

Food for the Future

For an Offer to raise a minimum \$5 million by the issue of Equity Partnership in Woodlands Hill Grain



100%

SUNSET
FRESH



SINCE 1928

Directors

Bartyn Dall – Managing Director

Company Secretary

Bartyn Dall

Registered Office

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Financial Advisor and Investigating Accountant

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Solicitor to the Offer

Auditor

GK Business & Taxation Consulting
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Dear Investor.

On behalf of the Directors, it is my pleasure to introduce this Investment Brief to you and invite you to take this unique opportunity to invest in Woodlands Hill Grain (WHG).

WHG will provide investors with direct exposure to Australia's grain production and export industry and to one of Australia's most highly-regarded and diverse agricultural production regions.

WHG is seeking to raise a minimum of A\$5, 000, 000 with the issue of an Equity Partnership.

The Company's production operations and export projects are all located within a well-known agricultural production region that includes close proximity to the Mid North Export Freight Hub. The Directors believe that the Company's activities have significant logistical and export advantages.

WHG's primary objective is to actively grow Shareholder wealth by continuing to successfully develop and expand the Company's export potential. The Company initially plans to develop export markets for farm-direct containerised grain.

The Company believes that South Australia is emerging as an important future contributor to world food markets. Premium Food and Wine from our Clean Environment is one of the South Australian Government's Seven Strategic Priorities. WHG is well-placed to become a dynamic South Australian export production and marketing company.

The Company will draw on the extensive grain production experience of its Directors and strategic mentors to capitalise on the Company's export potential.

The Directors are confident that the Company will successfully achieve its stated objectives and quickly become a dynamic and exciting Australian grain export business.

In the words of Facebook Founder Mark Zuckerberg, "we are here to build something for the long term. Anything else is a distraction."

I commend this Equity Partnership to you and look forward to welcoming you as a Shareholder.

Bartyn Dall

Managing Director

A dynamic and exciting
South Australian export
grain production and
marketing company.

Welcome

Welcome to Woodlands Hill Grain, home of the Sunset Plains range of premium grain products fresh from the Mid North of South Australia.

Safe and healthy grain exported direct from our farm.

It is our history, tradition and culture that give our international customers the best relationship with Woodlands Hill Grain.



Equity partnership

To reach its next major milestone Woodlands Hill Grain is seeking to raise funding of A\$5 million as an Equity Partnership in the business.

The successful investor will become part-owner in the primary production and grain exporting business. This includes entitlement to board and management decisions and a proportion of distributable profits.

It is a key criterion that interested investors have an existing business involved in the importing, distribution and / or processing of grain products and is located within an international destination market other than Australia.

Our promise

Full Financial Prospectus including capital land purchase is available upon request from interested investors. Financial goals for export trading are:

Project Year	Quantity Exported	Gross Value	MarginProfit	Total
1	1000mt	\$500,000	15%	\$75,000
2	3000mt	\$1,500,000	15%	\$225,000
3	5000mt	\$2,500,000	15%	\$375,000
4	7500mt	\$3,200,000	15%	\$480,000
5	9500mt	\$4,300,000	15%	\$645,000

Expenditure plans and use of funds

The budget expenditure figures for WHG for the first 5 years are:

Activity	Project Yr 1	Project Yr 2	Project Yr 3	Project Yr 4	Project Yr 5
Plant & Equipment - Export	\$500,000	\$500,000			\$350,000
Plant & Equipment - Primary Production			\$400,000	\$350,000	
Principal Debt Consolidation	\$600,000	\$300,000			
Land Acquisition / Lease			\$1,000,000	\$500,000	\$500,000
TOTAL	\$1,100,000	\$800,000	\$1,400,000	\$850,000	\$850,000

Unique solution to a big problem

Woodlands Hill Grain is a South Australian vertically-integrated, farm-direct export value-chain helping international customers of grain products receive full advantage of niche marketing opportunities within an uncertain globalised food system.

A farm-direct supply-partner relationship with Woodlands Hill Grain means that international customers of grain products can reduce supply-costs, at the same time differentiating their business by exceeding the many expectations of local processors, wholesalers, retailers and consumers in the areas of:



International customers can also provide a personal guarantee to their market that all grain products supplied by Woodlands Hill Grain have been grown using sustainable and environmentally-friendly processes in the clean, natural environment of South Australia.

