

The articles provide that the Directors may appoint one of their number to be Managing Director or Manager, at a remuneration to be fixed by the Directors.

The minimum subscription on which the Directors may proceed to allotment is 3,600 shares, and the amount payable on the application for allotment of each share is 5% thereof.

The Company is empowered to pay a commission to persons subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for shares in the Company not exceeding 5%, but it is expected, however, that it will be unnecessary to pay any commission.

The amount of estimated preliminary expense is the sum of \$1,500.00.

A contract has been entered into with Christian Cholberg and Hans Christoffer Hansen, proprietors of the Cholberg Shipyard for the construction of the said ships.

The Cholberg Shipyard by such contract agrees to provide the use of their Shipyard, Plant and Equipment, said Shipyard to stand all depreciation from wear and tear, and provide repairs and renewals, and to act as the agent of the Company in the construction of said ships, and their remuneration therefor shall be \$20,000.00 in respect to each ship, one half of which amount Christian Cholberg and Hans Christoffer Hansen have agreed, by said contract, to accept in fully paid shares of the Company. The Directors feel that they have secured a most advantageous contract in that the charge amounts to only 8% of the cost, and, as above stated, includes the depreciation, repairs and renewals.

This contract may be inspected at any time at the Company's offices, 305 Belmont House, Government Street, Victoria, B.C., between the hours of 10 a.m. and 4 p.m. on any week day.

In promoting the Company it was felt that it would assist in the raising of the necessary capital to procure the suppliers of material to accept shares of the Company as part payment for the materials supplied.

The timber and lumber required for the construction of the ships will be supplied f.o.b. Victoria by the Bainbridge Lumber Company, Limited, at prices which have been approved by the Order in Council above mentioned, and the said Bainbridge Lumber Company, Limited, have agreed to accept as part payment for the