SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

☐ Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934

or

☒ Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended: **October 31, 2004**
Commission file number: **1-9038**

Central Fund of Canada Limited

(Exact name of registrant as specified in its charter)

Alberta, Canada (Province or Other Jurisdiction of Incorporation or Organization)	**Not Applicable** (Primary Standard Industrial Classification Code)	**Not Applicable** (I.R.S. Employer Identification No.)

Dr. Hans F. Sennholz **200 East Pine Street** **Grove City, PA 16127** **(724) 458-8343** (Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)	**Hallmark Estates, #805** **1323-15th Avenue S.W.** **Calgary, Alberta T3C 0X8, Canada** **(403) 228-5861** (Address and telephone number of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class:	Name of Each Exchange On Which Registered:
Class A Shares	**American Stock Exchange** **Toronto Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this form:

☒ Annual Information Form ☒ Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Class:	Outstanding at January 11, 2005
Class A non-voting shares, no par value	**94,296,230**
Common shares, no par value	**40,000**

Indicate by check mark whether the Registrant by filing the information contained in this Form is also thereby furnishing the information to the

Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). If "Yes" is marked, indicate the filing number assigned to the Registrant in connection with such Rule. ☐ Yes ☒ No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

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CONTROLS AND PROCEDURES

The Registrant carried out an evaluation, under the supervision and with the participation of the Registrant's management, including the Registrant's Chief Executive Officer and Treasurer, of the effectiveness of the Registrant's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities and Exchange Act of 1934 (the "Exchange Act"). Based on that evaluation, the Chief Executive Officer and Treasurer have concluded that the Registrant's disclosure controls and procedures as of October 31, 2004 were effective to ensure that information required to be disclosed by the Registrant in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission's rules and forms.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

During the fiscal year ended October 31, 2004, there were no changes in the Registrant's internal control over financial reporting that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting (as defined in Rules13a-15(f) and 15d-14(f) under the Securities Exchange Act of 1934).

AUDIT COMMITTEE FINANCIAL EXPERT

Douglas E. Heagle serves as a member of the audit committee of the Registrant's Board of Directors. The Board of Directors has reviewed the definition of "audit committee financial expert" under item 8(a) of General Instruction B to Form 40-F and determined that Douglas E. Heagle satisfies the criteria for a audit committee financial expert under the Exchange Act. The SEC has indicated that the designation of Douglas E. Heagle as an audit committee financial expert does not make Douglas E. Heagle an "expert" for any purpose, impose any duties, obligations or liability on Douglas E. Heagle that are greater than those imposed on members of the audit committee and board of directors who do not carry this designation or affect the duties, obligations or liability of any other member of the audit committee.

CODE OF ETHICS

The Registrant has adopted a code of ethics that applies to the Registrant's principal executive officer, principal financial officer and principal accounting officer. A copy of Registrant's code of ethics is available to any person without charge, upon written request made to Catherine A. Spackman, Treasurer at Hallmark Estates, #805, 1323-15th Avenue S.W., Calgary, Alberta, Canada (403) 228-5861.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

See page 16 of the Registrant's Annual Information Form, which is incorporated herein by reference.

OFF-BALANCE SHEET ARRANGEMENTS

The Registrant is not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Registrant's financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

Not required.

UNDERTAKINGS

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or to transactions in said securities.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CENTRAL FUND OF CANADA LIMITED

/s/ J.C. Stefan Spicer
J.C. Stefan Spicer
President and Chief Executive Officer

Date: February 18, 2005

EXHIBIT INDEX

The following exhibits have been filed as part of the Annual Report:

Exhibit	Description
99.1	Annual Information Form dated January 11, 2005
99.2	Audited Comparative Consolidated Financial Statements of the Registrant, and the notes thereto for fiscal 2004 together with the report of the auditors thereon, including a U.S. GAAP reconciliation
99.3	Management's Discussion and Analysis for fiscal 2004 found at pages 14 to 19, inclusive, of the 2004 Annual Report of the Registrant

99.4	Consent of Ernst & Young LLP
99.5	Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.6	Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Central Fund of Canada Limited

ANNUAL INFORMATION FORM

for the year ended October 31, 2004

January 11, 2005

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DOCUMENTS INCORPORATED BY REFERENCE

Financial Statements and notes thereto are contained in the 2004 Annual Report on pages 6 to 12.

Management's Discussion and Analysis of Financial Condition and Results of Operations are contained in the 2004 Annual Report on pages 14 to 19.

Management Information Circular dated as of January 11, 2005.

REPORTING CURRENCY AND FINANCIAL INFORMATION

Monetary amounts in this Annual Information Form and the documents which are incorporated herein by reference are stated in United States dollars, except where otherwise specifically stated. As of January 4, 2005, the noon buying rate in New York City for cable transfers in United States dollars as certified for customs purposes by the Federal Reserve Bank of New York was U.S. $1.00 = Cdn. $ 1. 2252.

INCORPORATION

Central Fund of Canada Limited ("Central Fund" or the "Company") was incorporated under the laws of the Province of Ontario on November 15, 1961 as a specialized investment holding company. Following its incorporation, Central Fund invested mainly in shares and other securities of Canadian issuers, primarily with a view to capital appreciation. During 1983, Central Fund changed its character to that of a specialized holding company the assets of which were held through its wholly-owned subsidiaries, primarily as gold and silver bullion.

On April 5, 1990, Central Fund was continued as a corporation under the laws of the Province of Alberta and discontinued under the laws of the Province of Ontario. Pursuant to the Asset Transfer Agreements dated as of June 30, 1990, between Central Fund and each of its then wholly-owned subsidiaries, Central Fund purchased the assets of such subsidiaries, which consisted primarily of gold and silver in bar form, and gold and silver bullion certificates. These subsidiaries were in turn wound up and dissolved subsequent to the above transaction.

The Head Office of the Company is located at Suite 805, 1323 15th Avenue S.W., Calgary, Alberta T3C 0X8 and the Administrator's Shareholder and Investor Inquiries office is located at 55 Broad Leaf Crescent, Ancaster, Ontario, L9G 3P2.

DESCRIPTION OF THE BUSINESS

General

Central Fund's objective is to provide an investment alternative for investors interested in holding marketable gold and silver related investments. Its policy is to invest primarily in long-term holdings of gold and silver bullion and not to actively speculate with regard to short-term changes in gold and silver prices. Central Fund's investment policies established by the Board of Directors require it to hold at least 90% of its net assets in gold and silver bullion, primarily in bar form. As at October 31, 2004, on a physical basis, 50 ounces of silver were held for each ounce of gold held. As of October 31, 2004, Central Fund's net assets at market value of approximately $418.3 million consisted of 53.3% gold bullion and certificates, 44.8% silver bullion and certificates, and 1.9% cash, marketable securities and other working capital amounts. Central Fund expects these relative percentages to vary, but it does not intend to substantially increase the relative proportion of cash and marketable securities (except on a short-term basis when cash flow increases for the reasons noted in the 2004 Annual Report to Shareholders under Liquidity and Capital Resources). Central Fund believes that it is the only company listed on a United States or Canadian stock exchange with the specific investment policies outlined below.

Investment Policies and Operations of Central Fund

Central Fund is a specialized investment holding company whose investment objective is to hold the vast majority of its net assets in gold and silver bullion, primarily in bar form. Central Fund's investment policy is determined by its Board of Directors, subject to the provisions of its articles. A summary of Central Fund's policy regarding the components of its net assets is as follows:

1. At least 85% of Central Fund's net assets shall consist of long-term holdings of gold and silver bullion in bar form.

2. At least 90% of Central Fund's net assets shall consist of gold and silver bullion in bar and certificate form.

3. Central Fund intends that any portion of its non-cash net assets not invested in gold and silver bullion shall be invested primarily in marketable securities related to the gold and silver markets and industries.

4. Central Fund's policy is to only hold "cash assets" (consisting of cash and short-term obligations issued or guaranteed by the governments of Canada or the United States, or any political subdivisions thereof, short-term deposits with financial institutions or investment grade commercial paper) for the purposes of paying dividends and expenses, to facilitate the purchase of the above-described non-cash assets, and to generate interest income.

5. Generally, at the time it invests in gold and silver bullion, Central Fund intends that no more than 10% of its net assets shall be cash assets.

With regard to Central Fund's holding of gold and silver bullion in bar form, it is Central Fund's policy to assess from time to time its mix of such gold and silver bullion based on management's analysis of the current, historical and projected gold to silver price relationship, supply and demand factors and management's analysis of Central Fund's current holdings of gold and silver bars. It is Central Fund's intention to hold both gold and silver bars, but not necessarily in the same proportion as is currently held.

With regard to Central Fund's holdings of bullion certificates and marketable securities, the relative proportions of these items may vary from time to time according to management's assessment of market factors and relative investment opportunities. To the extent that Central Fund varies its mix between gold and silver bullion it intends to do so primarily through varying the mix of its gold and silver bullion certificates.

The articles of Central Fund require that at least 75% of the market value of Central Fund's non-cash net assets be invested in gold and silver related investments. This requirement can be changed only with approval of the holders of Central Fund's Class A shares, to be given in the manner set out under "Investment Restrictions" below.

Central Fund's income objective is secondary to its investment objective of holding almost its entire net assets in gold and silver bullion, primarily in bar form. Thus, it only seeks to achieve adequate cash flow to cover expenses and to meet the Class A shares' dividend requirements. However, this does not preclude management from taking steps to generate additional cash flow from time to time if its assessment of investment opportunities and relative risk are in keeping with Central Fund's primary investment objective. (Additional cash flow might also have to be generated in the event that (a) Central Fund realizes capital gains in excess of its expenses and tax losses carried forward for Canadian income tax purposes and (b) Central Fund distributes such capital gains to its shareholders in order that the tax on such gains payable by Central Fund may be refundable as discussed below under "Taxation").

Investment Restrictions

The articles of Central Fund contain provisions to the effect that Central Fund may not:

(i) invest less than 75% of the market value of Central Fund's non-cash net assets in gold and silver related investments;

(ii) purchase any security (other than short-term government securities, short-term deposits with financial institutions and investment grade commercial paper) issued by any issuer if, immediately after and as a result of such purchase, more than 10% of Central Fund's net assets would consist of securities issued by such issuer;

(iii) purchase any security issued by any issuer if, immediately after and as a result of such purchase, Central Fund would own more than 10% of any class of the outstanding securities issued by such issuer;

(iv) purchase any security or property on margin or otherwise incur indebtedness (other than in the ordinary course related to settlements of its principal positions in securities or bullion) aggregating at any time in excess of 5% of its total net assets;

(v) invest in securities of any issuer of which more than 5% of the issued and outstanding voting shares are beneficially owned, either directly or indirectly, by any officer or director of Central Fund or by any person that shall, by agreement, be responsible for administering or managing the business and affairs of Central Fund or for providing investment advice to Central Fund, or any combination thereof;

(vi) purchase securities from, or sell securities to, any person that is the holder of 10% or more of Central Fund's common shares, any person that shall, by agreement, be responsible for administering or managing the business and affairs of Central Fund or for providing investment advice to Central Fund, or any officer or director of any of the foregoing or of Central Fund.

