

CENTRAL FUND OF CANADA LTD  
Form 6-K  
June 13, 2005

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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, 2005

**CENTRAL FUND OF CANADA LIMITED**

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(Translation of registrant's name into English)

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

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(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]

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**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 7, 2005

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

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

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

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**EXHIBIT INDEX**

**CENTRAL FUND OF CANADA LIMITED**

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

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

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Portfolio  
at  
April 30, 2005

***Corporate Information***

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**Investor Inquiries**

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Ancaster, Ontario  
Canada L9G 3N6

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E-mail: [info@centralfund.com](mailto:info@centralfund.com)

**Head Office**

Hallmark Estates  
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Calgary, Alberta  
Canada T3C 0X8

Telephone: (403) 228-5861

Fax: (403) 228-2222

**Stock Exchange Listings**

***AMEX:***

Class A shares

***TSX:***

Class A shares

***Electronic  
Ticker Symbol***

CEF

CEF.NV.A and  
CEF.NV.U

***Newspaper  
Quote Symbol***

CFCda

CFund A

**Net Asset Value Information**

The net asset value per Class A share is available daily by calling Investor Inquiries.  
The Thursday net asset value is published in financial newspapers in the United States and Canada.

In Canada, the net asset value is also published daily in the *Globe and Mail Report on Business* Fund Asset Values table.

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**2ND QUARTER**

**INTERIM REPORT TO SHAREHOLDERS**

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*for the six months ended April 30, 2005*

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**2<sup>nd</sup> QUARTER REPORT**

Central Fund is currently 97.7% invested in gold and silver bullion. At April 30, 2005 Central Fund's gold holdings were 614,242 fine oz. of physical bullion and 5,349 fine oz. of gold bullion certificates. Silver holdings were 30,728,142 oz. of physical bullion and 245,572 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:

J.C. Stefan Spicer, President

**MANAGEMENT'S DISCUSSION & ANALYSIS***Selected Financial Information*

The following table summarizes quarterly financial information:

|                                                                     | Quarter ended (US\$) |                     |                     |                  |
|---------------------------------------------------------------------|----------------------|---------------------|---------------------|------------------|
|                                                                     | April 30,<br>2005    | January 31,<br>2005 | October 31,<br>2004 | July 31,<br>2004 |
| Unrealized appreciation (depreciation) of investments (in millions) | \$ 16.4              | \$ (16.7)           | \$ 37.3             | \$ 13.8          |
| Net income (loss) for the period (in millions)                      | \$ 15.6              | \$ (17.5)           | \$ 36.7             | \$ 13.2          |
| Net income (loss) per share                                         | \$ 0.17              | \$ (0.19)           | \$ 0.53             | \$ 0.20          |
|                                                                     | April 30,<br>2004    | January 31,<br>2004 | October 31,<br>2003 | July 31,<br>2003 |
|                                                                     |                      |                     |                     |                  |
| Unrealized appreciation (depreciation) of investments (in millions) | \$ (26.7)            | \$ 21.8             | \$ 10.2             | \$ 12.4          |
| Net income (loss) for the period (in millions)                      | \$ (27.3)            | \$ 21.3             | \$ 9.8              | \$ 12.0          |
| Net income (loss) per share                                         | \$ (0.39)            | \$ 0.41             | \$ 0.23             | \$ 0.29          |

*Review of Operations*

Central Fund's earned 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 do not generate revenue, Central Fund's actual revenues are a miniscule percentage of its net assets. However, CICA Accounting Guideline 18, Investment Companies now requires Central Fund to record unrealized appreciation (depreciation) of investments in income.

The net loss (inclusive of unrealized depreciation of investments) for the six months ended April 30, 2005 was \$1,886,250 compared to \$5,980,140 for the same period in 2004. Since April 30, 2004, net assets have increased by \$128,321,080 or 35%. The Company has used the bulk of the proceeds of the two Class A share issues over the past twelve months to purchase gold and silver bullion, primarily in bar form. Certain expenses, such as administration fees are scaled and, together with income taxes, vary in proportion to net asset levels, or, in the case of stock exchange fees (included in shareholder information), with the number of Class A shares issued. Safekeeping fees and bullion insurance costs increased as a result of the purchases of additional physical gold and silver bullion. Administration fees remitted to The Central Group Alberta Limited for the six months increased to \$772,802 from \$484,508, such increase being at the rate of one-quarter of one percent per annum on the increased assets under administration. The Company incurred fees totaling \$45,739 (2004: \$10,806) to a legal firm of which one of the Company's directors is a partner. Professional fees increased as a result of legal and audit work required to adopt recently imposed accounting guidelines and corporate governance rules and regulations as well as preparations for the Special Meeting of Class A Shareholders in February 2005.

