

Central Fund of Canada Limited

1st QUARTER REPORT

Central Fund is currently 97.3% invested in gold and silver bullion. At January 31, 2001 Central Fund's gold holdings were 129,725 fine oz. of physical bullion and 2,502 fine oz. of gold bullion certificates. Silver holdings were 6,450,252 oz. of physical bullion and 165,516 oz. of silver bullion certificates. The physical bullion is insured and held in safekeeping by a Canadian chartered bank in segregated vault storage. Central Fund continues to fulfil its mandate as "The Sound Monetary Fund".

On behalf of the Board of Directors:

Philip M. Spicer, President

FINANCIAL REVIEW

Results of Operations – Change in Net Assets

The \$0.01 or 0.3% increase in net assets per Class A share expressed in U.S. dollar terms during the past three months was due primarily to the 1.1% increase in the price of silver during the period. This increase was partially offset by the small net loss during the period. The price of gold did not change. Net assets per Class A share as expressed in Canadian dollar terms decreased by \$0.08, or 1.5% as the small increase as described above was outweighed by the 1.8% decrease in the U.S. dollar relative to the Canadian dollar. The components of the change in net asset value per Class A share in U.S. and Canadian dollars are summarized in the adjacent table.

	Net Asset Value per Class A Share	
	U.S.\$ Terms	Cdn. \$ Terms
<i>October 31, 2000</i>	\$3.52	\$5.38
<i>Changes due to:</i>		
<i>Gold price</i>	-	-
<i>Silver price</i>	.02	.03
<i>Stronger Cdn. \$</i>	N/A	(.10)
<i>Other</i>	(.01)	(.01)
<i>Total changes</i>	.01	(.08)
<i>January 31, 2001</i>	\$3.53	\$5.30

Results of Operations – Net Loss

The net loss for the three months ended January 31, 2001 is 12.4% less than that of the same period in 2000. Interest income during the period is comparable to that of the same period in 2000. Operating expenses fell by 11.7% in the three months ended January 31, 2001 as compared to the same period in 2000. Administration fees declined as a result of a lower level of net assets during the current quarter from that which existed in the prior year's first quarter. A reduction in the Company's annual bullion insurance premium took effect in April 2000, and the decline in registrar and transfer agent's fees actually represent a timing difference during the first quarter of 2000 that was netted out in the second quarter of that year.

The Company did not sell any of its gold and silver bullion holdings during either of these periods.

Liquidity and Capital Resources

Central Fund's dollar liquidity objective is to hold cash reserves primarily for the payment of operating expenses, taxes and Class A share dividends. Should Central Fund not have sufficient cash to meet its needs, a nominal portion of Central Fund's bullion holdings may be sold to fund tax and dividend payments, provide working capital, and pay for redemptions of Class A shares (if any). Sales of such holdings could result in Central Fund realizing capital gains or in the current bullion market, losses. Central Fund qualifies as a "Mutual Fund Corporation" for Canadian income tax purposes. Any Canadian tax payable by Central Fund to the extent it relates to taxable capital gains, is fully refundable when the realized gains are distributed by way of special capital gains dividends or deemed to be distributed to shareholders through redemptions.

For the three months ended January 31, 2001, Central Fund's cash reserves decreased by \$325,000 as amounts were used to pay operating expenses, taxes and the Class A share dividend. Management monitors Central Fund's cash position with an emphasis on maintaining its mandate to hold maximum amounts of gold and silver bullion.

Central Fund of Canada Limited

Statements of Net Assets

(expressed in U.S. dollars, unaudited)(note 1)

	January 31 2001	October 31 2000
Net Assets:		
Gold bullion at market, average cost \$55,750,650 (note 2)	\$ 34,974,049	34,974,049
Silver bullion at market, average cost \$62,748,151 (note 2)	31,689,530	31,358,741
Marketable securities at market, average cost \$1,005,250	40,915	37,663
Interest bearing cash deposits	1,939,447	2,264,246
Prepaid insurance, interest receivable and other	39,677	47,300
	68,683,618	68,681,999
Accrued liabilities	(135,385)	(123,071)
Dividends payable	-	(194,129)
	\$ 68,548,233	68,364,799
Represented by:		
Capital Stock (note3):		
19,412,860 Class A shares issued	\$ 89,701,594	89,701,594
40,000 Common shares issued	19,458	19,458
	89,721,052	89,721,052
Contributed surplus (note 4)	31,626,740	31,777,345
Unrealized depreciation of investments	(52,799,559)	(53,133,598)
	\$ 68,548,233	68,364,799
Net Asset Value Per Share (expressed in U.S. dollars):		
Class A shares	\$ 3.53	3.52
Common shares	\$ 0.53	0.52
Net Asset Value Per Share (expressed in Canadian dollars):		
Class A shares	\$ 5.30	5.38
Common shares	\$ 0.80	0.79
Exchange rate:	U.S. \$1.00 = Cdn.	\$ 1.5000
		1.5271

Notes:

1. These unaudited financial statements contain all adjustments (consisting of normal recurring accruals) considered by the Company to be necessary for a fair presentation of its financial position, results of its operations and the changes in its net assets for the periods presented.

