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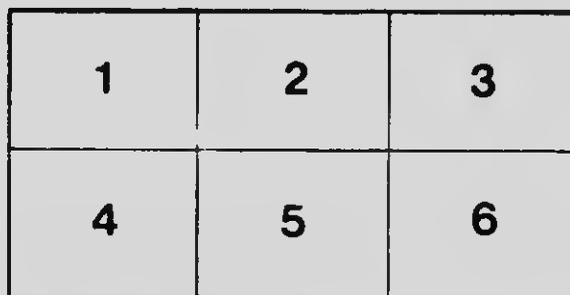
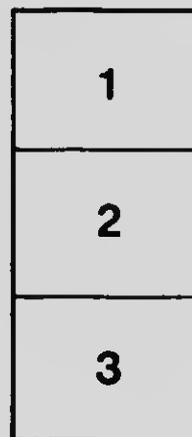
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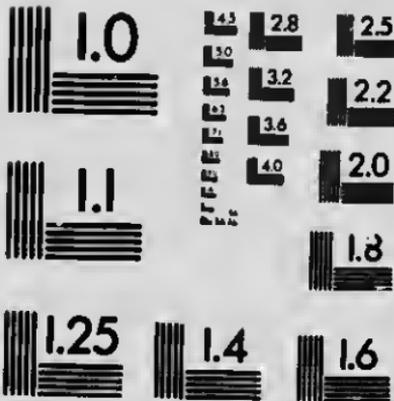
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Trust Deeds, Acts of Incorporation,
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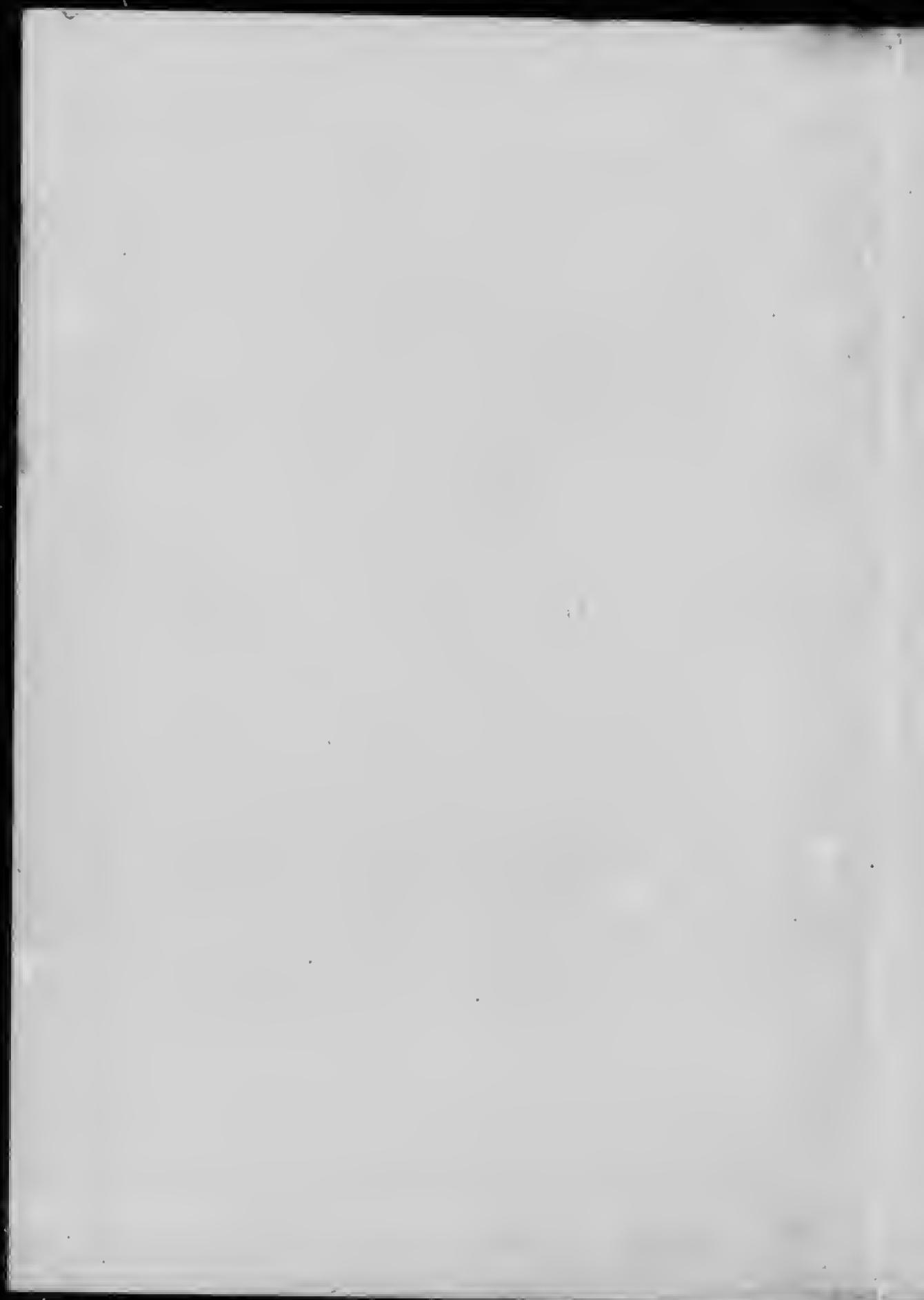
AND

DOMINION COAL CO., Limited,

AND

By-Laws thereunder.

HALIFAX :
THE CHRONICLE PUBLISHING COMPANY, LIMITED,
1902.



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Trust Deeds, Acts of Incorporation,
and Statutes

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Dominion Iron & Steel Co.,
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AND

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By-Laws thereunder.

HALIFAX :
THE CHRONICLE PUBLISHING COMPANY, LIMITED,
1902.

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Dominion Iron & Steel Company, Limited.

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DEED OF TRUST.

DOMINION IRON AND STEEL COMPANY, LIMITED,
TO
NATIONAL TRUST COMPANY OF ONTARIO, LIMITED.

This Indenture, made this first day of July, in the year of our Lord one thousand eight hundred and ninety-nine, by and between the Dominion Iron and Steel Company, Limited, a corporation organized and existing under the laws of the Province of Nova Scotia, hereinafter called the Company, party of the first part, and the National Trust Company of Ontario, Limited, a corporation organized and existing under the laws of the Province of Ontario, hereinafter called the Trustee, which word shall include any successors in the office of Trustee hereby created, party of the second part, WITNESSETH:—

THAT WHEREAS the Company was, by an act of the Legislature of Nova Scotia entitled "An Act to Incorporate the Dominion Iron and Steel Company, Limited," authorized to issue its bonds and to secure the same by a mortgage or deed of trust of all or any portion of its property, powers, rights and franchises, whether owned or enjoyed by it at the date of such mortgage or deed of trust or thereafter acquired; and

WHEREAS these presents, and the form and provisions thereof, having been submitted to the stockholders of the Company, at a meeting of such stockholders, duly called and held, have been by them duly authorized and approved, and all conditions necessary to authorize the execution hereof have been complied with.

NOW, THEREFORE, the Company, in consideration of the premises and of the sum of one dollar to it in hand paid by said Trustee, the receipt whereof is hereby acknowledged and to secure the payment of the interest and principal of the bonds, hereafter described, according to the terms and effect, doth, in pursuance of the foregoing power and authority, and every other power and

authority, it thereto enabling, hereby give, grant, bargain, sell, convey, demise, assign, transfer, set over and deliver unto the said National Trust Company of Ontario, Limited, Trustee and its successors in said trust, all and singular the lands and lands covered with water, chattels, real and personal, buildings, grants of minerals, leases of minerals, leases of mining areas, licenses and rights of renewal and the mines, iron, limestone and other ores, smelting furnaces, steel mills, coke ovens, rolling mills, coal fixtures, machinery, patents, railways, tracks, roadbed, station houses, wharves, rolling stock, ships, stocks, bonds and debentures of other corporations, revenues, tolls, contracts, obligations, powers, rights, privileges, exemptions, and franchises and the undertaking (including the right to organize as a corporation under its charter), and all other property, whether real, personal or mixed and where-soever situated, and whether within the Dominion of Canada or elsewhere now owned or enjoyed by the Company, or which may be acquired, owned or enjoyed by it at any time during the existence of this mortgage, and including the contract for the purchase of coal entered into with the Dominion Coal Company, Limited, under the date of June 30, 1899, and the right to lease the property of said coal company as in said contract provided.

Saving and excepting however, any mining areas, or leases thereof, ships or other property, real, personal or mixed, which may be hereafter acquired by the Company from the proceeds of any bonds, debentures or other obligations hereafter issued by it in excess of the original authorized issue of eight million dollars of bonds secured hereby.

TO HAVE AND TO HOLD the above granted property, privileges and franchises unto said National Trust Company, of Ontario, Limited, Trustee, its successors in trust and assigns forever, but in trust nevertheless as security for the payment of the principal and interest of the bonds hereinafter described, and for the use and benefit of the person or persons, body or bodies, politic or corporate, who may hold any of said bonds or coupons, and for the purposes and subject to the terms, conditions, provisions, trusts, covenants and stipulations herein expressed, to wit:—

ARTICLE I.

DEFAULT.

In case the Company shall,

- (a) Make any default in the payment of either the interest or the principal of any one of the bonds or coupons secured by this mortgage, according to the terms thereof, whether demand for such payment be made on the days such interest or principal be-

comes due, or at any time hereafter, and such default shall continue for ninety days after notice of such default shall have been given by said Trustee to the Company; or

(b) Fail to make any payment to the Trustee for the purpose of a sinking fund, at the time and in the manner set forth in Article III hereof, and such failure shall continue for a period of ninety days after demand made by said Trustee upon the Company for such payment; or

(c) Fail to pay any taxes, assessments or public charges of any nature whatsoever, which may be lawfully levied upon the mortgaged property, privileges or franchises by any public authority whatsoever, and such failure shall continue for a period of ninety days after the same become due or payable and the Company has been notified by the Trustee to pay the same, or if the legality of any such taxes, assessments or public charges is disputed, then, in case such failure shall continue for a period of ninety days after they shall have been finally adjudged to be legally due or payable; or

(d) Fail upon demand, made by the Trustee, to execute and deliver to the Trustee such further deeds or conveyances as the Trustee may require for the better securing to the Trustee of the title to any property, powers or franchises now owned, or which may be hereafter acquired by the Company and which are intended to be covered by these presents, and such failure shall continue for a period of ninety days after such demand; or,

(e) Fail to perform any of the covenants upon its part to be performed and herein contained, and such failure shall continue for a period of ninety days after notice of such failure served upon it by the Trustee;

Then, in each of the cases mentioned in clauses a, b, c, d and e, upon the expiration of the period of time mentioned, the Trustee may, in its discretion, or upon the written request of the holders of a majority of the outstanding bonds secured by this mortgage, and upon being furnished with sufficient funds for that purpose, or indemnified to its reasonable satisfaction, it shall be its duty to proceed to the foreclosure of this mortgage. The Trustee shall, in all cases, whether acting on its own motion, or upon request as aforesaid, have the right to determine which of the methods of foreclosure, hereinafter set forth or which are lawful under the laws of Nova Scotia, or elsewhere, where the property is situated, it shall adopt, and its decision upon this subject shall be conclusive.

(1) Said Trustee may, after default by the Company as aforesaid, enter and take possession of all the property, powers and

franchises of whatsoever nature, then subject to these presents, and thereupon said Trustee shall be entitled without let or hindrance from the Company and through such officers and agents as it may appoint to hold, manage, enjoy and operate said mills, furnaces, ovens, works, mines, railways, ships, and other property of the Company of every nature and kind and wheresoever situated, and receive the revenues, issues, rents, tolls and profits thereof for the benefit of the bondholders, and to remove from the mines, manufacture and sell coal, iron ore or other minerals, and to make needful repairs, alterations or improvements upon the mortgaged property, and in general to carry on and conduct the business theretofore carried on by the Company and to exercise all or any of the rights, powers, privileges and franchises of the Company within its Charter, for the benefit of the bondholders, until all the bonds secured by these presents, together with the interest thereon, shall have been paid in full, or until such time as said Trustee shall sell said mortgaged property as next herein below provided ; or

(2) The Trustee may, after default by the Company, whether with or without previously taking possession of said property, powers, and franchises, sell the mortgaged property, rights and franchises, in whole or in part, at public auction to the highest bidder, at such times and places as it may designate and on such terms and conditions as it may deem proper, having first given sixty days' notice in writing of the time, place and terms of sale, to the Company, and publishing such notice not less than five times a week for eight consecutive weeks in one or more newspapers of general circulation published in the cities of Halifax, Montreal and Toronto in the Dominion of Canada, and Boston, Massachusetts, St. John's, Newfoundland, and in the capital city or town of any other County, Province, Colony, State or territory in which any of the real estate of the Company may be situated.

Said Trustee shall have the right to adjourn such sale or sales from time to time, in its discretion, giving reasonable notice of such adjournment, and shall have the right to make successive sales of portions of the mortgaged property remaining undisposed of at such sales.

Said Trustee is further authorized and empowered in case of sale as aforesaid, and is hereby constituted the attorney irrevocable of the Company, to execute and deliver in its own name, or in the name and under the seal of the Company, such deeds, bills of sale or other instruments in writing and to do such other acts and things as may be necessary or proper to vest in the purchaser or purchasers at such sale or sales a valid title to the property, powers and franchises so sold, free from any rights of redemption of the Company ; the Company hereby ratifying and confirming

every such act or deed as said Trustee, either in his own name or as such attorney, shall lawfully do in the premises. Such sale or sales shall be a perpetual bar, both in law and in equity, against the Company and all persons or corporations claiming by, through or under it ; or,

(3) Said Trustee may foreclose this mortgage by proceedings and suit of foreclosure in any court of competent jurisdiction ; and it is hereby specially agreed by the Company that, upon the defaults hereinbefore recited, upon the commencement of said proceedings of foreclosure and the filing of the bill or other proceedings, whether in law or equity, the Trustee shall be entitled to the appointment of a Receiver or Liquidator, without further notice to the Company, who shall be entitled to the immediate possession of all the property covered by this mortgage. Said Trustee shall likewise be entitled to the specific enforcement of any and all covenants contained in this mortgage.

In case immediate action shall become necessary for the protection of the bondholders, it shall always be within the power of the Trustee, upon any of the defaults aforesaid, without waiting for the request of the bondholders, and it shall be its duty upon receiving the written request of the holders of a majority of the bonds then outstanding setting forth the necessity of such immediate action, and upon being provided with funds for this purpose, or indemnified to its reasonable satisfaction, to enter and take possession of the mortgaged property. But it is expressly understood that such obligation or action on the part of the Trustee shall only be required to be exercised when the exigency is immediate for the preservation of the rights of the bondholders, and that this entry may be made as a part of proceedings for sale, or the proceedings for foreclosure in the courts, and that in such case the Trustee shall not be called upon, or obliged against its will to manage and work the property further than may be necessary for the protection of the bondholders, as aforesaid, but its duty shall be satisfied by simply performing such acts as may be necessary for the immediate protection of the interests of the bondholders, and the possession of the property shall be required to be held by said Trustee only so long and so far as may be essential for this purpose, and may be relinquished by said Trustee, when such purpose has been accomplished, by transferring said property to the Receiver or Liquidator, if appointed, or by sale of the same, or otherwise, in the discretion of the Trustee.

At any sale or sales, whether made under the power of sale herein contained, or in pursuance of any foreclosure proceedings instituted by said Trustee, it shall be lawful for said Trustee, or for any one or more of the bondholders alone or associated with

said Trustee, to purchase any portion or all of the property so sold, and no purchaser at any such sale, except said Trustee, shall be obliged to see to the application of the purchase money; and at any such sale or sales the purchaser or purchasers shall have the right to make partial payments of the purchase price by a delivery of bonds secured by these presents, said bonds to be received in part payment of said purchase price at an amount equal to the sum which would be received in respect of such bonds upon the distribution of the proceeds of said sale, as hereinafter provided.

The purchasers at any such sale or sales, in case they enter into possession of the property purchased, are authorized, so far as the Company has authority to confer such power to organize themselves into a corporation in the manner provided in an act of the Legislature of Nova Scotia of the year 1899, entitled "An Act to Incorporate the Dominion Iron and Steel Company, Limited."

The proceeds received by the Trustee from the enjoyment and operation of the mortgaged property, in case it shall take possession, and also the proceeds from any sale or sales under the provisions hereof, shall be applied (1) to the reimbursement of the Trustee for all costs, charges and expenses incurred by it in connection with the management or operation of the mortgaged property, or in connection with said sale (including a reasonable compensation to the Trustee for its own services), and of any other charges which are, or may have become, due in respect to the mortgaged property up to the date of sale, the non-payment of which would subject any portion of the property, powers or franchises, covered by this mortgage to any forfeiture or to any liens having priority over these presents; and (2) to the payment of the principal of such of the bonds secured by this mortgage as may at that time be unpaid, whether the same shall have previously become due or not, and any interest, which shall at that time have accrued on said bonds and be unpaid, without discrimination or preference, but ratably to the aggregate of said unpaid principal and accrued and unpaid interest added together; and (3) after the satisfaction of all bonds secured hereby and the interest thereon, the surplus of such proceeds, if any, shall be paid over by said Trustee to the Company or its assigns.

In case of any default by the Company, as hereinbefore provided, it shall be the duty of the Trustee, upon the request of holders of a majority in interest of the outstanding bonds to declare the principal of all outstanding bonds to be due and payable, whether the same are then due according to their terms or not, and the same shall thereupon be and become at once due and payable.

Upon any such default and demand of possession by the Trustee, it shall be the duty of the Company and its officers,

agents and servants, without delay, to surrender and deliver to the Trustee all the mortgaged property, privileges and franchises, and also all books of account, records, deeds, leases, contracts and writings of whatsoever nature relating to the business or property of the Company in order that said Trustee may be fully informed as to the nature, situation and management of the same; and to execute all such instruments in writing, and to do all such other acts and things as may be necessary or desirable to put the said Trustee in the actual possession and enjoyment of all the mortgaged property, and of the rights, privileges and franchises pertaining thereto and enjoyed therewith.

The powers conferred upon the Trustee by this article are not in substitution for such remedies, by way of foreclosure or otherwise as may be conferred upon mortgagees by the laws of Nova Scotia, or by the laws of any state or country where the mortgaged property may be, but are in addition thereto, and it shall be the duty of the Trustee in case of default as aforesaid, to enforce this mortgage by such methods open to it as it shall deem for the best interests of the bondholders.

It shall be the duty of the Trustee, in case of any violation of these presents by the Company to serve forthwith such notice upon the Company, or make such formal demand upon it as may be necessary under the provisions of sub-sections a, b, and e, to establish a default and to entitle said Trustee to enter into the possession of the mortgaged property and commence foreclosure proceedings; but the Trustee shall not be held or required to give or serve such notice unless it is notified of such violation by a writing signed by the holders of at least one-fourth of the bonds outstanding, and therein requested to serve such notice upon the Company.

Any notice to or demand upon the Company required to be given by these presents may be given to or made upon either the president or treasurer of the Company, and any such notice or demand so given or made shall be binding upon the Company.

ARTICLE II.

BONDS.

The bonds to be secured by these presents are of even date herewith, aggregate in amount the sum of eight million (\$8,000,000) dollars, and bear interest at five per centum per annum, payable semi-annually. The bonds are numbered consecutively from one (1) upwards and are of substantially the form following:

DOMINION OF CANADA.

No. \$

PROVINCE OF NOVA SCOTIA.

DOMINION IRON AND STEEL COMPANY, Limited.

FIVE PER CENT. FIRST MORTGAGE GOLD BOND.

The Dominion Iron and Steel Company, Limited, for value received, promises to pay to the bearer, or if registered to the registered holder hereof, the sum of dollars in gold of the present standard of weight and fineness, at the office of the National Trust Company of Ontario, Limited, in the city of Montreal, Dominion of Canada, on the first day of July, 1929, with interest thereon in the meantime at the rate of five per centum per annum, payable semi-annually on the first days of January and July in each year, at the Bank of Montreal in the City of Montreal, said interest to be payable either to the bearer of annexed coupons upon their surrender as they severally become due or to the registered owner of this bond in case of the surrender of all unpaid coupons for cancellation as provided in the mortgage securing the same.

This bond is one of the series issued and to be issued by the Dominion Iron and Steel Company, Limited, and is secured by a certain mortgage deed of trust dated the first day of July, 1899, conveying to said National Trust Company of Ontario, Limited, as Trustee, all the property, revenues, privileges and franchises owned and enjoyed by the Company at the date of said mortgage, or which it may thereafter acquire, with the exceptions in said deed set forth, and will be valid only when authenticated by the certificate hereon of said Trustee, or its successor in said trust, that it is one of the series referred to in said mortgage.

Said mortgage provides for the creation of a sinking fund in the hands of said Trustee for the retirement of said bonds before maturity at one hundred and ten (110) and accrued interest.

The principal of this bond may be declared by said Trustee due and payable before maturity, in the event of default, as provided in said mortgage, and this bond, equally with all other bonds of the series, is subject to be called and paid by said Trustee at any time before maturity in the manner provided in said mortgage, at par and ten (10) per cent., premium and accrued interest, and interest will cease to be payable on this bond if it is called from and after the date fixed in said call.

IN WITNESS WHEREOF, the said Dominion Iron and Steel Company, Limited, has caused these presents to be signed in its name and behalf and its corporate seal to be hereto annexed, this first day of July, A. D. 1899, by its President and countersigned by its Treasurer, thereunto duly authorized.

DOMINION IRON AND STEEL COMPANY, LIMITED,

By _____ President.

_____ Treasurer.

COUPON.

No. \$

On the first day of, the Dominion Iron and Steel Company, Limited, will pay to the bearer at the office of the Bank of Montreal, in the city of Montreal, dollars, in gold of the present standard of weight and fineness being the half-yearly interest due on bond No., unless said bond be previously called as provided herein.

TRUSTEE'S CERTIFICATE.

The National Trust Company of Ontario, Limited, hereby certifies that this bond is one of a series of bonds referred to in the mortgage deed of trust within mentioned.

All said bonds, whensoever issued, shall, when certified by said Trustee to be one of the series referred to within, be equally entitled to the security of these presents. Six million dollars (\$6,000,000) in amount thereof will be issued upon the execution and recording hereof, and shall forthwith be certified by the Trustee and delivered to the Treasurer of the Company, or his order. Said Company reserves the right to issue the remaining portion of said bonds, viz., two million (\$2,000,000) dollars in amount, at such times and in such amounts as it may deem expedient, provided, however, that said remaining two million dollars (\$2,000,000) in amount of said bonds shall be issued only for the purpose of acquiring additional property, which shall be made subject to the provisions of these presents.

Said balance of bonds shall be certified by the Trustee from time to time as they shall be required by the directors of the Company and delivered to the Treasurer of the Company, or his order, and the vote or votes of such directors, stating the purpose as aforesaid for which said bonds are to be issued, and requesting their certification by the Trustee, shall be held a full and sufficient warrant for such certification, and shall relieve the Trustee from any and all further liability in the premises.

It is understood that the Company reserves the right to issue said bonds in such different denominations as it may deem advisable.

LIMITED,

President.

Treasurer.

The Company agrees that it will and shall at all times hereafter keep at the said Trustee's office in the City of Montreal bond transfer books. Any bond may on the request of the holder or holders thereof be registered upon said bond transfer books at the said office. Such registration shall be noted on the bond, after which no transfer shall be valid unless made by the registered holder or his attorney on the transfer book, where such registration is recorded and similarly noted on the bond, but the same may be discharged from registry by being so transferred to bearer, after which it shall be transferable by delivery, but may again from time to time be registered. The registration of a bond shall not restrain the negotiability of the coupons by delivery merely. And the owner of any such registered bond or bonds may surrender to said Trustee the coupons thereto attached to be cancelled, in which case the interest on such bond or bonds shall thereafter be payable only to the registered owner thereof, as provided for in the case of the principal sum or sums of such bonds as aforesaid.

ARTICLE III.

SINKING FUND.

The Company shall annually on or before the first day of July in each year, commencing on the first day of July nineteen hundred and two, pay to said Trustee, for the purpose of a sinking fund, the sum of \$50,000 in gold of the present standard of weight and fineness, and in addition, a sum payable in gold equal to the annual interest, upon all bonds which have up to that time been purchased or called for payment by the Trustee under the provisions of this article. Said amounts so paid in shall be forthwith applied by said Trustee to the purchase of such bonds secured by this mortgage as can be most cheaply purchased at a price not exceeding 110 and accrued interest, through proposals to sell after notice, which notice it shall be the duty of the Trustee to publish in one or more newspapers of general circulation in Toronto, Montreal, Halifax and Boston, said publication to be made twice a week for two successive weeks. And failing to obtain sufficient bonds to exhaust the amount so paid in, the Trustee shall as soon as may be thereafter proceed to draw, by lot, such an amount of bonds as shall be requisite to exhaust as nearly as may be the sum in its hands at that time applicable to the purchase or retirement of said bonds, and shall thereupon give notice by public advertisement, to be inserted twice a week for two successive weeks in one or more newspapers of general circulation, published in Toronto, Montreal, Halifax and Boston, stating the numbers of the bonds so drawn, and that the principal of said bonds will be

paid at par and ten per cent., premium, together with accrued interest, upon presentation to the Trustee. Interest upon any bonds so called shall cease to be payable from and after the date fixed in any such call.

The Company may simultaneously with any sinking fund payment made to the Trustee as hereinbefore provided pay to the Trustee, in addition, such sum of money as it may deem expedient, which sum shall, equally with the payment made for sinking fund purposes, be applied by the Trustee to the purchase or redemption of bonds as hereinbefore provided.

The bonds acquired by said Trustee, by purchase or by payment, after call as aforesaid, shall be cancelled and no other bonds shall be issued in their place.

If the amount of money at any time paid to the Trustee as hereinbefore provided shall, in addition to any other moneys then in the hands of the Trustee applicable to that purpose, be sufficient in amount to pay all the outstanding bonds secured hereby, together with the accrued and unpaid interest thereon and including the premium herein stipulated for, in case such payment is made before the maturity of the bonds; then and in such case these presents shall become void; the money so paid to the Trustee shall be held by the Trustee in lien of the property covered by this mortgage as security for said bonds, and the estate, right and title of said Trustee in the mortgaged property shall cease and determine and it shall forthwith give to the Company a good and sufficient release and discharge in law of this Indenture and the lien thereby created.

ARTICLE IV.

POSSESSION OF PROPERTY BEFORE DEFAULT.

Until the Company shall make default as provided in Article I of these presents, it shall be permitted to remain in the possession of the mortgaged property, privileges and franchises with full right to use and make profit from the same, and sell and dispose of the product of its mines and works.

It may also, without the consent of the Trustee, sell or dispose of, free from the lien of these presents, any such personal property used by it in connection with its mining and manufacturing operations, or its railways or steamship lines, as may, for any reason, have ceased to be requisite for the purposes of the Company, or which the Company may desire to replace by similar property; provided, however, that it shall not without the written consent of said

Trustee, sell or dispose of in any one transaction any such property of which the value exceeds twenty thousand dollars; and provide also, that it shall not without such consent, sell or dispose of any property, whatsoever, essential to the management or operation of its mines, works, railways or steamship lines.

It may with the written consent of said Trustee, but not otherwise, except as above provided, sell for a reasonable price, exchange or dispose of, free from the lien of these presents, any of the property covered by this mortgage, provided, however, that such property is replaced by other property of an equal value, which shall be subject to the terms of this mortgage, or its proceeds applied to the improvement of the mortgaged property or to the purchase or payment of outstanding bonds secured hereby in the manner provided in Article III.

Said Trustee shall have the right as a condition of its assent to any such sale, exchange or other disposition to exact such conditions as it may deem desirable in order to secure a compliance by the Company with the above provision.

The Company hereby covenants with the Trustee that except so far as results from the use and enjoyment of said property in the prosecution of its business, it will not commit or permit any striking or waste thereof, and that except as hereinafter provided, it will without exception of any negligence, force, misfortune, act of God or other exception whatsoever, always maintain the railways, rolling stock, buildings, machinery, appliances, wharves and shipping covered by this mortgage, in good working order and condition that it will, from time to time with reasonable diligence, repair, renew, replace and rebuild any part thereof which may be damaged, wasted or destroyed, or substitute other property therefor, so that the same shall always remain and be in good working order and condition.

And it further covenants with the Trustee that it will not do or omit to do any act or thing whereby any part of its property, leases, privileges or franchises may become lost or may become subject to forfeiture.

Nothing in this mortgage contained shall impair the right of the Company to make such modifications and changes in the construction of its said railways, rolling stock, buildings, machinery, appliances and shipping as may be required in the development of the Company's business and property, preserving in all substitutions at least an equivalent intrinsic value.

The Company further covenants, and agrees, during the life of this indenture, to keep such of its plant, property, buildings and

such property and provided, dispose of any or operation of but not otherwise, exchange ts, any of the ver, that such value, which s proceeds ap or to the pur hereby in the of its assent act such con- ompliance by e that except operty in the mit any strip ived, it will, e, act of God ailways, roll- and shipping d condition; ence, repair, be damaged, efer, so that ng order and t will not do its property, may become the right of s in the con- machinery, evelopment of all substitu- ng the life ildings and

appurtenances as are insurable, insured against loss or damage by fire, in insurance companies of good standing, in such sum as shall reasonably protect the insurable property; such insurance to be made payable in case of loss, to the Trustee hereunder as its interest may appear. In case of loss, however, the Trustee shall allow all insurance money received by it on such policies of insurance to be applied by the Company toward the replacement of the property destroyed or injured, if the Company so requests in writing, and shall, upon such written request, pay such money over to the Company for that purpose, on receipt of vouchers signed by the President and Treasurer of the Company, to the effect that said property has been replaced by new and additional plant or property costing as much as the amount of money paid over on said vouchers; but if the Company shall not, within ninety (90) days from the time of any such loss, make such written request to have such insurance moneys so applied, then such insurance moneys shall be applied by the Trustee to the purchase or redemption of bonds in the manner provided in Article III.

ARTICLE V.

TAXES AND FURTHER ASSURANCE.

The Company covenants with said Trustee that it will pay all valid taxes, assessments, and public charges of whatsoever nature, which may from time to time be levied upon it or its property by any public authority whatsoever; and further covenants and agrees that it will keep the mortgaged property free from any liens or incumbrances which are, or may become entitled to priority over this mortgage.

The Company further covenants with said trustee that it will from time to time upon the request of said Trustee, execute and deliver to it such further conveyances or transfers as said Trustee may deem advisable in order to confer upon said Trustee the full legal title to any property now owned or which may be hereafter acquired by the Company, saving and excepting any property which may be acquired with the proceeds of any additional issue of bonds as hereinbefore provided, beyond the eight million dollars (\$8,000,000) in amount of bonds to be secured hereby.

And the Company covenants with said Trustee that it will, from time to time, upon the written request of said Trustee, furnish it with a written statement of all property acquired by the Company since the date of this mortgage or since the date of the last preceding statement which may have been so rendered.

ARTICLE VI.

WARRANTY.

The Company covenants with said Trustee, that it has good title, full power and lawful authority to sell and convey the property, real, personal and mixed, and franchises, privileges and revenues hereby conveyed or purporting to be conveyed; and that it will warrant and defend the same and every part thereof unto the said Trustee against the lawful claims of all and every person or persons claiming or to claim the same.

ARTICLE VII.

DUTIES OF TRUSTEE.

Said Trustee shall not be responsible or liable for any destruction, injury or damage to the property hereby mortgaged, by the said Company, or by any other person or persons whomsoever or for any cause or accident whatsoever; neither shall said Trustee be or become responsible for any exercise of judgment or discretion in any matter or thing as aforesaid; nor shall said Trustee be responsible for any moneys or properties, except such as shall come into its hands or possession; nor shall said Trustee be responsible or liable for any other matter or thing, except its own wilful neglect or for wilful breach of the trust herein and hereby created.

It shall have the power to employ such legal and other assistance in the carrying out of the purposes of this trust as it shall deem necessary, and shall not be responsible for the negligent act of any counsel or agent employed by it when such counsel or agent shall be selected in good faith, and it shall have power to refer any matter in dispute between itself and the Company, or any other persons arising out of the execution of said trust, to the arbitration of three disinterested persons, one to be chosen by said Trustee, one by the Company or such other persons, and the third by the two so chosen, and the award of such arbitrators, or a majority of them, shall be final and conclusive in respect of the matter submitted to their determination.

And it is further understood and agreed that said Trustee accepts the trusts hereby created upon the express condition that it shall not be held liable for any failure of title in the premises hereby conveyed, nor for any recital of facts made in this instrument, the same being a recital of the Company and not of the Trustee, nor for the sufficiency of this instrument or the security herein provided. The Trustee shall be entitled to be reimbursed for all its proper outlays of every sort or nature, incurred in the

discharge of this trust, and shall be entitled to advise with counsel, and to be re-imburged all fees paid therefore, and to receive a reasonable and proper compensation for any duty or service it may perform.

The Trustee shall not be required to take measures for the enforcement or foreclosure of this mortgage, or any covenant contained therein, until furnished with funds for the purpose or indemnified to its reasonable satisfaction, and said expenses and compensation if not paid by the bondholders, shall be paid by the Company, and if not so paid shall be payable from the trust estate, upon which they are hereby charged as a first lien.

Said Trustee, until called upon to take active measures to enforce this security, by foreclosure or otherwise with due indemnity, shall be in no way responsible for insurance, taxes or repairs, or any other matter affecting the security; and in general it is understood that prior to being so called upon, its duty is confined to such matters as are specifically mentioned in this indenture.

In all cases of any instructions or requests by the bondholders to the Trustee, the same shall be in writing, and the Trustee shall have the right to demand proof of the ownership or legal holders of the bonds, the alleged holders or owners of which claim the right hereunder to instruct or request; or the Trustee may require deposit of said bonds.

In any event, the Trustee shall be justified in dealing with the persons presenting bonds as the true owners.

In case of a vacancy occurring in the office of the Trustee, hereby created, the Company, or any of the holders of the bonds secured hereby, shall be at liberty to apply to any court of competent jurisdiction to appoint a new Trustee or Trustees after giving notice of such intention to apply, by advertising three times a week for two weeks in one or more daily newspapers in each of the cities of Toronto, Montreal, Halifax and Boston, aforesaid, and such Court may on such application, appoint such new Trustee or Trustees.

ARTICLE VIII.

If the Company shall at any time pay to the Trustee such sum of money as shall, in addition to any other moneys then in the hands of the Trustee applicable to that purpose, be sufficient to pay all of the outstanding bonds, together with the accrued and unpaid interest thereon, and including a premium of ten per cent. hereinbefore stipulated for, in case said payment is made before

the maturity of the bonds; or if the Company shall well and pay and discharge all the principal and interest of said bonds at the times and in the manner therein specified, and shall well truly do and perform all and every other of the matters and things on its part to be done and performed, and herein set forth, and in such case these presents shall become void, and the estate, right and title of said Trustee, hereby created, shall utterly cease and determine, and it shall forthwith execute to the Company a good and sufficient release in law of this indenture and the charges hereby created, and shall restore and surrender up possession of the Company of any property of the said Company of which it may have taken possession and shall not have sold under and in the virtue of this indenture. But otherwise, and until such payment and performance, this indenture shall be and remain in full force and virtue.

IN WITNESS WHEREOF, the said Dominion Iron and Steel Company, Limited, has to these presents and to three other instruments of like tenor and effect, caused its corporate seal to be affixed and said instruments to be executed in its name and behalf by Henry M. Whitney, its President, and to be countersigned by John S. McLennan, its Treasurer, thereunto duly authorized on this first day of July, A. D. 1899, and the said Trustee has likewise caused its corporate name to be subscribed by A. E. Ames, its Vice-President, and its corporate seal to be affixed by W. T. White, its Manager, and also to said three other instruments of like tenor and effect.

Signed, sealed and delivered
in the presence of

As to the Dominion Iron and
Steel Company, Limited,
(L. S.) C. A. MEISSNER.

As to the National Trust Com-
pany of Ontario, Limited,
(L. S.) F. W. BAILLIE.

DOMINION IRON AND
STEEL CO., Limited, (L. S.)
by HENRY M. WHITNEY, P.
JOHN S. MCLENNAN, Treas.

THE NATIONAL TRUST CO.
OF ONTARIO, Ltd., (L. S.)
by A. E. AMES, Vice-P.
W. T. WHITE, Manag.

CANADA,
 PROVINCE OF NOVA SCOTIA,
 COUNTY OF CAPE BRETON, S. S.

I, C. A. Meissner, of Sydney, in the County of Cape Breton, in the Province of Nova Scotia, in the Dominion of Canada, make oath and say as follows:—

FIRST. That I am a subscribing witness to the foregoing Indenture.

