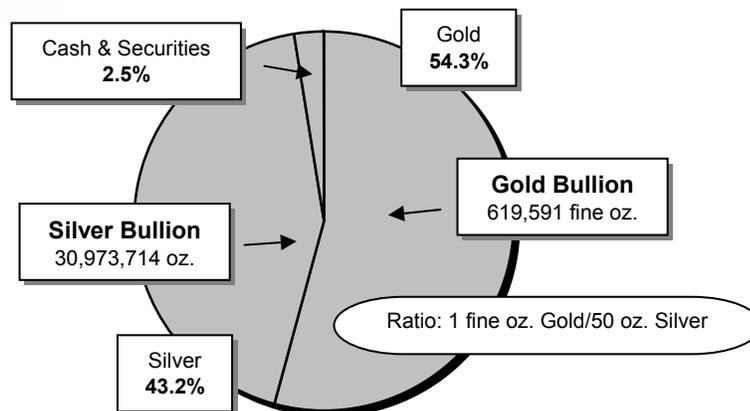


Central Fund of Canada Limited

Portfolio
at
January 31, 2005



Corporate Information

Investor Inquiries

The Central Group (Alberta) Ltd.

55 Broad Leaf Crescent
P.O. Box 7319
Ancaster, Ontario
Canada L9G 3N6

Telephone: (905) 648-7878
Fax: (905) 648-4196
Website: www.centralfund.com
E-mail: info@centralfund.com

Head Office

Hallmark Estates
805, 1323-15th Avenue S.W.
Calgary, Alberta
Canada T3C 0X8

Telephone: (403) 228-5861
Fax: (403) 228-2222

Stock Exchange Listings

	Electronic Ticker Symbol	Newspaper Quote Symbol
AMEX: Class A shares	CEF	CFCda
TSX: Class A shares	CEF.NV.A and CEF.NV.U	CFund A

Net Asset Value Information

The net asset value per Class A share is available daily by calling Investor Inquiries.
The Thursday net asset value is published in financial newspapers in the United States and Canada.
In Canada, the net asset value is also published daily in the *Globe and Mail Report on Business* Fund Asset Values table.

Central Fund of Canada Limited

1st QUARTER



INTERIM REPORT TO SHAREHOLDERS

for the three months ended January 31, 2005

Central Fund of Canada Limited

1st QUARTER REPORT

Central Fund is currently 97.5% invested in gold and silver bullion. At January 31, 2005 Central Fund's gold holdings were 614,242 fine oz. of physical bullion and 5,349 fine oz. of gold bullion certificates. Silver holdings were 30,728,142 oz. of physical bullion and 245,572 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:

J.C. Stefan Spicer, President

MANAGEMENT'S DISCUSSION & ANALYSIS

Results of Operations – Change in Net Assets

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. Details of this public offering are provided in Note 3 to the accompanying financial statements. 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.

The share capital now issued and outstanding is 94,296,320 fully participating Class A shares listed on the American Stock Exchange and The Toronto Stock Exchange. Common shares remain at 40,000 issued and outstanding.

The following table summarizes quarterly financial information:

	Quarter ended (US\$)			
	Jan. 31, 2005	Oct. 31, 2004	Jul. 31, 2004	Apr. 30, 2004
Unrealized appreciation (depreciation) of investments (in millions)	\$(16.7)	\$37.3	\$13.8	\$(26.7)
Net income (loss) for the period (in millions)	\$(17.5)	\$36.7	\$13.2	\$(27.3)
Net income (loss) per share	\$(0.19)	\$0.53	\$0.20	\$(0.39)
<hr/>				
	Jan. 31, 2004	Oct. 31, 2003	Jul. 31, 2003	Apr. 30, 2003
Unrealized appreciation (depreciation) of investments (in millions)	\$21.8	\$10.2	\$12.4	\$(13.2)
Net income (loss) for the period (in millions)	\$21.3	\$9.8	\$12.0	\$(13.6)
Net income (loss) per share	\$0.41	\$0.23	\$0.29	\$(0.34)

Forward-looking Observations

Changes in the market prices of gold and silver have an impact on the net asset value per Class A share. Assuming as a constant exchange rate the rate which existed on January 31, 2005 of \$1.2380 Cdn. for each U.S. dollar together with holdings of gold and silver bullion which existed on that date, a 10% change in the price of gold would increase or decrease the net asset value per share by approximately \$0.28 per share or Cdn. \$0.35 per share. A 10% change in the price of silver would increase or decrease the net asset value per share by approximately \$0.22 per share or Cdn. \$0.27 per share. If both gold and silver prices were to change by 10% simultaneously in the same direction, the net asset value per share would increase or decrease by approximately \$0.50 per share or Cdn. \$0.62 per share.

