

CENTRAL FUND ANNOUNCES PROPOSED OFFERING

**For Immediate Release to
Marketwire and
U. S. Disclosure Circuit**

TSX SYMBOLS: CEF.A and CEF.U

AMEX SYMBOLS: CEF

TORONTO, Ontario (September 22, 2008) – Central Fund of Canada Limited (“Central Fund”) of Calgary, Alberta announced today that it plans to offer Class A Shares of Central Fund to the public in Canada and the United States under its existing US\$750,000,000 base shelf prospectus dated March 31, 2008 and filed with the securities commissions in each of the provinces and territories of Canada, except Québec, and under the multijurisdictional disclosure system in the United States pursuant to a proposed underwritten offering by CIBC World Markets Inc. Central Fund will only proceed with the offering if it is non-dilutive to the net asset value of the Class A Shares owned by existing shareholders of Central Fund.

A remainder of approximately US\$600,000,000 of the original US\$750,000,000 provided for in the base shelf prospectus is available for this offering.

Substantially all of the net proceeds of the offering will be used to purchase gold and silver bullion, in keeping with the policies established by the board of directors of Central Fund. Any additional capital raised by any such offering is expected to reduce the annual expense ratio in favour of the shareholders of Central Fund.

Central Fund has filed a base shelf prospectus and registration statement with the Canadian securities regulatory authorities and the United States Securities and Exchange Commission (“SEC”) which will serve as the base for the offering to which this communication relates. Before you invest, you should read the base shelf prospectus and any other documents the Company has filed with the securities commissions in each of the provinces and territories of Canada, except Québec, and the SEC for more complete information about the Company and this offering. You may obtain a copy of the base shelf prospectus filed in the United States from CIBC World Markets Corp., 425 Lexington Avenue, 5th Floor, New York, New York 10017, by fax at 212-667-6303 or by e-mail at useprospectus@us.cibc.com. You may obtain a copy of the base shelf prospectus in Canada from CIBC World Markets Inc., fax 416-594-7242 or request a copy by telephone at 416-594-7270.

Statements contained in this release that are not historical facts are forward-looking statements that involve risks and uncertainties. Central Fund’s actual results could differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those risks detailed in the Company’s filings with the Canadian securities regulatory authorities and the SEC.

Central Fund of Canada Limited (est. 1961) is an exchange tradeable refined gold and silver bullion holding company. Class A Shares are qualified for inclusion in many North American regulated accounts. Bullion holdings are stored on an unencumbered, allocated, segregated and insured basis in the treasury vaults of a major Canadian bank and are audited semi-annually in the presence of Central Fund’s auditors and bank representatives. Class A Shares are quoted on the AMEX, symbol CEF and the TSX, symbol CEF.A (Cdn.\$) and CEF.U (U.S.\$).

For further information, please contact J.C. Stefan Spicer, President and CEO at 905-648-7878
Website: www.centralfund.com . **Email:** info@centralfund.com.