SECOND. That on the 30th day of August, A. D. 1899, at Sydney aforesaid, the corporate name and seal of the Dominion Iron and Steel Company, Limited, one of the parties to said Indenture and therein named, was thereunto subscribed and affixed by Henry M. Whitney, President of said Dominion Iron and Steel Company, Limited, and John S. McLennan, Treasurer of said Dominion Iron and Steel Company, Limited, and the said Indenture delivered on behalf of the said Dominion Iron and Steel Company, Limited, by the said President and Treasurer in my presence, and that said Indenture was duly executed at the time and place aforesaid, on behalf of said Dominion Iron and Steel Company, Limited, by said Henry M. Whitney, President, and John S. McLennan, Treasurer, as aforesaid.

Sworn to at Sydney, in the County of Cape
 Breton, in the Province of Nova Scotia, this 30th
 day of August, A. D. 1899, before me,

DONALD M. CURRY,

A Justice of the Peace, in and for the County of Cape Breton.

C. A. MEISSNER.

CANADA,
 PROVINCE OF NOVA SCOTIA,
 COUNTY OF CAPE BRETON, S. S.

TO ALL TO WHOM THESE PRESENTS SHALL COME, I, Walter Crowe, Notary Public, in and for the Province of Nova Scotia, duly authorized, commissioned and sworn, residing and practising at Sydney, in the County of Cape Breton, in the Province of Nova Scotia, in the Dominion of Canada, do hereby certify that the signature Donald M. Curry to the jurat of the foregoing affidavit is in the handwriting of Donald M. Curry, to me personally known and duly appointed, commissioned and sworn Justice of the Peace, in and for said County of Cape Breton, and that to all acts by said Donald M. Curry, done in his said official capacity, full faith and credit are due.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my seal of office, at Sydney aforesaid, this 30th day of August, A. D. 1899.

(L. S.) WALTER CROWE, Notary Public.

CANADA,
 PROVINCE OF ONTARIO,
 COUNTY OF YORK.

I, Frank Wilton Baillie, of the City of Toronto, in the County of York, in the Province of Ontario, in the Dominion of Canada, make oath and say as follows:

FIRST. That I am a subscribing witness to the foregoing Indenture.

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WHITNEY, Pres.
ENNAN, Treas.

L TRUST CO.
Ltd., (L. S.)

AMES, Vice-Pres.
HITE, Manager.

SECOND. That on the 25th day of September, A. D. 1899, at Toronto aforesaid, the corporate name and seal of the National Trust Company of Ontario Limited, one of the parties to said Indenture and therein named, was thereunto subscribed and affixed by A. E. Ames, Vice-President of the National Trust Company of Ontario, Limited, and W. T. White, Manager of the said National Trust Company of Ontario, Limited, and the said Indenture delivered on behalf of the said National Trust Company of Ontario, Limited, by the said President and Manager, in my presence, and that said Indenture was duly executed, at the time and place aforesaid, on behalf of said National Trust Company of Ontario Limited, by A. E. Ames and W. T. White, Vice-President and Manager, as aforesaid.

Sworn to at Toronto, in the County of York, in the Province of Ontario, this 25th day of September, A.D. 1899, before me, (L. S.) MILLER LASH,
A Notary Public for the Province of Ontario.

F. W. BAILLI

CANADA,
PROVINCE OF ONTARIO,
COUNTY OF YORK.

TO ALL TO WHOM THESE PRESENTS SHALL COME :

I, Arthur Whyte Anglin, Notary Public, in and for the Province of Ontario duly authorized and commissioned, residing and practising at Toronto, in the County of York, in the Province of Ontario, in the Dominion of Canada, do hereby certify that the signature, Miller Lash, to the jurat of the foregoing affidavit, is the handwriting of Miller Lash, to me personally known and duly appointed and commissioned Notary Public, in and for said Province of Ontario, and that to all acts by said Miller Lash, done in his said official capacity, full faith and credit are due.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my seal of office, at Toronto aforesaid, this 25th day of September, A. D. 1899.

(L. S.) A. W. ANGLIN, Notary Public.

BY-LAWS
OF THE
DOMINION IRON AND STEEL COMPANY, LIMITED.

ARTICLE I.

SECTION I.—The Annual General Meeting of the shareholders of this Company shall be held in Sydney, Cape Breton, or in Montreal, Quebec, or in Boston, Massachusetts, as the directors may from time to time determine, on the second Thursday in June in each year for the election of directors, and to receive the report of the directors for the past year, and for other general purposes relating to the management of the Company's affairs.

SECTION II.—Special meetings of the shareholders shall be called either in Sydney, or in Montreal, or in Boston, by the Secretary, whenever a majority of the Directors or Shareholders holding at least one-fourth part in value of the capital stock shall make application to him therefor, stating the time, place and objects of said meeting, and the Secretary shall also call special meetings of the stockholders whenever he is so directed by the President.

In the case of all special meetings of the shareholders the objects for which the same are called shall be stated in the written request, and in the notice calling the meeting.

SECTION III.—Notice of the time and place of holding the Annual Meetings of the shareholders shall be given by the Secretary by publishing notice thereof in daily newspapers of general circulation, both in Sydney, Montreal and in Boston, on at least two separate days, the last publication to be at least seven days before the holding of said meeting, and in the case of special meetings of the shareholders, the Secretary shall, in addition to the notice by publication, required in the case of the annual meetings, mail written notice of such special meeting to each shareholder of record, at his registered address at least nine days before said meeting.

ARTICLE II.

OFFICERS.

SECTION I.—The officers of the Company shall consist of a President, Vice-President, Treasurer, a Board of Directors, Secretary and other such officers as the needs of the corporation may require.

SECTION II.—At the first annual meeting and at each meeting thereafter, or meeting held in lieu thereof, in case the annual meeting is not held, a board of fifteen directors shall be chosen by a stock ballot, and said directors shall hold office until the next annual meeting or until others are chosen and qualified in their stead.

SECTION III.—Immediately after each annual meeting or meeting held in lieu thereof, the board of directors shall hold a meeting without further notice than that of the annual meeting, and shall elect one of their number President of the Corporation, and shall also elect one of their number to be Vice-President, and they shall also elect a Treasurer and Secretary.

The President and Vice-President shall hold office until the next annual meeting of the shareholders, or until their successors are elected and qualified. And the said Board of Directors may at said meeting or at any other meeting of the Board, elect six of their number, who with the President, shall constitute the executive Committee of the Board, and may also elect or appoint any other officers which the needs of the Corporation may require; said other officers to hold office during the pleasure of the Board of Directors.

SECTION IV.—No person shall be elected a Director of the Company unless he shall be a holder and owner in his own right, or as Trustee for some Corporation, of at least twenty-five shares of the capital stock of the Company, and shall have paid up all calls made thereon.

ARTICLE III.

PRESIDENT.

SECTION I.—The President shall be charged with the general oversight, care and management of all property and business of the Company in all its departments, and of the officers, agents and servants of the Company, except so far as the duties of such officers, agents and servants, may be specifically described in the by-laws or by the directors or the Executive Committee.

He shall sign all certificates of stock, bonds, debts, and special contracts of the Company and may countersign and approve cheques, drafts, promissory notes, bills or vouchers.

ARTICLE IV.

VICE-PRESIDENT.

SECTION I.—The Vice-President shall perform all the duties of the President in case of the absence or disability of the latter, and shall in such case, have all the powers conferred upon the President by these by-laws, or by the charter of the Company.

ARTICLE V.

SECRETARY AND TREASURER.

SECTION I.—The Secretary and Treasurer shall perform such duties as may be required of them from time to time by the Board of Directors.

SECTION II.—The Secretary shall keep a record of all meetings of the stockholders, of the Directors and of the Executive Committee.

ARTICLE VI.

BOARD OF DIRECTORS.

SECTION I.—The President of the corporation shall, ex officio, be President of the Board of Directors.

SECTION II.—The Board of Directors shall have the management of all the property and business affairs of the Corporation.

SECTION III.—The Board of Directors shall have power—

- (a) To call a meeting of the stockholders whenever they deem it necessary, in the manner provided by Article I. of these by-laws.
- (b) To appoint and remove all the employees and agents of the Company, prescribe their duties, fix their compensation, and require of them security for the faithful discharge of their duties.
- (c) To make rules and regulations not inconsistent with the charter of the Company, and the laws of the Province of Nova Scotia, for the guidance of the officers and management of the business and affairs of the Corporation.
- (d) To declare dividends out of the surplus profit.
- (e) To borrow money and incur such indebtedness as they may deem necessary, and to authorize the making, drawing or acceptance of bills of exchange and promissory notes on behalf of and for the purposes of the Company.

SECTION IV.—It shall be the duty of the Board of Directors—

- (a) To cause to be kept a complete record of their meetings and acts.
- (b) To present a full statement at the regular annual meeting of the shareholders, showing in detail the assets and liabilities of the Corporation, and generally the condition of its affairs; and to present a similar statement at a meeting of shareholders, when thereto previously requested by shareholders representing at least one-third of the capital stock issued.
- (c) To supervise all acts of the officers and employees; to require the Secretary and Treasurer to keep full and accurate books of record and account, and prescribe the form of keeping such books.
- (d) To cause to be issued to the shareholders in proportion to their several interest, certificates of stock not exceeding in the aggregate the capital stock of the Corporation, as it may from time to time be determined.

SECTION V. The President may call special meetings of the Board of Directors at such times as he may deem expedient; and he shall also call meetings of the Board of Directors when thereto requested in writing by the majority of the Board of Directors; and in case of neglect or refusal to call such meeting, a majority of the Board of Directors may call a special meeting of the Board; by a written or printed notice therefor signed by them and mailed to each director at his last known place of residence or business, at least twenty-four hours previous to the time of such meeting.

Any meetings of the Directors at which all the Directors are present, or of which the absent directors shall have waived notice, shall be a legal meeting as though called as herein provided.

SECTION VI.—The Executive Committee shall, when the Board of Directors is not in session, have and exercise all the powers belonging to said Board.

ARTICLE VII.

VACANCIES.

SECTION I.—The Board of Directors shall have the power to fill any vacancy however caused, in the Board of Officers of this Company and also in the Board of Directors until the next annual meeting, or meeting in lieu thereof.

ARTICLE VIII.

VOTING.

SECTION I.—At all meetings of the Corporation, each shareholder of record, either by himself or by his duly appointed attorney, shall be entitled to cast as many votes as he holds shares of stock of record.

ARTICLE IX.

CERTIFICATES OF STOCK.

SECTION I.—Each shareholder shall be entitled to a certificate showing the number of shares of the capital stock held by him, which shall be under the seal of the Company, and shall be signed by the President and by the Treasurer, and shall be countersigned by a duly appointed transfer Agent.

In case of the absence or inability of the Treasurer to act, the Secretary will sign such certificates in his stead; and in case of the absence or inability of the President to act, the Vice-President, or such other officer of the Company as the Directors may designate, may sign such certificates in his stead.

Shares may be transferred by a conveyance in writing recorded upon the books of the Company.

On making the transfer and surrendering the old certificate, a new certificate shall be granted.

In case of the loss of a certificate, duplicate certificate may be issued, upon such terms as the Executive Committee shall prescribe.

SECTION II.—All shares of stock which have been issued as fully paid shares in accordance with the Charter of the Company, or which, although not issued as fully paid shares, have subsequently upon call been paid up to the amount of their par value, shall be thereafter non-assessable.

SECTION III.—The Directors may close the transfer books at any time for a period not exceeding fourteen days.

ARTICLE X.

SECTION I.—No business except to organize and adjourn for a specified time shall be transacted at a meeting of the shareholders unless there are present in person at least five shareholders, representing in person or by attorney at least 1-10 of the capital stock of the Corporation issued or subscribed.

ARTICLE XI.

SECTION I.—These By-laws may be altered, amended or repealed, from time to time, by the Board of Directors, and may likewise be altered, amended or re-

peated, from time to time, by a two-thirds vote of the stockholders present and voting at any annual meeting, or any special meeting called for that purpose.

[June 13th, 1901. Amendment to By-Laws.]

ARTICLE VI.

BOARD OF DIRECTORS.

Section VII. to read as follows:—

At every Board meeting five Directors, present in person, shall constitute a quorum, and at the meeting of the Executive Committee three directors, present in person, shall constitute a quorum.

—Directors' Minutes, p. 302.

[Adopted at Directors' Meeting, March 1st, 1902.]

ARTICLE XII.

In the absence or disability of the President or Vice-President the Directors may appoint one of the Directors of the Company to act as such President or Vice-President, and said Director, when so appointed, shall have all the powers conferred upon the President or Vice-President as the case may be, by these By-laws or by the Charter of the Company.

ACTS RELATING TO THE DOMINION IRON AND
STEEL COMPANY, LIMITED.

CHAPTER 139, OF THE ACTS OF THE LEGISLATURE OF NOVA
SCOTIA, 1899, AN ACT TO INCORPORATE THE DOMINION
IRON AND STEEL COMPANY, LIMITED.

(Passed 30th day of March, A. D. 1899.)

BE IT ENACTED by the Governor, Council and Assembly, as follows :—

1. Henry M. Whitney of Boston, William B. Ross of Halifax, Benjamin F. Pearson of Halifax, Henry F. Dimock of New York, and Almeric Paget of New York, and such other persons as they in writing may associate with them, their successors, associates, assigns, and such other persons as may become share or stock holders in the company hereby created, are hereby constituted a body corporate by the name of the Dominion Iron and Steel Company, Limited.
2. The objects of the company shall be, and the company is empowered and authorized as follows :
 - (a) To purchase, hold, lease, acquire and sell mines, minerals and mining and other rights, easements and privileges.
 - (b) To mine, quarry, get, work, mill and prepare for sale by any process, coal, iron and other ores, and all or any other minerals, or metallic products, and to manufacture therefrom any by-products, and to smelt the iron ores and other metallic substances, and to manufacture iron, steel and any other products therefrom, and to trade in the products of such mines or manufactures.
 - (c) To purchase, acquire any interest in, hold, use, occupy, sell and convey real estate, mills, machinery, vessels, vehicles propelled by steam, electricity or otherwise, and other property, and to mine coal, smelt, dress and in every or any manner and by every or any process to manufacture the iron ores, minerals and metallic or other products, and for such purposes to make and execute all necessary and proper works, and to do all necessary and proper acts, and erect and maintain all suitable furnaces, forges, mills, engines, houses and buildings, and if necessary to acquire any patent privileges or by assignment, license or otherwise, the right to use any patent invention connected with the purposes aforesaid, and to take or lease or otherwise acquire any lands or other property, and the company may sell and convey the same or any part thereof by deed or deeds with the usual covenants.
 - (d) To construct and make, purchase, hold or lease, alter and maintain and operate any railroads, tramways or other roads, barges, vessels, ships and steamers for the public conveyance of passengers and goods, and for the transportation of coal, iron ores, limestone and any other minerals and metallic substances or products, manufactured and unmanufactured, from and to the mines of the company or from and to any other mines to any place of transshipment or elsewhere, and to do all other business necessary and usually performed on the same.

(e) To construct harbors, breakwaters and bridges, and to purchase or hire, build, construct or erect wharves, docks, piers and machinery, and acquire such land and lands covered by water as may from time to time appear expedient.

(f) To construct, purchase, operate and maintain or lease, telephone and telegraph lines for the use of the company only, to manufacture and sell gas of every kind and description, and electricity for the use of the company only.

(g) To construct, maintain or contribute towards the construction and maintenance of houses, churches, schools, hospitals and other buildings for the use and benefit of the workmen and others from time to time employed by the company or dwelling upon its property.

(h) To manufacture steel and iron in every branch, and any articles consisting of iron or steel in whole or in part.

(i) To let or sub-let for building, mining or any other purpose, any property, and to give and grant any rights, licenses, easements or privileges.

(j) To acquire the good will of any business within the objects of this company, and any real or personal property, privileges, rights and contracts appertaining to the same, and in connection with any such purchase to undertake the liabilities of any company, association, partnership or person.

(k) To sell, lease or otherwise dispose of the whole or any branch or part of the business, property or franchises of the company to any other iron, steel or coal company, or any other company or companies carrying on or formed for the purpose of carrying out any object similar to any of those of the company hereby incorporated, and this company is hereby authorized and empowered to make such sale, lease or disposal of the whole or any branch or part of its business or property only upon the vote of two-thirds of the shares of this company.

(l) To acquire by original subscription or otherwise, and to hold, sell, mortgage or otherwise dispose of shares, stocks, whether common or preferred, debentures, debenture stocks, bonds and other obligations of any company carrying on or formed for carrying on any trade or business within the objects of this company.

(m) To apply from time to time any part of the funds, stock, whether common or preferred, bonds, debentures and other obligations of the company for any purpose of the company.

(n) When authorized by a three-fourths vote of the shares of this company, this company is hereby empowered to purchase, lease or otherwise acquire, hold and enjoy all the property, franchises, rights and privileges held or enjoyed by any iron, steel or coal company, or any company or companies carrying on or formed for carrying on any business similar to that which this company is authorized to carry on under the provisions of its charter or otherwise; and such other iron, steel or coal company so selling to this company is hereby authorized and empowered by vote of three-fourths of its shares to sell, mortgage, lease or otherwise dispose of such property, franchises, rights or privileges unto this company as fully and effectually as if the said iron, steel or coal company or other companies were empowered so to do by a special Act of the Legislature of the Province of Nova Scotia. Said property, rights, franchises and privileges, when purchased, leased or otherwise acquired as above stated, shall be owned and enjoyed by this company as fully and effectually as the same were theretofore held and enjoyed by the company from which the same were so purchased, leased or otherwise acquired subject to all existing valid liens and charges.

(c) To purchase, hire, construct or manufacture for use in connection with any business of the company, and to use and operate, any ships, barges, rolling stock, machinery or plant; provided, however, that nothing in this Act or in the charter or franchises of any company that may be acquired by this company shall authorize or empower the company to carry on a general business in dry goods, groceries and other general merchandise.

3. The company shall have power and authority to do any matter or thing necessary to carry out any of the above objects or incidental or conducive to the same.

4. The capital stock of the company shall be ten million dollars, divided into one hundred thousand shares of one hundred dollars each, with power to increase the same, from time to time, to an amount in all not exceeding twenty million dollars upon a vote of a majority of the shares represented at a special meeting called for that purpose, or at any general meeting of the company.

5. Aliens, whether resident within the province or elsewhere, as well as British subjects, may be shareholders, directors, or officers of the company, and shall be entitled, equally with British subjects, to all rights as such shareholders, directors or officers; and any aliens or foreign or domestic corporations who are or may be holders of any bonds, stock or debentures of said company shall, for all purposes, have the same rights, privileges and powers in respect thereto as if they were British subjects.

6. No member of the company shall be liable in his person or separate estate for the liabilities of the company in respect to any shares whether common or preferred held by him, which have been issued by the company or its directors as fully paid-up shares, under the provisions of Sections 10, 11, 12 and 13 of this Act, or otherwise, nor shall he be liable in respect to any shares not so issued to a greater amount in the whole than the amount thereof held by him, after deducting therefrom the amount actually paid to the company on account of such shares, unless he has rendered himself liable for a greater sum by becoming surety for the debts of the company, but no shareholder who has transferred his interest in the stock of the company shall cease to be liable to the amount unpaid on shares so held by him for any contract of the company entered into before the date of such transfer so as any action in respect thereof shall be brought within six months after such transfer.

7. The persons named in the first section of this Act and such persons as they in writing may associate with them are constituted provisional directors of the company. The provisional directors shall hold office as such until the first annual meeting, which may be called at such time and place and upon such reasonable notice as they determine, and until such meeting said provisional directors shall have power to open a stock subscription list and to assign and allot stock of said company and have and exercise all the powers of ordinary directors of the company under the provisions of this Act. Vacancies caused by death or resignation shall be filled by the other directors until the next annual meeting.

8. The annual general meeting of the shareholders and all other meetings of shareholders or directors shall be held at such times and at such places within or without the province as are appointed by the by-laws of the company.

9. The company may subscribe for, take hold and dispose of shares in any other corporation organized or to be organized, and this company is authorized through such agents as the board of directors may appoint, to vote as a stock-

holder in relation to the shares so held by the company in such corporation, and the said corporation is hereby empowered to accept such agents' vote and recognize the same.

10. It shall be lawful for the company to enter into agreements with other companies, corporations to incorporate, and individuals, associations or governments, to purchase, lease, operate or acquire coal, iron, copper and other mines, lines of railway, tramroads, wire rope tramways, water powers, or privileges, rolling stock, plant, machinery and appurtenances, or other estate, real and personal, and to build, construct, equip and complete the whole or any part of the company's works, and to receive by way of gift or bonus, any lands, sums of money, securities, debentures, real or personal estate, on such terms as may be mutually agreed upon; and the company is hereby authorized to issue upon such terms as the directors may deem for the interests of the company, fully paid up shares of the company, either common or preferred or both, in settlement of or representing the whole or part of the cost value of such purchase.

11. The company may issue as fully paid-up stock, both common and preferred shares of the company, and may upon such terms as the directors deem for the interests of the company, pay and allot such shares in payment of right of way, plant, rolling stock, mining and smelting plant or materials of any kind; and also may, on such terms as the directors deem for the interests of the company, pay and allot such fully-paid up shares in payment for services of or work done by contractors, engineers, solicitors and other persons, who may have been or may be engaged in promoting the undertaking or work of the company; and may, upon such terms as the directors deem for the interests of the company, allot and pay over such fully paid shares, in whole or partial payments, for the purchase, lease or other acquisition of iron, coal, copper and other mines or mining areas or leases thereof, and of the railways, rolling stock, wharves, lands, ships, and other property, which the company is hereby authorized to acquire, construct, operate or own, or in payment of the shares, bonds or other obligations of other companies which the company is hereby authorized to acquire. The issue, allotment or payment of such fully paid stock by the directors of said company shall be binding upon the company and shall make the same fully paid stock; and the same shall not be assessable or subject to any calls for any purpose whatsoever; and the holders of said stock, allotted or paid as aforesaid, shall not be subject to any personal liability whatsoever in respect thereof.

12. For any or all of the purposes of the company, the company is hereby empowered from time to time under the authority of a majority vote of those shares which are represented in person or by proxy, at a meeting called for that purpose, or at any annual meeting of the company, to issue at one or more times or in one or more series, its bonds, debentures or preferred shares, under its seal, and signed by its president or other authorized officer, and countersigned by its treasurer or secretary, and such bonds or debentures may be made payable at such times, in such places in Nova Scotia or elsewhere, and bear interest at such rate per annum, and such bonds, debentures or preferred shares may entitle the holders to such priorities and privileges and may be subject to such conditions as the company may at such meeting decide. The directors of the company are, in addition to the others powers conferred upon them by this Act in respect of the issue and allotment of preferred shares, hereby authorized to pledge or sell upon the best terms they may be able to obtain any such bonds, debentures or preferred shares, and no person who shall hold such preferred shares shall be liable to

further calls or assessments, or otherwise liable on account thereof beyond the amount for which said shares shall have been purchased from the company. The holders of such preferred shares shall be entitled to the preferential payment of the par value of their shares out of the assets available for the return of capital in priority to any ordinary shares in the company. The company may from time to time secure any of the bonds or debentures of the company by a mortgage or deed of trust of all or any portion of its property, whether real, personal or mixed, and including any revenue or tolls and any leases of mining areas, or other leases, any railways, ships, stocks, shares, or securities of other companies, powers, rights and franchises (including the franchise of being a corporation), whether owned or enjoyed by it at the date of such mortgage or deed of trust or thereafter acquired. And the legal title to all property acquired subsequently to the date of said mortgage or deed of trust which purports to be covered by said mortgage or deed of trust, shall vest in said trustee or trustees for the bond-holders or debenture holders as soon as the same is acquired or owned by the said company. The company may, in and by any such mortgage or deed of trust, confer upon the holders of such bonds or debentures, or the trustee or trustees, under such mortgage or deed of trust for their benefit, such powers, rights and remedies as may be deemed desirable in order to enable the holders of said bonds or debentures or such trustee or trustees in their behalf to obtain the possession and enjoyment of and title to such property, or to obtain the value thereof by sale or otherwise in case of default by the company in the performance of the condition of said mortgage or deed of trust; and the holders of such bonds or debentures, or any persons claiming by, through or under them, or any purchasers from said trustee or trustees, in case they shall take possession of said property under the provisions of such mortgage or deed of trust, may organize themselves into a corporation in the manner provided in this Act for the organization of the company, and the provisions of this Act, or any Act in addition hereto or in amendment hereof shall apply to such corporation and its members, and such corporation shall be entitled to have and enjoy the powers, privileges and franchises conferred upon the company by this Act or any Act in addition hereto or in amendment hereof. The holders of said bonds or debentures, whether they shall organize themselves into a corporation as herein provided or not, or said trustee or trustees, or any persons or corporation claiming by, through or under them, shall, in case they take possession of said property under the provisions of said mortgage or deed of trust, be entitled to hold, own and enjoy the same as fully and effectually as did the company heretofore, and they shall be entitled to hold and enjoy all the powers, rights, privileges, franchises and exemptions in reference thereto, which were held and enjoyed by the company, whether under any letters patent or lease from or contract with the Crown, or under this Act or any Act in amendment hereof, or any special or general law in force in the Province of Nova Scotia or otherwise. The company may, in and by the said mortgage or deed of trust, provide for a periodical payment to said trustee or trustees, of such sum as they may determine, which sum with all accumulations thereon shall constitute a sinking fund to be applied in such manner as shall be stipulated in said mortgage or deed of trust. Any foreign corporation or trust company may act as trustee under such mortgage or deed of trust. The issue of bonds, debentures or preferred shares under the authority of this Act shall not in the aggregate exceed the issued stock of the company.

13. The directors may, from time to time, make, alter, amend or repeal such

by-laws, rules or regulations not inconsistent with this Act, or the laws for the time being in force in this Province, as they may deem necessary and proper for the management of the affairs of the company generally, and the same, when approved by the Governor-in-Council, shall have the force of law.

14. The council of any town, city, county, municipality or district, through which any line of railway or branch thereof of the company may run, or in which the company may locate any of its works or carry on any of its business, or which will be benefitted by the same, are hereby authorized and empowered to assess for any aid whatsoever that such council may by a majority vote of said council decide to grant to the company, in the same manner, and at the same time, as the ordinary assessment for the public purposes of such city, town, county, municipality or district is made. And if such council by a majority vote shall so decide, then the said town, city, county or municipality or district may forthwith borrow the sum voted in aid of the said company, and may issue debentures therefor in the form in the schedule "A" hereto, redeemable at such times and in such amounts, and bearing such rates of interest as the said council shall determine, which debentures shall be a charge upon all the property, real and personal, of or within the said town, city, county, municipality or district and upon all the revenues of the said town, city, county, municipality or district, as the case may be, and the said council in such case annually shall assess a sufficient sum to pay the interest on any such debentures in the same manner and at the same time as the ordinary assessment for the public purposes of such city, town, county, municipality or district is made. Provided, however, that no such assessment shall be made, nor any money borrowed by the council of any town or city until the resolution of the council providing therefor shall first have been ratified and approved by a majority vote of the ratepayers in attendance at a meeting called and held for the purpose of considering the same. If the company shall locate any of its works in any part of the County of Cape Breton, all the property, income and earnings of the company shall be exempt from taxation under any law, ordinance or by-law of any municipal or local authority, for the period of thirty years from the time when they shall locate their works as aforesaid. Provided, however, that the said exemption shall not apply to any building used as a dwelling house, or for any purpose not connected with the business of the company, nor to the land upon which the same is erected.

15. The company shall paint or affix and keep painted or affixed its name with the word "Limited" after it, on the outside of every office or place in which the business of the company is carried on, in a conspicuous position, in letters easily legible, and shall have its name, with the said word "Limited," after it, mentioned in legible characters in all notices, advertisements and other official publications of the company, and on all bills of exchange, promissory notes, cheques, orders for money or goods purporting to be drawn, made, signed, given or endorsed by or on behalf of the company, and in all bills, invoices, receipts, letters and other writings used in the transaction of the business of the company, and the company shall be liable to a penalty of twenty dollars for every neglect or omission of the name of the company in any of the above cases.

16. The company shall not commence operations until one million dollars of its capital stock is subscribed and twenty-five per cent. of such subscription is paid up in cash.

17. The company shall have power to draw or accept, or endorse bills of exchange, promissory notes and other negotiable paper, on behalf of and for the purposes of the company.

18. Whenever it shall be necessary that the company should be vested with lands within the County of Cape Breton upon which to erect rolling mills or smelting works, or for the purpose of constructing docks, wharves, piers, roads or railroads, or whenever it may be necessary for the company to acquire lakes or streams or lands covered by water, or to acquire land for the purpose of a right of way for any pipe or pipe lines, and no agreement can be made for the purchase thereof, it shall be lawful for the company to apply by petition to the Governor-in-Council, showing the situation of the lands, lakes or streams, or lands covered with water, required for the purposes of the company, a description thereof by metes and bounds, the names of the owners or occupiers thereof, and any encumbrances thereon that may be known to the company, and the amount which the company has offered to pay the person or persons owning or occupying the same, and praying for the expropriation thereof.

19. Upon the presentation of such petition, the Provincial Secretary shall forthwith, at the expense of the company, cause a copy thereof to be served upon the owner or occupier of the lands, lakes, streams, or lands covered with water mentioned in such petition, and along with such copy the Provincial Secretary shall also cause to be served upon such owner or occupier a notice that upon a day to be therein named, which shall not be earlier than twenty days after the service of such copy and notice, a Commissioner to be appointed by the Governor-in-Council will, at a time and place to be named in said notice, hear any and all objections to such expropriation.

20. Upon the day and at the place so named, said Commissioner shall hear all parties interested and report the evidence to the Governor-in-Council, and the Governor-in-Council if satisfied the property sought to be expropriated is actually required for carrying on the works of the company, and is not more than is reasonably necessary therefor and is otherwise just and reasonable, shall thereupon by Order-in-Council declare the lands, lakes, streams, or lands covered with water sought to be expropriated, or any portion thereof, to be vested in said company in fee simple, free from encumbrances, subject to the payment of damages hereinafter provided for.

21. The services of said Commissioner shall be paid for by the company at such reasonable rates as shall be fixed by the Governor-in-Council, and such company may be required to deposit a sum not exceeding one hundred dollars to reimburse any expenditure made by the Governor-in-Council under said petition before such Commissioner shall be appointed for the purpose hereinbefore stated, and in case the application is refused the Governor-in-Council may order that a reasonable sum be allowed to defray expenses of the owner of the property sought to be expropriated.

22. Within thirty days after the passing of such Order-in-Council the company shall give notice to the owner or occupier of the property sought to be expropriated, requiring him to name one arbitrator, and the company shall also in such notice name one arbitrator for the purpose of assessing what damages shall be paid for the property so expropriated, and in case such owner or occupier refuses or fails to appoint an arbitrator within ten days thereafter, a Judge of the

Supreme Court, or the Judge of the County Court for the district in which the land expropriated lies shall appoint such arbitrator.

23. The said two arbitrators shall be notified of their appointment by the petitioner or his solicitor or agent, and shall within twenty days thereafter choose a third arbitrator, and in case of their failing to select such third arbitrator within twenty days after notice to them as aforesaid of their said appointment, such third arbitrator shall be appointed by the Governor-in-Council and said arbitrators shall without delay proceed to assess the damages for said property so expropriated.

24. On payment to the owner or occupier of the damages so assessed, the company shall have a title in fee simple and clear of encumbrances to the property so expropriated.

25. In case any property so sought to be expropriated is found to be encumbered by mortgage or judgment, or where the title thereto is in dispute, payment of the damages to the prothonotary of the Supreme Court for the County of Cape Breton shall have the same effect as payment to the owner or occupier. Where the damages are so paid to the said prothonotary, a judge of the Supreme Court or the County Court for the district in which the lands lie, on the application of any person interested therein, may order the payment out of the Court of said damages to the person or persons shown to be interested therein.

26. In case the amount deposited by the company is insufficient to defray all necessary expenses, it shall be required to pay any such balance before any such award is made.

27. So long as the company is operating its works in the County of Cape Breton according to the method usually employed in such works as the company may establish, then no adjoining land owner or occupier of land shall be permitted to enjoin the company for committing a nuisance, but shall be left to his remedy at law for damages for the diminution in value of his property and personal inconvenience as resident of said property caused by the operation of the company's works, and such damages may at the option of the party aggrieved be assessed by two arbitrators, one to be appointed by the party aggrieved and one by the company, under the provisions of the Arbitration Act 1895.

28. No director shall be disqualified by his office from contracting with the company, nor shall any such contract or arrangement entered into by or on behalf of the company with any director or any company or partnership of or in which any director shall be a member or otherwise interested, be avoided; nor shall any director so contracting or being such member or so interested be liable to account to this company for any profit realized by such contract or arrangement by reason only of such director holding that office or of the fiduciary relation thereby established, but no such director shall vote in respect of any such contract or arrangement, and the nature of his interest must be disclosed by him at the meeting of the Board at which the contract or arrangement is determined on if his interest then exist, or in any other case at the first of the Board after the acquisition of his interest.

29. If the company does not bona fide commence business under the provisions hereof, within two years from and after the passing of this Act, then this Act shall become and be utterly null and void and of no effect.

30. The directors shall appoint an agent in the City of Halifax, service on whom of all process, notice and other documents shall be held to be sufficient

service on the company. The name of such agent shall be filed with the Registrar of Deeds for the County of Halifax and for the counties in which the business of the company is being carried on, and in case of the death or absence of such agent from the province, and before the appointment of another, service of process, notices and documents may be made by affixing a copy upon some conspicuous building or office of the company in which the business of the company is being carried on, and advertising the same for two weeks in newspapers published in such counties, and if there are no newspapers published in such counties, then by advertising the same for two weeks in at least one newspaper published in the City of Halifax.

SCHEDULE "A."

No. Debentures
\$ Transferable.

(L. S.)

..... PROVINCE OF NOVA SCOTIA,
CANADA.

Under authority of the Acts of the Legislature of Nova Scotia for the year A. D. 1899.

The bearer hereof is entitled to receive from the of Province of Nova Scotia, the sum of dollars, lawful money of Canada, in years from the date hereof, and interest for the same from same date at the rate of per cent. per annum, payable half yearly as per the interest warrants hereto attached, payable at the office of the clerk in the said

Dated at the day of , A. D. 189 .

Mayor or Warden (as the case may be).

.....
Clerk and Treasurer.

An Act to amend Chapter 139 of the Acts of 1899, entitled, "An Act to incorporate the Dominion Iron and Steel Company, Limited," being Chapter 118 of the Acts of 1900.

(Passed the 30th day of March, A. D. 1900)

Be it enacted by the Governor, Council and Assembly as follows :

1. Section 18 of said Act is amended by adding after the word " lines " in the eighth line thereof " or for the purpose of storing water there . "

2. Section 24 of said Act is amended by adding after the word " assessed " in the second line thereof the words, " or as in this Act hereinafter provided."

3. Section 25 of said Act is amended by adding thereto the following words : " In case the company is in any case unable to ascertain the name of the owner of any land or lands covered with water, sought to be expropriated under section 18 of this Act, and said lands are unoccupied, such fact shall be stated in the application to the Governor-in-Council provided for in said section 18, and the Governor-in-Council may by order name a person to represent the owners, and such person shall thereupon represent the owner for all purposes under sections 19, 20, 21, 22, 23 and 24 of this Act. The company shall pay such person so appointed such fee as the Governor-in-Council may fix, and the Company shall in such case pay the damages assessed in court, and such payment shall be held a compliance with Section 24 of this Act."

4. The mortgage of said company, bearing date the first day of July A. D. 1899, made to the National Trust Company of Ontario, Limited, and registered in the office of the registrar of deeds at Sydney, and the bonds secured thereby, are hereby confirmed and declared to be binding, as therein expressed, as fully as if the same were set out herein.

5. The stock of the said company heretofore issued is hereby declared to have been validly issued and to be fully paid up stock.

6. The agreement made between the said company and the Dominion Coal Company, limited, and set out in schedule "A" hereto, is hereby confirmed. Provided, however, that nothing in said agreement contained, or in this Act, shall in any way or manner alter, vary or affect the duties and obligations of said Dominion Coal Company, limited, under any statute of the province heretofore passed, or under any lease from the Crown, or any agreement with the Commissioner of Public Works and Mines, or with the Crown, for or on behalf of the province of Nova Scotia.

7. Nothing in this Act shall be construed to in any way affect the liability of the property of said Dominion Coal Company, limited, to taxation for any purpose for which it is now liable to pay any tax; nor shall any of the property of the said Dominion Coal Company, limited, be relieved or exempted from taxation by reason of being transferred in any manner to the said Dominion Iron and Steel Company, limited.

8. This Act shall not come into force until published in the *Royal Gazette* by order of the Governor-in-Council.

SCHEDULE "A."

MEMORANDUM OF AGREEMENT made and entered into this thirtieth day of June, A.D., 1899, by and between the Dominion Coal Company, limited, a corporation duly organized and existing under the laws of the province of Nova Scotia, in the Dominion of Canada, hereinafter called the Coal Company; and the Dominion Iron and Steel Company, limited, a corporation also duly organized under the laws of the province of Nova Scotia, in the Dominion of Canada, hereinafter called the Iron Company.

