

CENTRAL FUND OF CANADA LTD
Form 6-K
June 14, 2006

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of April, 2006

CENTRAL FUND OF CANADA LIMITED

(Translation of registrant's name into English)

Suite 805, 1323 - 15th Avenue S.W., Calgary, Alberta, Canada T3C 0X8

(Address of principal executive office)

[Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

[Indicate by check mark whether the registrant by furnishing the information in this Form is also hereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the *Securities Exchange Act of 1934*.

YES NO

[If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A]

SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CENTRAL FUND OF CANADA LIMITED
(Registrant)

Date June 8, 2006

By: "(Signed)" J.C. STEFAN SPICER

*Print the name and title under the signature of the signing officer

(Signature)*
J.C. Stefan Spicer, President & CEO

EXHIBIT INDEX

CENTRAL FUND OF CANADA LIMITED

Exhibits to Form 6-K 2nd Quarter Report at April 30, 2006

Exhibit A: Form 52-109F2 Certification of Disclosure in Issuers' Annual and Interim Filings, CEO.

Exhibit B: Form 52-109F2 Certification of Disclosure in Issuers' Annual and Interim Filings, CFO.

EXHIBIT A

Form 52-109F2 Certification of Interim Filings

I, **J.C. Stefan Spicer, President and Chief Executive Officer of Central Fund of Canada Limited**, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of **Central Fund of Canada Limited**, (the issuer) for the interim period ending **April 30, 2006**;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - a. designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared; and
 - b. designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and
5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: June 8, 2006

"J.C. Stefan Spicer"
J.C. Stefan Spicer
Chief Executive Officer
Central Fund of Canada Limited

EXHIBIT B

Form 52-109F2 Certification of Interim Filings

I, **Cathy A. Spackman, Chief Financial Officer of Central Fund of Canada Limited**, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of **Central Fund of Canada Limited**, (the issuer) for the interim period ending **April 30, 2006**;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - a. designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared; and
 - b. designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and
5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: June 8, 2006

"Cathy A. Spackman"
Cathy A. Spackman
Chief Financial Officer
Central Fund of Canada Limited

2nd Quarter

INTERIM REPORT TO SHAREHOLDERS

for the six months ended April 30, 2006

The Role of Central Fund

***To serve investors as "The Sound Monetary Fund".
To hold gold and silver bullion on a secure basis for the
convenience of investors in the shares of Central Fund.***

Investment Policies & Restrictions Articles of incorporation require that at least 75% of Central Fund's non-cash assets be invested in gold and silver bullion investments. This cannot be changed without shareholder approval.

The stated investment policy of the Board of Directors requires Central Fund to maintain a minimum of 90% of its net assets in gold and silver bullion of which at least 85% must be in physical form. On April 30, 2006, 98.6% of Central Fund's net assets were invested in gold and silver bullion. Of this bullion, 99.2% was in physical form and 0.8% was in certificate form.

Central Fund's physical gold and silver bullion holdings may not be loaned, subjected to options or otherwise encumbered in any way.

Safeguards Central Fund's bullion is stored on a fully segregated basis in the underground vaults of the Canadian Imperial Bank of Commerce, one of the largest banks in North America in terms of total assets.

The Bank may only release physical bullion holdings upon receipt of an authorizing resolution of Central Fund's Board of Directors.

The physical gold and silver bullion holdings are insured against destruction, disappearance or wrongful abstraction.

Bullion holdings and bank vault security are inspected twice annually by directors and/or officers of Central Fund. On every occasion, inspections are required to be performed in the presence of both Central Fund's external auditors and bank personnel.

Central Fund is subject to the extensive regulations and reporting requirements of the United States Securities and Exchange Commission, two stock exchanges and various Canadian provincial securities regulatory authorities.

Conveniences Central Fund's Class A shares are listed on the American Stock Exchange (CEF) and on the Toronto Stock Exchange (CEF.A in Canadian dollars and CEF.U in U.S. dollars). Making a gold and silver bullion investment through Central Fund is as easy as calling one's stockbroker or investment dealer.

The stock exchange listings provide a readily quoted, liquid market for the Class A shares of Central Fund. The bid/ask spread is considerably less than the buying and selling prices of outright bullion purchases, especially for small transactions.

