



AUS CAMEL DAIRIES PTY LTD

CROWD-SOURCED FUNDING OFFER DOCUMENT



19TH AUGUST 2021

**OFFER OF FULLY-PAID ORDINARY
SHARES IN AUS CAMEL DAIRIES PTY
LTD AT A\$0.20 PER SHARE TO RAISE A
MAXIMUM OF A\$2 MILLION.**

**This crowd-sourced funding (CSF) offer document relates to the
Offer of fully-paid ordinary shares in Aus Camel Dairies Pty Ltd.**

This Offer is made under the CSF regime in Part 6D.3A of the
Corporations Act 2001 (Corporations Act).

Issuer Aus Camel Dairies Pty Ltd ACN 634 549 170 (Trading as Good Earth Dairy)

Intermediary Birchal Financial Services Pty Ltd AFSL 502618

Always consider the general CSF risk warning and offer document before investing.

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SECTION 1:

RISK WARNING

Crowd-sourced funding is risky. Issuers using this facility include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks. You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares. Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly or at all if you need the money or decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the company, you may have difficulty recovering your money. There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.

Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.



CORPORATE DIRECTORY

DIRECTORS

Mr Marcel Steingiesser

Executive Chair

Mr Stephen Geppert

Executive Director

Mr Noel Ashcroft

Non- Executive Director

Mr Max Tarling

Non-Executive Director

KEY MANAGEMENT

Mr Marcel Steingiesser

Chief Executive Officer

Mr Stephen Geppert

Operations Manager

REGISTERED AND PRINCIPAL OFFICE

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LEAD MANAGER

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Perth WA 6000

CORPORATE LAWYERS

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Perth WA 6000

INVESTIGATING ACCOUNTANT & AUDITOR

Bentleys

London House

216 St Georges Terrace

Perth WA 6000

SHARE REGISTRY

MyStake Pty Ltd

Level 5, 11 York Street

Sydney NSW 2000

ACCOUNTANT

Ernst & Young

11 Mounts Bay Rd

Perth WA 6000

INTELLECTUAL PROPERTY EXPERT

Wrays Pty Ltd

Level 7, 863 Hay Street

Perth WA 6000

SECTION 2:

INFORMATION ABOUT THE COMPANY



Dear Investor,

We broke the record!

When we launched on Birchal for the first time in October 2020, we raised over A\$1m in less than 4 days. This is because it's a rare opportunity when you realise the potential to disrupt a significantly large industry.

Our Intent: Good Earth Dairy will be a major disruptor to the A\$552bn dairy industry.

At Good Earth Dairy we realised the full market potential of camel milk to change the dairy landscape and we commenced our operation. Camel milk has some of the best nutritional, hypoallergenic properties and health benefits but suffered because of high cost of production. We recognised camel milk to be a major disruptor to the dairy industry and we knew we were capable of developing innovations to reduce production costs and thus transform the industry.

That propelled myself and my Good Earth Dairy co-founders, Stephen Geppert, Henry Steingiesser and the late Hon Kim Chance into action and we commenced operations in earnest.

On behalf of the Board, and our entire technical team, it's my pleasure to share with you the compelling opportunity to be a part of a major ethical disruptor to the milk industry, Good Earth Dairy.

I'm Marcel Steingiesser co-founder and Managing Director of Good Earth Dairy. I am an ethical innovator and spent my entire career driving excellence. Contained in this document are the key points noting why Good Earth Dairy will be a major disruptor to the A\$552bn dairy industry.¹

The world needs a solution for less dairy food-borne allergens, improved nutritional value of infant formula and a reduction of carbon emissions from dairy production. Your investment can help make that a reality, a world where our foods improve our minds, body and environment for a Good Earth.

¹. Camel Dairy Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast2020-2025 - imarc

Do not underestimate the potential of camel milk to change how the world thinks and consumes dairy products.

Camel milk is an easy to digest dairy product that tastes almost identical to cow's milk, without the allergens and environmental impacts.

After 14 years as a Chemical Engineer improving different mining operations for BHP, I embarked on developing technologies required to become a large-scale commodity producer.

In the last six years Good Earth Dairy's highly talented team from across the core capabilities of camel husbandry, process innovation, product development, agriculture and food marketing and sales have produced the world's first technologies to significantly reduce the cost of camel milk production and make it a true contender for a cow's milk alternative.

