

May 23, 2002

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 six months ended April 30, 2002.

**Central Fund of Canada Limited**  
**Statements of Net Assets**  
(expressed in U.S. dollars)

	April 30, <u>2002</u>	October 31, <u>2001</u>
Net Assets:		
Gold bullion at market-average cost \$63,843,954	\$48,917,203	36,858,284
Silver bullion at market-average cost \$69,153,353	36,596,534	28,282,409
Marketable securities at market-average cost \$1,005,250	54,292	45,297
Interest bearing cash deposits	1,990,138	1,456,544
Prepaid insurance, interest receivable and other	<u>12,010</u>	<u>34,580</u>
	87,570,177	66,677,114
Accrued liabilities	(165,866)	(131,190)
Dividends payable	<u>-</u>	<u>(194,129)</u>
 Net assets representing shareholders' equity	 \$ <u><u>87,404,311</u></u>	 <u><u>66,351,795</u></u>
 Represented by:		
Capital stock:		
23,566,706 (2001: 19,412,860) Class A shares issued	\$ 105,301,594	89,701,594
40,000 Common shares issued	<u>19,458</u>	<u>19,458</u>
	105,321,052	89,721,052
Contributed surplus	30,517,787	30,948,804
Unrealized depreciation of investments	<u>(48,434,528)</u>	<u>(54,318,061)</u>
	\$ <u><u>87,404,311</u></u>	<u><u>66,351,795</u></u>
 Net Asset Value Per Share (expressed in U.S. dollars):		
Class A shares	\$ 3.71	3.42
Common shares	<u>0.71</u>	<u>0.42</u>
 Net Asset Value Per Share (expressed in Canadian dollars):		
Class A shares	\$ 5.82	5.42
Common shares	<u>1.11</u>	<u>0.66</u>
 Exchange rate: U.S. \$ 1.00 = Cdn.	 \$ <u><u>1.5678</u></u>	 <u><u>1.5867</u></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.

Net assets increased by approximately \$21,000,000 or 31% during each of the periods ended April 30, 2002. Of that amount, \$15,600,000 was the result of the issuance of 4,153,846 Class A shares through a Private Placement on April 2, 2002. These shares were issued at a premium to net asset value such that there was no dilution of existing Class A shareholders' interests. Details of this Private Placement are provided in note 3 to the accompanying financial statements. The balance of this increase in net assets was the result of higher prices of gold and silver at April 30 compared to October 31, as described below.

The \$0.29 or 8.5% increase in net assets per Class A share expressed in U.S. dollar terms during the past six months was due primarily to the 10.6% increase in the price of gold and the 7.6% increase in the price of silver during the period. Net assets per Class A share as expressed in Canadian dollar terms increased by \$0.39, or 7.2%, as the increases described above were partially offset by the 1.2% decrease in the U.S. dollar relative to the Canadian dollar.

Subsequent to April 30, 2002, the Company issued 646,154 Class A shares for net proceeds of approximately \$2,417,231 through a private placement. These shares were issued at a premium to net asset value such that there was no dilution of existing Class A shareholders' interests. Details of this private placement are provided in note 7 to the accompanying financial statements.

Central Fund of Canada Limited  
**Statements of Loss**  
(expressed in U.S. dollars)

	Six months ended April 30		Three months ended April 30	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
<b>Income:</b>				
Interest	\$ 9,592	53,829	4,683	21,061
Dividends	<u>199</u>	<u>181</u>	<u>83</u>	<u>70</u>
	<u>9,791</u>	<u>54,010</u>	<u>4,766</u>	<u>21,131</u>
<b>Expenses:</b>				
Administration fees	176,553	167,636	93,207	82,372
Shareholders' information	62,155	52,821	40,336	30,126
Safekeeping, insurance and bank charges	44,215	32,560	22,050	16,300
Directors' fees and expenses	26,519	18,022	11,945	7,423
Registrar and transfer agents' fees	22,576	22,879	16,228	16,315
Professional Fees	15,209	12,434	8,193	6,000
Miscellaneous	706	606	368	275
Foreign currency exchange loss	<u>1,682</u>	<u>1,359</u>	<u>932</u>	<u>1,074</u>
	<u>349,615</u>	<u>308,317</u>	<u>193,259</u>	<u>159,885</u>
Loss from operations before income taxes	\$ (339,824)	(254,307)	(188,493)	(138,754)
Income taxes	<u>(91,193)</u>	<u>(68,970)</u>	<u>(58,081)</u>	<u>(33,917)</u>
Net loss	<u>\$ (431,017)</u>	<u>(323,277)</u>	<u>(246,574)</u>	<u>(172,671)</u>
<b>Net Loss Per Share:</b>				
Class A shares	\$ (.02)	(.02)	(.01)	(.01)
Common shares	<u>\$ (.02)</u>	<u>(.02)</u>	<u>(.01)</u>	<u>(.01)</u>

The net losses for the three and the six-month periods ended April 30, 2002 were higher than the net losses for the same periods in 2001. A significant portion of this increase in the result of sharply reduced interest income due to lower balances of interest-bearing cash deposits combined with declining interest rates during the period as compared with the same period in 2001. Operating expenses increased in the periods ended April 30, 2002 as compared with the same periods in 2001. Administration fees increased as a result of higher gold and silver prices during the period and the impact of an increase in net assets in April from the proceeds of the Private Placement described in note 3 to the accompanying financial statements. Shareholder information costs rose due to an increase in annual fees levied by both the American Stock Exchange and The Toronto Stock Exchange. Safekeeping fees reflect anticipated charges from both locations where the Company stores its bullion. Directors' fees have increased as a result of the addition of an independent director (formerly an officer and inside director) and the holding of additional board meetings relating to the Private Placements described in notes 3 and 7 to the accompanying financial statements. Income taxes, or more specifically the Large Corporations Tax, are based on the Company's total net assets as at its fiscal year end. The increase in income taxes is directly related to the higher net asset level which exists at April 30, 2002.

The Company used a majority of the proceeds from the Private Placement referred to above to purchase gold and silver bullion, in bar form. See note 3 of the accompanying financial statements for details.

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 April 30,

2002, the Class A shares of Central Fund were backed 97.8% 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.