Whereas, the said iron company contemplates the organization and establishment of an iron and steel business in Sydney, in the county of Cape Breton and province of Nova Scotia, and for this purpose has secured, through Henry M. Whitney, Esquire, of Boston, land and lands covered with water, together with a supply of water from the town of Sydney; and has also secured, through him, a number of valuable limestone deposits in the said island of Cape Breton; and has through him, furthermore, secured valuable and extensive deposits of iron ore on Bell Island, Newfoundland; and is desirous of securing an assured supply of coal, on favourable terms and for a long period of time, for the use and benefit of its said iron and steel works;

And whereas, the said coal company is desirous of supplying the said coal;

Now this indenture witnesseth, that the said coal company, in consideration of the sum of one dollar to it in hand well and truly paid, the receipt whereof is hereby acknowledged, and in consideration of the promises of the said iron company hereinafter contained, agrees for itself, its successors and assigns, with the said iron company, its successors and assigns:

First.—That the said coal company will, on the terms and conditions and for the time hereinafter stated, supply to the said iron company all the coal that it, the said iron company, may require for its own use in its own works, mines or quarries, wherever situate, and for bunkering steamers owned by it, or for the time being hired by it under time charter and employed in its business.

The coal for use in the works of the iron company shall be delivered on sidings connected with the main line of the railway of the coal company, commonly known as the Sydney and Louisburg railway. The iron company shall construct and maintain such sidings at its own expense.

Cargo and bunker coal shall be delivered to the iron company at any shipping pier of the coal company then in use which the iron company may name; and the iron company shall, in addition to the price hereinafter named, pay all current charges on vessel and cargo.

The coal shall be of the grade known as run-of-mine coal, and shall be freshly mined and carefully picked, and so far as the same is required for use in the coke ovens and steel works of the iron company, shall be supplied from the seam or seams being worked from time to time by the said coal company which the said iron company may name as the seam or seams from which it desires such coal to be supplied. All other coal required by the iron company shall be of a grade fully equal to that of coal then being supplied to other customers as run-of-mine coal.

Second.—The said iron company shall provide all the cars necessary for carrying the coal which it may require to use, and such cars shall be of a type to be approved by the coal company. The said coal company shall promptly load and deliver all the cars furnished to it by the said iron company for such purpose.

Third.—The said iron company also agrees with the said coal company that so long as the said coal company shall be willing and ready to supply coal for the use of the said iron company all coal required by it shall be purchased from the said coal company.

Fourth.—The said coal company agrees to be ready to supply under this contract, on and after the first day of November, A. D. 1900, coal to make coke sufficient to keep in continuous operation four blast furnaces capable of making 1500 tons of iron per day, and coal sufficient for the steel works of the said iron company.

The iron company shall from time to time, at intervals not exceeding three months, give notice to the coal company of its probable requirements for the next ensuing three months. If such requirements at any time are largely in excess of the requirements existing at the time such notice is given, then the coal company shall use due diligence in preparing to furnish the increased demand, but shall in any event be prepared to furnish the enlarged demand within twelve months from the date of such notice.

Fifth.—This agreement shall extend over a period co-terminate with the remainder of the term of the lease or leases of the coal company now held by it from the province of Nova Scotia, or any extension thereof, from the time when the first blast furnace of the said iron company is ready to be operated.

Sixth.—It is also agreed that the price to be paid to the said coal company by the said iron company for such coal shall be for the whole of said period the sum of one dollar and twenty cents (\$1.20) per ton of 2240 pounds, subject at the instance of either party hereto to revision at the end of every ten years in the following manner:

If either of the parties hereto complains to the other at any such time of the then price, and no agreement can be arrived at between them, then either party may demand of the other that the price to be paid for such coal for the succeeding ten years shall be settled by arbitration, as follows:

Either of the parties hereto may give notice to the other that it desires that the price of such coal shall be settled by arbitration, and in such notice shall name one arbitrator on its own behalf; and within ten days after receipt of such notice, the other party served with such notice shall name an arbitrator to act on its own behalf, and give notice thereof to the other party. The two said arbitrators shall determine the said price; and in case they disagree, they shall refer the said matter to the determination and award of an umpire, to be chosen by the said arbitrators before entering upon the said reference, and the award of the said arbitrators or their umpire, as the case may be, shall be final to determine such question, and also to determine by whom the cost of the arbitration and award shall be borne; and every such reference shall be deemed to be a submission to arbitration within the Arbitration Act now in force in the province of Nova Scotia, or any statutory enactment in force for the time being in regard to arbitration. The said arbitrators, or their umpire, shall, in determining such price, ascertain (a) the average cost of mining and winning (including raising, loading into cars and picking) the coal sold by the

coal company to the iron company for the preceding ten years, and the cost of transporting the same from the mines of the coal company to the works of the iron company:—(b) such cost at the date when such arbitration is demanded. In estimating such cost, the arbitrators or their umpire shall take into consideration the different items of expenditure enumerated in schedule "A" hereto annexed; and if at the time said arbitration is had it is made to appear to the said arbitrators or their umpire that there are any other charges which should be legitimately charged to the cost of mining and winning said coal, then, and in such case, such charges shall be added thereto. The said arbitrators or their umpire shall also add to the cost of mining and winning said coal the royalty payable thereon to the government of Nova Scotia, and the proportion of general expenses and taxes, and insurance, fairly chargeable to said coal. The said arbitrators or their umpire shall also add to said cost of mining and winning said coal its proportion of the cost of repairs, renewals, extensions and reconstructions necessitated by ordinary or extraordinary causes.

If the said arbitrators or their umpire find that the cost of mining and delivering the coal has not changed from the average cost of the preceding ten years, then the price shall continue unchanged for the next succeeding ten years; and if the said arbitrators or their umpire shall determine that said cost has increased or been reduced, then the said price shall be increased by said arbitrators or their umpire or be reduced in proportion to such increase or reduction of the cost thereof.

Seventh.—Payment shall be made on the 20th day of each month for the quantity of coal delivered by the coal company to the iron company during the preceding month.

Eighth.—The iron company agrees that it will not re-sell to any person whomsoever, in whole or in part, the coal delivered as hereinbefore provided, except as may be agreed to in writing by the coal company.

Ninth.—The coal company agrees that so long as the iron company is in operation in the said island of Cape Breton and is taking delivery of coal under the terms of this contract to the amount of 750,000 tons per annum, it, the coal company will not sell or supply, directly or indirectly, to any other iron and steel, or iron or steel company, in the Dominion of Canada or Newfoundland, any coal for its use or to any other person for the use or supply of said company, at prices lower than the prices hereinbefore mentioned.

Tenth.—Should the said iron company establish and operate at any point between the mines of the coal company, now existing or hereafter operated, and its blast furnace or furnaces, a coal-washing plant, the coal company shall, without extra charge, allow the coal to be washed "in transit."

Eleventh.—The coal company agrees to transport freight over its own lines of railway to or from the yards or works of the iron company at the rate of 25 cents per ton, which sum shall be payable whether such freight is transported over the whole or a part only of said line or lines of railway. The cars shall be furnished and loaded and discharged by the iron company.

This contract shall be construed literally in favor of its continuance by both parties, and nothing short of a substantial breach of the provisions of this contract by one party shall entitle the other to terminate the same, provided, however, that this shall not prejudice the claims of either party for damages on account of any breach thereof. In case either party shall temporarily be prevented from full

carrying out the provisions of this contract by war, fires, strikes, the action of the elements, stress of weather or unavoidable accidents, no claim for damages shall accrue to either party against the other, and the contract shall remain in full force. And in case the iron company shall lease the property of the coal company as hereinafter provided, this contract shall be suspended and shall revive in case said lease shall for any cause be terminated.

And whereas, the establishment of the aforementioned iron and steel industry will be of very material advantage to the said coal company in furnishing a home market for its coal; and as it is likewise of equal importance to said iron company that a supply of coal for its requirements should be constant and sufficient; and in order to provide a way by which to avoid any complications that may arise in the business relations of the two companies;

It is hereby agreed, that the iron company may at its option at any time up to the first day of January, A. D. 1903, elect to lease the real and personal property of the coal company for the remainder of the term of its lease or leases of its coal fields from the province of Nova Scotia, or any extension thereof. The said lease which the said iron company shall be entitled under this election to have from said coal company is hereto annexed and marked "Exhibit A to this Agreement."

Such lease shall become operative and possession may be taken thereunder whenever notice shall be given by the iron company to the coal company, as in said lease is provided, and when said iron company shall have paid to said coal company, or to such person as said coal company may name, a sum amounting to \$600,000 in cash. The cash so deposited shall not be used in whole or in part for the payment of the rental or any of the charges which it is provided in said lease that the said iron company shall pay; but shall remain in the hands of the said coal company, or such persons as it may name; and in the event of the iron company taking possession under the said lease, and the coal company thereafter lawfully ejecting it under the terms of the said lease, the said sum shall be appropriated by said coal company and accepted by it in full settlement of any and all claims for damages or otherwise against the iron company under or in respect of said lease, except that said iron company shall be held to pay in addition a sum equal to the rental, royalties and taxes which may have accrued and be unpaid at the date of said ejectment.

It is likewise agreed that the iron company shall have the right to cancel and determine said lease upon any semi-annual rent-day, provided it shall have, at least six months prior to said rent-day, notified the coal company in writing of its intention so to do; but in such case, as a condition of its right to terminate said lease, it shall pay all rental, royalties and taxes which shall have accrued up to the day on which it shall so cancel and determine said lease; and it shall likewise forfeit to the coal company the sum of \$600,000, hereinbefore stated, the same to be received and accepted by said coal company in full compensation of its loss by reason of the cancellation and determination of said lease.

It is also agreed by the parties hereto that so long as the said sum shall not be required as and for liquidated damages as before provided, the said sum of money shall be invested by the coal company in such securities as by law a trustee in the province of Nova Scotia may legally invest trust money; and the interest arising upon such investment shall, as it becomes due and is received by the coal company, be paid over by it to the said iron company.

In witness whereof the parties hereto have executed these presents by causing to be affixed thereto their respective corporate seals, authenticated by their respective presidents and treasurers.

(Sgd.) THE DOMINION COAL COMPANY, LIMITED

By H. M. WHITNEY, President.

J. S. McLENNAN, Treasurer.

Signed, sealed and delivered in the }
presence of

(Signed) FREDERIC TUDOR, JR.

DOMINION IRON AND STEEL COMPANY
LIMITED.

By H. M. WHITNEY, President.

J. S. McLENNAN, Treasurer.

Signed, sealed and delivered in the }
presence of

(Signed) FREDERIC TUDOR, JR.

—
SCHEDULE "A."

ADMINISTRATION AND MANAGEMENT.

Coal cutting:—(a) Machine. (b) Hand.

Power haulage.

Horse haulage.

Roads and timbering.

Repairs to tuhs.

Hoisting-

Screening and loading.

Banking and filling.

Ventilation.

Pumping.

• ———
EXHIBIT "A."

THIS INDENTURE, made and entered into this thirtieth day of June, A. D. 1899, by and between the Dominion Coal Company, limited, a corporation duly organized and existing under the laws of the province of Nova Scotia, in the Dominion of Canada, hereinafter called the Lessor, and the Dominion Iron and Steel Company, limited, a corporation also duly organized and existing under the laws of the province of Nova Scotia, in the Dominion of Canada, hereinafter called the Lessee.

In consideration of the rents, covenants and agreements hereinafter contained to be paid, kept and performed on the part of the said lessee, the said lessor do hereby demise and lease, subject to the existing mortgages thereon or to any further or future mortgages which the lessor may place thereon to secure bonds issued in conformity with the provisions hereof, unto the said lessee, its successors and assigns, all its mines, mining areas, seams of coal, worked and unworked, lands and lands covered with water, easements, rights and privileges, mining machinery, mining tools and implements of all kinds, engines, boilers, houses, buildings, wharves, piers, apparatus for the loading and unloading of coal, railways, rail

engines, car houses and repair shops and machinery therein, cars of all kinds and description, station houses, and generally all the property of the lessor in the county of Cape Breton, in the province of Nova Scotia, of whatever kind and description, whether owned by it or held by it under lease from the crown or otherwise (except the coal mined and new and unused tools, materials and supplies of all kinds on or about said demised mines and premises, the books of account of said company, bills, notes debts and the buildings used as stores at Glace Bay and at Dominion No. 1 Reserve, Caledonia and Bridgeport mines, and the lots of land on which said stores are situate, with the ways thereto, as shown on the plan hereto annexed, together with the contents of said stores). And all its steamers, ships and vessels of all kinds, owned or chartered by it, and wherever situate. And all lands, buildings, wharves, piers, machinery for loading and unloading coal wherever situate, whether in the Dominion of Canada or elsewhere, owned by it or held under lease; with full power to said lessee, its successors and assigns, to operate and manage said mines, railways and property, and the business thereof, and to take and receive all and singular the rents, tolls, issues and receipts thereof; and to mine get and win coal, and sell and dispose of the same for its own use and benefit.

To have and to hold the said demised premises, property, rights and privileges, with all the appurtenances thereof, and the easements therein and thereto, to the said lessee, its successors and assigns, for and during the remainder of the term of its lease or leases, dated April 1, 1893, from Her Majesty Queen Victoria, of sundry coal mining areas, or any extension thereof, commencing on the day hereinafter provided for the coming into operation of this lease.

And the said lessor doth hereby covenant and agree to and with the said lessee that it, the said lessee, may and shall occupy and enjoy the said demised premises property, rights and privileges, and every part thereof, and manage the same and take and receive all and singular the rents, issues, tolls and receipts thereof, and mine, win and get coal and sell and dispose of the same for its own use and benefit for and during said term; that it will do all such acts and things and execute such additional instruments in writing as may be necessary to put the lessee in complete possession and enjoyment of the demised property and every part thereof; and that the said lessor will warrant and defend the said lessee in the possession, occupancy and enjoyment of the same, against all lawful claims of any and all persons or parties whatsoever.

And the said lessee, in consideration of the premises and as rental for the said demised premises, property, rights and privileges, doth hereby covenant to and with the said lessor that it shall, subject to the conditions hereinafter set forth, pay to said lessor (or to such trustee or person as said lessor may from time to time appoint.)

[1] A sum equal to the annual interest charges on the bonds of the lessor from time to time outstanding;

[2] A sum equal to the annual preferential dividend on the preferred stock of the lessor from time to time outstanding; and

[3] A sum equal to an annual dividend at the rate of six (6) per centum on the common stock of the lessor from time to time outstanding.

Said sums to be paid in two semi-annual instalments on the fifteenth days of June and December in each and every year during the term of this demise.

The lessee further covenants and agrees that in addition to the foregoing as a part of the rent reserved, it will, on the 15th day of December in each every year of this demise, pay to the lessor or such person or corporation as it appoint a sum equal to the annual payment which the lessee is then required to make towards a sinking fund for the retirement of its bonds or preferred stock and will likewise, on said date in each year, pay to the lessor the sum of twenty thousand [25,000] dollars for the expenses of the management and organization of the said lessor and for such other purposes as the said lessor may apply the same.

It is also agreed that if in any year ending on December 1st, the amount of coal taken by the said lessee from said demised mines and premises, upon which royalty is payable to the Crown as represented by the Government of Nova Scotia shall exceed three million five hundred thousand [3,500,000] tons, then the lessee shall for such year, by way of additional rental, pay to the lessor the sum of five cents per ton on all coal so taken in excess of said three million five hundred thousand [3,500,000] tons.

For the purpose of paying or retiring its outstanding bonds or preferred stock the lessor shall have the right from time to time to issue and sell at the best price it can obtain such amounts of bonds [secured by mortgage or otherwise] or preferred stock as may be requisite to provide the means for the purpose aforesaid; and the bonds and preferred stock, when issued, shall, for the purpose of determining the rental to be paid by the lessee, be deemed part of the outstanding bonds and preferred stock hereinbefore referred to. The rate of interest on the bonds, the amount of the preferential dividend, and the sinking fund requirements, if any, shall be as the lessor may determine, but in no event shall the aggregate amount of annual charges for interest on the bonds, dividends on the preferred stock and sinking fund requirements, be increased above the aggregate of said sums as they exist on the date when this lease shall come into operation.

The lessor will, at the request of the lessee from time to time, for the purpose of reducing the annual charges in respect of its bonds and preferred stock, call for payment and redeem all or such part of any bonds or preferred stock from time to time outstanding as the lessee may request, and for the purpose of providing for the payment of such bonds or preferred stock, so called, or for the payment of such bonds at maturity, it will at the request of the lessee issue such amount of mortgage bonds or preferred stock as the lessee may request and as may be necessary for such purpose, such bonds to run for such period, not beyond the term of this lease, and bear such rate of interest, and such preferred stock to be entitled to such dividend as the lessee may determine; provided, however, that the aggregate annual charges payable in respect of the outstanding bonds and preferred stock, including a sinking fund, which shall be sufficient to redeem said bonds at maturity, shall not be increased. Provided also, that the lessor shall not be required to call for payment and redeem its bonds and preferred stock, except on the terms on which such bonds and bonds were made redeemable when issued, nor unless the lessee shall give a guarantee to it the sale of the new issue.

Except as hereinabove provided the lessor agrees that it will not, after receiving notice from the lessee of its intention to accept this lease, during the term of this demise issue any bonds or stock whether common or preferred, and if it does so, the payment or retirement of any of its bonds or preferred stock, or the re-funding of the same by other bonds or preferred stock having a lower rate of interest or

dividends, or by reason of smaller sinking fund requirements, the aggregate of the annual interest charges on its bonds, dividend charges on its preferred stock, and sinking fund requirements, are reduced, then the annual rental payable by the lessee shall be correspondingly reduced.

And the lessee also covenants with the lessor that it shall during the continuance of this lease, pay all royalties on coal taken by it from said mines or seams of coal that may become due to the Crown as represented by the Government of Nova Scotia, and also shall during the continuance of this demise pay and satisfy all taxes and assessments of whatever kind and nature legally made and assessed upon the said property and premises, and shall manage and operate the said demised mines, coal areas and railways in all respects as required by law, and shall fulfil and perform all obligations and duties, expressed or implied, imposed by law or by its lease or leases from the Crown as represented by the Government of Nova Scotia, upon the said lessor, in the management and operation of said demised mines, coal areas, railways and properties, in the same manner and with the same effect as if the said lease or leases had been made with the lessee, and shall save the said lessor harmless from any payment, damage and liability in respect thereof. And shall also pay any and all rentals accruing due during the continuance of this demise on any wharves, piers, leasehold property and discharging machinery, which at the time of this demise may be under rental to said lessor, and all taxes and assessments legally made and assessed thereon during the continuance of this demise.

And the lessee also covenants that on the coming into operation of this lease, it will assume and pay any floating debt of the lessor then existing, less the cash assets of the lessor made up of the value of coal unsold, balances in the hands of agents, debts uncollected, and mining tools, mining material and machinery in stock and unused.

The lessee may from time to time, at its own expense, make such additions to, alterations and improvements in, the demised mines and coal areas as it may deem necessary for the purpose of enlarging the output of such mines, or for the purpose of reducing the cost thereof, and may close up existing shafts or mines and open new shafts or mines.

The lessee shall have the right at its own expense to alter the tracks of the demised railway, and to build such sidings and branches as may be necessary to connect the demised railway with the stations or railroads of the lessee.

The lessee shall from time to time, at its own expense, make such additions to alterations and improvements in, the demised railway, its rolling stock, tracks, equipment, power houses, car houses, stations, structures and appurtenances, as may become necessary for the purpose of making better provision for the due and safe transportation of the public, or for the purpose of complying with any requirement of law or public or municipal authority, or may do so for the purpose of reducing the operating expenses of the demised railway.

The lessee shall at his own expense, maintain and keep the demised premises and all the property and fixtures of every description which it shall receive or operate under this lease, in as good order and condition as the same are on the day this lease comes into operation, or shall be when received by the lessee, so that there shall be no depreciation as to quality or quantity [except in the coal in the seams, and except in the case of specific portions of the demised property herein provided for] in the same or any part thereof, and at the expiration or earlier termination of this lease, shall, subject to the said exception as to the coal, and likewise

subject to the provisions of this lease as to special portions of the demised property, return the same to the lessor in the same good order and condition, and put the lessor in possession of the same, together with all property added thereto by way of renewal or increase.

The lessee covenants and agrees with the lessor that the lessor, through its servants and agents, shall have access to the demised property and premises at all times, by day or by night, for the purpose of viewing the condition of the demised property and premises, and of ascertaining the manner in which the demised mine, railways and premises are being operated.

The lessor covenants and agrees with the lessee that it will endeavor to procure the assent of the Governor-in-Council to the provisions of this lease, so far as they relate to mining areas held under lease from the Crown, that during the period of this lease it will not do or omit to do any act or matter whatsoever whereby any leases held from the Crown shall be jeopardized, the provisions thereof varied, or whereby the lessee shall be deprived of the right to hold and work such mining areas and remove coal therefrom to the same extent and upon the same terms as the lessor is now entitled to do; and it irrevocably authorizes and empowers the lessee as its attorney and in its name, to do and perform all matters and things required of the lessor by said Crown leases or in respect of said mining areas by the provisions of law, and covenants that so far as such matters and things cannot be done or performed by attorney, it will itself do and perform them at the request of the lessee.

The lessee shall not be required to return to the lessor at the expiration or earlier termination of this lease, any leases of coal areas which may expire contemporaneously with this lease or may have expired prior to the termination hereof, nor shall it be bound to deliver to the lessor the mining areas covered thereby or any of the property thereon, except as can be advantageously removed in accordance with the terms of such mining leases.

It is agreed that upon the expiration of all leases other than charter-parties, vessels and mining leases from the Crown, the lessor shall, at the request of the lessee, co-operate with the lessee to procure renewals or extensions thereof, or new leases of the same property, and that such new leases shall be taken in the name of the lessor, and the property covered thereby shall, by appropriate instrument, be made subject to the provisions hereof. If the lessee elects not to renew or to take a new lease of the same property, but acquires in substitution therefor, by lease or otherwise, other property, such lease or other transfer shall be taken in the name of the lessor and the property shall be made subject to the provisions hereof. If the lessee elects not to take or renew a new lease or to substitute other property because the necessity for it no longer exists, then the lessee shall not be held accountable for such leases so expired upon the termination hereof, nor for the value of the plant, machinery, fixtures or personal property upon the property covered by said lease, except as to the extent of their value to be removed.

In the case of all vessels, steamers, or barges, now held under charter, the lessor shall assign the charter parties to the lessee, and upon the expiration thereof the lessee may renew or not in its own name, as it pleases, but the lessee shall not be held accountable for the return of vessels whose charters have expired, nor shall the lessor have any claim on vessels hereafter chartered or acquired by the lessee in its own name. The lessee may account for vessels owned by the lessor either by turning over the proceeds of sale or by returning the vessels themselves or others of equal value.

The lessee shall have the right without obtaining the consent of the lessor, in the usual course of its business but not otherwise, to sell and dispose of any such personal property herein demised as may become worn out or unfit for use, or as may no longer be requisite for the purposes of the lessee, or as the lessee may desire to replace by similar property, provided that other property of equal value shall be substituted therefor, or the proceeds shall be applied to the improvement of the demised property, and provided, furthermore, that it shall not, without the written consent of the lessor, sell or dispose of in any one transaction any such property of which the value exceeds ten thousand dollars (\$10,000); and provided, also, that it shall not, without such consent, sell or dispose of any lease of coal mining areas or any ship, nor shall it without such consent sell or dispose of any property whatsoever essential to the management or operation of the demised mines, railways and steamship lines.

The lessee may, with the written consent of the lessor, but not otherwise except as above provided, sell for a reasonable price, exchange or dispose of any of the property herein demised, provided, however, that such property is replaced by other property of an equal value, which shall be subject to the terms of this lease, or its proceeds applied to the improvement of the demised property.

The lessor shall have the right, as a condition of its assent to any such sale, exchange or other disposition, to exact such conditions as it may deem desirable in order to secure a compliance by the lessee with the above provision. In case the consent of the trustee under any mortgage upon the demised property is essential to any such sale, exchange or other disposition, the consent of the lessor shall be of no effect until the consent of such trustee has also been obtained, which last consent, however, the lessor will co-operate with the lessee to obtain.

And it is also agreed by and between the parties hereto that when the said lessee shall notify the said lessor of its intention to accept this lease, as herein-after provided, the said lessor shall cause the following schedules to be made in duplicate.

(a) A full, complete and particular inventory and description of all estate and property, real or personal, belonging to or held by the lessor, and coming into the possession of the lessee, by virtue of this lease, and to this, from time to time, shall be added such other estate and property as shall come into the possession of the lessee under the terms of this lease. Such inventory and description, with the additions thereto from time to time, shall be made by two competent persons, one selected by each party; in case of their disagreement, they shall refer the matter in difference to some third person, whose decision shall be final. Such inventory and description shall be evidence of the nature and condition of the property demised at the inception of this lease, or at the time of the additions thereto, in all cases in which any questions of the nature, condition or value may arise. The reasonable compensation for services and expenses of the persons making such inventory shall be paid by the lessee. The stock of goods in the stores of the lessor at the places hereinbefore named shall not form a part of the preceding inventory. [To be called "schedule A."]

(b) A schedule showing all the contracts made by the said lessor for the sale of coal, and unfilled in whole or in part, together with the quantity of coal mined by the lessor but unsold. (To be called "schedule B.")

(c) A schedule of all steamers or vessels held under charter. (To be called "schedule C.")

One copy of such schedule, when prepared by the lessor, shall be annexed to the lease, and shall form part thereof; and the copy shall be the property of the lessee.

And the said lessee agrees with the said lessor to assume and carry out all the contracts set out in said schedules "B" and "C," and to save harmless the said lessor from all damages and costs that may arise on account of the non-fulfilment of the same, and the lessor agrees that the lessee in such event shall have the benefit thereof.

The said lessee also agrees to purchase of the said lessor for a reasonable price all mining tools, mining material and machinery in stock and unused, and also agrees to pay the lessor the sum of seventy-five (75) cents per ton (of 2240 lbs) for all coal mined and unsold and set out in schedule "B."

The lessor, in the event of the lessee entering under this lease, agrees that on the determination of this lease for any cause before the expiration of its lease dated April 1, 1893, from the Crown, it will buy from the said lessee for a reasonable price all mining tools, mining material and machinery in stock and unused.

To further secure the lessee in the beneficial enjoyment of the property and premises herein demised and specified, the lessor constitutes the lessee its attorney irrevocable with full right and power, at the lessee's expense, to use the name of the lessor in all legal proceedings and in all cases needful for obtaining, holding and enjoying the premises herein demised and specified, and for all purposes consistent with the true scope and intent of this instrument.

The lessee also covenants and agrees to assume and defend all suits against the lessor arising out of or in any way connected with the future use or operation of the mines and seams of coal, railways, steamers and vessels, and the property and premises herein demised, or directly or indirectly operated by the lessee under any authority by virtue of this instrument; and to pay all judgments obtained thereon against the lessor, or which the said lessor is under obligation to assume.

And the said lessee hereby covenants and agrees to and with the said lessor that it will well and truly, during the continuance of this lease, keep all the accounts of the operation of the premises hereby demised separately and distinctly from those of its other business, exhibiting fully and completely all receipts and expenditures had and made by the lessee in respect of the premises hereby demised.

And it is further agreed by and between the parties hereto that if the said lessee shall at any time fail to pay the sums of money hereinbefore required to be paid by it on the fifteenth day of June and on the fifteenth day of December, in each year, during the period of this demise, or the royalties on coal, or the taxes hereinbefore required to be paid by the lessee, or shall during the period of this demise at any time operate the mines and seams of coal herein demised so as to render the leases thereof to the lessor from the Crown liable to forfeiture under the law of Nova Scotia relating to mines, or under the terms of said leases, then the said lessor may give notice in writing to the said lessee of such default, and if during the space of ninety days thereafter, said default is not made good, then the said lessor may enter and repossess itself of all the lands, lands covered with water, mining areas, seams of coal, and all other the property and premises herein demised, together with all additions thereto, whether in substitution for property herein demised or by way of extension and development of said mines. The notice of such default shall be served on the president or vice-president of the iron com-

pany, and at least three of its directors, by mailing such notices to their post office addresses, or by serving them personally with copies thereof.

Provided, however, that if the said lessor shall at any time deem it necessary for its own protection, it may itself make any payment required by said lease or leases from the Government of Nova Scotia, and may fulfil any other provision thereof, and in every such case, while retaining unimpaired all its rights and remedies against the lessee, shall have the right to require the lessee to indemnify it for all money thus expended and for all loss thus sustained.

It is also agreed by and between the parties hereto that the lessee may terminate this lease on the 15th day of June or December of any one year during the term of this demise by giving, in writing, at least six months' notice of its intention so to do; but in such case, as a condition of its right to terminate said lease, it shall pay all rental, royalties and taxes which shall have accrued up to the day on which it shall so cancel and determine said lease; and it shall likewise forfeit to the coal company the sum of six hundred thousand dollars (\$600,000) hereinbefore stated, the same to be received and accepted by said coal company in full compensation of its loss by reason of the cancellation and determination of said lease.

It is hereby agreed by and between the parties hereto, each for itself, its successors and assigns, that if any question, dispute or difference shall arise concerning the said mines, seams of coal, property and premises hereby demised, or the working thereof, or concerning the construction and meaning of these presents, or any of the covenants, provisos or agreements herein contained, or the rights or liabilities of the parties hereto, respectively, hereunder, then such question, dispute or difference shall be referred to the determination and award of two arbitrators, one to be appointed by the lessor and the other by the lessee, or in case of their disagreement, then to the determination and award of an umpire; to be chosen by the said arbitrators before entering upon the references; and the award of the said arbitrators, or of their umpire, as the case may be, shall be final to determine such question, and also to determine by whom the costs of the arbitration and award shall be borne; and every such reference shall be deemed to be a submission to arbitration within the Arbitration Act now in force in the province of Nova Scotia or any statutory enactment for the time being in force with regard to arbitration.

This lease shall come into operation on the first day of January next, or on the first day of any January or July thereafter, up to and including January 1st, 1903; provided the said lessee shall, prior to any of such dates, give in writing to the lessor sixty days' notice of its intention to accept this lease as and from such date, and shall pay to said lessor the sum of six hundred thousand dollars (\$600,000). The said sum of \$600,000 shall, so long as the same shall not be required as and for liquidated damages as hereinbefore provided, be invested by the lessor in such securities as by law a trustee in the province of Nova Scotia may legally invest trust money, and the interest arising upon such investment shall as it becomes due and is received by the coal company, be paid over by it to the said iron company.

It is further agreed between the parties hereto that in case the lessor shall enter upon the demised premises and terminate this lease for any breach of the conditions thereof by the lessee, then said sum of \$600,000 with any interest accruing due thereon, shall become the property of the lessor. It is also agreed between the parties hereto that such sum, with any interest accruing due thereon, shall in such case be received and accepted by the lessor in full settlement and satisfaction

of all claims for damages against the lessee on account of the lessee's breach of the conditions of said lease or claims for rent during the remainder of the term hereof. Provided, however, that the lessee shall pay all rental, royalties and taxes which shall have accrued due up to the day on which the lessor shall so enter and take possession of the property and premises herein demised.

In witness whereof, the parties hereto have executed these presents by causing to be affixed thereto their respective corporate seals authenticated by their respective presidents and treasurers.

Signed, sealed, and delivered in }
in presence of }

the lessee's breach of
remainder of the term
royalties and taxes
shall so enter and

represents by causing
to be by their respec-

An Act to Amend Chapter 139 of the Acts of 1899, Entitled
"An Act to Incorporate the Dominion Iron and Steel Com-
pany, Limited."

Be it enacted by the Governor, Council and Assembly as follows :

1. Section 4 of Chapter 139 of the Acts of 1899 is hereby amended to read as follows :

"The capital stock of the company shall be twenty million dollars divided into two hundred thousand shares of one hundred dollars each, with power to increase the same, from time to time, as the wants of the company may require, upon a vote of the majority of the shares represented at a special meeting called for that purpose, or at any general meeting of the company."

2. The directors of the company are, in addition to the other powers conferred upon them by this Act in respect to the issue and allotment of common shares of the capital stock of the company, hereby authorized to pledge or sell the whole or any part of the said common shares at such prices, and at such times, and to such persons, as the said directors may, from time to time, determine, and no person who shall hold such shares so sold shall be liable to further calls or assessments or otherwise liable on account thereof, beyond the amount for which said shares shall have been purchased from the company, provided that when any new issue of stock is made it shall be first offered to the holders of the common shares before being offered to the public.

3. Section 12 of said Chapter 139 of the Acts of 1899, shall be read to have had included at the end thereof, the following clause :

Notwithstanding any law of this province to the contrary the directors of the company are hereby authorized to provide for the payment of any dividend on any preferred shares of the company from any source from which they could provide for the payment of or pay any interest on the company's mortgage bonds; provided, always, that the provisions of this clause shall only apply to such preferred shares of the company during the construction of the company's works at Sydney, such time not to exceed two years from the tenth of April, 1901.

22nd March, 1902.

Then passed in Council.

(Sgd) ROBT. BOAK,
President.

March 7th, 1902.

Then passed in the House of Assembly.

(Sgd) THOS. ROBERTSON,
Speaker.

I certify the foregoing to be a true copy of an Act of the Legislature of Nova Scotia, passed the 27th day of March A. D. 1902.

(Sgd) JOHN W. OUSLEY,
Clerk of House of Assembly.

An Act to Enable the Town of Sydney to Expropriate Land and
For Other Purposes, being Chapter 84 of the Acts of 1899.

(Passed 30th day of March, 1899.)

BE IT ENACTED by the Governor, Council, and Assembly, as follows :

1. The Town of Sydney is hereby authorized and empowered to expropriate, acquire, purchase, take over and hold such and so much land and land covered with water, easements, privileges and other rights within or without the limits of the said Town of Sydney, in the County of Cape Breton, as may be requisite and necessary to furnish or provide a site or location for the works of an Iron and Steel Company to be formed by Henry M. Whitney, his associates or assigns. A plan showing the site or location of such lands and lands covered with water, easements, privileges and other rights shall be filed in the office of the Registrar of Deeds for the County of Cape Breton by the Town Clerk of the said Town of Sydney, immediately after the Town Council of the said Town of Sydney shall by resolution provide for such acquisition or expropriation, and on the filing of the said plan all the right, title and interest in said lands and lands covered with water, easements, privileges and other rights shall forthwith absolutely vest in the said town of Sydney.
2. The mayor shall give public notice by advertisement for three weeks in a newspaper published in the said Town of Sydney, of a time and place, which the said Council shall appoint, at which the owners of the lands, lands covered with water, easements, privileges and other rights so expropriated, shall meet for the purpose of selecting an appraiser, and a majority of the owners so present shall select a person to be appraiser on behalf of the owners. Should such owners fail to select an appraiser, the Chief Justice of Nova Scotia may on the application of the said Town of Sydney, or any such owner, appoint an appraiser on behalf of such owners. The Town Council of Sydney shall appoint a second appraiser, and the Chief Justice of Nova Scotia shall appoint a person, not being a resident or ratepayer of the County of Cape Breton or Town of Sydney, to be a third appraiser. The three persons so appointed shall meet at a time and place, to be appointed by the said Town Council, of which each appraiser shall have notice, and shall proceed to appraise the value of all the land, land covered with water, easements, privileges, and other rights so expropriated, and make their award thereon, which award shall be final and conclusive against all parties interested therein. The Town of Sydney shall pay the said appraisers reasonable fees for their services, and shall forthwith pay over to the person or persons entitled to the same the amounts of the said award, and in case of any dispute as to whom such awards shall be paid, the said Town is authorized to pay such award into the Supreme Court, and any person or persons claiming such award, shall be at liberty to apply to the Supreme Court, or any Judge thereof, for an order directing the payment of such award to the person or persons lawfully entitled to the same.
3. The Town Council of the Town of Sydney is hereby empowered to borrow on the credit of the town and the property therein, a sum not exceeding fifty

thousand dollars for the purposes of this Act hereinbefore referred to and for the purpose of procuring a supply of water for said Iron and Steel Company. Such sum shall be borrowed on debentures to be issued in the form in accordance with the schedule to this Act, in sums of one hundred dollars each, or any multiple thereof, from time to time as determined by resolution of the Town Council, bearing interest at such rate not exceeding five per centum per annum, and repayable at such times, not exceeding twenty years, as the Council shall from time to time determine, which debentures shall be issued by the mayor under the seal of the town, and sold for such sums as may be obtainable therefor, and shall be a charge on all the property, real and personal, of the town and of its inhabitants, and the proceeds of such debentures shall be placed to the credit of the town, and shall be used only for the purposes mentioned in this Act. The Town Council shall annually add to the amount to be assessed and levied upon the real and personal property of the town for general purposes a sufficient sum to pay the annual interest on such debentures, and they shall further add the sum of one per cent. of the amount of such debentures, which shall be invested as a sinking fund for the payment of such debentures on the maturity thereof.

4. The said Town Council is empowered to furnish and provide a free supply of water to the said Iron and Steel Company, for such period (not exceeding ninety-nine years) and in such quantities as said Council shall deem fit and expedient.