Good Earth Dairy was formed in 2015 and has invested over A\$5m to develop the agri-technology required to turn an expensive milk product into an affordable household dairy product any family will enjoy bringing into their homes. These technologies have allowed us to increase animal productivity and reduce operating costs, whilst ensuring first class animal welfare.

We recently completed a commercial justification A\$160K de-risking study of our technology in June 2020 to ensure our new modular design dairy can be constructed easily and meet all the government regulations. Each of our proposed modular dairies can produce 3 million litres annually and take 7 months to fully commission.

While we have been working on our design and technology the milk produced from our happy camels has been selling out throughout metropolitan Perth. We have developed many unique products and are now looking to launch them to a global market.

In November 2020, we made a promise to those that invested in us to "increase our production, upgrade our dairy products manufacturing and support our intention to list in the Australian Stock Exchange in 2021." We are fulfilling all our promises with one apology, a delay in our listing.

So why this delay?

An opportunity for \$3.3m from a Federal Government grant if we match the investment. Our innovation first approach has provided us an opportunity to apply for a Federal Government Grant to fund half of a A\$6.6m powder manufacturing facility. Our application for funding to the Federal Government was formally endorsed by representatives from both State and Federal Governments as well as supermarket chains who have over A\$780m in annual turnover. The one for one investment is for a \$6.6m powder manufacturing facility. We will know whether our application was successful by the end of 2021.

This crowd fund offer will also fund the initial construction and approvals of our niche 5000 head dairy and enable the acceleration of Good Earth Dairy's growth.

This is an exciting time in the development and growth of Good Earth Dairy. We see that we have an opportunity to obtain complete vertical integration through the development of our infant formula brand, however we intend to also become a commodity producer of camel milk powder for the demand explosion that we believe will occur due to the superiority of camel milk coupled with affordable prices.

Yours faithfully
Marcel Steingiesser
Executive Chair & CEO



MISSION

Good Earth Dairy exists to innovate the dairy industry and provide an ethical dairy alternative through affordable high-quality, appetising camel milk with demonstrated health benefits.

Good Earth Dairy will continue to innovate to become the lowest cost producer of high-quality camel milk globally, through efficient scalable agri-technology processes achieved by our commitment to research and development.

Good Earth Dairy source, encourage and promote talented individuals whose passion lies in creating a better future and are dedicated to food production excellence.



VISION

Good Earth Dairy aims to be the global leader in producing high quality and best priced camel milk beverage and powder for what is expected to become the premium choice in the global dairy industry.



Good Earth Dairy

Good Earth Dairy is Western Australia's first and leading camel milk producer. An innovative agritech company built on operational excellence foundations who expects to be a major disruptor to the A\$552bn dairy industry. ²

The unique health benefits of camel milk and the potential market substitution opportunities in the dairy industry presented an opportunity to investigate the global potential. The current high cost of production and low yields in comparison to cow's milk was an aspect Good Earth Dairy knew could be improved upon, triggering a decision to invest in a pilot dairy facility, 2 hours north of Perth on 2000 acres and holding 80 camels.

Good Earth Dairy spent 5 years and over A\$5m developing technology able to produce camel milk at less than A\$2/L once coupled with an increase in scale. This cost then translates to a forecast of below A\$1/L once yield improvement gains are made, which is expected to enable them to commoditise this superior milk alternative.

Good Earth Dairy have a highly capable technical team with a combined experience in camel husbandry, agricultural, processing, product development and food sales of over 300 years. Through relationships of the board, Good Earth Dairy has access to supermarket chains with turnover of over A\$780m per annum.

Good Earth Dairy, the current Non-Bovine milk Champion in Western Australia (awarded by the Dairy Industry Association), has developed many new delicious products that will be launched in the future.

The ability to produce a far superior product at a market acceptable cost is expected to enable Australian camel milk to become a major disruptor in the A\$552bn³ global dairy industry and in particular, in the A\$77bn³ dollar infant formula market.



² Camel Dairy Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast2020-2025 - imarc

³ Camel Dairy Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast2020-2025 - imarc

2.1 Company details

This offer of shares is made by Aus Camel Dairies Pty Ltd ACN 634 549 170 (the Company). The Company was incorporated on 3rd July 2019 post a legal restructure from Dandaragan Camel Dairies Pty Ltd ACN 601 994 807, which was incorporated on 24 September 2014.