2. Details of gold and silver bullion holdings at January 31, 2001, (unchanged from October 31, 2000) are as follows:

Holdings	Gold	Silver
100 & 400 fine oz bars	129,725	1000 oz bars 6,450,252
Certificates	2,502	Certificates 165,516
Total fine ounces	132,227	Total ounces 6,615,768
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Market Value:	Per Fine Ounce	Per Ounce
October 31, 2000	U.S. \$ 264.50	U.S. \$ 4.7400
January 31, 2001	U.S. \$ 264.50	U.S. \$ 4.7900

3. On November 3, 1998, the Company approved a rights offering to holders of its Class A shares and Common shares on the basis of one right for each Class A share and each Common share. Four rights and U.S.\$4.00 entitled a holder to subscribe for one unit (an "A unit"). Each A unit consisted of one Class A share and one transferable Series 1 Warrant. Each Series 1 Warrant, exercisable during the period from May 3 until May 26, 1999, entitled the holder to acquire one unit (a "B unit") for an additional U.S. \$4.00. Each B unit consisted of one Class A share and one transferable Series 2 Warrant. Each Series 2 Warrant, exercisable during the period from November 1 until November 24, 1999, entitled the holder to acquire one Class A share for an additional U.S. \$4.00.

Pursuant to the Series 2 Warrant, the Company issued 298,215 Class A shares for gross proceeds of \$1,192,860. Costs relating to the Series 2 Warrants were \$5,000 and net proceeds were \$1,187,860.

Central Fund of Canada Limited

Statements of Changes in Net Assets (expressed in U.S. dollars, unaudited)(note 1)

	Three months ended January 31	
	2001	2000
Net assets at beginning of period	\$ 68,364,798	76,219,208
Add (deduct):		
Unrealized appreciation (depreciation) of investments during the period	334,040	(2,301,740)
Net loss	(150,605)	(171,852)
Net issuance of Class A Shares	-	1,170,360
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Increase (decrease) in net assets during the period	183,435	(1,303,232)
Net assets at end of period	\$ 68,548,233	74,915,976

Statements of Loss (expressed in U.S. dollars, unaudited)(note 1)

	Three months ended January 31	
	2001	2000
Income:		
Interest	\$ 32,768	33,979
Dividends	111	67
	<hr/>	<hr/>
	32,879	34,046
Expenses:		
Administration fees	85,264	92,582
Shareholder Information	22,695	23,034
Safekeeping, insurance and bank charges	16,260	19,892
Registrar and transfer agents' fees	6,564	12,184
Directors' fees and expenses	10,599	11,485
Professional fees	6,434	7,549
Miscellaneous	331	431
Foreign currency exchange loss	285	956
	<hr/>	<hr/>
	148,432	168,113
Loss from operations before income taxes	(115,552)	(134,067)
Income taxes (note 5)	(35,053)	(37,785)
	<hr/>	<hr/>
Net loss (note 6)	\$ (150,605)	(171,852)
Net loss per share:		
Class A shares	\$ (.01)	(.01)
Common shares	\$ (.01)	(.01)

Notes:

For the combined rights offering, Series 1 Warrants and Series 2 Warrants, the Company issued 1,313,560 Class A shares for gross proceeds of \$5,254,239. Costs of the offering were \$321,797 (inclusive of dealer commission costs) and net proceeds were \$4,932,442. A portion of the proceeds were used to purchase 2,828 fine ounces of gold in bar form and 145,728 ounces of silver in bar form.

4. In 1985 the shareholders authorized the use of contributed surplus to eliminate any deficit that may arise from losses and on the payment of the Class A shares' stated dividend. Accordingly, \$150,605 (2000, \$171,852) has been transferred from contributed surplus on January 31, 2001 and 2000 representing the net loss for the three months then ended. This change does not affect the net asset value of the Company.
5. Effective November 1, 2000, the Company adopted the new recommendations of The Canadian Institute of Chartered

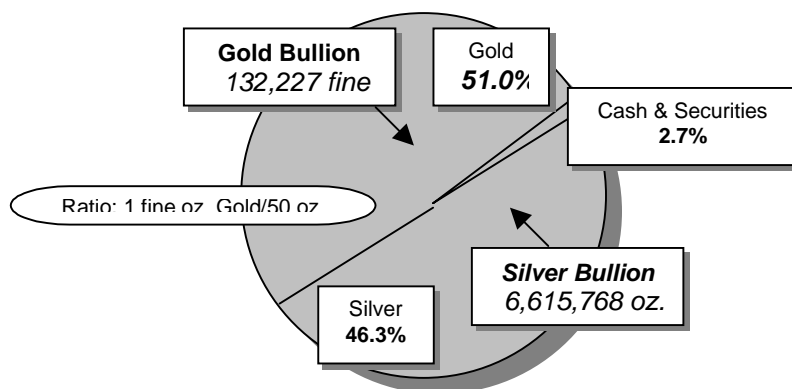
Accountants with respect to accounting for income taxes. There was no effect to the statement of net assets as at November 1, 2000, on adopting the liability method of tax allocation.

Income taxes pertain to the Canadian Federal large corporations tax, which is intended to be a minimum corporate tax and in the case of Central, operates similarly to a capital tax.

6. Under Canadian generally accepted accounting principles, the Company records the unrealized appreciation (depreciation) of its investments as a component of shareholders' equity. Under accounting principles generally accepted for investment companies in the United States, these amounts are reflected in the statements of loss. Net income (loss) for the three months ending January 31, 2001 would be \$183,435; (2000, (\$1,303,232)) under United States principles. The net assets of the Company are identical under both Canadian and United States generally accepted accounting principles.

Central Fund of Canada Limited

Portfolio
at
January 31, 2001



Corporate Information

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Stock Exchange Listings

	Electronic Ticker Symbol	Newspaper Quote Symbol
AMEX: Class A shares	CEF	CFCda
TSE: Class A shares	CEF.A	CFund A

Net Asset Value Information

The net asset value per Class A share is available twice daily by calling Central.
The Thursday net asset value is published in financial newspapers in the United States and Canada.
In Canada it is also published daily in the *Globe and Mail* Report on Business Fund Asset Values table.

Central Fund of Canada Limited

1ST QUARTER



INTERIM REPORT TO SHAREHOLDERS

for the nine months ended January 31, 2001