5. The Town of Sydney is authorized and empowered to grant and convey to said Iron and Steel Company all such lands and lands covered with water, easements, privileges and other rights, or any part thereof, acquired as provided in this Act, whether by expropriation or purchase.

The Town Council of the said Town of Sydney is authorized to make any agreement with the said Iron and Steel Company as may be agreed upon with respect to the occupation and use of said lands.

6. All the property, earnings and income of the said Iron and Steel Company shall be exempt from taxation under any law, ordinance or by-law of the Town of Sydney for the period of thirty years from the date of the beginning of the construction of the works of the said Iron and Steel Company within the said town. Provided, however, that the said exemption shall not apply to any building used as a dwelling house or for any purpose not connected with the business of the said Iron and Steel Company nor to the land upon which the same is erected.

7. If the said Henry M. Whitney, his associates or assigns, or a company organized by him or them, shall become the owner of iron areas on Bell Island, Newfoundland, and shall commence effective operations toward the manufacture of iron and steel within the Town of Sydney within twelve months from the twenty-eighth day of May, 1899, then Chapter 80 of the Acts of 1898 shall become null and void.

March 8, 1899.

Then passed in the House of Assembly.

F. A. LAURENCE, *Speaker*.

IN THE HOUSE OF ASSEMBLY,

March 8, 1899.

Ordered to be sent to the Council for concurrence.

JOHN W. OUSELEY, *Clerk*.

Then passed in Council.

March 28, 1899.

ROBERT BOAK, *President.*

Assented to this 30th day of March, 1899.

M. B. DALY, *Lieutenant Governor.*

I certify the foregoing Act to be a true copy of an Act of the Legislature of Nova Scotia passed the thirtieth day of March, A. D. 1899.

JOHN W. OUSKLEY,
Clerk of the House of Assembly.

SCHEDULE "A."

No

Town Debentures.

§

Transferable.

Town of Sydney, Province of Nova Scotia, Canada.

Under the authority of the Acts of the Legislature of Nova Scotia for the year A. D. 1899.

The bearer hereof is entitled to receive from the town of Sydney, in the County of Cape Breton, Province of Nova Scotia, the sum of dollars, lawful money of Canada, in years from the date hereof, and interest for the same from same date at the rate of per cent. per annum, payable half-yearly as per the interest warrants hereto attached, payable at the office of the Town Clerk in the said Town.

Dated at Sydney, the day of A. D. 189 .

Mayor,

Town Clerk and Treasurer,

h 28, 1899.
President.
Governor.
Legislature of
BLEY,
Assembly.

An Act to Enable the Town of Sydney to Further Reimburse the Owners of Land Expropriated under the Provisions of Chapter 84 of the Acts of 1899.

Chapter 66 of the Statutes of Nova Scotia for the year 1900.

(Passed the 30th day of March, A. D. 1900.)

WHEREAS circumstances have arisen which make certain of the awards made for lands expropriated in the Town of Sydney, under and by virtue of Chapter 84 of the Acts of Nova Scotia for the year 1899, seem inadequate ;

And whereas, the awards of the appraisers under the said Act were, it is believed, made on strict legal principles which did not enable them to take into their consideration the hardship which might unavoidably arise in individual cases ;

And whereas, the town of Sydney is desirous of investigating any case of alleged inadequate award, and so far as possible redressing the same ;

And whereas, the town of Sydney received from the Dominion Iron and Steel Company, Limited, the sum of \$15,000 for the buildings situate upon the lands expropriated under the said act ;

Be it enacted by the Governor, Council and Assembly as follows :

1. The Town Council of Sydney is hereby authorized and directed to investigate any complaint from any person or persons, firm or corporation, touching the alleged inadequacy of any award made under the authority of Chapter 84 of the Acts of 1899, and for that purpose to hear any such complainant and examine witnesses under oath touching the said complaint or any matter or thing relating thereto, and to make a report to the Chief Justice of Nova Scotia touching any such complaint, which report shall show the names of the said complainants and the further or additional sum of money recommended to be paid to each such complainant, but not to exceed in the aggregate the sum of \$15,000.

2. Thereupon the Town of Sydney may apply to the said Chief Justice for an order to confirm the said report, at the hearing of which application any person dissatisfied with such report may be heard. The Chief Justice may make an order amending or confirming the said report without costs to either party, and from such order there shall be no appeal.

3. If when the said report is made and the same finally confirmed, the amounts so awarded shall exceed in the aggregate the sum of \$15,000, then the amounts so awarded shall be reduced *pro rata*, so that the aggregate amount shall not exceed the said sum of \$15,000.

4. The Chief Justice shall have the power to remit to the said Town Council for further examination the claim of any claimant included in their report, and the Town Council shall have power to hear further or other evidence in regard to any such claim so remitted to the said Council, and may amend their report in respect to such claim.

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5. When and so soon as the said Chief Justice shall have finally approved the report or any amended report of the said Town Council, the Town of Sydney is authorized to pay over the said sum of \$15,000, or such portion thereof as may be awarded to the person or persons lawfully entitled to the same.

6. The Town Council shall not be empowered to examine and report upon any complaint unless the same is made in writing, signed by the person making the same, and served upon the Town Clerk of Sydney at least ten days before the date fixed for the investigation. And no complaint shall be estopped by reason of any receipt given the Town of Sydney for any moneys received in respect of the said awards.

7. All proceedings taken by the Town of Sydney, under Chapter 84 of the Acts of 1899, entitled "An Act to enable the Town of Sydney to expropriate lands and for other purposes," are hereby ratified and confirmed, and the Town of Sydney is declared to have had full power and authority to grant and convey the lands and premises expropriated under the said chapter to the Dominion Iron and Steel Company, Limited.

8. Notice of the time and place of the investigation before the Town Council, and of the application to amend or confirm the report, may be given by the insertion of a notice in one or more newspapers published in the Town of Sydney, and the said notice shall contain the date by which all complaints shall be filed under this Act.

9. The report of the Town Council in respect to the complaint of any claimant shall be valid if concurred in by a majority of the members of the council, and if there is an equal division, by the casting vote of the Mayor.

10. Before any action is taken under this Act the Town Council, under the provisions of section 279 of the Towns' Incorporation Act of 1895, and amending Acts, shall convene a public meeting of the ratepayers, to which meeting shall be submitted for approval the question whether said sum of \$15,000, or a portion thereof, shall be appropriated under the provisions of this Act.

An Act to Encourage the Making of Iron and Steel within the
Province of Nova Scotia.

Chapter 5 of the Statutes of Nova Scotia for the year 1899.

(Passed 30th day of March, A. D. 1899.)

BE IT ENACTED by the Governor, Council, and Assembly, as follows :

1. The Governor-in-Council may, by order, refund one-half the royalty paid on coal used within the Province of Nova Scotia in the making of iron or steel, to any company now carrying on the business of making iron and steel, or to any company that may be organized and have begun operations within twelve months from the first day of August next, and also shall have within two years from said date erected within the Province of Nova Scotia, plant, buildings, furnaces, machinery and appliances, at a cost of not less than \$3,000,000, for the manufacture of steel or iron, or both.
2. The said refund of royalty shall not be for a longer period than eight years to any company now formed, or hereafter to be formed, and the period of rebate shall run from the date of said Order-in-Council.
3. The Governor-in-Council may also by order pass any regulation necessary for ascertaining the amount of coal consumed by any company referred to in this Act and the rebate to which it may be entitled thereon, and for the proper carrying out of the provisions of this Act.
4. Any coal on which royalty has been refunded under this Act shall not be counted as part of the minimum output of coal required of the Dominion Coal Company, Limited, under any statute of the province, or any lease from the Crown, or any agreement with the Commissioner of Public Works and Mines, or with the Crown, for or on behalf of the Province of Nova Scotia.
5. There shall be no refund of royalty on coal used in the making of iron and steel under the provisions of this Act unless and until a new company is organized and qualified under the provisions of section 1 hereof to receive such refund.

AN ACT TO PROVIDE FOR BOUNTIES ON IRON AND
STEEL MADE IN CANADA.

Chapter 6 of the Statutes of the Dominion of Canada, for the
year 1897.

(Assented to 29th June, 1897.)

Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows :

1. The Governor-in-Council may authorize the payment of the following bounties on steel ingots, puddled iron bars and pig iron made in Canada, that is to say :

On steel ingots manufactured from ingredients of which not less than fifty per cent. of the weight thereof consists of pig iron made in Canada, a bounty of three dollars per ton ;

On puddled iron bars manufactured from pig iron made in Canada, a bounty of three dollars per ton ;

On pig iron manufactured from ore a bounty of three dollars per ton on the proportion produced from Canadian ore, and two dollars per ton on the proportion produced from foreign ore.

2. The said bounties shall be applicable only to steel ingots, puddled iron bars and pig iron made in Canada prior to the twenty-third day of April, one thousand nine hundred and two.

3. The Governor-in-Council may make regulations in relation to the said bounties in order to carry out the intention of this Act.

4. Chapter nine of the Statutes of 1894, Entitled "An Act to Provide for the Payment of Bounties on Iron and Steel Manufactured from Canadian Ore," hereby repealed.

AN ACT RESPECTING BOUNTIES ON STEEL AND
IRON MADE IN CANADA.

Chapter 8 of the Statutes of the Dominion of Canada for the
year 1899.

(Assented to 11th August, 1899.)

Her Majesty, by and with the advice and consent of the Senate and House of
Commons of Canada, enacts as follows :

1. The bounties on steel ingots, puddled iron bars and pig iron made in
Canada, authorized by Chapter 6 of the Statutes of 1897, shall, on the termination
of the period therein mentioned, notwithstanding anything in the said chapter,
continue to be applicable until the thirtieth day of June, one thousand nine hun-
dred and seven, and shall be payable, and be gradually reduced as follows :

(a) From the twenty-third day of April, one thousand nine hundred and two,
to the thirtieth day of June, one thousand nine hundred and three, both inclusive,
the bounties shall be ninety per cent. of the amount fixed by the said chapter.

(b) From the first day of July, one thousand nine hundred and three, to the
thirtieth day of June, one thousand nine hundred and four, both inclusive, the
bounties shall be seventy-five per cent. of the amount fixed by the said chapter.

(c) From the first day of July, one thousand nine hundred and four, to the
thirtieth day of June, one thousand nine hundred and five, both inclusive, the
bounties shall be fifty-five per cent. of the amount fixed by the said chapter.

(d) From the first day of July, one thousand nine hundred and five, to the
thirtieth day of June, one thousand nine hundred and six, both inclusive, the
bounties shall be thirty-five per cent. of the amount fixed by the said chapter.

(e) From the first day of July, one thousand nine hundred and six, to the
thirtieth day of June, one thousand nine hundred and seven, both inclusive, the
bounties shall be twenty per cent. of the amount fixed by the said chapter.

2. Notwithstanding anything in the said Chapter 6 of the Statutes of 1897,
or in this Act, no bounty shall be paid under this Act on steel ingots made from
puddled iron bars manufactured in Canada.

3. The Governor-in-Council may make regulations in relation to the said
bounties, in order to carry out the intentions of this Act.

SUPPLEMENTARY AGREEMENT BETWEEN DOMINION COAL CO.
LTD., AND DOMINION IRON AND STEEL CO., LTD.,
RELATING TO SIDINGS.

This Agreement, made and entered into, this seventh day of October, in the year of Our Lord, one thousand nine hundred and one, between the Dominion Coal Company, Limited, a body corporate, incorporated under the laws of the Province of Nova Scotia, hereinafter referred to as the "Coal Company," party hereto of the first part, and the Dominion Iron and Steel Company, Limited, a body corporate, incorporated under the laws of the Province of Nova Scotia, hereinafter referred to as the "Iron Company," party hereto of the second part :

WHEREAS the parties hereto have entered into a certain agreement, on the thirtieth day of June, A. D. 1899, which said agreement was confirmed in and by Chapter 118 of the Acts of the Provincial Legislature of Nova Scotia, A. D. 1900, and is set out as schedule "A" to said Act, which said agreement is hereinafter referred to as the "Original Contract."

AND WHEREAS, in the second paragraph of the first clause of the original contract it was provided among other things, as follows :

"The coal for use in the works of the iron company shall be delivered on sidings connected with the main line of the railway of the coal company, commonly known as the 'Sydney and Louisburg Railway.' The iron company shall construct and maintain such sidings at its own expense."

AND WHEREAS, the parties hereto have agreed to vary the agreement as stated in said clause in the manner hereinafter stated :

NOW, THIS AGREEMENT WITNESSETH: That in consideration of the premises and of the mutual covenants hereinafter contained the said companies hereby mutually agree, each with the other, that the said hereinbefore recited clause is hereby varied, amended and changed as follows :

FIRST—THE COAL COMPANY AGREES:

(a) That it will grade and construct an assembly yard in connection with its Sydney and Louisburg Railway, which yard shall

contain and have laid down therein four several railway sidings, about two thousand feet in length; said sidings to be located, laid down and graded as set out in Plan 54 T, hereto annexed, and to lower the grade and make all necessary changes in its main line, so as to comply with the profiles set out in said plan marked 54 T.

(b) That it will lay down and construct a line of track parallel with said Sydney and Louisburg Railway, to run from said assembly yard to the boundary line of the iron company's property, and said parallel line shall be so constructed as to form a junction at one end with the said siding, and at the other end with the iron company's main line.

(c) That it will furnish the necessary rights of way for the construction of all tracks and sidings hereinbefore mentioned, and it will permit and allow the iron company at the conclusion of this agreement, to remove all rails, ties, material and fastenings, composing such sidings "A," "B," "C," "D," and such parallel connecting line.

(d) All the work done in the preceding paragraph shall be done in a good and workmanlike manner, and in accordance with the annexed plan 54 T, and according to the specifications to be hereafter agreed upon between the parties hereto, which specifications, when so agreed upon, shall be construed to form a part of this agreement.

TWO—THE IRON COMPANY AGREES:

(a) That it will furnish all rails, ties, fastenings and materials necessary to construct the sidings "A," "B," "C" and "D," shown on the annexed plan 54 T, and also the necessary rails, ties and materials for the construction of the parallel line of track, connecting said sidings with the iron company's main line.

(b) That it will pay all the expenses incurred by the coal company in laying down the sidings "A," "B," "C" and "D," and laying down said connecting line, and also whatever expense is incurred by the coal company, in lowering the grade and in grading for the sidings "A," "B," "C" and "D" and said parallel connecting line, and such payments shall be made, from time to time, on approved estimates of the engineer of the coal company in charge of the construction.

(c) That it will, during the continuance of this agreement, maintain and keep in good repair all of said sidings "A," "B," "C" and "D" and said parallel line, shown on annexed plan 54 T, and will pay the cost of such maintenance.

(d) That it will unload and return with despatch to the sidings, any cars which may be delivered to it by the coal company loaded with coal; and in the construction hereof, the word "with despatch" shall mean "within twelve hours after receipt," that is, the iron company agrees to deliver to the sidings as many empty cars, during any twelve hours, as it shall receive loaded cars during the same period; and in default of unloading and returning with despatch, as above defined, the iron company will pay the coal company fifty cents for each car of fifteen tons capacity, and one dollar per car for cars of larger capacity, detained each twenty-four hours beyond the time when the iron company should have returned the same; provided always, that the iron company shall not be liable to pay demurrage to the coal company in the event of any delay in returning cars be due to irregular deliveries on the part of the coal company; and it will return such cars to the coal company in good order, ordinary wear and tear excepted.

AND IT IS AGREED, by and between the companies, parties hereto, that the rails, ties and fastenings, to be used in the construction of said sidings and connecting line, are to be approved as to the type and quality by the coal company, and the switches and special track work are to be of standard type and pattern used by the coal company; and that the iron company shall take and have the general charge of the operation of all said sidings and said connecting track, and in the use of said sidings, the iron company shall at all times maintain one clear track for the receipt of coal cars to be delivered by the coal company and one clear track for the use of the empties only, and shall at all times keep one train length clear on the connecting track.

In further explanation of this agreement, the parties hereto declare that the intention of this agreement is that the coal company shall bear the entire expense of lowering the grade of the main line of the Sydney and Louisburg Railway, and of doing all the work and furnishing all the materials in connection with the lowering the grade, grading and putting the main line in good condition according to plan 54 T, hereto attached, and that the iron company shall furnish all the necessary materials for the construction of the sidings "A," "B," "C" and "D" and the parallel connecting line, and will bear the entire expense of lowering the grade, grading, laying the track and doing all things necessary to put said sidings and parallel connecting line in good condition in accordance with plan 54 T, hereto annexed.

AND IT IS FURTHER AGREED, BY AND BETWEEN the parties hereto, that if at any time during the existence of this agreement

the coal company shall determine to double-track its Sydney and Louisburg road, it the said company, shall have the right to take possession of and reduce into possession, for its own absolute use, the siding "A" and the parallel connecting line upon substituting therefor another siding outside of the yard, as now planned and running next to and parallel with siding "D," and by building another parallel connecting line from said yard to iron company's main line; said substitutions to be of equivalent length to the track taken possession of, it being understood that in the event of the coal company taking siding "A" and the parallel connecting line for its own use, said coal company shall, by building another siding and parallel connecting line, place the yard in the same serviceable condition for the use of the iron company.

IT IS FURTHER AGREED BY AND BETWEEN THE COMPANIES that the arbitration clauses in the original contract shall apply to this agreement.

IN WITNESS WHEREOF the parties hereto have executed THESE PRESENTS by causing to be affixed thereto their respective seals authenticated by the signatures of their respective Vice-Presidents.

Executed in the
presence of
D. N. C. HOGG.

DOMINION IRON & STEEL COMPANY,
per A. J. MOXHAM, Limited,
Vice-Pres. & Gen'l M'gr. L.S.

DOMINION COAL CO., Ltd.,
JAMES ROSS,
Vice-President. L.S.

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SUPPLEMENTARY AGREEMENT BETWEEN DOMINION COAL CO.
LTD., AND DOMINION IRON AND STEEL CO., LTD., WITH
REFERENCE TO CARS.

This Agreement, made and entered into this seventh day of October, in the year of our Lord one thousand nine hundred and one, between the Dominion Coal Company, Limited, a body corporate, incorporated under the laws of the Province of Nova Scotia hereinafter referred to as the "Coal Company," party hereto the FIRST PART, and the Dominion Iron and Steel Company Limited, a body corporate, incorporated under the laws of the Province of Nova Scotia, hereinafter referred to as the "Iron Company," party hereto of the SECOND PART :

WHEREAS the parties hereto have entered into a certain agreement on the thirtieth day of June, 1899, which said agreement was confirmed in and by Chapter 118 of the Acts of the Provincial Legislature of Nova Scotia, A. D. 1900, and is set out as Schedule "A" to said Act, which said agreement is hereinafter referred to as the "Original Contract"—

AND WHEREAS, in and by the second clause of the original contract, it was provided as follows :

"The said iron company shall provide all the cars necessary for carrying the coal which it may require to use, and such cars shall be of a type to be approved by the coal company. The said coal company shall promptly load and deliver the cars furnished to it by the said iron company for such purpose."

AND WHEREAS the parties hereto have agreed to vary the agreement in said clause set out, in the manner hereinafter stated :

NOW THIS AGREEMENT WITNESSETH : That, in consideration of the premises and of the mutual covenants hereinafter contained, the said companies hereby mutually agree, each with the other, that the said hereinbefore recited clause of the original contract be and the said clause is hereby varied, amended and changed as follows :

FIRST—THE COAL COMPANY AGREES :

That it will provide and furnish at all times, during the continuance of the said original contract, all the necessary and proper cars for carrying all the coal which the iron company may require to use.

SECOND—THE IRON COMPANY AGREES :

That it will pay to the coal company four cents a ton over and above the original contract price for all coal delivered during the existence of the original contract ; and in case the coal company has available rolling stock, sufficient to supply a million tons of coal per year to the iron company, it will pay to the coal company at least Thirty Thousand Dollars, being four cents per ton on seven hundred and fifty thousand tons, even though the amount actually taken by the iron company should be less than that amount. And, in the working out of this contract, the coal company shall deliver cars loaded with coal upon sidings in a yard, to be constructed for that purpose, and the iron company shall take away such loaded cars and return them empty to the said sidings in the yard.

AND IT IS FURTHER AGREED that the arbitration clauses in the original contract shall apply to this agreement.

IN WITNESS WHEREOF the parties hereto have executed THESE PRESENTS by causing to be affixed thereto their respective corporate seals, authenticated by the signatures of their respective Vice-Presidents.

Executed in the presence of	}	DOMINION COAL CO., Ltd.,	
		JAMES ROSS,	
		Vice-President.	[L.S.]
D. N. C. HOGG	}	DOMINION IRON & STEEL COMPANY,	
L.R. BEARDSLEE		per A. J. MOXHAM,	Limited,
		Vice-Pres. & Gen'l M'g'r.	[L.S.]

LEASE BETWEEN DOMINION COAL COMPANY,
AND THE DOMINION IRON AND STEEL
COMPANY, LTD., DATED 12TH
JUNE, 1902.

THIS INDENTURE made the twelfth day of June,
1902:

Between the Dominion Coal Company, Limited, a coal
pany incorporated by Chapter 145 of the Acts of the Legislat
of Nova Scotia for the year 1893 and hereinafter called the L
of the first part:

and the Dominion Iron and Steel Company, Limited, a
pany incorporated by Chapter 139 of the Acts of said Legislat
for the year 1899 and hereinafter called the Lessee of the se
part:

WHEREAS, the Lessor and Lessee made an agreement d
the thirtieth day of June, A. D. 1899, (a copy of which is set
in schedule A to Chapter 118 of the Acts of the Legislat
Nova Scotia for the year 1900) respecting the supply of coa
the Lessor to the Lessee, and other matters, and respecting a
tain option to the Lessee to take a lease of certain real and pers
properties of the Lessor on the terms set out in said agreem
and in the form of lease thereto annexed.

And Whereas, unless the said option be exercised by s
days' notice prior to the first of January, 1903, and by payment
the sum of \$600,000.00 in cash, as in said agreement and form
lease provided, the said option will expire and the said lease
not become operative.

And Whereas, certain of the properties and assets of
Lessor are by said agreement and form of lease excepted from s
lease, and should the said option be exercised the Lessee wo
have to provide for the payment of very large sums in addition
said \$600,000.00, and divers questions as to the rights and p
tions of the parties would arise under the terms of said agreem
and lease with respect to various important matters, and litigati
between the parties might ensue.

And Whereas it is not convenient for the Lessee to provide for the payment of the said \$600,000.00 and said other sums within the time limited therefor and it is in the interests of the Lessee that the properties and assets of the Lessor set out or referred to in the schedule hereto should be included in the lease between the Lessor and the Lessee.

And Whereas negotiations have taken place between the parties with a view to the making of a new agreement or lease between them covering the Lessor's said properties and assets and relieving the Lessee from the payment of said \$600,000.00 and the payment of other large sums and with a view to avoiding litigation upon the questions above referred to and to the mutual advantage of the parties.

And Whereas the parties, as the result of the said negotiations, have agreed to the terms of these presents.

And Whereas there were outstanding on the First day of March, 1902, first mortgage bonds issued by the Lessor amounting to \$2,704,500.00, which bonds are redeemable on the terms therein or in the mortgage securing them set out, and certain other liabilities set out in part one of the schedule hereto.

And Whereas these presents have been approved of and the execution thereof has been authorized by the Board of Directors of the parties hereto :

NOW THIS INDENTURE WITNESSETH and the parties in consideration of the premises and of their mutual covenants and agreements and of the other considerations herein contained do hereby covenant and agree and do as follows :--

1. So soon as these presents have been approved by resolution of the shareholders of the Lessor and the Lessee respectively, passed at a Special General Meeting or an Annual General Meeting of such shareholders, the same shall become operative and shall be carried out by the respective parties hereto according to their respective agreements herein contained and the parties shall for that purpose from time to time do all acts and execute all documents which may be reasonably required.

2. The said agreement, dated the thirtieth day of June, A.D. 1899, respecting the supply of coal by the Lessor to the Lessee, and other matters, and respecting said option to the Lessee to take a lease of certain real and personal properties of the Lessor, and everything therein contained, or contained in the form of lease thereto annexed, shall be and is hereby rescinded and put an end to, and these presents shall be and are hereby substituted therefor.

3. The Lessor assigns and transfers to the Lessee for purposes and upon the trusts below specified the goods, wares, merchandise, bills and accounts receivable, cash and other assets mentioned in part two of the schedule annexed hereto, the same being for convenience herein referred to as "liquid assets."

4. This agreement and lease herein contained shall relate back and shall be deemed to have taken effect upon and from the first day of March, A. D. 1902, and the Lessee covenants with the Lessor to assume and pay, and discharge from time to time as they become due, all the debts and liabilities of the Lessor existing on and since the first day of March, A. D. 1902, except the Lessor's said outstanding bonds, (which bonds the Lessor is to redeem and cancel) and to assume and carry out all contracts and obligations of the Lessor existing on and since said date, and to indemnify and save harmless the Lessor against and from the said debts, liabilities, contracts and obligations (except said bonds), and it is hereby declared and agreed that the said liquid assets and proceeds thereof shall, to the extent required to pay and discharge the said debts and liabilities, be held by the Lessee in trust for, and shall be used for such payment and discharge, and for no other purpose PROVIDED ALWAYS that, should the Lessee use any of its own monies in paying or discharging the said debts and liabilities, the proceeds of said liquid assets may to that extent be used to reimburse the Lessee therefor. PROVIDED ALSO, that the Lessee may, with the Lessor's consent, arrange for the renewals or other postponements of maturing liabilities. PROVIDED FURTHER, that any balance of said liquid assets or the proceeds remaining after all the said debts and liabilities have been paid and discharged shall be held by the Lessee in trust to be used in development, extensions and additions to the mines, shafts, plants and machinery of the demised premises and for no other purpose, the expenditure thereof to be made upon the development, etc., mentioned in part three of the said schedule under the direction of the Lessor, and the Lessee shall, within a reasonable time, complete the development, etc., mentioned in said part three of said schedule. PROVIDED ALWAYS that, should there be any liabilities of the Lessor in excess of the total amount shewn in part one of the schedule hereto, and which appear or should have appeared in the books of account of the Lessor, the Lessor shall pay the amount of such excess, but this shall not include claims against the Lessor (if any) for alleged damages or injuries caused or happening in the ordinary course of business of the Lessor. In part one of said schedule are mentioned the more important of the contracts made by the Lessor, but not all contracts.

5. The Lessor hereby demises and leases to the Lessee the real and personal properties and assets mentioned in part four of the schedule hereto annexed, all which are for convenience called the demised premises,—to have and to hold the demised premises unto the Lessee, according to the nature thereof for and during the term of ninety-nine years, calculated from the first day of April, A. D. 1893, and thenceforth ensuing and fully to be complete and ended—yielding and paying to the Lessor every year during the said term the following sums by way of rent reserved at the following times and in the following manner, namely :

(1.) The sum of one million six hundred thousand (\$1,600,000.00) dollars, lawful money of Canada, in equal quarterly payments in advance on the first days of March, June, September and December in each year, the first payment for the quarter beginning March first to become due as soon as these presents become operative.

(2.) A sum or royalty equal to seven and one-half cents per gross ton of 2240 pounds for every gross ton of coal in excess of three million five hundred thousand (3,500,000) gross tons taken by the Lessee from the mines on the demised premises in any calendar year next succeeding the year in which excess may be taken, and the Lessee covenants to render to the Lessor on or before the 31st January in each succeeding year during the continuance of the demised term a true statement of the quantity of coal taken by the Lessee from the said mines during the preceding year ending on the 31st December.

As further security to the Lessor for the payment of the rents and royalties and other cash payments to be made by the Lessee to the Lessor, the Lessee hereby grants to the Lessor a floating-charge over and upon all the bills and accounts receivable from time to time belonging to the Lessee and derived or resulting from the sale of coal by the Lessee, including all bills of exchange, promissory notes, cheques and orders for payment of money and other securities taken or held for in connection therewith. If and whenever default be made by the Lessee in payment of said rents, royalties or other cash payments, the Lessor shall be entitled (by the appointment of a receiver or otherwise) to collect and get in the said bills and accounts receivable, bills of exchange, notes, cheques, orders and other securities, or so much thereof as may be necessary to make good the default and the costs and expenses connected with such collection: PROVIDED ALWAYS that until default as aforesaid the Lessee shall be permitted to get in, discount, use and dispose of in the ordinary course of business the said bills and accounts receivable, bills of exchange, notes, cheques, orders and

other securities as if the floating charge hereby granted had not been made.

6. The Lessee covenants with the Lessor to pay the rent and royalties at the times and in the manner above provided and during the continuance of the demised term to pay to the Crown or Government of Nova Scotia or their assigns from time to time as they may become due, all dues, rents, royalties or other payments under the leases or licenses or renewals or extensions thereof or substitutions therefor, from the Crown of the coal lands or areas or rights to take coal or other minerals, forming part of the demised premises, and to keep the said leases or licenses renewed and extended from time to time to the full extent possible under the law and the terms thereof and during the continuance of the demised term to pay from time to time as they may become due all taxes and assessments of whatever kind legally made or levied upon the demised premises and every part thereof, and all dues, rents, rentals or other payments in respect of wharves, piers, leases, holds, discharging plant or otherwise forming part of the demised premises, and to manage and operate the demised premises and every part thereof as required by law and by these presents so that the Lessor's interest therein may not be prejudiced or jeopardized and so that the Lessor may not be subjected to any penalty, fine or forfeiture and to fulfil and perform all obligations and duties of the Lessor respecting the demised premises whether expressed or implied, imposed by law or otherwise. The Lessee further covenants with the Lessor that during the continuance of the said term it will maintain and keep the demised premises and every part thereof in as good order and condition in every respect (not excepting wear and tear or other deterioration) as the same are or may be in at the commencement of said term and will replace and repair parts and things worn out or destroyed and will on the determination of the said term deliver and yield up to the Lessor the demised premises in the same good order and condition. PROVIDE ALWAYS that the Lessee may during the continuance of the demised term win and take from the coal and other mines forming part of the demised premises coal and other minerals and may (subject to the provisions hereinafter contained) sell or otherwise dispose thereof as its own property. PROVIDED ALSO that the Lessee may during the continuance of the demised term, at its own expense, make additions to, alterations and improvements in the demised premises by opening or closing shafts or mines or otherwise for the purpose of enlarging the output of the mines and other parts of the demised premises or reducing the cost of operating the same or rendering the same more efficient and also may at its own expense, alter the tracks and other parts of the railway

included in the demised premises and may build such additional tracks, sidings, branches, structures and improvements as may be reasonably required for the purpose of the Lessee's business and the better operation of the said railway and the other demised premises and the output thereof.

PROVIDED FURTHER that during the continuance of the said term the Lessee may in the usual course of business, but not otherwise, sell and dispose of such personal property forming part of the demised premises as may become worn out or unfit for use, or as may no longer be required for the purposes of the Lessee or as the Lessee may desire to replace by property adapted for similar use. PROVIDED ALWAYS that other property of equal or greater value shall be substituted for that so sold or disposed of—or the proceeds of sale or disposition shall be applied to the improvement of the demised premises—PROVIDED that no coal mining lease or area and no ship or vessel shall be sold or disposed of without the Lessor's written consent and no such personal property exceeding ten thousand dollars (\$10,000.00) in value shall be sold or disposed of in one transaction without the Lessor's written consent—and that no property whatsoever which is essential to the management or operation of the demised premises or any part thereof shall be sold or disposed of without the written consent of the Lessor—but the Lessee may with the written consent of the Lessor and on such terms as may be agreed on—sell and dispose of any part of the demised premises.

7. The Lessee covenants with the Lessor to insure and keep insured from time to time, in the joint names of the Lessor and Lessee in Insurance Companies to be approved of by the Lessor, the buildings, plant, machinery, rolling stock and the other insurable parts of the demised premises (but not the coal in the mines) against loss or damage by fire, and the ships and vessels against marine loss or damage by fire, said insurance to be for such amounts from time to time as will be reasonably sufficient to cover such loss or damage; and it is agreed that any monies recovered under any such insurance shall represent the property destroyed and be used to repair the loss or damage sustained, or to restore or replace the property destroyed, such monies to be so expended under the directions of the Lessor, or with the consent of the Lessor such monies or part thereof may be used for such improvements or otherwise upon the demised premises as the Lessor may approve of. The fifth part of the schedule hereto shall be taken as the basis or guide respecting the properties excepting the ships and vessels, to be insured and the amounts to be carried and the insurances to be kept up by the Lessee pursuant to this covenant shall be increased or decreased from time to time with respect to

the various properties as the circumstances reasonably require. The Lessee covenants with the Lessor to take, make and maintain from time to time during the continuance of the demised premises reasonable and proper precautions and appliances for the protection of fire or the spread thereof in connection with the demised premises and the parties agree that the sixth part of the schedule hereto shows in general terms the nature of such precautions and appliances: Should the Lessee make default in insuring or keeping insured as aforesaid or in the payment of any premium for insurance, the Lessor may so insure and keep insured and pay the premiums therefor, and the Lessee shall immediately repay to the Lessor the premiums so paid.

8. In order to secure the Lessee in the beneficial enjoyment of the demised premises, the Lessor hereby constitutes the Lessee its attorney irrevocable during the continuance of the demised term with full right and power at the Lessee's expense to use the name of the Lessor in all legal and other proceedings and carry out and be needful for obtaining, holding and enjoying the demised premises and every part thereof for all purposes consistent with the true intent and meaning of these presents, and the Lessee covenants with the Lessor to assume and defend during the continuance of the demised term all suits, actions and proceedings against the Lessor arising out of or in any way connected with the use or operation of the demised premises by the Lessee, and to indemnify and save the Lessor harmless in respect thereto and to any judgment or order obtained therein and to the costs, charges and expenses thereof.

9. The Lessee covenants with the Lessor that during the continuance of the demised term, it will keep all the accounts connected with the operation of the demised premises separate and distinct from the accounts of its other business, exhibiting fully and completely all receipts and expenditures connected with the demised premises and all coal and other minerals got from the demised premises and will keep such accounts in a similar manner to the same and will keep such accounts in a similar manner to the accounts now kept by the Lessor, and with as full particulars; and that all such accounts and vouchers relating thereto shall at reasonable times be open for the inspection and verification of the Lessor's agents or other persons appointed by it and that such agents and other persons appointed by it shall at all reasonable times have access to the demised premises and every part thereof and ascertaining the manner in which the same are being operated.

10. In order that the connection of the Lessor with the demised premises may at all times be maintained, the Lessee covenants with the Lessor that it will at all times

carry on the coal business of the demised premises that the Lessor's name shall be connected therewith in such manner that all purchasers of said coal may know that the same comes from the demised premises and that the Lessor is Lessor thereof and all advertising of said coal and upon all invoices thereof and upon the signs or other designations of the agencies or other premises controlled by the Lessee where said coal is sold or sold apt words shall conspicuously appear indicating the Lessor's said connection with said coal, and where the Lessor's name may appear on the engines, cars and rolling stock forming part of the demised premises, such name shall be continued, and upon all new engines, cars and rolling stock such name shall be similarly placed and continued.

11. The Lessee covenants with the Lessor that during the continuance of the demised term, the Lessee will not without the Lessor's written consent, directly or indirectly by itself or others or as agent or otherwise engage or be concerned in the business of coal mining except upon the demised premises or of selling coal except the coal taken from the demised premises and that it will not without such written consent directly or indirectly in its own name or in the name of another or as agent or otherwise acquire any shares in the Capital Stock of or any interest in the undertaking of any Company carrying on or intending to carry on the business of coal mining or selling coal or of any Company controlling or intending or endeavoring to control by the means of the majority of shares or otherwise, any other Company carrying on or intending to carry on such business; and the Lessor covenant, with the Lessee that during the continuance of the demised terms the Lessor will not, without the Lessee's written consent, directly or indirectly by itself or others or as agent or otherwise engage or be concerned in the business of coal mining or of selling coal except the coal taken from the demised premises and that it will not without such written consent directly or indirectly in its own name or in the name of another or as agent or otherwise acquire any shares in the Capital Stock of or any interest in the undertaking of any Company carrying on or intending to carry on the business of coal mining or selling coal or of any Company controlling or intending or endeavoring to control by the means of the majority of shares or otherwise, any other Company carrying on or intending carrying on such business.

12. The Lessee covenants with the Lessor that during the continuance of the demised term it will not do or omit to do any act, matter or thing whereby any of the leases or licenses from the Crown of coal areas or mining rights may be forfeited, terminated, varied or jeopardized, or whereby the Lessor or Lessee may be

deprived of the right to hold and work such areas or rights and to remove coal and other minerals therefrom to the same extent as if upon the same terms as the Lessor is now entitled to do, and the Lessor hereby authorizes and empowers the Lessee as its attorney and in its name, but at the Lessee's expense to do all such acts and things as may be necessary in order that the said right may be at all times preserved and the Lessor covenants that in so far as such acts and things cannot be done by attorney it will itself do them at the request and expense of the Lessee.