All expenses of handling, storage and insurance of bullion are paid by Central Fund. Unlike most other forms of bullion investment, there are no ownership costs paid directly by the investor. As well, there are no bullion assay charges to the shareholder upon the sale, redemption or liquidation of the Class A shares of Central Fund.

2nd QUARTER REPORT

Central Fund is currently 98.6% invested in gold and silver bullion. At April 30, 2006 Central Fund's gold holdings were 631,717 fine oz. of physical bullion and 5,349 fine oz. of gold bullion certificates. Silver holdings were 31,601,942 oz. of physical bullion and 245,572 oz. of silver bullion certificates. The physical bullion is insured and held in allocated 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:

J.C. Stefan Spicer, President

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

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 Annual Report and the accompanying MD&A.

Throughout this discussion, all amounts are in currency of the United States.

Certain statements in this report may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to our future outlook and anticipated events and may relate to matters that are not historical facts. In particular, statements regarding our objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions which we believe are reasonable as of the current date. While we believe these assumptions to be reasonable based on information currently available to us, they may prove to be incorrect. Forward-looking information is also subject to certain factors, including risks and uncertainties (described in "Risk Factors" of the Company's 2005 annual MD&A) that could cause results to differ materially from what we currently expect. Therefore future events and results may vary significantly from what we currently foresee.

Outstanding Shares

There were 97,504,532 Class A retractable shares and 40,000 Common shares issued and outstanding at April 30, 2006.

On April 27, 2006, the Company, through a public offering issued 3,208,212 Class A shares for proceeds of \$26,948,981 net of underwriting fees of \$1,122,874. Costs relating to this public offering were approximately \$500,000 and net proceeds were approximately \$26,448,981.

The Company used the net proceeds from this public offering to purchase 17,475 fine ounces of gold at a cost of \$10,462,625 and 873,800 ounces of silver at a cost of \$11,215,730, both in physical bar form. The balance of \$4,770,626, was retained by the Company in interest-bearing cash deposits for working capital purposes.

Administrator and Administration and Consulting Fees

Central Fund has no employees. It is party to an Administration and Consulting Agreement with The Central Group Alberta Ltd., which is related to the Company through four of its officers and directors. The Central Group Alberta Ltd., which acts as Administrator, has operating offices with employees, advisors and consultants which provide administrative and consulting services to the Company. For such services, the Company pays an administrative and consulting fee, payable monthly. (See note 6 to financial statements).

Results of Operations Change in Net Assets

Net assets increased by \$280,628,173 during the six months ending April 30, 2006 as a result of the April 27, 2006 public offering and increases in gold and silver prices.

The following table summarizes the quarterly financial information:

| | Quarter ended (US\$) | | | |
|---|----------------------|---------------------|---------------------|------------------|
| | April 30, 2006 | January 31, 2006 | October 31, 2005 | July 31, 2005 |
| Unrealized appreciation of investments (in millions) | \$ 256.3 | \$ 127.2 | \$ 45.1 | \$ 1.0 |
| Net income (in millions) | \$ 254.2 | \$ 126.2 | \$ 44.3 | \$ 0.3 |
| Net income per share | \$ 1.35 | \$ 1.34 | \$ 0.47 | \$ 0.00 |
| | April 30, 2005 | January 31, 2005 | October 31, 2004 | July 31, 2004 |
| Unrealized appreciation (depreciation) of investments (in millions) | \$ 16.4 | \$ (16.7) | \$ 37.3 | \$ 13.8 |
| Net income (loss) (in millions) | \$ 15.6 | \$ (17.5) | \$ 36.7 | \$ 13.2 |
| Net income (loss) per share | \$ 0.17 | \$ (0.19) | \$ 0.53 | \$ 0.20 |

Recent Developments

The Canadian Federal 2006 Budget proposes to accelerate the elimination of the federal large corporations capital tax retroactive to January 1, 2006.

As the large corporations tax is a significant expense to Central Fund, the elimination of the tax would be a positive benefit to the Company and its cash position.

