



UPPER YARRA VALLEY MINERAL SPRINGWATER CO.

Expressions of Interest
2018

A woman with dark hair tied back, smiling and holding a bottle of MISSIE BLUE water. The bottle is dark with white text and a kangaroo logo. The background is a blurred outdoor setting with a teal overlay.

A unique opportunity to stake a claim in the lucrative global spring water industry leveraging a *clean, green, protected Australian brand.*



Gilderoy Springs property

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Introduction

Yarra Valley water is among the purest and highest quality water in Australia.

The Upper Yarra Mineral Springs Company is a water brokerage business with an integrated supply chain and has a vision of bottling a premium brand of spring water from its Victorian sources (the southern slopes of the Great Dividing Range) with a range of chemistry to satisfy all palates to meet international demand.

There is an opportunity to stake a claim in the lucrative global spring water industry, leveraging a clean, green, protected Australian brand.

Uniquely, we can offer a total turn-key branded solution for an overseas distributor. While the total sales of bottled water in Australia is approximately 1,200 megalitres, the real demand is in international markets such as Central America, Asia and the Middle East. With the intention, research and capability to crack into these profitable markets, the bar has been set high for success.

While overseas markets are firmly in our sights, we are at the core a local product. Our roots, beliefs and inspiration derive from the Yarra Valley. When we combine what we have been gifted naturally from the iconic Yarra Valley with what we have worked so hard to develop and create, we are in an unprecedented position for growth and development.

Premium bottled water walks the line of commodity and luxury – an idea that we are passionate about. We invite all prospective investors to share in our excitement.



Mark Read
Chairman
The Upper Yarra Mineral Springs Company



Gilderoy Springs Australian spring water

The Upper Yarra Mineral Springs Company has a vision of bottling a premium brand of spring water from its Victorian sources (the southern slopes of the Great Dividing Range) with a range of chemistry to satisfy all palates.



Sales Offering – An Overview

The Upper Yarra Mineral Springs Company boasts the capabilities and strengths required to realise an export opportunity to sell Australian bottled water to international markets.

The removal of international trade barriers paired with increasing globalisation opens up a window of opportunity for international investors to access Australian resources and products.

The Upper Yarra Mineral Springs Company has researched and understood the international market and identified a market gap for premium Australian water with an international focus. By capitalising on market trends, including increasing bottled water consumption, healthy lifestyle changes and the value of convenience, the Upper Yarra Mineral Springs Company has established a bottled water supply chain from source to end user (international markets). Further, the company plans to provide value-added offerings, ensuring the product will remain current, scalable and relevant.

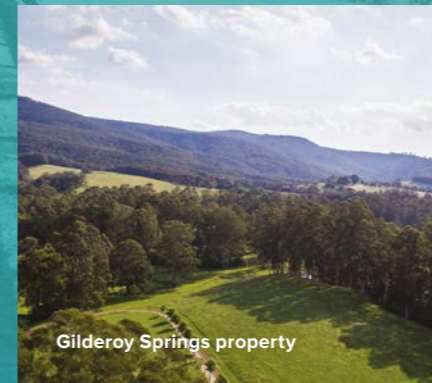
The value adds include: flavoured, sparking and specialty water products; other taste options to suit a range of palates; and packaging alternatives for different markets and users.

The value of this proposition lies in the details of this offering:

- ◆ A unique water brokerage model that matches international demand and palate requirements for Australian spring water through a protected and integrated supply chain delivered by experienced industry professionals
- ◆ An exclusive arrangement with Gilderoy Springs to access pure water from this unique, pristine source
- ◆ A long-term contract with Black Mount Spring Water – Australia's leading water logistics provider – to faithfully provide secure access and transport of natural spring water from a range of pristine sources
- ◆ An abundant water supply, with volumes available and different types for different tastes
- ◆ The opportunity to capitalise on the strong global demand for bottled water, particularly in high-growth countries such as China where the bottled water market is expected to grow by more than 13% every year
- ◆ Stringent quality assurance from the source to the shelf
- ◆ Flexible options for investing – to purchase the full supply chain or to partner in an exclusive distribution agreement
- ◆ Flexible product options, with both premium and lower cost product options available
- ◆ A fully developed brand concept that is ready to go or expert support to create a new brand for a particular market
- ◆ The support of a team uniquely positioned to help investors fully realise the potential of this opportunity

The Upper Yarra Mineral Springs Company has access to 388 ML of the highest quality spring water available in Victoria and can draw on a further 400 ML in Queensland, New South Wales and Western Australia.

An End-to-End Business Solution



Upstream

The Upper Yarra Mineral Springs Company's upstream integrated supply chain allows the company to secure and manage the supply, bottling and delivery of premium and competitively priced Australian bottled water to international markets. The Upper Yarra Mineral Springs Company will market its bottled water utilising provenance and point-of-origin branding, traceability and the clean and green image of Australian produce.

Downstream

The Upper Yarra Mineral Springs Company's downstream supply chain will allow distributors in international markets (e.g. UAE and China) to leverage the Upper Yarra Mineral Springs Company's premium Australian water quality and branding to promote and drive sales of the Upper Yarra Mineral Springs Company's water to existing networks. This will also further promote and market the water in international markets.

Brand Concept

A conceptual brand has been designed as an integral part of the Upper Yarra Mineral Springs Company's end-to-end business solution. Alternatively, a professional branding partner is available to work on a custom-designed solution.



The Upper Yarra Mineral Springs Company

The company also has strong partner and supplier relationships including extensive spring water supply and logistics experience throughout Australia. The Upper Yarra Mineral Springs Company prides itself on having the experience to take a quality Australian product and see it thrive on a global scale.

The Upper Yarra Mineral Springs Company has access to a community of professionals who support our vision to build their brand and to break down potential barriers:

- ◆ global networks in water through distribution opportunities into the Middle East and Asia
- ◆ the extensive transaction, strategic advice and agribusiness experience of JPAbusiness
- ◆ digital and other marketing experience from MMR, who

has provided branding work to some of Australia's most successful organisations.

Key People

The Upper Yarra Mineral Springs Company brings together a team of widely experienced people with the expertise to deliver both a unique product and the strategic marketing to support its introduction into any market.

Founder and Chairman



Mark Read

Gilderoy Springs

With more than 40 years' expertise in the wagering industry, Mark Read is recognised as Australia's foremost bookmaker, punter and form analyst. Mark is regarded as a wagering legend, having successfully started and developed numerous organisations as well as developing extensive intellectual property assets in the global wagering industry. Today, Mark continues to grow his personal proprietary trade business and continues to be heavily involved in developing commercial technology solutions to further evolve the practice.