There is no restriction on the maximum proportion of the assets of Central Fund which may be invested in gold and silver bullion.

The above restrictions can only be changed with the prior approval of the holders of Class A shares then outstanding given in writing by the holders of all of the Class A shares or by the affirmative vote of at least two-thirds of the votes cast at a meeting of the holders of the Class A shares duly called for such purpose. Within these restrictions the Board of Directors determines Central Fund's investment policies which may be changed without notice to or vote by the holders of Class A shares. In connection with its U.S. public offering in August 1987 Central Fund modified its investment policies to, among other things, increase the percentage of its non-cash net assets to be held in gold and silver in bar form and as otherwise set forth herein. Prior to such offering, Central Fund had not changed its investment policies since 1983, and it has no present intention of changing said policies.

Administration

Pursuant to the assignment of the administration agreement dated as of April 10, 1990, The Central Group Alberta Ltd., ("CGAL"), assumed responsibility for the administration of the business and affairs of Central Fund. The services provided include the provision of general market and economic advice with respect to the investment of Central Fund's assets in accordance with its investment policies and restrictions, subject to the ultimate approval of the Board of Directors of Central Fund. Under the terms of the Administration Agreement, CGAL arranges for certain services from others, including Mr. Ian M.T. McAvity, President of Deliberations Research Inc. and a director of Central Fund, who provides general advice in relation to economic analysis of bullion market trends and developments, and Dr. Hans F. Sennholz, a monetary expert, who provides general economic advice. CGAL pays for these services out of the fees paid to it by Central Fund pursuant to the Administration Agreement. The shares of CGAL are two-thirds owned by Mr. Philip M. Spicer (Chairman and a director of Central Fund), and one-third owned by his son, Mr. J.C. Stefan Spicer (President, CEO and a director of Central Fund).

In addition, CGAL provides and pays for office services, supplies and facilities and through its staff generally oversees the day-to-day administration of Central Fund's affairs. Central Fund is responsible for the payment of direct expenses such as brokerage, listing, legal, audit, insurance, safekeeping and transfer fees, directors' fees and expenses, taxes and expenses incurred with respect to reporting to its shareholders. It is Central Fund's intention that its total annual operating expenses, including the fees payable to CGAL under the Administration Agreement but excluding income taxes, not exceed one percent of its total assets; however, in view of the costs associated with maintaining holdings of gold and silver bullion, Central Fund cannot assure that annual expenses will not exceed one percent.

In consideration for services rendered pursuant to the Administration Agreement, Central Fund pays CGAL a monthly fee based on Central Fund's net assets determined for such month. The fee is computed at the annual rate of one-half of one percent on such assets up to U.S. $50,000,000, three-eighths of one percent on the next U.S. $50,000,000 and one-quarter of one percent on such assets over U.S. $100,000,000. Fees paid by Central to CGAL in this regard for the fiscal years ended October 31, 2004, 2003 and 2002 were, in U.S. dollars, $1,108,851,

$663,409 and $447,589 respectively. The Administration Agreement may be amended at the discretion of Central Fund's board of directors and CGAL without the approval of Central Fund's shareholders.

The initial term of the Administration Agreement, as assigned to CGAL, ended October 31, 1990, but such agreement continues from year to year unless terminated by Central Fund. Central Fund has not terminated such agreement. The Administration Agreement is not subject to periodic approval by Central Fund's Class A shareholders; however, Central Fund has the right at any time to terminate the Administration Agreement on the maturity date or any renewal thereof by not less than sixty days' notice if a majority of the Board of Directors of Central Fund (excluding those who are also directors, officers, employees or shareholders of CGAL and any of its affiliates, or of its advisers, to Central Fund through CGAL) determine that the performance of CGAL is in their opinion not satisfactory and also if such termination is then approved by the holders of the Class A shares then outstanding. Such approval is to be given in writing by the holders of all of the Class A shares or by the affirmative vote of at least a majority of the votes cast at a meeting of such holders duly called for such purpose.

Brokerage Allocation

Central Fund has no pre-arrangement, formula or method for allocating the brokerage business arising from its purchases and sales of bullion and marketable securities. Transactions in marketable securities involve the cost of brokerage commissions. Transactions in bullion are generally done with dealers acting as principals and thus are done on a net price basis, which reflects the dealers' spread between bid and asked prices. Central Fund's policy is to execute all bullion and marketable security transactions at the most favourable prices consistent with the best execution, considering all of the costs of the transactions, including brokerage commissions, spreads and delivery charges. This policy governs the selection of brokers and dealers and the market in which a transaction is executed.

Competitive Factors

Because gold and silver prices are established in an extensive international market which is not dominated by any single party, Central Fund believes that it competes on an equal basis with other entities in buying and selling gold and silver bullion and bullion investments.

Principal Properties

Central Fund's properties consist chiefly of its gold and silver bullion, all of which is stored either in the vaults (bars) or on deposit (certificates) with the Canadian Imperial Bank of Commerce ("CIBC") in Toronto and Vancouver, Canada. At October 31, 2004 the composition of gold and silver bullion held by Central Fund was as follows:

Gold Bullion:	**Fine Ounces**
Long-term physical holdings, 100 and 400 fine oz. bars	518,309
Bullion certificates issued by CIBC	5,282
	523,591
Silver Bullion:	**Ounces**
Long-term physical holdings, 1000 oz. bars	25,928,142
Bullion certificates issued by CIBC	245,572
	26,173,714

The gold and silver bars are segregated, specifically identified by bar number and weight, and are insured to full current market value against destruction, disappearance or wrongful abstraction with a standard war risk exclusion. The physical bullion holdings may only be released by CIBC upon receipt of a certified resolution of Central Fund's Board of Directors authorizing such release. CIBC, Central Fund's custodian, maintains insurance on all of Central Fund's physical bullion.

The bullion certificates are deposited with CIBC, registered in the nominee name of CIBC and are insured by it and not by Central Fund itself. Central Fund, as holder of the bullion certificates, may demand delivery of the underlying bullion at the head office of the certificate issuer. In the case of bullion certificates issued by CIBC, the certificate holder has no security interest in the underlying bullion and thus the ability to receive delivery upon demand could be adversely affected by factors which may influence the credit worthiness of CIBC. At October 31, 2004, CIBC's total assets were in excess of Cdn. $278 billion, and its net worth was approximately Cdn. $13 billion.

On April 3, 2002, the Company, through a private placement, issued 4,153,846 Class A shares for gross proceeds of $15,660,000. Costs relating to this issue were $60,000 and net proceeds were $15,600,000. The Company used the net proceeds from this private placement to purchase 26,492 fine ounces of gold at a cost of $8,093,304 and 1,340,000 ounces of silver at a cost of $6,405,200, both in physical bar form. The balance of the $1,101,496 was retained by the Company in interest-bearing cash deposits for working capital purposes.

On May 2, 2002, the Company, through a private placement, issued 646,154 Class A shares for gross proceeds of $2,424,614. Costs relating to this issue were $15,000 and net proceeds were $2,409,614. The Company used the net proceeds from this private placement to purchase 3,936 fine ounces of gold at a cost of $1,227,892 and 190,871 ounces of silver at a cost of $894,364, both in physical bar form. The balance of $287,358 was retained by the Company in interest-bearing cash deposits for working capital purposes.

On June 6, 2002, the Company, through a public offering, issued 11,584,660 Class A shares for gross proceeds of $46,112,740. Costs relating to this public offering were $474,893 and net proceeds were $45,637,847. The Company used the net proceeds from this public offering to purchase 76,273 fine ounces of gold at a cost of $24,625,947 and 3,799,742 ounces of silver at a cost of $18,998,711. Of these quantities, all but 887 fine ounces of gold were purchased in physical bar form. This remainder was purchased in certificate form. The balance of $2,013,189 was retained by the Company in interest-bearing cash deposits for working capital purposes.

On January 30, 2003, the Company, through a private placement, issued 3,500,000 Class A shares for proceeds, net of underwriting fees of $611,800, of $14,683,200. Costs relating to this private placement were approximately $125,000 and net proceeds were $14,558,200. The Company used the net proceeds from this private placement to purchase 22,517 fine ounces of gold at a cost of $8,110,651 and 1,120,000 ounces of silver at a cost of $5,488,000, both in physical bar form. The balance of $959,549, was retained by the Company in interest-bearing cash deposits for working capital purposes.

On February 14, 2003, the Company, through a private placement, issued 5,448,800 Class A shares for proceeds, net of underwriting fees of $1,039,767, of $23,425,345. Costs relating to this private placement were $184,246 and net proceeds were $23,241,099. The Company used the net proceeds from this private placement to purchase 35,600 fine ounces of gold, 33,838 ounces in physical bar form and 1,762 ounces in certificate form, at a cost of $13,355,920, and 1,780,000 ounces of silver, 1,699,944 ounces in physical bar form and 80,056 ounces in certificate form, at a cost of $8,533,800. The balance of $1,351,379 was retained by the Company in interest-bearing cash deposits for working capital purposes.

On December 19, 2003, the Company, through a public offering, issued 15,050,000 Class A shares for proceeds of $71,951,040 net of underwriting fees of $2,997,960. Costs relating to this public offering were $500,000 and net proceeds were $71,451,040. The Company used the net proceeds from this public offering to purchase 98,386 fine ounces of gold at a cost of $40,328,690 and 4,919,333 ounces of silver at a cost of $28,015,600, in physical bar form. The balance of $3,106,750 was retained by the Company in interest bearing cash deposits for working capital purposes.

On April 8, 2004, the Company, through a public offering, issued 19,500,000 Class A shares for proceeds of $109,512,000 net of underwriting fees of $4,563,000. Costs relating to this public offering were $400,000 and net proceeds were $109,112,000. The Company used the net proceeds from this public offering to purchase 128,160 fine ounces of gold at a cost of $54,550,152 and 6,408,000 ounces of silver at a cost of $50,129,641 in physical bar form. The balance of $4,432,207 was retained by the Company in interest-bearing cash deposits for working capital.

Subsequent to the fiscal year and, on November 3, 2004, the Company, through a public offering, issued 15,000,000 Class A shares for total proceeds of $81,504,000 net of underwriting fees of $3,396,000. Costs relating to this public offering were approximately $500,000 and net proceeds were approximately $81,004,000. 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 in physical bar form. The balance of $4,837,600 was retained by the Company in interest-bearing cash deposits for working capital.

