

CENTRAL FUND CLOSES U.S.\$150,052,500 CLASS A SHARE ISSUE

FOR IMMEDIATE RELEASE

on July 22, 2008
to Marketwire
and U.S. Disclosure Circuit

TSX SYMBOLS: CEF.A and CEF.U

AMEX SYMBOL: CEF

TORONTO, Ontario (July 22, 2008) - Central Fund of Canada Limited (“Central Fund”) of Calgary, Alberta is pleased to announce that it has completed the sale of 11,115,000 Class A Shares of Central Fund at a price of U.S.\$13.50 to CIBC World Markets Inc. (the “Underwriter”), raising total gross proceeds of U.S.\$150,052,500.00. The Class A Shares offered were primarily sold to investors in Canada and in the United States under the multijurisdictional disclosure system.

The underwritten price of U.S.\$13.50 per Class A Share was non-dilutive and accretive for the existing shareholders of Central Fund. In keeping with the policies established by the board of directors of Central Fund, Central Fund has invested substantially all of the net proceeds of the issue (after deducting fees payable to the Underwriter and expenses of the issue) in gold and silver bullion, with the balance of the net proceeds reserved for additional bullion purchases and working capital purposes. It is anticipated that the additional capital raised by the issue will assist Central Fund’s objective of reducing the annual expense ratio in favour of all shareholders of Central Fund.

The new total of issued and outstanding Class A Shares of Central Fund is 140,567,713. The investment holdings of Central Fund are now represented by approximately 897,982 fine ounces of gold, 44,893,456 ounces of silver and U.S.\$38,385,618 in cash.

The Class A Shares of Central Fund are qualified investments for RRSPs, DPSPs, RRIFs, RESPs and RDSPs. The Class A Shares are also eligible investments in the United States for various regulated investors and accounts.

Central Fund has filed a prospectus supplement to the base shelf prospectus and registration statement dated March 31, 2008 with the Canadian securities regulatory authorities and the United States Securities and Exchange Commission (“SEC”) for the offering to which this communication relates. An investor should read the base shelf prospectus including the prospectus supplement and any other documents Central Fund has filed with the securities commissions in each of the provinces and territories of Canada, except Quebec, and the SEC for more complete information about Central Fund and this offering. You may obtain a copy of the base shelf prospectus and a prospectus supplement in respect of the offering filed in the United States from CIBC World Markets Corp., 300 Madison Avenue, New York, New York 10017 or request a copy by telephone at 212-667-7014. You may obtain a copy of the base shelf prospectus and a prospectus supplement in respect of the offering filed in Canada from CIBC World Markets Inc., by requesting a copy by fax 416-594-7242 or telephone at 416-594-7270.

Statements contained in this release that are not historical facts are forward-looking statements that involve risks and uncertainties. Central Fund’s actual results could differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those risks detailed in Central Fund’s filings with the Canadian securities regulatory authorities and the SEC.

Central Fund of Canada Limited (est. 1961) is an exchange tradeable refined gold and silver bullion holding company. Central Fund’s Class A Shares are qualified for inclusion in many North American regulated accounts. Bullion holdings are stored on an unencumbered, allocated, segregated and insured basis in the treasury vaults of a major Canadian bank and are counted semi-annually in the presence of Central Fund’s auditors and bank representatives. Class A Shares are quoted on the AMEX, symbol CEF and the TSX, symbol CEF.A (Cdn.\$) and CEF.U (U.S.\$).

For further information, please contact J.C. Stefan Spicer, President and CEO at 905-648-7878

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