Founders



James Price

JPAbusiness

James has more than 30 years' experience in providing strategic and commercial advice to Australian and international business clients. James is the managing director of business advisory, valuation and mergers and acquisition firm JPAbusiness (founded in 2002) to assist private and joint shareholder business clients with practical advice, along with decision support in growing, changing and enhancing the value of their businesses. James' experience spans agribusiness, food and beverage manufacture and distribution, commodities and international marketing, banking, finance and public policy.



Robert Kennedy

MMR

Rob is the founder of MMR. With a career spanning 20 years in the print, advertising and marketing industry, Rob's vision and focus on client engagement and marketing strategy has seen MMR grow under his leadership to work with many iconic Australian institutions across various campaigns and projects.

Key supply partner



Tim Carey

Black Mount Spring Water

Since 2006, Tim has managed and rapidly grown his Black Mount Spring Water business from its Victorian headquarters, entering New South Wales, Queensland and Western Australia alongside its key customers and reaching a national fleet size of 25 trucks. His efforts have provided a higher level of service at a more competitive price and aided in expanding the company's customer base. Tim's water sourcing and management expertise helped to secure new water sources to meet their customers' demand for a variety of water specifications and ever-increasing volumes.



Gilderoy Springs property

The Yarra Valley – A Unique Source of Premium Water

As a premium water brokerage firm, the company will have guaranteed access to up to eight unique water sources around Australia through a long-term supply agreement and relationship with Black Mount Springs. In the Yarra Valley there are two prized water sources at the core of the company's offering.

The Yarra Valley is Victoria's premier wine and food region, popular for weekend getaways because of its abundant wineries, outstanding restaurants, national parks and wildlife. It is also the source of some of the purest natural water in the world.

In the secluded (and idyllic) Little Yarra Valley of the Upper Yarra there are two commercial extraction licences for bottling water totalling 216 megalitres (ML). These licenses are in the Little Yarra Valley – one at Gilderoy (66 ML) and the other three kilometres away at Powelltown (150 ML). The Gilderoy Springs water source was first in commercial production in the mid-1980s and was the original source of Mount Franklin branded water 20 years ago. Today, Mount Franklin is Australia's market leading brand; a commodity that is sourced from all over Australia.

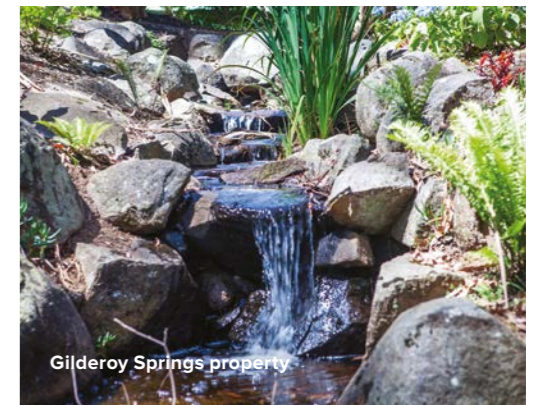
The Upper Yarra Mineral Springs Company controls and accesses both Gilderoy and Powelltown sources, combined to provide a large renewable resource and total licence capability of 216 megalitres (ML) p.a.

The Yarra Valley provides a large water supply through Powelltown, with the ability to source more from surrounding areas. From a tourism perspective, it is the perfect location to leverage provenance and point-of-origin strategies for premium branding, as well as to develop a tasting/demonstration room type enterprise through Gilderoy Springs. A plan is in progress to develop Gilderoy Springs (in the upper Yarra Valley), creating a boutique five-star luxury lodge that is a showroom for the water brand and the provenance of the spring water.

Water secured by the Upper Yarra Mineral Springs Company is certified by the HACCAP and is accredited by the Australian Bottled Water Institute (ABWI). The chairman of the ABWI, Tim Carey, is the major source and logistics partner in this project. Additionally, the Yarra Valley is serviced by a modern fleet of water haulage tankers.



Gilderoy Springs property



Gilderoy Springs property

The Yarra Valley is Australia's premier cool climate wine region, globally renowned for its natural beauty and quality agriculture.

Water Provenance

Gilderoy Springs

Yarra Valley

Gilderoy Springs comprises 375 acres in the Upper Yarra Valley and is blessed with a pure, natural, unconstrained ecosystem in close proximity to the sophisticated metropolis of Melbourne, Victoria. The Yarra Valley is Australia's premier cool climate wine region and is extraordinarily similar to San Francisco's Napa Valley wine country in size, population and terrain. It is a major tourist destination for Melburnians.

Gilderoy Springs has provided the Read family with a country retreat, bringing peace and connection with nature. The dateless geography and rainforest is enhanced by the

charm of four distinct seasons, allowing visitors to witness the life cycle of indigenous animals and birds thriving in their natural habitat.

The Yarra Valley springs produce crystal-clear, pure and refreshing natural spring water – just as nature intended. Using natural gravity feeds, spring water is directly collected in food-grade tanks ready for transportation. This ensures the water is never exposed to daylight, maintaining optimal quality and taste.

