits from a long-term presence in major oil and gas producers and a selection of promising juniors. Canada arguably has the most wide ranging stock market selection of oil and gas companies and trusts covering domestic, international and offshore resources. This includes two massive oil sands bitumen operations and reserves in the Athabasca Basin in Alberta.

The oil and gas industry is now struggling just to match present consumption, while mining, globally, as well as in Canada has suffered from a long under-investment phase. This should help to strengthen broad resources performance in the stock market.

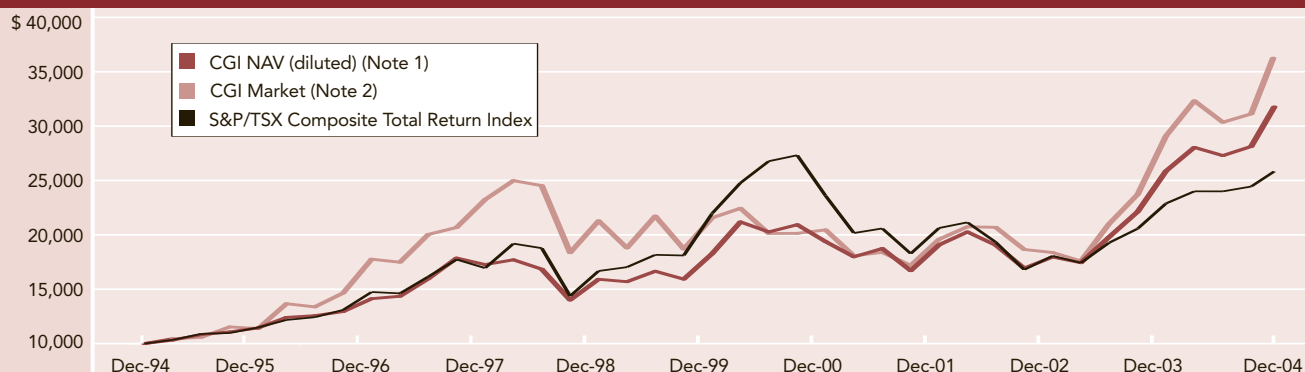
As a Fund intended to capture gains and income within a diversified portfolio, CGI has more than one hundred securities and no high risk heavily overweight positions at this time. The object for the coming year is continued strong performance without high risk.

CGI is virtually alone in a traditional type of closed-end fund class dedicated to bottom-up stock selection in Canada, and is likely alone as a capital gains distributor under the Income Tax Act (Canada).

Michael A. Smedley, *Chief Portfolio Officer of the Manager*

D. Greg Eckel, *Vice-President of the Manager*

Growth of a \$10,000 Investment – 10 Years to December 31, 2004



Note 1: Assuming the reinvestment of cash dividends at month-end closing NAV.
 Note 2: Assuming the reinvestment of cash dividends at month-end closing market prices.

Management's Discussion & Analysis

Canadian General Investments, Limited's (CGI) diluted net asset value per share (NAV) at year-end 2004 was \$20.71, up from \$17.10 at December 31, 2003. The NAV return, with distributions reinvested, for 2004 was 26.6%, compared with 14.5% for the benchmark S&P/TSX Composite Total Return Index. CGI's net assets at December 31, 2004 were \$475,976,000, representing a 22.3% increase from the \$389,324,000 at the end of 2003.

RESULTS OF OPERATIONS

For 2004, CGI had an increase in net assets resulting from operations of \$110,223,000, or \$4.90 per common share – diluted. Correspondingly, the increases in net assets resulting from operations on an aggregate and per common share basis for 2003 were \$129,026,000 and \$5.92, respectively.

Strong performance from a broad range of stocks in most sectors resulted in CGI achieving a net gain on investments of \$107,737,000 for 2004, comprised of net realized gains on investments of \$45,095,000 and a change in unrealized gain on investments of \$62,642,000. This compared with a net gain on investments of \$127,769,000 for 2003. In 2004, the portfolio turnover rate was 41.7%, compared to the 56.3% experienced in 2003.

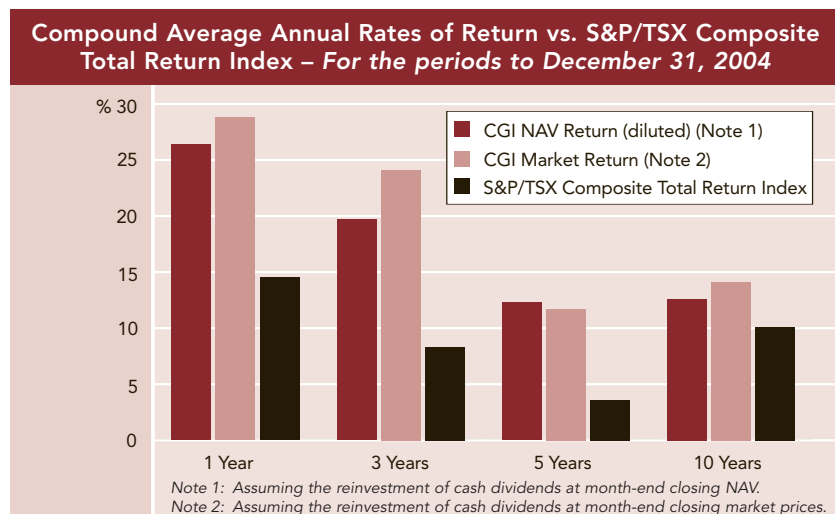
CGI's net investment income in 2004 of \$2,486,000 was up substantially from the \$1,257,000 recorded in 2003.

Total investment income of \$16,289,000 in 2004 was 65.0% higher than the \$9,870,000 of 2003. Special dividends from BPO Properties Ltd. and Brookfield Homes Corporation totalling \$4.3 million were the primary source of the increase. Also contributing, was the first full year use of the net proceeds of the \$75 million Series 2 preference share issue, which closed in November 2003. CGI had \$135 million in preference shares outstanding at both December 31, 2004 and 2003.

Total expenses of \$13,803,000 in 2004 were up 60.3% from the prior year, largely a result of dividends on the 2003 preference share issue. Dividends on the 5.40% Series 1 and the 4.65% Series 2 preference shares totalled \$6,728,000. The other significant expense of the Corporation, management fees, is calculated quarterly in arrears at 1% per annum of the market value of investments adjusted for cash and portfolio accounts receivable and payable.

The management expense ratio (MER) is a measure of the total costs of operating a fund as a percentage of average net assets. MER expenses exclude brokerage commissions and income taxes. Borrowed funds (leverage), invested as part of total portfolio assets, contribute to a fund's NAV return. The actual amount of borrowing is deducted from aggregate portfolio assets in computing net assets. Excluding the costs associated with the use of leverage (dividends on preference shares and amortization of deferred financing charges), the MER for 2004 was 1.6% in 2004, compared to 1.4% in 2003.

