

February 28, 2006

Central Fund of Canada Limited (symbols: AMEX-CEF, TORONTO-CEF.NV.A and CEF.NV.U) has today released selected comparative financial information relating to net assets and results of operations for the three-months ended January 31, 2006.

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

	January 31 2006	October 31 2005
Net assets:		
<i>Gold bullion, at market, average cost \$246,833,606 (2005: \$246,833,606)</i>	\$ 352,392,584	291,672,631
<i>Silver bullion, at market, average cost \$216,589,467 (2005: \$216,589,467)</i>	306,949,507	240,510,890
<i>Marketable securities, at market, average cost \$89,430 (2005: \$89,430)</i>	94,137	65,954
<i>Interest-bearing cash deposits</i>	8,163,820	10,195,379
<i>Prepaid insurance, interest receivable and other</i>	78,089	76,477
	667,678,137	542,521,331
<i>Accrued liabilities</i>	(493,292)	(576,925)
<i>Dividends payable</i>	-	(942,963)
Net assets representing shareholders' equity	\$ 667,184,845	541,001,443
Represented by:		
<i>Capital stock</i>		
<i>94,296,320 (2005: 94,296,320) Class A shares issued</i>	\$ 452,654,090	452,654,090
<i>40,000 Common shares issued</i>	19,458	19,458
	452,673,548	452,673,548
<i>Contributed surplus</i>	18,592,433	19,595,783
<i>Retained earnings inclusive of unrealized appreciation of investments</i>	195,918,864	68,732,112
	\$ 667,184,845	541,001,443
Net asset value per share:		
<i>Class A shares</i>	\$ 7.07	5.74
<i>Common shares</i>	\$ 4.07	2.74
Net asset value per share expressed in Canadian dollars:		
<i>Class A shares</i>	\$ 8.09	6.77
<i>Common shares</i>	\$ 4.66	3.23
Exchange rate:	<i>U.S. \$1.00 = Cdn.</i> \$ 1.1439	1.1801

The following discussion should be read in conjunction with Central Fund's financial statements prepared in accordance with Canadian GAAP included in its Annual Report and accompanying Management's Discussion and Analysis.

Throughout this discussion, all amounts are expressed in currency of the United States.

The change in net assets as reported in U.S. dollars from period to period is primarily a result of the changing market prices of gold and silver and the proportion of each held by the Company. 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.

Net assets increased by \$126,183,402 during the three months ending January 31, 2006 as a result of the increases in gold and silver prices.

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

	<i>Three months ended January 31</i>	
	2006	2005
Income:		
<i>Interest</i>	\$ 89,005	50,022
<i>Dividends</i>	130	130
<i>Unrealized appreciation (depreciation) of investments</i>	127,186,752	(16,688,633)
	127,275,887	(16,638,481)
Expenses:		
<i>Administration fees</i>	434,171	386,818
<i>Safekeeping, insurance & bank charges</i>	192,810	67,254
<i>Stock Exchange fees</i>	60,814	47,671
<i>Legal fees</i>	48,149	4,202
<i>Shareholder information</i>	40,032	28,274
<i>Directors' fees and expenses</i>	28,306	27,265
<i>Accounting fees</i>	17,312	11,964
<i>Registrar and transfer agent fees</i>	13,431	8,988
<i>Miscellaneous</i>	550	299
<i>Foreign currency exchange loss</i>	8,387	31,097
<i>Total operating expenses</i>	843,962	613,832
<i>Net income (loss) before income taxes</i>	126,431,925	(17,252,313)
<i>Income taxes</i>	(248,523)	(213,112)
<i>Net income (loss)</i>	\$ 126,183,402	(17,465,425)
<i>Net income (loss) per share:</i>		
<i>Class A shares</i>	\$ 1.34	(.19)
<i>Common shares</i>	\$ 1.34	(.19)

The net income (inclusive of unrealized appreciation of investments) for the three months ended January 31, 2006 was \$126,183,402 compared to a net loss (inclusive of unrealized depreciation of investments) of \$17,465,425 for the same period in 2005. Since January 31, 2005, net assets have increased by \$185,396,691 or 38%. Certain expenses, such as administration fees that are scaled, and income taxes, vary in proportion to net asset levels, or, in the case of stock exchange fees, with market capitalization based on the number of Class A shares issued. Not only did safekeeping fees and bullion insurance costs increase to reflect the dollar prices of gold and silver bullion being held, but the custodian increased its rates significantly in its schedule of fees. Administration fees remitted to The Central Group Alberta Limited for the three months increased to \$434,171 from \$386,818, such increase being at the rate of one-fifth of one percent per annum on the increased assets under administration. Professional fees increased as a result of increased legal and audit work required to adopt new accounting guidelines and corporate governance rules and regulations as well as shareholder matters..

Operating expenses (which exclude income taxes) as a percentage of average net assets were 0.14% for the three months ended January 31, 2006 compared to 0.12% for the same three-month period in 2005. For the twelve months ended January 31, 2006, the operating expense ratio was 0.53% compared to 0.48% for the prior twelve-month period.

Central Fund of Canada Limited operates as a specialized investment holding company which invests primarily in long-term holdings of allocated, segregated and unencumbered gold and silver bullion and does not actively speculate with regard to short-term changes in gold and silver prices. At January 31, 2006, the Class A shares of Central Fund were backed 98.8% by gold and silver bullion and may be purchased, held and sold with ease on either the American Stock Exchange (CEF) or The Toronto Stock Exchange (CEF.NV.A).

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