

Value of the Property Assets behind the Bonds.

It is almost impossible to estimate the actual value of these enormous slate deposits, but as an indication of their possibilities, Mr. A. W. Kay-Menzies states in a detailed Report made on the Smith Sound Quarry alone as follows:

"I may say that I have made a conservative estimate as to the probable tonnage of slates that can be made out of the property, and I calculate it to be 350,000 tons. When the Quarry has been fully opened out and

"developed in all directions, I have no doubt that it will be found that this estimate is much too low."

Taking this estimate on the basis of a profit of about 20s. per ton, this one Quarry alone, which comprises 72 acres, or less than one-fifth of the total area of the Company's holdings, represents a capital value of £350,000 or more than three times the amount of the present issue of Bonds.

Working Capital.

It should also be pointed out that no less than £74,500 of the proceeds of the present issue will be available for Working Capital for the development

and equipment of the Quarries, and the security behind this Bond issue places it on a par with the best propositions of a similar nature.

As an Investment.

The Newfoundland Slate Quarries, Limited, possesses the best combinations which make for commercial success: an almost unlimited supply of the finest covering material, a ready market to take all the immense quantities of slate that can be produced, the high standing of the men associated with it and the remarkably rich quality of its deposits as indicated in the reports of various experts.

With such properties as those described as a basis of security, these Bonds at par are an excellent industrial investment, and as such may be purchased on their own intrinsic value without any additional inducement, but in order that every Bondholder

may have a direct share in the progress and increment value attaching to its trade in coming years, every subscriber for Bonds will be allotted a bonus in fully-paid Shares equal at par to 25 per cent. of the Bonds purchased. Thus investors in the Bonds receive £125 in value for each £100 invested.

Considering the fact that the property must increase in value as the development proceeds, these Bonds constitute an investment of the most favourable and conservative character, and there is no reason why the Company's Shares should not acquire a high value and pay substantial dividends.