Company Name	Aus Camel Dairies Pty Ltd (trading as Good Earth Dairy)
ACN	634 549 170
Offer Type	Crowd-sourced funding
Offer Date	19 August 2021
Offer Details	Offer of fully-paid ordinary shares in Aus Camel Dairies Pty Ltd at A\$0.20 per share to raise a maximum of A\$2 million.
Registered office and contact details	1/15 Narloo St, Malaga WA 6090 Phone: 1300 226 357
Principal place of business	1/15 Narloo St, Malaga WA 6090
Related Companies	S&G Fine Food Pty Ltd (fully owned subsidiary)



2.1.1 Why Camel Milk?

Camel milk is different from any other milk on the market:

It is the only type of milk that does not contain the key allergen found in other milks, that affects one in ten Australians.⁴ Some people have a problem digesting the whey protein due to this allergen, that can cause cramps, bloating, gas and diarrhea.

Food allergy occurs in around 10% of infants, 4-8% of children, and about 2% of adults in Australia and New Zealand.⁵ No cure exists for those suffering from food allergies, treatment is typically avoidance of the food.

Cow's milk allergy is one of the most prevalent food allergies in children irrespective of geographic region.⁶ Normally individuals outgrow the allergy in the first year of life, however 15% of allergic infants remain allergic through adulthood.⁷

Camel milk casein protein is naturally all a2, but even more importantly than the type of casein a2 vs a1, is the quantity of casein. This is because it is the casein that coagulates (hard curdles)⁸ in the gut making it more difficult to digest.

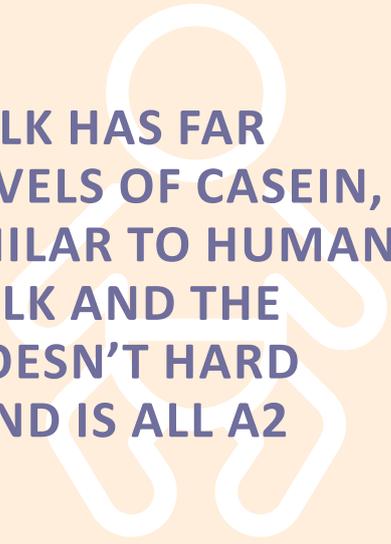
The highest level of casein protein compared to the levels of whey protein when comparing animal milk in the market is in cow milk. Goat milk has a lower amount of Casein than cow's milk and this is the reason why goat milk has had growing popularity in markets like China and infant formula products.⁴

When noting that human breastmilk contains practically no casein protein, it highlights what our guts have naturally been accustomed to.

Now camel milk has far lower levels of casein than goat milk, but what really stands out is the unique molecular structure of the camel milk casein as it doesn't coagulate (form a hard curdle)⁸ like all other milks in the market. This makes it arguably easier to digest and therefore, ideal for products such as infant formula.⁴



**CAMEL MILK
DOESN'T CONTAIN
THE KEY DAIRY
ALLERGEN**



**CAMEL MILK HAS FAR
LOWER LEVELS OF CASEIN,
MORE SIMILAR TO HUMAN
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CASEIN DOESN'T HARD
CURDLE AND IS ALL A2**

⁴ (Hailu et al., 2016; Saliha, Dalila, Chahra, Saliha, & Abderrahmane, 2013)

⁵ <https://www.allergy.org.au/patients/food-allergy/food-allergy#:~:text=Food%20allergy%20occurs%20in%20around,threatening%20reactions%20known%20as%20anaphylaxis.>

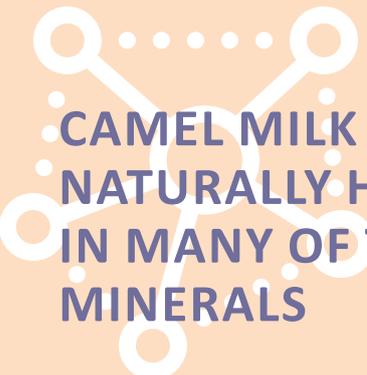
⁶ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6163515/>

⁷ https://www.researchgate.net/publication/225140768_Milk_allergens_their_characteristics_and_their_detection_in_food_A_review

⁸ <https://www.cambridge.org/core/journals/journal-of-dairy-research/article/functional-and-technological-properties-of-camel-milk-proteins-a-review/54A8807CF2D4A6004A80A78F762E63CC>

Most other non-dairy substitutes do not possess adequate levels of proteins to make infant formula economical. Soy does have a high level of protein, but these proteins send estrogen like messaging, making them unfavourable for developing infants.⁹

