

August 10, 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 nine-months ended July 31, 2006.

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

	<b>July 31 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)	\$ 402,944,470	291,672,631
<i>Silver bullion, at market, average cost</i> \$227,805,197 (2005: \$216,589,467)	364,335,561	240,510,890
<i>Marketable securities, at market</i> average cost - \$89,430 (2005: \$89,430)	84,798	65,954
<i>Interest-bearing cash deposits</i>	11,292,284	10,195,379
<i>Prepaid insurance, interest receivable and other</i>	314,282	76,477
	<b>778,971,395</b>	<b>542,521,331</b>
<i>Accrued liabilities</i>	(574,825)	(576,925)
<i>Dividends payable</i>	-	(942,963)
<b>Net assets representing shareholders' equity</b>	<b>\$ 778,396,570</b>	<b>541,001,443</b>
<b>Represented by:</b>		
<i>Capital stock</i>		
<i>97,504,532 (2005: 94,296,320)</i>		
<i>Class A shares issued</i>	\$ 479,103,071	452,654,090
<i>40,000 Common shares issued</i>	19,458	19,458
	<b>479,122,529</b>	<b>452,673,548</b>
<i>Contributed surplus</i>	17,115,207	19,595,783
<i>Retained earnings inclusive of unrealized appreciation of investments</i>	282,158,834	68,732,112
	<b>\$ 778,396,570</b>	<b>541,001,443</b>
<b>Net asset value per share:</b>		
<i>Class A shares</i>	\$ 7.98	5.74
<i>Common shares</i>	\$ 4.98	2.74
<b>Net asset value per share expressed in Canadian dollars:</b>		
<i>Class A shares</i>	\$ 9.03	6.77
<i>Common shares</i>	\$ 5.63	3.23
<b>Exchange rate:</b>	<i>U.S. \$1.00 = Cdn.</i>	<b>\$ 1.1309</b>
		<b>1.1801</b>

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 \$237,395,127 during the nine months ending July 31, 2006 as a result of the April 27, 2006 public offering and increases in gold and silver prices.

Subsequent to July 31, 2006, the Company on August 3, 2006, through a public offering issued 7,150,000 Class A shares for proceeds of \$58,344,000 net of underwriting fees of \$2,431,000. Costs relating to the offering were approximately \$600,000 and net proceeds were approximately \$57,744,000.

The Company used the net proceeds from this public offering to purchase 42,960 fine ounces of gold at a cost of \$27,395,623 and 2,148,000 ounces of silver at a cost of \$24,549,000, both in physical bar form. The balance of approximately \$5,800,000 was retained by the Company in interest-bearing cash deposits for working capital purposes.

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

	<i>Nine months ended</i>		<i>Three months ended</i>	
	<i>July 31</i>		<i>July 31</i>	
	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
<b>Income:</b>				
<i>Interest</i>	\$ 324,900	234,144	\$ 147,483	129,942
<i>Dividends</i>	390	894	130	130
<i>Unrealized appreciation (depreciation) of investments</i>	213,426,722	716,046	(42,860,454)	962,155
	<u>213,752,012</u>	<u>951,084</u>	<u>(42,712,841)</u>	<u>1,092,227</u>
<b>Expenses:</b>				
<i>Administration fees</i>	1,461,830	1,154,645	527,257	381,843
<i>Safekeeping, insurance &amp; bank charges</i>	652,859	310,400	238,436	156,336
<i>Shareholder information</i>	137,396	139,827	25,677	23,243
<i>Stock Exchange fees</i>	90,739	70,468	-	297
<i>Directors' fees and expenses</i>	76,356	72,942	24,086	25,108
<i>Legal fees</i>	72,695	79,646	6,458	11,145
<i>Registrar and transfer agent fees</i>	54,261	57,917	23,904	10,642
<i>Accounting fees</i>	40,326	29,909	11,933	9375
<i>Miscellaneous</i>	1,335	886	351	275
<i>Foreign currency exchange loss (gain)</i>	389	29,530	(6,555)	(1,602)
<i>Total expenses</i>	<u>2,588,186</u>	<u>1,946,170</u>	<u>851,547</u>	<u>616,662</u>
<i>Net income (loss) before income taxes</i>	211,163,826	(995,086)	(43,564,388)	475,565
<i>Income taxes</i>	(217,680)	(616,991)	331,342	(201,392)
<i>Net income (loss)</i>	<u>\$210,946,146</u>	<u>(1,612,077)</u>	<u>\$ (43,233,046)</u>	<u>274,173</u>
<i>Net income (loss) per share:</i>				
<i>Class A shares</i>	\$ 2.21	(.02)	\$ (0.45)	.00
<i>Common shares</i>	\$ 2.21	(.02)	\$ (0.45)	.00

The net income (inclusive of unrealized appreciation of investments) for the nine months ended July 31, 2006 was \$210,998,031 compared to a net loss (inclusive of unrealized depreciation of investments) of \$1,612,077 for the same period in 2005. The net loss (inclusive of unrealized depreciation of investments) for the three months was \$43,233,046 compared to net income of \$274,173 for the same period in 2005. Certain expenses, such as administration fees that are scaled, and taxes, have varied 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 nine months increased to \$1,461,830 from \$1,154,645, such increase being at the rate of one-fifth of one percent per annum on the increased assets under administration.

Expenses (which exclude taxes) as a percentage of average net assets for the nine month period ended July 31, 2006 were 0.36%, compared to 0.39% for the same nine-month period in 2005. For the twelve months ended July 31, 2006, the expense ratio was 0.49% compared to 0.50% 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 July 31, 2006, the Class A shares of Central Fund were backed 98.6% by gold and silver bullion and may be purchased or sold with ease on either the American Stock Exchange (CEF) or The Toronto Stock Exchange (CEF.A and CEF.U).

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