

PROSPECTUS

OBJECTS OF THE COMPANY

The Atlantic Pulp and Paper Company, Limited, has been organized in order to take advantage of the unrivalled facilities for the manufacture of pulp and paper at New Richmond, on the Baie des Chaleurs, and by its charter, has powers of the fullest description. It is confidently believed that pulp and paper can be more economically manufactured there than any other place in America.

The essentials to the success of such a concern are:

1. Cheap and unlimited pulp wood;
2. Adequate water power cheaply developed;
3. Pure water for the manufacturer;
4. Cheap labor;
5. Low transportation charges;
6. Efficient management.

It will be seen that the facilities possessed by this Company assure a point of cheapness in the production of paper never attained before, while the situation of the mills on the Atlantic seaboard makes it possible to ship to all foreign ports by water without trans-shipment. As the Company proposes to confine itself almost exclusively to the export trade, it will readily be seen that this gives it further advantage over all other companies.

1. WOOD SUPPLY.—No paper mill in Canada has greater advantages in point of situation. Many companies do not own their own limits, being entirely dependent on outside purchases, and subject to fluctuations of supply and price. Other companies owning limits have to transport their wood from great distances by water or rail. Thus we find mills at Merriton and Niagara Falls are bringing their pulpwood from Central Quebec. Some prosperous paper companies even buy their pulp in the manufactured state. The mills of the Atlantic Pulp and Paper Company, Limited, will be built about two miles from the limits, where there will also be a very large mill-pond capable of holding several million logs. The little Cascapedia River flows from end to end through the centre of the limits, and the large number of tributary streams does away with the greater part of the hauling usually entailed in getting out pulp wood, thereby greatly decreasing the cost.

2. WATER POWER.—Mr. George F. Hardy of New York, the foremost American authority on this subject, has made a thorough examination of the water power that can be developed on the Little Cascapedia River at a point immediately adjoining the proposed mill site, and his report shows that sufficient power can be developed to run mills of even greater capacity.

This report can be seen at the office of the undersigned, or at any office of the National Trust Company, Limited.

3. WATER SUPPLY.—Pure and clean water is one of the most important factors in connection with pulp and paper-making. The bed of the Little Cascapedia River is rocky, and owing to its crystal-like clearness and purity the water in the river is suitable for making the finest grades of paper without the expense of filtering, which is almost invariably required at other mills.

4. COST OF LABOR.—The labor employed in the mills and woods cost less than probably any other American mill, as far as known, as competent men in this section of the country, on account of the cheapness of living, ask very low wages.

5. TRANSPORTATION CHARGES.—The shipping facilities of this Company are certainly unequalled by any similar enterprise in Canada, the situation of the mills on the Baie des Chaleurs giving every possible advantage for export trade, which is probably the most profitable field. Arrangements can be made with Atlantic steamship lines to run steamers from New Richmond for eight months in the year, as required. During the winter months favorable winter rates have been arranged with the Railway Companies to St. John and Halifax, New Richmond being on the line of the Atlantic and Lake Superior Railway, which will be connected with the mills by a siding.

6. MANAGEMENT.—The Company has been fortunate in securing the services of Mr. Wm. M. McIntyre, formerly Mechanical Superintendent with the Laurentide Pulp Company, Limited, who will act as Manager of the construction and operation of the mills. Mr. McIntyre has had over 20 years' experience in pulp and paper-making, and is regarded as an authority on the manufacture of pulp and paper.

PROPERTIES

The properties and limits acquired by the Company contain about **three hundred and two square miles**, or one hundred and ninety-three thousand two hundred acres, more or less. The wood is principally spruce, and there is also a large quantity of cedar, pine, birch, balsam, balm of Gilead, and poplar. The Company has reports on this property made by five different expert Rangers, acting independently. Copies of these may be seen at any office of the National Trust Company, Limited, or at the office of the undersigned.

ISSUE OF STOCK

For the acquiring of the said property, equipment of the pulp and paper mills, the development of the water power, building the railway siding to the mills, and the furnishing of sufficient working capital, the present issue of Preference Stock is made. The whole of the Seven Per Cent. Cumulative Preference Stock has been authorized to be issued on the following terms:

For every two shares of Seven per cent. Cumulative Preference Stock subscribed and paid for, there will be allotted by way of bonus one share of fully paid Common Stock.

The Seven Per Cent. Preferred Stock is Cumulative, carries yearly dividends, and has priority over the Common Stock as to both dividends and assets.

After the payment of the dividend on the Preferred Stock, and before any payment of dividend on the Common Stock, a further sum of one per cent. must be applied to a reserve fund, under the charter. This fund will be for the further assuring of the dividends on the Preferred Stock. Application will be made in due course for the listing of the shares of the Company on the Toronto and Montreal Stock Exchanges.