Proposed securities regulations concerning investment funds have been published for comment by interested parties. This proposal, unless amended, requires the inclusion of leverage costs in the calculation of the MER. Including the leverage costs, CGI's MERs for 2004 and 2003 would be 3.3% and 2.7%, respectively, with the increase driven by the costs associated with the first full year of the Series 2 preference shares compared to only two months in 2003. The use of leverage to enhance total returns to common shareholders has been a part of the Corporation's investment strategy since the Series 1 preference share issue in 1998. CGI's asset coverage ratio, the ratio of portfolio assets to outstanding preference shares, at December 31, 2004 stood at 4.5 times, while the required minimum asset coverage is 2.5 times.



Weighting of Portfolio Investments at Market – December 31, 2004

Category	%
Financials	23.4
Energy	22.4
Materials	19.7
Industrials	6.4
Consumer Discretionary	6.2
Consumer Staples	5.8
Telecommunication Services	5.3
Preferred Shares	4.6
Information Technology	2.7
Other	3.5
Total	100.0

Management's Discussion & Analysis (continued)

INVESTMENT OBJECTIVE AND STRATEGIES

CGI is a closed-end equity fund focused on medium to long-term investments in Canadian corporations. It strives, through prudent security selection, timely recognition of capital gains and appropriate income generating instruments, to provide better than average returns to investors. The Manager utilizes a bottom-up investment style in an effort to achieve this objective. The investment style allows for sector weightings that can differ from those of the S&P/TSX Composite Index. The largest sector weightings in CGI's portfolio at year-end 2004 were Financials (23.4%), Energy (22.4%) and Materials (19.7%). These sectors also had the highest weightings in the S&P/TSX Composite Index at 32.8%, 18.5% and 16.9%, respectively. As an equity fund, the primary risk to the Corporation is market risk – the exposure to market price changes in the securities held within the portfolio. CGI attempts to mitigate this risk by maintaining a diverse portfolio.

DIVIDENDS

During 2004, CGI paid total cash dividends of \$17,218,000 to common shareholders, up from the \$12,292,000 that was paid in 2003. The increase was the result of a \$0.60 per share special capital gains dividend that was paid on December 31, 2004 vs. the \$0.36 per share special capital gains dividend paid on December 31, 2003. These capital gains dividends were in addition to regular quarterly income dividends totalling \$0.24 per share in both years.

CGI's status as an investment corporation allows the Corporation to recover taxes payable on its realized taxable capital gains through the payment of capital gains dividends. Investment corporation status continues to benefit all shareholders through improved tax efficiency. Capital gains dividends are taxed more favourably than regular income dividends in the hands of shareholders.

WARRANTS

CGI continued to buy in its warrants pursuant to a third renewal of a Normal Course Issuer Bid for outstanding warrants of the Corporation initiated in 2001. Under the terms of the renewal, CGI may purchase in the market up to 5% of its outstanding warrants during the period April 23, 2004 to April 22, 2005. During 2004, CGI bought 140,100 of its warrants for \$1,079,000, compared to 176,200 warrants for \$711,000 in 2003. Purchase and cancellation of warrants increases the diluted NAV of the Corporation.

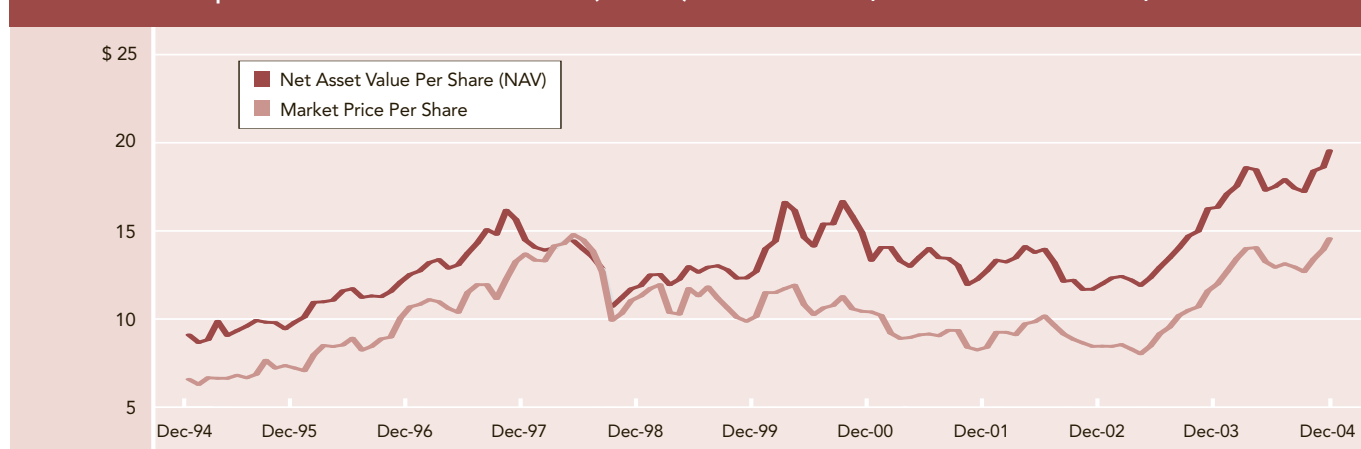
On June 30, 2004, warrant holders exercised 11,478 warrants at \$5.83 per share for aggregate proceeds to the Corporation of \$67,000. In 2003, 10,562 warrants were exercised at \$6.30 per share for proceeds of \$67,000. Warrants continue to be exercisable on June 30 of each year until their expiration in 2007.

As a result of cash dividends paid in excess of net income during 2004, the exercise price of the warrants was reduced to \$5.22 per share effective February 8, 2005 pursuant to the warrant indenture.

OUTLOOK

Since increasing the benchmark interest rate in early September, the Bank of Canada has sat on the sidelines as economic data suggests that the Canadian economy is slowing down as a result of the effects of the strong dollar. Despite a challenging environment, CGI will continue to pursue strong results by seeking special opportunities, while maintaining a well-diversified portfolio.

Comparison of Market Price to NAV (diluted) - December 31, 1994 to December 31, 2004



MANAGEMENT'S REPORT

The accompanying financial statements have been prepared by Management and approved by the Board of Directors of the Company. Management is responsible for the information and representations contained in these financial statements and other sections of the Annual Report.

The Company 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 judgments. The significant accounting policies which Management believes are appropriate for the Company are described in note 1 to the financial statements. Financial information used elsewhere in the Annual Report is consistent with that in the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements and overseeing Management's performance of its financial reporting responsibilities. An Audit Committee comprised of non-Management Directors is appointed by the Board. The Audit Committee reviews the financial statements, adequacy of internal controls, the audit process and financial reporting with Management and the external Auditors. The Audit Committee reports to the Directors prior to the approval of the audited financial statements for publication.