13. All improvements, betterments, extensions and additions to the demised premises and all substitutions of properties made by the Lessee during the continuance of the demised term, whether consisting of coal areas or mining leases, licenses or rights, mine shafts, buildings, piers, plant, tools, machinery, cars, locomotives and all other rolling stock, tracks, branches or other improvements, betterments, extensions, additions and substitutions whatsoever shall become the property of the Lessor and shall form part of the demised premises and all leases or licenses covering coal areas adjoining any part of the coal areas at any time included in the demised premises and all such adjoining coal areas which may be acquired at any time during the continuance of the demised term by the Lessee shall enure to the benefit of and become the property of the Lessor and shall form part of the demised premises, and wherever in these presents the demised premises are mentioned or referred to such mention or reference shall include such improvements, betterments, extensions, additions and substitutions as to adjoining coal areas.

14. The Lessor covenants with the Lessee that the Lessee, by paying the rents hereby reserved and performing the covenants contained in its part herein contained, the Lessee shall and may peaceably possess and enjoy the demised premises for the term hereby demised without any interruption or disturbance from the Lessor or any other person or persons lawfully claiming by, from or under it.

15. The Lessee covenants with the Lessor not to assign, transfer or set over or otherwise by any act or deed procure the demised premises or the term hereby demised or these presents to be assigned, transferred or set over or sub-let in whole or part to any person or corporation whatsoever without the consent in writing of the Lessor first had and obtained. Such consent to be given only by resolution of the directors of the Lessor passed under the authority of a resolution of the shareholders of the Lessor passed at a special general meeting of such shareholders called for that purpose or at an annual general meeting.

16. If and whenever the rents hereby reserved or any part thereof shall be unpaid for ninety days after any of the days on which the same ought to have been paid, although no formal demand shall have been made therefor or in case of the breach or non-performance of any of the covenants or agreements herein contained on the part of the Lessee, then and in any such case the Lessor may at any time, re-enter into and upon the demised premises or any part thereof in the name of the whole and the same have again, repossess and enjoy as of its former estate: PROVIDED HOWEVER that the right of re-entry hereby given shall not be enforceable except for breach or non-observance of the covenants contained in clauses numbers 5, 11 and 15 hereof, or for non-payment of rent reserved including royalty unless and until the Lessor serves on the Lessee a notice specifying the default or breach complained of and requiring the Lessee to put an end to such default and if the default or breach is capable of remedy requiring the Lessee to remedy the default or breach, and the Lessee fails within a reasonable time thereafter to put an end to such default or remedy the same and to make reasonable compensation in money for such default prior to the same being so put an end to or remedied.

17. The Lessee covenants with the Lessor to use all reasonable efforts during the continuance of the demised term to increase the demand for and the output of the coal from the demised premises, and so to develop, extend and add to the mines, plant and machinery of the demised premises from time to time that the capacity thereof may as far as reasonably practicable be sufficient at all times to properly supply such demand. The Lessor and the Lessee will from time to time confer together as to the development, extensions and additions required for the above purposes, and in order that the Lessee may be in a position to make the expenditure thereon which may be required in the near future and until the Lessee can conveniently make such expenditure out of its own resources, the Lessor may advance to the Lessee from time to time such amounts as the Lessor may from time to time decide to be required for such purposes and which it may not (in the Lessor's opinion) be convenient for the Lessee to expend out of its own resources the amount so advanced to bear such rate of interest (not exceeding 5 p. c. per annum) and to be repayable at such times and on such conditions, including the creation of a sinking fund, as may be agreed on, or in default of agreement as may be settled by arbitration under paragraph 23 hereof—all monies so advanced to be expended under the supervision of the Lessor upon such development, extensions and additions as the Lessor may determine. PROVIDED ALWAYS that so long as expenditure is required

for development, extensions and additions for the above purpose, the profits, after providing for payment of rent and the other charges created hereby, derived by the Lessee from the operation of the demised premises shall as far as necessary be used for such expenditure and for no other purpose.

18. All plant, machinery, tools and implements from time to time in use on or in connection with the demised premises and operation thereof, whether originally forming part of the demised premises or procured by the Lessee for such use, shall at all times be and become part of the demised premises. All premises which during the continuance of the demised term the Lessee may acquire by lease or otherwise in any city or town or other place in Canada or elsewhere for the purpose of storing coal pending sale thereof, and all discharging and loading plant, machinery and appliances in connection therewith shall enure to the benefit of the Lessor and become part of the demised premises. And should the Lessor re-enter upon the demised premises under the terms of this lease or otherwise, all such plant, machinery, tools and implements shall be the property of the Lessor free from any claims or interest of the Lessee or of any one claiming through the Lessee, and shall be yielded up to the Lessor. All coal and other minerals taken from the mines on the demised premises shall, until actually delivered off the demised premises under contracts of sale, remain part of the demised premises—PROVIDED HOWEVER that should the Lessor re-enter as aforesaid and take possession of the coal in bank the Lessor shall from time to time as it sells or otherwise disposes of such coal in bank pay to the Lessee or to any person or corporation entitled thereto by assignment from the Lessee, the sum of seventy-five cents per gross ton of 2240 pounds for each ton of coal in bank so sold or otherwise disposed of, plus royalty paid to the Government upon such coal if such royalty has been paid. *Coal in Bank* shall only mean and include coal taken out of the mines and stored on the demised premises and not in cars pending shipment.

19. The Lessee shall not be required to return to the Lessor upon the termination of the term hereby demised any leases of coal areas which may have expired and which the Lessee is not under the terms hereof, bound to have renewed, nor shall it be bound to deliver to the Lessor the areas covered thereby or any part of the property thereon, except such as can be advantageously removed in accordance with or without breach of the terms of such expired leases.

20. Upon the expiration of leases forming part of the demised premises hereunder, other than charter parties of vessels and

boats and mining leases from the Crown the Lessor shall, at the request of the Lessee, co-operate with the Lessee to procure renewals or extensions thereof or new leases of the same property, and such new leases shall, if the Lessor so desires, be taken in the name of the Lessor, and the same and the property covered thereby shall be and by appropriate instruments shall be made to be part of the demised premises hereunder. If the Lessee acquires in substitution therefor by leases or otherwise other property, such lease or other transfer shall, if the Lessor so desires, be taken in the name of the Lessor, and the same shall be and by appropriate instruments shall be made to be part of the demised premises hereunder. If the necessity for any such renewal, extension or new lease no longer exists, then the Lessee shall be held accountable only for the value of the plant, machinery or other property upon the property covered by said lease to the extent to which the same can be advantageously removed in accordance with or without breach of the terms of such expired lease.

21. In the case of all vessels and boats now held under charter and forming part of the demised premises hereunder, it is agreed that upon the expiration of such charters the Lessee may renew or not in its own name as it pleases. Vessels or boats hereafter chartered or acquired by the Lessee in its own name shall not form part of the demised premises hereunder.

22. The Lessor may itself make any payment or do any act required by the terms of the leases or licenses of the coal areas or mining rights, or by the law so as to preserve the same and the rights thereunder unimpaired or to procure renewals or extensions thereof and in every such case while retaining unimpaired all its rights and remedies against the Lessee, the Lessor shall be at once repaid by the Lessee all expenditure made and shall be indemnified by the Lessee against all loss incurred.

23. If any dispute or difference shall arise between the Lessor and the Lessee concerning the demised premises hereunder or the working or operation thereof, or as to what is included therein, or as to the carrying out of any of the agreements herein contained, then such dispute or difference shall be referred to the determination and award of one arbitrator to be agreed on, but in default of agreement, then to three arbitrators, one to be appointed by the Lessor, one by the Lessee and one by the two so appointed; and the award of the sole arbitrator or of any two of the three arbitrators, as the case may be, shall be final. The award may determine by whom the cost of the arbitration and award shall be borne; and every such reference shall be deemed to be a submission to arbitra-

tion within the Arbitration Act now in force in the Province of Nova Scotia, or any statutory enactment for the time being in force with regard to arbitration.

24. Should the Lessor re-enter upon the demised premises under the power of re-entry herein contained or otherwise, the Lessor covenants that it will on the terms and conditions herein for the time hereinafter stated sell and supply to the Lessee all coal that it may require for the operation of its own works and for bunkering steamers owned by it or for the time being hired by it under time charter and employed in the business of its said works. The word "works" herein shall include the whole operation of the Lessee's undertakings connected with and appertaining to the Lessee's Steel and Iron plant in Cape Breton or any extensions thereof at that place, including furnaces, foundries, shops, open mines, quarries, steamers, switching engines and all other works and undertakings for the time being: PROVIDED that the Lessee shall, so long as the Lessor is willing and ready to sell and supply such coal, purchase from the Lessor and take and pay for all coal required by the Lessee for the purposes aforesaid; and shall not purchase or take coal for the operation of its said works from any other Company or person. The said coal shall be delivered to the sidings connected with the main line of the Lessor's railway, commonly known as the Sydney and Louisburg Railway, such sidings to be constructed if necessary and maintained at the expense of the Lessee; cargo and bunker coal to be delivered at any wharf or pier of the Lessor in the harbor of Sydney then in use and which the Lessee may designate, and the Lessee shall in addition to the price hereinafter mentioned pay all current charges on vessel and cargo. The coal shall be of the grade known as "run-of-mine coal" and shall be freshly mined and so far as the same is required for the coke ovens and the steel works of the Lessee, it shall be supplied from such seams then being worked by the Lessor as the Lessee may designate. All other coal shall be of a grade of equal to the grade of run-of-mine-coal then being supplied to other customers of the Lessor. The cars for the coal are to be provided by the Lessee, such cars are to be of a type to be approved by the Lessor, and such cars to be promptly loaded and delivered by the Lessor. The period during which said coal is to be so sold and supplied by the Lessor to the Lessee shall terminate on the first day of April, A. D. 1992. The Lessee shall from time to time at intervals not exceeding three months give notice to the Lessor of its probable requirements of coal for its said works for the three next ensuing three months. If such requirements at any time are largely in excess of the requirements existing at the time such notice is given, then the Lessor shall use due diligence in preparing

ing to furnish the increased requirements and the Lessor shall in any event be prepared to furnish the increased requirements within twelve months from the giving of such notice. The price to be paid to the Lessor for coal delivered under this agreement shall be the sum of \$1.24 per gross ton of 2240 pounds, subject at the instance of either party hereto to revision at the end of every ten years from the 30th June, 1899, and at the end of every ten years thereafter in the following manner :

If either of the parties hereto complains to the other at any such time of the then price, and no agreement can be arrived at between them, then either party may demand of the other that the price to be paid for such coal for the succeeding ten years shall be settled by arbitration, as follows :

Either of the parties hereto may give notice to the other that it desires that the price of such coal shall be settled by arbitration, and in such notice shall name one arbitrator on its own behalf ; and within ten days after receipt of such notice, the other party served with such notice shall name an arbitrator to act on its own behalf, and give notice thereof to the other party. The two said arbitrators shall determine the said price ; and in case they disagree, they shall refer the said matter to the determination and award of an umpire, to be chosen by the said arbitrators before entering upon the said reference, and the award of the said arbitrators or their umpire as the case may be, shall be final to determine such question, and also to determine by whom the cost of the arbitration and award shall be borne ; and every such reference shall be deemed to be a submission to arbitration within the Arbitration Act now in force in the Province of Nova Scotia, or any statutory enactment in force for the time being in regard to arbitration. The said arbitrators, or their umpire, shall in determining such price, ascertain (a) the average cost of mining and winning (including raising, loading into cars and picking) the coal sold by the Lessor to the Lessee for the preceding ten years, and the cost of transporting the same from the mines of the Lessor to the works of the Lessee :—(b) such cost at the date when such arbitration is demanded. In estimating such cost, the arbitrators or their umpire shall take into consideration the different items of expenditure enumerated in the seventh part of the schedule hereto annexed ; and if at the time said arbitration is had it is made to appear to the said arbitrators or their umpire that there are any other charges which should be legitimately charged to the cost of mining and winning said coal, then and in such case, such charges shall be added thereto. The said arbitrators or their umpire shall also add to the cost of mining and winning said coal the royalty

payable thereon to the Government of Nova Scotia, and the proportion of general expenses and taxes and insurance, fairly chargeable to said coal. The said arbitrators or their umpire shall also add to said cost of mining and winning said coal its proportion of the cost of repairs, renewals, extensions and reconstructions necessitated by ordinary or extraordinary causes.

If the said arbitrators or their umpire find that the cost of mining and delivering the coal has not changed from the average cost of the preceding ten years, then the price shall continue unchanged for the next succeeding ten years; and if the said arbitrators or their umpire shall determine that said cost has increased or been reduced; then the said price shall be increased by said arbitrators or their umpire, or be reduced in proportion to such increase or reduction of the cost thereof.

PROVIDED HOWEVER that under no circumstances shall the price of said coal be less than \$1.24 per gross ton of 2240 pounds. Payment shall be made by the Lessee to the Lessor on the 20th day of each month for the quantity of coal delivered by the Lessor to the Lessee during the preceding month. The agreement above contained on the part of the Lessor to sell and supply coal to the Lessee is of a personal nature to the Lessee and is not assignable, except to the Trustee of any mortgage securing bonds issued or to be issued by the Lessee, and then only for the purposes of the works and undertakings covered by such mortgage and for the operation thereof by the Trustee or any purchaser thereof. The Lessee covenants with the Lessor that it will not sell to any person or corporation whatsoever in whole or in part the coal sold and supplied to it by the Lessor under this agreement, except as may be otherwise agreed in writing by the Lessor.

Should the Lessee establish and operate at any point between the mines of the Lessor now existing or hereafter operated and its blast furnace or furnaces a coal washing plant, the Lessor shall at the actual cost thereof allow the coal to be washed "in transit."

The Lessor agrees to transport in carload lots raw material for the use of the Lessee's works and the product of said works over its own lines of railway to or from the yards or works of the Lessee at the rate of twenty-five cents per ton, which sum shall be payable whether such freight is transported over the whole or part only of said line or lines of railway. The cars shall be furnished and loaded and discharged by the Lessee. This clause shall terminate on the first day of April, 1992.

25. Wherever in these presents, the Lessor or the Lessee is mentioned or referred to, such mention or reference shall extend to and include the successors and assigns of the party so mentioned or referred to.

It witness whereof these presents have been duly executed by the parties.

DOMINION COAL CO., Limited.

In presence of (Sgd.) JAS. ROSS, Vice-President.
(Sgd) B. F. PEARSON. J. MACKAY, Treasurer.
[L.S.]

DOMINION IRON AND STEEL CO.,
Limited.

[L.S.] B. F. PEARSON. ROBERT MACKAY, Acting-President.
J. MACKAY, Treasurer.

SCHEDULE.

PART I.—LIABILITIES.

DEBTS.

Notes Payable	\$840,000 00	
Accounts Payable	161,941 50	
Accrued and not due	77,589 50	\$1,079,531 00

CONTRACTS (Real Estate, Rolling Stock, &c.)

Hochelaga Mortgage
 Cape Breton Real Estate Co., Ltd.
 Dominion Rolling Stock Co., Ltd. .
 Cape Breton Electric Co., Ltd. .
 Sydney & Glace Bay Railway Co, Ltd.

CONTRACTS (Coal).

Intercolonial Railway,	Sydney	
New England Gas & Coke Co.	Everett, Mass.	(so long as contract continues).
Reid	Newfoundland,	
Dominion Iron & Steel Co.,	Sydney	
Dominion Atlantic Railway,	Yarmouth	
Canada Atlantic & Plant Co,	{ Halifax Sydney Charlottetown	
Furness, Withy & Co.,	Halifax	
Pickford & Black,	do	
People's Heat & Light Co.,	do	
Canadian Pacific Railway,	Montreal	
Grand Trunk Railway,	do	
Great Northern Railway,	Quebec	
Montreal Street Railway,	Montreal	
Richelieu & Ontario Nav. Co.,	do	

Canada Sugar Refining Co.,	Montreal
Laurentide Pulp Co.,	do
Montreal Gas Co.,	do
Merchants Cotton Co.,	do
Montreal Rolling Mills,	do
Sundry other small Contracts,	Montreal, &c.

PART II.—LIQUID ASSETS.

Cash in Bank and in hand	\$327,355	36
Accounts receivable	632,344	29
New Supplies in Stores and Warehouses	318,114	74
Coal on hand	196,289	80
S.S. Hire and Insurance paid in advance	41,832	25
	<u>\$1,715,936</u>	44

PART III.—DEVELOPMENT AND IMPROVEMENT OF MINES, COLLIERIES AND WASHING PLANT.

1. (a) The installation at all important steam plants of a system of mechanical stokers and machinery for handling coal and ashes similar to that being erected at Caledonia and No. 2 Mine.

(b) The substitution as far as practicable of mechanical haulage underground for the present horse haulage.

(c) The completion of the development and surface works of No. 2 Mine in such manner as to insure an output of 6,000 tons in 10 hours with the least practicable amount of manual labor. It being estimated that this requires for both Phalen and Harbor seams a system of mechanical haulage to be approved of by the Lessors. The installation of further air compressing machinery to supply all the air required by the coal cutters and auxiliary engines necessary to produce the above output. A second fan and air-way for ventilation. The necessary boiler capacity for supplying the engines, compressors, fans, pumps, etc. A plant for condensing exhaust steam from the engines. The buildings necessary to contain the machinery to be built entirely of fire-proof construction of the same materials and strength as those now being erected. The completion of the surface railway yard; and the addition of picking belts and houses for the latter if these are found desirable.

(d) A single large engine at the washing plant.

079,531 00

as contract
continues).

(e) All new buildings required are to be built of fire-proof construction equal in strength and durability to those now being erected at No. 2 Mine unless other construction is specially agreed upon for isolated structures.

II. A SYSTEM OF WATER WORKS with a central pumping station to supply the collieries, shops and houses of the Dominion Coal Company as may be required, the present plan being to dam McAskeU's Brook and erect a pumping station near the dam.

III. TRANSPORTATION.—(a) Rolling stock, motive power and equipment necessary to handle economically the increased products of the mines.

(b) Change in the alignment of the railway at Catalone to remove the danger of washouts in heavy storms.

(c) To raise the embankment at about 8½ and 10 miles from Sydney to decrease the limiting grade between the collieries and the Shipping Piers at Sydney.

IV. LOADING AND UNLOADING FACILITIES.—(a) To construct a new shipping pier at or near the site of the present International No. 1 Pier at Sydney. This pier to have a storage capacity of 6,000 tons, and to be of such height and extended to such a depth of water that two vessels of 12,000 tons can be conveniently loaded at the same time.

(b) To acquire wharf property at Halifax and St. John and at other points to which it may be desirable to ship coal in considerable quantities, and to erect at Quebec, Halifax and St. John and at other points where property is acquired for the purpose suitable discharging towers and storage bins.

(c) To acquire mining leases, Crown lands, or other properties desirable for the protection or development of the Coal Company's business.

PART IV.—DEMISED PREMISES.

All mines, mining areas, seams of coal worked and unworked lands, lands covered with water, easements, rights and privileges, mining machinery, mining tools and implements of all kinds, engines, boilers, houses, buildings, wharves, piers, apparatus for the loading and the unloading of coal, railways, railway engines, ca-

houses and repair shops and machinery therein, cars of all kinds and description, station houses, and generally all the property of the Lessor, in the County of Cape Breton, in the Province of Nova Scotia, of whatever kind and description, whether owned by it or held by it under lease from the Crown or otherwise (including the coal mined, and new and unused tools, materials and supplies of all kinds on or about the said demised mines and premises, or elsewhere, the books of account of said Company, bills, notes, debts), and all its steamers, ships and vessels of all kinds, owned or chartered by it, and wherever situate, and all lands, buildings, wharves, piers, machinery for loading and unloading coal wherever situate, whether in the Dominion of Canada or elsewhere, owned by it or held under lease.

PART V.—INSURANCE.

Lessee to keep demised property insured as at present to the amount of \$1,794,340.00, and all future acquired insurable property to be kept relatively as fully insured as the present demised property.

PART VI.—PRECAUTIONS, ETC., AGAINST FIRE.

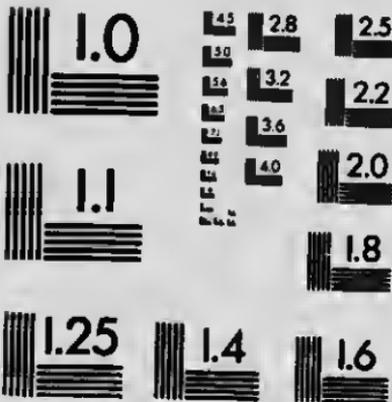
The installation of an efficient system of fire protection at all important works of the lessors. This fire protection to consist in a general way of an underground system of pipes with conveniently located frost proof hydrants, underwriters' fire pumps of at least 1,000 gallons per minute capacity for each mine and shipping pier, the washing plant and the shops.

A properly constructed oil house and necessary storage tanks and piping at each mine, and an efficient sprinkler system with necessary supply tanks for all structures which are not to be rebuilt of fire-proof construction. A fire-proof structure over the boilers and fire pump at each of the plants and other fire-proof structures, as follows: Caledonia Mine.—New Warehouse, fire-proof walls around compressor house, fire-proof roof over engine and compressor house. Dominion No. 1 Mine.—New Warehouse, fire-proof roof over engine house, fire-proof extension to boiler house, fire-proof extension to engine. All to be approved by the Factory Mutual Fire Insurance Company's inspector.



MICROCOPY RESOLUTION TEST CHART

(ANSI and ISO TEST CHART No. 2)



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DISTRICT OF MONTREAL.

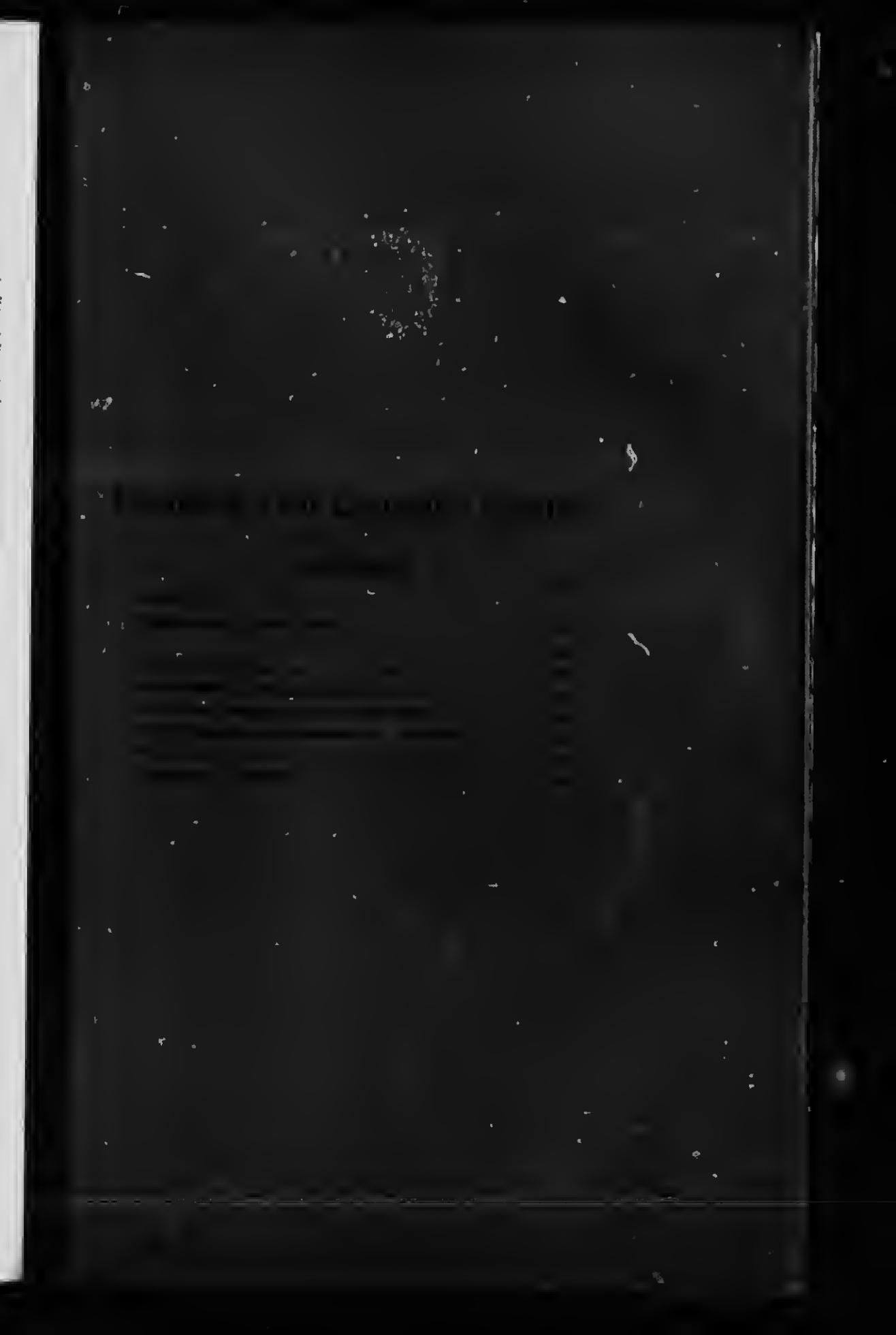
I, Herbert Meredith Marler, the undersigned Public Notary for the Province of Quebec, residing and practising at the City of Montreal, in the said Province, do hereby certify and attest to all whom it may concern, that on this day, the twenty-first day of July, in the year of Our Lord, one thousand nine hundred and two, at the City of Montreal aforesaid, personally came and appeared before me, Benjamin Franklin Pearson, subscribing witness to the within and foregoing Indenture, who having been by me duly sworn, made oath and said :

That he, the said Benjamin Franklin Pearson, was present at the execution of the said Indenture, and did see the said Indenture duly executed by the Dominion Coal Company, Limited, a body corporate and acting in that behalf by James Ross, the Vice-President, and J. Mackay, its Treasurer, and that the said Company by its said officers, did in his presence affix the corporate seal of the said Dominion Coal Company, Limited, to the said Indenture. And also that the Dominion Iron & Steel Company, Limited, a party to the said Indenture, acting in that behalf by Robert Mackay, the acting President, and by J. Mackay, the Treasurer of the said Company, did duly execute the said deed in his presence, and that the corporate seal of the said Dominion Iron & Steel Company, Limited, was affixed to the said deed in his presence by the said officers of the said Dominion Iron & Steel Company, Limited.

I further certify that the said Benjamin Franklin Pearson, made oath before me, that he was present at the execution of the within and foregoing Indenture, and saw the same signed, sealed and delivered by the parties thereto.

In testimony thereof, I, the said Notary, have hereunto subscribed my name and affixed my notarial seal of office at the City of Montreal aforesaid, this twenty-first day of July, A. D. 1902, to serve and avail as occasion may require.

(Sgd.) HERBERT M. MARLER,
Notary Public, Quebec.





13

DEED OF TRUST
TO
NEW ENGLAND TRUST COMPANY.

This INDENTURE, made this twenty-fifth day of April in the year of our Lord one thousand eight hundred and ninety-three, by and between the DOMINION COAL COMPANY, Limited, a corporation organized and existing under the laws of the Province of Nova Scotia, hereinafter called the party of the first part, and THE NEW ENGLAND TRUST COMPANY of Boston, in the Commonwealth of Massachusetts, a corporation organized and existing under the laws of said Commonwealth, hereinafter called the Trustee, which word shall include any successors in the office of Trustee hereby created, party of the second part, WITNESSETH:—

That whereas, the party of the first part was, by an act of the legislature of Nova Scotia entitled "An Act to Incorporate the Dominion Coal Company, Limited," authorized to issue its bonds, and to secure the same by a mortgage or deed of trust of all or any portion of its property, powers, rights and franchises, whether owned or enjoyed by it at the date of such mortgage or deed of trust or thereafter acquired, and

Whereas, these presents, and the form and provisions thereof, having been submitted to the stockholders of the party of the first part, at an annual meeting of such stockholders, have been by them duly authorized and approved, and all conditions necessary to authorize the execution hereof have been complied with,

Now, therefore, the party of the first part in consideration of the premises and of the sum of one dollar to it in hand paid by said Trustee, the receipt whereof is hereby acknowledged, and to secure the payment of the interest and principal of the bonds, hereafter described, according to their terms and effect, doth, in pursuance of the foregoing power and authority, and every other power and authority it thereto enabling, hereby give, grant, bargain, sell, convey, assign, transfer, set over and deliver unto the said The New England Trust Company, Trustee, and its successors in said trust, all and singular the leases of mining areas, and the mines, coal, fixtures, machinery, patents, railways, tracks, road-bed, station houses, wharves, rolling stock, ships, stocks, bonds and

debentures of other corporations, revenues, tolls, contracts, obligations, powers, rights, privileges, exemptions and franchises (including the right to organize as a corporation under its charter), and all other property, whether real, personal or mixed, and wheresoever situated, now owned or enjoyed by the party of the first part, or which may be owned or enjoyed by it at any time during the existence of this mortgage, and more especially the following described property, the specific enumeration of which is not to be construed as limiting the foregoing general statement of the property intended to be hereby conveyed:

A. All the property, land and premises situated at Bridgeport in the County of Caps Breton and Province of Nova Scotia conveyed to the party of the first part by deed of Henry M. Whitney and Margret F. Whitney, his wife, dated the day of March, 1893 and conveyed to said Henry M. Whitney, February 25th, 1898 by deed of John E. Burchell, Henrietta W. Burchell, his wife, James T. Burchell, Susanna W. Burchell, his wife, Antoinette W. B. Burchell, widow, the said John E. Burchell and Antoinette W. B. Burchell as administrator and administratrix of the estate and effects of George L. Burchell, deceased, John E. Burchell and Antoinette W. B. Burchell as Guardians of the estates and persons of Thomas Edward Burchell and Rina Emelins Burchell, minors, and heirs of said George L. Burchell, deceased; both of said deeds being recorded at Sydney.

Said property, land and premises were described in said deed to Henry M. Whitney, as follows:—

[Here follows description of the land of Burchell heirs, etc.]

B. All the property, land and land covered with water situated at Big and Little Gince Bay in said County of Cape Breton, which was conveyed to the party of the first part by deed of the Caledonia Coal and Railway Company dated the day of April, 1893, and recorded in the office of the Registrar of Deeds at Sydney in said County of Cape Breton.

Said property was described in said deed from the Caledonia Coal and Railway Company to the party of the first part, as follows:—

[Here follows description of the land and property owned by Caledonia Coal and Railway Company.]

C. All the real and leasehold property, interest and estates, together with the railroad rolling stock, piers, machinery, imple-

ments, appurtenances, appliances and other property, rights, powers and privileges, which were conveyed to the party of the first part by deed of the International Coal Company (Limited) dated the nineteenth (19) day of April, 1893 and recorded in the office of the Registrar of Deeds at said Sydney.

Said property was described in said deed from the International Coal Company, Limited, to the party of the first part, as follows:—

(1) All the railroad of the said International Coal Company, Limited, from their pier in Sydney Harbor in the County of Cape Breton, Province of Nova Scotia, to Bridgeport in the said County, as the same now exists, being about twelve miles in length and in width about one hundred feet, including the right of way and the land occupied thereby, together with the superstructure and track thereon and all bridges, viaducts, culverts, turnouts, fences, station, grounds, stations, buildings and erections thereon, and all lands covered by water and piers erected at Sydney aforesaid, as the same are delineated in red upon a plan thereof annexed to the said International Coal Company, Limited's deed of acquisition of date the 2d day of July, 1886, and all machine shops and other shops in use in connection with said railway and including also all locomotives, tenders, cars, rolling stock and equipment and all machinery, tools and implements and materials for operating, repairing and replacing the said railway or any part thereof or any of its equipments or appurtenances, all of which things are hereby declared to be appurtenances and fixtures of the said railway and to be included in and to pass by these presents and also all franchises which are possessed by the said International Coal Company, Limited, in connection with the said railway. Also the charter for said railway and any other charter or charters owned or controlled by the said International Coal Company, Limited, the shareholders thereof or other persons in trust for said Company, including all contracts, engagements, rights, powers and privileges relating to railroads existing or prospective in the Island of Cape Breton, as well as all subsidies from the Dominion or Provincial Governments relating to such existing or prospective railroads or in aid of the construction thereof.

[Here follows description of land and property owned by the International Coal Company, Limited.]

D. All the property, lands and premises situated at Little Glace Bay in said County of Cape Breton, which were conveyed by the Glace Bay Mining Company, Limited, to Henry M. Whitey

by deed dated the day of April, 1893, and recorded in the office of the Registrar of Deeds at said Sydney; and by said Whitney conveyed to the party of the first part by deed dated the twenty-fourth day of April, 1893, recorded in said office and also confirmed unto the party of the first part by deed of said Glace Bay Mining Company, Limited, dated the day of April, 1893, and recorded in said office. Said property, lands and premises were described in said deed from said Glace Bay Mining Company, Limited, to said Heary M. Whitaey, as follows:—

[Here follows detailed description of land and property owned by the Glace Bay Mining Company, Limited.]

E. All and singular the real, personal and mixed property, situate at Cow Bay in said County of Cape Breton which was conveyed by Blowers Archibald, senior, and Margaret Archibald, his wife, William Purves and Abbie M. Purves, his wife, William H. Archibald and Eleanor G. Archibald, his wife, Charles Archibald and Edith J. Archibald, his wife, Edward M. Archibald and Carrie Archibald, his wife, and Blowers Archibald, junior, and Zaidee Francis Archibald, his wife, the said William H. Archibald, Charles Archibald, Edward M. Archibald and Blowers Archibald, junior, sons and devisees under the will of Honorable Thomas D. Archibald, deceased, to Heary M. Whitaey, by deed dated the thirteenth day of March, 1893, recorded in the office of the Registrar of Deeds at said Sydney, and conveyed by said Henry M. Whitney and Margaret F. Whitney, his wife, to the party of the first part by deed dated the twenty-fourth (24) day of April, 1893, and recorded in the office of the Registrar of Deeds at said Sydney.

The said property was described in said deed from Blowers Archibald, senior, and others to said Whitney, as follows:—

[Here follows detailed description of land and property owned by Blowers Archibald, Senior, and others.]

F. All the lands and premises situated at Big Glace Bay, in said County of Cape Breton, which were conveyed to the party of the first part by one John White and which were conveyed to said John White by Alexander Campbell and Annie Campbell, his wife, by two deeds dated February 25th, 1893, and also by deed dated April 17, 1893, all of said deeds being recorded in the office of the Registrar of Deeds at said Sydney.

[Here follows detailed description of land and property owned by Alexander Campbell et al.]

G. All that certain coal mining lease issued to the party of the first part by Her Majesty the Queen, represented in that behalf by the Commissioner of Public Works and Mines of the Province of Nova Scotia dated the first day of April A. D. 1893, and issued under the provisions of section 156 of an act of the legislature of Nova Scotia passed on the 30th day of April, A. D. 1892, being chapter one of the acts of said year, entitled "An Act to amend and consolidate the Acts relating to mines and minerals," and under the provisions of an act of said legislature for the year 1893 entitled an "Act for the further encouragement of coal mining," together with all and singular the beds, veins and seams of coal whether opened or unopened, within, under or upon the tracts of land described in said lease, to which reference is hereby made.

Said tracts of land described in said lease are situated at Glace Bay and at Cow Bay in said County of Cape Breton and comprise the following coal areas formerly included within leases from the Crown, viz:—

[Here follows detailed description of Crown Coal Mining Leases, dated April 1, 1893.]

The party of the first part hereby assigns and sets over said lease, and the demised premises, to said Trustee for the full term of said lease and all renewals thereof, intending to vest in said Trustee all the rights, powers and privileges to which the party of the first part is entitled under and by virtue of said lease, as fully and completely as the same are held and enjoyed by the party of the first part.

H (1) All the right, title and interest of the party of the first part in and to the capital stock of the Glace Bay Mining Company, Limited, a corporation organized and existing under the laws of the Province of Nova Scotia, which stock, at present, stands in the names of Henry M. Whitney and others.

(2) All the right, title and interest of the party of the first part in and to the capital stock of the Caledonia Coal and Railway Company, a corporation organized and existing under the laws of the Province of Nova Scotia, which said stock is held for the benefit of the party of the first part.

(3) All the right, title and interest of the party of the first part in and under a certain declaration of trust dated April 24th,

1893, and executed by Henry M. Whitney, Robert Winsor and John S. McLennan, of and concerning certain shares of the capital stock of The Black Diamond Steamship Company of Montreal, Limited, a corporation organized and existing under the laws of the Dominion of Canada, which said stock stands in the names of said Whitney, Winsor and McLennan as Trustees.

I. (1) All and singular a certain contract in writing dated the 25th day of January, 1893, by and between the Low Point Barasols and Lagan Mining Company and John Stewart McLennan, as agent for Henry M. Whitney, for the purchase of the real and personal property, including the coal mining leases from the Crown, of said The Low Point Barasols and Lagan Mining Company, as in said contract set out; and which said contract was assigned and set over unto the party of the first part by said Whitney, on the 24th day of April, 1893.

