

August 29, 2002

Central Fund of Canada Limited (symbols: AMEX-CEF, TSX-CEF.A) has today released selected comparative financial information relating to net assets and results of operations for the nine months ended July 31, 2002.

Central Fund of Canada Limited
Statements of Net Assets
(expressed in U.S. dollars)

	July 31, <u>2002</u>	October 31, <u>2001</u>
Net Assets:		
Gold bullion at market-average cost \$89,165,300	\$ 72,274,326	36,858,284
Silver bullion at market-average cost \$88,847,715	55,484,938	28,282,409
Marketable securities at market-average cost \$997,690	38,844	45,297
Interest bearing cash deposits	4,908,601	1,456,544
Prepaid insurance, interest receivable and other	<u>45,257</u>	<u>34,580</u>
	132,751,966	66,677,114
Accrued liabilities	(403,622)	(131,190)
Dividends payable	<u>-</u>	<u>(194,129)</u>
Net assets representing shareholders' equity	\$ <u>132,348,344</u>	<u>66,351,795</u>
Represented by:		
Capital stock:		
35,797,520 (2001: 19,412,860) Class A shares issued	\$ 153,323,948	89,701,594
40,000 Common shares issued	<u>19,458</u>	<u>19,458</u>
	153,343,406	89,721,052
Contributed surplus	30,217,535	30,948,804
Unrealized depreciation of investments	<u>(51,212,597)</u>	<u>(54,318,061)</u>
	\$ <u>132,348,344</u>	<u>66,351,795</u>
Net Asset Value Per Share (expressed in U.S. dollars):		
Class A shares	\$ 3.70	3.42
Common shares	\$ <u>0.70</u>	<u>0.42</u>
Net Asset Value Per Share (expressed in Canadian dollars):		
Class A shares	\$ 5.85	5.42
Common shares	\$ <u>1.10</u>	<u>0.66</u>
Exchange rate:	U.S. \$ 1.00 = Cdn. \$ <u>1.5843</u>	<u>1.5867</u>

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.

The \$0.28 or 8.2% increase in net assets per Class A share expressed in U.S. dollar terms during the past nine months was due in part to the 9.3% increase in the price of gold and the 8.3% increase in the price of silver during the period. The issuance of Class A shares during the period at a premium to net asset value also served to increase net assets per Class A share. Net assets per Class A share as expressed in Canadian dollar terms increased by \$0.43, or 7.9%. In spite of the 0.2% decrease in the U.S. dollar relative to the Canadian dollar, net assets per Class A share as expressed in Canadian dollar terms increased in part due to the fact that the Class A share issues were completed at times when the Canadian dollar had strengthened against the U.S. dollar as compared to the rate at July 31, 2002.

Central Fund of Canada Limited
Statements of Loss
(expressed in U.S. dollars)

	Nine months ended July 31		Three months ended July 31	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Income:				
Interest	\$ 24,140	68,907	14,548	15,078
Dividends	346	311	147	130
Realized gain on investments	<u>1,409</u>	<u>-</u>	<u>1,409</u>	<u>-</u>
	<u>25,895</u>	<u>69,218</u>	<u>16,104</u>	<u>15,208</u>
Expenses:				
Administration fees	308,102	250,250	131,549	82,614
Safekeeping, insurance and bank charges	76,556	48,860	32,341	16,300
Shareholder information	72,443	61,495	10,288	8,674
Directors' fees and expenses	35,590	25,476	9,071	7,454
Registrar and transfer agents' fees	26,731	25,491	4,155	2,612
Professional fees	24,886	18,463	9,677	6,029
Miscellaneous	1,126	881	420	275
Foreign currency exchange loss	<u>(971)</u>	<u>1,851</u>	<u>(2,653)</u>	<u>492</u>
	<u>544,463</u>	<u>432,767</u>	<u>194,848</u>	<u>124,450</u>
Loss from operations before income taxes	\$ (518,568)	(363,549)	(178,744)	(109,242)
Income taxes	<u>(212,701)</u>	<u>(103,258)</u>	<u>(121,508)</u>	<u>(34,288)</u>
Net loss	\$ <u>(731,269)</u>	<u>(466,807)</u>	<u>(300,252)</u>	<u>(143,530)</u>
Net Loss Per Share:				
Class A shares	\$ (.02)	(.02)	(.01)	(.01)
Common shares	\$ <u>(.02)</u>	<u>(.02)</u>	<u>(.01)</u>	<u>(.01)</u>

The net losses for the three and the nine-month periods ended July 31, 2002 were higher than the net losses for the same periods in 2001. A portion of this increase is the result of sharply reduced interest income due to lower average balances of interest-bearing cash deposits combined with declining interest rates during the period as compared with the same period in 2001. However, cash balances have increased significantly as a result of the Class A share issues which have positively impacted the current three-month period and should continue to do so in subsequent periods. Operating expenses increased in the periods ended July 31, 2002 as compared with the same periods in 2001. Administration fees increased primarily as a result of the increase in net assets from the proceeds of issuances of Class A shares described in note 3 the accompanying financial statements as well as higher gold and silver prices during the period. Shareholder information costs rose due to an increase in annual fees levied by both the American Stock Exchange and The Toronto Stock Exchange. Safekeeping and insurance fees reflect anticipated charges from both locations where the Company stores its bullion, and an increase in fees to reflect additional gold and silver bullion purchased. Directors' fees have increased as a result of the addition of an independent director (formerly an officer and inside director) and the holding of additional board meetings relating to share issues described in note 3 to the accompanying financial statements. Income taxes, or more specifically the Federal Large Corporations Tax, are based on the Company's total net assets as at its fiscal year end. The increase in income taxes is directly related to the higher net asset level which existed at July 31, 2002.

The Company employed a majority of the proceeds from the Class A share issues referred to above to purchase physical gold and silver bullion, in the ratio of approximately 50 ounces of silver to each 1 fine ounce of gold. Thus, the long-standing policy for the ratio of bullion holdings, as mandated by the Board of Directors, has been maintained.

Central Fund of Canada Limited operates as a specialized investment holding company which invests primarily in long-term holdings of gold and silver bullion and does not actively speculate with regard to short-term changes in gold and silver prices. At July 31, 2002, the Class A shares of Central Fund were backed 96.6% by gold and silver bullion and may be purchased, held and sold with ease on either the American Stock Exchange or The Toronto Stock Exchange.