PricewaterhouseCoopers LLP, the Company's external Auditors, who are appointed by the shareholders, audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the shareholders their opinion on the financial statements. Their report is set out on this page.



Vanessa L. Morgan
Chairman



Jonathan A. Morgan
President

February 8, 2005

AUDITORS' REPORT

*To the Shareholders of
Canadian General Investments, Limited*

We have audited the accompanying statements of net assets of **Canadian General Investments, Limited** as at December 31, 2004 and 2003, the statement of investments as at December 31, 2004 and the statements of operations, retained earnings and cash flows for the years ended December 31, 2004 and 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 Company as at December 31, 2004 and 2003 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.



*Chartered Accountants
Toronto, Canada*

January 28, 2005

Statements of Net Assets

<i>As at December 31,</i>	2004	2003
<i>(in thousands of dollars, except per share amounts)</i>	\$	\$
Assets		
Investments at market value (cost - \$421,541; 2003 - \$395,170)	609,325	520,312
Cash	2,180	1,720
Receivable on securities sold	-	1,383
Interest and dividends receivable	1,329	1,049
Deferred financing charge	1,790	2,234
	614,624	526,698
Liabilities		
Payable on securities purchased	296	710
Accounts payable and accrued liabilities	190	135
Accrued dividends on preference shares	295	295
Income taxes payable	2,867	1,234
Preference shares (note 2)	135,000	135,000
	138,648	137,374
Net Assets	475,976	389,324
Shareholders' Equity		
Common shares (note 2)	127,402	127,335
Unrealized gain on investments	187,784	125,142
Retained earnings	160,790	136,847
	475,976	389,324
Number of common shares outstanding (note 2)	20,499,638	20,488,160
Number of warrants outstanding (note 2)	3,459,286	3,610,864
Net asset value per common share - basic	23.22	19.00
Net asset value per common share - diluted	20.71	17.10

Approved by the Board of Directors



Director



Director

Statements of Operations

<i>For the years ended December 31,</i>	2004	2003
<i>(in thousands of dollars, except per share amounts)</i>	\$	\$
Investment income		
Dividends	14,698	7,770
Interest and other	1,591	2,100
	16,289	9,870
Expenses		
Dividends on preference shares	6,728	3,785
Management fees (note 3)	5,854	3,793
Amortization of deferred financing charge	467	326
Investor relations	211	189
Directors' fees	105	90
Other	438	430
	13,803	8,613
Net investment income for the year	2,486	1,257
Realized and unrealized gains on investments (note 4)		
Net realized gain on investments	45,095	20,745
Change in unrealized gain on investments	62,642	107,024
Net gain on investments	107,737	127,769
Increase in net assets resulting from operations for the year	110,223	129,026
Increase in net assets resulting from operations per common share (based on weighted average number of common shares outstanding during the year (note 2))		
Basic	5.38	6.30
Diluted	4.90	5.92

Statements of Retained Earnings

<i>For the years ended December 31,</i>	2004	2003
<i>(in thousands of dollars, except per share amounts)</i>	\$	\$
Retained earnings - Beginning of year	136,847	129,133
Add		
Net realized gain on investments (note 4)	45,095	20,745
Net investment income for the year	2,486	1,257
	184,428	151,135
Deduct		
Dividends paid from net realized gain on investments - net of income taxes recoverable of \$2,583 (2003 - \$1,493)	9,717	5,883
Dividends paid from net investment income	4,918	4,916
Warrants repurchased	1,079	711
Net increase in refundable dividend tax on hand	634	-
Net increase in refundable income taxes on net realized gain on investments (note 5)	7,290	2,778
	23,638	14,288
Retained earnings - End of year	160,790	136,847
Dividends per common share		
Regular	0.24	0.24
Capital gains	0.60	0.36
	0.84	0.60

Statements of Cash Flows

<i>For the years ended December 31,</i>	2004	2003
<i>(in thousands of dollars)</i>	\$	\$
Cash provided by (used in)		
Operating activities		
Increase in net assets resulting from operations for the year	110,223	129,026
Add (deduct) non-cash items		
Amortization of deferred financing charge	467	326
Net realized gain on investments	(45,095)	(20,745)
Change in unrealized gain on investments	(62,642)	(107,024)
Purchases of investments during the year	(231,312)	(278,358)
Proceeds of disposition of investments during the year	250,036	216,992
Change in non-cash balances related to operations	2,377	110
	24,054	(59,673)
Financing activities		
Preference shares issued - net of expenses	(23)	72,689
Dividends paid to common shareholders - net of income taxes recoverable	(14,635)	(10,799)
Common shares issued on exercise of warrants	67	67
Warrants repurchased	(1,079)	(711)
Increase in refundable dividend tax on hand	(634)	-
Increase in refundable capital gains taxes	(7,290)	(2,778)
	(23,594)	58,468
Net increase (decrease) in cash during the year (note 6)	460	(1,205)
Cash - Beginning of year	1,720	2,925
Cash - End of year	2,180	1,720

