

CENTRAL FUND OF CANADA LIMITED

FOR IMMEDIATE RELEASE

TSX SYMBOL: CEF.a
AMEX SYMBOL: CEF

TORONTO, Ontario (June 6/CNW/) – Central Fund of Canada Limited ("CFOC") of Calgary, Alberta announced today that it has entered into an agreement with a syndicate of underwriters led by CIBC World Markets Inc. under which the underwriters have agreed to buy and sell to the public, in Canada and in the United States under the multijurisdictional disclosure system, 11,584,660 Class A Shares of CFOC.

The purchase price of U.S. \$4.19 (Cdn.\$6.43) per Class A Share is expected to result in proceeds of approximately U.S. \$48.5 million (Cdn.\$74.5 million). Substantially all the net proceeds of the offering have been committed to purchase gold and silver bullion in a ratio of approximately 50 ounces of silver for every one fine ounce of gold, in keeping with the investment policies established by the board of directors of CFOC, for settlement at closing of the issue.

Closing is expected on or about June 13, 2002.

Statements contained in this release that are not historical facts are forward-looking statements that involve risks and uncertainties. CFOC's actual results could differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those risks detailed in the company's filings with the Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission.

Central Fund of Canada Limited is a refined gold and silver bullion holding company.

For further information please contact: J.C. Stefan Spicer, President and CEO, (905) 648-7878 or (905) 304-4444, Website: www.centralfund.com.