Camel milk is also naturally higher in many of the key minerals such as copper and zinc that support the immune system, iodine for brain development as well as calcium and magnesium for bone and muscle health. These minerals provide the functional building blocks for cognitive, muscular, skeletal, nerve and immune systems.¹⁰



CAMEL MILK IS ALSO NATURALLY HIGHER IN MANY OF THE KEY MINERALS

Two other key features of camel milk is it has 50% less saturated fat than regular milk. Due to the smallest milk-fat globules (fat cells) and its hypoallergenic properties, camel milk is easy to digest.¹¹ Camel milk has only 70% the lactose (sugar) of cow milk. People who are lactose intolerant, or diabetic or have obesity were also found to cope with camel milk much better compared to cow's milk.¹²

⁹ National Institute of Environmental Health Sciences, 'Soy Infant Formula', December 2018

¹⁰ Food Standards NZ and Australia

¹¹ Camel Dairy Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2020-2025 - imarc

¹² Camel Dairy Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2020-2025 - imarc



BETTER FOR PEOPLE WHO ARE LACTOSE INTOLERANT, OR DIABETIC OR HAVE OBESITY

Camel milk is nearly identical in taste to regular milk. Some have described it as slightly salty with a sweet aftertaste. This is due to the higher mineral content. Although it is low in fat it still has a delicious creamy body to it (as opposed to say a low fat skim milk), which makes it ideal substitute for traditional milk applications such as drinks, cooking and cereal.

Flavour will also depend on the practices of different farms. Good Earth Dairy camel milk has already produced a selection of camel milk products that have been independently market surveyed. The results were pleasing as all the new products that were independently surveyed were well received for their flavour and mouth feel and there wasn't a single candidate that thought they were tasting a product made with a unique milk.



CAMEL MILK IS NEARLY IDENTICAL IN TASTE AND THE IDEAL SUBSTITUTE FOR REGULAR MILK

2.2 Industry Overview

Camel milk is an emerging market with increasing consumer acceptance of the product. As of 2019, the global market for camel milk represents nearly 1.5% of the total dairy market globally, a A\$552bn industry. Growth projections for camel milk by 2025 is expected to be in the order of A\$11.5bn (USD\$8.3bn)¹³ or a CAGR of 5.4%.

2.2.1 Infant Formula Market

The main opportunity in dairy lies within the infant formula market. Despite declines in global birth rates, the market demand for non-GMO infant formulas is coming mainly from emerging economies and western demand for breastfeeding alternatives.

Infant formula is worth A\$77bn globally and expected to grow to A\$131bn by 2025, a CGAR of 12.4%.¹⁴



The camel milk proportion of the infant formula market is expected to grow by 6.4% between 2020 and 2025¹⁵. In 2018, Camelicious, a large United Arab Emirates (UAE) supplier, launched the world's first camel milk based infant formula and achieved A\$20.7m worth of sales in its first year.¹³

Good Earth Dairy believes that there are three critical factors that are expected to drive camel milk infant formula demand. Firstly, food-borne allergies and 10% of all infants are allergic to the allergens in cow's and goat's milk. The major allergen being β -lactoglobulin in the whey protein.¹⁶

Secondly, Human breastmilk more closely matches camel milk with higher ratio of whey to casein than cow's milk.¹⁷

The third driver for infant formula is the perceived nutritional value of infant formula compared to breastmilk. Higher Levels of essential nutrients for fortifying childhood development is increasing its demand.¹⁸

Australia is already recognised as a premium producer of infant formula due to its clean environment and its proximity to key markets, making Australian infant formula producers a compelling investment.¹⁹

INFANT FORMULA IS WORTH A\$77BN GLOBALLY AND EXPECTED TO GROW TO A\$131BN BY 2025



¹³ Camel Dairy Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2020-2025 - imarc

¹⁴ <https://www.imarcgroup.com/baby-food-infant-formula-market>

¹⁵ Camel Dairy Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2020-2025 - imarc

¹⁶ Foodallergyaware.com.au, May 2019

¹⁷ Hailu, Y., Hansen, E. B., Seifu, E., Eshetu, M., Ipsen, R., & Kappeler, S. (2016). Functional and technological properties of camel milk proteins: a review. Journal of Dairy Research, 83(4), 422-429. doi:10.1017/S0022029916000686

¹⁸ <https://www.webmd.com/parenting/baby/news/20050425/fortified-formula-boosts-infant-development>

¹⁹ <https://www.austrade.gov.au/ArticleDocuments/2814/Premium-Food-Capability-Report.pdf.aspx>