Woodlands Hill Grain was recently invited to attend an important trade mission between the South Australian Government and the Fujian Provincial Government of China.

The Woodlands Hill Grain farm-direct export project has also been endorsed by the Honourable David Ridgeway MLC, Leader of the Opposition in the Legislative Council and Shadow Minister Agriculture, Primary Industries, Food & Wine, Forests and Fisheries.

Taking full advantage of unmet demand within an uncertain global food system.

Pain and opportunity

Woodlands Hill Grain is a shining example of how to solve an emerging problem in the global food system.

Much of the world's food supply is being consolidated and commoditised by a small group of controlling mid-market participants that prefer a large degree of separation between food producers and consumers. To survive on small margins, food producers are being forced into mono-crop, industrial production models and this is causing socio-economic concerns and consumer anxiety in the following areas:

- › Volatility of the price and availability of food,
- › Food safety and health,
- › Trustworthiness and reputation of food industry,
- › Decrease in quality,
- › Disappearance of niche, high-quality brands,
- › Unsustainable production methods,
- › Cruelty to animals,
- › Environmental contamination,
- › Integration of GMO into the food system.

Consolidation of the global food system has resulted in a lack of transparency about how food is produced and in response consumers are changing their purchasing behaviour.

Deregulation and consolidation of the global food system has also been problematic for traditional importers and processors of grain products, as they are now forced to deal with large trading companies. It is common to hear that the quality and consistency of grain traded across borders has declined significantly, since large commodity traders have increased their control of the supply chain. The reputation of the current system is low, with local importers and processors preferring a close relationship with the person that produced the grain products, so that they communicate their needs, share experiences and have a better understanding of how grain is produced.

Woodlands Hill Grain will use farm-direct supply partnerships to improve the exchange of quality information in the process, reduce supply-chain costs and allow international customers of grain products to differentiate their business in local markets. This will increase everyone's profitability.



Eager to work with you

In response to these market pressures, Woodlands Hill Grain has developed a business model that answers the needs of international importers and processors and consumers alike. We have transformed ourselves into a grain production business focused on international customers and markets.

To do this we have created a vertically-integrated grain production, processing, packing, marketing and export distribution business. Woodlands Hill Grain has brought together all the elements of a transparent export service that provides specialist grain production and storage; cleaning, grading and processing and bagging and container loading for overseas supply-partner customers.

The Woodlands Hill Grain closed-loop process cuts out expensive mid-market participants and provides international customers with a farm-direct regional link to the origin of supply. This ensures the highest levels of consistency, traceability and safety because the product life-cycle is quarantined within Woodlands Hill Grain.

Our solution is located on the doorstep of South Australia's only inland export intermodal hub and container terminal that provides a direct link to Australia's major ports. This strengthens our ability to provide a flexible and consistent export service all year that meets the needs of international customers on a just-in-time basis.

We are providing this solution because our investigation into this opportunity discovered there are many international customers of grain products that also want to establish a direct supply-partner relationship with the original producers in the country of origin.

*Focused on
customers
and markets
with increased
quality and
consistency.*

Meaningful relationship

It is the goal of Woodlands Hill Grain to use this opportunity to demonstrate that the creation of supply-partner relationships and strong value chains through vertical integration can fix many of the economic and consumer issues facing international customers of grain products.

As middle-incomes quickly expand in most countries, there is an emerging trend that the purchasing behaviour of these consumers is focused on the non-price characteristics of food. In order to provide this information to consumers, local food processors need a direct relationship with the origin of their food products. Currently, this demand is largely unmet.

Consequently, there is significant opportunity in Woodlands Hill Grain providing a farm-direct service to international customers of grain products. This niche business model provides a distinctive set of benefits and is unlikely to attract many competitors. As efficiency of scale increases, the business model will become more profitable.



Competitive benefits

Woodlands Hill Grain is a divergent business model with a sustainable advantage over its competitors, allowing it to quickly increase value for the business and its shareholders. There are many synergies achieved through vertically-integrating a niche value chain in the export grain industry.

Farm-direct supply-partnerships have a cost advantage by removing mid-market participants. This means grain products can be supplied at a lower cost, at the same time increasing margins.

Farm-direct supply-partnerships also have a differential advantage by using transparent information and communication about the grain production process, to increase market value for food processors and consumers of food products.