SELECTED FINANCIAL INFORMATION

The selected financial data presented in the table below should be read in conjunction with the Financial Statements and notes thereto included in Central Fund's October 31, 2004 Annual Report to Shareholders which Financial Statements and notes thereto are incorporated herein by reference. In particular, reference should be made to Note 2 to the Financial Statements which describes a change in accounting policy. For the year ended October 31, 2004, with retroactive application to prior years, the Company early adopted 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 shareholder's equity until realized, at which time they were recognized in income.

	Years ended October 31		
	2004	**2003**	**2002**
Net (loss) prior to change in accounting policy	(2,305,398)	(1,470,692)	(1,895,800)
Adjustment for change in accounting policy	46,221,551	26,334,605	4,702,119
Net income as reported	43,916,153	24,863,913	2,806,319
Net income per share:			
Class A shares	.64	0.59	0.11
Common shares	.63	0.58	0.10

The adoption of AcG - 18 had no effect on the Company's financial position as at October 31, 2004, October 31, 2003 or October 31, 2002.

The net asset value of Central Fund is identical under both Canadian and United States GAAP.

The presentation below of selected financial data reflects application of the change of accounting policy.

Selected Financial Data

	As of or for the fiscal year ended October 31,[1]				
Net Asset Data:	**2004**	**2003**	**2002**	**2001**	**2000**
Net assets at end of year	$ 418,349,579	194,663,349	132,447,600	66,351,795	68,364,799
Net asset value per Class A share at end of year[1]	5.27	4.35	3.70	3.42	3.52
Income Data:					
Total income (loss)	96,762	49,374	(862,841)	79,132	144,212
Net loss under Canadian GAAP	$ (2,305,398)	(1,470,692)	(1,895,800)	(634,412)	(597,597)
Unrealized appreciation (depreciation) of investments during the year	$ 46,221,551	26,334,605	3,795,333	(1,184,463)	(8,250,543)
Net income (loss) under U.S. GAAP	$ 43,916,153	24,863,913	1,899,533	(1,818,875)	(8,848,140)
Net income (loss) per Class A share:					
Canadian GAAP	$ (0.03)	(0.03)	(0.07)	(0.03)	(0.03)
U.S. GAAP	$ 0.64	0.59	0.11	(0.09)	(0.46)
Cash dividends per Class A share:					
Canadian funds	$ 0.01	0.01	0.02	0.02	0.01
U.S. funds	$ 0.01	0.01	0.01	0.01	0.01

[1] For calculation of net asset value per Class A share see Note 1(c)(ii) to the Financial Statements.

Exchange Rate

The Canadian dollar exchange rates for United States dollars for each of the years in the five-year period ended October 31, 2004 as reported by the Bank of Canada were as follows:

Year Ended October 31	(Cdn. $ per U.S. $1.00)			
	Average	**Last**	**Low**	**High**
2000	1.4734	1.5271	1.4341	1.5310
2001	1.5340	1.5867	1.4936	1.5867
2002	1.5737	1.5603	1.5110	1.6132
2003	1.4422	1.3197	1.3038	1.5902
2004	1.3190	1.2207	1.2197	1.3968

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information set forth on pages 14 to 19 of Central Fund's 2004 Annual Report is incorporated herein by reference.

CAPITAL STRUCTURE AND MARKET FOR SECURITIES

Capital Structure

The capital of the Company consists of 50,000 common shares without nominal or par value, of which 40,000 such shares were outstanding at the date hereof, and 100,000,000 Class A non-voting shares without nominal or par value, of which 94,296,320 such shares were outstanding at the date hereof.

Class A Non-voting Shares

Notice of Meetings. Holders of Class A non-voting shares are entitled to notice of and to attend all meetings of shareholders. Holders of Class A non-voting shares are not entitled to vote at any meetings of shareholders of Central Fund except as provided for by law and with respect to those matters set out in the articles of the Company, the majority of which are described below.

Certain Voting Rights. So long as any Class A non-voting shares are outstanding, Central Fund shall not, without the prior approval of the holders thereof given by the affirmative vote of at least 66 2/3% of the votes cast at a meeting of the holders of the Class A non-voting shares duly called for that purpose:

(i) approve any change in the minimum amount of Central Fund's assets which must be invested in gold and silver related investments as required by its articles of incorporation. This minimum amount is currently set at 75% of the market value of the non-cash net assets of the Company;

(ii) approve any change in the restrictions on the investments which Central Fund is permitted to make;

(iii) issue more than an additional 10,000 common shares;

(iv) create any class of shares ranking in preference or priority to the Class A non-voting shares:

(v) create any class of shares ranking as to dividends in preference to or on a parity with the common shares:

(vi) consolidate or subdivide the common shares, except where the Class A non-voting shares are consolidated or subdivided on the same basis;

(vii) reclassify any shares into Class A non-voting shares or common shares; or

(viii) provide to the holders of any other class of shares the right to convert into Class A non-voting shares or common shares.

In addition, so long as any of the Class A non-voting shares are outstanding, Central Fund shall not, without the prior approval of the holders thereof given by the affirmative vote of a majority of the votes cast at a meeting of the holders of the Class A non-voting shares duly called for that purpose, appoint any person, firm or corporation to replace the Administrator (or any duly authorized replacement of the Administrator) or to perform generally the duties and responsibilities of the Administrator under the Administration Agreement.

Dividends. The Class A non-voting shares are entitled to receive a preferential non-cumulative dividend of U.S.$0.01 per share per annum and thereafter to participate pro rata in any further dividends with the common shares on a share-for-share basis.

Purchase for Cancellation of Class A Non-voting Shares. Central Fund may, at any time or times, subject to applicable regulatory requirements, purchase for cancellation in the open market or by invitation for tenders to all holders all or any part of the Class A non-voting shares then outstanding at the market price or lowest tender price per Class A non-voting share, as the case may be.

Rights on Liquidation. In the event of liquidation, dissolution or winding-up of Central Fund, the holders of Class A non-voting shares are entitled to receive U.S. $3.00 per share together with any declared and unpaid dividends thereon, calculated to the date of payment before any amount is paid or any assets of Central Fund are distributed to the holders of common shares or any shares ranking junior to the Class A non-voting shares. The holders of Class A non-voting shares are entitled to participate pro rata in any further distributions of the assets of Central Fund with the holders of the then outstanding common shares on a share-for-share basis.

Redemption. Any holder of Class A non-voting shares is entitled, upon 90 days' notice, to require Central Fund to redeem on the last day of any of Central Fund's fiscal quarters, all or any of the Class A non-voting shares which that person then owns. The retraction price per Class A non-voting share shall be 80% of the net asset value per Class A non-voting share as of the date on which such Class A non-voting shares are redeemed. The articles of Central Fund provide for the suspension of redemptions during specified unusual circumstances such as suspensions of normal trading on certain stock exchanges or the London bullion market or to comply with applicable laws and regulations.

Common Shares

The common shares entitle the holders to one vote per share at all annual and general meetings of the shareholders. The rights of common shares in respect of dividends and upon liquidation rank secondary to those of the Class A non-voting shares as described above.

Certain of the holders of a majority of the common shares have previously agreed that none of them may transfer their common shares unless: (1) as a condition of the completion of such transfer, the transferee agrees to be bound by similar terms; or (2) there has been obtained the prior approval of the board of directors of Central Fund (excluding any directors who are holders or nominees of holders of common shares). The same holders of common shares as a group may not transfer their common shares without the prior approval of the board of directors as described above.

Market for Securities

Central Fund's Class A shares have been listed on the American Stock Exchange since April 3, 1986 and on The Toronto Stock Exchange since 1965. On January 1, 2005, there were 906 registered holders of record of the Class A shares, the substantial majority of beneficial holdings being in unregistered form. Central Fund believes that a majority of the Class A shares are held by U.S. residents.

The following table sets forth the high and low closing market prices of Central Fund's Class A shares and trading volumes as reported on such exchanges as well as the high and low net asset value per Class A share based upon the London second gold fix and the daily London silver fix:

	Net Asset Value (U.S. $)		American Stock Exchange (U.S. $)			Toronto Stock Exchange (Cdn. $)		
Fiscal Quarter Ended	**High**	**Low**	**High**	**Low**	**Volume**	**High**	**Low**	**Volume**
					Consolidated			
2004 – October 31	5.40	4.77	6.07	5.38	18,477,200	7.54	6.96	3,261,709
July 31	5.02	4.42	5.72	5.00	15,674,100	7.53	6.91	3,964,636
April 30	5.61	4.52	6.39	5.25	22,010,400	8.32	7.17	5,796,113
January 31	5.11	4.23	5.56	4.74	11,605,200	7.20	6.22	3,486,196
2003 – October 31	4.45	4.06	4.93	4.57	9,051,900	6.89	6.20	4,286,500
July 31	4.21	3.89	4.68	4.10	9,663,600	6.57	5.50	2,340,200
April 30	4.21	3.71	5.49	4.39	9,294,100	8.24	6.35	3,811,500
January 31	4.17	3.67	5.03	4.16	7,366,000	7.64	6.52	2,435,400

Central Fund's 40,000 issued and outstanding common shares are closely held and are not publicly traded. On January 1, 2005 there were 54 registered holders of record of such common shares.

DIRECTORS AND OFFICERS

Directors and Officers

The directors and officers of Central Fund, and nominees for director, are listed below. Terms of office run from the date of election or appointment until the close of the next annual meeting.

Name, Residence and Principal Occupation	Position and Office with Central Fund	Year Elected or Appointed to Position
John S. Elder Q.C. Toronto, Ontario Partner, Fraser Milner Casgrain LLP (Barristers & Solicitors)	Secretary and Director(C)	1983
Douglas E. Heagle Burlington, Ontario Chairman of NSBL International (International Investor)	Director(A)(C)(I)(L)	1964
Ian M.T. McAvity Toronto, Ontario Corporate Director and President of Deliberations Research Inc. (Economic Consultants)	Director(E)	1983
Michael A. Parente CMA, CFP Hamilton, Ontario Director of Finance of First Ontario Credit Union Ltd.	Director(A) (I)	1992
Robert R. Sale Tortola, British Virgin Islands Retired Investment Dealer Executive	Director(A)(C)(I)	1983

Dale R. Spackman Q.C. Calgary, Alberta Partner, Parlee McLaws LLP (Barristers & Solicitors)	Vice-Chairman and Director(E)	2001 1990
J.C. Stefan Spicer Ancaster, Ontario President & CEO of Central Fund of Canada Limited President & CEO of Central Gold-Trust	President, CEO and Director(E)	1997 1995
Philip M. Spicer Ancaster, Ontario President of The Central Group Alberta Ltd. (Administrator of Central Fund)	Chairman and Director(E)	2001 1961
Malcolm A. Taschereau Navan, Ontario Retired Gold Mining Executive	Director(A)(C)(I)	1985
Catherine A. Spackman CMA Calgary, Alberta Treasurer of The Central Group Alberta Ltd. (Administrator of Central Fund)	Treasurer	1989

Notes:

(A) Member of Audit Committee

See "Audit Committee matters" below.

