

Canada Coals and Railway Co.

LIMITED.

R. WILSON SMITH, Investment Broker, 1724 Notre Dame Street. Montreal,
and E. W. WILSON & CO, Bankers and Brokers, 96 Broadway,
New York, offer for Subscription

\$130,000 First Mortgage 6 per cent. 40 year Gold Bonds
of the par value of \$1000 each,

OF THE ABOVE COMPANY

At 92½ per cent. and accrued interest, from November 1st, 1893.

SUBSCRIPTIONS WILL BE RECEIVED BY
THE MOLSONS BANK OF MONTREAL.

Subscriptions will be received by the Molsons Bank at the above price, up to and including January 20th. Applications must be accompanied by a check for 10 per cent. of the par value of the bonds, and payable to the Molsons Bank. The balance with accrued interest will be due and payable on delivery of the bonds.

The right is reserved to reduce or reject subscriptions. Amounts received on account of rejected subscriptions will be returned. Forms of application may be obtained from the Molsons Bank, R. Wilson Smith and E. W. Wilson & Co.

Among the Board of Directors and largest Bond and Stockholders of this Company are the following prominent business and financial men:

A. F. GAULT, Montreal, Director.
R. L. GAULT, Director.
SIR JOSEPH HICKSON.
EDWIN HANSON (Hanson Bros.), Montreal, Director.
S. H. EWING, Montreal, Director.
JAMES O'BRIEN.
WALTER WATSON, New York Agent, Bank of Montreal.
F. WOLFERSTAN THOMAS, Montreal.
W. M. RAMSAY, Montreal.
WALTER DRAKE, Montreal.
SAMUEL GARSLEY, Montreal.
ED. W. WILSON, New York.
C. A. COFFIN, President of the General Electric Company, New York.
GEO. W. STOCKLY, former President of Brush Electric Company, Cleveland.
SAMUEL FINLEY, Montreal, President. Trustees for Bondholders:
THE MONTREAL SAFE DEPOSIT CO.

Application for a quotation for the Bonds on the Montreal Stock Exchange will be made in due course.

The Company was organized in 1892 under the laws of Nova Scotia. It has a special charter from the Government of that Province granting it extensive privileges, including the right to carry on the business of mining, transporting and selling coal and to construct and operate its own railroads, steam barges, etc.

It has acquired by purchase from the several holders of the collieries and areas, the colliery property known as the Joggins Mines, the Patriek Mines, the Cruikshank or Milner Mine, with the extensive coal areas known as the Nova Scotia Coal & Railway Company, or the Leckie and the McNaughton areas.

It has thus obtained an aggregate area of about fifteen square miles of coal bearing territory, and also owns abundant supplies of timber upon its own lands for the future needs of its mines.

The reports of expert geologists, mining engineers and examiners for the Mines Department of Nova Scotia and for the Geological Survey of the Dominion Government agree as to the existence on these properties of an almost unlimited quantity of coal of excellent quality for both steam and household purposes.

The Company owns and operates a line of railway, of standard gauge, extending the entire length of the coal areas, from their front on the Bay of Fundy to their eastern limit, on the main line of the Intercolonial Railway at Maccan, and also has its own shipping wharf upon the Bay of Fundy adjoining the mines.

The incorporation and organization of the Company; the titles of the mines and railway properties taken over; the extent of the company's franchises and privileges, and the legal validity of its issues of securities have been passed upon and approved by eminent counsel in Nova Scotia and Montreal, including Hon. Mr. Justice Henry, formerly of Messrs. Henry, Harris & Henry, of Halifax.

Capital Stock of Company	- \$1,500,000
Of this amount there is reserved in the treasury for the future benefit of the Company -	750,000
Leaving capital stock outstanding -	750,000
Total issue of first mortgage 6 per cent. gold bonds -	750,000

These bonds bear interest at the rate of 6 p. c. per annum, payable May 1st and November 1st, at the Bank of Montreal or at the New York Agency of the Bank, at the option of the holder of the coupons.

The present Board of Directors and their friends, owning more than a majority of the outstanding capital stock of the Company have also secured by the purchase \$620,000 of the bonds.

The remaining \$130,000 of bonds we now offer for subscription.

The bonds dated November 1st, 1892, and maturing November 1st, 1932, are issued in coupon form, principal and interest payable in gold.

In the event of the United States duty of 75 cents per ton being removed, it is evident that this Company should find a large market on the New England seaboard, as it possesses unusual advantages, its property being nearer (in some instances by several hundred miles) than other coal properties in Nova Scotia, and having direct access to the New England coast by the inside route, which is much shorter and safer than any other.

Although the removal of this duty would be of great advantage to the Company and bring about an increase in its profits, the Company is not dependant for its future success upon the removal of the duty, for the reason that it is now doing a growing business in our own country, and within the year has filled

contracts for the regular supply of coal to the Canadian Pacific, the Intercolonial Railway, and to other large consumers in Nova Scotia and other parts of Canada where it now has a profitable market.

The following letter from Mr. H. F. Torrey, who for nine years was the Chief Mining Engineer of the Delaware & Hudson Railway Company, and who also acted as vice-president and general manager of this company pending certain improvements at the mines, including the opening of a new slope, certifies as to the earning capacity of the coal and railway properties of this Company:

New York, Jan. 5th, 1894.

Gentlemen,—Replying to your letter of enquiry of 4th inst., I am glad to be able to state that the coal areas of the Canada Coal & Railway Company contain a practically inexhaustible supply of coal of very good quality, with such unusual advantages for shipment by rail and by water that it has a ready market at very profitable prices.

The analyses which have been submitted all show an excellent steam and household coal, and it produces a hard, firm coke of superior quality.

The work of the year just closed has been largely one of development and improvement, involving large expenditures in preparation for an increased output.

The year's work, however, under the present board of directors, shows an increase of more than fifty per cent. in the production, all of which has been sold at satisfactory prices and from which \$185,000 were realized and no bad debts incurred.

They have made extensive improvements at the pit head, upon the railway, and at the Company's shipping wharf, providing for the better and more economical handling and shipment of the coal. Other additional plant and power are being secured to further increase the output.

Among the many underground improvements, the most important is the opening of a new mine, from which coal is now being taken. The coal from this new slope, being raised by a very short hoist to the surface, can be produced at a minimum of cost. It is of a bright, firm character and is much liked. This will prove a very profitable portion of the work during this year and for many years to come.

The mines are now opened to a producing capacity more than double the output of any year under previous ownerships of the properties.

This places the company in a position to make larger earnings, and I have no hesitation in stating that the business will yield satisfactory profits to its stockholders after paying all operating expenses and interest on its bonds. Very truly yours,
H. F. TORREY.