Statement of Investments

December 31, 2004

Number of Shares or Par Value	Investment	Cost \$	Market Value \$	Number of Shares or Par Value	Investment	Cost \$	Market Value \$
<i>(in thousands of dollars)</i>				<i>(in thousands of dollars)</i>			
CONSUMER DISCRETIONARY - 6.2%				ENERGY - CONTINUED			
Hotels, Restaurants, & Leisure				Oil & Gas - continued			
145,900	Fairmont Hotels & Resorts Inc.	5,086	6,059	130,000	Canadian Natural Resources Limited	3,275	6,662
30,000	Four Seasons Hotels Inc., SV	2,334	2,943	800,000	Canoro Resources Ltd.*	1,456	2,368
Household Durables				138,000	Canoro Resources Ltd. ^*	159	388
100,000	Dorel Industries Inc., B SV	3,850	4,133	69,000	Canoro Resources Ltd., warrants 12/31/05^*	27	110
Media				356,300	Centurion Energy International Inc.	2,121	5,238
100,000	Astral Media Inc., A NV	1,786	3,258	351,450	Cyries Energy Inc.	2,148	2,738
212,800	Torstar Corporation, B NV	4,416	4,682	295,000	Duvernay Oil Corp.+	3,323	5,746
200,000	Yellow Pages Income Fund, units	2,145	2,698	180,000	Enbridge Inc.	7,012	10,746
Multiline Retail				280,000	First Calgary Petroleums Ltd.	1,379	5,264
290,000	Hudson's Bay Company	3,492	3,886	215,000	Husky Energy Inc.	4,019	7,364
Specialty Retail				80,000	Niko Resources Ltd.	2,328	4,038
740,200	BMTC Group Inc., A SV	4,451	9,401	141,900	Pan-Ocean Energy Corporation Limited, B SV*	3,239	3,411
25,000	easyhome Ltd.*	464	475	75,000	Penn West Petroleum Ltd.	3,838	5,944
TOTAL CONSUMER DISCRETIONARY		28,024	37,535	49,000	Petro-Canada	3,183	2,997
CONSUMER STAPLES - 5.8%				125,000	PetroKazakhstan Inc.	4,903	5,566
Beverages				110,000	Peyto Energy Trust	1,410	5,261
75,000	Corby Distilleries Limited, A	3,753	4,987	238,550	ProEx Energy Ltd.	1,351	2,028
70,000	Corby Distilleries Limited, B NV	4,416	4,434	382,250	Progress Energy Trust, units	4,864	5,168
145,000	Molson Inc., A	4,949	5,145	87,500	Shell Canada Limited	4,423	6,999
159,100	Second Cup Royalty Income Fund, units*	1,602	1,889	200,000	Talisman Energy Inc.	4,811	6,470
203,900	Sleeman Breweries Ltd.	3,025	2,855	333,000	TransCanada Corporation	8,508	9,923
Food & Staples Retailing				150,000	Western Oil Sands Inc., A	4,106	6,277
325,000	The Jean Coutu Group (PJC) Inc., A SV	6,074	5,558	TOTAL ENERGY			
174,200	Shoppers Drug Mart Corporation	4,055	6,492	89,548	136,407		
Tobacco				FINANCIALS - 23.4%			
105,300	Rothmans Inc.	3,116	4,201	Commercial Banks			
TOTAL CONSUMER STAPLES		30,990	35,561	160,000	Bank of Montreal	5,613	9,242
ENERGY - 22.4%				160,000	The Bank of Nova Scotia	3,485	6,512
Energy Equipment & Services				40,000	Canadian Imperial Bank of Commerce	1,986	2,889
109,800	Calfrac Well Services Ltd.	2,414	5,188	290,200	Canadian Western Bank+	6,271	7,714
595,500	Phoenix Technology Income Fund, units	2,650	2,698	175,000	National Bank of Canada	6,943	8,673
80,000	Precision Drilling Corporation	4,312	6,042	90,000	The Toronto-Dominion Bank	3,040	4,493
21,900	Trican Well Service Ltd.*	1,200	1,456	Diversified Financial Services			
Oil & Gas				31,900	Addenda Capital Inc.*	737	786
320,000	AltaGas Income Trust, units	4,589	7,408	199,300	Brascan Corporation, A LV	4,867	8,600
359,100	Blue Mountain Energy Ltd.	2,500	2,909	105,400	Economic Investment Trust Limited	4,617	5,813
				250,900	GMP Capital Corp.	3,794	4,955
				229,000	Guardian Capital Group Limited, A NV	1,637	4,184
				1,158,700	Loring Ward International Ltd. #*	1,259	1,259
				300,000	Power Financial Corporation	6,893	9,597

December 31, 2004

Number of Shares or Par Value	Investment	Cost \$	Market Value \$	Number of Shares or Par Value	Investment	Cost \$	Market Value \$
<i>(in thousands of dollars)</i>				<i>(in thousands of dollars)</i>			
FINANCIALS - CONTINUED				INDUSTRIALS - CONTINUED			
Diversified Financial Services - continued				Trading Companies & Distributors			
160,100	SEAMARK Asset Management Ltd.	2,607	3,585	164,000	Ritchie Bros. Auctioneers Incorporated	5,257	6,526
195,900	TSX Group Inc.	4,879	10,518	485,000	Russel Metals Inc.	4,053	7,517
384,900	VFC Inc.	3,754	3,233	TOTAL INDUSTRIALS			24,999 38,714
Insurance				INFORMATION TECHNOLOGY - 2.7%			
10,200	E-L Financial Corporation Limited	3,739	3,445	Communications Equipment			
115,000	ING Canada Inc., LV*	3,202	3,371	95,000	Research In Motion Limited	3,266	9,384
55,000	Manulife Financial Corporation	2,255	3,047	Internet Software & Services			
80,000	Sun Life Financial Inc.	2,788	3,212	165,000	CryptoLogic Inc.	3,951	4,945
Real Estate				Software			
222,300	BPO Properties Limited	5,240	8,670	134,900	Workbrain Corporation	2,582	2,326
325,000	First Capital Realty Inc.	5,072	6,126	TOTAL INFORMATION			9,799 16,655
150,000	MI Developments Inc., A SV+	4,562	5,407	MATERIALS - 19.7%			
426,000	Parkbridge Lifestyle Communities Inc. ^*	1,406	1,406	Construction Materials			
253,800	Trizec Canada Inc., SV	4,308	5,175	154,725	St. Lawrence Cement Group Inc., A SV	3,609	4,595
Thriffs & Mortgage Finance				Metals & Mining			
341,000	Home Capital Group Inc., B	1,757	10,656	75,000	Alcan Inc.	4,123	4,410
TOTAL FINANCIALS			96,711 142,568	354,000	Cameco Corporation	5,130	14,850
HEALTH CARE - 1.0%				360,000	Canico Resource Corp.	2,103	5,220
Biotechnology				260,000	Centerra Gold Inc.	4,202	5,694
991,900	Cipher Pharmaceuticals Inc. +	2,908	1,885	317,000	Denison Mines Inc. +	2,495	4,134
505,600	DiagnoCure Inc.	2,508	2,877	100,000	Dofasco Inc.	3,152	4,540
1,387,494	Millenium Biologix Corporation ^*	1,000	971	167,000	Falconbridge Limited	3,265	5,194
TOTAL HEALTH CARE			6,416 5,733	250,000	First Quantum Minerals Ltd.	2,700	4,662
INDUSTRIALS - 6.4%				1,012,000	Gerdau Ameristeel Corporation	5,307	8,177
Aerospace & Defense				200,000	Goldcorp Inc.*	3,681	3,612
121,100	Ceramic Protection Corporation+	1,228	3,621	550,000	Grand Cache Coal Corporation	3,024	8,910
18,500	Ceramic Protection Corporation ^*	407	527	165,600	Imperial Metals Corporation*	1,326	1,308
Airlines				280,000	Imperial Metals Corporation ^*	2,100	2,176
100,000	ACE Aviation Holdings Inc., B*	2,415	3,557	40,000	Inco Limited	1,096	1,760
Building Products				200,000	Inco Limited, warrants 8/21/06	1,584	3,242
180,000	Masonite International Corporation	4,518	7,430	1,036,200	International Uranium Corporation	1,487	4,145
Commercial Services & Supplies				200,000	Ivanhoe Mines Ltd.	1,328	1,730
200,000	Davis + Henderson Income Fund, units	2,019	4,540	350,000	Labrador Iron Ore Royalty Income Fund, units	4,090	7,683
Marine				200,000	NEMI Northern Energy & Mining Inc., A*	458	500
31,100	Algora Central Corporation	1,863	2,208				
55,000	Teekay Shipping Corporation*	3,239	2,788				

