

Central Fund of Canada Limited (symbols: AMEX-CEF, TORONTO-CEF.NV.A and CEF.NV.U) has today released selected comparative financial information relating to net assets and results of operations for the year ended October 31, 2005.

**CENTRAL FUND OF CANADA LIMITED**

**Statement of Net Assets**  
(expressed in U.S. dollars)

<b>Net assets:</b>	<i>As at October 31,</i>	
	<i>2005</i>	<i>2004</i>
<i>Gold bullion, at market-cost \$246,833,606 (2004, \$206,043,206)</i>	\$ 291,672,631	222,814,301
<i>Silver bullion, at market-cost \$216,589,467(2004, \$181,213,467)</i>	240,510,890	187,403,793
<i>Marketable securities, at market average cost – \$89,430 (2004: \$89,430)</i>	65,954	68,221
<i>Interest-bearing cash deposits</i>	10,195,379	9,482,536
<i>Prepaid bullion insurance</i>	62,500	62,500
<i>Interest receivable and other</i>	13,977	18,851
	<b>542,521,331</b>	<b>419,850,202</b>
<i>Accrued liabilities</i>	(576,925)	(707,660)
<i>Dividends payable</i>	(942,963)	(792,963)
	<b>\$ 541,001,443</b>	<b>418,349,579</b>
<b>Represented by:</b>		
<i>Capital stock:</i>		
<i>94,296,320 Class A shares issued (2004: 79,296,320)</i>	\$ 452,654,090	371,711,394
<i>40,000 Common shares issued</i>	19,458	19,458
	<b>452,673,548</b>	<b>371,730,852</b>
<i>Contributed surplus</i>	19,595,783	23,678,513
<i>Retained earnings inclusive of unrealized appreciation of investments</i>	68,732,112	22,940,214
	<b>\$ 541,001,443</b>	<b>418,349,579</b>
<b>Net asset value per share:</b>		
<i>Class A shares</i>	\$ 5.74	5.27
<i>Common shares</i>	\$ 2.74	2.27
<b>Net asset value per share expressed in Canadian dollars</b>		
<i>Class A shares</i>	\$ 6.77	6.44
<i>Common shares</i>	\$ 3.23	2.78
<b>Exchange rate year end:</b>	<i>U.S. \$1.00 = Cdn.</i>	
	\$ 1.1801	1.2207

The change in net assets as reported in U.S. dollars from period to period is primarily a result of share offerings and 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 2005, net assets as reported in U.S. dollars increased by \$122.7 million or 29.3%. A large portion of this increase was the result of a public offering during the year. This share offering was 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 the share issue totalling \$80,942,696, \$40,790,400 was used to purchase 96,000 fine ounces of gold bullion, and \$35,376,000 was used to purchase 4,800,000 ounces of silver bullion, primarily in physical bar form. The balance of the proceeds, \$4,776,296, was retained in interest-bearing cash deposits for working capital purposes.

The balance (\$41.7 million) of the increase in net assets is primarily attributable to the increases in the prices of gold (10.6%) and silver (8.4%) during the year.

During the fiscal year, the net asset value per Class A share, as reported in U.S. dollars, increased by 8.9% from \$5.27 to \$5.74. Gold prices increased by 10.6% during the fiscal year while silver prices increased by 8.4%. The net asset value per Class A share, as reported in Canadian dollars, while subject to the same effects described above, increased by a lesser amount of 5.1% primarily as a result of the 3.3% decrease in the exchange value of the U.S. dollar relative to the Canadian dollar.

## CENTRAL FUND OF CANADA LIMITED

**Statement of Income**  
**(expressed in U.S. dollars)**

	<i>Years ended October 31,</i>		
	<i>2005</i>	<i>2004</i>	<i>2003</i>
<b>Income:</b>			
<i>Interest</i>	\$ 327,407	96,264	49,116
<i>Dividends</i>	1,024	498	258
<i>Unrealized appreciation of investments</i>	45,791,898	46,221,551	26,334,605
	<b>46,120,329</b>	<b>46,318,313</b>	<b>26,383,979</b>
<b>Expenses:</b>			
<i>Administration fees</i>	1,553,660	1,108,851	663,409
<i>Safekeeping, insurance and bank charges</i>	467,226	214,901	157,391
<i>Shareholder information</i>	157,368	105,341	71,992
<i>Directors' fees and expenses</i>	110,320	60,576	57,641
<i>Legal fees</i>	107,950	27,769	37,362
<i>Stock exchange fees</i>	70,171	53,695	43,520
<i>Registrar and transfer agent fees</i>	63,116	43,749	41,521
<i>Audit fees</i>	36,026	28,976	33,109
<i>Miscellaneous</i>	1,161	1,698	1,373
<i>Foreign exchange loss</i>	31,651	15,920	17,514
	<b>2,598,649</b>	<b>1,661,476</b>	<b>1,124,832</b>
<i>Income before income taxes</i>	43,521,680	44,656,837	25,259,147
<i>Income taxes</i>	(869,549)	(740,684)	(395,234)
<b>Net income</b>	<b>\$ 42,652,131</b>	<b>43,916,153</b>	<b>24,863,913</b>
<b>Basic and diluted net income per share:</b>			
<i>Class A shares</i>	\$ 0.45	0.64	0.59
<i>Common shares</i>	\$ 0.44	0.63	0.58

The net income of \$42,652,131 during the 2005 fiscal year was 2.9% lower than the 2004 net income of \$43,916,153. The prime component of this decrease was unrealized appreciation of investments as a result of adoption of the new accounting policy, Accounting Guideline 18, Investment Companies. Interest income was higher compared to the prior year as average balances of interest-bearing cash deposits were higher. There were no dispositions of marketable securities during fiscal 2005 or 2004.

Expenses (which exclude income taxes) increased by 56.4% over the prior year. The increase in net assets during the year as a result of the public offering 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. Not only did safekeeping fees and bullion insurance costs increase to reflect larger quantities and dollar values of gold and silver bullion being held, but the custodian significantly increased its rates in their schedule of fees. Shareholder information costs increased as U.S. and Canadian stock exchange fees were increased at the time of filing the additional issue of shares. Also, legal fees increased close to three fold, in part due to an additional Special Meeting of shareholders and tax advice.

Expenses (which exclude income taxes) as a percentage of the average of the month-end net assets during the 2005 fiscal year were 0.51% compared to 0.48% in 2004. Income taxes, or more specifically the Federal large corporations tax, are based on the Company's total net assets as at its fiscal year end. The increase in income taxes is directly related to the higher net asset level which existed at October 31, 2005.

Effective November 1, 2005, an Amended and Restated Administration and Consulting Agreement reduced the annual administration and consulting fee schedule for at least the next ten-year term to 0.30% on the first \$400 million of total net assets, 0.20% on the next \$600 million of total net assets and 0.15% on total net assets exceeding one billion dollars. The approval of the reduced schedule followed Board Committees' requests on August 8, 2005 for review of agreements of the Administrator.

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, 2005, the Class A shares of Central Fund were backed 98.4% 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.NV.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