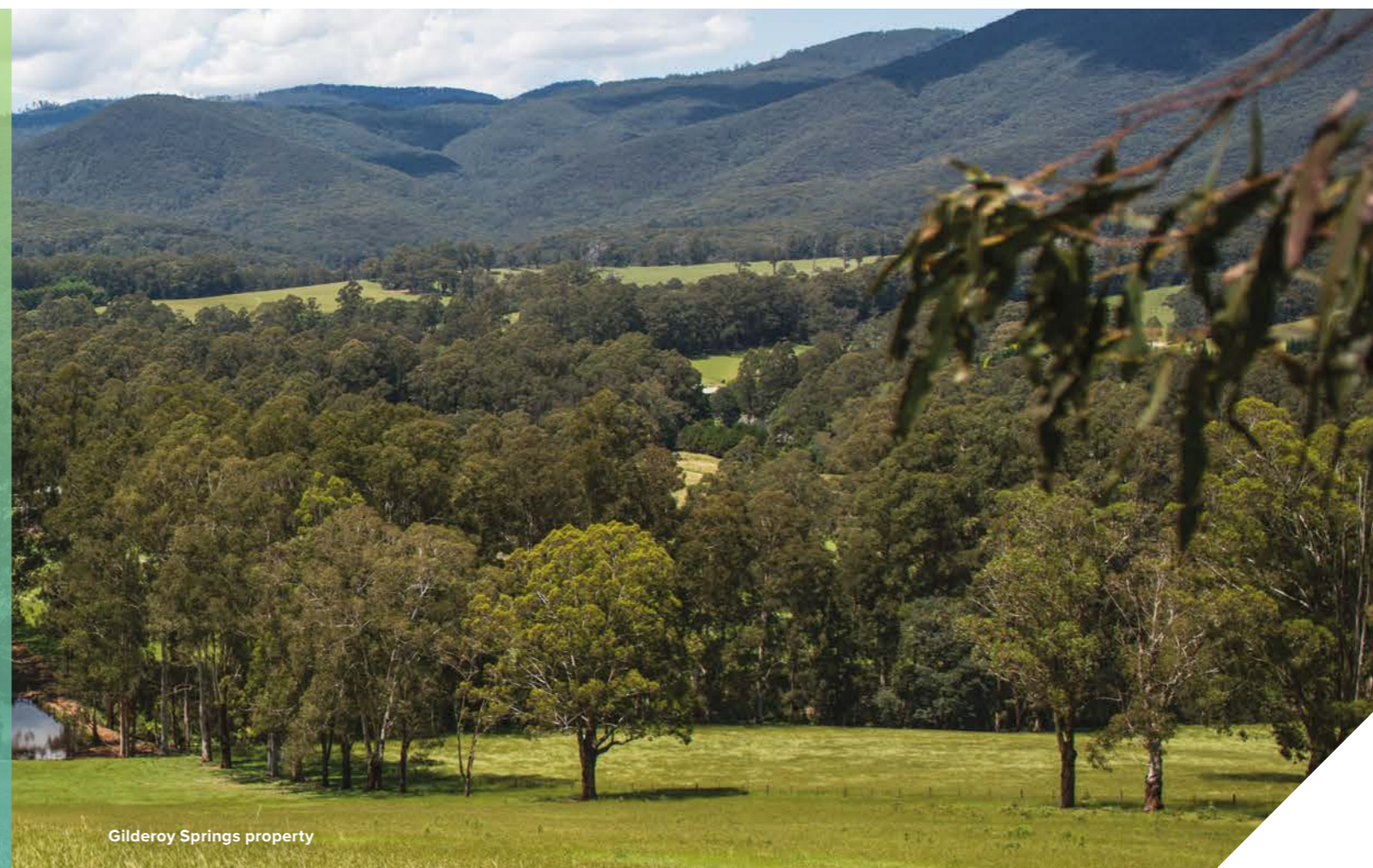


The Upper Yarra Mineral Springs Company has established a superior service model that includes:

- ◆ high-quality water sourced naturally using industry best practice
- ◆ a supplier to commercial distributors
- ◆ an all-weather quick-flow filling station with the capacity to fill a 30,000 litre tanker in 15 minutes, ensuring a fast turnaround time
- ◆ food-grade holding tanks
- ◆ a personalised service.

The spring water licence for bottling at Gilderoy Springs is 66 ML. In the Upper Yarra Mineral Springs Company's current business plan for, Gilderoy Farm will act as a showroom for the branded Yarra Valley product, giving it a distinct provenance of an idyllic property in the Yarra Ranges. The neighbouring facility at Powelltown (three kilometres away) has a 150 ML licence and is the operating factory of the enterprise. There are only two such licences in the Little Yarra Valley.

Our secure access to this unique provenance allows us to tell a rich and compelling brand story.



Black Mount Natural Spring Water

📍 Melbourne, Sydney, Brisbane, Albury, Tasmania, Perth

Black Mount Spring Water is a leading bulk water supplier throughout Australia, delivering premium spring water and outstanding service to all locations.

Black Mount has supplied Australia's major bottled water customers for more than 25 years, using the latest technology and world-class water sources and transport infrastructure. The company specialises in water cartage and supply, providing competitive rates and flexible delivery times in all areas.

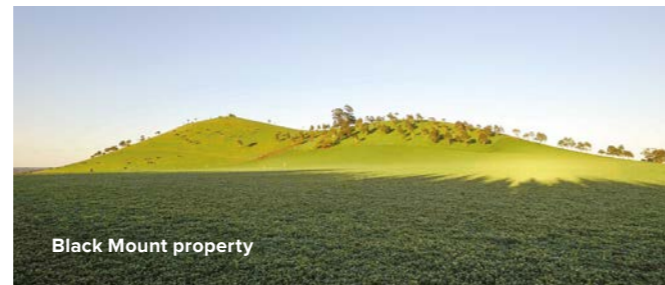
Black Mount's quality assurance boasts:

- Australian Bottled Water Institute approval
- HACCP certification
- Biological Farmers of Australia approval.



The Upper Yarra Mineral Springs Company has secure access to a significant volume of spring water from Black Mount through a long-term supply agreement.

Black Mount is known for producing Australia's highest quality water. Three million years ago, when western Victoria was in the grip of an outbreak of volcanic action, Black Mount at Millbrook exploded. The lava that had been thrown into the sky cooled, solidified and fell back to earth as highly porous scoria. A volcanic cone standing 100 metres above the surrounding countryside was created and two craters formed in the cone, like two giant cups rising above the land.



Today, rain falling on Black Mount is captured in the cone and percolates down through the scoria until it strikes a dense lava plug in the throat of the volcano. During the process, the fine scoria filters out particles from the rainwater and adds minute concentrations of minerals. At this point, the purified water moves laterally to emerge as springs on the lower slope of the cone. This process takes place above the surrounding water table, so the water that springs from the heart of the volcano is pure, fresh and protected from contamination.

Black Mount Spring Water benefits from nature's own process of creating superior purified water.

Visit the Black Mount Spring Water website at www.blackmount.com.au for more information.

Figure 1: Provenance of Black Mount Water sources nationally



Black Mount Spring Water has been a leading bulk water supplier throughout Australia for more than 25 years.

Market Analysis

Premium bottled water is a product of marketing, differentiated by each product's unique characteristics. Premium water is growing at a faster rate than the overall bottled water industry globally – 9% premium water compared with 8.5% for the overall industry. Premium water is dominated by American and European brands.

The difference between premium bottled water and average bottled or private-labelled water is that premium waters typically separate themselves through marketing efforts that utilise selling points such as pH levels and the minerality of the water, purity and cleanliness, and bottle presentation.