Forward looking Observations

Changes in the market prices of gold and silver impact the net asset value per Class A share. Assuming as a constant exchange rate the rate which existed on April 30, 2006 of \$1.1203 Cdn. for each U.S. dollar together with holdings of gold and silver bullion which existed on that date, a 10% change in the price of gold would increase or decrease the net asset value per share by approximately \$0.42 per share or Cdn. \$0.47 per share. A 10% change in the price of silver would increase or decrease the net asset value per share by approximately \$0.41 per share or Cdn. \$0.46 per share. If both gold and silver prices were to change by 10% simultaneously in the same direction, the net asset value per share would increase or decrease by approximately \$0.83 per share or Cdn. \$0.93 per share.

Financial Results Net Income

Central Fund's income objective is secondary to its investment objective of holding the vast majority of its net assets in gold and silver bullion. Generally, Central Fund only seeks to maintain adequate cash reserves to enable it to pay operating expenses, taxes and Class A share dividends. Because gold and silver bullion does not generate income, Central Fund's realized income is a miniscule percentage of its net assets. However, CICA Accounting Guideline 18, Investment Companies requires Central Fund to record unrealized appreciation (depreciation) of investments in income.

The net income (inclusive of unrealized appreciation of investments) for the six months ended April 30, 2006 was \$254,179,192 compared to a net loss (inclusive of unrealized depreciation of investments) of \$1,886,250 for the same period in 2005. Since April 30, 2005, net assets have increased by \$324,262,287 or 65%. Certain expenses, such as administration fees that are scaled, and income taxes, vary 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 six months increased to \$934,573 from \$772,802, such increase being at the rate of one-fifth of one percent per annum on the increased assets under administration.

Operating expenses (which exclude income taxes) as a percentage of average net assets for the six month period ended April 30, 2006 were 0.26%, the same as for the identical six-month period in 2005. For the twelve months ended April 30, 2006, the operating expense ratio was 0.51% compared to 0.49% for the prior twelve-month period.

Liquidity and Capital Resources

Virtually all of Central Fund's assets are gold and silver bullion that are readily liquidable.

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, if any, of Class A shares.

For the six months ended April 30, 2006, Central Fund's cash reserves increased by \$2,274,006 to \$12,469,385. The increase was a result of the cash portion retained from the proceeds of the public offering completed in April, 2006, offset by amounts used to pay expenses, taxes and the Class A share dividend. The Administrator and senior officers monitor Central Fund's cash position with an emphasis on maintaining its mandate to hold maximum amounts of gold and silver bullion.

Additional Information

This MD&A was prepared on June 8, 2006. Additional information relating to the Company, including its Annual Information Form, is available on the SEDAR website at www.sedar.com.

Statement of Net Assets
(expressed in U.S. dollars, unaudited)

| | April 30 2006 | October 31 2005 |
|--|--------------------------|----------------------------|
| Net assets: | | |
| Gold bullion, at market, average cost \$257,296,231 (2005: \$246,833,606) (note 2) | \$ 410,270,733 | 291,672,631 |
| Silver bullion, at market, average cost \$227,805,197 (2005: \$216,589,467) (note 2) | 399,845,539 | 240,510,890 |
| Marketable securities, at market average cost \$89,430 (2005: \$89,430) | 98,733 | 65,954 |
| Interest-bearing cash deposits | 12,469,385 | 10,195,379 |
| Prepaid insurance, interest receivable and other | 32,241 | 76,477 |
| | 822,716,631 | 542,521,331 |
| Accrued liabilities | (1,087,015) | (576,925) |
| Dividends payable | | (942,963) |
| Net assets representing shareholders' equity | \$ 821,629,616 | 541,001,443 |
| Represented by: | | |
| Capital stock (note 3) | | |
| 97,504,532 (2005: 94,296,320) Class A shares issued | \$ 479,103,071 | 452,654,090 |
| 40,000 Common shares issued | 19,458 | 19,458 |
| | 479,122,529 | 452,673,548 |
| Contributed surplus (note 4) | 17,487,799 | 19,595,783 |
| Retained earnings inclusive of unrealized appreciation of investments | 325,019,288 | 68,732,112 |
| | \$ 821,629,616 | 541,001,443 |
| Net asset value per share: | | |
| Class A shares | \$ 8.42 | 5.74 |
| Common shares | \$ 5.42 | 2.74 |
| Net asset value per share expressed in Canadian dollars: | | |
| Class A shares | \$ 9.44 | 6.77 |
| Common shares | \$ 6.08 | 3.23 |
| Exchange rate: U.S. \$1.00 = Cdn. | \$ 1.1203 | 1.1801 |

On behalf of the Board:

"Douglas E. Heagle"
Director

"Philip M. Spicer"
Director

See accompanying notes to financial statements.