(C) Member of Corporate Governance Committee

The Corporate Governance Committee is responsible for developing the Company's approach to governance issues, facilitating education programs for all directors, assessing the size and effectiveness of the Board as a whole and of the Committee as well as assessing the contribution of individual Board members. The Committee’s responsibility extends to ensuring that the board can function independently of management and monitoring the board’s relationship to management. It reviews the communications policy of Central Fund to ensure that communications to shareholders, regulators and the investing public are factual and timely, are broadly disseminated in accordance with applicable policy and law and treat all shareholders fairly with respect to disclosure. The Committee meets independently of management from time to time or as necessary. Mr. Sale chairs the Corporate Governance Committee.

(E) Member of Executive Committee

The Executive Committee meets occasionally between regularly scheduled Board meetings and is delegated authority to deal with most matters. The proceedings of the Executive Committee are reviewed by the Board.

(I) May be regarded as independent under the proposed corporate governance guidelines of the Canadian Securities Administrators.

(L) Lead Director.

AUDIT COMMITTEE MATTERS

The Audit Committee currently consists of Douglas E. Heagle, Michael A. Parente, Robert R. Sale and Malcolm A. Tashereau. Mr. Heagle serves as its Chairman.

Each is "independent" as contemplated by proposed Multilateral Instrument 52-110 (MI 52-110) of the Canadian securities regulatory authorities and each is financially literate, meaning that each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the financial statements of the Company. Each of them, by virtue of their respective education and/or business backgrounds, as well as experience with the Company, has been a base for (a) understanding the accounting principles used by the Company to prepare its financial statements; (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (c) experience analyzing or evaluating financial statements of the type referred to above and , in the case of Mr. Parente, experience actively supervising one or more persons engaged in such activities and (d) an understanding of internal controls and procedures for financial reporting. Mr. Heagle is a graduate of the Ivey School of Business. He has been an officer (currently Chairman) and a director of National System of Baking Ltd. since 1953 and is Chairman of a division, NSBL International (private capital investments). Mr. Heagle has been a director of several Canadian and overseas companies. Mr. Parente is a Certified Management Accountant and Certified Financial Planner in Canada. He was the Vice-President Finance of the Corporation from February, 1990 to August, 2002 and for nearly 15 years prior to his current position was Chief Financial Officer and Compliance Officer for All-Canadian Management Inc., a manager of mutual funds. Mr. Sale was an active member of the Canadian financial community throughout his career until his retirement as President of Walwyn Inc., a member of stock exchanges and investment industry associations throughout Canada. Mr. Taschereau held several positions with the Placer Dome Group before becoming President of Dome Mines Limited (a gold mining production company) until 1983, following which he became a private consultant to the mining industry.

The Audit Committee fulfils its responsibilities within the context of the following guidelines:

- the Committee communicates its expectations to management and the external auditors with respect to the nature, extent and timing of its information needs. The Committee expects that draft financial statements and other written materials will be received from management or the external auditors several days in advance of Committee meeting dates;

- the Committee, in consultation with management and the external auditors, develops an Audit Committee agenda which is responsive to the Committee's needs as set out in its charter;

- the Committee, in consultation with management and the external auditors, reviews important financial issues and emerging audit, accounting and governance standards which may impact the Corporation's financial disclosure and presentation;

- the Chairman of the Committee and other Audit Committee members have direct, open and frank discussions during the year with management, other Board members and the external auditors as required;

- to assist the Committee in fulfilling its responsibilities, it may, at the expense of the Corporation and after consultation with the President, engage an outside advisor with special expertise; and

- as the external auditor's responsibility is not only to the Board of directors but to the Audit Committee as representatives of the shareholders, the Committee expects the external auditors to report to it all material issues arising out of their services or relationship with the Corporation.

The charter of the Audit Committee is as follows:

Purpose

The primary function of the Audit Committee is to assist the board of directors of the Corporation in fulfilling their oversight responsibilities by reviewing:

(a) selection, independence and effectiveness of the external auditors;

(b) the financial statements and other financial information and reports which will be provided to the shareholders and others;

(c) the financial reporting process; and

(d) the Corporation's internal audit activity and controls.

The external auditor's ultimate responsibility is to the Corporation and the Audit Committee, as representatives of the shareholders. These representatives have the ultimate authority to evaluate and, where appropriate, recommend replacement of the external auditors.

The Committee shall be given full access to the Corporation's records, those of Central Group Alberta Ltd. (the "Administrator) and the external auditors as necessary to carry out these responsibilities.

Although the Audit Committee has the powers and responsibilities set forth in this Charter, the role of the Audit Committee is oversight. The members of the Audit Committee are not employees of the Corporation or the Administrator. It is not the duty of the Audit Committee to conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with the Canadian generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the external auditors.

Qualification of Members

1. The members of the Audit Committee (the "Committee") shall be three or more in number and be "independent" as defined in Multilateral Instrument 52-1 10 of the Canadian securities regulators. "Independent" for this purpose means that a member has no direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with his or her independent judgment. Members of the Committee shall not receive any remuneration other than for acting as a member of the Committee or other committee as a board member.

2. All members of the Committee shall be "financially literate", that is to say have the ability to read and understand financial statements and related notes that present a breadth and level of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

Operating Procedures

1. The Committee requires that management provide for review draft annual and quarterly financial statements, annual and quarterly reports, Management's Discussion and Analysis, Annual Information Form and press releases where relevant, in a timely manner before the scheduled Committee meetings.

2. The Committee meets annually in December (twice) so as to be able to review the draft annual audited financial statements and related materials, and meets once each quarter as required to

review the draft first, second and third quarter unaudited financial statements and report to shareholders.

3. At least annually, the Committee reviews its effectiveness and the contribution of each of its members.

4. The Committee shall have adequate resources and authority to discharge its responsibilities.

5. The Committee shall have the authority to engage and compensate independent counsel and other advisors which it determines are necessary to enable the Committee to carry out its duties, and to communicate directly with the external and any internal auditors.

Relationship with External Auditor and Review Responsibilities

1. The external auditors are accountable to the Board and the Committee, as representatives of the shareholders of Central Fund. As such representatives, the Committee has overall responsibility for selection of the external auditors and recommends to the Board of Directors, the firm of external auditors to be put forward for shareholder approval at each annual meeting. The Committee will only select external auditors who (a) participate in the oversight programme of the Canadian Public Accountability Board (the "CPAB") and (b) are in good standing with the CPAB.

2. The Committee annually reviews and discusses a letter from the external auditors detailing factors that might have an impact on the auditors' independence, including all services provided and fees charged by the external auditors. The Committee satisfies itself regarding the independence of the auditors and reports its conclusions, and the basis for those conclusions, to the Board of Directors.

3. The Committee reviews and recommends to the Board for approval the annual audited financial statements and accompanying report to shareholders as well as related documents such as the Annual Information Form or equivalent filings and the Management's Discussion and Analysis.

4. The Committee also reviews and recommends to the Board for approval the unaudited financial statements for the first, second and third quarters and related reports to shareholders.

5. The Committee is responsible for approving the scope of the annual audit, the audit plan, the access granted to the Corporation's records and the co-operation of management in any audit and review function.

6. The external auditor is required to present and discuss with the Committee, its views about the quality of the implementation of U.S. and Canadian GAAP, with a particular focus on the accounting estimates and judgments made by management and management's selection of accounting principles. The Committee meets in private with appropriate members of management and separately with the external auditors to share perceptions on these matters, discuss any potential concerns and agree upon appropriate action plans.

7. The Committee is responsible for reviewing the work of the external auditors, including their findings and recommendations, as well as management's response to any such findings and recommendations, and resolving any disagreements between management and the external auditors regarding financial reporting.

8. The Committee should approve all audit services and, wherever feasible, pre-approve any non-audit services to be provided by its external auditors.

9. The Committee is responsible for assessing the effectiveness of the working relationship of the external auditors with management.

10. The Committee is responsible for reviewing the performance of, and approving the fees charged by, the external auditors.

11. The Committee is also responsible, when circumstances dictate, for recommending to the Board the removal and replacement of external auditors.

12. The Committee shall establish procedures for dealing with complaints regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by officers of the Corporation or officers and employees of the Administrator regarding such matters (i.e. whistle-blowing).

13. The Committee shall review and approve the hiring by the Administrator of employees and former employees of the external auditors who were involved in the Corporation's accounts.

14. The Committee shall review and comment to the Board on all related-party transactions.

15. The Committee shall review any change in the Corporation's code of ethics for senior financial officers.

16. The Committee shall review any prospectuses, registration statements, information circulars and other reporting issuer or disclosure statements of the Corporation involving and as related to financial disclosure.

Relationship to Internal Audit

1. The Committee is responsible for reviewing and approving management's decisions relating to any potential need for internal auditing, including whether this function should be outsourced and if such function is outsourced, to approve the supplier of such service.

2. The Committee is responsible for ensuring that management has designed and is implementing an effective system of internal control over financial reporting.

Disclosure

1. The Committee provides a report annually to the shareholders, as part of the Management Information Circular for the annual meeting, which briefly summarizes the nature of the activities of the Committee.

Procedures

1. The times and locations of meetings of the Committee, the calling of such meetings and all aspects of procedure at such meetings shall be determined by the Committee, as the case may be, provided that in every case:

   (a) the presence of at least two members shall be necessary to constitute a quorum; and

   (b) the acts of the Committee or any sub-committee, at a duly constituted meeting, shall require no more than the vote of a majority of the members present and that, furthermore, in any circumstance, a resolution or other instrument in writing signed by all members of the Committee shall avail as the act of the Committee.

2. The Secretary of the Committee, failing which the Assistant Secretary of the Corporation, shall be the Secretary of the Corporation.

The following table sets out information with respect to the fees of the external auditors, Ernst & Young LLP, further past two fiscal years of the Company:

Fiscal Year Ended	Audit Fees	Tax Fees	All Other Fees (1)
October 31, 2004	$ 28,977	--	$ 43,851
October 31, 2003	$ 33,109	--	$ 8,110

Note (1): Review of financial information and financial statement preparation for public offerings and private placements of Class A shares of the Company.

The Audit Committee is required to approve all non-audit work undertaken by the external auditors. As a matter of policy, the external auditors are precluded by the board of directors from supplying actuarial services; appraisal or evaluation services; fairness opinion or contribution-in-kind reports; bookkeeping or other services related to the accounting records or financial statements; broker or dealer, investment advisor or investment banking services; financial information systems design and implementation; internal audit outsourcing; legal or expert services related to the audit; and management functions or human resources.

RISK FACTORS

The following are certain factors relating to the business of the Company which prospective investors should consider carefully before deciding whether to purchase Class A non-voting shares.