Statement of Investments (continued)

December 31, 2004

Number of Shares or Par Value	Investment	Cost \$	Market Value \$	Number of Shares or Par Value	Investment	Cost \$	Market Value \$
<i>(in thousands of dollars)</i>				<i>(in thousands of dollars)</i>			
MATERIALS - CONTINUED				PREFERRED SHARES - 4.6%			
Metals & Mining - continued							
325,000	NEMI Northern Energy & Mining Inc., A ^*	375	656	180,000	Bombardier Inc., Series 3	4,083	2,637
325,000	NEMI Northern Energy & Mining Inc., warrants 6/06/06 ^*	193	387	120,000	Brookfield Properties Corporation, Series I	3,000	3,150
150,000	Noranda Inc. +	3,225	3,159	160,000	Co-operators General Insurance Company, Series A	3,968	4,272
200,000	Shore Gold Inc.*	507	690	150,000	Falconbridge Limited, Series 3	3,743	3,847
1,000,000	Shore Gold Inc. ^	1,938	3,330	150,000	Fortis Inc., First Series E	3,891	4,065
500,000	Shore Gold Inc., warrants 9/28/05 ^	262	595	300,000	Nortel Networks Corporation, Series 5	5,018	5,490
350,000	Southwestern Resources Corp.	3,183	4,340	160,000	Nortel Networks Corporation, Series 7	2,863	2,792
514,200	UEX Corporation*	1,273	1,131	80,000	Quebecor World Inc., Series 3	1,843	2,040
250,000	Western Canadian Coal Corp.*	1,174	1,530		TOTAL PREFERRED SHARES	28,409	28,293
Paper & Forest Products				TOTAL INVESTMENTS			
363,500	Norbord Inc.	4,167	4,507	- December 31, 2004		421,541	609,325
65,000	West Fraser Timber Co. Ltd. +	3,100	3,133	- December 31, 2003		395,170	520,312
	TOTAL MATERIALS	75,657	120,000				
TELECOMMUNICATION SERVICES - 5.3%							
Diversified Telecommunication Services							
184,600	Manitoba Telecom Services Inc.	6,721	9,045	^ Pursuant to provincial securities legislation, securities purchased through a private placement from a qualifying issuer are restricted from trading on a stock exchange for a period of 4 months from the date of the private placement. * New holding since September 30, 2004. + Increased holding since September 30, 2004. # Unquoted security.			
250,000	TELUS Corporation +	3,881	9,055				
64,600	TELUS Corporation, NV*	1,921	2,244				
Wireless Telecommunication Services							
161,500	Rogers Wireless Communications Inc., B RV	3,721	8,811				
250,000	Telesystem International Wireless Inc.	4,082	3,364				
	TOTAL TELECOMMUNICATION SERVICES	20,326	32,519				
UTILITIES - 2.5%							
Electric Utilities							
100,000	Emera Inc.	1,720	1,917				
70,000	Fortis Inc.	4,061	4,865				
Gas Utilities							
200,000	Terasen Inc.	3,710	5,542				
Multi-Utilities & Unregulated Power							
50,000	Canadian Utilities Limited, A NV	1,171	3,016				
	TOTAL UTILITIES	10,662	15,340				

Notes to Financial Statements

December 31, 2004 and 2003

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements, prepared in accordance with Canadian generally accepted accounting principles, include estimates and assumptions by management that affect the amounts of assets, liabilities, income and expenses during the year. Actual results could differ from these estimates. The following is a summary of significant accounting policies followed by the Company.

Valuation of investments

Market values of securities are based on closing market quotations.

Investment transactions

Investment transactions are recorded on the trade date. Realized gains and losses from investment transactions are calculated on an average cost basis.

Dividend and interest income

Dividend income is recorded on the ex-dividend date and interest income is recognized as earned.

Foreign exchange

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at year-end rates. Investment income, expenses and purchases and sales of investments are calculated at the exchange rates prevailing on the dates of the transactions.

Deferred financing charge

Preference share issuance costs are amortized on a straight-line basis over a five-year period commencing from date of issue. The gross issuance cost of \$2,334,000 (2003 - \$2,311,000) is presented net of accumulated amortization of \$544,000 (2003 - \$77,000).

Future income taxes

The Company follows the asset and liability method of accounting for income taxes. Future income tax liabilities are measured using rates expected to apply to the taxable income in the years in which the temporary differences are expected to be settled.

No provision is made for future income taxes on the unrealized gain on investments, since such income taxes would be recoverable upon payment of capital gains dividends by the Company (note 5).

2 CAPITAL STOCK AND PREFERENCE SHARES

Common shares

The Company is authorized to issue an unlimited number of common shares.

	2004		2003	
	Number of shares	Amount (in thousands of dollars) \$	Number of shares	Amount (in thousands of dollars) \$
Balance - Beginning of year	20,488,160	127,335	20,477,598	127,268
Exercise of warrants	11,478	67	10,562	67
Balance - End of year	20,499,638	127,402	20,488,160	127,335

Notes to Financial Statements (continued)

December 31, 2004 and 2003

Preference shares

The Company is authorized to issue in series a class of preference shares of which 2,400,000, 5.40% cumulative, redeemable Class A preference shares, Series 1 (the Series 1 Shares) were outstanding during the years ended December 31, 2004 and 2003. On November 4, 2003, the Company completed a public offering of 3,000,000, 4.65% cumulative, redeemable Class A preference shares, Series 2 (the Series 2 Shares) for net proceeds of \$72,666,000.

On and after October 5, 2003 to October 4, 2008, the Company may redeem for cash all, but not less than all, of the Series 1 Shares upon payment of a redemption price equal to the higher of the Yield Price (as defined) and \$25.00 per share together with accrued and unpaid dividends up to the date of redemption. The Company can redeem in whole or in part and the holder may require the Company to redeem the Series 1 Shares on or after October 5, 2008 at \$25.00 per share.

On and after March 15, 2009 to March 15, 2014, the Company may redeem for cash the Series 2 Shares in whole or in part at a price per share equal to: \$26.00 if redeemed on or after March 15, 2009, but before March 15, 2010; \$25.75 if redeemed on or after March 15, 2010, but before March 15, 2011; \$25.50 if redeemed on or after March 15, 2011, but before March 15, 2012; \$25.25 if redeemed on or after March 15, 2012, but before March 15, 2013; and \$25.00 thereafter, together in each case with all accrued and unpaid dividends up to but excluding the date fixed for redemption. A holder of Series 2 Shares may require the Company to redeem such shares on or after March 15, 2014 for a cash price of \$25.00, together with any accrued and unpaid dividends up to but excluding the date of redemption.