Statement of Changes in Net Assets
(expressed in U.S. dollars, unaudited)

| | Six months ended April 30 | | Three months ended April 30 | |
|--|------------------------------|-------------|--------------------------------|-------------|
| | 2006 | 2005 | 2006 | 2005 |
| Net assets at beginning of period | \$ 541,001,443 | 418,349,579 | \$ 667,184,845 | 481,788,154 |
| Add (deduct): | | | | |
| Net income (loss) | 254,179,192 | (1,886,250) | 127,995,790 | 15,579,175 |
| Net issuance of Class A shares | 26,448,981 | 80,904,000 | 26,448,981 | |
| Increase in net assets during the period | 280,628,173 | 79,017,750 | 154,444,771 | 15,579,175 |
| Net assets at end of period | \$ 821,629,616 | 497,367,329 | \$ 821,629,616 | 497,367,329 |

Statement of Income (Loss)
(expressed in U.S. dollars, unaudited)

| | Six months ended April 30 | | Three months ended April 30 | |
|---|------------------------------|-------------|--------------------------------|------------|
| | 2006 | 2005 | 2006 | 2005 |
| Income: | | | | |
| Interest | \$ 177,417 | 104,202 | \$ 88,412 | 54,180 |
| Dividends | 260 | 764 | 130 | 634 |
| Unrealized appreciation (depreciation) of investments | 256,287,176 | (246,109) | 129,100,424 | 16,442,524 |
| | 256,464,853 | (141,143) | 129,188,966 | 16,497,338 |
| Expenses: | | | | |
| Administration fees (note 5) | 934,573 | 772,802 | 500,402 | 385,984 |
| Safekeeping, insurance & bank charges | 414,423 | 154,064 | 221,613 | 86,810 |
| Shareholder information | 111,719 | 116,584 | 71,687 | 88,310 |
| Stock Exchange fees | 90,739 | 70,171 | 29,925 | 22,500 |
| Legal fees (note 5) | 66,237 | 68,501 | 18,088 | 64,299 |
| Directors' fees and expenses | 52,270 | 47,834 | 23,964 | 20,569 |
| Registrar and transfer agent fees | 30,357 | 47,275 | 16,926 | 38,287 |
| Accounting fees | 28,393 | 20,534 | 11,081 | 8,570 |
| Miscellaneous | 984 | 611 | 434 | 312 |
| Foreign currency exchange loss (gain) | 6,944 | 31,132 | (1,443) | 35 |
| Total operating expenses | 1,736,639 | 1,329,508 | 892,677 | 715,676 |
| Net income (loss) before income taxes (note 6) | 254,728,214 | (1,470,651) | 128,296,289 | 15,781,662 |
| Income taxes | (549,022) | (415,599) | (300,499) | (202,487) |
| Net income (loss) | \$ 254,179,192 | (1,886,250) | \$ 127,995,790 | 15,579,175 |

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| | Six months ended April 30 | | Three months ended April 30 | |
|-------------------------------------|------------------------------|------|--------------------------------|-------------|
| | | | | |
| Net income (loss) per share: | | | | |
| Class A shares | \$ | 2.69 | (.02) | \$ 1.35 .17 |
| Common shares | \$ | 2.69 | (.02) | \$ 1.35 .17 |

See accompanying notes to the financial statements.