According to beverage consultant Zenith International, the premium bottled water market is booming, making up 6% of total global packaged water volume in 2016¹ and growing by 6% in 2015, the highest growth rate seen in the preceding six years. Zenith International has also indicated that the market for global bottled water has grown 9% p.a. in recent years and is now worth an estimated US\$149 billion.

Beverage Marketing Corporation also considers high-cost bottled water (selling for more than US\$1.30 per litre) as being one of the fastest growing areas in the bottled water market. It's research has indicated that although growth in the overall packaged water market outpaced that of the premium segment in 2015, premium water has maintained its share of the market due to vast growth in core markets such as Germany and the United States.

Premium bottled water sales are dominated by Western European and North American markets, with the emerging markets of Asia-Pacific and the Middle East providing attractive opportunities for a growing number of manufacturers.² The rising levels of disposable income in these markets, coupled with the generally poor quality of tap water, serves to increase the appeal of premium water among consumers.²

Opportunities

- ◆ Health and lifestyle focus
- ◆ Increasing global population of 'middle-class' citizens
- ◆ Disposable incomes rising in developing countries
- ◆ Water resource scarcity and poor water management in countries such as China, India, Thailand and Indonesia
- ◆ Social trends – younger generations seeking and valuing the convenience of bottled water
- ◆ Value-added water (carbonated, flavoured, functional)

Strategic Insights

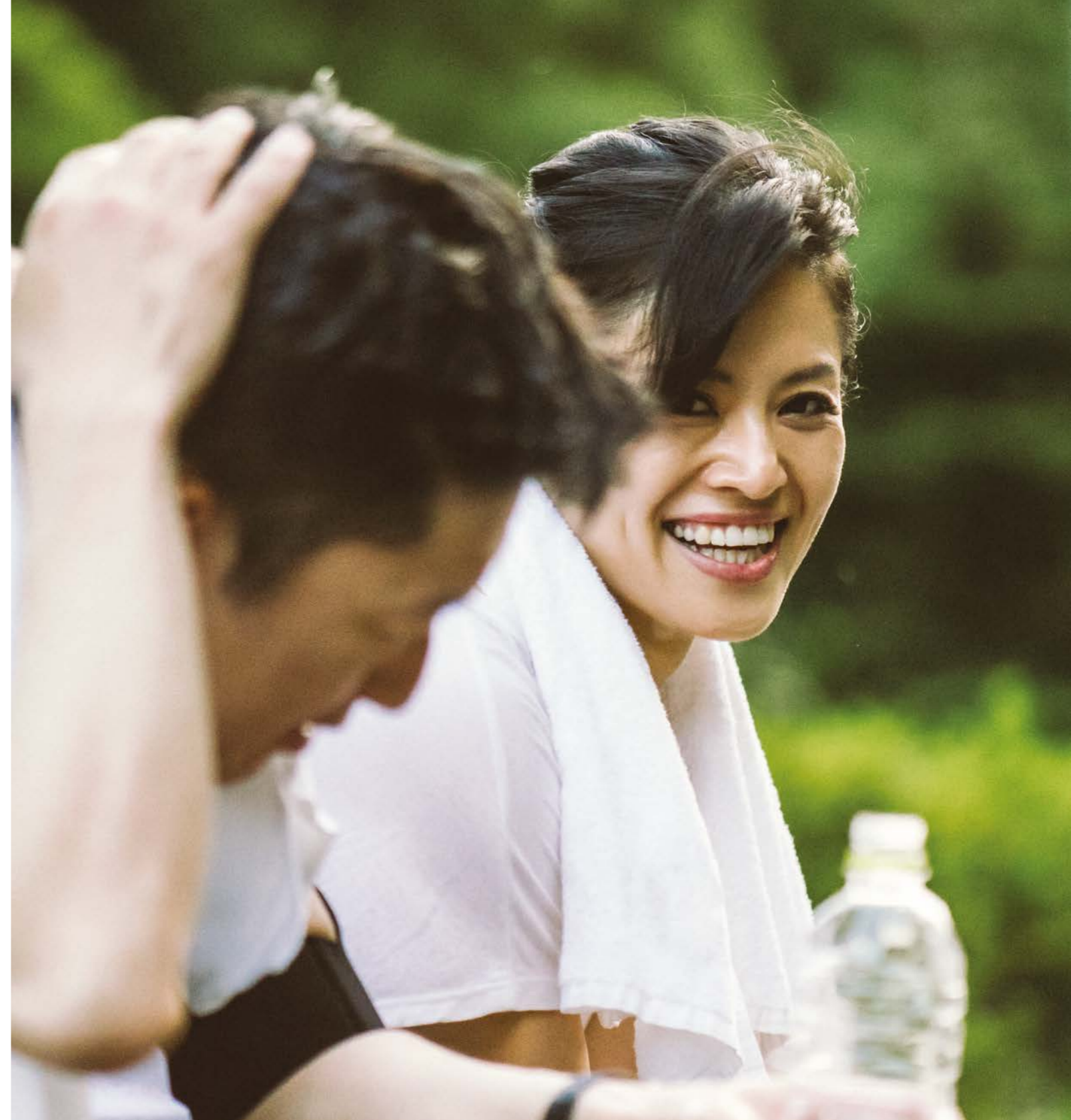
- ◆ Rising demand for bottled water in Asia-Pacific and the UAE region due to the scarcity of portable water resources and inadequate water management
- ◆ Inability of people in some countries to rely on tap water, increasing bottled water consumption
- ◆ Rising disposable income in developing countries and high-growth countries, leading to lifestyle changes and a stronger focus on health
- ◆ Increasing populations around the world are further increasing global demand for bottled water
- ◆ Increasing global temperatures in some countries leading to increased hydration needs
- ◆ Highly-developed countries increasingly enjoying the convenience of bottled water
- ◆ Social shifts from sugary drinks to water due to an increasing focus on health
- ◆ Increasing criticism from the consumption of bottled water from stakeholders concerned about environmental issues
- ◆ Increasing criticism of and opposition to bottled water consumption from proponents of tap water (in highly-developed countries)
- ◆ Bottled water consumption is dominated by bulk and low-priced water; however, premium bottled water is growing at a faster rate

Sources:

¹ www.businessinsider.com.au/ultra-premium-water-is-on-the-rise-2016-1?r=US&IR=T

² 'Global Premium Water Report 2016' – Research and Markets

Additional information provided by JPAbusiness Pty Ltd, Analysis & Research



Positioning a water brand at the premium end of the market maximises its commercial potential.



