

August 19, 2008

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 nine-months ended July 31, 2008.

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

| | <i>July 31</i> <i>2008</i> | <i>October 31</i> <i>2007</i> |
|---|-------------------------------|----------------------------------|
| Net assets: | | |
| <i>Gold bullion, at market, average cost</i> | | |
| \$461,023,618 (2007: \$370,416,530) | \$ 824,347,803 | 635,681,207 |
| <i>Silver bullion, at market, average cost</i> | | |
| \$426,562,775 (2007: \$336,022,132) | 784,737,613 | 576,419,467 |
| <i>Cash</i> | 1,540,033 | 2,330,873 |
| <i>Interest-bearing cash deposits</i> | 38,500,000 | 25,200,000 |
| <i>Prepaid insurance, interest receivable and other</i> | 241,272 | 202,060 |
| | <u>1,649,366,721</u> | <u>1,239,833,607</u> |
| <i>Accrued liabilities</i> | (1,737,495) | (1,063,139) |
| <i>Dividends payable</i> | - | (1,251,345) |
| Net assets representing shareholders' equity | \$ 1,647,629,226 | 1,237,519,123 |
| Represented by: | | |
| <i>Capital stock</i> | | |
| <i>Class A shares issued:</i> | | |
| 140,567,713 (2007: 125,134,532) | \$ 918,877,671 | 721,079,758 |
| <i>Common shares issued: 40,000</i> | 19,458 | 19,458 |
| | <u>918,897,129</u> | <u>721,099,216</u> |
| <i>Contributed surplus</i> | 7,245,650 | 10,762,435 |
| <i>Retained earnings inclusive of unrealized appreciation of holdings</i> | 721,486,447 | 505,657,472 |
| | <u>\$ 1,647,629,226</u> | <u>1,237,519,123</u> |
| Net asset value per share: | | |
| <i>Class A shares</i> | \$ 11.72 | 9.89 |
| <i>Common shares</i> | \$ 8.72 | 6.89 |
| Exchange rate: | <i>U.S. \$1.00 = Cdn.</i> | |
| | \$ 1.0257 | 0.9499 |
| Net asset value per share expressed in Canadian dollars: | | |
| <i>Class A shares</i> | \$ 12.02 | 9.39 |
| <i>Common shares</i> | \$ 8.94 | 6.54 |

This analysis should be read in conjunction with Central Fund's financial statements prepared in accordance with Canadian GAAP included in its 2007 Annual Report and the accompanying MD&A.

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. 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 \$410.1 million during the nine months ended July 31, 2008 as a result of the public offerings completed on March 5 and July 22, 2008 as well as increases in gold and silver prices. The Company used the net proceeds from the March 5th public offering to purchase 25,416 fine ounces of gold at a cost of \$24,319,300 and 1,270,800 ounces of silver at a cost of \$24,501,024, both in physical bar form. The balance of \$5,399,666 was retained by the Company in interest-bearing cash deposits for working capital purposes. The Company used the net proceeds from the July 22nd public offering to purchase 67,397 fine ounces of gold at a cost of \$66,287,788 and 3,369,900 ounces of silver at a cost of \$66,039,619, both in physical bar form. The balance of \$11,122,993 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)

| | <i>Nine months ended July 31</i> | | <i>Three months ended July 31</i> | |
|--|----------------------------------|-------------------|-----------------------------------|---------------------|
| | <i>2008</i> | <i>2007</i> | <i>2008</i> | <i>2007</i> |
| Income: | | | | |
| <i>Interest</i> | \$ 688,206 | 806,744 | \$ 183,323 | 268,648 |
| <i>Unrealized appreciation (depreciation) of holdings</i> | 215,828,975 | 69,262,872 | 69,423,469 | (29,299,151) |
| | 216,517,181 | 70,069,616 | 69,606,792 | (29,030,503) |
| Expenses: | | | | |
| <i>Administration fees</i> | 2,444,251 | 1,876,888 | 845,688 | 622,558 |
| <i>Safekeeping, insurance & bank charges</i> | 1,204,281 | 856,523 | 432,038 | 307,097 |
| <i>Shareholder information</i> | 137,977 | 123,555 | 21,891 | 18,048 |
| <i>Directors' fees and expenses</i> | 101,093 | 95,860 | 34,547 | 33,643 |
| <i>Stock exchange fees</i> | 97,209 | 64,693 | 32,591 | 27,726 |
| <i>Legal fees</i> | 95,447 | 52,545 | 4,153 | 6,770 |
| <i>Accounting fees</i> | 61,462 | 83,684 | 10,066 | 12,879 |
| <i>Registrar and transfer agent fees</i> | 60,511 | 55,637 | 22,581 | 18,792 |
| <i>Miscellaneous</i> | 909 | 1,096 | 275 | 501 |
| <i>Foreign currency exchange loss</i> | 1,851 | 1,166 | 700 | 1,296 |
| Total expenses | 4,204,991 | 3,211,647 | 1,404,530 | 1,049,310 |
| <i>Net Income (loss) inclusive of unrealized appreciation (depreciation) of holdings</i> | \$ 212,312,190 | 66,857,969 | \$ 68,202,262 | (30,079,813) |
| Net income (loss) per share: | | | | |
| <i>Class A shares</i> | \$ 1.69 | 0.61 | \$ 0.53 | (0.27) |
| <i>Common shares</i> | \$ 1.69 | 0.61 | \$ 0.53 | (0.27) |

Net income (inclusive of unrealized appreciation of holdings) for the three months ended July 31, 2008 was \$68.2 million compared to a net loss (inclusive of unrealized depreciation of holdings) of \$30.1 million for the comparative period in 2007. For the nine months ended July 31, 2008, the net income (inclusive of unrealized appreciation of holdings) was \$212.3 million compared to \$66.9 million for the same period in 2007. For both the three and nine month periods, virtually all the income or loss was due to unrealized appreciation (depreciation) respectively of holdings. Certain expenses, such as administration fees which are scaled, have varied in proportion to net asset levels or, in the case of stock exchange fees, with market capitalization based on the number of Class A shares issued. Safekeeping fees and bullion insurance costs increased, reflecting the higher prices of gold and silver bullion and increased bullion holdings. Administration fees increased to \$2,444,251 from \$1,876,888 for the nine months based on the increased assets under administration. Legal fees increased due to changes in accounting policies and regulatory requirements.

Expenses as a percentage of average month-end net assets for the nine-month period ended July 31, 2008 were 0.29%, compared to 0.33% for the same nine-month period in 2007. For the twelve months ended July 31, 2008, this expense ratio was 0.39% compared to 0.44% 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 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 July 31, 2008, the Class A shares of Central Fund were backed 97.6% by gold and silver bullion and may be purchased or sold with ease on either the American Stock Exchange (CEF) or The Toronto Stock Exchange (CEF.A in Canadian dollars and CEF.U in U.S. dollars).

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