Statement of Retained Earnings
(expressed in U.S. dollars, unaudited)

| | Six months ended April 30 | | Three months ended April 30 | |
|---|------------------------------|-------------|--------------------------------|------------|
| | 2006 | 2005 | 2006 | 2005 |
| Retained earnings: | | | | |
| Balance at beginning of period | \$ 68,732,112 | 22,940,214 | \$ 195,918,864 | 6,251,581 |
| Net income (loss) | 254,179,192 | (1,886,250) | 127,995,790 | 15,579,175 |
| | 322,911,304 | 21,053,964 | 323,914,654 | 21,830,756 |
| Transferred from contributed surplus (note 4) | 2,107,984 | 1,640,141 | 1,104,634 | 863,349 |
| Balance at end of period | \$ 325,019,288 | 22,694,105 | \$ 325,019,288 | 22,694,105 |

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

For the six months ended April 30, 2006

(amounts expressed in U.S. dollars unless otherwise stated)

1. Summary of accounting policies:

The accounting policies used in the preparation of these unaudited interim financial statements conform with those presented in Central Fund's October 31, 2005 audited annual financial statements. These interim financial statements do not include all of the disclosures included in the annual financial statements and accordingly should be read in conjunction with the annual financial statements.

2. Gold and Silver Bullion:

Details of gold and silver bullion holdings at April 30, 2006, are as follows:

| Holdings | Gold | | Silver |
|------------------------|---------|--------------|------------|
| 100 & 400 fine oz bars | 631,717 | 1000 oz bars | 31,601,942 |
| Certificates | 5,349 | Certificates | 245,572 |
| Total fine ounces | 637,066 | Total ounces | 31,847,514 |

| Market Value: | Per Fine Ounce | Per Ounce |
|------------------|----------------|----------------|
| October 31, 2005 | U.S. \$ 470.75 | U.S. \$ 7.765 |
| April 30, 2006 | U.S. \$ 644.00 | U.S. \$ 12.555 |

3. Capital stock:

The authorized share capital consists of an unlimited number of Class A non-voting shares without nominal or par value and 50,000 Common shares without nominal or par value.

There were 97,504,532 Class A shares which are retractable and 40,000 Common shares issued and outstanding at April 30, 2006.

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On April 27, 2006, the Company, through a public offering issued 3,208,212 Class A shares for proceeds of \$26,948,981 net of underwriting fees of \$1,122,874. Costs relating to this public offering were approximately \$500,000 and net proceeds were approximately \$26,448,981.

The Company used the net proceeds from this public offering to purchase 17,475 fine ounces of gold at a cost of \$10,462,625 and 873,800 ounces of silver at a cost of \$11,215,730, both in physical bar form. The balance of \$4,770,626, was retained by the Company in interest-bearing cash deposits for working capital purposes.

On November 3, 2004, the Company, through a public offering issued 15,000,000 Class A shares for proceeds of \$81,504,000 net of underwriting fees of \$3,396,000. Costs relating to this public offering were \$561,304 and net proceeds were \$80,942,696.

The Company used the net proceeds from this public offering to purchase 96,000 fine ounces of gold at a cost of \$40,790,400 and 4,800,000 ounces of silver at a cost of \$35,376,000, both in physical bar form except for 67 ounces of gold which were received in certificate form. The balance of \$4,776,296, was retained by the Company in interest-bearing cash deposits for working capital purposes.

4. Contributed Surplus and Retained Earnings:

Contributed surplus is used to eliminate any deficit that may arise from net losses before unrealized appreciation (depreciation) of investments and on the payment of the Class A shares' stated dividend per share. Accordingly, \$2,107,984 (2005, \$1,640,141) was transferred from contributed surplus on April 30, 2006 and 2005 representing the net loss before unrealized appreciation (depreciation) of investments for the six months then ended. This change does not affect the net asset value of the Company.

5. Related party transactions and fees:

For the six months ended April 30, 2006, the Company incurred fees totaling \$65,385 (2005: \$45,739) to legal firms of which two of the Company's directors are partners, and \$934,573 (2005: \$772,802) to the Administrator, the Central Group Alberta Ltd. The Board is of the opinion that these services were undertaken under the same terms and conditions as services with unrelated parties.

Of the \$1,087,015 balance in accrued liabilities at April 30, 2006, \$182,151 (2005: \$127,564) relates to the April administration fee payable to the Administrator.

For such services, the Company pays an administrative and consulting fee, payable monthly, that was from 1996 to October 31, 2005 at an annual rate of $\frac{1}{2}$ of one percent based on the Company's net assets up to \$50,000,000, $\frac{3}{8}$ of one percent on the next \$50,000,000 in net assets and $\frac{1}{4}$ of one percent on any excess over \$100,000,000.

