2nd QUARTER REPORT

Central Fund is currently 97.4% invested in gold and silver bullion. At April 30, 2001 Central Fund's gold holdings were 129,725 fine oz. of physical bullion and 2,502 fine oz. of gold bullion certificates. Silver holdings were 6,450,252 oz. of physical bullion and 165,516 oz. of silver bullion certificates. The physical bullion is insured and held in safekeeping by a Canadian chartered bank in segregated vault storage. Central Fund continues to fulfil its mandate as "The Sound Monetary Fund".

On behalf of the Board of Directors:

Philip M. Spicer, President

FINANCIAL REVIEW

Results of Operations – Change in Net Assets

The $0.15 or 4.3% decrease in net assets per Class A share expressed in U.S. dollar terms during the past six months was due primarily to the 7.9% decrease in the price of silver during the period. The 0.5% decrease in the price of gold and the net loss during the period also contributed nominally to the overall decrease. Net assets per Class A share as expressed in Canadian dollar terms decreased by $0.21, or 3.9%, as the decreases described above were partially offset by the 0.6% increase in the U.S. dollar relative to the Canadian dollar. The components of the change in net asset value per Class A share in U.S. and Canadian dollars are summarized in the adjacent table.

Net Asset Value per Class A Share

	U.S.$ Terms	*Cdn. $ Terms*
October 31, 2000	*$3.52*	*$5.38*
Changes due to:		
Gold price	*(.01)*	*(.02)*
Silver price	*(.13)*	*(.20)*
Weaker Cdn. $	*N/A*	*.03*
Other	*(.01)*	*(.02)*
Total changes	*(.15)*	*(.21)*
April 30, 2001	*$3.37*	*$5.17*

Results of Operations – Net Loss

The net loss for the six months ended April 30, 2001 is comparable to that of the same period in 2000. Interest income declined during the period due to lower balances of interest bearing cash deposits. Operating expenses fell by 2.2% in the six months ended April 30, 2001 as compared to the same period in 2000. However, after removing the impact of the foreign currency exchange loss (gain in 2000), operating expenses were 7.4% lower. Administration fees declined as a result of a lower level of net assets over the first six months of the year from those which existed during the same period last year. For the same reason, anticipated income taxes are lower.

Central Fund did not sell any of its gold and silver bullion holdings during either of these periods.

Liquidity and Capital Resources

Central Fund's dollar liquidity objective is to hold cash reserves primarily for the payment of operating expenses, taxes and Class A share dividends. Should Central Fund not have sufficient cash to meet its needs, a nominal portion of Central Fund's bullion holdings may be sold to fund tax and dividend payments, provide working capital, and pay for redemptions of Class A shares (if any). Sales of such holdings could result in Central Fund realizing capital gains or in the current bullion market, losses. Central Fund qualifies as a "Mutual Fund Corporation" for Canadian income tax purposes. Any Canadian tax payable by Central Fund to the extent it relates to taxable capital gains, is fully refundable when the realized gains are distributed by way of special capital gains dividends or deemed to be distributed to shareholders through redemptions.

For the six months ended April 30, 2001, Central Fund's cash reserves decreased by $565,000 as amounts were used to pay operating expenses, taxes and the Class A share dividend. Management monitors Central Fund's cash position with an emphasis on maintaining its mandate to hold maximum amounts of gold and silver bullion.

Central Fund of Canada Limited

Statements of Net Assets
(expressed in U.S. dollars, unaudited)(note 1)

	April 30 2001	October 31 2000
Net Assets:		
Gold bullion at market, average cost $55,750,650 (note 2)	$ 34,795,543	34,974,049
Silver bullion at market, average cost $62,748,151 (note 2)	28,877,828	31,358,741
Marketable securities at market, average cost $1,005,250	45,604	37,663
Interest bearing cash deposits	1,699,594	2,264,246
Prepaid insurance, interest receivable and other	68,349	47,300
	65,486,918	68,681,999
Accrued liabilities	(96,874)	(123,071)
Dividends payable	-	(194,129)
Net assets representing shareholders equity	$ 65,390,044	68,364,799
Represented by:		
Capital Stock (note3):		
19,412,860 Class A shares issued	$ 89,701,594	89,701,594
40,000 Common shares issued	19,458	19,458
	89,721,052	89,721,052
Contributed surplus (note 4)	31,454,068	31,777,345
Unrealized depreciation of investments	(55,785,076)	(53,133,598)
	$ 65,390,044	68,364,799
Net Asset Value Per Share (expressed in U.S. dollars):		
Class A shares	$ 3.37	3.52
Common shares	$ 0.37	0.52
Net Asset Value Per Share (expressed in Canadian dollars):		
Class A shares	$ 5.17	5.38
Common shares	$ 0.56	0.79
Exchange rate: **U.S. $1.00 = Cdn**	$ 1.5356	1.5271

Notes:

1. These unaudited financial statements contain all adjustments (consisting of normal recurring accruals) considered by the Company to be necessary for a fair presentation of its financial position, results of its operations and the changes in its net assets for the periods presented.