CASE STUDY: a2 Milk Company

Health driven product differentiation in the infant formula markets can be best represented with the success of a2 Milk Company.

a2 Milk's FY20 report delivered 33% revenue growth to reach NZ\$1.73bn, while EBITDA came in at NZ\$549.7m, 32.9% higher than the prior year. Over the last 5 years a2 Milk shares grew from 74c in July 2015 to A\$18.86 June 2020, a CGAR of 90%.²⁰

One of their largest markets for a2 Milk is their infant nutrition business and continued to be the company's biggest driver of growth, recording a 33.8% increase in revenue to reach NZ\$1.42b.¹⁴

Their main markets coming from China & other Asia region is quickly catching up to the more mature Australian and New Zealand (ANZ) business, with revenue jumping 65.2% to NZ\$698.8m, representing 49% of their infant nutrition sales. By comparison, ANZ grew infant nutrition sales by 14.1% during the year.²⁰

The only product differentiation compared to other cow milk is that the casein is a2.

2.2.2 Animal Milk Competition

The closest competitor in the animal milks to cow milk is goat milk. The global goat milk market is estimated to reach revenues of around A\$20.7bn by 2024, growing at a CAGR of more than 7% during 2018-2024.²⁰ The main reason for this increase is due to the infant formula market as the lower casein levels in goat milk compared to cow milk makes it arguably easier to digest.

As per section 2.1.1, **camel milk not only has the more natural a2 casein, but less casein than goat milk AND it's casein doesn't cause a hard curdle AND it doesn't contain the allergen in the whey effecting 10% of infants.** The opportunity for market penetration in the infant formula market when produced at an appropriate price must be considered.

This is especially interesting when considering one large-scale review of hospital admissions data that found anaphylaxis cases on the rise in the US, Australia and Europe, among other regions due to food allergies. Between 2013 and 2019, England saw a 72% rise in the number of hospital admissions for children caused by anaphylaxis admissions due to food allergies.²²

If looking just at the 10% of the global market for allergy prevention, then in 2025 the opportunity is worth A\$13.1bn.

2.2.3 Non-dairy Alternative Milks

Dairy alternatives include plant-based milks such as soy, almond, rice and oat milk. The dairy alternatives market is projected to grow from A\$29.5bn in 2020 to A\$50.7bn by 2025, at a CAGR of 11.4% during the forecast period.²⁴

The two market drivers for non-dairy alternative milks is consumers seeking a milk substitute that is easier on the gut and prevents allergies. It is not about the nutritional benefit and in fact, the non-dairy milks have poor nutritional value with almost no protein content. Protein being one of the essential macro-nutrients (nutrients our bodies require in large amounts to maintain body function).²⁵

A typical Rice Milk has 0.3g of Protein per 100 ml, Almond milk has 0.6g per 100 ml with the only non-dairy milk having Protein being Soy milk with around 3.6g of Protein per 100ml.²⁵ The issue with Soy milk is it contains phytoestrogens which have oestrogenic activity. This activity may contribute to gut dysbiosis with neurobiological, epigenetic and methylation consequences.²⁶

Camel milk also has 3.6g of Protein per 100 mL, but its proteins doesn't come with the key allergen or with estrogen acting properties. By comparison to the non-potentially harming milks, camel milk has 12 times the protein to Rice milk and 6 times the protein of Almond milk. Also, of note is the significantly higher micronutrients required for brain development, our immune system, bone and muscle health.

²⁰ <https://au.finance.yahoo.com/quote/A2M.AX/history?period1=1435708800&period2=1593475200&interval=1mo&filter=history&frequency=1mo&includeAdjustedClose=true>

²¹ <https://www.reportbuyer.com/product/5628208/goat-milk-product-market-global-outlook-and-forecast-2019-2024.html>

²² <https://www.reportbuyer.com/product/5628208/goat-milk-product-market-global-outlook-and-forecast-2019-2024.html>

²³ <https://www.bbc.com/future/article/20201023-food-allergies-why-nut-dairy-and-food-allergy-are-rising>

²⁴ <https://www.marketsandmarkets.com/Market-Reports/dairy-alternative-plant-milk-beverages-market-677.html#:~:text=The%20dairy%20alternatives%20market%20is,by%20plant%2Dbased%20dairy%20alternatives.>

²⁵ Nutritional panel for all Almond Rice and Soy milk products at major supermarket outlet in Australia.