Warrants

The Company has 3,459,286 (2003 - 3,610,864) warrants outstanding that are exercisable on June 30 each year, commencing June 30, 2000 and ending on June 30, 2007. On June 30, 2004, the fifth exercise date, 11,478 warrants were exercised for total proceeds of \$67,000 (2003 - 10,562 warrants, \$67,000). As at December 31, 2004, each warrant entitles the holder to subscribe for a common share at a price of \$5.83 (2003 - \$6.30) per share, subject to adjustment based on the warrant indenture. Upon approval of the audited financial statements for 2004 by the board of directors, in accordance with the warrant indenture, the future exercise price will be reduced to \$5.22 (2003 - \$5.83) per share as a result of cash dividends paid in excess of net income in each year.

During the year, the Company filed a Notice of Intention to Commence a Normal Course Issuer Bid (Notice of Intention) for issued and outstanding warrants of the Company. Pursuant to the Notice of Intention, the Company may purchase in the market from time to time, if it is considered desirable, up to 5.00%, being up to a maximum of 186,761 of its outstanding warrants during the period from April 23, 2004 to April 22, 2005. In 2004, the Company bought 140,100 (2003 - 176,200) of its warrants for cancellation.

Weighted average number of common shares outstanding

	2004	2003
Basic	20,493,962	20,482,951
Diluted		
Weighted average number of common shares outstanding	20,493,962	20,482,951
Potential issuance of common shares from exercise of warrants	3,459,286	3,610,864
Assumed purchase of common shares	(1,478,018)	(2,300,857)
	22,475,230	21,792,958

3 RELATED PARTY INFORMATION

Management fees are paid monthly to Morgan Meighen & Associates Limited, a corporation under common control with the Company, for services received in connection with the management of the Company's financial accounts and investment portfolio. Management fees are computed quarterly at 1% per annum of the market value of the Company's investments adjusted for cash, portfolio accounts receivable and portfolio accounts payable. Values for fee calculation purposes are determined on the basis of the published financial statements of the Company as at the last day of the immediately preceding quarter-year period.

4 REALIZED AND UNREALIZED GAINS ON INVESTMENTS

	2004	2003
<i>(in thousands of dollars)</i>	\$	\$
The net realized gain on investments was as follows:		
Proceeds from disposition of investments	250,036	216,992
Investments at cost - Beginning of year	395,170	313,059
Investments purchased during the year	231,312	278,358
Investments at cost - End of year	(421,541)	(395,170)
Cost of investments disposed of during the year	204,941	196,247
Net realized gain on investments	45,095	20,745
The change in unrealized gain on investments was as follows:		
Unrealized gain on investments - Beginning of year	125,142	18,118
Change in unrealized gain on investments	62,642	107,024
Unrealized gain on investments - End of year	187,784	125,142

5 TAXATION

The Company qualifies as an investment corporation under Section 130 of the Income Tax Act (Canada) (the Act) and is subject to a reduced rate of income tax on its investment income other than dividends received from taxable Canadian corporations and net taxable capital gains. The Company's provision for (recovery of) income taxes is determined as follows:

<i>Years ended December 31,</i>	2004	2003
<i>(in thousands of dollars)</i>	\$	\$
Provision for income taxes on net investment income		
Provision for income taxes based on combined Canadian federal and provincial income tax rates	1,072	523
Increase (decrease) in income taxes resulting from		
Dividends from taxable Canadian companies	(5,917)	(3,221)
Dividends on preference shares	2,901	1,575
Other	(274)	(323)
Recovery of income taxes	(2,218)	(1,446)
Applied to reduce capital gains taxes	2,218	1,446
Provision for income taxes	-	-
Refundable income taxes on net realized gain on investments		
Income taxes based on combined Canadian federal and provincial income tax rates	19,445	8,634
Increase (decrease) in income taxes resulting from		
Non-taxable portion of net capital gains	(9,722)	(4,317)
Differences arising from use of different cost bases for income tax and accounting purposes and other items	38	23
Reduced corporate surtax for investment corporations	(253)	(116)
Recovery applied from investment income	(2,218)	(1,446)
Net increase in refundable income taxes on net realized gain on investments	7,290	2,778

Notes to Financial Statements (continued)

December 31, 2004 and 2003

Income taxes are paid by the Company on net capital gains realized at the rate of approximately 21%. These income taxes are recoverable by the Company as long as it continues to qualify as an investment corporation. The Company has refundable capital gains taxes of approximately \$6,900,000 as at December 31, 2004 (2003 - \$2,100,000), which are refundable upon payment of capital gains dividends of approximately \$33,000,000 (2003 - \$10,600,000). This potential recovery has not been recorded by the Company.

The Company is also subject to a special tax of 33-1/3% on taxable dividends received from corporations resident in Canada. This special tax is refundable on payment of taxable dividends to shareholders at the rate of \$1 for each \$3 of such dividends paid. The Company has refundable dividend tax on hand of approximately \$634,000 as at December 31, 2004 (2003 - \$nil).

In accordance with the Act, a corporation can qualify as an investment corporation if certain tests are satisfied. One of the tests is that the corporation cannot have specified shareholders. A specified shareholder is generally a shareholder, who, along with certain persons with whom the shareholder is related, has a greater than 25% shareholding. The Company has had specified shareholders since June 20, 1996. The specified shareholder section of the Act generally allows the Company to maintain its investment corporation status as long as it does not have any specified shareholders other than those specified shareholders existing on June 20, 1996. In addition, the specified shareholders as at June 20, 1996 cannot, after that date, contribute capital or acquire additional shares of the Company other than through certain specified transactions.

6 SUPPLEMENTAL CASH FLOW INFORMATION

<i>(in thousands of dollars)</i>	2004 \$	2003 \$
Included in the net increase (decrease) in cash during the year are the following:		
Preference share dividends and interest paid	6,741	3,634
Income taxes paid - net	3,708	(205)

7 SECURITIES LENDING

The Company has entered into a securities lending program with its custodian, CIBC Mellon Global Securities Services Company. The Company receives collateral, generally comprising Canadian or provincial government-guaranteed securities or obligations of other governments with appropriate credit ratings, of at least 105% of the market value of securities on loan. In the event that any of the loaned securities are not returned to the Company and the value of the collateral received is less than the market value of the securities not returned, the custodian shall indemnify the Company for any such shortfall.

The Company has loaned securities with a market value of \$61,148,000 as at December 31, 2004 (2003 - \$42,080,000) and has received collateral of \$65,229,000 (2003 - \$45,161,000). Income from securities lending for the year of \$62,000 (2003 - \$37,000) is included in interest and other investment income on the statements of operations.

8 COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform with the presentation adopted in the current year. Refundable capital gains taxes, net of the income tax recovery on investment income, previously included in the determination of increase in net assets resulting from operations, have been reclassified as a direct charge to retained earnings.