Applications for Preferred Shares should be forwarded to the National Trust Company, Limited, Toronto, Montreal, or Winnipeg; or to Sutherland & Cameron, Brokers, Ottawa, Canada.

Checks, drafts, etc., are to be made payable to the National Trust Company, Limited. If the whole amount applied for be not allotted, the surplus paid on deposit will be appropriated towards the sum due on allotment. Where no allotment be made, the deposit will be returned in full.

Further information and Forms of Application can be obtained at the offices of SUTHERLAND & CAMERON, 48 SPARKS STREET, OTTAWA, CANADA, or the NATIONAL TRUST COMPANY, LIMITED, TORONTO, MONTREAL, and WINNIPEG.

We offer the Preferred Stock for sale on the above terms.

The following is an extract from one of the reports:

"I have been working in the lumber woods for twenty years or more, and have travelled and examined limits in the State of Maine, New Brunswick, and Quebec, and worked in Wisconsin and Minnesota, and I am sure that this is the best pulp limit I have ever seen or travelled over."

On the basis of any one of these reports a conservative estimate shows that there is sufficient pulpwood now on the limits to supply the proposed mills for more than 65 years. As spruce wood will replace itself in from twenty-four to thirty years, it will be seen that there is sufficient wood on the limits to afford a perpetual supply to a mill double the capacity of that now contemplated.

The freehold property consists of twenty acres, where the saw mill, dwellings, and office are situated, and 356½ acres on the bank of the Little Cascapedia River, where it is proposed to build the Pulp and Paper Mills.

THE PULP AND PAPER MILLS

It is proposed to erect—

A Paper Mill with a daily capacity of 54 tons.

A Ground Wood Pulp Mill with a daily capacity of 50 tons and

A Sulphite Pulp Mill with a daily capacity of 40 tons.

Mr. George F. Hardy has estimated the cost of erecting the Pulp and Paper Mills and of developing the water power at \$950,000. The balance from the sale of the Preferred Stock will be sufficient to complete the payments for the limits, water power, saw mill, etc., provide working capital, and leave a substantial balance for contingencies.

THE SAW MILL

There is on the property a saw mill, equipped with the latest improved machinery, capable of turning out from 35,000 to 40,000 superficial feet of sawn lumber in ten hours, and is equipped with all necessary power, gearing, shafting, etc., for the installation of another saw, which would double the capacity.

MARKETS

The markets will be chiefly foreign, including the Eastern States and Great Britain. In view of the expected advances in the price of paper in the Eastern States it is probable that the greater part of the output will be marketed there. Situated as the mills will be on the seaboard, paper can be laid down in Liverpool and New York, duty paid, at such a price as to defy competition.

Freight quotations can be seen at the offices of the National Trust Company, or the undersigned.

ESTIMATE OF BUSINESS AND PROFITS

Estimating the cost of pulp wood at \$2.25 a cord, careful estimates made for the Company show that the ground wood pulp should not cost over \$5.89 a ton, and sulphite pulp not over \$16.00 a ton. The actual cost of newspaper from pulp, estimated at these prices, should not be over \$16.94 a ton. This is after making all necessary allowance for depreciation and renewal of plant, and all charges of management and selling.

The following estimate of the annual output of the mills has been prepared by Mr. Wm. M. McIntyre, a practical pulp and paper manufacturer, and is believed to be conservative and well within the mark, and includes allowances for salaries and contingencies:

16,902 tons of newspaper at \$37.00 a ton	
f.o.b. at mills	\$625,374.00
8,294½ tons of sulphite pulp at \$30.00 a ton	
f.o.b. at mills	248,835.00
	\$874,209.00

Cost of producing same:

16,902 tons of newspaper, at \$16.94 a ton	286,319.88
8,294½ tons of sulphite pulp at \$16 a ton	132,712.00
	419,031.88

Showing a profit of	\$455,177.12
7 per cent. on \$1,500,000 Preference Stock	105,000.00

Available for Reserve Fund and further Dividends .. \$350,177.12

The ground wood pulp and the balance of sulphite pulp will be consumed in the paper mill of the Company.

The estimated profits from the operation of the saw mill are not included in these figures, but owing to the enormous quantities of cedar on the limits, substantial profits should be made from the manufacture of railway ties, shingles, etc. The Laurentide Pulp Company, Limited, in its annual report, June 30th, 1900, stated that the Company's saw mill added to the year's profits an amount equal to its entire cost, although it was operated for only three months of the year, and estimated that the future profits from this source would cover the interest on the entire bond issue of the Company.

SUTHERLAND & CAMERON, Brokers, OTTAWA, .. CANADA.