(2) All and singular a certain contract in writing dated the 25th day of January, 1893, by and between the General Mining Association, Limited, and John Stewart McLennan, as agent for Henry M. Whitney, for the purchase of the real and personal property, including the coal mining leases from the Crown, of said The General Mining Association, Limited, as in said contract set out, and which said contract was assigned and set over to the party of the first part by said Whitney on the 24th day of April, 1893.

(3) All and singular a certain contract in writing between William Ross and Henry M. Whitney, dated the 24th day of January, 1893, for the purchase of certain coal mining leases from the Crown and certain licenses to search over the Point a Coal areas, as in said contract set out; which said contract was assigned and set over unto the party of the first part by said Whitney on the 24th day of April, 1893.

(4) All and singular a certain contract in writing between George H. Murray and Henry M. Whitney, dated the 25th day of January, 1893, for the purchase of certain coal mining areas and leases from the Crown as in said contract set out; which said contract was assigned and set over unto the party of the first part by said Whitney, on the 24th day of April, 1893.

J. The following steamships which were sold and transferred to the party of the first part by The Black Diamond Steamship

Company of Montreal, Limited, by bills of sale dated April 25th, 1893, which said steamships are as follows :—

(1) British built steamship name "Cape Breton," and registered at Montreal in 1892. The official number of said steamship is 97,808 and the port number is 2.

(2) British built steamship named "Louisburg" and registered at Montreal in 1891. The official number of said steamship is 83,582 and the port number is 4.

(3) British built steamship named "Cacouna" and registered at Montreal in 1885. The official number of said steamship is 87,993 and the port number is 6.

(4) British built steamship named "Bonavista" and registered at Montreal in 1885. The official number of said steamship is 87,966 and the port number is 5.

Together with all the furniture, appliances and appurtenances to said steamers belonging as sold and transferred to the party of the first part by said "The Black Diamond Steamship Company of Montreal, Limited."

The above mentioned steamers are to be mortgaged by the party of the first part to said Trustee by separate instruments in writing which are to be recorded at Montreal, said steamers are included herein for the purpose of declaring the trusts upon which said Trustee is to hold the above mortgages upon said steamships and said trusts are declared to be the same as those hereinafter set out in these presents.

All those certain licenses to search for minerals other than gold, or gold and silver, over areas within the County of Cape Breton, which were assigned to the party of the first part by Henry M. Whitney and which were assigned to Henry M. Whitney by John White by assignment dated March 1st, 1893; being all those licenses applied for by said John White on the 21st and 24th days of January, 1893, and the 17th day of February 1893.

Saving and excepting, however, any mining areas, or leases thereof, ships or other property, real, personal or mixed, which may be hereafter acquired by the party of the first part from the proceeds of any bonds, debentures or other obligations hereafter issued by it in excess of the original authorized issue of three million dollars of bonds secured hereby.

TO HAVE AND TO HOLD the above granted property, privileges and franchises unto said The New England Trust Company, Trustee, its accessors in trust and assigns forever, but in trust nevertheless as security for the payment of the principal and interest of the bonds hereinafter described, and for the use and benefit of the person or persons, body or bodies, politic or corporate, who may hold any of said bonds or coupons, and for the purposes, and subject to the terms, conditions, provisions, covenants and stipulations herein expressed, to wit:—

ARTICLE I.

DEFAULT.

In case the party of the first part shall

(a) Make any default in the payment of either the interest or the principal of any one of the bonds or coupons secured by this mortgage, according to the terms thereof, whether demand for such payment be made at the office of said Trustee on the days such interest or principal becomes due, or at any time thereafter, and such default shall continue for ninety days after notice of such default shall have been given by said Trustee to the party of the first part; or

(b) In case the party of the first part shall fail to make any payment to the Trustee for the purpose of a sinking fund, at the time and in the manner set forth in Article III. hereof, and such failure shall continue for a period of ninety days after demand made by said Trustee upon the party of the first part for such payment; or

(c) In case the party of the first part shall at any time fail to pay to the Crown any sum which may become due as royalty under the terms of any leases of coal mining areas held by it, at the time when said sum becomes due, and such default shall continue until such time as the Governor-in-Council shall, in pursuance of the terms of any such lease, send notice of such default to the Trustee; or

(d) In case the party of the first part shall fail to pay any taxes, assessments or public charges, of any nature whatsoever, which may be lawfully levied upon the mortgaged property, privi-

leges or franchises by any public authority whatsoever, and such failure shall continue for a period of ninety days after the same become due or payable, or if the legality of any such taxes, assessments or public charges is disputed, then, in case such failure shall continue for a period of ninety days after they shall have been finally adjudged to be legally due or payable; or

(e) In case the party of the first part shall fail, upon demand, made by the Trustee, to execute and deliver to the Trustee such further deeds or conveyances as the Trustee may require for the better securing to the Trustee of the title to any property, powers or franchises now owned, or which may be hereafter acquired by the party of the first part, and which are intended to be covered by these presents, and such failure shall continue for a period of ninety days after such demand; or

(f) In case the party of the first part shall fail to perform any of the covenants upon its part to be performed, and herein contained, and such failure shall continue for a period of ninety days after notice of such failure served upon it by the Trustee; or

(g) In case the party of the first part shall do or omit to do any act or thing whereby, if such act or omission is continued, any lessee of coal mining areas covered by this mortgage may become lost or forfeited under the provision contained in such lease;

Then, in each of the cases mentioned in clauses a, h, c, d, e and f, upon the expiration of the period of time mentioned, and in the case mentioned in clause g, at once, upon the occurrence of any such act or omission, the Trustee may, in its discretion, or upon the written request of the holders of one-quarter part of the outstanding bonds secured by this mortgage, and upon being furnished with sufficient funds for that purpose, or indemnified to its reasonable satisfaction, it shall be its duty to proceed to the foreclosure of this mortgage. The Trustee shall, in all cases, whether acting on its own motion, or upon request as aforesaid, have the right to determine which of the methods of foreclosure, hereinafter set forth, or which are lawful under the laws of Nova Scotia, or elsewhere, where the property is situated, it shall adopt, and its decision upon this subject shall be conclusive.

(1) Said Trustee may enter and take possession of all the property, powers and franchises, of whatsoever nature, then subject to these presents, and thereupon said Trustee shall be entitled, without let or hindrance from the party of the first part, and through such officers and agents as it may appoint, to hold, manage, enjoy and

operate said mines, railwys, ships and other property, and receive the revenues, issues, tolls and profits thereof for the benefit of the bondholders, and to remove from the mines and sell coal or other minerals and to make needful repairs, alterations or improvements upon the mortgaged property, and in general to carry on and conduct the business theretofore carried on by the party of the first part, for the benefit of the bondholders, until all the bonds secured by these presents, together with the interest thereon, shall have been paid in full, or until such time as said Trustee shall sell said mortgaged property as next herein below provided; or

(2) The Trustee may, after default by the party of the first part as aforesaid, either with or without previously taking possession of said property, powers and franchises, sell the mortgaged property, rights and franchises, in whole or in part, at public auction to the highest bidder, at such times and places as it may designate, having first given sixty days' notice in writing of the time, place and terms of sale, to the party of the first part, and publishing such notice not less than five times a week for eight consecutive weeks in one or more newspapers of general circulation published in the cities of Halifax, Nova Scotia, and Boston, Massachusetts.

Said Trustee shall have the right to adjourn such sale or sales from time to time, in its discretion, giving reasonable notice of such adjournment, and shall have the right to make successive sales of portions of the mortgaged property remaining undisposed of at such sales.

Said Trustee is further authorized and empowered, in case of sale as aforesaid, and is hereby constituted the attorney irrevocable of the party of the first part, to execute and deliver in its own name, or in the name and under the seal of the party of the first part, such deeds, bills of sale or other instruments in writing and to do such other acts and things as may be necessary or proper to vest in the purchaser or purchasers at such sale or sales a valid title to the property, powers and franchises so sold, free from any rights of redemption of the party of the first part; the party of the first part hereby ratifying and confirming every such act or deed as said Trustee, either in its own name or as such attorney, shall lawfully do in the premises. Such sale or sales shall have a perpetual bar, both in law and in equity, against the party of the first part and all persons or corporations claiming by, through or under it; or

(3) Said Trustee may foreclose said property by proceedings and suit of foreclosure in any court of competent jurisdiction; and

It is hereby specially agreed by the party of the first part that, upon the defaults hereinbefore recited, upon the commencement of said proceedings of foreclosure and the filing of the bill or other proceedings, whether in law or equity, the Trustee shall be entitled to the appointment of a Receiver, without further notice to the party of the first part, who shall be entitled to the immediate possession of all the property covered by this mortgage. Said Trustee shall likewise be entitled to the specific enforcement of any and all covenants contained in this mortgage.

In case immediate action shall become necessary for the protection of the bondholders, it shall always be within the power of the Trustee, upon any of the defaults aforesaid, without waiting for the request of the bondholders, and it shall be its duty upon receiving the written request of the bondholders of one-quarter part of the bonds then outstanding, setting forth the necessity of such immediate action, and upon being provided with funds for this purpose, or indemnified to its reasonable satisfaction, to enter and take possession of the mortgaged property. But it is expressly understood that such obligation or action on the part of the Trustee shall only be required to be exercised when the exigency is immediate for the preservation of the rights of the bondholders, and that this entry may be made as a part of proceedings for sale, or the proceedings for foreclosure in the courts, and that in such case the Trustee shall not be called upon to, or obliged against its will to manage and work the property further than may be necessary for the protection of the bondholders, as aforesaid, but its duty shall be satisfied by simply performing such acts as may be necessary for the immediate protection of the interests of the bondholders, and the possession of the property shall be required to be held by said Trustee only so long and so far as may be essential for this purpose, and may be relinquished by said Trustee, when such purpose has been accomplished, by transferring said property to the Receiver, if appointed, or by one of the same, or otherwise, in the discretion of the Trustee.

At any sale or sales, whether made under the power of sale herein contained, or in pursuance of any foreclosure proceedings instituted by said Trustee, it shall be lawful for said Trustee, or for any one or more of the bondholders associated with said Trustee, to purchase any portion or all of the property so sold; and no purchaser at any such sale, except said Trustee, shall be obliged to see to the application of the purchase money.

The purchasers at any such sale or sales, in case they enter into the possession of the property purchased, are authorized, so far as the party of the first part has authority to confer such power, to organize themselves into a corporation in the manner provided in an act of the Legislature of Nova Scotia of the year 1898, entitled "An Act to Incorporate the Dominion Coal Company, Limited."

The proceeds received by the Trustee from the enjoyment and operation of the mortgaged property, in case it shall take possession, and also the proceeds from any sale or sales under the provisions hereof, shall be applied (1) to the reimbursement of the Trustee for all costs, charges and expenses incurred by it in connection with the management or operation of the mortgaged property, or in connection with said sales (including a reasonable compensation to the Trustee for its own services) and to the payment of all unpaid royalties which may have become due to the Crown under the terms of any leases of coal mining areas covered by this mortgage, beyond such amount as shall be paid out of the sinking fund mentioned in Article III, and of any other charges which are, or may have become, due in respect to the mortgaged property up to the date of sale, the non-payment of which would subject any portion of the property, powers or franchises covered by this mortgage to any forfeiture or to any liens having priority over these presents; and (2) to the payment of the principal of such of the bonds secured by this mortgage as may at that time be unpaid, whether the same shall have previously become due or not, and any interest which shall at that time have accrued on said bonds and be unpaid, without discrimination or preference, but ratably to the aggregate of said unpaid principal and accrued and unpaid interest added together; and (3) after the satisfaction of all the bonds secured hereby and the interest thereon, the surplus of such proceeds, if any, shall be paid over by said Trustee to the party of the first part.

In case of any default by the party of the first part as hereinbefore provided, it shall be the duty of the Trustee to declare the principal of all outstanding bonds to be due and payable, whether the same are then due according to their terms or not, and the same shall thereupon be and become at once due and payable.

Upon any such default and demand of possession by the Trustee, it shall be the duty of the party of the first part and its officers, agents and servants, without delay, to surrender and deliver to the Trustee all the mortgaged property, and also all books of account, records, deeds, leases, contracts and writings of whatsoever nature, relating to the business or property of the party of the

first part in order that said Trustee may be fully informed as to the nature, situation and management of the same; and to execute all such instruments in writing, and to do all such other acts and things as may be necessary or desirable to put the said Trustee in the actual possession and enjoyment of all the mortgaged property, and of the rights and franchises pertaining thereto and enjoyed therewith.

The powers conferred upon the Trustee by this article are not in substitution for such remedies, by way of foreclosure or otherwise, as may be conferred upon mortgages by the law of Nova Scotia, or by the law of any state or country where the mortgaged property may be, but are in addition thereto, and it shall be the duty of the Trustee, in case of default as aforesaid, to enforce this mortgage by such methods open to it as it shall deem for the best interests of the bondholders.

It shall be the duty of the Trustee, in case of any violation of these presents by the party of the first part, to serve forthwith such notice upon the party of the first part, or make such formal demand upon it as may be necessary under the provisions of sub-sections a, b, c and f, to establish a default and to entitle said Trustee to enter into the possession of the mortgaged property and commence foreclosure proceedings; but the Trustee shall not be held or required to give or serve such notice unless it is notified of such violation by a writing signed by at least one-twentieth of the holders of the bonds outstanding, and therein requested to serve such notice upon the party of the first part.

Any notice to or demand upon the party of the first part required to be given by these presents may be given to or made upon either the president or treasurer or any two directors of the party of the first part, and any such notice or demand so given or made shall be binding upon the party of the first part.

ARTICLE II.

BONDS.

The bonds to be secured by these presents are of even date herewith, aggregating in amount the sum of three million (3,000,000) dollars, are of the denominations of one thousand (1,000) dollars and five hundred (500) dollars, respectively, and bear interest at

six per centum per annum, payable semi-annually. The bonds of the denomination of one thousand dollars are numbered consecutively from one (1) upwards, and those of the denomination of five hundred dollars are numbered consecutively from A one (A1) upwards, and are of substantially the form following:—

DOMINION OF CANADA.

No.....

\$.....

PROVINCE OF NOVA SCOTIA.

DOMINION COAL COMPANY, LIMITED.

SIX PER CENT. FIRST MORTGAGE GOLD BOND.

The Dominion Coal Company, Limited, for value received, promises to pay to the bearer, or, in case of registration, to the registered owner hereof, the sum of _____ dollars, at the office of The New England Trust Company, in the City of Boston, State of Massachusetts, United States of America, in gold coin of the United States of America, of the present standard of weight and fineness, on the first day of March, 1918, with interest thereon in the meantime at the rate of six per centum per annum, payable semi-annually on the first days of March and September in each year, in like gold coin, at the same place, on the surrender of the annexed coupons.

This bond is one of a series issued and to be issued by the Dominion Coal Company, Limited, and is secured by a certain mortgage deed of trust dated the 25th day of April, 1893, conveying to said The New England Trust Company, as Trustee, all the property, revenues, privileges and franchises owned and enjoyed by the Company at the date of said mortgage, or which it may thereafter acquire, with the exceptions in said deed set forth, and will be valid only when authenticated by the certificate hereon of said Trustee, or its successor in said trust, that it is one of the series referred to in said mortgage.

Said mortgage provides for the creation of a sinking fund in the hands of said Trustee for the retirement of said bonds before maturity at one hundred and ten (110) and accrued interest.

This bond is subject to be called at one hundred and ten (110) and accrued interest before maturity, either by said Trustee, from the proceeds of said sinking fund, or by the Company, upon making payment to said Trustee for that purpose, and interest will cease to be payable on this bond, if it is called, from and after the date fixed in said call.

This bond shall pass by delivery, or, if registered, by transfer upon the books of The New England Trust Company, Transfer Agents, and after registration of ownership certified hereon by said The New England Trust Company, no transfer of this bond, except on the books of said The New England Trust Company, shall be valid, unless the last transfer is to bearer, which shall restore transferability by delivery, and this bond shall continue subject to successive registrations and transfers to bearer as aforesaid, at the option of each holder.

In case of registration as aforesaid, the coupons annexed hereto shall remain negotiable and transferable by delivery, unless the holder shall surrender the unpaid coupons for cancellation, in which case the interest, as well as principal, shall be payable to the registered owner hereof.

IN WITNESS WHEREOF, the said Dominion Coal Company, Limited, has caused these presents to be signed in its name and behalf, and its corporate seal to be hereto annexed, this 25th day of April, A. D. 1893, by its President, and to be counter-signed by its Treasurer, thereunto duly authorized.

.....President.

.....Treasurer.

COUPON.

No.....

\$.....

On the first day of _____ the DOMINION COAL COMPANY, Limited, will pay to the bearer at the office of The New England Trust Company, in the City of Boston, dollars, in gold coin of the United States of America, of the present standard of weight and fineness, being the interest due on bond No., unless said bond be previously called as provided therein.

TRUSTEE'S CERTIFICATE.

The New England Trust Company of Boston, hereby certifies that this bond is one of a series of bonds referred to in the mortgage deed of trust within mentioned.

All said bonds, whensoever issued, shall, when certified by said Trustee to be one of the series referred to within, be equally entitled to the security of these presents. One million, five hundred thousand dollars (\$1,500,000) in amount thereof will be issued upon the execution and recording hereof. Said party of the first part reserves the right to issue the remaining portion of said bonds, viz.: one million, five hundred thousand dollars (\$1,500,000) in amount, at such times and in such amounts as it may deem expedient, provided, however, that said remaining one million, five hundred thousand dollars (\$1,500,000) in amount of said bonds shall be issued only for the purpose of acquiring additional property which shall be made subject to the provisions of these presents.

Said balance of bonds shall be certified by the Trustee from time to time, as they shall be required by the directors of the party of the first part, and the vote or votes of such directors, stating the purpose as aforesaid for which said bonds are to be issued, and requesting their certification by the Trustee, shall be held a full and sufficient warrant for such certification, and shall relieve the Trustee from any and all further liability in the premises.

ARTICLE III.

SINKING FUND.

The party of the first part shall, annually, on or before the 17th day of April in each year, pay to said Trustee, for the purposes of a sinking fund, an amount of money based upon the whole number of tons of coal upon which royalties have for the preceding year become due from the party of the first part to the Crown under the provisions of the leases of coal mining areas from time to time held by it.

The first annual payment after the date of this mortgage to be made on or before the 17th day of April, 1894, shall be a sum equal

in two cents per ton upon the whole number of tons of coal upon which such royalties have become due for the preceding year.

The second annual payment shall be a sum equal to three cents per ton computed as aforesaid.

The third annual payment shall be a sum equal to four cents per ton, computed as aforesaid, and the fourth, and all succeeding annual payments shall be a sum equal to five cents per ton, computed as aforesaid.

The party of the first part shall continue to make said annual payments until all the outstanding bonds secured by these presents shall have either been purchased or called as hereinafter provided, at which time the obligation of the party of the first part to make any further payments shall cease, without regard to whether the bonds called have been presented for payment or not.

The amounts so paid to said Trustee, including the one hundred and twenty-five thousand dollars and the two hundred and fifty thousand dollars next hereinbelow mentioned shall be invested by it in such securities as may be mutually agreed upon between it and the party of the first part, and shall, with the accumulations thereon, constitute a sinking fund to be used by said Trustee for the purposes set forth in this article.

Said Trustee shall reserve out of said sinking fund, and shall keep in its hands during the continuance of this mortgage the sum of one hundred and twenty-five thousand (125,000) dollars, which amount shall be increased to two hundred and fifty thousand (250,000) dollars in case the number of tons of coal upon which royalties become due to the Crown under the provisions of all of the leases of coal mining areas held by the party of the first part exceeds two and one-half million tons for any yearly period ending April 10th; said sum so reserved to be used by said Trustee for the purpose of paying royalties due to the Crown under the leases covered by this mortgage, in the event and in the manner following:—

In case of any default by the party of the first part, entitling the Trustee to enter into the possession of the mortgaged property, under the provisions of Article I of these presents, it shall be the duty of said Trustee, either before or after taking possession, to use all or such portion of said sinking fund so reserved in its hands, as may be necessary for the payment of any royalties which may then be due to the Crown from the party of the first part, under any lease or leases of coal mining areas covered by this mortgage, or

which may thereafter become due under any such lease or leases, so far as such payment may be necessary to protect said lease or leases from forfeiture, pending foreclosure proceedings, or while said Trustee, or any Receiver appointed as part of such foreclosure proceedings, is in possession of the mortgaged property.

In case of the sale of the mortgaged property, under the provisions of these presents or otherwise, for default of the party of the first part, any portion of said sinking fund which shall not have been used for the payment of royalties as aforesaid shall be applied to the payment of the outstanding bonds secured by these presents, together with the interest thereon, in the same manner as the proceeds of the sale of the mortgaged property as provided in Article I hereof.

If the party of the first part makes no default under the provisions of Article I hereof, then said sum so reserved shall, after all the outstanding bonds secured by these presents have been purchased or called, be repaid to the party of the first part, unless it shall be applied to the payment of such bonds in the manner herein provided, in case of a call by the party of the first part.

Any excess of said sinking fund over the amount so to be reserved in the hands of said Trustee, as above provided, shall be annually applied by said Trustee to the purchase of such of the bonds secured by this mortgage as can be most cheaply purchased, at a price not exceeding one hundred and ten (110) and accrued interest, through proposals to sell after notice, which notice it shall be the duty of the Trustee to publish in one or more newspapers of general circulation in Halifax and in Boston; and failing to obtain sufficient bonds to exhaust such excess, the Trustee shall, as soon as may be thereafter, proceed to draw by lot such an amount of bonds as shall be requisite to exhaust as nearly as may be the excess in its hands at that time applicable to the purchase of said bonds, and shall thereupon give notice by public advertisement to be inserted twice a week for two successive weeks in one or more daily newspapers published in Halifax and in Boston, stating the numbers of the bonds so drawn and that the principal of said bonds will be paid at par and ten per cent. premium, together with accrued interest, on presentation to the Trustee. Interest upon any bond so called shall cease to be payable from and after the date fixed in any such call.

The party of the first part may at any time, upon payment to said Trustee of a sum of money which is, together with so much of the sinking fund as may then be in the hands of said Trustee

including the amount reserved for the payment of royalties, sufficient in amount to pay all the outstanding bonds secured by these presents at par, together with ten per cent. premium and accrued interest, and upon giving notice of such call in the same manner as required of said Trustee, call for payment before maturity, all of the outstanding bonds secured by these presents, at par, together with ten per cent premium and accrued interest, and thereafter the moneys so paid to said Trustee, together with the sinking fund, including the amount reserved for the payment of royalties, shall stand in lieu of the security of this mortgage and be applied by said Trustee to the payment of said bonds upon presentation, at one hundred and ten and accrued interest. And it shall be the duty of said Trustee, in case of such call and payment to it, to execute to the party of the first part a sufficient release of the mortgaged property from the lien of these presents. In case of such call by the party of the first part, interest shall cease to be payable on said bonds from and after the date fixed in such call.

After all the bonds secured by these presents have been purchased or called, no further payments to said Trustee on account of said sinking fund shall be required, and any excess of said sinking fund in the hands of said Trustee which has not been exhausted in the purchase or payment of said bonds, shall be repaid to the party of the first part. All bonds acquired by said Trustee, by purchase or by payment after call as aforesaid, shall be cancelled, and no other bonds shall be issued in their place.

Said Trustee is hereby authorized and empowered, from time to time, as any portion of the sinking fund is required for the purposes of this article, to sell, at public or private sale, and in such manner as it may deem expedient, all or any portion of the securities in which any portion of the sinking fund may be, from time to time, invested.

All sums of money which are payable under the provisions of this article are declared to be payable in gold coin of the United States of America, of the present standard of weight and fineness.

The party of the first part hereby covenants that it will, at its own proper charge and expense, furnish said Trustee on or before the tenth days of January, April, July and October, in each year a duplicate of the return sent by it to the Commissioner of Public Works and Mines, specifying the amount of royalty which has accrued upon the coal extracted by it from its mines during the previous quarter, and said Trustee shall be under no obligation to make any further inquiry as to the number of tons of coal

mined as aforesaid, provided, however, that said Trustee shall not be barred by such returns from requiring payment into the sinking fund to be made upon the basis of the true number of tons, if such returns are in fact erroneous.

ARTICLE IV.

POSSESSION OF PROPERTY BEFORE DEFAULT.

Until the party of the first part shall make default as provided in Article I of these presents, it shall be permitted to remain in the possession of the mortgaged property, including all property, real, personal and mixed, of every sort and nature, choses in action, stocks, bonds, contracts and options as hereinbefore described and set forth, with full right to use and make profit from the same. It may also, by authority of its board of directors, in the usual course of business, but not otherwise, without said Trustee's consent, sell or dispose of, free from the lien of these presents, the coal which it may from time to time remove from its mines.

It may also, without such consent, in the usual course of its business but not otherwise, sell or dispose of, free from the lien of these presents, any such personal property used by it in connection with its mining operations or its railways or steamship lines, as may, for any reason, have ceased to be requisite for the purposes of the party of the first part, or which the party of the first part may desire to replace by similar property; provided, however, that it shall not without the written consent of said Trustee, sell or dispose of in any one transaction any such property of which the value exceeds ten thousand dollars; and provided, also, that it shall not without such consent, sell or dispose of any lease of coal mining areas or any ship, nor shall it without such consent sell or dispose of any property whatsoever, essential to the management or operation of its mines, railways or steamship lines.

It may with the written consent of said Trustee, but not otherwise, except as above provided, sell for a reasonable price, exchange or dispose of, free from the lien of these presents, any of the property covered by this mortgage, provided, however, that such property is replaced by other property of an equal value, which shall be subject to the terms of this mortgage, or its proceeds applied to the improvement of the mortgaged property or to the payment of outstanding bonds secured hereby.

Said Trustee shall have the right as a condition of its assent to any such sale, exchange or other disposition, to exact such conditions as it may deem desirable in order to secure a compliance by the party of the first part with the above provision.

The said Trustee shall, in case the party of the first part desires to surrender all or a portion of the coal mining leases covered by this mortgage in exchange for a new lease or leases to be issued to it under the provisions of section 156 of chapter one of the acts of the Legislature of Nova Scotia for the year 1892, entitled "An Act to amend and consolidate the acts relating to mines and minerals," and of an act of the Legislature of Nova Scotia of 1893, entitled "An Act for the Further Encouragement of Coal Mining," do all such acts and things as may be necessary, so far as the Trustee is concerned, to enable the party of the first part to surrender such leases and obtain a new lease or leases in place thereof, and such new lease or leases shall be subject to the provisions hereof, and the Trustee shall have the right to exact such conditions as it may deem necessary to secure a compliance with this stipulation. The Trustee shall be under no responsibility whatever as to the propriety or advisability of such surrender.

Said party of the first part hereby covenants with said Trustee that it will not use the mortgaged property nor any portion thereof, in any way so as to materially impair the security created by these presents, nor will it commit waste thereof, nor attempt to remove or place the same beyond the reach of said Trustee, nor will it do or omit to do any act or thing whereby its property, leases, privileges, or franchises may become lost or become subject to forfeiture.

ARTICLE V.

TAXES AND FURTHER ASSURANCE.

The party of the first part covenants with said Trustee that it will pay all valid taxes, assessments and public charges, of whatsoever nature, which may from time to time be levied upon it, or its property, by any public authority whatsoever; and further covenants and agrees that it will keep the mortgaged property free from any liens or incumbrances which are, or may become, entitled to priority over this mortgage.

The party of the first part further covenants with said Trustee that it will, from time to time, upon the request of said Trustee, execute and deliver to it such further conveyances or transfers as said Trustee may deem advisable in order to confer upon said Trustee the full legal title to any property now owned or which may be hereafter acquired by the party of the first part, saving and excepting any property which may be acquired with the proceeds of any additional issue of bonds as hereinbefore provided, beyond the three million dollars (\$3,000,000) in amount of bonds to be secured hereby.

And the party of the first part covenants with said Trustee that it will, from time to time, upon the written request of said Trustee, furnish it with a written statement of all property acquired by the party of the first part since the date of this mortgage or since the date of the last preceding statement which may have been so rendered.

ARTICLE VI.

WARRANTY.

The party of the first part covenants with said Trustee that it has good title, full power and lawful authority to sell and convey the property, real, personal and mixed, and franchises, privileges and revenues hereby conveyed or purporting to be conveyed; and that it will warrant and defend the same and every part thereof unto the said Trustee against the lawful claims of all and every person or persons claiming or to claim the same.

ARTICLE VII.

DUTIES OF TRUSTEE.

Said Trustee shall not be responsible or liable for any destruction, injury or damage to the property hereby mortgaged by the said party of the first part, or by any other person or persons whomsoever, or for any cause or accident whatsoever; neither shall said Trustee be or become responsible for any exercise of judgment or discretion in any matter or thing as aforesaid; nor shall said Trustee be responsible for any moneys or properties, except such

as shall come into its hands or possession; nor shall said Trustee be responsible or liable for any other matter or thing, except its own willful neglect or for willful breach of the trust herein and hereby created.

It shall have the power to employ such legal and other assistance in the carrying out of the purposes of this trust as it shall deem necessary, and shall not be responsible for the negligent acts of any counsel or agent employed by it when such counsel or agent shall be selected in good faith, and it shall have power to refer any matter of dispute between itself and the party of the first part, or any other persons, arising out of the execution of said trust, to the arbitration of three disinterested persons, one to be chosen by said Trustee, one by the party of the first part, or such other persons, and the third by the two so chosen; and the award of such arbitrators, or a majority of them, shall be final and conclusive in respect of the matters submitted to their determination.

And it is further understood and agreed that said Trustee accepts the trusts hereby created upon the express condition that it shall not be held liable for any failure of title in the premises hereby conveyed, nor for any recital of facts contained in this instrument, the same being a recital of the mortgagor and not of the trustee, nor for the sufficiency of this instrument or the security herein provided. But it shall be the duty of said Trustee to see that said mortgage is properly registered and recorded in the office of the Commissioner of Public Works and Mines, and that the address of said Trustee is also there registered. The Trustee shall be entitled to be reimbursed for all its proper outlays of every sort or nature, incurred in the discharge of this trust, and shall be entitled to advise with counsel, and to be reimbursed all fees paid therefor, and to receive a reasonable and proper compensation for any duty or service it may perform.

The Trustee shall not be required to take measures for the enforcement or foreclosure of this mortgage, or any covenant contained therein, until furnished with funds for the purpose, or indemnified to its reasonable satisfaction, and said expenses and compensation, if not paid by the bondholders, shall be paid by the party of the first part, and if not so paid, shall be payable from the trust estate, upon which they are hereby charged as a first lien.

Said Trustee, until called upon to take active measures to enforce the security, by foreclosure or otherwise, with due indemnity, shall be in no way responsible for insurance, taxes or repairs, or any other matter affecting the security; and in general it is under-

stood that prior to being so called upon, its duty is confined to such matters as are specifically mentioned in this indenture.

In all cases of any instructions or requests by the bondholders to the Trustee, the same shall be in writing, and the Trustee shall have the right to demand proof of the ownership or legal holding of the bonds, the alleged holders or owners of which claim the right hereunder to instruct or request; or the Trustee may require deposit of said bonds.

In any event, the Trustee shall be justified in dealing with the persons presenting bonds as the true owners.

In case of a vacancy occurring in the office of the Trustee, hereby created, the party of the first part, or any of the holders of the bonds secured hereby, shall be at liberty to apply to the Supreme Court of Nova Scotia, or to a judge thereof, to appoint a new Trustee or Trustees, after giving notice of such intention to apply, by advertising three times a week for two weeks in one or more daily newspapers in each of the cities of Halifax and Boston, aforesaid, and such court or judge may, on such application, appoint such new Trustee or Trustees.

ARTICLE VIII.

If the party of the first part shall well and truly pay and discharge all the principal and interest of said bonds, at the times and in the manner therein specified, and shall well and truly do and perform all and every other of the matters and things on its part to be done and performed, and herein set forth, then and in such case, these presents shall become void, and the estate, right and title of said Trustee, hereby created, shall utterly cease and determine, and it shall forthwith execute to the party of the first part a good and sufficient release in law of this indenture and the charge hereby created, and shall restore and surrender up possession to the party of the first part of any property of the said party of the first part of which it may have taken possession and shall not have sold under and by virtue of this indenture. But otherwise, and until such payment and performance, this indenture shall be and remain in full force and virtue.

IN WITNESS WHEREOF, the said DOMINION COAL COMPANY, Limited, has to these presents and to three other instruments of like tenor and effect, caused its corporate seal to be

affixed and said instruments to be executed in its name and behalf by Henry M. Whitney, its President, and to be countersigned by John S. McLennan, its Treasurer, thereunto duly authorized, all on this twenty-fifth day of April, A. D. 1893; and the said Trustee has likewise caused its corporate name to be subscribed by William Endicott, Jr., its President, and its corporate seal to be affixed by Nathaniel H. Henchman, its Secretary, and also to said three other instruments of like tenor and effect.

Witness to all four (4) signatures,

FREDERIC TUDOR, Jr.,

95 Milk St., Boston, U. S. A.

Occupation, Clerk.

DOMINION COAL COMPANY, LIMITED, by

HENRY M. WHITNEY, *President.*

Countersigned

J. S. McLENNAN, *Treasurer.*

SEAL.

NEW ENGLAND TRUST CO., by

WILLIAM ENOICOTT, JR., *President.*

NATHANIEL H. HENCHMAN, *Secretary.*

SEAL.

COMMONWEALTH OF MASSACHUSETTS.

SUFFOLK ss. U.S.A.

Boston, 2d May, A.D. 1893.

Then personally appeared Frederic Tudor, Jr., the subscribing witness to the within and foregoing Indenture, and made oath, before me, that the Dominion Coal Company, Limited, and The New England Trust Company, as Trustee, the parties hereto, severally signed, sealed and delivered the same, in his presence.

[L. S.] W. H. STUART,

British Vice-Consul.

OFFICE OF REGISTRY OF DEEDS,

CAPE BRETON SS.

SYDNEY, C. B., April 12, 1902.

I certify that the foregoing is a true and correct copy of the Deed in Trust from the Dominion Coal Company, Limited, to the New England Trust Company (saving and excepting thereout the descriptions of the lands therein described), registered in this office on the 8th day of May, 1893, in Book 57, on pages 321 to 402, inclusive; and also filed in this office and numbered 2640.

JNO. GILLIS,
Regr. of Deeds.

OFFICE OF THE COMMISSIONER OF PUBLIC WORKS AND MINES,

HALIFAX, N. S., May 10, A. D. 1893.

I hereby certify that a duplicate, original of the annexed and accompanying mortgage of the Dominion Coal Company, Limited, to the New England Trust Company, dated the 25th day of April, A. D. 1893, was filed in this office on the 5th day of May, A. D. 1893, and that the said mortgage was registered on the 9th day of May, A. D. 1893, in Coal Lease Register Book No. 2, page 187. I further certify, that the making of said mortgage was ratified, and assented to by the Governor-in-Council, by order in Council, dated the 9th day of May, A. D. 1893. I further certify, that the post-office address of the said "The New England Trust Company," the Trustee named in said mortgage to wit: "The corner of Devonshire and Water Streets, Boston, County of Suffolk, State of Massachusetts, in the United States of America," was duly registered in this office, on the 5th day of May, A. D. 1893.

(Signed)

CHARLES E. CHURCH,

Commissioner of Public Works and Mines.

SEAL OF COMMISSIONER
OF PUBLIC WORKS AND
MINES, PROVINCE OF
NOVA SCOTIA.

SUPPLEMENTARY DEED OF TRUST
OF
DOMINION COAL COMPANY, LIMITED,
TO
THE NEW ENGLAND TRUST COMPANY.

WHEREAS, the Dominion Coal Company, Limited, did on April 25th, 1893, convey and assign in mortgage to The New England Trust Company as Trustee certain property, real, personal and leasehold, to secure the payment of interest and principal of certain bonds, particularly described in said mortgage indenture, to which mortgage indenture reference is hereby made;

AND WHEREAS it was at the date of said mortgage indenture the intention of said Dominion Coal Company, Limited, that certain properties known as the Sydney and Louishurg properties should be conveyed by said Dominion Coal Company, Limited, to said The New England Trust Company as trustee, to further secure the payment of the principal and interest of said bonds as aforesaid as soon as the said property should be acquired by said Dominion Coal Company, Limited;

AND WHEREAS the said Dominion Coal Company, Limited, has since the said 25th day of April, 1893, obtained the title to and become possessed of said Sydney and Louishurg premises and property, and is desirous of conveying the same in mortgage to said The New England Trust Company as security for the payment of interest and principal of said bonds, in accordance with the intention of said Dominion Coal Company, Limited, as aforesaid; to be held by the said The New England Trust Company upon the same trusts, conditions and agreements as are expressed in said mortgage indenture of April 25th, 1893, in relation to and as applicable to the property therein set forth, transferred and conveyed, as if the said property herein after set forth had been expressly mentioned and described in said mortgage indenture of April 25th, 1893;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the Dominion Coal Company, Limited, a corporation organized and

existing under the laws of the Province of Nova Scotia, in consideration of the premises and of one dollar to it in hand paid by The New England Trust Company of Boston, in the Commonwealth of Massachusetts and United States of America, a corporation organized and existing under the laws of said Commonwealth, the receipt of which is hereby acknowledged, and to secure the payment of the interest and principal of the bonds described in said mortgage indenture according to their terms and effect, doth, in pursuance of every power and authority it thereto enshling, hereby give, grant, bargain, sell and convey, assign and transfer, set over and deliver unto the said The New England Trust Company, Trustee, and its successors in said trust, all and singular the following described mining tenements, and the lease and leases covering the same, and the following mines, lands, premises and property, viz. :

(A) Certain coal mining areas described and included in the lease issued by her Majesty the Queen to the said Dominion Coal Company, Limited, dated April 1, 1893, which areas were formerly held by the Sydney and Louisburg Coal and Railway Company, Limited, and which areas and leases covering the same were described in the conveyance of said Sydney and Louisburg Coal and Railway Company to the Dominion Coal Company, Limited, as follows :

(Here follows description of property.)