Investors' Questions Commonly Asked

What is Canadian General Investments?

CGI is a closed-end equity fund, founded in 1930, focused on medium to long-term investments in Canadian corporations. It is listed on the Toronto Stock Exchange and the London Stock Exchange.

What are closed-end funds?

Closed-end funds (CEFs) are professionally managed investment companies or trusts. Often compared to traditional open-end mutual funds, closed-end funds have many distinguishing features. Unlike mutual funds, CEFs are usually listed on stock exchanges and bought and sold in the open market. They typically trade in relation to, but independent of, their underlying net asset values, often at lower prices. Intra-day trading can allow investors to purchase and sell shares of closed-end funds quickly, just like the shares of other publicly traded securities, with share commission costs but without loads or penalties.

What is CGI's investment strategy?

CGI is actively invested in a diversified portfolio of equities, primarily Canadian, and strives, through stock selection, timely recognition of capital gains and income accumulation, to provide better than average returns to investors.

Who sets the strategy?

The Board of Directors develops overall strategy, sets investment guidelines, and identifies and monitors principal risks. The Manager, Morgan Meighen & Associates Limited, is responsible for the day-to-day management of the portfolio, identification of opportunities and security selection, with strong focus on bottom-up stock selection and special situations.

Does the fund employ leverage?

CGI has two series of TSX-listed preferred shares outstanding, consisting of the \$60 million Series 1 issue paying a 5.4% coupon, and the \$75 million Series 2 issue with a 4.65% coupon.

CGI has investment corporation status. What is this and how does it benefit me?

Qualification as an investment corporation under the Income Tax Act (Canada) essentially provides CGI with the same tax advantages as a mutual fund (ie. capital gains tax is paid only once, by the investor, upon payment of the distribution by the fund). This significantly reduces double taxation at the corporate and shareholder levels, translating into higher returns for shareholders.

As applicable to CGI, the capital gains refund mechanism provided by this status enables CGI to recover taxes paid or payable on realized net capital gains through the payment of

capital gains dividends. This feature has enabled CGI to provide a common share yield superior to that of most common shares on the Toronto Stock Exchange.

The Corporation also benefits from eligibility for a reduced tax rate on certain investment income due to its investment corporation status.

What is the dividend policy?

CGI pays four regular quarterly income dividends to its common shareholders. The dividend is set by the Board. In addition, the Board of Directors traditionally meets toward the end of the year to determine if a capital gains dividend should be paid, and if so, how much. The tax treatment for capital gains dividends is more favourable than the tax on regular income dividends paid to Canadian individuals.

What are CGI warrants?

CGI's warrants provide holders with the right to purchase common shares of CGI at a set exercise price. The warrants were issued in February 1995 at no cost to shareholders (Note: U.S. shareholders received cash in lieu of warrants). They have been exercisable every June 30, since June 30, 2000, and will expire on June 30, 2007. The current exercise price for the warrants is \$5.22. The exercise price declines on the payment of cash dividends in excess of net income for a particular year as well as certain other events.

Is this fund appropriate for me?

The Board and Management envisage that the typical investor in CGI is a Canadian or international investor interested in long-term capital growth and income from a portfolio of almost exclusively Canadian equities. CGI offers the opportunity to purchase a widely diversified performance oriented portfolio of Canadian equities in one stock, which is actively managed by a team of experienced managers and overseen by a Board of Directors. It is the only closed-end Canadian equities fund corporation listed internationally.

Is CGI eligible for registered plans?

CGI is a fully qualified investment for Canadian registered plans.

How can I buy CGI?

CGI's shares and warrants are traded through stock brokers and are listed on the Toronto Stock Exchange (symbols: common shares – CGI; preferred shares – CGI.PR.A and CGI.PR.B; warrants – CGI.WT) and the London Stock Exchange (symbols: common shares – CGI; warrants – CGIW). For the common shares, Bloomberg symbols are CGI CN and CGI LN, respectively, while the Reuters symbol is CGIq.L.

Recent Stock Purchases

In the segment entitled “Searching for Stocks” on page 2, we portrayed several of our holdings and activities in Canada’s natural resource sectors where an extension of one of the longest bull cycle phases has continued through the past year. Beyond resources, here we illustrate more recently purchased stocks, selected on a random basis.

CONSUMER STAPLES

The Jean Coutu Group (PJC) Inc. was purchased as it completed its extremely large purchase of a major half of the Eckerd drug store chain in the eastern United States. The Quebec-based group, with its long tradition and history of success in the business, is applying its skills to the integration of Eckerd. It is our forecast presently that this serious undertaking will be successful and provide considerable upside movement in the share price of Jean Coutu Group.

Molson Inc., now **Molson Coors Canada Inc.**, represents the brewing industry re-creation, pairing Molson and Coors, and re-emerging as a U.S. stock held by CGI as a Canadian property exchangeable share. CGI treated the pre-merger events as a special situation with many potential conclusions. It is now settled with a surprise extra by way of a large special dividend for Molson’s investors, including CGI. For now, we stay on in a potentially better managed and certainly stronger company with more interests.

FINANCIALS

Addenda Capital Inc. and **Loring Ward International Ltd.** were two newcomers to our quite extensive list of companies in the Diversified Financials Services investment group. Addenda is a small capitalization newcomer to the Toronto Stock Exchange. It is primarily a fixed interest manager for pension funds, a strong dividend payer, and of a quality that has attracted some serious major investors. Loring Ward originates in Winnipeg, and is a money manager that presently caters to the diverse financial needs of very high net worth clients in the United States. It is the remaining operation of the former Assante Group, not transferred when Assante was acquired. It is still managed by key executives and former owners of Assante. It is currently an over-the-counter stock but a future listing is a possibility.

Parkbridge Lifestyle Communities Inc. came to the Toronto stock market late in 2004 after a reorganization that made it the largest firm in a real estate class called land lease communities and resorts. Parkbridge specializes in lakeside resort-style communities which are scarce. Its rental and sale properties are located in Ontario and Alberta. Expansion is intended, in the hands of skilled operators, and is backed by knowledgeable investors.

INDUSTRIALS

FirstService Corporation, purchased after year-end, is moving through the Cdn \$1 billion revenue level, growing strongly in specialized property and business services to clients throughout North America. We believe that FirstService is a market leader and yet is not well known to Canadian investors.

Teekay Shipping Corporation is listed in New York. While not strictly Canadian though managed out of Vancouver, it operates an oil products tanker fleet that is one of the major carriers of its kind. Tanker rates have been soaring and are volatile but have pushed tanker fleet stocks to the forefront due to the near-desperate traffic in oil and the scarcity of tankers. Teekay’s long range plans include a fleet of LNG carriers.

Most investments for CGI are in Canadian domestic stocks that fit the Canadian fund theme. A few purchases are made outside Canada but it is unlikely at present that unlimited risk implied by direct investment in other currencies would be taken.