Results of Operations – Net Income (Loss)

Central Fund's earned income objective is secondary to its investment objective of holding the vast majority of its net assets in gold and silver bullion. Generally, Central Fund only seeks to maintain adequate cash reserves to enable it to pay operating expenses, taxes and Class A share dividends. Because gold and silver bullion do not generate revenue, Central Fund's actual revenues are a miniscule percentage of its net assets. However, CICA Accounting Guideline 18, Investment Companies now requires Central Fund to record unrealized appreciation (depreciation) of investments in income.

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 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. 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, being 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.

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, if any, of Class A shares.

For the three months ended January 31, 2005, Central Fund's cash reserves increased by \$3,117,067 as amounts used to pay operating expenses, taxes and the Class A share dividend were more than offset by amounts retained in interest-bearing cash deposits for working capital purposes from the public offering completed in November 2004. 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

Statement of Net Assets

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

	January 31 2005	October 31 2004
Net assets:		
Gold bullion at market, average cost \$246,833,606 (2004: \$206,043,206) (note 2)	\$ 261,560,491	222,814,301
Silver bullion at market, average cost \$216,589,466 (2004: \$181,213,467) (note 2)	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
	482,431,323	419,850,202
Accrued liabilities	(643,169)	(707,660)
Dividends payable	-	(792,963)
	\$ 481,788,154	418,349,579
Represented by:		
Capital stock (note 3):		
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 (note 4)	22,901,721	23,678,513
Retained earnings inclusive of unrealized appreciation of investments	6,251,581	22,940,214
	\$ 481,788,154	418,349,579
Net asset value per share (expressed in U.S. dollars):		
Class A shares	\$ 5.11	5.27
Common shares	\$ 2.11	2.27
Net asset value per share (expressed in Canadian dollars):		
Class A shares	\$ 6.32	6.44
Common shares	\$ 2.61	2.78
Exchange rate:	U.S. \$1.00 = Cdn. \$ 1.2380	1.2207

Notes:

1. The accounting policies used in the preparation of these unaudited interim financial statements conform with those presented in Central Fund's October 31, 2004 audited annual financial statements. These interim financial statements do not include all of the disclosures included in the annual financial statements and accordingly should be read in conjunction with the annual financial statements.

2. Details of gold and silver bullion holdings at January 31, 2005, are as follows:

Holdings	Gold	Silver
100 & 400 fine oz bars	614,242	1000 oz bars 30,728,142
Certificates	5,349	Certificates 245,572
Total fine ounces	619,591	Total ounces 30,973,714
Market Value:		
	Per Fine Ounce	Per Ounce
October 31, 2004	U.S. \$ 425.55	U.S. \$ 7.16
January 31, 2005	U.S. \$ 422.15	U.S. \$ 6.72

3. On November 3, 2004, the Company, through a public offering issued 15,000,000 Class A shares for proceeds of \$81,504,000 net of underwriting fees of \$3,396,000. Costs relating to this public offering were approximately \$600,000 and net proceeds were approximately \$80,904,000.

The Company used the net proceeds from this public offering to purchase 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.

4. Contributed surplus is used to eliminate any deficit that may arise from net losses before unrealized appreciation (depreciation) of investments and on the payment of the Class A shares' stated dividend per share. Accordingly, \$776,792 (2004, \$499,301) has been transferred from contributed surplus on January 31, 2005 and

Central Fund of Canada Limited

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

Three months ended January 31

	2005	2004
Net assets at beginning of period	\$ 418,349,579	194,663,349
Add (deduct):		
Net income (loss)	(17,465,425)	21,295,515
Net issuance of Class A shares	80,904,000	71,451,040
Increase in net assets during the period	63,438,575	92,746,555
Net assets at end of period	<u>\$ 481,788,154</u>	<u>287,409,904</u>

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

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) (note 5)	<u>\$ (17,465,425)</u>	<u>21,295,515</u>
Net income (loss) per share:		
Class A shares	\$ (.19)	.41
Common shares	\$ (.19)	.41

Notes:

2004 representing the net loss before unrealized appreciation (depreciation) of investments for the three months then ended. This change does not affect the net asset value of the Company.

5. For the year ended October 31, 2004, with retroactive application to prior periods, the Company early adopted CICA Accounting Guideline 18, Investment Companies ("AcG - 18"), which requires that, for qualifying entities, investments held are to be measured and reported in the financial statements at their fair value with changes in fair value recognized in income in the period in which the change occurred. While the Company's accounting policy, prior to adoption of AcG - 18, had been to measure its investments at fair value, the Company did not recognize the unrealized gains and losses in income, but instead recognized them only as a separate component of shareholders' equity until realized, at which time they were recognized in income.

6. For the quarter ended January 31, 2005, the Company incurred fees totaling \$3,233 (2004: \$1,002) to a legal firm of which one of the Company's directors is a partner, and to the administrator \$386,818 (2004: \$213,565).