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Effective November 1, 2005, an Amended and Restated Administration and Consulting Agreement reduced the annual administration and consulting fee schedule for at least the next ten year term to 0.30% on the first \$400 million of total net assets, 0.20% on the next \$600 million of total net assets and 0.15% on total net assets exceeding one billion dollars.

6. Change in accounting policy:

For the year ended October 31, 2004, with retroactive application to prior periods, the Company early adopted CICA Accounting Guideline 18, Investment Companies ("AcG 18"), which requires that, for qualifying entities, investments held are to be measured and reported in the financial statements at their fair value with changes in fair value recognized in income in the period in which the change occurred. While the Company's accounting policy, prior to adoption of AcG 18, had been to measure its investments at market value, the Company did not recognize the unrealized gains and losses in income, but instead recognized them only as a separate component of shareholders' equity until realized, at which time they would be recognized in income.

7. Comparative figures:

Certain figures for the comparative preceding period have been reclassified.

Corporate Information

Directors

John S. Elder Q.C. (C)
Douglas E. Heagle (A)(C)(I)(L)
Ian M.T. McAvity (E)(I)
Michael A. Parente CMA, CFP (A)(I)
Robert R. Sale (A)(C)(I)
Dale R. Spackman Q.C. (E)
J.C. Stefan Spicer (E)
Philip M. Spicer (E)
Malcolm A. Taschereau (A)(C)(I)

Officers

Philip M. Spicer, Chairman
Dale R. Spackman Q.C., Vice-Chairman
J.C. Stefan Spicer, President & CEO
John S. Elder Q.C., Secretary
Catherine A. Spackman CMA, Treasurer
Teresa E. Poper, Assistant Treasurer

Advisors to the Administrator

Ian M.T. McAvity, Toronto, Ontario Market Analyst
Dr. Hans F. Sennholz, Grove City, PA Monetary Advisor

- (A) Member of Audit Committee
(C) Member of Corporate Governance Committee
(E) Member of Executive Committee
(I) May be regarded as an independent director under Canadian Securities Administrators' rules.
(L) Lead Director

Administrator

The Central Group Alberta Ltd.
Calgary, Alberta

Auditors

Ernst & Young LLP
Calgary and Toronto

Banker

Canadian Imperial Bank of Commerce
at Calgary, Alberta

Custodian

Canadian Imperial Bank of Commerce
at Calgary, Toronto and Vancouver

Legal Counsel

Fraser Milner Casgrain LLP, Toronto, Ontario
Parlee McLaws LLP, Calgary, Alberta

Registrar and Transfer Agents

Mellon Investor Services LLC, New York
CIBC Mellon Trust Company at Calgary,
Montreal, Toronto and Vancouver

Share Ownership Certificates

Certificates of share ownership registered in shareholders' names at their own addresses for delivery to them for their own safekeeping may be obtained upon the request of holders and payment of any applicable fees to the relevant Registrar and Transfer Agent of the Company.

Head Office

Hallmark Estates
Suite 805, 1323-15th Avenue S.W.
Calgary, Alberta T3C 0X8
Telephone (403) 228-5861
Fax (403) 228-2222

Shareholder and Investor Inquiries

Administrator, P.O. Box 7319
Ancaster, Ontario L9G 3N6
Telephone (905) 648-7878
Fax (905) 648-4196

**Website: www.centrafund.com
E-mail: info@centrafund.com**

Portfolio
at
April 30, 2006

Class A Shares Stock Exchange Listings

| | <u>Electronic Ticker Symbol</u> | <u>Newspaper Quote Symbol</u> |
|----------------------------|-------------------------------------|-----------------------------------|
| American Stock Exchange | CEF | CFCda |
| The Toronto Stock Exchange | CEF.A in CDN\$ CEF.U in U.S.\$ | CFund A |

Net Asset Value Information

The net asset value per Class A share is calculated daily and is available at www.centralfund.com or by calling the Administrator's Investor Inquiries office at (905) 648-7878 or by sending an email to info@centralfund.com. The Thursday net asset value is published on a regular basis in several financial newspapers among which are the following:

In the United States (figures published in U.S. \$):

Wall Street Journal

Barrons

New York Times

In Canada (figures published in Canadian \$):

Globe and Mail Report on Business

National Post, Financial Post Section

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