

June 8, 2006

Central Fund of Canada Limited (symbols: AMEX-CEF, TORONTO-CEF.A and CEF.U) has today released selected comparative financial information relating to net assets and results of operations for the six-months ended April 30, 2006.

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

	<b>April 30 2006</b>	<b>October 31 2005</b>
<b>Net assets:</b>		
<i>Gold bullion, at market, average cost</i> \$257,296,231 (2005: \$246,833,606)	\$ 410,270,733	291,672,631
<i>Silver bullion, at market, average cost</i> \$227,805,197 (2005: \$216,589,467)	399,845,539	240,510,890
<i>Marketable securities, at market</i> average cost - \$89,430 (2005: \$89,430)	98,733	65,954
<i>Interest-bearing cash deposits</i>	12,469,385	10,195,379
<i>Prepaid insurance, interest receivable and other</i>	32,241	76,477
	822,716,631	542,521,331
<i>Accrued liabilities</i>	(1,087,015)	(576,925)
<i>Dividends payable</i>	-	(942,963)
<b>Net assets representing shareholders' equity</b>	<b>\$ 821,629,616</b>	<b>541,001,443</b>
<b>Represented by:</b>		
<i>Capital stock</i>		
97,504,532 (2005: 94,296,320)		
<i>Class A shares issued</i>	\$ 479,103,071	452,654,090
<i>40,000 Common shares issued</i>	19,458	19,458
	479,122,529	452,673,548
<i>Contributed surplus</i>	17,487,799	19,595,783
<i>Retained earnings inclusive of unrealized appreciation of investments</i>	325,019,288	68,732,112
	\$ 821,629,616	541,001,443
<b>Net asset value per share:</b>		
<i>Class A shares</i>	\$ 8.42	5.74
<i>Common shares</i>	\$ 5.42	2.74
<b>Net asset value per share expressed in Canadian dollars:</b>		
<i>Class A shares</i>	\$ 9.44	6.77
<i>Common shares</i>	\$ 6.08	3.23
<b>Exchange rate:</b>	<i>U.S. \$1.00 = Cdn.</i>	
	\$ 1.1203	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 \$280,628,173 during the six months ending April 30, 2006 as a result of the April 27, 2006 public offering and increases in gold and silver prices.

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

	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>April 30</b>		<b>April 30</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
<b>Income:</b>				
<i>Interest</i>	\$ 177,417	104,202	\$ 88,412	54,180
<i>Dividends</i>	260	764	130	634
<i>Unrealized appreciation (depreciation) of investments</i>	256,287,176	(246,109)	129,100,424	16,442,524
	<b>256,464,853</b>	<b>(141,143)</b>	<b>129,188,966</b>	<b>16,497,338</b>
<b>Expenses:</b>				
<i>Administration fees</i>	934,573	772,802	500,402	385,984
<i>Safekeeping, insurance &amp; bank charges</i>	414,423	154,064	221,613	86,810
<i>Shareholder information</i>	111,719	116,584	71,687	88,310
<i>Stock Exchange fees</i>	90,739	70,171	29,925	22,500
<i>Legal fees</i>	66,237	68,501	18,088	64,299
<i>Directors' fees and expenses</i>	52,270	47,834	23,964	20,569
<i>Registrar and transfer agent fees</i>	30,357	47,275	16,926	38,287
<i>Accounting fees</i>	28,393	20,534	11,081	8,570
<i>Miscellaneous</i>	984	611	434	312
<i>Foreign currency exchange loss (gain)</i>	6,944	31,132	(1,443)	35
<b>Total operating expenses</b>	<b>1,736,639</b>	<b>1,329,508</b>	<b>892,677</b>	<b>715,676</b>
<i>Net income (loss) before income taxes</i>	254,728,214	(1,470,651)	128,296,289	15,781,662
<i>Income taxes</i>	(549,022)	(415,599)	(300,499)	(202,487)
<b>Net income (loss)</b>	<b>\$254,179,192</b>	<b>(1,886,250)</b>	<b>\$ 127,995,790</b>	<b>15,579,175</b>
<b>Net income (loss) per share:</b>				
<i>Class A shares</i>	\$ 2.69	(.02)	\$ 1.35	.17
<i>Common shares</i>	\$ 2.69	(.02)	\$ 1.35	.17

The net income (inclusive of unrealized appreciation of investments) for the six months ended April 30, 2006 was \$254,179,192 compared to a net loss (inclusive of unrealized depreciation of investments) of \$1,886,250 for the same period in 2005. Since April 30, 2005, net assets have increased by \$324,262,287 or 65%. 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 six months increased to \$934,573 from \$772,802, such increase being at the rate of one-fifth of one percent per annum on the increased assets under administration.

Operating expenses (which exclude income taxes) as a percentage of average net assets for the six month period ended April 30, 2006 were 0.26%, the same as for the identical six-month period in 2005. For the twelve months ended April 30, 2006, the operating expense ratio was 0.51% compared to 0.49% 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 April 30, 2006, the Class A shares of Central Fund were backed 98.6% 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.A and CEF.U).

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