

December 24, 2003

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 year ended October 31, 2003.

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

	<u>2003</u>	As at October 31, <u>2002</u>
Net Assets:		
Gold bullion at market-average cost \$111,164,364; (2002, \$89,697,793)	\$ 114,733,517	75,716,165
Silver bullion at market-average cost \$103,068,226; (2002, \$89,046,426)	76,236,168	53,460,056
Marketable securities at market-average cost \$89,430; (2002, \$89,430)	70,998	41,486
Interest bearing cash deposits	4,315,467	3,898,449
Prepaid bullion insurance and safekeeping	50,000	21,600
Interest receivable and other	<u>12,545</u>	<u>11,957</u>
	195,418,695	133,149,713
Accrued liabilities	(307,883)	(344,138)
Dividends payable	<u>(447,463)</u>	<u>(357,975)</u>
Net assets representing shareholders' equity	<u>\$ 194,663,349</u>	<u>132,447,600</u>
Represented by:		
Capital stock:		
44,746,320 Class A shares issued (2002; 35,797,520 shares)	\$ 191,148,354	153,349,055
40,000 Common shares issued	<u>19,458</u>	<u>19,458</u>
	\$ 191,167,812	153,368,513
Contributed surplus and retained earnings	26,776,874	28,695,029
Unrealized depreciation of investments	<u>(23,281,337)</u>	<u>(49,615,942)</u>
	<u>\$ 194,663,349</u>	<u>132,447,600</u>
Net Asset Value Per Share (expressed in U.S. dollars):		
Class A shares	\$ 4.35	3.70
Common shares	<u>1.35</u>	<u>0.70</u>
Net Asset Value Per Share (expressed in Canadian dollars):		
Class A shares	\$ 5.74	5.77
Common shares	<u>1.78</u>	<u>1.09</u>
Exchange rate: U.S. \$ 1.00 = Cdn.	<u>\$ 1.3197</u>	<u>1.5603</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.

In fiscal 2003, net assets as reported in U.S. dollars increased by \$62.2 million or 47.0%. A large portion of this increase was the result of two private placements during the year. In both cases, these share offerings were issued at a premium over the net asset value per Class A share at the time, such that there was no dilution of the interests of existing Class A shareholders. Of the net proceeds from these share issues totalling \$37,799,299, \$21,466,571 was used to purchase 58,117 fine ounces of gold bullion, and \$14,021,800 was used to purchase 2,900,000 ounces of silver bullion, primarily in physical bar form. The balance of the proceeds, \$2,310,928, was retained in interest-bearing cash deposits for working capital purposes.

The balance of the increase in net assets is primarily attributable to the increases in the prices of gold (21.9%) and silver (14.7%) during the year.

During the fiscal year, the net asset value per Class A share, as reported in U.S. dollars, increased by 17.6% from \$3.70 to \$4.35. Gold prices increased by 21.9% during the year while silver prices increased by 14.7%. The net asset value per Class A share, as reported in Canadian dollars, while subject to the same effects described above, declined by 0.5% as a result primarily of the 15.4% decrease in the U.S. dollar relative to the Canadian dollar.

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

		Years ended October 31,		
		<u>2003</u>	<u>2002</u>	<u>2001</u>
Income:				
Interest	\$	49,116	43,544	78,752
Dividends		258	401	380
Realized loss on sale of investments		<u>-</u>	<u>(906,786)</u>	<u>-</u>
		<u>49,374</u>	<u>(862,841)</u>	<u>79,132</u>
Expenses:				
Administration fees		663,409	447,589	334,609
Safekeeping, insurance and bank charges		157,391	99,164	65,160
Shareholders' information		115,512	77,400	66,118
Professional fees		70,471	36,097	25,335
Directors' fees and expenses		57,641	50,449	41,994
Registrar and transfer agents' fees		41,521	29,872	30,291
Miscellaneous		1,373	2,125	1,174
Foreign exchange loss		<u>17,514</u>	<u>6,776</u>	<u>8,772</u>
		<u>1,124,832</u>	<u>749,472</u>	<u>573,453</u>
Loss from operations before income taxes		(1,075,458)	(1,612,313)	(494,321)
Federal large corporations taxes		<u>(395,234)</u>	<u>(283,487)</u>	<u>(140,091)</u>
Net loss	\$	<u>(1,470,692)</u>	<u>(1,895,800)</u>	<u>(634,412)</u>
Net loss per share:				
Class A shares	\$	<u>(.03)</u>	<u>(.07)</u>	<u>(.03)</u>
Common shares	\$	<u>(.04)</u>	<u>(.08)</u>	<u>(.04)</u>

The net loss of \$1,470,692 during the 2003 fiscal year was 22.4% lower than the 2002 loss of \$1,895,800. Interest income was comparable to the prior year as average balances of interest-bearing cash deposits remained relatively constant. There were no dispositions of marketable securities during fiscal 2003, whereas a portion of the portfolio representing junior mining companies was sold in 2002 resulting in realized losses in that year.

Operating expenses (which exclude Federal large corporations taxes) increased by 50.1% over the prior year. The increase in net assets during the year as a result of the two private placements and the increases in the prices of gold and silver had an impact on several expense categories. Administration fees, which are calculated monthly based on net assets at each month end increased during the year as a direct result of the higher level of net assets attributable to the factors mentioned above. Similarly, safekeeping fees and bullion insurance costs have increased to reflect larger quantities and dollar values of gold and silver bullion being held. Shareholder information costs increased as U.S. and Canadian stock exchange fees were increased at the time of filing the share issues. Professional fees increased in part due to an increase in audit related services. Additional legal costs have been incurred for the preparation of a Directors' Guidebook, website disclaimer and other corporate governance matters. Directors' fees and expenses increased due to recent corporate governance requirements leading to more Corporate Governance Committee meetings and more Audit Committee meetings to review the quarterly financial statements.

Operating expenses (which exclude income taxes) as a percentage of the average of the month-end net assets during the 2003 fiscal year were reduced to 0.65% compared to 0.75% in 2002.

Central Fund of Canada Limited operates as a specialized investment holding company which invests primarily in long-term holdings of allocated, segregated and unencumbered gold and silver bullion and does not actively speculate with regard to short-term changes in gold and silver prices. At October 31, 2003, the Class A shares of Central Fund were backed 98.1% by gold and silver bullion and may be purchased, held and sold with ease on either the American Stock Exchange (CEF) or The Toronto Stock Exchange (CEF.A).

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