

March 2, 2005

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 January 31, 2005.

CENTRAL FUND OF CANADA LIMITED
Statement of Net Assets
(expressed in U.S. dollars, unaudited)

	January 31	October 31
	2005	2004
Net assets:		
Gold bullion at market, average cost \$246,833,606 (2004: \$206,043,206)	\$ 261,560,491	222,814,301
Silver bullion at market, average cost \$216,589,466 (2004: \$181,213,467)	208,143,359	187,403,793
Marketable securities at market, average cost \$89,430 (2004: \$89,430)	60,233	68,221
Interest-bearing cash deposits	12,599,603	9,482,536
Prepaid insurance, interest receivable and other	67,637	81,351
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	482,431,323	419,850,202
Accrued liabilities	(643,169)	(707,660)
Dividends payable	-	(792,963)
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Net assets representing shareholders' equity	\$ 481,788,154	418,349,579
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Represented by:		
Capital stock:		
94,296,320 (2004: 79,296,320) Class A shares issued	\$ 452,615,394	371,711,394
40,000 Common shares issued	19,458	19,458
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	452,634,852	371,730,852
Contributed surplus	22,901,721	23,678,513
Retained earnings inclusive of unrealized appreciation of investments	6,251,581	22,940,214
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	\$ 481,788,154	418,349,579
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Net asset value per share (expressed in U.S. dollars):		
Class A shares	\$ 5.11	5.27
Common shares	\$ 2.11	2.27
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Net asset value per share (expressed in Canadian dollars):		
Class A shares	\$ 6.32	6.44
Common shares	\$ 2.61	2.78
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Exchange rate:	U.S. \$1.00 = Cdn.	<hr/> <hr/>
	\$ 1.2380	1.2207

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.

Approximately \$80,904,000 was added to total assets as a result of the issuance of 15,000,000 Class A shares through a public offering in November 3, 2004. These shares were issued at a premium to net asset value such that there was no dilution of existing Class A shareholders' interests. However, net assets increased by only approximately \$63,438,575 during the three months ending January 31, 2005 as a result of gold and silver prices declining. Of the net proceeds from this public offering, the company purchased 96,000 fine ounces of gold at a cost of \$40,790,400 and 4,800,000 ounces of silver at a cost of \$35,376,000, both in physical bar form except for 67 ounces of gold which were received in certificate form. The balance of approximately \$4,737,600, was retained by the Company in interest-bearing cash deposits for working capital purposes.

CENTRAL FUND OF CANADA LIMITED

Statement of Income

(expressed in U.S. dollars, unaudited)

	Three months ended January 31	
	2005	2004
Income:		
Interest	\$ 50,022	9,751
Dividends	130	97
Unrealized appreciation (depreciation) of investments	(16,688,633)	21,794,816
	<u>(16,638,481)</u>	<u>21,804,664</u>
Expenses:		
Administration fees	386,818	213,565
Shareholders' Information	75,946	54,399
Safekeeping, insurance and bank charges	67,254	43,863
Directors' fees and expenses	27,265	15,327
Professional fees	16,165	9,566
Registrar and transfer agents' fees	8,988	6,670
Miscellaneous	299	346
Foreign exchange loss	31,097	8,001
	<u>613,832</u>	<u>351,737</u>
Income (loss) before income taxes	(17,252,313)	21,452,927
Income taxes	(213,112)	(157,412)
Net income (loss)	<u>\$ (17,465,425)</u>	<u>21,295,515</u>
Net income (loss) per share:		
Class A shares	\$ (.19)	.41
Common shares	\$ (.19)	.41

The net loss (inclusive of unrealized depreciation of investments) for the three months ended January 31, 2005 was \$17,465,425 compared to net income (inclusive of unrealized appreciation of investments) of \$21,295,515 for the same period in 2004. Since January 31, 2004, net assets have increased by approximately \$194,378,250 or 68%. The Company has used the bulk of the proceeds of the two 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 together with income taxes, vary in proportion to net asset levels, or, in the case of stock exchange fees (included in shareholder information), with issuances of Class A shares. Safekeeping fees and bullion insurance costs increased as a result of the purchases of physical gold and silver bullion discussed above. Administration fees remitted to The Central Group Alberta Limited for the three months increased to \$386,818 from \$213,565, such increase being at the rate of one-quarter of one percent per annum on the increased assets under administration. Professional fees increased as a result of legal and audit work required to adopt accounting guidelines and corporate governance rules and regulations.

Despite an increase in overall expense levels, the operating expenses (which exclude income taxes) as a percentage of average net assets, declined to 0.12% for the three months ended January 31, 2005 compared to 0.14% for the same three-month period in 2004. For the twelve months ended January 31, 2005, the operating expense ratio was 0.48% compared to 0.61% for the prior twelve-month period.

Central Fund of Canada Limited operates as a specialized investment holding company which invests primarily in long-term holdings of segregated and unencumbered gold and silver bullion and does not actively speculate with regard to short-term changes in gold and silver prices. At January 31, 2005, the Class A shares of Central Fund were backed 97.5% 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).

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