

June 6, 2007

Central Fund of Canada Limited (symbols: AMEX-CEF, TORONTO-CEF.A) has today released selected comparative financial information relating to net assets and results of operations for the six-months ended April 30, 2007.

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

| | <i>April 30</i> 2007 | <i>October 31</i> 2006 |
|--|--------------------------------|----------------------------------|
| Net assets: | | |
| <i>Gold bullion, at market, average cost \$318,624,214 (2006: \$284,691,854)</i> | \$ 496,048,973 | 410,565,912 |
| <i>Silver bullion, at market, average cost \$289,171,893 (2006: \$252,354,197)</i> | 494,505,730 | 410,665,810 |
| <i>Cash</i> | 1,079,791 | 2,136,587 |
| <i>Interest-bearing cash deposits</i> | 20,100,000 | 14,500,000 |
| <i>Prepaid insurance, interest receivable and other</i> | 255,066 | 327,504 |
| | 1,011,989,560 | 838,195,813 |
| <i>Accrued liabilities</i> | (1,229,828) | (820,662) |
| <i>Dividends payable</i> | - | (1,046,545) |
| Net assets representing shareholders' equity | \$ 1,010,759,732 | 836,328,606 |
| Represented by: | | |
| <i>Capital stock</i> | | |
| <i>Class A shares issued: 113,294,532 (2006: 104,654,532)</i> | \$ 614,340,415 | 536,847,071 |
| <i>Common shares issued: 40,000</i> | 19,458 | 19,458 |
| | 614,359,873 | 536,866,529 |
| <i>Contributed surplus</i> | 13,669,932 | 15,294,173 |
| <i>Retained earnings inclusive of unrealized appreciation of holdings</i> | 382,729,927 | 284,167,904 |
| | \$ 1,010,759,732 | 836,328,606 |
| Net asset value per share: | | |
| <i>Class A shares</i> | \$ 8.92 | 7.99 |
| <i>Common shares</i> | \$ 5.92 | 4.99 |
| Net asset value per share expressed in Canadian dollars: | | |
| <i>Class A shares</i> | \$ 9.87 | 8.97 |
| <i>Common shares</i> | \$ 6.55 | 5.60 |
| Exchange rate: | <i>U.S. \$1.00 = Cdn.</i> | |
| | \$ 1.1067 | 1.1227 |

The following discussion is based on the financial statements of Central Fund of Canada Limited ("Central Fund" or the "Company") which are prepared in accordance with accounting principles generally accepted in Canada. These principles are substantially the same as United States' generally accepted accounting principles.

This analysis should be read in conjunction with Central Fund's financial statements prepared in accordance with Canadian GAAP included in its 2006 Annual Report and the accompanying MD&A.

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 \$174,431,126 during the six months ending April 30, 2007 as a result of the December 8, 2006 public offering as well as increases in gold and silver prices.

The Company used the net proceeds from this public offering to purchase 52,690 fine ounces of gold at a cost of \$33,932,360 and 2,634,540 ounces of silver at a cost of \$36,817,696, both in physical bar form. The balance of \$6,617,304 was retained by the Company in interest-bearing cash deposits for working capital purposes.

CENTRAL FUND OF CANADA LIMITED

Statement of Income

(expressed in U.S. dollars, unaudited)

| | <i>Six months ended April 30</i> | | <i>Three months ended April 30</i> | |
|--|----------------------------------|--------------------|------------------------------------|--------------------|
| | <i>2007</i> | <i>2006</i> | <i>2007</i> | <i>2006</i> |
| Income: | | | | |
| <i>Interest</i> | \$ 538,096 | 177,417 | \$ 279,728 | 88,412 |
| <i>Dividends</i> | - | 260 | - | 130 |
| <i>Unrealized appreciation of holdings</i> | 98,562,023 | 256,287,176 | 24,551,481 | 129,100,424 |
| | <u>99,100,119</u> | <u>256,464,853</u> | <u>24,831,209</u> | <u>129,188,966</u> |
| Expenses: | | | | |
| <i>Administration fees</i> | 1,254,330 | 934,573 | 641,809 | 500,402 |
| <i>Safekeeping, insurance & bank charges</i> | 549,426 | 414,423 | 282,267 | 221,613 |
| <i>Shareholder information</i> | 105,507 | 111,719 | 60,380 | 71,687 |
| <i>Accounting fees</i> | 70,805 | 28,393 | 53,805 | 11,081 |
| <i>Directors' fees and expenses</i> | 62,217 | 52,270 | 26,787 | 23,964 |
| <i>Legal fees</i> | 45,775 | 66,237 | 24,071 | 18,088 |
| <i>Stock exchange fees</i> | 36,967 | 90,739 | 27,725 | 29,925 |
| <i>Registrar and transfer agent fees</i> | 36,845 | 30,357 | 21,841 | 16,926 |
| <i>Miscellaneous</i> | 595 | 984 | 274 | 434 |
| <i>Foreign currency exchange loss (gain)</i> | (130) | 6,944 | (130) | (1,443) |
| <i>Total expenses</i> | <u>2,162,337</u> | <u>1,736,639</u> | <u>1,138,829</u> | <u>892,677</u> |
| <i>Income before taxes</i> | 96,937,782 | 254,728,214 | 23,692,380 | 128,296,289 |
| <i>Taxes</i> | - | (549,022) | - | (300,499) |
| Net income | <u>\$ 96,937,782</u> | <u>254,179,192</u> | <u>\$ 23,692,380</u> | <u>127,995,790</u> |
| Net income per share: | | | | |
| <i>Class A shares</i> | \$ 0.88 | 2.69 | \$ 0.21 | 1.35 |
| <i>Common shares</i> | \$ 0.88 | 2.69 | \$ 0.21 | 1.35 |

The net income (inclusive of unrealized appreciation of holdings) for the six months ended April 30, 2007 was \$96,937,782, compared to \$254,179,192 for the same period in 2006. Certain expenses, such as administration fees which are scaled, 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. Safekeeping fees and bullion insurance costs increased, reflecting the higher prices of gold and silver bullion. Administration fees increased to \$1,254,330 from \$934,573 for the six months based on the increased assets under administration.

Stock exchange fees of \$36,967 for the six months ended April 30, 2007 consist of Toronto Stock Exchange fees of \$26,967 and American Stock Exchange fees of \$10,000. These amounts represent approximately 4 months of the 12 month annual fee charged being \$80,902 for the Toronto Stock Exchange and \$30,000 for the American Stock Exchange. The amount of \$90,739 for the same period in 2006 represents the total 2006 annual fees for the Toronto Stock Exchange and the American Stock Exchange.

Expenses (which exclude taxes) as a percentage of average month-end net assets for the six-month period ended April 30, 2007 were 0.22%, compared to 0.26% for the same six-month period in 2006. For the twelve months ended April 30, 2007, the expense ratio was 0.45% compared to 0.51% 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, 2007, the Class A shares of Central Fund were backed 98% 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).

For further information please contact:
 J.C. Stefan Spicer, President & CEO
 Email: info@centralfund.com
 Website: www.centralfund.com
 Telephone: 905-648-7878