2. Details of gold and silver bullion holdings at April 30, 2001, (unchanged from October 31,2000) are as follows:

Holdings	Gold	Silver	
100 & 400 fine oz bars	129,725	1000 oz bars	6,450,252
Certificates	2,502	Certificates	165,516
Total fine ounces	132,227	Total ounces	6,615,768

Market Value:	Per Fine Ounce	Per Ounce
October 31, 2000	U.S. $ 264.50	U.S. $ 4.7400
April 30, 2001	U.S. $ 263.15	U.S. $ 4.3650

3. On November 3, 1998, the Company approved a rights offering to holders of its Class A shares and Common shares on the basis of one right for each Class A share and each Common share. Four rights and U.S.$4.00 entitled a holder to subscribe for one unit (an "A unit"). Each A unit consisted of one Class A share and one transferable Series 1 Warrant. Each Series 1 Warrant, exercisable during the period from May 3 until May 26, 1999, entitled the holder to acquire one unit (a "B unit") for an additional U.S. $4.00. Each B unit consisted of one Class A share and one transferable Series 2 Warrant. Each Series 2 Warrant, exercisable during the period from November 1 until November 24, 1999, entitled the holder to acquire one Class A share for an additional U.S. $4.00.

   Pursuant to the Series 2 Warrant, the Company issued 298,215 Class A shares for gross proceeds of $1,192,860. Costs relating to the Series 2 Warrants were $5,000 and net proceeds were $1,187,860.

Central Fund of Canada Limited

Statements of Changes in Net Assets
(expressed in U.S. dollars, unaudited)(note 1)

	Six months ended April 30	
	2001	**2000**
Net assets at beginning of period	$ 68,364,799	76,219,208
Add (deduct):		
Unrealized depreciation of investments during the period	(2,651,478)	(5,532,558)
Net loss	(323,277)	(330,682)
Net issuance of Class A Shares	-	1,187,860
Decrease in net assets during the period	(2,974,755)	(4,675,380)
Net assets at end of period	$ 65,390,044	71,543,828

Statements of Loss
(expressed in U.S.dollars, unaudited)(note 1)

	Six months ended April 30		Three months ended April 30	
	2001	**2000**	**2001**	**2000**
Income:				
Interest	$ 53,829	69,200	$ 21,061	35,221
Dividends	181	117	70	50
	54,010	69,317	21,131	35,271
Expenses:				
Administration fees	167,636	182,344	82,372	89,762
Shareholder Information	52,821	60,113	30,126	37,079
Safekeeping, insurance and bank charges	32,560	37,862	16,300	17,970
Registrar and transfer agents' fees	22,879	17,331	16,315	5,147
Directors' fees and expenses	18,022	19,191	7,423	7,706
Professional fees	12,434	13,601	6,000	6,052
Miscellaneous	606	911	275	480
Foreign currency exchange (gain) loss	1,359	(8,105)	1,074	(9,061)
	308,317	323,248	159,885	155,135
Loss from operations before income taxes	(254,307)	(253,931)	(138,754)	(119,864)
Income taxes (note 5)	(68,970)	(76,751)	(33,917)	(38,966)
Net loss (note 6)	$ (323,277)	(330,682)	$ (172,671)	(158,830)
Net loss per share:				
Class A shares	$ (.02)	(.02)	$ (.01)	(.01)
Common shares	$ (.02)	(.02)	$ (.01)	(.01)

Notes:

For the combined rights offering, Series 1 Warrants and Series 2 Warrants, the Company issued 1,313,560 Class A shares for gross proceeds of $5,254,239. Costs of the offering were $321,797 (inclusive of dealer commission costs) and net proceeds were $4,932,442. A portion of the proceeds were used to purchase 2,828 fine ounces of gold in bar form and 145,728 ounces of silver in bar form.

4. *In 1985 the shareholders authorized the use of contributed surplus to eliminate any deficit that may arise from losses and on the payment of the Class A shares' stated dividend. Accordingly, $323,277 (2000, $330,682) has been transferred from contributed surplus on April 30, 2001 and 2000 representing the net loss for the six months then ended. This change did not affect the net asset value of the Company.*

5. *Effective November 1, 2000, the Company adopted the new recommendations of The Canadian Institute of Chartered Accountants with respect to accounting for income taxes. There was no effect to the statement of net assets as at November 1, 2000, on adopting the liability method of tax allocation.*

   Income taxes pertain to the Canadian Federal large corporations tax, which is intended to be a minimum corporate tax and in the case of Central, operates similarly to a capital tax.

6. *Under Canadian generally accepted accounting principles, the Company records the unrealized appreciation (depreciation) of its investments as a component of shareholders' equity. Under accounting principles generally accepted for investment companies in the United States, these amounts are reflected in the statements of loss. Net loss for the six months ending April 30, 2001 would be $2,974,755; (2000, $4,675,380) under United States principles. The net assets of the Company are identical under both Canadian and United States generally accepted accounting principles.*