

March 3, 2004

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 three months ended January 31, 2004.

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

| | January 31, <u>2004</u> | October 31, <u>2003</u> |
|---|--------------------------------------|----------------------------|
| Net Assets: | | |
| Gold bullion at market-average cost \$151,493,054 (2003: \$111,164,364) | \$ 158,073,684 | 114,733,517 |
| Silver bullion at market-average cost \$131,083,826 (2003: \$103,068,226) | 123,041,570 | 76,236,168 |
| Marketable securities at market-average cost \$89,430 | 64,535 | 70,998 |
| Interest-bearing cash deposits | 6,803,702 | 4,315,467 |
| Prepaid insurance, interest receivable and other | <u>59,143</u> | <u>62,545</u> |
| | 288,042,634 | 195,418,695 |
| Accrued liabilities | (632,730) | (307,883) |
| Dividends payable | <u>-</u> | <u>(447,463)</u> |
| Net assets representing shareholders' equity | \$ <u>287,409,904</u> | <u>194,663,349</u> |
| Represented by: | | |
| Capital stock: | | |
| 59,796,320 (2003: 44,746,320) Class A shares issued | \$ 262,599,394 | 191,148,354 |
| 40,000 Common shares issued | <u>19,458</u> | <u>19,458</u> |
| | 262,618,852 | 191,167,812 |
| Contributed surplus | 26,277,573 | 26,776,874 |
| Unrealized depreciation of investments | <u>(1,486,521)</u> | <u>(23,281,337)</u> |
| | \$ <u>287,409,904</u> | <u>194,663,349</u> |
| Net Asset Value Per Share (expressed in U.S. dollars): | | |
| Class A shares | \$ 4.81 | 4.35 |
| Common shares | \$ <u>1.81</u> | <u>1.35</u> |
| Net Asset Value Per Share (expressed in Canadian dollars): | | |
| Class A shares | \$ 6.38 | 5.74 |
| Common shares | \$ <u>2.40</u> | <u>1.78</u> |
| Exchange rate: | U.S. \$ 1.00 = Cdn. \$ <u>1.3264</u> | <u>1.3197</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, change in the value of the U.S. dollar relative to the Canadian dollar has an impact on net assets when reported in Canadian dollars.

Net assets increased by approximately \$92,747,000 during the three months ended January 31, 2004. Of that amount, \$71,451,000 was the result of the issuance of 15,050,000 Class A shares through a public offering on December 19, 2003. These shares were issued at a premium to net asset value such that there was no dilution of existing Class A shareholders' interests. The \$21,296,000 balance of this increase in net assets was the result of higher prices of gold and silver, less operating costs, at January 31, 2004 compared to October 31, 2003 as described below.

The \$0.46, or a 10.6% increase in net assets per Class A share, expressed in U.S. dollar terms, during the past three months was due primarily to the 3.5% increase in the price of gold and the 21.2% increase in the price of silver during the period. Net assets per Class A share expressed in Canadian dollar terms, increased at a rate of 11.1%, being \$0.64 per Class A share. The increase described

above was facilitated by the 0.5% increase in the U.S. dollar relative to the Canadian dollar.

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

| | Three months ended January 31 | |
|--|-------------------------------|------------------|
| | <u>2004</u> | <u>2003</u> |
| Income: | | |
| Interest | \$ 9,751 | 9,681 |
| Dividends | <u>97</u> | <u>55</u> |
| | <u>9,848</u> | <u>9,736</u> |
| Expenses: | | |
| Administration fees | 213,565 | 147,395 |
| Shareholder information | 54,399 | 30,946 |
| Safekeeping, insurance and bank charges | 43,863 | 32,004 |
| Directors' fees and expense | 15,327 | 13,536 |
| Professional fees | 9,566 | 17,994 |
| Registrar and transfer agents' fees | 6,670 | 6,759 |
| Miscellaneous | 346 | 340 |
| Foreign currency exchange loss | <u>8,001</u> | <u>6,827</u> |
| | <u>351,737</u> | <u>255,801</u> |
| Loss from operations before income taxes | \$ (341,889) | (246,065) |
| Income taxes | <u>(157,412)</u> | <u>(88,268)</u> |
| Net loss | \$ <u>(499,301)</u> | <u>(334,333)</u> |
| Net loss per share: | | |
| Class A shares | \$ (.01) | (.01) |
| Common shares | \$ <u>(.01)</u> | <u>(.01)</u> |

The net loss, being the costs of stewardship for the three months ended January 31, 2004, was \$499,301 compared to \$334,333 in 2003. Since January 31, 2003, net assets have increased by approximately \$123,939,000 or 76%. The Company has used the bulk of the proceeds of two non-dilutive Class A share issues over the past twelve months to purchase gold and silver bullion, primarily in bar form. Certain expenses, such as administration fees that are scaled, and taxes, vary in proportion to net asset levels, or, in the case of stock exchange fees (included in shareholder information), with the total market value of Class A shares. Safekeeping fees and bullion insurance costs increased as a result of the purchases of additional physical gold and silver bullion discussed above.

Despite an increase in overall expense levels, the operating expenses (before taxes), as a percentage of average net assets, declined to 0.14% for the three months ended January 31, 2004 compared to 0.17% for the same three-month period in 2003. For the twelve months ended January 31, 2004, the operating expense ratio was 0.61% compared to 0.71% for the prior twelve-month period.

The Company did not sell any of its gold and silver bullion holdings during either of these periods.

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 January 31, 2004, 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 Toronto Stock Exchange or the American Stock Exchange.

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