With secure access to the limited licenses for bottled water production in the pristine Yarra Valley and at other strategic locations throughout Australia through its long-term supply agreement with Black Mount Springs, the Upper Yarra Mineral Springs Company is uniquely positioned to bring a product to market that is not only very high quality but has a rich and full brand story of authenticity and provenance unlike any other in the market.

Our Unique Product

Brand Concept

A conceptual brand has been designed as an integral part of this end-to-end business solution. Alternatively, we offer a professional branding partner in MMR, who can work with you on a custom-designed solution of your own.

The conceptual brand outlined below is a ready-to-implement solution that has been designed to demonstrate the potential of this unique retail opportunity. The concept can be developed further to realise a successful bottled water brand that will achieve cut through in the market. With a modern, premium Australian brand built around this natural resource, the possibilities for this product are limitless.

BRAND CONCEPT A – Aussie Blue

- Affordable Australian natural spring water – priced more competitively, however, still offering the ‘quality’ of Australian produce to international markets
- Attractive and bold physical bottling
- Australian and other quality (i.e. ABWI) certification
- Quality assurance system from source to retail



BRAND CONCEPT B – Custom Design

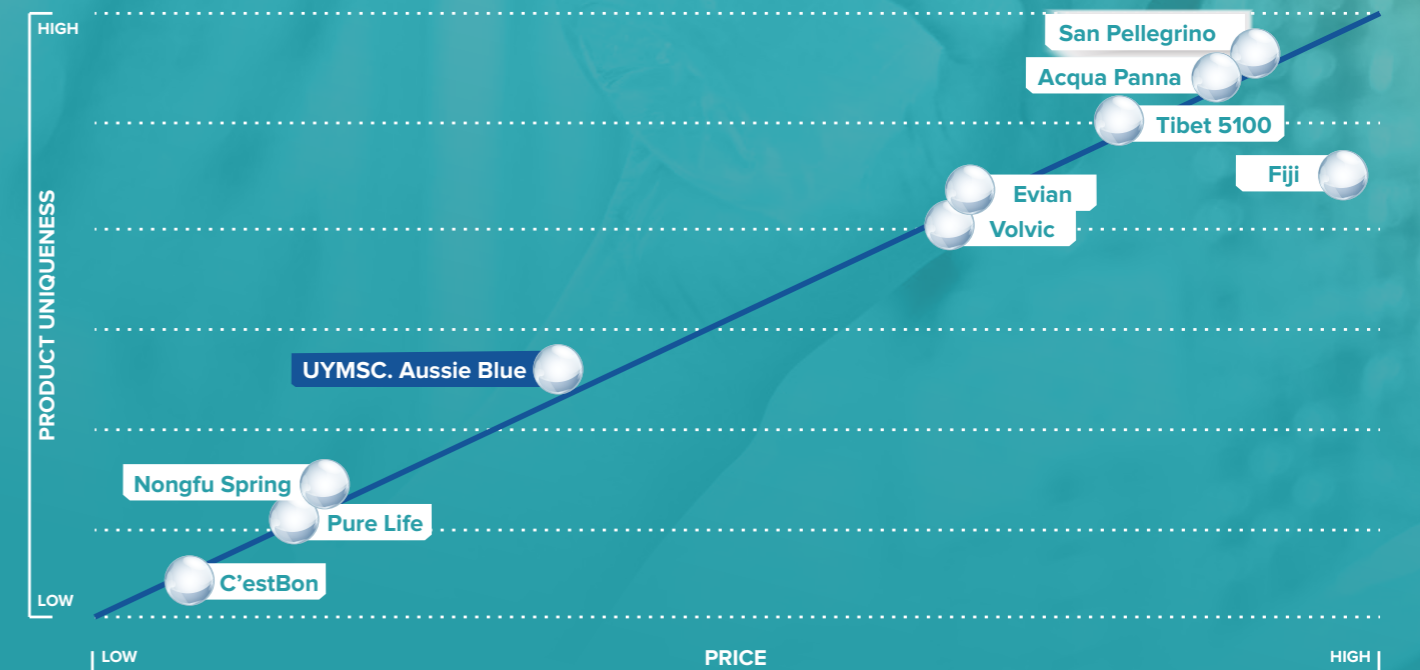
Working with MMR, there is vast potential to realise your product vision and target the brand towards your preferred point on the value line (shown on the following page).



The graph below illustrates how Upper Yarra Mineral Springs Company water will have to be positioned in the market to be competitive. The Upper Yarra Mineral Springs Company brands will have to be placed above the ‘value line’ in all marketing and brand positioning strategies. For example, to price the water at a higher rate than Evian, the concept must demonstrate superior product quality relative to that brand. There is potential through differentiation to stretch the Aussie Blue offering over time.

China – Potential Market Positions

Qualitative (subjective) ‘value line’ – being above represents relatively high value for money.



Sources: Source: JPAbusiness Pty Ltd analysis and research



AUSSIE BLUE



Brand overview

'Aussie Blue' stands for the values of honesty, trustworthiness, authenticity and having a genuine, good nature.

Aussie Blue is a fresh, contemporary Australian brand. The use of the primary national colour, navy blue, is representative of the Australian flag. The colour palette underlines trust and water quality. The application of colour is a powerful mechanism for driving brand awareness in the market.

This brand has high recognisability in the market from the colour application of the design. The deep-blue bottle colour positions the product as premium and easily identifiable on the shelf and in the hand of the consumer. These unique bottles can be identified from a distance or when the label is obscured. This brand can create a cult consumer following by utilising the trend of blue solar water along with the prestige of being seen with a premium western product, which becomes a personal statement for the customer.

The design is bold and modern. A linear representation of the Australian landscape is portrayed with a graphic style that makes reference to indigenous art. Topographic representations of the landscape mirror the forms of flowing water. The iconic kangaroo is drawn in a fluid, linear style, which immediately conveys the origin of the product.