The Woodlands Hill Grain farm-direct business model implements a unique value-creating strategy to meet the demand from consumers to have more authentic information about how their food is produced. Large competitors in the international grain production industry are not meeting this demand.

The clear advantage of farm-direct supply-partner relationships is trust.

Unique model

Woodlands Hill Grain will provide a farm-direct supply-partner service for international customers of grain products that includes specialist grain production, storage, cleaning, processing, fumigation and packing into to 20' containers.

All products and processes of the operation will be quarantined within Woodlands Hill Grain. This means we are flexible and responsive to market needs.

Woodlands Hill Grain is located in the 'neck' of the natural logistics funnel for agricultural products from South Australia. Export containers are delivered to the shipping terminal a short distance away that forms part of the Mid North Freight Zone.

Revenues are generated by international importers, processors and distributors of grain products pulling demand through the value chain because they are positively influenced by the system Woodlands Hill Grain has developed.

*Natural
logistics
advantage
for increased
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Sense-of-place and local connection for international customers.



The farm-direct business model is modular and therefore cost-controlled at each stage of the operation; but easily leverage-able and scalable as the business grows. More land is leased or purchased to increase the basic production of grain products. Various sections of the storage, processing and packing operation can be individually removed and replaced with increased capacity at any time.

Locating the product life-cycle at Woodlands Hill Grain means an external site is not required and so the operation is capital efficient in the following areas:

- › Primary production,
- › Transport & logistics,
- › Storage & handling,
- › Repairs and maintenance,
- › Power,
- › Site development,
- › Employees.

A critical measure used to evaluate how the business is performing will be volume of grain processed and packed, as this is a key measure of how grain production and international orders are progressing.

Woodlands Hill Grain expects to be processing several thousand tonnes within 3 – 5 years. It is our goal to become South Australia's largest independent, vertically-integrated farm-direct grain marketing and exporting business.

Strong engagement

The Woodlands Hill Grain farm-direct business model is supported by the effective use of regional branding and provenance marketing so that international customers of grain products can have a sense of place and regional connection with the origin of supply.

Two brands have been established to achieve this:

- › Sunset Plains
- › 100% Sunset Fresh

These brands have been positioned to make the following offering to International customers:

- › A strong story of region and provenance,
- › High quality, natural and sustainable production,
- › Premium, safe, healthy, high quality,
- › Clean, natural, healthy growing environment,
- › Pure, pristine and unique,
- › Sense of culture, history and values,
- › Transparency and communication,
- › Sense of place and connection with origin.

100% Sunset Fresh sash-of-quality is the trust mark used by Woodlands Hill Grain to deliver a personal message of quality and service.

There will be challenges

All investments involve risk. The business of the Woodlands Hill Grain farm-direct business model involves agricultural production and exporting and therefore contains a number of inherent compromises. These are predominantly external to the business and can be realised in a relatively short period of time.

The most significant risk is potential failed production or inconsistent quality due to weather. Second is potential lack of container availability in South Australia to pack orders.

Meet the team

Woodlands Hill Grain is a specialist grain and fodder production business backed by over 100 years of combined agricultural experience.

The current management team of Bartyn and Dianne Dall are the 4th generation to oversee the operations of Woodlands Hill Grain.

The managers of Woodlands Hill Grain have been an active participant in the development of the South Australian export fodder industry. Through their existing operations, the management team at Woodland Hill Grain is experienced to understand what is required to develop a niche export business. Management have observed the development of a flourishing export marketing and logistics industry in the Mid North of South Australia.

The current management team will help determine the likelihood of success for Woodlands Hill Grain by contributing the following unique qualifications and experience:

- › Management of large-scale agricultural production systems and machinery equipment,
- › Metal fabrication, manufacturing and production,
- › Finance and accounts management for large agribusiness,
- › Employee management,
- › Niche marketing.



The current management team are also using the principles of good governance by establishing close working relationships with external professional service providers to improve the performance of Woodlands Hill Grain in the following areas:

- › Agronomy,
- › Banking,
- › Finance and accounting,
- › Marketing,
- › Strategic development.

An external advisory group of professional mentors use their skills and experience to provide strategic advice on the governance and future development of Woodlands Hill Grain.

Over the horizon

Future considerations beyond current grain production and exporting include land, beef, lamb, wine, chicken meat and metal fabrication for agribusiness and food production.