Gold and Silver Price Volatility

Central Fund's business almost entirely involves investing in pure gold and silver bullion. Therefore, the principal factors affecting the price of the Class A shares are factors which affect the price of gold and silver, and which are beyond the Company's control. However, the Company believes that such factors have a lesser impact on the shares of Central Fund than on shares of gold or silver producers as gold or silver producers have considerable inherent operational risks, resulting in more volatile share prices of such producers. Central Fund's net assets are denominated in U.S. dollars. As at October 31, 2004, the Company's assets were made up of 53.3% gold bullion, 44.8% silver bullion and 1.9% cash, marketable securities and other working capital amounts.

The Company does not engage in any leasing, lending or hedging activities involving these assets, so the value of the shares will depend on, and typically fluctuate within the price fluctuations of such assets.

The gold and silver prices may be affected by a variety of unpredictable international economic, monetary and political considerations. Macroeconomic considerations include: expectations of future rates of inflation; the strength of, and confidence in, the U.S. dollar, the currency in which the price of gold is generally quoted, and other currencies; interest rate volatility and unexpected global or regional political or economic events.

Changing tax, royalty and land ownership regulations under different political regimes can impact market expectations for future gold and silver supplies. This can impact gold and silver mining shares,

Price Volatility of Non-gold and Silver Assets and Other Commodities

To the extent that the Company holds a nominal amount of securities of issuers in the precious metal industry, the value of such securities can also be affected by the same types of economic and political considerations.

In addition, Central Fund's business may also be affected to a lesser extent by the price of other commodities which may be viewed by investors as competitively priced or as an alternative to investing in gold and silver related investments.

ADDITIONAL INFORMATION

There are no officers or employees of Central Fund who receive remuneration from Central Fund for acting in such capacity. Officers who are also directors receive the standard director's fee, except that Messrs. P. Spicer and S. Spicer receive no remuneration as directors from Central Fund. Central Fund does not have any retirement or benefit plans. No director or officer of Central Fund is or has been indebted to Central Fund. Mr. Dale Spackman and Mrs. Catherine A. Spackman are husband and wife.

As of January 5, 2005, the directors and officers of Central Fund as a group beneficially owned, directly or indirectly, approximately 58.6% of the outstanding common shares of Central Fund.

Central Fund's Registrar and Transfer Agent is CIBC Mellon Trust Company at Calgary, Montreal, Toronto and Vancouver. CIBC Mellon's Co-Transfer Agent for business in the United States is Mellon Investor Services LLC in New York.

Central Fund will provide to any person, upon request to Central Fund's President, Treasurer or Secretary at the Administrator's Shareholder and Investor Inquiries' office located at Box 7319, Ancaster, Ontario L9G 3N6, the following additional information:

(a) when securities of Central Fund are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of a distribution of its securities:

(i) one copy of Central Fund's Annual Information Form, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the Annual Information Form;

(ii) one copy of the comparative financial statements of Central Fund for its most recently completed financial year, together with the accompanying report of Central Fund's auditor, and one copy of any of Central Fund's interim financial statements subsequent to the financial statements for the most recently completed financial year;

(iii) one copy of Central Fund's Management Information Circular in respect of the most recent annual meeting of shareholders that involved the election of directors; and

(iv) one copy of any other document that is incorporated by reference into the short form prospectus or the preliminary short form prospectus and is not required to be provided under (i) to (iii) above; or

(b) at any other time, one copy of any other document referred to in (a)(i), (ii) and (iii) above, provided that Central Fund may require the payment of a reasonable charge if the request is made by a person who is not a holder of Central Fund's securities.

Additional information, including directors' and officers' remuneration, principal holders of Central Fund's Class A shares and common shares and interests of insiders in material transactions, where applicable, is contained in Central Fund's Management Information Circular dated as of January 11, 2005 in connection with its annual meeting of shareholders to be held on February 28, 2005. Additional financial information is provided in Central Fund's 2004 Annual Report. Copies of Central Fund's Management Information Circular dated as of January 11, 2005 and the 2004 Annual Report may also be obtained by visiting our Website at www.centralfund.com.

Further information relating to Central Fund may be found on SEDAR at www.sedar.com and EDGAR at www.sec.gov/edgar.shtml.

Statement of Net Assets
(expressed in U.S. dollars)

Net assets:		*As at October 31,* ***2004***	***2003*** *(note 2)*
Gold bullion, at market (note 3)	*$*	*222,814,301*	*114,733,517*
Silver bullion, at market (note 3)		*187,403,793*	*76,236,168*
Marketable securities, at market (average cost – $89,430; 2003: $89,430)		*68,221*	*70,998*
Interest-bearing cash deposits		*9,482,536*	*4,315,467*
Prepaid bullion insurance		*62,500*	*50,000*
Interest receivable and other		*18,851*	*12,545*
		419,850,202	*195,418,695*
Accrued liabilities		*(707,660)*	*(307,883)*
Dividends payable (note 4)		*(792,963)*	*(447,463)*
Net assets representing shareholders' equity	*$*	*418,349,579*	*194,663,349*
Represented by:			
Capital stock (note 4)	*$*	*371,730,852*	*191,167,812*
Contributed surplus (note 5)		*23,678,513*	*26,776,874*
Retained earnings (deficit) inclusive of unrealized appreciation (depreciation) of investments		*22,940,214*	*(23,281,337)*
	$	*418,349,579*	*194,663,349*
Net asset value per share (note1(c)(ii)):			
Class A shares	*$*	*5.27*	*4.35*
Common shares	*$*	*2.27*	*1.35*
Net asset value per share expressed in Canadian dollars:			
Class A shares	*$*	*6.44*	*5.74*
Common shares	*$*	*2.78*	*1.78*
Exchange rate at year end:	*U.S. $1.00 = Cdn. $*	*1.2207*	*1.3197*

See accompanying notes to financial statements.

On behalf of the Board:

"Douglas E. Heagle"
Director

"Philip M. Spicer"
Director

Statement of Income
(expressed in U.S. dollars)

		Years ended October 31, 2004	2003 (note 2)	2002 (note 2)
Income:				
Interest	$	96,264	49,116	43,544
Dividends		498	258	401
Unrealized appreciation of investments		46,221,551	26,334,605	4,702,119
Realized loss on sale of marketable securities		-	-	(906,786)
		46,318,313	26,383,979	3,839,278
Expenses:				
Administration fees (note 6)		1,108,851	663,409	447,589
Safekeeping, insurance and bank charges		214,901	157,391	99,164
Shareholders' information		159,036	115,512	77,400
Directors' fees and expenses		60,576	57,641	50,449
Professional fees		56,745	70,471	36,097
Registrar and transfer agents' fees		43,749	41,521	29,872
Miscellaneous		1,698	1,373	2,125
Foreign exchange loss		15,920	17,514	6,776
		1,661,476	1,124,832	749,472
Income before income taxes		44,656,837	25,259,147	3,089,806
Income taxes (note 7)		(740,684)	(395,234)	(283,487)
Net income	$	43,916,153	24,863,913	2,806,319
Net income per share (note 1(c)(i)):				
Class A shares	$	.64	.59	.11
Common shares	$	.63	.58	.10

Statement of Changes in Net Assets
(expressed in U.S. dollars)

		Years ended October 31, 2004	2003 (note 2)	2002 (note 2)
Net assets at beginning of year	$	194,663,349	132,447,600	66,351,795
Add (Deduct):				
Net income		43,916,153	24,863,913	2,806,319
Net issuance of Class A shares (note 4)		180,563,040	37,799,299	63,647,461
Dividends on Class A shares		(792,963)	(447,463)	(357,975)
Increase in net assets during the year		223,686,230	62,215,749	66,095,805
Net assets at end of year	$	418,349,579	194,663,349	132,447,600

See accompanying notes to financial statements.

Statement of Shareholders' Equity
(expressed in U.S. dollars)

	Years ended October 31, 2004	2003 (note 2)	2002 (note 2)
Capital stock (note 4):			
79,296,320 (2003: 44,746,320; 2002: 35,797,520) Class A shares issued	$ 371,711,394	191,148,354	153,349,055
40,000 Common shares issued	19,458	19,458	19,458
	371,730,852	191,167,812	153,368,513
Contributed surplus:			
Balance at beginning of year	26,776,874	28,695,029	30,948,804
Transfer to retained earnings (note 5)	(3,098,361)	(1,918,155)	(2,253,775)
Balance at end of year	23,678,513	26,776,874	28,695,029
Retained earnings (deficit):			
Balance at beginning of year	(23,281,337)	(49,615,942)	(54,318,061)
Net income	43,916,153	24,863,913	2,806,319
Dividends on Class A shares	(792,963)	(447,463)	(357,975)
	19,841,853	(25,199,492)	(51,869,717)
Transfer from contributed surplus (note 5)	3,098,361	1,918,155	2,253,775
Balance at end of year	22,940,214	(23,281,337)	(49,615,942)
Shareholders' equity	$ 418,349,579	194,663,349	132,447,600

See accompanying notes to financial statements.

Notes to Financial Statements

October 31, 2004, 2003 and 2002
(amounts expressed in U.S. dollars unless otherwise stated)

1. Summary of significant accounting policies:

Central Fund of Canada Limited ("Central Fund" or the "Company") was incorporated under the Business Corporations Act, 1961 (Ontario), and was continued under the Business Corporations Act (Alberta) on April 5, 1990. The Company operates as a specialized investment holding company investing most of its assets in gold and silver bullion.

The Company's accounting policies, which conform with Canadian and U.S. generally accepted accounting principles, are summarized below.

(a) Foreign exchange translation:

Canadian dollar cash deposits are translated at the rates of exchange prevailing at year end. Any difference between the year-end exchange rate and the exchange rate at the time such deposits were acquired is recorded in the statement of income as a foreign exchange loss (gain).

Purchases and sales of investments traded in foreign currencies and the related income are translated at the rates of exchange prevailing when the transactions occur. Market values of investments quoted in foreign currencies are translated at the rates of exchange prevailing at year end.

(b) Investments:

Bullion and marketable securities are valued at market value. Gold bullion is valued at the afternoon London fixing and silver bullion is valued at the daily London fixing. Marketable securities are valued at prices as reported at the close of trading on recognized stock exchanges or over-the-counter markets.

Unrealized appreciation/depreciation of investments represents the difference between the market value and average cost of investments.

Investment transactions are accounted for on the trade date. Realized gains and losses and unrealized appreciation or depreciation are calculated on the average cost basis.

Dividend income is recorded on the ex-dividend date.

(c) Per share amounts:

(i) Net income per share:

The calculation of net income per share is based on the weighted average number of Class A and Common shares outstanding during the year. The net income per Common share is reduced by U.S. $.01 as the Class A shares are entitled to receive a U.S. $.01 preferential non-cumulative annual dividend. The remaining income for the year is attributed equally to each Class A share and Common share, without preference or distinction.