(B) Certain land and premises, with the buildings thereon, situated in the County of Cape Breton, in the Province of Nova Scotia, being the land and premises conveyed to the said Dominion Coal Company, Limited, by the said Sydney and Louisburg Coal and Railway Company, Limited, viz. :

(Here follows description of property.)

(C) All the railway, tracks, offsets, sidings, switches, road-bed, cars, engines, stations, railroad appliances and franchisees formerly owned by the Sydney and Louisburg Coal and Railway Company, Limited, and bargained and sold by them to said Dominion Coal Company, Limited.

Or however otherwise said leasehold areas and said lands and premises, and said property, may be bounded and described.

Intending hereby to convey and transfer, and hereby conveying and transferring, all the property formerly owned or possessed by the said Sydney and Louisburg Coal and Railway Company, Limited, and conveyed, transferred, acquired or sold by it to the said Dominion Coal Company, Limited.

TO HAVE AND TO HOLD the above granted premises, privileges, leases and franchises to The New England Trust Company, Trustee, its successors in the trust and assigns forever; but in trust nevertheless as security for the payment of the principal and interest of the bonds above described, and for the use and benefit of the person or persons, body or bodies, public or corporate, who may hold any of said bonds or interest coupons thereon, and for the purposes and subject to the terms, conditions, provisions, covenants and stipulations in said mortgage indenture of April 25th, 1893, expressed.

It is understood and agreed that the various provisions of said indenture of mortgage, including the provisions as to the sinking fund and as to the duties and exemptions of the Trustee, and all other provisions, conditions and stipulations, shall be applicable to the property herein mortgaged as fully and completely as if they were herein set forth and repeated.

IN WITNESS WHEREOF the said Dominion Coal Company, Limited, has to these presents and to two other instruments of like date and tenor caused its corporate seal to be affixed and these presents to be signed in its behalf by Henry M. Whitney, its President, and countersigned by John S. McLennan, its Treasurer, thereunto duly authorized; and said The New England Trust Company, Trustee, has likewise to these presents and to two other instruments of like date and tenor caused its corporate seal to be affixed and these presents to be signed in its behalf by David R. Whitney, its Actuary, and Charles W. Merrill, its Assistant Secretary, thereunto duly authorized.

Signed, sealed and delivered in presence of

WILLIAM A. GASTON to all four signatures.

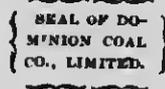
Address, 587 Beacon St., Boston, Mass.

Occupation, Lawyer.

DOMINION COAL COMPANY, LIMITED, by

HENRY M. WHITNEY, *President.*

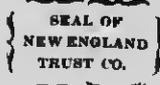
Countersigned by JOHN S. McLENNAN, *Treasurer.*



THE NEW ENGLAND TRUST CO., by

DAVID R. WHITNEY, *Actuary.*

CHARLES W. MERRILL, *Assistant Secretary.*



COMMONWEALTH OF MASSACHUSETTS.

SUFFOLK, ss.

BOSTON, June 9, 1893.

Then personally appeared William A. Gaston, who, being sworn, says that the above named Dominion Coal Company, Limited, and The New England Trust Company, Trustee, duly signed the above indenture in his presence.

[L. S.] W. H. STEWART, *British Vice-Consul,*
BOSTON, MASS., U.S.A.

OFFICE OF COMMISSIONER OF PUBLIC WORKS AND MINES.

HALIFAX, June 11, 1893.

I, Charles E. Church, Commissioner of Public Works and Mines, in and for the Province of Nova Scotia, do hereby certify that the post-office address of the New England Trust Company, the Trustee named in the within mortgage, has been filed in this office, and that such address is "Corner of Devonshire and Water Streets, in Boston, in the United States of America."

[SEAL]

CHARLES E. CHURCH,
Commissioner of Public Works and Mines.

PROVINCE OF NOVA SCOTIA.

CAPE BRETON SS.

OFFICE OF REGISTRY OF DEEDS.

SYDNEY, June 12, 1893.

I certify that a duplicate original of this instrument was registered in this office at ten o'clock, p. m., of this day, in Book No. 57, on pages 464 to 490, on the certificate of W. H. Stewart, British Vice-Consul, pursuant to law; and I further certify that the said instrument was duly filed in this office at ten o'clock, p. m., and numbered 2657.

JNO. GILLIS, *Regr. of Deeds.*

OFFICE OF THE COMMISSIONER OF PUBLIC WORKS AND MINES,

HALIFAX, June 16, 1893.

I, Charles E. Church, Commissioner of Public Works and Mines, in and for the Province of Nova Scotia, do hereby certify that a duplicate original of the within mortgage was filed in this office, on the twelfth day of June, A. D. 1893. I also certify that the Governor-in-Council, by order dated the thirteenth day of June, A. D. 1893, certified said mortgage, and I hereby signify the same under my hand and seal.

[SEAL]

CHARLES E. CHURCH,
Commissioner of Public Works and Mines.

SUPPLEMENTARY MORTGAGE
OF
DOMINION COAL COMPANY, LIMITED,
TO
THE NEW ENGLAND TRUST COMPANY.

WHEREAS, Dominion Coal Company, Limited, did on April 25th, 1893, convey and assign in mortgage, to The New England Trust Company, as Trustee, certain property, real, personal and leasehold, to secure the payment of interest and principal of certain bonds, particularly described in said Mortgage Indenture, to which Mortgage Indenture reference is hereby made; and

WHEREAS said Dominion Coal Company, Limited, has, with the consent of said The New England Trust Company, sold and conveyed certain of its lands and premises in the County of Cape Breton of the value of \$156,375, and has in accordance with the terms of said Mortgage as contained in Article IV thereof, agreed to replace said lands and premises with property of an equal value; and

WHEREAS said Dominion Coal Company, Limited, has lately acquired certain Real Estate and Personal Property hereinafter set forth, of the aggregate value of \$193,215, and in pursuance of said agreement, is desirous of conveying the same by Mortgage to said The New England Trust Company, as security for the payment of Interest and Principal of said Bonds, to be held by said The New England Trust Company upon the same trusts, conditions and agreements as are expressed in said Mortgage Indenture of April 25th, 1893, in relation to and as applicable to the property hereinafter set forth, transferred and conveyed, as if the said property hereinafter set forth, had been expressly mentioned and described in said Mortgage Indenture of April 25th, 1893.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that said Dominion Coal Company, Limited, a corporation organized and existing under the Laws of the Province of Nova Scotia, in consideration of the premises and of the sum of one dollar to it in hand well and truly paid by said The New England Trust Com-

pany, of Boston in the Commonwealth of Massachusetts and United States of America, a corporation organized and existing under the laws of said Commonwealth, the receipt of which is hereby acknowledged, and to secure the payment of the Interest and Principal of the Bonds described in said Mortgage Indenture according to their terms and effects, doth, in pursuance of every power and authority it thereto enabling, hereby give, grant, bargain, sell and convey, assign and transfer, set over and deliver unto said The New England Trust Company, Trustee, its successors in said Trust, and assigns, all and singular the following described lands and premises and personal property, viz:—

ALL those certain lots, pieces and parcels of land situate, lying and being at Loulsburg in the County of Cape Breton, which lands and premises are fully described and set forth in Schedule "A" hereto annexed, and the buildings, hereditaments, easements and appurtenances to the same belonging and the reversions, remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand of said Dominion Coal Company, Limited, of, in or to the same. Also, all that certain personal property, machinery and plant, set out and described in Schedule "B" hereto annexed.

TO HAVE AND TO HOLD the said granted land and premises and personal property to the said The New England Trust Company, Trustee, its successors in said trust, and assigns forever: but in trust nevertheless, as security for the payment of the principal and interest of the bonds above described, and for the use and benefit of the person or persons, body or bodies, public or corporate, who may hold any of said bonds or interest coupons thereon, and for the purposes and subject to the terms, conditions, provisions, covenants and stipulations in said Mortgage Indenture of April 25th, 1893, expressed.

It is understood and agreed that the various provisions of said Indenture of Mortgage, including the provisions as to the Sinking Fund and as to the duties and exemptions of the Trustee, and all other provisions, conditions and stipulations, shall be applicable to the property herein mortgaged as fully and completely as if they were herein set forth and repeated.

IN WITNESS WHEREOF said Dominion Coal Company, Limited, has to these presents caused its corporate seal to be affixed and these presents to be signed on its behalf by Henry M. Whitney, its President, and countersigned by John S. McLennan, its Trea-

snrer, thereunto duly authorized on this twenty-ninth day of May, A. D. 1901, and said The New England Trust Company has likewise caused its corporate seal to be affixed and these presents to be signed on its behalf by William Endicott, its President, and Nathl. H. Henchman, its Secretary, thereunto duly authorized, on this eighth day of July, A. D. 1901.

Signed, sealed and delivered in the presence of	}	DOMINION COAL COMPANY, LIMITED,
		(Sgd) By HARRY M. WHITNEY, (L.S.) President.
(Sgd) B. L. EATON.	}	(Sgd) JOHN S. McLENNAN, Treasurer.
Witness	}	THE NEW ENGLAND TRUST COMPANY,
(Sgd)		(Sgd) By WILLIAM ENDICOTT, (L.S.) President.
FREDERICK W. ALLEN	Attest.	(Sgd) N. H. HENCHMAN, Secretary.

SCHEDULE "A".

[Here follows description of Real Estate.]

SCHEDULE "B".

[Here follows description of Personal Property.]

COMMONWEALTH OF MASSACHUSETTS }
COUNTY OF SUFFOLK, S. S.

I, Felix Schoenthal, Notary Public, in and for the Commonwealth of Massachusetts, by lawful authority, duly commissioned and sworn, residing and practising in the City of Boston, in the County of Suffolk, in the Commonwealth of Massachusetts, do hereby certify that on this tenth day of June, 1901, personally came and appeared before me at the City of Boston, B. L. Eaton, the subscribing witness to the foregoing Indenture, who having been by me duly sworn, made oath and said that the same was executed in her presence by the Dominion Coal Company, Limited, by Henry M. Whitney, its President, and John S. MacLennan, its Treasurer,

and by the Corporate Seal of the said Dominion Coal Company, Limited, being affixed thereto by Henry M. Whitney, President.

IN TESTIMONY WHEREOF, I, the said Notary Public, have hereunto subscribed my name and affixed my Notarial Seal at the said City of Boston, this tenth day of June, in the year of our Lord, one thousand nine hundred and one.

(L.S.) (Sgd.) FELIX SCHOENTHAL,
Notary Public.

COMMONWEALTH OF MASSACHUSETTS }
COUNTY OF SUFFOLK, S. S. }

I, Foster M. Hooper, Notary Public, in and for the Commonwealth of Massachusetts, by lawful authority duly commissioned and sworn, residing and practising in the City of Boston, County of Suffolk, in the Commonwealth of Massachusetts, do hereby certify that on this eighth day of July, 1901, personally came and appeared before me at the City of Boston, Frederick W. Allen, the undersigned witness to the foregoing Indenture, who having been by me duly sworn, made oath and said that the same was executed in his presence by The New England Trust Company, by William Eodcott, its President, and N. H. Hochmao, its Secretary, and by the corporate seal of The New England Trust Company being affixed by

IN TESTIMONY WHEREOF, I the said Notary Public have hereunto subscribed my name and affixed my Notarial Seal at the City of Boston, this eighth day of July, in the year of our Lord, one thousand nine hundred and one.

(L.S.) (Sgd.) FOSTER M. HOOPER,
Notary Public.

CAPE BASTON, S.S.

REGISTRY OF DEEDS OFFICE,

SYDNEY, April 12th, 1902.

I certify that the foregoing is a correct copy of the Mortgage from The Dominion Coal Company, Limited, to the New England Trnst Company, Trustee, as the same is registered in this office, on the 11th day of June, 1901, in Book 97, on pages 199 to 203 inclusive.

JNO. GILLIS,
Regr. of Deeds.

AN ACT TO INCORPORATE THE DOMINION COAL COMPANY, LIMITED,

Being Chapter 145 of the Statutes of Nova Scotia for the year 1893.

Passed the 1st day of February, A. D. 1893.

Be it enacted by the Governor, Council, and Assembly, as follows:

1. Henry M. Whitney of Boston, Henry F. Dimock of New York, Frank G. Webster of Boston, Fred. S. Pearson of Boston, and William B. Ross of Halifax, and such other persons as they in writing may associate with them, their successors, associates, assigns, and such other persons as may become share or stockholders in the company hereby created, are hereby constituted a body corporate, by the name of the "Dominion Coal Company, limited," with a common seal, and shall be hereafter referred to as "The Company."

2. The objects of the company shall be as follows:

(a) To mine, quarry, work, mill and prepare for sale by any process, and to carry, sell and deal in coal, coke, ironstone, copper, and copper ores, manganese, and other minerals, clays, or mineral substances, and generally to carry on the trades of mine and coal owners, iron masters, founders, smelters of metals, quarrymen, ore and metal dealers, and to transport on land and on water from places in the province of Nova Scotia, freight and passengers.

(b) To purchase or acquire any interest in, and to hold, use or occupy any lands, buildings, coal and other mines, minerals, mining or other rights, easements, or privileges, and the company may sell and convey the same by deed or deeds with the usual covenants.

(c) To let or sub-let for building, mining or any other purpose any property, and to give and grant any rights, licenses, easements or privileges.

(d) To construct, purchase, alter or maintain, or to contribute to the purchase, construction, alteration, or maintenance of any building, railway, tramway, wire rope tramway, canal, wharf, bridge, pier, road, or other work calculated to afford any facility in carrying on or extending the business of the company, and to

operate such railway, tramway, wire rope tramway, and other works by steam, electricity, or other motive power.

(e) To purchase, hire, construct, or manufacture for use in connection with any business of the company, any ships, barges, rolling stock, machinery, or plant.

(f) To acquire any exclusive right in letters patent, franchises or patent rights, or privileges, or lands in connection with the business of the company.

(g) To farm any land held by the company, and for that purpose to buy, sell, and deal in any farming stock or produce.

(h) To construct and maintain telegraphs and telephones, and to carry on the business of a telegraph and telephone company on the line of their works and railways, or otherwise.

(i) To acquire the good will of any business within the objects of the company, and any lands, privileges, rights, and contracts appertaining to the same, and in connection with any such purchase to undertake the liabilities of any company, association, partnership or person.

(j) To sell or otherwise dispose of the whole or any branch or part of the business or property of the company to any company carrying on, or formed for the purpose of carrying on, any objects similar to those of the company hereby incorporated.

(k) To acquire by original subscription or otherwise, and to hold, sell, mortgage or otherwise dispose of shares, stocks, whether common or preferred, debentures, debenture stocks, bonds and other obligations of any company carrying on, or formed for carrying on, any trade or business within the objects of the company.

(l) To apply from time to time any part of the funds, stock, whether common or preferred, bonds, debentures, and other obligations of the company, for any purpose of the company.

(m) To purchase, lease, or otherwise acquire, hold, and enjoy all the property, franchises, rights and privileges held or enjoyed by any other company or companies carrying on any business similar to that which this company is authorized to carry on under the provisions of its charter or otherwise; and such other companies are hereby authorized and empowered, by a vote of a majority in interest of such of their stockholders, and all persons legally entitled to vote at meetings of the company, as shall be present in person or by proxy at a meeting of the stockholders called for that purpose, to

sell, mortgage, lease, or otherwise dispose of such property, franchises, rights or privileges unto this company as fully and effectually as if the said other companies were empowered so to do by a special Act of the legislature of the province of Nova Scotia. Said property, rights, franchises and privileges, when purchased, leased, or otherwise acquired as above stated, shall be owned and enjoyed by this company as fully and effectually as the same were heretofore held and enjoyed by the company from which the same were so purchased, leased or otherwise acquired, subject to all existing valid liens and charges.

(n) To exercise and enjoy the rights, powers, and privileges which by an Act of the present session of the General Assembly of the province of Nova Scotia, entitled "An Act for the further encouragement of coal mining," it is provided may be exercised and enjoyed by a company to be organized by the said Henry M. Whitney.

3. The said company shall have power and authority to do any matter or thing necessary to carry out any of the above objects, or incidental or conducive to the same, subject, however, to the laws of the province.

4. The capital stock of said company shall be \$1,000,000, divided into ten thousand shares of one hundred dollars each, with power to increase the same as the wants of the company may require upon a vote of a majority of the stockholders at a special meeting called for that purpose, or at any general meeting of the company.

5. Aliens, whether resident within the province or elsewhere, as well as British subjects, may be shareholders, directors or officers of the company, and shall be entitled equally with British subjects to all rights as such shareholders, directors or officers, and any aliens or foreign or domestic corporations who are or may be holders of any bonds, stock or debentures of said company, shall for all purposes have the same rights, privileges and powers in respect thereto as if they were British subjects.

6. The company is authorized to transact any business out of the province necessary or incidental to any of the purposes for which the company is incorporated.

7. No member of the company shall be liable in his person or separate estate for the liabilities of the company in respect of any shares, whether common or preferred, held by him which have been

issued by the company or its directors as fully paid shares under the provisions of sections 13, 14 or 15 of this Act, or otherwise; nor shall he be liable in respect of any shares not so issued to a greater amount in the whole than the amount thereof held by him after deducting therefrom the amount actually paid to the company on account of such shares, unless he shall have rendered himself liable for a greater sum by becoming surety for the debts of the company; but no shareholder who may have transferred his interest in the stock of the company shall cease to be liable for any contracts of the company entered into before the date of such transfer, so as any action in respect thereof shall be brought within six months after such transfer.

8. The persons named in the first section of this Act, and such persons as they may in writing associate with them, are constituted provisional directors of the company. The provisional directors shall hold office as such until the first annual meeting, which may be called at such time and place, and upon such reasonable notice, as they may determine, and until such meeting said provisional directors shall have power to open a stock subscription list, and to assign and allot stock of said company, and have and exercise all the powers of ordinary directors of the company under the provisions of this Act. Vacancies caused by death or resignation shall be filled by the other directors until the next annual meeting. The number of directors of the company shall be not less than three nor more than nine.

9. The annual general meeting of the shareholders, and all other meetings of shareholders or directors, shall be held at such times and at such places, within or without the province, as may be appointed by the by-laws of the company.

10. No person shall be elected a director of the company unless he shall be holder and owner in his own right, or as trustee for any corporation, of at least twenty-five shares in the company, and shall have paid up all calls made thereon.

11. The transfer of shares in the company shall be valid and effectual only from the time such transfer is made and entered in the books of the company.

12. The company may subscribe for, take, hold, and dispose of shares in any other corporation organized or to be organized, and this company is authorized, through such agents as the board of directors may appoint, to vote as a stockholder in relation to the

shares so held by the company in such corporation, and the said corporation is hereby empowered to accept such agents' vote and recognize the same.

13. It shall be lawful for the company to enter into agreements with other companies, corporate or incorporate, and individuals, associations, or governments, to purchase, lease, operate, or acquire coal, iron, copper, and other mines, other lines of railway, tramroads, wire-rope tramways, water powers or privileges, rolling stock, plant, machinery, and appurtenances, or other estate real and personal, and to build, construct, equip, and complete the whole or any part of the company's works, and to receive, by way of gift or bonus, any lands, sums of money, securities, debentures, real or personal estate, on such terms as may be mutually agreed upon; and the company is hereby authorized to issue, upon such terms as the directors may deem for the interests of the company, fully paid up shares of the company, either common or preferred, or both, in settlement of or representing the whole or part of the cost or value of such purchase.

14. The company may issue as fully paid up stock, both common and preferred shares of the company, and may, upon such terms as the directors may deem for the interests of the company, pay and allot such shares in payment of right of way, plant, rolling stock, mining and smelting plant, or materials of any kind; and also may, on such terms as the directors may deem for the interests of the company, pay and allot such fully paid up shares in payment for services of, or work done by contractors, engineers, solicitors, and other persons who may have been or may be engaged in promoting the undertaking or work of the company; and may, upon such terms as the directors may deem for the interests of the company, allot and pay over such fully paid shares, in whole or partial payments for the purchase, lease, or other acquisition of coal, iron, copper, and other mines or mining areas or leases thereof, and of the railways, rolling stock, wharves, lands, ships, and other property which the company is hereby authorized to acquire, construct, operate or own, or in payment of the shares, bonds, or other obligations of other companies, which the company is hereby authorized to acquire. The issue, allotment, or payment of such fully paid stock by the directors of said company, shall be binding upon the company, and shall make the same fully paid stock; and the same shall not be assessable or subject to any calls for any purpose whatsoever; and the holders of said stock, allotted or paid as afore-

said, shall not be subject to any personal liability whatsoever in respect thereof.

15. For any or all of the purposes of the company, the company is hereby empowered, from time to time, under the authority of a majority vote of those shares which are represented in person or by proxy at a meeting called for that purpose, or at any annual meeting of the company, to issue at one or more times, or in one or more series, its bonds, debentures or preferred shares, under its seal, and signed by its president or other authorized officer, and countersigned by its treasurer or secretary; and such bonds or debentures may be made payable at such times, in such places, in Nova Scotia or elsewhere, and bear interest at such rate per annum, and such bonds, debentures, or preferential stock may entitle the holders to such priorities and privileges, and may be subject to such conditions, as the company may at such meeting decide. The directors of the company are, in addition to the other powers conferred upon them by this Act in respect of the issue and allotment of preferred stock, hereby authorized to pledge or sell, upon the best terms they may be able to obtain, any such bonds, debentures or preferred shares, and no person who shall hold such preferred shares shall be liable to further calls or assessments, or otherwise liable on account thereof, beyond the amount for which said shares shall have been purchased from the company. The holders of such preferred shares shall be entitled to the preferential payment of the par value of their shares out of the assets available for the return of capital in priority to any ordinary shares in the company. The company may, from time to time, secure any of the bonds or debentures of the company by a mortgage or deed of trust of all or any portion of its property, whether real, personal, or mixed, and including any revenue or tolls, any leases of mining areas or other leases, any railways, ships, stocks, shares or securities of other companies, powers, rights and franchises (including the franchise of being a corporation), whether owned or enjoyed by it at the date of such mortgage or deed of trust, or thereafter acquired. And the legal title to all property acquired subsequently to the date of said mortgage or deed of trust, which purports to be covered by said mortgage or deed of trust, shall vest in said trustee or trustees for the bondholders or debenture holders as soon as the same is acquired or owned by the said company. The company may, in and by any such mortgage or deed of trust confer upon the holders of such bonds or debentures, or the trustee or trustees under such mortgage or deed of trust for their benefit, such powers, rights and remedies as may be deemed

desirable in order to enable the holders of said bonds or debentures, or such trustee or trustees in their behalf, to obtain the possession and enjoyment of, and title to, such property, or to obtain the value thereof, by sale or otherwise, in case of default by the company in the performance of the condition of said mortgage or deed of trust; and the holders of such bonds or debentures, or any persons claiming by, through or under them, or any purchasers from said trustee or trustees, in case they shall take possession of said property under the provisions of such mortgage or deed of trust, may organize themselves into a corporation in the manner provided in this Act for the organization of the company, and the provisions of this Act, or any Act in addition hereto or in amendment hereof, shall apply to such corporation and its members, and such corporation shall be entitled to have and enjoy the powers, privileges, and franchises conferred upon the company by this Act or any Act in addition hereto, or in amendment hereof. The holders of said bonds or debentures, whether they shall organize themselves into a corporation as herein provided or not, or said trustee or trustees, or any persons or corporations claiming by, through, or under them, shall in case they take possession of said property under the provisions of said mortgage or deed of trust, be entitled to hold, own and enjoy the same as fully and effectually as did the company heretofore, and they shall be entitled to hold and enjoy all the powers, rights, privileges, franchises and exemptions in reference thereto which were held and enjoyed by the company, whether under any letters patent, or lease from, or contract with, the crown, or under this Act, or any Act in amendment hereof, or any special or general law in force in the province of Nova Scotia, or otherwise. The company may in and by said mortgage or deed of trust provide for a periodical payment to said trustee or trustees of such sum as they may determine, which sum, with all accumulations thereon, shall constitute a sinking fund, to be applied in such manner as shall be stipulated in said mortgage or deed of trust. Any foreign corporation or trust company may act as trustee under such mortgage or deed of trust.

16. The directors may from time to time make, alter, amend, or repeal such by-laws, rules, or regulations, not inconsistent with this Act or the laws for the time being in force in this province as they may deem necessary and proper for the management of the affairs of the company generally, and the same when approved by the Governor-in-Council, shall have the force of law.

17. The council of any town, city, county, or district through which any lines of railway or branch thereof, contemplated by this Act, may run, or which will be benefited by the same, are hereby authorized and empowered to assess for any aid whatsoever that such council may decide to grant to the company, in the same manner, and at the same time as the ordinary assessment for the public purposes of such city, town, county, or district are made, provided that no such aid shall be assessed until a favorable vote of the rate-payers affected shall first be obtained.

18. The company shall paint or affix and shall keep painted or affixed, its name, with the word "limited" after it, on the outside of every office or place in which the business of the company is carried on, in a conspicuous position, in letters easily legible, and shall have its name, with the said word "limited" after it, mentioned in legible characters in all notices, advertisements, and other official publications of the company, and on all bills of exchange, promissory notes, cheques, orders for money or goods, purporting to be drawn, made, signed, given or endorsed by or on behalf of the company, and in all bills, invoices, receipts, letters and other writings used in the transaction of the business of the company, and the company shall be liable to a penalty of twenty dollars for every neglect or omission of the name of the company in any of the above cases.

19. This company shall not commence operations until (50) fifty per cent. of its capital stock is subscribed, and (25) twenty-five per cent. of such subscriptions paid up.

20. The company may, in addition to the construction and operation of a railway in connection with its business, as provided in section 2, acquire, own, construct, and operate a railway, with its appurtenances, between the harbor of Sydney, in the county of Cape Breton, and the harbor of Lonsburg, in said county; may build, construct, maintain, and operate branch railways connecting any point on said line of railway with any other point or place in the island of Cape Breton; and may purchase, acquire, or operate other lines of railway connecting said line or branch lines of railway with any other point or place in the island of Cape Breton, and may purchase, acquire, and operate any lines of railway connecting with said line or branch lines of railway, and may transact all business usually performed on, or by means thereof. Such railway may be operated by such motive power as the company may decide. In respect of any railway which may be acquired, owned, constructed,

or operated by it, the company shall have the powers, and be subject to the obligations specified in the following sections of chapter fifty-three of the Revised Statutes of Nova Scotia, fifth series, viz., sections 5 and 6; all of section 7 except sub-sections 11 and 19; all of sections 8 to 17 inclusive; the whole of sections 24 to 26 inclusive; clauses 1 to 4 inclusive of section 27; the whole of sections 28 to 31 inclusive, and the whole of sections 33 to 38 inclusive; and no other sections or sub-sections of said chapter shall apply to the company.

21. The company shall have power to draw or accept or endorse bills of exchange and promissory notes on behalf of, and for the purposes of, the company.

22. Whenever it shall be necessary that the company should be invested with lands within the county of Cape Breton for the purpose of sinking shafts for mining or quarrying, or upon which to erect rolling mills or smelting works, or for the purpose of constructing docks, wharves, piers, roads, or railroads, and an agreement can be made for the purchase thereof, it shall be lawful for the company or its directors to apply by petition with a plan annexed, to a judge of the Supreme Court of this province, setting forth the nature and situation of the lands required, the names of the owners or occupiers thereof, and praying a conveyance of the same to the company; thereupon the judge, being satisfied that the lands are required and are not more extensive than may be reasonably necessary, shall make an order to that effect, from which order an appeal shall lie to the Supreme Court *in banco*, which appeal shall be governed by the rules applicable to appeals from the order of a judge at chambers. Should no appeal be taken from such order, or should such order be confirmed on appeal, the judge, or any judge of the Supreme Court, shall appoint a time and place for the consideration of such petition, and shall direct a proper notice in writing to be served upon the owners or occupiers of the lands or other property to be conveyed or affected, if such owners or occupiers shall then be in the province and known to the company, and to be published for the period of one month in at least one newspaper published in Halifax, requiring such owners or occupiers to attend at such time and place personally or by attorney, and in case the party or parties owning or interested in such lands shall be absent from the province or be unknown to the company, then the publication of such notice for such time and in such manner as such judge shall direct, shall be and be deemed to be sufficient notice to

all parties having interest in such lands or having any right or claim thereto or any part thereof; and the judge shall require the company to nominate one appraiser, and such owners or other parties having claim thereto to nominate one appraiser, and the judge shall nominate a third appraiser, but in case such owners or other parties having claim thereto do not attend, or shall neglect, or refuse, or cannot agree to make such nomination, the judge shall on proof of such publication or service of such notice nominate two appraisers, and shall by an order in writing direct such three appraisers to value the lands or easements so required, and the appraisers, having first subscribed an affidavit in writing, to be sworn to before a justice of the peace and annexed to such order, to the effect that they will faithfully make such appraisal, shall with all convenient speed proceed to appraise such lands or other property, and shall make such appraisal in writing, and return it under their hands or the hands of a majority of them with such order and affidavit to a judge of said court, who may confirm, modify, alter or reject such appraisal, or direct an appraisal *de novo*. The company shall pay or tender the amount of the appraised value of such lands as finally confirmed, and the expenses (to be taxed by a judge) of the owners on such appraisal to the owners, or in case of dispute to such parties as the Supreme Court or a judge thereof shall direct, or shall pay the same with six months' interest thereon to the Prothonotary of the Supreme Court of Halifax, in the manner hereinafter provided, and shall register copies certified by the Prothonotary at Halifax, of such order, affidavit, appraisal, and confirmation, in the office of the registrar of deeds for the county or district in which such lands lie, who in hereby required to register the same.

23. Upon payment or tender of the amount of the appraised value as finally confirmed to the party entitled to receive the same, or upon the payment of the amount of such appraised value to the Prothonotary of the Supreme Court at Halifax, in the manner hereinafter mentioned, the award or appraisal and the confirmation thereof, shall vest in the company free from all charges, liens and encumbrances, whether by way of dower, mortgage, judgment or otherwise howsoever, the whole and entire title to such lands, or if an easement only is sought therein, then the right to use the same in the manner desired by the company shall vest in the company, together with the power forthwith to take possession of the same, or to do the thing for which such compensation has been awarded or agreed upon; and if any resistance or forcible opposition be made

by any person to their so doing, the judge may on proof to his satisfaction of such award and appraisal, issue his warrant to the sheriff of the county wherein such property is situate to put the company in possession thereof, and to put down such resistance or opposition, which such sheriff, taking with him sufficient assistance, shall do.

24. The compensation for any lands which may be taken without consent of the proprietor shall stand in lien thereof, and any claim to or encumbrance upon such lands or any portion thereof shall, as against the company, be converted into a claim to the compensation only, or a like portion thereof, as the case may be.

25. If the company has reason to fear any claims or incumbrances, or if any party to whom the compensation or any part thereof is payable refuses to execute the proper conveyance of the land, or if the party or any of the parties entitled to claim the same cannot be found, or is unknown to the company, or if for any other reason whatever the company deem it advisable, the company may pay the appraised value of such lands into the office of the Prothonotary of the Supreme Court at Halifax, with interest thereon for six months, at the rate of six per cent. per annum.

26. Nothing in the four next preceding sections shall authorize any interference with any mining rights or operations owned or conducted by any parties other than the company hereby incorporated.

27. If the company does not *bona fide* commence business under the provisions hereof within two years from and after the passing of this Act, then this Act shall become and be utterly null and void and of no effect.

AN ACT TO AMEND THE ACT TO INCORPORATE THE DOMINION COAL COMPANY, LIMITED.

Being Chapter 146 of the Statutes of Nova Scotia for the year 1893.

Passed the 28th day of April, A. D. 1893.

Be it enacted by the Governor, Council, and Assembly, as follows :

1. Section eight of an Act of the present session, entitled "An Act to incorporate the Dominion Coal Company, limited," is hereby amended by striking out the word "nine" in the last line thereof, and inserting the word "fifteen" in lieu thereof.

AN ACT TO AMEND CHAPTER 145 OF THE
ACTS OF 1893, ENTITLED AN ACT TO
INCORPORATE THE DOMINION
COAL COMPANY, LIMITED.

Passed the 27th day of March, A. D. 1902.

Be it enacted by the Governor, Council, and Assembly, as follows:

1. Section 22 of said Chapter 145 of the Acts of 1893 is amended by inserting after the word "lands" in the second line thereof the words "or lands covered with water" and further inserting after the word "railroads" in the sixth line thereof, the following words: "or for the purpose of making, building, laying down and maintaining reservoirs, water works, cisterns, culverts, filter beds, mains and other pipes and appliances for obtaining, storing or distributing water for the purposes of the Company."

AN ACT FOR THE FURTHER ENCOURAGEMENT OF COAL MINING.

Passed the 1st day of February, A. D. 1868.

Whereas, by the one hundred and fifty-sixth section of "The Mines and Minerals Act, 1892," it was enacted as follows:—

"Notwithstanding anything contained in the 117th, 118th, or 120th section, or in any other part of this chapter, whenever it shall appear to the satisfaction of the Governor-in-Council that any company or person working, or proposing to work, any coal mine or mines, is willing to pay to the Province a greater royalty per ton than that fixed by the said 117th section, or is prepared to prosecute coal mining operations on such an extensive scale as would, without a higher rate of royalty, largely increase the Provincial revenue derivable from royalties, the Governor-in-Council may authorize the Commissioner of Public Works and Mines to accept the surrender of any coal lease or leases held by such company or person under the law now existing, or any lease or leases that may be issued under the provisions of the 155th section of this chapter, and may issue in lieu thereof a new lease or leases, containing such terms and conditions as may be deemed expedient as respects the area of any such lease, the period for which the lease shall run, the rate of royalty to be imposed during the whole or any part of such period, and the taxation that may be levied on the property of such company or person. Provided, however, that in no case shall any such new lease fix the rate of royalty lower than that fixed by the 117th section of this chapter";

And Whereas, in pursuance of the said section, the Governor-in-Council, by a certain Order-in-Council passed on the twenty-third day of May, in the year of our Lord one thousand eight hundred and ninety-two, and by a certain other Order-in-Council, passed on the twenty-fourth day of October, in the same year, made certain arrangements with Henry M. Whitney, of Boston, in the United States of America, for the purpose of securing the prosecution of coal mining on an extensive scale, as contemplated by the said one hundred and fifty-sixth section of the said "Mines and Minerals Act, 1892";

And Whereas, doubts might hereafter arise as to the authority of the Governor-in-Council to grant or pledge to the said Henry M. Whitney and his associates all the rights, powers and privileges granted or pledged, or purporting to be granted or pledged, by the said Orders-in-Council, and it is expedient to prevent such doubts, and to fully approve, ratify and confirm the said Orders-in-Council;

Be it therefore enacted by the Governor, Council, and Assembly, as follows:—

1. The Orders-in-Council hereinbefore referred to and set forth in the schedules A and B to this Act, and all the matters and things therein contained, are hereby approved, ratified and confirmed, and declared to have been passed in pursuance of sufficient authority in that behalf.

2. The fourth clause of the said form of lease set forth in schedules A and B to this Act is hereby amended by inserting after the word "Provincial" therein, the words "but not local or municipal," in parenthesis.

3. The Governor-in-Council is hereby authorized and empowered to direct the Commissioner of Public Works and Mines to accept, according to the terms of the said Orders-in-Council, the surrender of any lease or leases of coal mines acquired in the County of Cape Breton by such company as may be organized by the said Henry M. Whitney, under the laws of Nova Scotia, for the purposes mentioned in said Orders-in-Council, and to issue from time to time to such company leases of such coal mines in lieu of such leases surrendered as aforesaid, and such leases so to be issued may be in the form set forth in the schedules A and B to this Act, as modified by the last preceding section, and such leases when so issued shall be valid and legal.

4. (a) Notwithstanding anything contained in the form of lease set forth in schedules A and B to this Act, modified as aforesaid, the royalty payable by the said lessees to Her Majesty under any such lease or leases to be issued to such company shall not in any year after the granting of such lease or leases be less than such sum as would be yielded by a royalty at the rate of twelve cents and one-half of a cent per ton upon the total aggregate quantity of coal sold or removed during the year 1891 (as shown by the official returns recorded or filed in the office of the Commissioner of Public Works and Mines) from all areas possessed or occupied by the lessee during any such year after the granting of such lease or leases.