Brand pillars

Aussie Blue is a brand based on the Australian values of authenticity and truthfulness:

- ◆ True to our promise
- ◆ True to our customers
- ◆ True to the environment
- ◆ True to quality
- ◆ True to safety
- ◆ True to health and vitality
- ◆ True to you

Brand positioning statement – tagline

- ◆ Truly natural spring water from the land of Australia
- ◆ Truly the purest Australian water
- ◆ Premium, pure Australian water

Product range extensions

The product range can be extended by identifying the location of the source water or by extending the name to include the variation:

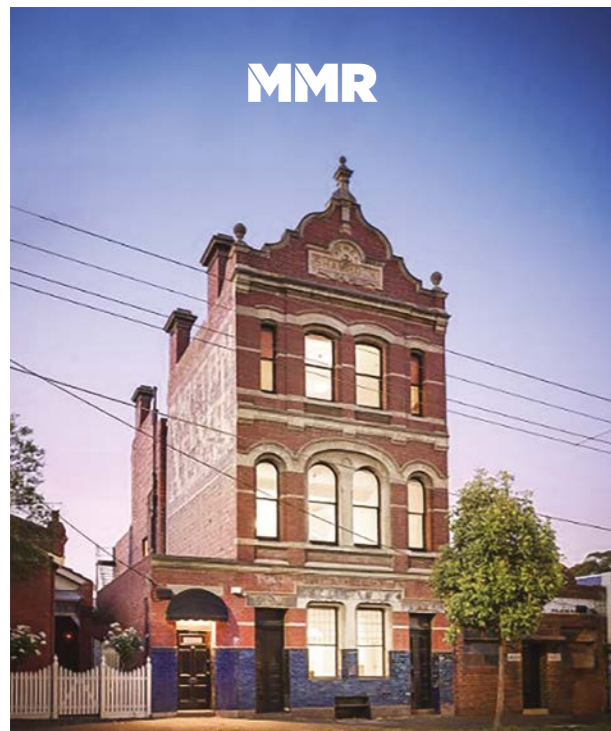
- ◆ Aussie Blue Sparkling
- ◆ Aussie Blue Lemon
- ◆ Aussie Blue Berry
- ◆ Aussie Blue Lime

Design notes

- ◆ Eye-catching and contemporary
- ◆ Modern Australian – feels fresh and new
- ◆ The colour of the bottle ties in directly with the name, further penetrating the brand
- ◆ White print directly on a deep-blue plastic bottle – no labelling

Packaging options can be developed to suit different needs and markets.

MMR is Your Premium Branding Partner



MMR can help an investor conceptualise, design and execute a successful and unique brand that can fully leverage this unique retail opportunity.

With the dedicated resources of an established and reputable Australian brand and design agency, there is a full-service, in-house team of skilled and experienced professionals to deliver an integrated brand solution that will ensure product success.

- ◆ The MMR brand team can assist with naming, concepts, brand vision and product development.
- ◆ The MMR design team can bring the vision to life with beautifully realised brand design.
- ◆ MMR strategists can work with you to ascertain effective strategies for the product launch, marketing plans and communication strategies.
- ◆ MMR in-house digital specialists can give your brand the competitive edge online.
- ◆ All branding work is expertly managed by our experienced and connected team of project managers.

For information about MMR's work with top-tier clients, visit www.mmr.com.au.

Marketing Insight

In the bottled water product category, branding activities are what will make the biggest impact on competitiveness and differentiation from other products. You should therefore not be product-focused, but story-focused. The brand that tells a better story and backs it up with credible facts will come out ahead.

With the Upper Yarra Mineral Springs Company product, there is an opportunity to create a powerful brand story around a commoditised product, particularly by targeting niche markets such as water for babies, expectant mothers or young children and adults, which has the potential to elevate it to an iconic status in China.

Having a great product is one thing, but without people to perpetuate the brand story through word of mouth, a loyal consumer base strong enough to sustain long-term competitiveness can never develop.

Targeted Visibility and Reputation

Before turning to traditional advertising, a two-pronged approach of building strategic relationships and careful product placement would allow the investor to position themselves at the premium level, in turn creating word of mouth and consumer demand from the top down.

Part of the sales strategy could be to build relationships with top-end hotels, resorts and restaurants that are regularly used by prominent businesspeople and others in the public eye to help position the brand. Also, by becoming the official water sponsor of prestige local events such as golf tournaments, sailing regattas, polo, fashion and musical events, the brands can be positioned front and centre at an elite level.

Digital and Influencer Marketing

China has embraced the digital revolution and now has the largest internet penetration rate for a developing nation globally, at a whopping 65%. There are also 550 million smartphones in China. Consumers engage typically through digital platforms. They spend an average of 1.5 hours per day browsing the web for information.

The water's provenance already gives the product a good headstart in the premium bracket, but to support this, the brand should utilise China's digital influencers to not only reflect that premium positioning but to help fuel sales growth. Examples of China's key opinion leaders (KOLs) include actress Yao Chen, with 80 million followers. On the flipside, using micro-influencers in a handful of cities could help market Australian water for young children and expectant mothers, who can buy conveniently online anytime.

In this digital space, viewers tend to be platform-neutral, meaning 'they follow the person, not the platform', so cut-through on the use of KOLs as a means of selling goods to aspirational Chinese consumers should be paramount. Product placement in key TV shows or movies may also be a consideration prior to using traditional marketing methods.

Corporate Social Responsibility (CSR)

