

August 9, 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 nine-months ended July 31, 2005.

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

	<b>July 31 2005</b>	<b>October 31 2004</b>
Net assets:		
Gold bullion at market, average cost \$246,833,606 (2004: \$206,043,206)	\$ 265,804,692	222,814,301
Silver bullion at market, average cost \$216,589,466 (2004: \$181,213,467)	221,307,187	187,403,793
Marketable securities at market, average cost \$89,430 (2004: \$89,430)	56,883	68,221
Interest-bearing cash deposits	11,166,327	9,482,536
Prepaid insurance, interest receivable and other	100,743	81,351
	498,435,832	419,850,202
Accrued liabilities	(794,330)	(707,660)
Dividends payable	-	(792,963)
	\$ 497,641,502	418,349,579
Net assets representing shareholders' equity		
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
	452,634,852	371,730,852
Contributed surplus	21,350,390	23,678,513
Retained earnings inclusive of unrealized appreciation of investments	23,656,260	22,940,214
	\$ 497,641,502	418,349,579
Net asset value per share (expressed in U.S. dollars):		
Class A shares	\$ 5.28	5.27
Common shares	\$ 2.28	2.27
Net asset value per share (expressed in Canadian dollars):		
Class A shares	\$ 6.47	6.44
Common shares	\$ 2.79	2.78
Exchange rate:	U.S. \$1.00 = Cdn. \$ 1.2259	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.

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

	Nine months ended July 31		Three months ended July 31	
	2005	2004	2005	2004
Income:				
Interest	\$ 234,144	37,908	\$ 129,942	15,668
Dividends	894	390	130	109
Unrealized appreciation of investments	716,046	8,963,354	962,155	13,822,086
	<u>951,084</u>	<u>9,001,652</u>	<u>1,092,227</u>	<u>13,837,863</u>
Expenses:				
Administration fees	1,154,645	787,100	381,843	302,592
Safekeeping, insurance and bank charges	310,400	147,241	156,336	47,082
Shareholders' information	210,294	145,029	23,539	18,067
Professional fees	109,556	39,854	20,521	10,311
Directors' fees and expenses	72,942	42,035	25,108	15,766
Registrar and transfer agents' fees	57,917	37,448	10,642	9,228
Miscellaneous	886	1,364	275	393
Foreign exchange (gain) loss	29,530	17,581	(1,602)	2,795
	<u>1,946,170</u>	<u>1,217,652</u>	<u>616,662</u>	<u>406,234</u>
Income (loss) before income taxes	(995,086)	7,784,000	475,565	13,431,629
Income taxes	(616,991)	(516,962)	(201,392)	(184,451)
Net income (loss)	<u>\$ (1,612,077)</u>	<u>7,267,038</u>	<u>\$ 274,173</u>	<u>13,247,178</u>
Net income (loss) per share:				
Class A shares	\$ (.02)	.09	\$ .00	.20
Common shares	\$ (.02)	.09	\$ .00	.20

The net loss (inclusive of unrealized depreciation of investments) for the nine months ended July 31, 2005 was \$1,612,077 compared to net income of \$7,267,038 for the same period in 2004. Since July 31, 2004, net assets have increased by \$115,348,075 or 30%. The Company has used the bulk of the proceeds of the Class A share issue in November 2004 to purchase gold and silver bullion, primarily in bar form. Certain expenses, such as administration fees 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 the number of Class A shares issued. Safekeeping fees and bullion insurance costs increased as a result of the purchases of additional physical gold and silver bullion and increases in storage fees. Administration fees remitted to The Central Group Alberta Limited for the nine months increased to \$1,154,645 from \$787,100, such increase being at the rate of one-quarter of one percent per annum on the increased assets under administration. The Company incurred fees totaling \$55,311 (2004: \$11,806) to a legal firm of which one of the Company's directors is a partner. Professional fees increased as a result of legal and audit work required to adopt recently imposed accounting guidelines and corporate governance rules and regulations as well as preparations for the Special Meeting of Class A Shareholders in February 2005.

Operating expenses (which exclude income taxes) as a percentage of average net assets, were 0.39% for the nine months ended July 31, 2005 compared to 0.38% for the same nine-month period in 2004. For the twelve months ended July 31, 2005, the operating expense ratio was 0.50% compared to 0.51% for the prior twelve-month period.

Central Fund of Canada Limited operates as an 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 July 31, 2005, the Class A shares of Central Fund were backed 97.9% 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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