

CENTRAL FUND OF CANADA LIMITED

**For Immediate Release to
Canada News Wire and
U.S. Disclosure Circuit**

TSX SYMBOL: CEF.A

AMEX SYMBOL: CEF

CENTRAL FUND CLOSES U.S. \$ 74,949,000 SHARE ISSUE

TORONTO, Ontario (December 19, 2003 /CNW/) – Central Fund of Canada Limited of Calgary, Alberta announced today that it has completed the sale of 15,050,000 Class A Shares at U.S. \$4.98 (Cdn. \$6.48) to CIBC World Markets Inc. and raised total gross proceeds of US\$74,949,000. The Shares were sold to investors in Canada and in the United States, under the multijurisdictional disclosure system.

The issue was completed at a price that was both non-dilutive and accretive to the net asset value of Class A shareholders prior to the issue. In addition, due to the Company's larger asset base as a result of this issue, the operating costs (expense ratio) will be reduced on a per share basis for all Class A Shareholders.

In accordance with its investment policies, Central Fund has invested the proceeds of approximately U.S.\$71,951,040 in approximately 98,387 fine ounces of gold and 4,919,333 troy ounces of silver with approximately U.S.\$3,000,000 in cash left available, after paying the expenses of the offering estimated at U.S. \$ 500,000, for working capital and additional bullion purchases.

The new total of issued and outstanding Class A Shares of Central Fund of Canada Limited is 59,796,320. The investment holdings of Central Fund are now represented by approximately 395,431 fine ounces of gold, 19,765,714 ounces of silver and U.S.\$6,472,535 primarily in cash for working capital and additional bullion purchases.

A prospectus with respect to the offering of Class A shares was filed with the applicable Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission. Copies of the U.S. prospectus relating to the offering may be obtained from CIBC World Markets Corp., fax: 212 667-6136, e-mail: USEProspectus@us.cibc.com . Copies of the Canadian prospectus may be obtained from CIBC World Markets Inc., fax 416-594-7242.

Central Fund of Canada Limited (est.1961) is an exchange tradeable refined gold and silver bullion holding company. Class A shares are qualified for inclusion in many North American regulated accounts. Bullion holdings are stored on an unencumbered, allocated, segregated and insured basis in the treasury vaults of a major Canadian bank and are audited semi-annually in the presence of Central's Auditors and bank representatives. Class A shares are quoted on the AMEX, symbol CEF and the TSX, symbol CEF.A.

Information regarding Central Fund of Canada Limited is available at www.centralfund.com.

For further information, please contact J.C. Stefan Spicer, President and CEO at 905-648-7878 or write to info@centralfund.com