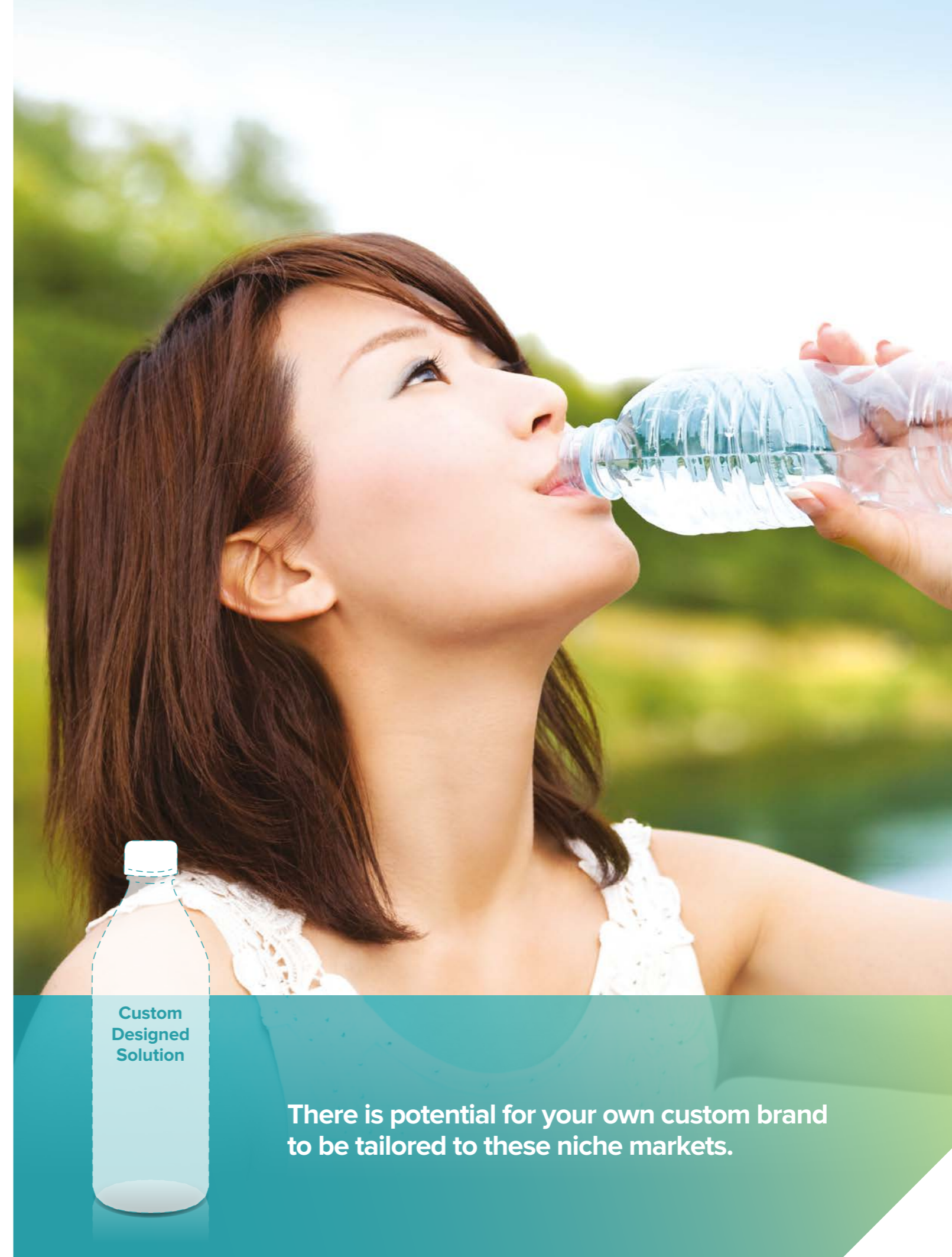
CSR is key in this market, and building a reputation as a responsible business can lead to a competitive advantage. More and more, companies are favouring suppliers who have positive social and environmental policies, since this can reflect on how their own customers see them. By reducing resource use, waste and emissions, responsible companies are not only helping the environment but saving money too.

Niche Market Opportunities

There is an opportunity to target the niche markets outlined below with the water-containing properties best suited to them.

Babies	Preschoolers	Older children	Expectant mothers
Balance water	Balance water	Vitality water	Alkaline water
A soft and balanced daily drinking water characterised by its neutral taste and containing the main essential minerals that your body requires.	A soft and balanced daily drinking water characterised by its neutral taste and containing the main essential minerals that your body requires.	A crisp, daily drinking water with a rich variety of minerals that provides intense hydration to vitalise your body.	An alkaline daily drinking water with a high pH and rich in minerals and antioxidants that contribute to oxidation in your cells, addressing any acid–base imbalance in your body.
Calcium Magnesium Potassium	Calcium Magnesium Potassium	Calcium Magnesium Potassium Iron, manganese, zinc	Calcium Magnesium Potassium Iron, manganese, zinc, antioxidants
			

The above table is an example only. The mineral concentration can vary based on the preferred water type sourced for you (ie: purified, remineralized, spring, mineral or artesian). Refer to page 12 for more information on water provenance or contact us to discuss your specific requirements.



Custom
Designed
Solution

There is potential for your own custom brand to be tailored to these niche markets.

A person is shown in profile, drinking water from a clear plastic bottle. The image is overlaid with a teal gradient that fades from the left side. The person's head is tilted back, and the bottle is held up to their mouth. The background is a soft, out-of-focus landscape.

Bottled water consumption is increasing around the globe, providing export opportunities for the Upper Yarra Mineral Springs Company.

Logistics and Delivery

Water logistics will be managed by Black Mount Natural Spring Water.

The Upper Yarra Mineral Springs Company has a long-term supply agreement with Black Mount Spring Water that secures sizable spring water volumes for a mix of palates, along with all logistics and delivery functions to the bottling plants.

As the major logistics provider of Australia's total bottled water volume, Black Mount Spring Water provides:

- ◆ a high level of expertise in the transport and logistics of water
- ◆ access to established infrastructure, equipment and transport/logistics networks – particularly with water
- ◆ the ability to secure competitive logistics and transport rates within Australia.



By establishing exclusive distribution rights of the Upper Yarra Mineral Springs Company's water in international markets, the distributor(s) is able to benefit from the Upper Yarra Mineral Springs Company's strong and long-term supply and marketing.

The Upper Yarra Mineral Springs Company seeks to establish exclusive distribution rights with distributors in target international markets that may include, but are not limited to, the UAE, India and Asia, in particular China.



Black Mount Springs transport



Gilderoy Springs – transport



Water logistics will be managed by Black Mount Natural Spring Water, who currently transport 60% of Australia's total bottled water volume.

Water Supply Chain

The Upper Yarra Mineral Springs Company has access to a long-term and strong supply of premium quality Australian water to suit any international market.

The Upper Yarra Mineral Springs Company benefits from:

- access to a large supply of quality Australian water – 150 ML annually available from Tim Carey’s Powelltown property as well as secured water sources from nearby areas
- the ability to establish long-term and exclusive supply agreements
- the ability and capability to produce acidic, neutral and alkaline bottled water depending on country-specific requirements and market tastes.

With a guaranteed-access long-term supply agreement with Black Mount Natural Spring Water, the Upper Yarra Mineral Springs Company has set up a definitive and reliable water supply chain.

