

CENTRAL FUND FILES PROSPECTUS

TSX SYMBOL: CEF.A

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FOR IMMEDIATE RELEASE

For Release on October 21, 2004

On Canada News Wire and U.S. Disclosure Circuit

TORONTO, Ontario (October 21, 2004/CNW/) – Central Fund of Canada Limited (“CFOC”) of Calgary, Alberta, Canada today announced that it has filed a preliminary short form prospectus with the securities commissions in each of the provinces and territories of Canada, except Quebec, and a registration statement with the United States Securities and Exchange Commission for a proposed underwritten offering by CIBC World Markets Inc. of Class A Shares to the public in Canada and the United States. CFOC will only proceed with the offering if it is non-dilutive to the net asset value of the Class A shares owned by the existing shareholders of CFOC.

Substantially all of the net proceeds of the offering will be used to purchase gold and silver bullion, in keeping with the investment policies established by the board of directors of CFOC. The additional capital is expected to reduce the operating expense ratio in favour of the Shareholders of CFOC.

A registration statement relating to these securities has been filed with the United States Securities and Exchange Commission but has not yet become effective. The securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

Copies of the U.S. preliminary prospectus relating to the offering may be obtained from CIBC World Markets Corp., 417 Fifth Avenue, New York, New York 10016, by fax at 212-667-6136 or by e-mail at useprospectus@us.cibc.com. Copies of the Canadian preliminary prospectus may be obtained from CIBC World Markets Inc., fax 416-594-7242.

Central Fund of Canada Limited is a refined gold and silver bullion holding company.

For further information please contact: J.C. Stefan Spicer, President and CEO at (905) 648-7878

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