

June 9, 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 six months ended April 30, 2004.

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

	April 30, <u>2004</u> (Unaudited)	October 31, <u>2003</u>
Net Assets:		
Gold bullion at market, average cost \$206,043,206 (2003: \$111,164,364)	\$ 203,415,241	114,733,517
Silver bullion at market, average cost \$181,213,466 (2002: \$103,068,226)	155,733,599	76,236,168
Marketable securities at market, average cost \$89,430	57,193	70,998
Interest-bearing cash deposits	10,785,866	4,315,467
Prepaid insurance, interest receivable and other	<u>27,682</u>	<u>62,545</u>
	370,019,581	195,418,695
Accrued liabilities	(973,332)	(307,883)
Dividends payable	<u>-</u>	<u>(447,463)</u>
Net assets representing shareholders' equity	<u>\$ 369,046,249</u>	<u>194,663,349</u>
Represented by:		
Capital stock:		
79,296,320 (2003: 44,746,320) Class A shares issued	\$ 371,511,394	191,148,354
40,000 Common shares issued	<u>19,458</u>	<u>19,458</u>
	371,530,852	191,167,812
Contributed surplus	25,655,466	26,776,874
Unrealized depreciation of investments	<u>(28,140,069)</u>	<u>(23,281,337)</u>
Total Shareholders' Equity	<u>\$ 369,046,249</u>	<u>194,663,349</u>
Net Asset Value Per Share (expressed in U.S. dollars):		
Class A shares	\$ 4.65	4.35
Common shares	<u>1.65</u>	<u>1.35</u>
Net Asset Value Per Share (expressed in Canadian dollars):		
Class A shares	\$ 6.38	5.74
Common shares	<u>2.26</u>	<u>1.78</u>
Exchange rate: U.S. \$ 1.00 = Cdn.	<u>\$ 1.3706</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, 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.

Net assets increased by approximately \$174,383,000 during the six months ended April 30, 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 and \$108,912,000 was the result of the issuance of 19,500,000 Class A shares through a public offering on April 8, 2004. In both public offerings, the shares were issued at a premium to net asset value that was non-dilutive and accretive to the net asset value per share of pre-existing Class A shareholders, after all related share issue costs.

The share capital now issued and outstanding is 79,296,320 fully-participating Class A shares listed on the American Stock

Exchange and The Toronto Stock Exchange. Common shares remain at 40,000 issued and outstanding.

The \$0.30, or 6.9% increase in net assets per Class A share, expressed in U.S. dollar terms, during the past six months was due primarily to the 0.6% increase in the price of gold and the 15.9% 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. This greater percentage increase was a result of the 3.9% 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)		(Unaudited)	
	Six months ended April 30		Three months ended April 30	
	2004	2003	2004	2003
Income:				
Interest	\$ 22,240	23,542	12,489	13,861
Dividends	281	115	184	60
	<u>22,521</u>	<u>23,657</u>	<u>12,673</u>	<u>13,921</u>
Expenses:				
Administration fees	484,508	313,106	270,943	165,711
Shareholder information	126,962	71,597	72,563	40,651
Safekeeping, insurance and bank charges	100,159	69,454	56,296	37,450
Professional fees	29,543	37,440	19,977	19,446
Registrar and transfer agents' fees	28,220	24,334	21,550	17,575
Directors' fees and expenses	26,269	25,518	10,942	11,982
Miscellaneous	971	789	625	449
Foreign currency exchange loss	14,786	12,530	6,785	5,703
	<u>811,418</u>	<u>554,768</u>	<u>459,681</u>	<u>298,967</u>
Loss from operations before income taxes	\$ (788,897)	(531,111)	(447,008)	(285,046)
Income taxes	(332,511)	(187,594)	(175,099)	(99,327)
Net loss	<u>\$(1,121,408)</u>	<u>(718,705)</u>	<u>(622,107)</u>	<u>(384,373)</u>
Net Loss Per Share:				
Class A shares	\$ (.02)	(.02)	(.01)	(.01)
Common shares	<u>\$ (.02)</u>	<u>(.02)</u>	<u>(.01)</u>	<u>(.01)</u>

The net loss, being primarily the costs of stewardship for the six months ended April 30, 2004, was \$1,121,408 compared to \$718,705 in 2003. Since April 30, 2003, net assets have increased by approximately \$195,828,000 or 113%. 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. Administrative fees remitted to The Central Group Alberta Limited for the six months increased to \$484,508 from \$313,106, such increase being fees at the rate of one-quarter of one percent per annum on the increased assets under administration.

Despite an increase in overall expense levels, the operating expenses which exclude taxes, as a percentage of average net assets, declined to 0.28% for the six months ended April 30, 2004 compared to 0.35% for the same six-month period in 2003. The issuances of Class A shares during the past six months resulting in increased net asset levels have been instrumental in substantially reducing the ongoing operating expenses on a per share basis.

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 speculate with regard to short-term changes in gold and silver prices. At April 30, 2004, the Class A shares of Central Fund were backed 97.3% 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).

For further information please contact:

J.C. Stefan Spicer, President & CEO

Email: [info@centralfund.com](mailto:info@centralfund.com)

Website: [www.centralfund.com](http://www.centralfund.com)

Telephone: 905-648-7878