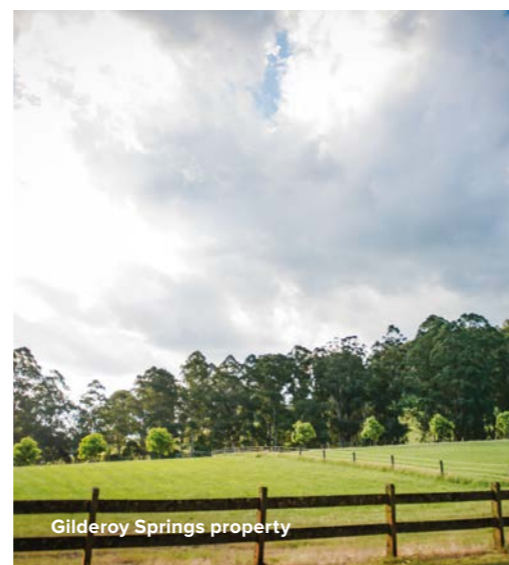


Table 3: Indicative analysis on annual production capability, depending on the choice of water source

Potential Water Supply Capacity – Annually		
Flow Rate	Powelltown (150 ML)	Gilderoy Springs (66 ML)
3.0 L/sec	64.8 ML	–
2.5 L/sec	54.0 ML	–
2.0 L/sec	43.2 ML	43.2 ML
1.5 L/sec		32.4 ML
1.0 L/sec	–	21.6 ML

Sources: JPAbusiness Pty Ltd analysis and research

Capacity

The Upper Yarra Mineral Springs Company’s maximum production volume currently available will be, at a base level, 64.8 ML annually. The Upper Yarra Mineral Springs Company has access to additional supply in nearby regions if required – approximately 200 ML annually.





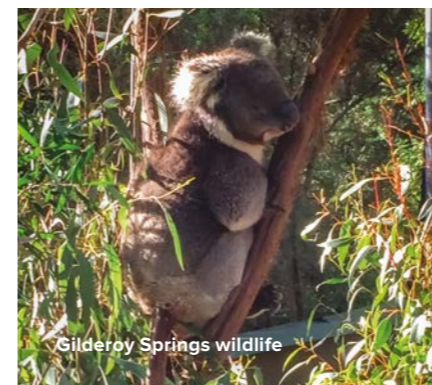
Gilderoy Springs property

Environmental Compliance

The Upper Yarra Mineral Springs Company, our partners and preferred suppliers all implement stringent practices to maintain the authenticity of this naturally pristine spring water throughout the distribution process. From the enviable position of having priority access over the spring catchment areas, the Upper Yarra Mineral Springs Company implements best practice quality management of the spring's environment. This quality assurance approach flows through the supply and distribution chain and incorporates independent verifications and testing to confirm the purity of spring water that is ultimately delivered to clients.

The Upper Yarra Mineral Springs Company recycles materials where possible and develops innovative packaging to minimise its impact on the environment.

Along with its commitment to implementing the requirements of the International Quality Standard SIO9002, the Upper Yarra Mineral Springs Company has adopted a quality plan to provide quality spring water that ensures customer satisfaction.



Gilderoy Springs wildlife



Gilderoy Springs Australian spring water



Gilderoy Springs property

The Upper Yarra Mineral Springs Company implements best practice quality management of the spring's environment.

Investment Opportunities for Distributors

Option 1: Purchase and full utilisation of the Upper Yarra Mineral Springs Company supply chain – from source to retail outlets:

- ◆ Potential larger margins and greater exposure to returns across the value chain.
- ◆ Greater control and influence throughout the supply chain.
- ◆ Flexibility for additional investment – capital investment in a bottling facility with the potential to realise further and significant commercial returns and/or increased competitiveness.

Option 2: Long-term exclusive distribution agreement with royalty arrangements:

- ◆ Ability to utilise the Upper Yarra Mineral Springs Company supply chain without a large upfront capital outlay – financial risk mitigation.
- ◆ Access to long-term and exclusive supply – provides distribution and investment confidence.

Marketing Partner

MMR. A Full Service Creative Agency

Creativity that connects

MMR is a creative agency with full service capabilities. They pride themselves on being a tight-knit team of strategic, creative, digital, data and video experts who are industry-recognised for turning clients' ideas into creative communications that connect. Creative problem solving based on listening, imagination and measurement is their focus.

Product

Retail offering development

MMR can assist with conception of the retail product offering. From the initial research and development phases, we take an informed and considered approach to developing a product that is designed for commercial viability and longevity.

From product range and variation recommendations, to naming and tagline, through to packaging and point-of-sale considerations, MMR is poised to play a vital role in the product's success.

Digital

Technological advantage

The in-house digital team are at the forefront of digital technology and know how to place a brand in front of the right people when it matters. They utilise proven digital strategies that convert leads, increase sales and drive brand engagement.

Brand

Position the product within the market

MMR is a premium branding partner that has worked with many top-tier organisations and businesses within Australia and overseas. Their experienced brand team are skilled at breathing life into a fully integrated and commercially successful brand.

Understanding a brand's unique qualities and key differentiators allows for the development of a compelling brand story and marketing strategy. The partnership with MMR is in place to deliver a brand solution that works.

Creative

Having a great product is one thing, but without people to perpetuate the brand story, long-term competitiveness is harder to develop.

In Summary – the Benefits of the Offering

Unique opportunity

- ◆ Access to pure, natural spring water from a pristine source in Victoria's Yarra Valley
- ◆ A controlled and consistent water supply, with different types available for different tastes
- ◆ A limited opportunity to leverage one of only two extraction licenses for bottling water in the Yarra Valley
- ◆ Branding that captures the essence and unique value proposition of a natural Australian product

Assured quality

- ◆ Complete control of the spring catchment areas, assuring the purity of the water
- ◆ Product approvals from the Australian Bottled Water Institute, the HACCP and the Biological Farmers of Australia
- ◆ Quality processes governing the complete supply chain from capture, to bottling, to delivery

Expertise and experience

- ◆ On-the-ground expertise, with years of experience in the water market
- ◆ A management team with a proven track record and strong reputation in the Australian market

Vast market potential

- ◆ Increasing global demand for bottled water, particularly in high-growth countries such as China
- ◆ The growth of the bottled water market in China – estimated at 13.3% each year between 2017 and 2021
- ◆ The small market share of socially-conscious brands presenting an opportunity to sell premium water in China

Flexible investment options

- ◆ Two investment options: to purchase and utilise the full supply chain or to enter into an exclusive distribution agreement with royalties
- ◆ The option to access a ready-to-go marketing concept or to have a brand custom-designed
- ◆ Premium and lower cost product options to suit any market



Gilderoy Springs property

Expressions of Interest

For more information, or to express your interest in partnering with the Upper Yarra Mineral Springs Company, please get in touch using the following contact information.

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