

ISSUE OF 500,000 OF 7 PER CENT. CUMULATIVE PREFERENCE STOCK.

The Cramp Ontario Steel Company

LIMITED. No Personal Liability.

Incorporated by Letters Patent granted by the Ontario Government.

AUTHORIZED CAPITAL, - - - - \$5,000,000
 DIVIDED INTO 50,000 SHARES OF \$100 EACH.

PREFERENCE STOCK (7 per cent. cumulative) - 20,000 SHARES
 COMMON STOCK - - - - 30,000 SHARES

5,000 Shares of the cumulative 7 per cent. preference stock (payable quarterly) are now offered for subscription at par (\$100) with a bonus of common stock.

DIRECTORS:

PRESIDENT—CHARLES D. CRAMP, Philadelphia (Late Supervisor William Cramp & Sons Ship and Engine Building Company).
 WILLIAM M. CRAMP, Philadelphia (Late Vice-President William Cramp & Sons Ship and Engine Building Co.)
 GEORGE O. ANGELL, Philadelphia, Capitalist.
 HON. SIR CHARLES HIBBERT TUPPER, K.C.M.G., Privy Councillor, Victoria, B.C.
 H. CLERGUE, Vice-President Lake Superior Power Company, Sault Ste. Marie.
 HON. J. R. GOWAN, C.M.G., Q.C., Senator, Director North American Life Assurance Company, Barrie.
 JOHN J. LONG, Vice-President Northern Navigation Co., Limited, Collingwood.
 W. C. MATTHEWS, General Manager R. G. Dunn & Company, Toronto.
 A. McLEAN MACDONELL, Barrister (Macdonell, McMaster & Geary,) Toronto.
 J. A. CURRIE, Member Toronto Board of Trade, Toronto.
 CONSULTING ENGINEER—WALTER KENNEDY, Pittsburg, U.S.A.
 SOLICITORS—MACDONELL, McMASTER & GEARY, 51 Yonge Street, Toronto.
 BANKERS—BANK OF TORONTO.

REGISTRARS OF STOCK AND TRANSFER AGENTS—NATIONAL TRUST COMPANY, LIMITED, Toronto and Montreal.

Head Office—COLLINGWOOD. Branch Office—62 Canada Life Building., TORONTO.

THE CRAMP ONTARIO STEEL COMPANY, Limited

This Company is organized for the purpose of establishing blast furnaces, steel plant and rolling mills at Collingwood, a point in the Province of Ontario on the Great Lakes, convenient for shipping and the assembling of raw products.

STEEL-IN CANADA

There has never been any open-hearth steel made in Canada, although every inducement has been held out by the Government of the Dominion in the form of bounties and a tariff for the purpose of establishing the industry. These inducements the Government of the Province of Ontario has supplemented by an additional bounty on the ores of the Province smelted in Ontario.

PLANT

The Company will commence with a plant having a capacity of 200 tons of finished product per day, with every convenience for duplicating it and increasing the output from time to time as the business extends. It will consist of a blast furnace of the latest and most modern design and construction, capable of producing 200 to 250 tons of pig iron per day. Coke will be used for fuel, supplemented, if necessary, by charcoal, and the furnace will be built with a view to hard and continuous driving. Everything connected with it will be substantial, and it will be equipped with the latest labor-saving devices for handling ore. It is intended also to utilize the blast furnace gases for the production of power to run the blowing engines and electric plant, which will drive the various machinery in connection with the works. The furnace will be capable of making merchant pig iron if desired, but it is the intention to turn the greater portion of the product into steel. Adjoining the furnace will be an open-hearth steel plant, containing four 30-ton open-hearth steel furnaces of the latest and most improved type. The finishing mills, when completed, will be capable of producing the various forms of steel, such as merchant steel, plates for tank, boiler and ship-building purposes, structural shapes, rails, general steel castings, etc. They will be designed also with a view to the production of nickel steel for armor plate and other heavy forgings.

CONCESSIONS

The Company has secured and now owns several valuable franchises and concessions which have been legalized by an Act of Parliament passed at the last session of the Legislative Assembly of Ontario. Among them are a cash bonus of \$115,000, payable as soon as the plant is in operation; a free site of 50 acres of land with 800 feet frontage on Collingwood harbor, with a valuable deposit of limestone, covering a portion of the property; also water lots adjoining, suitable for dockage and terminals; a channel dredged to 18 feet in depth to and along the Company's property, giving sufficient depth of water and unloading capacity for two of the largest ore-carrying steamers on the Great Lakes at one time; also exemption from taxation of any kind for a limited period after the plant is in operation, and a fixed assessment on all the company's property for all purposes of taxation in perpetuity.

ESTIMATED PROFITS

It is provided that if any quarter's dividend at the rate of seven per cent. per annum is not paid on the preference stock the deficiency shall be a charge upon the net earnings of the Company, and shall be paid subsequently before any dividend shall be paid upon or set apart for the common stock. The holders of preference stock have priority over the holders of common stock with respect to the assets of the Company.

Mr. George R. Waite, Consulting Engineer, Philadelphia, has furnished a memorandum, giving a conservative estimate of the possible output and profit on the operation of a steel plant at Collingwood, capacity 250 tons finished product per day. One estimate is calculated on the basis of the lowest prices for iron and steel for the ten years from 1887 to 1897. When lowest prices prevailed he estimated that the annual profits during a period of depression should be at least \$616,320. His second calculation is based on the prices which prevailed for materials and finished products in May, 1899, which was given at the highest figures prevailing for iron and steel during the last decade. The present prices are slightly lower. This calculation showed a net profit of \$1,165,680 per year.

The bounties granted by the Dominion and Ontario Governments for steel manufactured from Ontario ore amount in all to \$7 per ton.

The amount required to pay a dividend of 7 per cent. on all preference stock of the Company will be \$140,000 per annum, thus leaving an extremely wide margin.

A block of \$500,000 worth of this Company's Cumulative Preference Stock is now offered for subscription in Canada, at par, with a bonus of 25 per cent. of Common Stock, viz., one share of Common Stock with every four Shares of Preference Stock allotted. Subscriptions are payable 10 per cent. deposit on application, 15 per cent. on allotment, 25 per cent. in two months thereafter, 25 per cent. in four months, and the balance of 25 per cent. in six months after allotment.

So much of the remainder of the Preference Stock as may be required for the present purposes of the Company is intended to be reserved for subscription in the United States.

The Subscription Books will open on Tuesday, the 22nd day of January, 1901, at 10 a.m., at the Toronto office of the Company, 62 Canada Life Building, Toronto, and will close at 4 p.m. on Wednesday, the 23rd day of January, 1901.

Application for shares may be made on the form above, accompanied by the amount of the deposit, and sent to the Company's brokers. Cheques to be payable to "National Trust Company, Limited, Trustees," Toronto or Montreal.

If the number of shares allotted is less than the number subscribed for, the surplus will be credited in the reduction of the amount payable on allotment. If it should be found impossible to allot shares to all subscribers, the amount paid will be returned to such subscribers without deduction.

The Directors reserve to themselves the right to reject or refuse any subscription. Every application and subscription carries with it an agreement to accept such reduced amount.

Application will be made in due course to have the stock of the Company listed on Canadian and American Exchanges.

Prospectus and all other information, and forms of application for stock may be obtained from

JAMES A. MELDRUM, Broker,
 Canada Life Building, TORONTO.

Member Toronto Stock Exchange.