(ii) Net asset value per share:

The calculation of net asset value per share is based on the number of Class A and Common shares outstanding at the end of the year and gives effect to the Class A shares' entitlement to U.S. $3.00 per share on liquidation, before any remaining net assets are attributed equally to each Class A share and Common share then outstanding.

2. Change in accounting policy

For the year ended October 31, 2004, with retroactive application to prior years, the Company early adopted 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 shareholder's equity until realized, at which time they were recognized in income.

	Years ended October 31		
	2004	*2003*	*2002*
Net loss prior to change in accounting policy	*(2,305,398)*	*(1,470,692)*	*(1,895,800)*
Adjustment for change in accounting policy	*46,221,551*	*26,334,605*	*4,702,119*
Net income as reported	*43,916,153*	*24,863,913*	*2,806,319*
Net income per share:			
Class A shares	*.64*	*0.59*	*0.11*
Common shares	*.63*	*0.58*	*0.10*

The adoption of AcG – 18 had no effect on the Company's financial position as at October 31, 2004, October 31, 2003 or October 31, 2002.

3. Gold and silver bullion:

Holdings at October 31:			*2004*	*2003*	*2002*
Gold bullion:					
Fine ounces	- 100 and 400 oz. bars		518,309	291,894	235,539
	- bank certificates		5,282	5,151	3,389
			523,591	297,045	238,928
Cost	-	$	206,043,206	111,164,364	89,697,793
Market value	-	$	222,814,301	114,733,517	75,716,165
Market	- per fine ounce	$	425.55	386.25	316.90
Silver bullion:					
Ounces	- 1000 oz. bars		25,928,142	14,600,809	11,780,865
	- bank certificates		245,572	245,572	165,516
			26,173,714	14,846,381	11,946,381
Cost	-	$	181,213,467	103,068,226	89,046,426
Market value	-	$	187,403,793	76,236,168	53,460,056
Market	- per ounce	$	7.160	5.135	4.475

4. Capital stock:

The authorized share capital consists of 100,000,000 Class A non-voting shares without nominal or par value and 50,000 Common shares without nominal or par value.

Since October 1989, holders of the Company's Class A shares have had the option to require the Company to redeem their Class A shares on the last day of each fiscal quarter of the Company (each a "Retraction Date") for 80% of the Company's net asset value per Class A share on the Retraction Date (as calculated in accordance with note 1(c)(ii)). Class A shareholders who wish to exercise this retraction right must submit their written redemption request at least 90 days prior to the desired Retraction Date. The Articles of the Company provide for the suspension of redemptions during specified unusual circumstances such as suspensions of normal trading on certain stock exchanges or the London bullion market or to comply with applicable laws or regulations.

The holders of the Class A shares are entitled to receive a preferential non-cumulative annual dividend of U.S. $.01 per share. Any further dividends declared are to be paid rateably on the Class A shares and Common shares then outstanding, without preference or distinction. The Company has adopted a policy that any dividends declared shall be to shareholders of record at the close of business each October 31, with payment of such dividends being made during November of the same year.

On April 3, 2002, the Company, through a private placement, issued 4,153,846 Class A shares for gross proceeds of $15,660,000. Costs relating to this issue were $60,000 and net proceeds were $15,600,000. The Company used the net proceeds from this private placement to purchase 26,492 fine ounces of gold at a cost of $8,093,304 and 1,340,000 ounces of silver at a cost of $6,405,200, both in physical bar form. The balance of $1,101,496 was retained by the Company in interest-bearing cash deposits for working capital purposes.

On May 2, 2002, the Company, through a private placement, issued 646,154 Class A shares for gross proceeds of $2,424,614. Costs relating to this issue were $15,000 and net proceeds were $2,409,614. The Company used the net proceeds from this private placement to purchase 3,936 fine ounces of gold at a cost of $1,227,892 and 190,871 ounces of silver at a cost of $894,364, both in physical bar form. The balance of $287,358 was retained by the Company in interest-bearing cash deposits for working capital purposes.

On June 6, 2002, the Company, through a public offering, issued 11,584,660 Class A shares for gross proceeds of $46,112,740. Costs relating to this public offering were $474,893 and net proceeds were $45,637,847. The Company used the net proceeds from this public offering to purchase 76,273 fine ounces of gold at a cost of $24,625,947 and 3,799,742 ounces of silver at a cost of $18,998,711. Of these quantities, all but 887 fine ounces of gold were purchased in physical bar form. This remainder was purchased in certificate form. The balance of $2,013,189 was retained by the Company in interest-bearing cash deposits for working capital purposes.

On January 30, 2003, the Company, through a private placement, issued 3,500,000 Class A shares for proceeds, net of underwriting fees of $611,800, of $14,683,200. Costs relating to this private placement were approximately $125,000 and net proceeds were $14,558,200. The Company used the net proceeds from this private placement to purchase 22,517 fine ounces of gold at a cost of $8,110,651 and 1,120,000 ounces of silver at a cost of $5,488,000, both in physical bar form. The balance of $959,549 was retained by the Company in interest-bearing cash deposits for working capital purposes.

On February 14, 2003, the Company, through a private placement, issued 5,448,800 Class A shares for proceeds, net of underwriting fees of $1,039,767, of $23,425,345. Costs relating to this private placement were $184,246 and net proceeds were $23,241,099. The Company used the net proceeds from this private placement to purchase 35,600 fine ounces of gold, 33,838 ounces in physical bar form and 1,762 ounces in certificate form, at a cost of $13,355,920, and 1,780,000 ounces of silver, 1,699,944 ounces in physical bar form and 80,056 ounces in certificate form, at a cost of $8,533,800. The balance of $1,351,379 was retained by the Company in interest-bearing cash deposits for working capital purposes.

On December 19, 2003, the Company, through a public offering, issued 15,050,000 Class A shares for proceeds of $71,951,040 net of underwriting fees of $2,997,960. Costs relating to this public offering were $500,000 and net proceeds were $71,451,040. The Company used the net proceeds from this public offering to purchase 98,386 fine ounces of gold at a cost of $40,328,690 and 4,919,333 ounces of silver at a cost of $28,015,600 in physical bar form. The balance of $3,106,750 was retained by the Company in interest-bearing cash deposits for working capital purposes.

On April 8, 2004, the Company, through a public offering, issued 19,500,000 Class A shares for proceeds of $109,512,000 net of underwriting fees of $4,563,000. Costs relating to this public offering were $400,000 and net proceeds were $109,112,000. The Company used the net proceeds from this public offering to purchase 128,160 fine ounces of gold at a cost of $54,550,152 and 6,408,000 ounces of silver at a cost of $50,129,641, in physical bar form. The balance of $4,432,207 was retained by the Company in interest-bearing cash deposits for working capital purposes.

The stated capital and recorded capital of the Company as at and for the years ended October 31, 2004, 2003 and 2002 are as follows:

			2004	***2003***	***2002***
Stated capital – 79,296,320 Class A shares (2003:44,746,320; 2002: 35,797,520)					
Class A shares		*$*	*380,591,674*	*199,128,634*	*161,020,089*
Share issue costs			*(8,880,280)*	*(7,980,280)*	*(7,671,034)*
Recorded capital	*- Class A shares*		*371,711,394*	*191,148,354*	*153,349,055*
	- 40,000 Common shares		*19,458*	*19,458*	*19,458*
Capital stock		*$*	*371,730,852*	*191,167,812*	*153,368,513*
Weighted average Class A and Common shares outstanding			*68,891,238*	*42,315,843*	*26,582,845*

5. **Contributed surplus and retained earnings:**
In 1985, the shareholders authorized a reduction in stated capital which resulted in the creation of a contributed surplus account to facilitate payment of ongoing annual dividends and the board has authorized a transfer each year from contributed surplus of an amount equal to net losses before unrealized appreciation

(depreciation) of investments and on the payment of the Class A shares' stated dividend per share. Accordingly, $3,098,361, $1,918,155 and $2,253,775 were transferred from contributed surplus to retained earnings on October 31, 2004, 2003 and 2002, respectively.

This change did not affect the net asset value of the Company.

6. Administration fees:

The Company is party to an agreement with The Central Group Alberta Ltd., which is related to the Company through four of its officers and directors. The Central Group Alberta Ltd. furnishes administrative and consulting services to the Company. For such services, the Company pays an administrative fee, payable monthly, at an annual rate of 1/2 of one percent based on the Company's net assets up to $50,000,000, 3/8 of one percent on the next $50,000,000 in net assets and 1/4 of one percent on any excess over $100,000,000.

7. Income taxes:

The Company qualifies and intends to continue to qualify as a mutual fund corporation under the *Income Tax Act* (Canada). As a result thereof and after deduction of issue costs in computing taxable income, the Company does not anticipate that it will be subject to any material non-refundable income tax liability other than large corporations tax.

The Company is subject to Canadian Federal large corporations tax based on its taxable capital employed in Canada at the end of its fiscal year. At October 31, 2004, the Company had an accumulated large corporations tax balance of $2,005,000 which is available to be applied against future years' corporation surtax, if any. This balance expires between 2004 and 2011.

The Company has net capital losses of $1,507,000 available to offset future net capital gains realized and non-capital losses available to offset future income for tax purposes, for both of which no benefit has been recognized in these financial statements. The non-capital loss amounts by year of expiry are as follows:

2005	$ 595,000
2006	611,000
2007	349,000
2008	475,000
2009	255,000
2010	2,231,000
2011	2,651,000
	$7,167,000

8. Subsequent Event:

On November 3, 2004, the Company, through a public offering issued 15,000,000 Class A shares for total proceeds of $81,504,000, net of underwriting fees of $3,396,000. Costs relating to this public offering were approximately $500,000 and net proceeds were approximately $81,004,000. 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, in physical bar form. The balance of approximately $4,837,600 was retained by the Company in interest-bearing cash deposits for working capital.

Auditors' Report to the Shareholders

We have audited the statements of net assets of Central Fund of Canada Limited as at October 31, 2004 and 2003 and the statements of income, changes in net assets and shareholders' equity for each of the years in the three-year period ended October 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2004 and 2003 and the results of its operations and the changes in its net assets for each of the years in the three-year period ended October 31, 2004 in accordance with Canadian generally accepted accounting principles.

As described in note 2 to the financial statements, the Company changed its accounting policy on the measurement and reporting of its investments.

"ERNST & YOUNG LLP"

Toronto, Canada
November 22, 2004

Chartered Accountants

Management's Discussion and Analysis ("MD&A")

This MD&A is published and disseminated in both print and electronic form as an integral section within the annual report of Central Fund of Canada Limited ("Central Fund" or the "Company") for the fiscal year ended on October 31, 2004. Readers are directed to the Directors' 43rd Report to Shareowners on pages 2 and 3 and to the notes to financial statements on pages 8 to 12 which fully disclose accounting policies, share capital, related party administration agreement fees and other matters that comprise part of this MD&A.

