

We offer the unsold
balance of

\$200,000.00

The Electric Steel and Metals Co., Limited

WELLAND - CANADA

(INCORPORATED UNDER THE ONTARIO COMPANIES ACT)

7%

CUMULATIVE PREFERENCE STOCK

Preferential as to Capital as well as Dividends
Par value of Shares, \$100.00-

Subject to redemption at any time after five years from the date of issue, upon three months' notice, and payment of accrued dividends, at \$110.00 per share.

Price: Par, with a bonus of 50% Common Stock
Fractional shares of Common Stock will be dealt in at \$50 per share

The Electric Steel and Metals Company, Limited, will manufacture the following articles:—Light-weight, high-grade steel castings; manganese and other alloy steel castings; bar steel suitable for rifles; bar steel for rock drills, boring machines, etc.; ingots for forging shops; ingots for tool-steel manufacturers.

After careful study of conditions existing in Canada, by Mr. David Carnegie, Consulting Engineer, of London, England, the following conditions were found to exist:—

- That light, high-grade steel castings were mostly imported from the United States.
- That manganese and other alloy steel castings were imported from the United States and Great Britain.
- That bar steel for rifles and rock drills, etc., has to be imported.
- That ingots for forgings and ingots for tool-steel manufacturers are not made in Canada. Such ingots enter the United States duty free.
- And that all steel castings are subject to a duty of 27½ per cent. ad valorem.

CAPITAL EXPENDITURE.

Our plant in Welland will be ready for operation about May 1st, 1914, and will have a capacity of 4,000 tons of steel castings per annum. The total cost of this first plant, including organization, site, foundry equipment, electrical furnace, all buildings, labor and engineer's charges, will be under \$130,000 by contracts already made by the company. Seventy thousand dollars will be reserved for working capital, making a total outlay of \$200,000 for the production above mentioned.

ESTIMATED EARNINGS.

Hydro-electric power is available at fourteen dollars per horsepower per annum, this price being subject to reduction as the load increases.

The Company is also favored with a fixed assessment of \$10,000 for a period of twenty years, the taxes on which will not exceed \$500 per annum.

The five-ton electric furnace which we are installing will handle five heats per day, and on this basis the plant will produce 4,000 tons of finished castings per annum. In the following estimate of earnings we have based our calculations on a production of three-quarters this capacity, namely, 3,000 tons. Our earnings are estimated as follows:—

| | |
|---|--------------|
| 3,000 tons steel castings, selling at \$120.00 per ton..... | \$360,000.00 |
| Less cost of production, at \$83.00 per ton..... | 249,000.00 |
| | \$111,000.00 |
| Less depreciation on plant and machinery..... | 16,000.00 |
| | \$ 95,000.00 |
| Less 7% dividend on \$200,000 Preferred Stock..... | 14,000.00 |
| | \$ 81,000.00 |

The above costs of production and basis of selling prices have all been carefully prepared under the advice of Mr. David Carnegie, and detailed statements may be inspected at the Company's office in Welland.

*** DIRECTORS:**

MR. ROBERT TURNBULL, MR. J. H. LE FEVRE, MR. DAVID CARNEGIE, MR. W. L. BENTON,
MR. EBENEZER CARNEGIE, SIR CHARLES ROSS

BANKERS

IMPERIAL BANK OF CANADA

AUDITOR

C. S. SCOTT, F.C.A., Hamilton, Ont.

SOLICITORS

R. H. BENTLEY, Esq., Thanet House, Strand, London, Eng.

J. F. GROSS, Esq., Welland, Ont.

CONSULTING ENGINEER

DAVID CARNEGIE, M.I.C.E., 33-35 Charterhouse Square, London, Eng.

CAPITALIZATION

| | | |
|------------------------|-----------------------|-------------------|
| PREFERENCE STOCK | Authorized. \$275,000 | Issued. \$200,000 |
| COMMON STOCK | 225,000 | 225,000 |

The Electric Steel and Metals Company, Limited, will supply a demand that has hitherto been met almost entirely by American and British manufacturers.

Of the total issue of \$200,000 Cumulative Preference Stock over 50% has already been subscribed for, allowing the Company to go to the allotment and proceed with the building operations and other details preparatory to the opening of the plant in the spring.

ROOKE, BICKLE & COMPANY

Send for
Prospectus

26-28 Adelaide St. W., Toronto.

Orders may be telephoned or telegraphed at our expense.