Despite an increase in overall expense levels, the operating expenses (which exclude income taxes) as a percentage of average net assets, declined to 0.26% for the six months ended April 30, 2005 compared to 0.28% for the same six-month period in 2004. For the twelve months ended April 30, 2005, the operating expense ratio was 0.49% compared to 0.57% for the prior twelve-month period.

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### *Liquidity and Capital Resources*

All of Central Fund's assets are immediately marketable and highly liquid.

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, 2005, Central Fund's cash reserves increased by \$2,297,214 as amounts used to pay operating expenses, taxes and the Class A share dividend were more than offset by amounts retained in interest-bearing cash deposits for working capital purposes from the public offering completed in November 2004. Management monitors Central Fund's cash position with an emphasis on maintaining its mandate to hold maximum amounts of gold and silver bullion.

### *Forward looking Observations*

Changes in the market prices of gold and silver have an impact on the net asset value per Class A share. Assuming as a constant exchange rate the rate which existed on April 30, 2005 of \$1.2569 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 \$0.29 per share or Cdn. \$0.36 per share. On the same basis, a 10% change in the price of silver would increase or decrease the net asset value per share by approximately \$0.23 per share or Cdn. \$0.29 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 \$0.52 per share or Cdn. \$0.65 per share.

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**Statement of Net Assets***(expressed in U.S. dollars, unaudited)(note 1)*

|                                                                                     | <b>April 30<br/>2005</b> | <b>October 31<br/>2004</b> |
|-------------------------------------------------------------------------------------|--------------------------|----------------------------|
| <b>Net Assets:</b>                                                                  |                          |                            |
| Gold bullion at market, average cost \$246,833,606 (2004: \$206,043,206) (note 2)   | \$ 269,955,954           | 222,814,301                |
| Silver bullion at market, average cost \$216,589,466 (2004: \$181,213,467) (note 2) | 216,196,524              | 187,403,793                |
| Marketable securities at market, average cost \$89,430 (2004: \$89,430)             | 54,129                   | 68,221                     |
| Interest-bearing cash deposits                                                      | 11,779,750               | 9,482,536                  |
| Prepaid insurance, interest receivable and other                                    | 29,014                   | 81,351                     |
|                                                                                     | <b>498,015,371</b>       | <b>419,850,202</b>         |
| Accrued liabilities                                                                 | (648,042)                | (707,660)                  |
| Dividends payable                                                                   |                          | (792,963)                  |
|                                                                                     | <b>497,367,329</b>       | <b>418,349,579</b>         |
| <b>Represented by:</b>                                                              |                          |                            |
| Capital stock (note 3):                                                             |                          |                            |
| 94,296,320 (2004: 79,296,320) Class A shares issued                                 | \$ 452,615,394           | 371,711,394                |
| 40,000 Common shares issued                                                         | 19,458                   | 19,458                     |
|                                                                                     | <b>452,634,852</b>       | <b>371,730,852</b>         |
| Contributed surplus (note 4)                                                        | 22,038,372               | 23,678,513                 |
| Retained earnings inclusive of unrealized appreciation of investments               | 22,694,105               | 22,940,214                 |
|                                                                                     | <b>497,367,329</b>       | <b>418,349,579</b>         |
| <b>Net asset value per share (expressed in U.S. dollars):</b>                       |                          |                            |
| Class A shares                                                                      | \$ 5.27                  | 5.27                       |
| Common shares                                                                       | \$ 2.27                  | 2.27                       |
| <b>Net asset value per share (expressed in Canadian dollars):</b>                   |                          |                            |
| Class A shares                                                                      | \$ 6.63                  | 6.44                       |
| Common shares                                                                       | \$ 2.86                  | 2.78                       |
| <b>Exchange rate:</b> U.S. \$1.00 = Cdn.                                            | \$ 1.2569                | 1.2207                     |

## Notes:

1. The accounting policies used in the preparation of these unaudited interim financial statements conform with those presented in Central Fund's October 31, 2004 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. Details of gold and silver bullion holdings at April 30, 2005, are as follows:

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| <b>Holdings</b>        | <b>Gold</b> |                       | <b>Silver</b>    |
|------------------------|-------------|-----------------------|------------------|
| 100 & 400 fine oz bars | 614,242     | 1000 oz bars          | 30,728,142       |
| Certificates           | 5,349       | Certificates          | 245,572          |
|                        |             |                       |                  |
| Total fine ounces      | 619,591     | Total ounces          | 30,973,714       |
|                        |             |                       |                  |
|                        |             |                       |                  |
| <b>Market Value</b>    |             | <b>Per Fine Ounce</b> | <b>Per Ounce</b> |
| October 31, 2004       |             | U.S. \$425.55         | U.S. \$7.16      |
| April 30, 2005         |             | U.S. \$435.70         | U.S. \$6.98      |

3. 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 approximately \$600,000 and net proceeds were approximately \$80,904,000.