The following discussion is based on Central Fund's financial statements which are prepared in accordance with accounting principles generally accepted in Canada.

Results of Operations - Changes in Net Assets

The change in net assets as reported in U.S. dollars from period to period is primarily a result of share offerings and 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. The following table summarizes the changes in net assets in both U.S. and Canadian dollars, gold and silver prices, and the exchange rate between U.S. and Canadian dollars:

	Years ended October 31					
	2004		*2003*		*2002*	
	U.S.$	*Cdn. $*	*U.S. $*	*Cdn. $*	*U.S. $*	*Cdn. $*
Unrealized Appreciation (Depreciation) of investments (in millions)	*$46.2*	*$18.4*	*$26.3*	*$(3.6)*	*$4.7*	*$4.9*
Net income (loss) for the period (in millions)	*$43.9*	*$14.6*	*$24.8*	*$(6.8)*	*$2.8*	*$3.2*
Earnings per share	*$0.64*	*$0.21*	*$0.59*	*$(0.16)*	*$0.11*	*$0.12*
Change in net assets from prior year (in millions)	*$223.7*	*$253.8*	*$62.2*	*$50.2*	*$66.1*	*$101.5*
% change from prior year	*114.9%*	*98.8%*	*47.0%*	*24.3%*	*99.6%*	*96.3%*
Change in net assets per Class A share from prior year	*$0.92*	*$0.70*	*$0.65*	*$(0.03)*	*$0.28*	*$0.35*
% change per Class A share from prior year	*21.1%*	*12.2%*	*17.6%*	*(0.5)%*	*8.2%*	*6.5%*
Gold price (U.S. $ per fine ounce)	*$425.55*		*$386.25*		*$316.90*	
% change from prior year	*10.2%*		*21.9%*		*13.7%*	
Silver price (U.S. $ per ounce)	*$7.160*		*$5.135*		*$4.475*	
% change from prior year	*39.4%*		*14.7%*		*4.7%*	
Exchange rate: $1.00 U.S. = Cdn.	*$1.2207*		*$1.3197*		*$1.5603*	
% change from prior year	*(7.5)%*		*(15.4)%*		*(1.7)%*	

In 2004, net assets as reported in U.S. dollars increased by $223.7 million or 114.9%. A large portion of this increase was the result of two public offerings during the year as described in note 4 to the financial statements. In both cases, these share offerings were issued at a premium over the net asset value per Class A share at the time, such that there was no dilution of the interests of existing Class A shareholders. Of the net proceeds from these share issues totalling $180,563,040, $94,878,842 was used to purchase 226,546 fine ounces of gold bullion, and $78,145,241 was used to purchase 11,327,333 ounces of silver bullion, primarily in physical bar form. The balance of the proceeds, $7,538,957, was retained in interest-bearing cash deposits for working capital purposes.

The balance ($43.1 million) of the increase in net assets is primarily attributable to the increases in the prices of gold (10.2%) and silver (39.4%) during the year.

The increase in net assets described above was nominally affected by the loss before unrealized appreciation of investments during the year and the dividend paid on the Class A shares. Net assets, as reported in Canadian dollars, increased by a lesser amount of 12.2% as a result of the 7.5% decrease in the U.S. dollar relative to the Canadian dollar.

In 2003, net assets as reported in U.S. dollars increased by $62.2 million or 47.0%. A large portion of this increase was the result of two private placements during the year as described in note 4 to the financial statements. In both cases, these share offerings were issued at a premium over the net asset value per Class A share at the time, such that there was no dilution of the interests of existing Class A shareholders. Of the net proceeds from these share issues totalling $37,799,299, $21,466,571 was used to purchase 58,117 fine ounces of gold bullion, and $14,021,800 was used to purchase 2,900,000 ounces of silver bullion, primarily in physical bar form. The balance of the proceeds, $2,310,928, was retained in interest-bearing cash deposits for working capital purposes.

The balance of the increase in net assets of $24.4 million is primarily attributable to the increases in the prices of gold (21.9%) and silver (14.7%) during the year.

The increase in net assets described above was nominally affected by the net loss before unrealized appreciation of investments during the year and the dividend paid on the Class A shares. Though subject to the same effects as described above, net assets, as reported in Canadian dollars, decreased by 0.5% as a result of the 15.4% decrease in the U.S. dollar relative to the Canadian dollar.

In 2002, net assets as reported in U.S. dollars increased by $66.1 million or 99.6%. A significant portion of this increase was the result of two private placements and a public offering of Class A shares during the year as described in note 4 to the financial statements. In all cases, these share offerings were issued at a premium over the net asset value per Class A share at the time, such that there was no dilution of the interests of existing Class A shareholders. Of the net proceeds from these share issues totalling $63,647,461, $33,947,143 was used to purchase 106,701 fine ounces of gold bullion, and $26,298,275 was used to purchase 5,330,613 ounces of silver bullion, primarily in physical bar form. The balance of the proceeds, $3,402,043 was retained in interest-bearing cash deposits for working capital purposes.

The increase in net assets resulting from the factors described above was nominally affected by the net loss before unrealized appreciation of investments during the year and the dividend paid on Class A shares. Though subject to the same effects as described above, net assets, as reported in Canadian dollars, increased at a slightly lower rate of 98.8%, as a result of the 7.5% decrease in the U.S. dollar relative to the Canadian dollar.

The following table summarizes the changes in net assets in U.S. dollars, gold and silver prices, and the exchange rate between U.S. and Canadian dollars on a quarterly basis:

	Quarter ended			
	January 31 US$	*April 30 US$*	*July 31 US$*	*October 31 US$*
2004				
Unrealized appreciation (depreciation) of investments (in millions)	*$21.8*	*$(26.7)*	*$13.8*	*$37.3*
Net income (loss) for the period (in millions)	*$21.3*	*$(27.3)*	*$13.2*	*$36.7*
Earnings per share	*$0.41*	*$(0.39)*	*$0.20*	*$0.53*
Changes in net assets from prior period (in millions)	*$92.7*	*$81.6*	*$13.2*	*$36.0*
% change from prior period	*47.6%*	*28.4%*	*3.6%*	*9.4%*
Change in net assets per Class A share from prior period	*$0.46*	*$(0.16)*	*$0.17*	*$0.45*
% change per Class A share from prior period	*10.6%*	*(3.3)%*	*3.7%*	*9.3%*
Gold price	*$399.75*	*$388.50*	*$391.40*	*$425.55*
% change from prior period	*3.5%*	*(2.8)%*	*0.7%*	*8.7%*
Silver Price	*$6.225*	*$5.95*	*$6.42*	*$7.16*
% change from prior period	*21.2%*	*(4.4)%*	*7.9%*	*11.5%*
Exchange rate: $1.00 U.S. = Cdn.	*$1.3264*	*$1.3706*	*$1.3292*	*$1.2207*
% change from prior period	*0.5%*	*3.3%*	*(3.0)%*	*(8.2)%*

2003				
Unrealized appreciation (depreciation) of investments (in millions)	*$17.0*	*$(13.2)*	*$12.4*	*$10.2*
Net income (loss) for the period (in millions)	*$16.6*	*$(13.6)*	*$12.0*	*$9.8*
Earnings per share	*$0.46*	*$(0.34)*	*$0.29*	*$0.23*
Changes in net assets from prior period (in millions)	*$31.0*	*$9.7*	*$12.1*	*$9.4*
% change from prior period	*23.4%*	*6.0%*	*7.0%*	*5.1%*
Change in net assets per Class A share from prior period	*$0.46*	*$(0.29)*	*$0.27*	*$0.21*
% change per Class A share from prior period	*12.4%*	*(7.0)%*	*7.0%*	*5.1%*
Gold price	*$367.50*	*$336.75*	*$354.75*	*$386.25*
% change from prior period	*16.0%*	*(8.4)%*	*5.3%*	*8.9%*
Silver Price	*$4.8725*	*$4.605*	*$5.08*	*$5.135*
% change from prior period	*8.9%*	*(5.5)%*	*10.3%*	*1.1%*
Exchange rate: $1.00 U.S. = Cdn.	*$1.5290*	*$1.4335*	*$1.4073*	*$1.3197*
% change from prior period	*(2.0)%*	*(6.2)%*	*(1.8)%*	*(6.2)%*
2002				
Unrealized appreciation (depreciation) of investments	*$0.5*	*$5.4*	*$(2.8)*	*$1.6*
Realized loss on sale of investments	*-*	*-*	*-*	*$(0.9)*
Net income (loss) for the period	*$0.3*	*$5.2*	*$(3.1)*	*$0.4*
Earnings per share	*$0.01*	*$0.26*	*$(0.13)*	*$0.02*
Changes in net assets from prior period (in millions)	*$0.3*	*$20.8*	*$44.9*	*$0.1*
% change from prior period	*0.4%*	*31.2%*	*51.4%*	*0.1%*
Change in net assets per Class A share from prior period	*$0.01*	*$0.28*	*$(0.01)*	*$0.0*
% change per Class A share from prior period	*0.3%*	*8.2%*	*(0.3)%*	*0.0%*
Gold price	*$282.30*	*$308.20*	*$304.65*	*$316.90*
% change from prior period	*1.5%*	*9.2%*	*(1.2)%*	*4.0%*
Silver Price	*$4.275*	*$4.60*	*$4.66*	*$4.475*
% change from prior period	*0.0%*	*7.6%*	*1.3%*	*(4.0)%*
Exchange rate: $1.00 U.S. = Cdn.	*$1.5923*	*$1.5678*	*$1.5843*	*$1.5603*
% change from prior period	*0.4%*	*(1.5)%*	*1.1%*	*(1.5)%*

Forward – Looking Observations

It is possible to predict the impact that changes in the market prices of gold and silver will have on the net asset value per Class A share. Assuming as a constant exchange rate the rate which existed on October 31, 2004 of $1.2207 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 $0.29 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 $0.24 per share or Cdn. $0.29 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 $0.52 per share or Cdn. $0.63 per share.

When expressed in U.S. dollar terms, Central Fund's net asset value per Class A share is largely unaffected by changes in the U.S./Canadian dollar exchange rate due to the fact that nearly all of Central Fund's net assets are priced internationally in U.S. dollar terms. However, changes in the value of the U.S. dollar relative to the Canadian dollar have a direct impact on net assets as expressed in Canadian dollars. This arises because over 99% of Central Fund's net assets are initially denominated in U.S. dollars as at October 31, 2004, including gold and silver bullion and some U.S. cash. An increase in the value of the Canadian dollar versus the U.S. dollar means that the aforementioned U.S. dollar denominated assets are worth less when expressed in Canadian dollar terms.