Ten Year Performance Summary

	Investments		Net Assets		Increase (Decrease) In Net Assets Resulting From Operations		Dividends Per Common Share		Market Value Per Common Share		
	(000's) \$	(000's) \$	Per Common Share (Diluted) \$	(000's) \$	Per Common Share (Diluted) \$	(Income) \$	(Capital Gains) \$	High \$	Low \$	Close \$	
1995	201,218	206,805	9.98	25,698	1.26	0.157	0.052	7.80	6.17	7.07	
1996	258,295	260,338	12.16	58,481	2.86	0.157	1.030	10.91	7.07	10.83	
1997	291,386	307,195	14.07	57,806	2.78	0.173	2.400	14.32	9.47	13.34	
1998	311,554	271,568	12.50	(23,371)	(1.14)	0.129	1.165	15.05	9.10	11.73	
1999	361,395	310,127	13.98	44,804	2.11	0.122	0.496	13.30	9.52	11.50	
2000	365,413	313,309	14.06	19,157	0.88	0.221	1.840	12.79	8.80	10.20	
2001	356,403	298,546	13.34	(4,442)	(0.22)	0.240	0.250	10.15	7.75	9.25	
2002	331,177	274,519	12.33	(18,591)	(0.91)	0.240	-	10.25	7.56	8.45	
2003	520,312	389,324	17.10	129,026	5.92	0.240	0.360	12.73	7.70	12.70	
2004	609,325	475,976	20.71	110,223	4.90	0.240	0.600	15.50	12.10	15.44	

Per share figures have been restated to reflect the 1996 3 for 1 stock split, the 1996 1 for 11.8682 capital gain stock dividend (issue price of \$16.62), the June 1997 1 for 22.3021 capital gain stock dividend (issue price of \$17.85), the December 1997 1 for 12.9298 capital gain stock dividend (issue price of \$19.40), the June 1998 1 for 59.95795 capital gain stock dividend (issue price of \$18.01), the December 1998 1 for 24.68567 capital gain stock dividend (issue price of \$14.82), the December 1999 1 for 49.79647 capital gain stock dividend (issue price of \$14.94) and the December 2000 1 for 11.51551 capital gain stock dividend (issue price of \$16.13).

Closed-End Funds Simply Understood

- Fixed number of shares
- Usually listed and traded on a stock exchange
- Bought and sold through investment dealers and brokers
- Commission charges only when stock is purchased or sold
- Trade usually below real value
- May pay cash and/or stock dividends
- Often have dividends and dividend reinvestment plans (company may absorb all administrative charges, including commissions)
- May employ leverage

Corporate Information

CANADIAN GENERAL INVESTMENTS, LIMITED

BOARD OF DIRECTORS

Albert E. Bates*

(Corporate Director)

James G. Cook

(Barrister and Solicitor)

Jonathan A. Morgan

(President & CEO of the Corporation)

Vanessa L. Morgan

(Chairman of the Corporation)

R. Neil Raymond

(Chairman & CEO, Innovium Capital Corp. [Investor in early stage opportunities])

Michael A. Smedley

(Executive Vice-President & CEO, Morgan Meighen & Associates Limited [Investment Management])

Richard O'C. Whittall

(President, Watershed Capital Partners Inc. [Investment Banking])

AUDIT COMMITTEE

Albert E. Bates*

James G. Cook

Richard O'C. Whittall

CORPORATE GOVERNANCE COMMITTEE

Albert E. Bates*

Jonathan A. Morgan

R. Neil Raymond

INDEPENDENT DIRECTORS COMMITTEE

Albert E. Bates*

James G. Cook

R. Neil Raymond

Richard O'C. Whittall

OFFICERS

Vanessa L. Morgan

Chairman

Jonathan A. Morgan

President & CEO

Colin Smith

Secretary-Treasurer

Frank Fuernkranz, MBA, CA, CFA

Assistant-Treasurer

ANNUAL MEETING OF SHAREHOLDERS

The Annual and Special Meeting of the shareholders of Canadian General Investments, Limited will be held at 3:00 p.m. (Toronto time) Wednesday, April 6, 2005 in Room A, 4th Floor, The Toronto Board of Trade, 77 Adelaide Street West, First Canadian Place, Street Level, Toronto, Ontario, M5X 1C1 (Telephone (416) 366-6811).

* Mr. Bates will not be standing for re-election at the April 6, 2005 meeting of shareholders.

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MANAGER

Morgan Meighen & Associates Limited

Toronto

AUDITORS

PricewaterhouseCoopers LLP

Toronto

BANKERS

Bank of Montreal

Toronto

SOLICITORS

Blake, Cassels & Graydon LLP

Toronto

CANADIAN REGISTRAR

AND TRANSFER AGENT

Computershare Trust Company of Canada

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Toronto, Ontario, Canada M5J 2Y1

Telephone:

Canada & U.S.: 1-800-564-6253

Overseas: 1-514-982-7555

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Canada & U.S.: 1-888-453-0330

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e-mail: mmamail@computershare.com

To change your address, eliminate multiple mailings or for other shareholder account inquiries, please contact Computershare at the above address.

U.K. TRANSFER AGENT

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U.K. STOCKBROKER

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PUBLICATION

Diluted net asset value per share (NAV) and/or market price and market return are published daily/weekly in various media in Canada, the United Kingdom and the United States. These include: Globe and Mail, National Post, New York Times, Wall Street Journal, Barron's, Financial Times and Daily Telegraph.

The Corporation posts ongoing top 10 portfolio investments (priced at market), together with current NAV and market return information on its website. Similar information is available directly from the Corporation upon request.

STOCK EXCHANGE LISTINGS

The Toronto Stock Exchange

Trading Symbols:

Common Shares CGI

Preference Shares,

Series 1 CGI.PR.A

Series 2 CGI.PR.B

Warrants CGI.WT

The London Stock Exchange

Trading Symbols:

Common Shares CGI

Warrants CGI.WT

DIVIDEND REINVESTMENT AND SHARE

PURCHASE PLAN

The Plan, administered by the Corporation's Canadian Transfer Agent, offers an efficient method of acquiring additional shares. As well as with reinvested dividends, shareholders may purchase additional shares for cash (minimum \$100 – maximum \$5,000) every quarter. Shares are purchased on the open market, with participants paying the average cost while the Corporation pays all administrative charges, including commissions. The Plan may be used for self-directed RRSPs. Also, a number of Canadian brokers offer dividend reinvestment plans to CGI shareholders. Note: U.S. shareholders are eligible for the dividend reinvestment segment of the plan only.

The Corporation is a founding member of the Closed-End Fund Association (CEFA) in North America.

Managed by:



MorganMeighen

& ASSOCIATES

Investment Managers

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