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 approximately \$4,737,600, was retained by the Company in interest-bearing cash deposits for working capital purposes.

4. 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, \$1,640,141 (2004, \$1,121,408) has been transferred from contributed surplus on April 30, 2005 and 2004 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.

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

|                                          | Six months ended April 30 |             | Three months ended April 30 |              |
|------------------------------------------|---------------------------|-------------|-----------------------------|--------------|
|                                          | 2005                      | 2004        | 2005                        | 2004         |
| Net assets at beginning of period        | \$ 418,349,579            | 194,663,349 | \$ 481,788,154              | 287,409,904  |
| <b>Add (deduct):</b>                     |                           |             |                             |              |
| Net income (loss)                        | (1,886,250)               | (5,980,140) | 15,579,175                  | (27,275,655) |
| Net issuance of Class A shares           | 80,904,000                | 180,363,040 |                             | 108,912,000  |
| Increase in net assets during the period | 79,017,750                | 174,382,900 | 15,579,175                  | 81,636,345   |
| Net assets at end of period              | \$ 497,367,329            | 369,046,249 | \$ 497,367,329              | 369,046,249  |

**Statement of Income (Loss)**  
*(expressed in U.S. dollars, unaudited)(note 1)*

|                                                       | Six months ended April 30 |             | Three months ended April 30 |              |
|-------------------------------------------------------|---------------------------|-------------|-----------------------------|--------------|
|                                                       | 2005                      | 2004        | 2005                        | 2004         |
| <b>Income:</b>                                        |                           |             |                             |              |
| Interest                                              | \$ 104,202                | 22,240      | \$ 54,180                   | 12,489       |
| Dividends                                             | 764                       | 281         | 634                         | 184          |
| Unrealized appreciation (depreciation) of investments | (246,109)                 | (4,858,732) | 16,442,524                  | (26,653,548) |
|                                                       | (141,143)                 | (4,836,211) | 16,497,338                  | (26,640,875) |
| <b>Expenses:</b>                                      |                           |             |                             |              |
| Administration fees                                   | 772,802                   | 484,508     | 385,984                     | 270,943      |
| Shareholders' Information                             | 186,755                   | 126,962     | 110,809                     | 72,563       |
| Safekeeping, insurance and bank charges               | 154,064                   | 100,159     | 86,810                      | 56,296       |
| Professional fees                                     | 89,035                    | 29,543      | 72,870                      | 19,977       |
| Directors' fees and expenses                          | 47,834                    | 26,269      | 20,569                      | 10,942       |
| Registrar and transfer agents' fees                   | 47,275                    | 28,220      | 38,287                      | 21,550       |
| Miscellaneous                                         | 611                       | 971         | 312                         | 625          |
| Foreign exchange loss                                 | 31,132                    | 14,786      | 35                          | 6,785        |
|                                                       | 1,329,508                 | 811,418     | 715,676                     | 459,681      |
| Income (loss) before income taxes                     | (1,470,651)               | (5,647,629) | 15,781,662                  | (27,100,556) |
| Income taxes                                          | (415,599)                 | (332,511)   | (202,487)                   | (175,099)    |
| Net income (loss) (note 5)                            | \$ (1,886,250)            | (5,980,140) | \$ 15,579,175               | (27,275,655) |

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|                              | Six months ended April 30 |       | Three months ended April 30 |              |
|------------------------------|---------------------------|-------|-----------------------------|--------------|
|                              |                           |       |                             |              |
| Net income (loss) per share: |                           |       |                             |              |
| Class A shares               | \$                        | (.02) | (.08)                       | \$ .17 (.39) |
| Common shares                | \$                        | (.02) | (.08)                       | \$ .17 (.39) |

Notes:

5. 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 were recognized in income.
6. For the six months ended April 30, 2005, the Company incurred fees totaling \$45,739 (2004: \$10,806) to a legal firm of which one of the Company's directors is a partner, and to the administrator \$772,802 (2004: \$484,508).

QuickLinks

SIGNATURES

EXHIBIT INDEX CENTRAL FUND OF CANADA LIMITED