It is also possible to predict the impact that changes in the value of the U.S. dollar relative to the Canadian dollar will have on the net asset value per Class A share as reported in Canadian dollars. As previously mentioned, over 99% of Central Fund's net assets are denominated in U.S. dollars. Assuming constant gold and silver prices, a 10% increase or decrease in the value of the U.S. dollar relative to the Canadian dollar would change the net asset value per share as expressed in Canadian dollars in the same direction by approximately the same percentage. The proposed reduction in the large corporations tax rate on excess taxable capital employed in Canada over capital deduction (currently .225%) is to decrease to .175% in 2005, .125% in 2006, .0625% in 2007 and to 0% in taxation years after 2007.

Results of Operations - Net Income

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, early adoption of a new Canadian Institute of Chartered Accounting policy now compels Central Fund to record unrealized appreciation (depreciation) of investments in income. Accordingly, in the last three fiscal years, Central Fund has net income. Central Fund expects to generate cash flow from its holdings of cash equivalents and nominal marketable securities, and will sell bullion certificates only if necessary to replenish cash reserves.

Fiscal 2004 Compared to Fiscal 2003

The net income of $43,916,153 during the 2004 fiscal year was 76.6% higher than the 2003 net income of $24,863,913. The prime component of this increase was unrealized appreciation of investments as a result of adoption of the new accounting policy. Interest income was higher compared to the prior year as average balances of interest-bearing cash deposits almost doubled. There were no dispositions of marketable securities during fiscal 2004 or 2003.

Operating expenses (which exclude income taxes) increased by 47.7% over the prior year. The increase in net assets during the year as a result of the two public offerings and the increases in the prices of gold and silver had an impact on several expense categories. Administration fees, which are calculated monthly based on net assets at each month end increased during the year as a direct result of the higher level of net assets attributable to the factors mentioned above. Similarly, safekeeping fees and bullion insurance costs increased to reflect larger quantities and dollar values of gold and silver bullion being held. Shareholder information costs increased as U.S. and Canadian stock exchange fees were increased at the time of filing the additional issues of shares.

Operating expenses (which exclude income taxes) as a percentage of the average of the month-end net assets during the 2004 fiscal year were reduced to 0.48% compared to 0.65% in 2003. Income taxes, or more specifically the Federal large corporations tax, are based on the Company's total net assets as at its fiscal year end. The increase in income taxes is directly related to the higher net asset level which existed at October 31, 2004.

Fiscal 2003 Compared to Fiscal 2002

The net income of $24,863,913 during the 2003 fiscal year was 886.0% higher than the 2002 net income of $2,806,319 due to increasing gold and silver prices and after giving retroactive effect to the new accounting policy. Interest income was comparable to the prior year as average balances of interest-bearing cash deposits remained relatively constant.

There were no dispositions of marketable securities during fiscal 2003, whereas a portion of the small portfolio representing junior mining companies was sold in 2002 resulting in realized losses in that year.

Operating expenses (which exclude income taxes) increased by 50.1% over the prior year. The increase in net assets during the year as a result of the two private placements and the increases in the prices of gold and silver had an impact on several expense categories. Administration fees, which are calculated monthly based on net assets at each month end increased during the year as a direct result of the higher level of net assets attributable to the factors mentioned above. Similarly, safekeeping fees and bullion insurance costs increased to reflect larger quantities and dollar values of gold and silver bullion being held. Shareholder information costs increased as U.S.

and Canadian stock exchange fees were increased at the time of filing the share issues. Professional fees increased in part due to an increase in audit related services. Additional legal costs have been incurred for the preparation of a Directors' Guidebook, website disclaimer and other corporate governance matters. Directors' fees and expenses increased due to recent corporate governance requirements leading to more Corporate Governance Committee meetings and more Audit Committee meetings to review the quarterly financial statements.

Operating expenses (which exclude income taxes) as a percentage of the average of the month-end net assets during the 2003 fiscal year were reduced to 0.65% compared to 0.75% in 2002. Income taxes, or more specifically the Federal large corporations tax, are based on the Company's total net assets as at its fiscal year end. The increase in income taxes is directly related to the higher net asset level which existed at October 31, 2003.

Liquidity and Capital Resources

Central Fund's liquidity objective is to hold cash reserves that generate some income primarily to be applied to pay operating expenses, tax payments and Class A share dividends. At October 31, 2004, Central Fund's cash reserves including cash equivalents were \$9,482,536. The comparable figure at October 31, 2003 was \$4,315,467. The ability of Central Fund to have sufficient cash for operating expenses, tax and dividend payments, and to meet demands for redemption (if any), is primarily dependent upon its ability to realize cash flow from its cash equivalents and marketable securities. Should Central Fund not have sufficient cash to meet its needs, portions of Central Fund's bullion holdings and/or marketable securities portfolio may be sold to fund tax and dividend payments, provide working capital and pay for redemptions (if any) of Class A shares. Sales of such investments could result in Central Fund realizing capital losses or gains. Central Fund qualifies as a Mutual Fund Corporation for Canadian income tax purposes. As a Mutual Fund Corporation, any Canadian tax payable by Central Fund to the extent that it relates to taxable capital gains is fully refundable when the realized gains are distributed to shareholders through redemptions. Should Central Fund not qualify as a Mutual Fund Corporation at any time in the future, Central Fund would have to pay non-refundable tax on such capital gains, if any. Payments for such distributions or tax would be a further use of Central Fund's cash resources. During the fiscal year ended October 31, 2004, Central Fund's cash reserves increased by \$5,167,069 from those at October 31, 2003. The primary sources and uses of cash are as follows:

Sources of Cash

The primary inflow of cash resulted from the proceeds (net of share issue costs of \$900,000) from the issuance of Class A shares during the year of \$180,563,040. An additional \$93,480 was generated from interest on short-term securities and nominal dividends paid on marketable securities.

Uses of Cash

The primary outflow of cash during the year involved the purchase of gold and silver bullion with the proceeds from the share issues referred to above. Central Fund paid \$94,878,842 to purchase 226,546 fine ounces of gold and \$78,145,241 to purchase 11,237,333 ounces of silver.

Central Fund paid \$1,507,553 during the 2004 fiscal year for operating expenses, \$222,223 of which related to amounts which had been accrued at October 31, 2003 and were reflected in the accounts of that year. Other cash outflows during the year included \$510,352 in payments of the Canadian federal large corporations tax and \$447,463 paid in the 2004 fiscal year with respect to Central Fund's October 31, 2003 Class A share dividend declared.

Central Fund's board of directors made the decision to build up cash reserves by maintaining a portion of the proceeds from share issues in recent years in cash and cash equivalents. Consistent with this objective, \$7,538,957 of the \$180,563,040 received upon the issuance of Class A shares this year was kept in interest-bearing cash deposits. These amounts are to be used to pay operating expenses, tax and dividend payments, and demands for redemption (if any). Management is mindful of Central Fund's normal trend of diminishing cash reserves, but monitors its cash position with an emphasis on maintaining its gold and silver bullion holdings as opposed to generating income. Management's mandate and Central Fund's stated objective are to hold the maximum portion of its assets in the form of gold and silver bullion as it deems reasonable. Central Fund has the ability to generate any necessary cash by liquidating a small portion of its holdings. At low cash reserve levels and in the absence of other sources of capital, liquidations may be made regardless of market conditions and could result in Central Fund realizing gains or losses on its bullion or marketable security holdings.

Inflation

Because Central Fund's financial statements are prepared on a market price basis, the impact of inflation and changing prices on the price of gold and silver is reflected in these financial statements.

Risk Factors

The following are certain factors relating to the business of the Company which prospective investors should consider carefully before deciding whether to purchase shares.

Gold and Silver Price Volatility
Central Fund's business almost entirely involves investing in pure gold and silver bullion. Therefore, the principal factors affecting the price of its shares are factors which affect the price of gold and silver, and which are beyond the Company's control. However, the Company believes that such factors have a lesser impact on the shares of Central Fund than on shares of gold producers as gold producers have considerable inherent operational risks, resulting in more volatile share prices of such producers. Central Fund's net assets are denominated in U.S. dollars. As at October 31, 2004, the Company's assets were made up of 53.3% gold bullion, 44.8% silver bullion and 1.9% cash, marketable securities and other working capital amounts. The Company does not engage in any leasing, lending or hedging activities involving these assets, so the value of the Shares will depend on, and typically fluctuate with, the price fluctuations of such assets. The market prices of gold and silver bullion may be affected by a variety of unpredictable international economic, monetary and political considerations. Macroeconomic considerations include: expectations of future rates of inflation; the strength of, and confidence in, the U.S. dollar, the currency in which the price of gold is generally quoted, and other currencies; interest rates; and global or regional political or economic events (including banking crises). Political factors, including international conflicts, may also affect gold and silver prices.

Price Volatility of Non-gold and -silver Assets and Other Commodities
To the extent that the Company holds a nominal amount of securities of issuers in the precious metals industry, the value of such securities can also be affected by the same types of economic and political considerations. In addition, Central Fund's business may also be affected to a lesser extent by the price of other commodities which may be viewed by investors as competitively priced or as an alternative to investing in gold and silver related investments.

United States Federal Income Tax Considerations
It is likely that the Company is a ''passive foreign investment company'' for United States federal tax purposes. Under the passive foreign investment company rules, the tax treatment of the Class A non-voting shares is very complex, uncertain and, in some cases, potentially unfavorable to United States Persons. Each United States person that acquires Class A shares, whether from the Company or in the market, is strongly urged to consult his, her or its own tax advisor.

Subsequent Event

Subsequent to year end, on November 3, 2004, the Company, through a public offering issued 15,000,000 Class A shares for total proceeds of $81,504,000, net of underwriting fees of $3,396,000. Costs relating to this public offering were approximately $500,000 and net proceeds were approximately $81,004,000. 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, in physical bar form. The balance of the net proceeds of approximately $4,837,600 was retained by the Company in interest-bearing cash deposits for working capital.

This MD&A is dated December 20, 2004.

CONSENT OF INDEPENDENT CHARTERED ACCOUNTANTS

We consent to the incorporation by reference in this Annual Report (Form 40-F) of Central Fund of Canada Limited of our report dated November 22, 2004 with respect to the financial statements of Central Fund of Canada Limited included in the 2004 Annual Report to Shareholders of Central Fund of Canada Limited.

Ernst & Young LLP

Toronto, Canada
November 22, 2004

Chartered Accountants

EXHIBIT INDEX

The following exhibits have been filed as part of the Annual Report:

Exhibit	Description
99.1	Annual Information Form dated January 11, 2005
99.2	Audited Comparative Consolidated Financial Statements of the Registrant, and the notes thereto for fiscal 2004 together with the report of the auditors thereon, including a U.S. GAAP reconciliation
99.3	Management's Discussion and Analysis for fiscal 2004 found at pages 14 to 19, inclusive, of the 2004 Annual Report of the Registrant
99.4	Consent of Ernst & Young LLP