

August 22, 200

Central Fund of Canada Limited (symbols: AMEX-CEF, TORONTO-CEF.A) has today released selected comparative financial information relating to net assets and results of operations for the nine months ended July 31, 2001.

Central Fund of Canada Limited

Statements of Net Assets

(expressed in U.S. dollars)

| | July 31, <u>2001</u> | October 31, <u>2000</u> |
|--|-------------------------|----------------------------|
| Net Assets: | | |
| Gold bullion at market-average cost \$55,750,650 | \$ 35,159,167 | 34,974,049 |
| Silver bullion at market-average cost \$62,748,151 | 27,885,463 | 31,358,741 |
| Marketable securities at market-average cost \$1,005,250 | 39,521 | 37,663 |
| Interest bearing cash deposits | 1,575,785 | 2,264,246 |
| Prepaid insurance, interest receivable and other | <u>58,851</u> | <u>47,300</u> |
| | 64,718,787 | 68,681,999 |
| Accrued liabilities | (107,097) | (123,071) |
| Dividends payable | <u>-</u> | <u>(194,129)</u> |
| Net assets representing shareholders' equity | \$ <u>64,611,690</u> | <u>68,364,799</u> |

Represented by:

Capital stock:

| | | | |
|--|----|---------------------|---------------------|
| 19,412,860 Class A shares issued (2000; 19,412,860 shares) | \$ | 89,701,594 | 89,701,594 |
| 40,000 Common shares issued | | <u>19,458</u> | <u>19,458</u> |
| | | 89,721,052 | 89,721,052 |
| Contributed surplus | | 31,310,538 | 31,777,345 |
| Unrealized depreciation of investments | | <u>(56,419,900)</u> | <u>(53,133,598)</u> |
| | \$ | <u>64,611,690</u> | <u>68,364,799</u> |

Net Asset Value Per Share (expressed in U.S. dollars):

| | | | |
|----------------|----|-------------|-------------|
| Class A shares | \$ | 3.33 | 3.52 |
| Common shares | \$ | <u>0.33</u> | <u>0.52</u> |

Net Asset Value Per Share (expressed in Canadian dollars):

| | | | |
|----------------|----|-------------|-------------|
| Class A shares | \$ | 5.09 | 5.38 |
| Common shares | \$ | <u>0.50</u> | <u>0.79</u> |

| | | | | |
|----------------|---------------------|----|---------------|---------------|
| Exchange rate: | U.S. \$ 1.00 = Cdn. | \$ | <u>1.5303</u> | <u>1.5271</u> |
|----------------|---------------------|----|---------------|---------------|

The change in net assets as reported in U.S. dollars from period to period is primarily a result of the changing market prices of gold and silver and the proportion of each held by the Company. Also, because gold and silver are initially denominated in U.S. dollars, changes in the value of the U.S. dollar relative to the Canadian dollar will also have an impact on net assets when reported in Canadian dollars.

The \$0.19 or 5.4% decrease in net assets per Class A share expressed in U.S. dollar terms during the past nine months was due primarily to the 11.1%

decrease in the price of silver during the period. The 0.5% increase in the price of gold was offset by the net loss during the period. Net assets per Class A share as expressed in Canadian dollar terms decreased by \$0.29, or 5.4%, as the changes described above were not affected by the 0.2% increase in the U.S. dollar relative to the Canadian dollar.

Central Fund of Canada Limited

Statements of Loss

(expressed in U.S. dollars)

| | Nine months ended July 31 | | Three months ended July 31 | |
|--|---------------------------|------------------|----------------------------|-----------------|
| | <u>2001</u> | <u>2000</u> | <u>2001</u> | <u>2000</u> |
| Income: | | | | |
| Interest | \$ 68,907 | 108,918 | 15,078 | 39,718 |
| Dividends | <u>311</u> | <u>227</u> | <u>130</u> | <u>110</u> |
| | <u>69,218</u> | <u>109,145</u> | <u>15,208</u> | <u>39,828</u> |
| Administration fees | 250,250 | 271,451 | 82,614 | 89,107 |
| Shareholder information | 61,495 | 67,649 | 8,674 | 7,536 |
| Registrar and transfer agents' fees | 25,491 | 22,715 | 2,612 | 5,384 |
| Directors' fees and expenses | 25,476 | 25,788 | 7,454 | 6,597 |
| Professional fees | 18,463 | 20,455 | 6,029 | 6,854 |
| Miscellaneous | 881 | 1,240 | 275 | 329 |
| Foreign currency exchange loss | <u>1,851</u> | <u>(10,174)</u> | <u>492</u> | <u>(2,069)</u> |
| | <u>432,767</u> | <u>453,308</u> | <u>124,450</u> | <u>130,060</u> |
| Loss from operations before income taxes | \$ (363,549) | (344,163) | (109,242) | (90,232) |
| Income taxes | <u>(103,258)</u> | <u>(117,297)</u> | <u>(34,288)</u> | <u>(40,546)</u> |

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| | | | | | |
|----------|----|------------------|------------------|------------------|------------------|
| Net loss | \$ | <u>(466,807)</u> | <u>(461,460)</u> | <u>(143,530)</u> | <u>(130,778)</u> |
|----------|----|------------------|------------------|------------------|------------------|

Net Loss Per Share:

| | | | | | |
|----------------|----|--------------|--------------|--------------|--------------|
| Class A shares | \$ | (.02) | (.02) | (.01) | (.01) |
| Common shares | \$ | <u>(.02)</u> | <u>(.02)</u> | <u>(.01)</u> | <u>(.01)</u> |

The net loss for the nine months ended July 31, 2001 is comparable to that of the same period in 2000. Interest income declined during the period due to lower balances of interest-bearing cash deposits. Operating expenses fell by 4.5% in the nine months ended July 31, 2001 as compared to the same period in 2000. After removing the impact of the foreign currency exchange loss (gain in 2000), operating expenses were 7.0% lower. Administration fees declined as a result of a lower level of net assets over the first nine months of the year from those which existed during the same period last year. For the same reason, anticipated income taxes are lower.

Central Fund of Canada Limited operates as a specialized investment holding company which invests primarily in long-term holdings of gold and silver bullion and does not actively speculate with regard to short-term changes in gold and silver prices. At July 31, 2001, the Class A shares of Central Fund were backed 97.6% by gold and silver bullion and may be purchased, held and sold with ease on either the American Stock Exchange or The Toronto Stock Exchange.

Send press releases (not dividend releases) to: fax numbers

AMEX - 212-306-1488 – Stockwatch

REUTERS - 212-859-1717

TSE - Listings Dept. Linda Carr, 416-947-4547

DOW - 201-938-5600

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