

Wednesday, January 22, 2003

PRESS RELEASE

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For Distribution on TSE Disclosure Circuit
and U.S. Minimum Disclosure Circuit

PRIVATE PLACEMENT FOR CENTRAL FUND OF CANADA

Central Fund of Canada Limited announces that it has entered into an agreement with a major Canadian dealer to sell, subject to stock exchange approvals, on a private placement basis 3,500,000 Class A shares for aggregate gross proceeds of U.S. \$15,295,000. The shares are being issued at a non-dilutive price of U.S. \$ 4.37 per share, being approximately Cdn.\$ 6.71 at the exchange rate of 1.5350.

Of the net proceeds of the offering, U.S. \$13,624,200 will be used to purchase an additional 22,400 fine ounces of gold and 1,120,000 ounces of silver with approximately U.S. \$800,000 retained, after expenses of the issue, as working capital.

The new total of issued and outstanding Class A shares of Central Fund of Canada Limited will be 39,297,520. After giving effect to this offering, the holdings of Central Fund will be represented by approximately 261,328 fine ounces of gold, 13,066,381 ounces of silver and approximately U.S. \$3,875,000 primarily in cash.

Closing is scheduled for January 30, 2003.

These securities have not been and will not be registered under the United States Securities Act of 1933 as amended or the securities laws of any state and may not be offered or sold in the United States or to any "US Person" (as defined in Regulation S under the Securities Act of 1933) unless an exemption from registration is available.

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