

OFFERING OF \$1,750,000
6% FIRST MORTGAGE SINKING FUND BONDS
WITH 50% BONUS IN STOCK OF THE

Sterling Coal Company, Limited

(To be incorporated under the Laws of the Dominion of Canada.)

CAPITALIZATION—		Now
BONDS—30-year 6 per cent. First Mortgage Sinking Fund	Authorized Being Issued
STOCK	\$2,500,000 \$1,750,000
		3,500,000 2,500,000

Leaving in Treasury—Bonds, \$750,000; Stock, \$1,000,000

HAVING SOLD A CONSIDERABLE PORTION OF THE ABOVE BONDS, WE NOW OFFER THE BALANCE FOR SALE AT PAR AND ACCRUED INTEREST, CARRYING A BONUS OF FIFTY PER CENT OF THE AMOUNT OF THE BONDS IN STOCK.

Payments are as follows:—

20 per cent with subscription.
20 per cent. on March 1st, 1910.

20 per cent. on June 1st, 1910.
20 per cent. on September 1st, 1910.
20 per cent. on December 1st, 1910.

With the privilege of paying at any time, together with accrued interest. The first interest payment will be on July 1st next.

BUSINESS.

Having regard to the coal consumed in the Central Provinces of Canada being so largely obtained from the neighbouring States, and to Canadian capital having to some extent been interested in those fields for years, the Sterling Coal Company has been formed, on a strong financial basis, with Canadians in its direction. The Company is acquiring certain mines of bituminous coal now operating in Ohio under capacity, and will further equip them and develop others, viz., two additional properties, one in Ohio and the other in West Virginia. All of these properties are located upon lines of railroad, with favorable freight rates to convenient markets, viz., the Erie Railroad, the Pennsylvania Railroad, and the Baltimore & Ohio Railroad.

The properties have been fully investigated and reported upon by Mr. W. F. Tye, recently Chief Engineer of the Canadian Pacific Railway, and who had charge of all construction on that railway from 1899 to 1906, and, in addition, all other engineering from 1904 to 1906. They have also been reported upon fully (except the Acadia) by Mr. Charles Fergie, formerly Vice-President and General Manager of the Intercolonial Coal Mining Company in Nova Scotia, and afterwards for several years Chief Engineer and Superintendent of Mines for the Dominion Coal Company, and since 1907 Consulting Engineer in Montreal. Mr. Fergie will act as Consulting Engineer of the Sterling Coal Company. These properties, other than the Acadia, were also visited by members of three of the firms now offering the securities. The Acadia (which is likely to prove a valuable property) is partially proven, and the Sterling Coal Company has about five months longer for testing by diamond drill before finally deciding as to its purchase.

Full prospectuses have been published in the newspapers, and copies, with subscription forms, may be had on application at our office.

CHARACTER OF SECURITY.

The bonds are 30-year 6 per cent. first mortgage bonds, with a sinking fund of 2 per cent. per annum on the amount of bonds issued, commencing January 1st, 1912. Bonds are redeemable at 105 at the Company's option on any interest date. Bonds may be registered at the head office of the Company in Toronto.

PROFITS.

Mr. Charles Fergie, one of the most experienced and highest authorities on coal operation on the continent, estimates that on completion of the Company's programme the net profits will be over three times the amount of the bond interest.

Mr. W. F. Tye, the President, states that the net profits relating to the four mines now operating in the Hileman Group, which represents only one-third of the total purchase price, will within a few months, with additions to the equipment, not costing more than \$70,000, provide for 6 per cent. interest on \$1,000,000 of the \$1,750,000 of the bonds now being issued.

Mr. Tye estimates, after long and careful consideration of the present position and prospects of the company, that the net revenue should reach such a basis as to warrant declaration of dividends at the rate of 6 per cent. per annum upon the stock of the company during the year 1912.

DIRECTORS.

President—W. F. TYE, late Chief Engineer Canadian Pacific Railway, Montreal; Vice-President—A. E. AMES, of A. E. Ames & Co., Limited, Toronto; N. CURRY, President Canada Car & Foundry Company, Montreal; RODOLPHE FORGET, M.P., President Richelieu & Ontario Navigation Company, Montreal; J. W. M'CONNELL, Director Pacific Pass Coal Co., Montreal; F. H. DEACON, of F. H. Deacon & Co., Toronto; ANDREW SQUIRE, Counsellor-at-law, Cleveland, Ohio; H. D. HILEMAN, General Manager, Cleveland, Ohio.

SUBSCRIPTION BOOKS.

Subscription books are now open at our offices, and will close not later than 4 o'clock on Tuesday, February 8th. The right is reserved to allot only such subscriptions and for such amounts as may be approved, and to close the subscription books without notice.

SUBSCRIPTIONS MAY BE FORWARDED BY MAIL, OR BY TELEGRAM AT OUR EXPENSE.

Subscriptions may be made on regular forms, or, where these are not available, letters simply stating that bonds for the amount named are subscribed for under the terms of the prospectus will be sufficient.

WE RECOMMEND THE PURCHASE OF THESE BONDS, HAVING THOROUGHLY INVESTIGATED BY EVERY AVAILABLE MEANS CONDITIONS LIKELY TO AFFECT THE FUTURE OF THE COMPANY. We consider the bond interest well secured and prospects excellent for dividends on the Common Stock after completion of the programme outlined.

A. E. AMES & CO., Limited, Toronto.
F. H. DEACON & CO., Toronto.

RODOLPHE FORGET, Montreal.
JOHNSTON, M'CONNELL & ALLISON, Montreal.