(b) Sub-section (a) of this section shall not take effect until such company, by itself, its officers, directors, agents or other persons or corporations acting for it, or in its interest, shall have acquired or become possessed of areas from which during the year 1891 there was sold or removed from the mines therein not less than two hundred and fifty thousand tons of coal in the aggregate, as shown by the said official returns.

(c) Sub-section (a) is subject also to this provision, that if in any such year such company shall have sold or removed from the areas mentioned in sub-section (a) a less quantity of coal than the total aggregate quantity of coal sold or removed from the said areas during the year 1891, as shown by the said official returns, and if such deficiency in the quantity of coal sold or removed from the said areas in such year shall have been caused by circumstances beyond the reasonable control of such company, the said company shall not be bound to pay royalty during such year in excess of the amount of twelve cents and one-half of a cent per ton on the total aggregate quantity of coal actually sold or removed from the said areas during such year, and the question as to whether such deficiency shall have been caused by circumstances beyond the reasonable control of the said company shall be determined in the manner provided in and by the second clause of the said form of lease.

SCHEDULE A.

Copy of an Order of the Executive Council of Nova Scotia, approved by His Honor the Lieutenant-Governor on the twenty-third day of May, 1892.

No. 1720. On a report from the Provincial Secretary, dated May 21st, 1892, in relation to certain proposed coal mining operations.

The Provincial Secretary reports that certain negotiations have been carried on by him with Mr. Henry M. Whitney, of Boston, with a view to the investment of capital by Mr. Whitney and his associates in the prosecution of coal mining in Nova Scotia on an extensive scale, as contemplated by the 156th section of the Mines and Minerals Act of 1892. As a result of these negotiations the Provincial Secretary states that a form of lease has been prepared, which he believes will adequately protect the interests of the Province and meet to a reasonable extent the desires of Mr. Whitney,

which form of lease is submitted for approval. He therefore makes the following recommendations:

1. That Mr. Whitney be informed that upon his organizing a company under the laws of Nova Scotia, and such company acquiring any outstanding lease of a coal mine in County of Cape Breton, the Governor-in-Council will ratify the transfer of such lease to such company, and under the provisions of section 156 of the Mines and Minerals Act of 1892, will authorize the Commissioner of Public Works and Mines to accept the surrender of such lease, and to issue in lieu thereof a new lease on the terms and conditions set forth in the form of lease hereto annexed.

2. That Mr. Whitney be further informed that if his company accepts the terms thus offered, and receives from the Commissioner of Public Works and Mines any lease or leases as herein proposed, the Government will at the next session of the Legislature introduce into the Legislature and support a bill to ratify and confirm such lease or leases, and give it or them in all respects the full force of law.

The Council, being satisfied that Mr. Whitney is willing to comply with the conditions of the said 156th section of the Mines and Minerals Act of 1892, concur in the report of the Provincial Secretary, and respectfully recommend the same for the approval of His Honor the Lieutenant-Governor.

FORM OF LEASE.

This Indenture, made at Halifax, in the Province of Nova Scotia, this day of , in the year of our Lord one thousand eight hundred and ninety , between Her Majesty the Queen, as respects Her Province of Nova Scotia, and the Government thereof, represented herein by the Honorable Commissioner of Public Works and Mines of the said Province, hereinafter called the "Lessor," of the one part, and

Company, , a body corporate, duly organized under the laws of Nova Scotia, hereinafter called the "Lessee," of the other part, witnesseth:

Whereas, in and by the one hundred and fifty-sixth section of an Act of the Legislature of Nova Scotia, passed on the thirtieth day of April, in the year of our Lord one thousand eight hundred and

ninety-two, being chapter one of the Acts of the said year, entitled, "An Act to amend and consolidate the Acts relating to Mines and Minerals," It was enacted as follows :

"Notwithstanding anything contained in the 117th, 118th, or 120th sections, or in any other part of this chapter, whenever it shall appear to the satisfaction of the Governor-in-Council that any company or person working or proposing to work any coal mine or mines is willing to pay to the Province a greater royalty per ton than that fixed by the said 117th section, or is prepared to prosecute coal mining operations on such an extensive scale as would without a higher rate of royalty largely increase the Provincial revenue derivable from royalties, the Governor-in-Council may authorize the Commissioner of Public Works and Mines to accept the surrender of any coal lease or leases held by such company or person under the law now existing, or any lease or leases that may be issued under the provisions of the 155th section of this Act, and may issue in lieu thereof a new lease or leases containing such terms and conditions as may be deemed expedient as respects the area of any such lease, the period for which the lease shall run, the rate of royalty to be imposed during the whole or any part of such period, and the taxation that may be levied on the property of such company or person. Provided, however, that in no case shall any such new lease fix the rate of royalty lower than that fixed by the 117th section of this Chapter."

And whereas, the _____ company, being the holder of _____ lease of _____ certain coal area in the County of Cape Breton, has by petition to the Governor-in-Council, dated the _____ day of _____ prayed that it may be permitted to avail itself of the privilege contemplated by the said section ;

And Whereas, the Governor-in-Council has, by an Order-in-Council, passed on the _____ day of _____, approved of the said petition and authorized the issue of a new lease to the said company under the provisions of the said one hundred and fifty-sixth section ;

Now this Indenture witnesseth :

1. That in consideration of the rents and royalties hereby reserved, and of the covenants and agreements herein contained, and on the part of said lessee, its successors and assigns, to be observed and performed, our said Sovereign Lady the Queen, of her special grace, certain knowledge and mere motion, hath granted and demised,

and by these presents doth grant and demise unto the said lessee, its successors and assigns, all and singular the beds, veins and seams of coal, whether opened or unopened, within, under, or upon all that tract of land situate at
in the County of Cape Breton, and Province aforesaid, and described as follows, that is to say :

containing square mile , more or less, in manner and form as the said area is specified and delineated, reserving hereout a strip or margin of yards in width, running all around the lot described, which said lot is set forth and delineated upon the plan hereto annexed ; and also, so far as Her Majesty can or lawfully may give or grant the same, full and free liberty, license and authority to and for the said lessee, its successors and assigns, and its tenants, servants, agents, or workmen, to search for, dig, work, and take such coal, and to make and use any pit and pits, trench and trenches, quarry and quarries, groove and grooves, to drive and use any drift and drifts, water gate and water gates, way gate and way gates, air gate and air gates, water course and water courses, as well for working, winning, obtaining and getting the said coal, as also for voiding and carrying away the water, foul air and rubbish from the mines thereof, and also to make, use, or enjoy sufficient and convenient pit room, ground room and heap room, within the limits of the said tract or district hereibefore described, for the laying and placing, as well the coal which has been heretofore had, wrought, won or gotten, or which shall have been from time to time hereafter had, wrought, won, or gotten from or out of the said mines or any of them, as also all such stones, gravel, sand, deads, unmerchantable coal and other rubbish which has heretofore proceeded or been had or gotten, or which shall from time to time hereafter proceed or be had or gotten, from or out of the said mines, or in the working or digging thereof, or in getting or raising the said coal, and also to make, place, erect and set up or use, within the limits of the said tract, all such gins, engines, furnaces, refineries, cupolas, foundries, cranes, forges, mills, houses, stables, hovels, lodges, sheds, offices, and other machinery, buildings and erections as shall from time to time be needful or convenient for opening, working or drawing the said mines, or any of them, and for lodging, stacking and depositing or placing the same, and for burning and making bricks, tiles and pipes, and for withdrawing and carrying away of water from the said mines or any or every of them, or for the standing, lodging, laying or placing of the workmen, workhouses and workgear to be

used or employed in or about the making or carrying on the works of the said mines, and also within the limits of the said tract to use and enjoy all such gins, engines, furnaces, refineries, anvilas, foundries, cranes, forges, mills, houses, stables, hovels, lodges, sheds, offices, and other machinery, buildings and erections as have been heretofore made, placed or erected, or set up, within the limits of the said tract for the purposes aforesaid, and are now standing or being thereupon; and also within the limits of the said tract to use and enjoy sufficient and convenient way, leave and liberty of passage, and liberty to make, lay, or place one or more way or ways, railway or railways, tramroad or tramroads, and to remove, take away and amend and repair, alter and change the same, respectively, and to take, lead, drive, and carry away, in, through, along and over the said way or ways, railway or railways, tramroad or tramroads, and in, through, along and over any way or ways, railway or railways, tramroad or tramroads heretofore made and now subsisting within the limits of the said tracts, and with horses, carts, wains, waggone, and with any other carriage or carriages, and with engines, all the coal to be had, wrought and gotten forth and out of the said mines, and all other articles, materials and substances necessary or convenient to be removed therefrom or conveyed thereto, and generally to have, hold, use and enjoy, during the continuance of this grant or demise all other powers and privileges whatsoever within, over and upon the said tract which shall or may be useful, necessary or convenient to, in or about the searching for, winning, working, having, exercising, digging, getting or drawing of, from or out of the said mines, or any of them, and taking and carrying away the same, and for stacking or lodging the same or any part thereof, and which Her Majesty can or lawfully may give or grant the said lessee, its successors and assigns, and its tenants, servants, agents and workmen, doing as little spoil and damage of ground as possible within the limits of the said tract in searching for, winning, working, having, exercising and enjoying of the premises, and of the several powers, liberties and privileges hereby granted and demised:

To have and to hold the said beds, veins and seams of coal, areas, mines, powers, authorities, and all and singular other the premises hereby granted or demised, or expressed or intended so to be, unto the said lessee, its successors and assigns for and during, and until the full end and term of ninety-nine years, to commence and be computed from the first day of July, in the year of our Lord one thousand eight hundred and ninety-two, and to end on the thirtieth

day of June, in the year of our Lord one thousand nine hundred and ninety-one, also for and during and until the full end of a further term of twenty years, to commence on the first day of July, in the year of our Lord one thousand nine hundred and ninety one, and to end on the thirtieth day of June, in the year of our Lord two thousand and eleven, unless either of the parties hereto shall, at least six months before the thirtieth day of June in the year of our Lord one thousand nine hundred and ninety-one, give notice in writing to the other of an intention to terminate this lease, in which event this lease shall terminate and be fully complete and ended on the said thirtieth day of June in the year of our Lord one thousand nine hundred and ninety-one.

Yielding and rendering therefor unto our Sovereign Lady the Queen, her heirs and successors, for the use and benefit of the Province of Nova Scotia, quarterly, and every quarter (such quarters to end on the last days of March, June, September and December respectively, and payment to be made within ten days after the end of each such quarters) during the continuance of this grant or demise to such persons, and at such place or places as the Governor-in-Council may direct, a royalty of twelve cents and one-half of a cent on every ton of two thousand two hundred and forty pounds of coal sold or removed from the mine or used in the manufacture of coke or other form of manufactured fuel, which shall in any or each year, commencing with

and thenceforth during the continuance of this grant or demise, be wrought or gotten forth or out of the said mine hereby granted or demised. And in addition, yielding and rendering unto our Sovereign Lady the Queen, her heirs and successors, annually in advance, on or before the first day of July in every year of the term of their demise, the sum of thirty dollars for every square mile or part of a square mile hereby granted or demised. Provided, however, in respect of such payment that if in any year the quarterly payments of royalty herein provided for shall amount to a sum greater than that due as an annual payment or rental, then the said annual payment or rental shall be refunded to the said lessee, its successors and assigns. Provided also that coal used for the following purposes shall not be subject to royalty, that is to say, coal used for domestic purposes by the workmen employed in and about the mine, or in mining operations in and about the mine, or on the coal wharves of the lessee, and coal used on locomotives on railways owned or operated by the lessee while such locomotives are exclu-

sively engaged in drawing the coal so mined to any place of shipment within the County of Cape Breton.

2. And it is hereby agreed and declared by and between the parties hereto that if the said lessee shall at any time after the delivery of these presents purchase or otherwise in lawful manner acquire any lease now outstanding of any coal area or areas within the said County of Cape Breton, the Governor-in-Council shall in each and every such case, within reasonable time after application from the said lessee, ratify and confirm the transfer of such lease or leases to the said lessee, which lease or leases shall thereupon be surrendered by the said lessee, and the Governor-in-Council shall authorize and direct the Commissioner of Public Works and Mines to accept such surrender and to issue, and the said lessor shall thereupon issue, to the said lessee a new lease or leases of the coal area or areas described in the leases so surrendered, which new lease or leases shall be issued under the provisions of the one hundred and fifty-sixth section of the Act hereinbefore mentioned, and shall be of the same form and tenor as these presents. And if the said lessee shall at any time, by itself, its officers, directors, agents or other persons or corporations acting for it, or in its interest, become possessed of leases of areas from which, during the year of our Lord one thousand eight hundred and ninety-one, there was sold or removed from the mines two hundred and fifty thousand tons, or more, of coal as shown by the official returns recorded in the office of the Commissioner of Public Works and Mines, then if at the end of any calendar year thereafter the quantity of coal sold or removed from the mines within the said areas so held or possessed by the lessee shall be less in the aggregate than the quantity sold or removed from the same mines in the said year of our Lord one thousand eight hundred and ninety-one, as shown by the official returns aforesaid, the said lessee shall pay to the said lessor, over and above the royalty of twelve cents and one-half of a cent per ton on the coal actually sold or removed from the mines in such calendar year an additional royalty equal to twelve cents and one-half of a cent per ton on the difference between the number of tons actually sold or removed from the mines in such year and the quantity sold or removed from the same mines in the said year of our Lord one thousand eight hundred and ninety-one. Such sum, if any, shall be payable, in ten days after the termination of the year for which it is payable. Provided, however, that if such deficiency in the quantity of coal sold or removed from the mines has been caused by circumstances beyond the reasonable control of the lessee, the said

lessee shall not be bound to pay such additional royalty; and if the said lessee shall, before the time fixed for the payment of such additional royalty, give notice in writing to the Commissioner of Public Works and Mines that it claims that the deficiency has been caused by circumstances beyond its reasonable control, the payment of such additional royalty shall be suspended pending an inquiry into the merits of such claim by the Commissioner of Public Works and Mines, and if, after such inquiry, the Commissioner shall decide that the claim has not been sustained, and shall notify the lessee of such decision, the lessee shall within ten days after the giving of such decision and notice thereof to said lessee, have a right to demand a reference of the question to arbitration in the manner hereinafter provided, and if such demand be made, then the additional royalty shall not be deemed to be due and payable until it shall have been determined under the provisions of said clause providing for arbitration.

3. And the said lessee, for itself and its successors and assigns, covenants with our Sovereign Lady the Queen, her heirs and successors, that the said lessee, its successors and assigns, shall, by itself, its tenants, servants, agents or workmen, open, dig and bona fide and effectually work some mine or mines, seam or seams of coal within the said land hereinbefore described, and will extract and raise therefrom and transport and send from thence for sale or use, and shall from henceforth continually afterwards, during the continuance of this lease, bona fide and effectually work the said or other and available mine or mines, seam or seams of coal within the said land hereinbefore described, and sell or transport for sale the coal so extracted or raised therefrom, according to the true intent and meaning of these presents. And also shall well and truly pay or caused to be paid unto our Sovereign Lady the Queen, her heirs and successors, through the hands or by the receipt of the Commissioner of Public Works and Mines of the said Province, at the time and in the manner herein provided, the said rents or royalties hereby reserved or intended so to be; and that the said lessee, its successors and assigns, shall and will, during the continuance of this demise, keep or cause to be kept, one or more book or books of account, wherein true entries shall be made of all such coal as shall from time to time be wrought or gotten forth or out of the said lands and the beds and seams hereby granted and demised, and of all coal sold or otherwise used and consumed by the said lessee, its successors or assigns, its workmen or servants, during the continuance of this grant or demise, and that it shall be lawful for the Commis-

aloner of Public Works and Mines for the time being, or such person or persons as he shall appoint under his hand, from time to time to have free access and liberty to inspect and take copies of the said book or books of account. And that the owner, agent or manager, shall and will, on or before the tenth day of the months of January, April, July and October, in each and every year, send to the Commissioner of Public Works and Mines, a correct return, specifying the quantity of coal gotten in such mine, the probable use and destination of the same, and the amount of royalty which has accrued upon such coal extracted during the previous quarter. And likewise that the said owner, agent or manager, shall and will on or before the last days of January, April, July and October in each year, send a correct return to said Commissioner, specifying the number of days' labor, and the number of persons ordinarily employed in or about such mine below ground and above ground, and the different class of persons so employed, and the cost and description of all the shafts, quarries, slopes, levels, planes, works, machinery, tramways, and railways, sunk, driven, opened or constructed during the preceding quarter, such returns to be sworn to by two or more credible persons principally employed in or about the working and management of such mine before a commissioner or a justice of the peace. And also that it shall be lawful for any inspector or inspectors of mines, or for any viewer or viewers, agent or agents to be by the Commissioner of Public Works and Mines appointed under his hand at any time during the continuance of this present grant or demise, when and so often as any of the shafts of the said mines are at work, to descend by the ropes, gins, rollers, or engines, or other utensils used at any of the shafts of, or belonging, or which shall belong to the said mines respectively, or any of them, into the said mine, shafts or pits, or any of them to penetrate, view and survey the works thereof, and to view and see that the same are regularly and fairly wrought and carried on, and by the same ways and means to ascend and come up the said mine, shafts or pits, or any of them, and shall and may in the doing thereof have the help and assistance of the workmen and servants employed in or about the said mine, or of such other person or persons as he or they shall think fit. And also that the said lease, its successors and assigns shall and will from time to time, and at all times during the continuance of this grant or demise, well and effectually maintain and support all and every the working pits, shafts, levels, drifts and watercourses, and all and every the works requiring the same of and belonging to the said mine, with all such

timber and deals and other materials as shall be requisite or necessary for that purpose, and so as to prevent the same and the roofs of the said mines from falling in or being otherwise damaged. And also that the said lessee, its successors and assigns, shall during the continuance of this demise, well and truly open, lay out and work all mines opened or worked, or which shall be opened or worked within the said land hereinafore described, during the said term, in a skilful, workmanlike and scientific manner, and shall from time to time and at all times adequately provide for the strength and security of the mines, vaults, pits, and the walls and roofs thereof, and the ventilation within, and the drainage of the said mines, and each of them, according to the most perfect ways and means which are or which may hereafter be known and approved and be used in fair wrought mines, and shall obey, abide by, and keep all such regulations as have heretofore or shall hereafter be made by authority of law for or in respect of the proper working of the said mines, and shall and will at the end or other sooner determination of the said term and of this lease, peaceably and quietly yield and deliver unto such person or persons as our said Sovereign Lady the Queen, her heirs and successors shall appoint under the sign manual of the Lieutenant-Governor of the said Province for the time being, or under the Great Seal of the said Province, or under the hand and seal of the Commissioner of Public Works and Mines of the said Province, to receive, and take possession thereof, all the said mines, and all and singular other the premises hereinbefore mentioned, except such furnaces, engines, mills, forges, foundries, railroads, implements, houses and buildings, as shall not be attached to the freehold, in such good order, plight and condition as fair wrought mines ought to be left, with such timber, deals and other materials as aforesaid.

4. And the said lessor hereby covenants with the said lessee that it shall be lawful for the said lessee, paying the said several rentals, royalties and sums of money hereby reserved and made payable at the days or times and in manner aforesaid, and performing and observing the several covenants and agreements herein contained, and on its part to be observed and performed, at all times during the continuance of this lease—peaceably and quietly to have, hold, use, possess, exercise and enjoy all and every the said mines, powers, liberties and premises hereby devised and granted, or intended so to be, with their respective appurtenances, without any eviction, denial or disturbance of, from or by the said lessor or any person or persons whomsoever lawfully or equitably claiming or to claim by,

through, nader ar in trust for the said lessor, and that the royalties and payments hereby reserved to be paid by the said lessee unto the said lessor shall and the same are hereby declared to be in lieu of all provincial burdens or taxes already imposed or taxed, or to be hereafter taxed, imposed, charged, assessed or due or payable upon, for or in respect of the mines, powers, liberties and premises hereby demised or granted, or any of them, or the occupation, use or enjoyment thereof, or on the produce thereof, or on the rents and royalties hereby reserved or any of them, or on the machinery, plant, buildings and property, both real and personal, owned, used or occupied by the said lessee in, about or appurtenant to the use, operation, exercise, working or enjoyment of the said mines, or any of them, or the property hereby demised or leased. Provided however that this exemption shall not affect the operation of any law of the Province in relation to Succession Duties imposed upon estates of deceased persons. And the said lessor doth hereby covenant with the said lessee that the said lessor is the owner of and has full power and authority over the coal in the seams or beds hereinafter demised, and that such coal in the seams or beds is not and shall not be subject to taxation by any city, town or municipality, and that in event of any taxation being at any time levied or imposed on such coal by any city, town or municipality such taxation shall be assumed and paid by the lessor, and the lessee shall be indemnified and saved harmless as respects any such taxation during the continuance of this demise. And the said lessor doth hereby covenant with the said lessee that during the continuance of this demise no lease of any coal mine shall be granted by the said lessor to any other corporation, firm or person for the term of this lease or for any longer term at any lower rates of royalty or rental than the rates which the said lessee is hereinafter required to pay to the lessor, nor on less onerous conditions than are hereinafter imposed on this lessee.

5. And the said lessor further covenants and agrees to and with the said lessee, its successors and assigns, that, all rents and royalties hereby reserved being first paid, if and as often as the said lessee, its successors and assigns during the continuance of this demise, sells, assigns, transfers, conveys over or otherwise parts with the premises, rights, areas, and privileges hereby demised, or any part thereof, for the term of said lease or any portion thereof, or desires so to do, to any person, firm or corporation, that the said lessor will, upon request in writing, give or grant unto the said lessee, its successors and assigns any necessary license, consent or

approbation therefor under the hand and seal of the Commissioner of Public Works and Mines, or will ratify or will secure the ratification of the Governor-in-Council thereto, signified under the hand and seal of the said Commissioner of Public Works and Mines, as the case may be, subject to the terms, conditions and covenants of this lease.

6. The said lessor further covenants and agrees to and with the said lessee, its successors and assigns, that the lessor will not during the pendency of this lease give or grant to any other person, firm or corporation any license to search or work, or any lease to mine any mineral in, over or under the areas hereby demised, except upon the condition that the said person, firm or corporation shall not interfere with any of the powers hereby conferred or the premises hereby demised.

7. And it is hereby agreed and declared by and between the parties hereto that if at any time during the continuance of this demise, or after the expiration or sooner determination thereof, any dispute or controversy shall arise between the said lessor and the said lessee, touching or concerning the construction or meaning of these presents, or any of the covenants, provisos, clauses, or conditions herein contained, or as to any other matter or thing in anywise relating to this lease, the same shall be inquired into, settled and determined by the usual process of law in the courts of the Province, if such dispute or controversy can be lawfully raised in such courts, under the provisions of the law respecting mines and minerals in force at the time of such dispute; and if any such dispute or controversy arise which, under the aforesaid mining laws of the Province, cannot be so dealt with by the courts, then it shall be referred to and decided by two competent and indifferent arbitrators, one of them to be appointed in writing by or on the part of each party in difference, or, of an umpire, to be by the said arbitrators in like manner appointed before they enter upon the reference, and Chapter 115 of the Revised Statutes, Fifth Series, of the Province of Nova Scotia, "Of Arbitration," and any amendments thereof, are hereby declared to be applicable to any such arbitration.

8. And it is hereby agreed and declared by and between the parties hereto that in case any default shall be made by the said Company, its successors and assigns in payment of the said rents and royalties hereby reserved for the space of forty-two days after the period hereinbefore appointed for paying the same, then when

such failure shall have been adjudged or declared by the Governor-in-Council to have arisen or happened; the present letters patent and all and every, the powers and privileges hereby granted shall be utterly null and void, anything to the contrary thereof in these presents notwithstanding, without inquisition, *scire facias* or other proceedings to determine the same, which proceedings nevertheless, or any of them, it shall and may be lawful to institute and carry on on behalf of our said Sovereign Lady the Queen, her heirs and successors, if she or they shall so think fit.

Provided, however, that no such default of the lessee, its successors or assigns, shall be ground of forfeiture of these letters patent, nor shall any of the rights, powers or privileges herein granted cease or become null or void, or be so adjudged or decreed by the Governor-in-Council, in consequence of such default in case there is a bona-fide controversy between the parties thereto as to the validity or just amount of the lessor's claim and the lessee is ready to submit the same to any court having jurisdiction to determine such controversy, or otherwise to arbitrators as hereinbefore provided, unless such default shall continue for the period of forty-two days after final judgment has been rendered against said lessee, its successors or assigns, on said claim; nor shall this instrument, nor any nor all the rights, powers, or privileges herein granted, be adjudged or become forfeited, or null or void, on any ground other than the non-payment of royalty or rental as hereinbefore set out, and then only in such manner as is hereinbefore stated. And in case the said lessee shall have issued any bonds or debentures secured by mortgage upon the premises hereby demised, and such mortgage shall have been duly recorded or registered in the office of the Commissioner of Public Works and Mines, and such mortgage shall have named a trustee or trustees to represent the holders of such bonds or debentures, and the post office address or addresses of such trustee or trustees shall have been registered in such office, the rights of the holders of such bonds or debentures shall not be affected by default of said lessee, its successors or assigns, or by any such adjudication or declaration thereof by the Governor-in-Council, or any such final judgment last hereinbefore provided, unless and until written notice of such default and of such adjudication, declaration, or final judgment has been given to such trustee or trustees, and if the holders of said bonds or debentures or any person on their behalf shall, within forty-two days after receiving such written notice, pay to the lessor such sum or sums of money as shall be necessary to indemnify said lessor and make good such

definit, then the holders of such bonds and debentures, or either of them, according as their rights may be by virtue of the provisions and agreements under which said bonds or debentures are issued, or under the laws of said province, may succeed to the rights, powers and privileges of the said lessee, subject, however, to the duties and obligations of the said lessee under this demise. Such written notice shall be given by mailing the same, postage prepaid, to the registered address or addresses of the said trustee or trustees, signed by the Commissioner of Public Works and Mines or by his deputy.

9. And the said lessor doth further covenant and agree to and with the said lessee that the provisions hereof shall be construed as declaring the respective rights of the parties hereto, and that any legislation of the Province of Nova Scotia now or hereafter to be enacted during the pendency of this lease at variance with the provisions of this agreement shall not be held to modify or diminish any of the rights, powers or privileges herein granted unto the said lessee, its successors or assigns.

In witness whereof, the parties hereto have executed these presents at Halifax, in the Province of Nova Scotia, the day and year first above written. The said lessor by the official seal and signature of the Honorable the Commissioner of Public Works and Mines, and the said lessee by its corporate seal and the signature of its President and Secretary.

Signed, sealed and delivered by the said Commissioner of Public Works and Mines, in the presence of	}[L. S.]
.....	[L. S.]
By the said Lessee in presence of	}[L. S.]
.....	[L. S.]

Certified.

(Signed)

H. CROSSKILL,
Clerk Executive Council.

SCHEDULE B.

Copy of an Order of the Executive Council of Nova Scotia, approved by His Honor the Lieutenant-Governor on the twenty-fourth day of October, eighteen hundred and ninety-two.

No. 1872. Referring to the Order-in-Council of May 23rd, 1892, on the subject of the negotiations with Mr. Henry M. Whitney, of Boston, respecting proposed coal mining operations, the attention of the Council has been called to a clerical error in the first part of section 5 of the lease form attached to the said Order-in-Council. Under sub-section (c) of section 108 of "The Mines and Minerals Act, 1892," the Lessee of a coal mine is not at liberty to "assign, transfer, set over, mortgage or otherwise part with" his rights without obtaining the consent of the Governor-in-Council. The purpose of the first part of section 5 of the new lease form was to assure the company to be formed by Mr. Whitney that, subject to certain conditions therein set forth, this consent would be given by the Governor-in-Council when sought. It appears, however, that in the form of words used to effect this purpose the word "mortgage" was omitted.

The Council recommend that Mr. Whitney be informed that the word "mortgage" will be inserted in the first part of section 5 of the lease form.

Certified.

(Signed)

H. CROSSKILL,

Clerk Executive Council.

BY-LAWS.

ARTICLE I.

Section 1. The annual general meetings of the Shareholders of this Company shall be held in Halifax, Nova Scotia, or in Boston, Massachusetts, or in Montreal, P. Q., as the directors may from time to time determine, on the second Thursday of June in each year for the election of directors and to receive the report of the directors for the past year, and for other general purposes relating to the management of the Company's affairs. Accounts of the Company to be annually closed on the last day of February.

Section 2. Special meetings of the shareholders shall be called either in Halifax or in Boston, by the Secretary, whenever a majority of the directors or shareholders holding at least one-fourth part in value of the capital stock shall make application to him therefor, stating the time, place and objects of said meeting, and the Secretary shall also call special meetings of the stockholders whenever he is so directed by the President.

In the case of all special meetings of the shareholders the objects for which the same are called shall be stated in the written request, and in the notice calling the meeting.

Section 3. Notice of the time and place of holding the annual meetings of the shareholders shall be given by the Secretary by publishing notice thereof in daily newspapers of general circulation, both in Halifax and in Boston, on at least two separate days, the last publication to be at least seven days before the holding of said meeting, and in the case of special meetings of the shareholders, the Secretary shall, in addition to the notice by publication required in the case of the annual meetings, mail written notice of such special meeting to each shareholder of record, at his registered address, at least nine days before said meeting.

ARTICLE II.

OFFICERS.

Section 1. The officers of this corporation shall consist of a President, Vice President and second Vice President, Treasurer, Secretary, a board of eleven directors, and such other officers as the needs of the corporation may require.

Section 2. At the first annual meeting, and at each meeting thereafter, or meeting held in lieu thereof, in case the annual meeting is not held, a board of eleven directors shall be chosen by a stock ballot, and said directors shall hold office until the next annual meeting, or until others are chosen and qualified in their stead.

Section 3. Immediately after each annual meeting, or meeting held in lieu thereof, the board of directors shall hold a meeting without further notice than that of the annual meeting, for the election of officers, and shall elect one of their number President of the Corporation; and shall also elect one of their number to be Vice President, and they shall also elect a Treasurer and Secretary.

The President and Vice President shall hold office until the next annual meeting of the shareholders, or until their successors are elected and qualified, and the said Board of Directors may at said meeting, or at any other meeting of the Board, elect four of their number who, with the President, shall constitute the Executive Committee of the Board, and may also elect or appoint any other officers which the needs of the Corporation may require; said other officers to hold office during the pleasure of the Board of Directors.

Section 4. No person shall be elected a director of the Company unless he shall be a holder and owner in his own right, or as trustee for some corporation, of at least twenty-five shares of the capital stock of the Company, and shall have paid up all calls made thereon.

ARTICLE III.

PRESIDENT.

Section 1. The President shall be charged with the general oversight, care and management of all property and business of the Company in all its departments, and of the officers, agents and servants of the Company, except so far as the duties of such officers, agents and servants may be specifically prescribed in the by-laws, or by the directors or the Executive Committee.

He shall sign all certificates of stock, bonds, debts and special contracts of the Company, and may countersign and approve cheques, drafts, promissory notes, bills, or vouchers.

ARTICLE IV.

VICE PRESIDENT.

Section 1. The Vice President shall perform all the duties of the President in case of the absence or disability of the latter, and shall, in such case, have all the powers conferred upon the President by these by-laws or by the charter of the Company.

ARTICLE V.

SECRETARY AND TREASURER.

Section 1. The Secretary and Treasurer shall perform such duties as may be required of them from time to time by the Board of Directors.

Section 2. The Secretary shall keep a record of all meetings of the stockholders, of the directors and of the executive committee.

ARTICLE VI.

BOARD OF DIRECTORS.

Section 1. The President of the Corporation shall, *ex officio*, be President of the Board of Directors.

Section 2. The Board of Directors shall have the management of all the property and business affairs of the Corporation.

Section 3. The Board of Directors shall have power:—

(a) To call a meeting of the stockholders whenever they deem it necessary, in the manner provided by Article I. of these by-laws.

(b) To appoint and remove all employees and agents of the Company, prescribe their duties, fix their compensation, and require of them security for the faithful discharge of their duties.

(c) To make rules and regulations not inconsistent with the charter of the Company and the laws of the Province of Nova Scotia, for the guidance of the officers and management of the business and affairs of the corporation.

(d) To declare dividends out of the surplus profits.

(e) To borrow money and incur such indebtedness as they may deem necessary, and to authorize the making, drawing, or acceptance of bills of exchange and promissory notes on behalf of and for the purposes of the Company.

(f) To purchase and acquire any and all lands, buildings, railways, mining leases, stock, machinery, fixtures, patents and property of whatever nature mentioned in Section II. of the Act incorporating the Company, or which may be necessary or advantageous for the carrying out of the objects of the Company therein mentioned; and they are hereby authorized to issue the common and preferred stock of the corporation in payment therefor; in accordance with the provisions of the charter of the Company.

(g) In addition to the foregoing powers, the directors shall be entitled to exercise all the powers of the Company, except those

powers which are, either by the charter or by general law, conferred exclusively upon the stockholders.

Section 4. It shall be the duty of the Board of Directors:—

(a) To cause to be kept a complete record of their meetings and acts.

(b) To present a full statement at the regular annual meeting of the shareholders, showing in detail the assets and liabilities of the corporation, and generally the condition of its affairs; and to present a similar statement at any meeting of shareholders when thereto previously requested by shareholders representing at least one-third of the capital stock issued.

(c) To supervise all acts of the officers and employees, to require the Secretary and Treasurer to keep full and accurate books of record and accounts, and prescribe the form of keeping such books.

(d) To cause to be issued to the shareholders, in proportion to their several interests, certificates of stock not exceeding in the aggregate the capital stock of the corporation, as it may from time to time be determined.

Section 5. The President may call special meetings of the Board of Directors at such times as he may deem expedient; and he shall also call meetings of the Board of Directors when thereto requested in writing by a majority of the Board of Directors; and in case of neglect or refusal to call such meeting a majority of the Board of Directors may call a special meeting of the Board, by a written or printed notice therefor, signed by them, and mailed to each director, at his last known place of residence or business, at least twenty-four hours previous to the time of such meeting.

Any meetings of the directors at which all the directors are present, or of which the absent directors shall have waived notice, shall be a legal meeting as though called as herein provided.

Section 6. The Executive Committee shall, when the Board of Directors is not in session, have and exercise all the powers belonging to said Board.

Section 7. A quorum of the Directors shall be five present in person.

A quorum of the Executive Committee shall be three present in person.

ARTICLE VII.

VACANCIES.

Section 1. The Board of Directors shall have power to fill any vacancy, howsoever caused, in the board of officers of this Company, and also in the Board of Directors, until the next annual meeting, or meeting held in lieu thereof.

ARTICLE VIII.

VOTING.

Section 1. At all meetings of the corporation, each shareholder of record, either by himself or by his duly appointed attorney, shall be entitled to cast as many votes as he holds shares of stock of record, whether common or preferred.

ARTICLE IX.

CERTIFICATES OF STOCK.

Section 1. Each shareholder shall be entitled to a certificate showing the number of shares of the capital stock held by him, whether preferred or common, which shall be under the seal of the Company, and shall be signed by the President and by the Treasurer, and shall be countersigned by a duly appointed transfer agent.

In case of the absence or inability of the Treasurer to act, the Secretary may sign such certificates in his stead; and in case of the absence or inability of the President to act, the Vice-President or such other officer of the Company as the Directors may designate, may sign such certificates in his stead.

Shares may be transferred by a conveyance in writing recorded upon the books of the Company.

On making the transfer and surrendering the old certificate, a new certificate shall be granted.

In case of the loss of certificate, a duplicate certificate may be issued, upon such terms as the Executive Committee shall prescribe.

Section 2. All shares of stock which have been issued as fully paid shares, in accordance with the Charter of the Company, or which, although not issued as fully paid shares, have subsequently upon call been paid up to the amount of their par value, shall be thereafter non-assessable.

Section 3. The Directors may close the transfer books at any time for a period not exceeding fourteen days.

ARTICLE X.

Section 1. No business except to organize and adjourn for a specified time, shall be transacted at any meeting of the shareholders unless there are present in person at least five shareholders, representing, in person or by attorney, at least one-tenth of the capital stock of the corporation issued or subscribed.

ARTICLE XI.

Section 1. These by-laws may be altered, amended or repealed from time to time by the Board of Directors, and may likewise be altered, amended or repealed from time to time by a two-thirds vote of the stockholders present and voting at any annual meeting or any special meeting called for that purpose.

AMENDMENTS TO THE BY-LAWS.

Meeting of Directors of the Dominion Coal Company, Limited.

MONTREAL, 12th June, 1902.

On motion it was

Resolved: That the by-laws of this Company be and are hereby amended as follows:

Section 2, Article 1. Be amended by inserting after the word "Boston" in said Section the words "or in Montreal, P. Q."

Section 1, Article 2. Be amended by inserting after the word "Boston" in said Section the words "and in Montreal, P. Q."

Section 1, Article 2. Be amended by striking out the word "eleven" and inserting the word "twelve."

Section 2, Article 2. Be amended by striking out the word "eleven" and inserting the word "twelve."