²⁶ <https://www.frontiersin.org/articles/10.3389/fnut.2019.00142/full>

2.3 Camel Milk Supply

Supply of camel milk is fragmented with an unsophisticated supply chain. Camel milk producers vary from a broad range of local, pastoral producers with small to medium herd sizes through to intensive producers who follow more modern practices for camel husbandry and milk marketing.

The degree of rivalry in the global camel dairy market is currently moderate due to the market having only a few measurable players. There are a few notable large dairies of over 3000 herd, in the United Arab Emirates (UAE), central Asia and another in China.

In the UAE large processing companies such as Camelicious and Al Ain Dairy, are expanding production capacities focusing on both increasing their herds and investment into farm infrastructure. They also intend to further diversify into value-added camel products.²⁷

2.3.1 Challenges of Supply

There are a number of challenges facing camel milk producers that potentially limit their abilities to provide a consistent supply of uniform quality camel milk to market and therefore limit their ability to secure supply agreements.

The challenges of camel milk suppliers in countries such as UAE and Saudi Arabia is that they are fraught with disease and climate extremes affecting their ability to enter the infant formula market. Camel milk is also delicate and more susceptible to the dairy husbandry and processing technology.

The varied milk production from their herds jeopardises the profitability of these camel farmers and dairies. As a result, only a few key players are in a position to respond to increasing demand.

2.3.2 Camel Milk Production

Production depends on the breed of camel. A Chinese dairy utilising Bactrian camel (double hump) produce in the order of 2litres per day and require greater feedstock due to the cooler weather conditions. In comparison to a Dromedary camel (one hump) that produces on average 5 litres per day but can produce up to 18 litres per day.

The biggest issue facing camel milk is the cost of production per camel. Each camel produces on average 5-18 litres a day compared to dairy cows which produce about 30 litres a day.

2.3.3 Australian Camel Milk Supply

Australia's camel supply is a standout globally due to having the largest wild camel population in the world providing the capability to scale quickly.

The Australian climate provides almost ideal conditions for breeding camels with cool nights and hot days especially in Western Australia.

Another advantage for Australia is the high food safety standard expectation, which means it already has a strong reputation especially in the infant formula market. This is further enhanced with high-quality grazing conditions that result in exceptional nutritional value of the final animal milk products.

Australian camels are also the only ones in the world that are free of diseases such as MERS, Tuberculosis, BSE, and Foot & Mouth Disease. However, even in Australia without adequate husbandry knowledge camels are prone to diseases and mortality.

²⁷ Camel Dairy Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast2020-2025 - imarc

2.4 Good Earth Dairy Opportunity

2.4.1 The Innovation

Good Earth Dairy is an innovation-first company that recognised the potential of camel milk as a major disruptor to the dairy industry due to its product differentiation. However, for this to be achieved the prices of high-quality camel milk would require a material reduction. The company also identified the large competitive advantage in harnessing Australia's 1 million strong, disease free wild camel herd to rapidly scale this project.

The first step taken was to build a pilot plant to develop the technology required to excel in commoditising this opportunity, which was commissioned early 2016 on our 2000 acres block situated 2 hours north of Perth CBD. Since establishment, Good Earth Dairy has spent over A\$5m developing IP throughout the entire value chain including animal selection, husbandry, domestication, milking, and detailed dairy design

The research and development to date has produced exceptional results. One example is the process for ensuring all camels, no matter the temperament, in significant numbers can become milking camels with minimum human capital in 6 weeks.

Using the knowledge gained from the aforementioned research, Good Earth Dairy designed a unique modular dairy.

Each of these modular dairies can hold 1680 milking camels and has the capacity to produce 3 million litres per annum.

An intensive desktop study has been completed for this modular production design with each component tested rigorously at the pilot plant.

Through use of Good Earth Dairy's novel IP, husbandry practices and processing efficiency, production costs can be decreased dramatically. The result is projected camel milk production costs below A\$2/L (pre-yield improvements). This is noteworthy when considering the current retail prices of camel milk are around Australia are on average A\$18/L and 300g tins of pure powder (equivalent to 3L of milk) is selling for between A\$60-\$100 in China.

Furthermore, Good Earth Dairy has developed many products across the traditional dairy product offerings and through to different powder products such as infant formula. Some of these products have already passed all quality assurance testing as well as the market research phase with excellent results and as such are ready for launching.

As a final review, Good Earth Dairy commissioned a A\$160k de-risking study with a tier 2 project management firm to ensure our design will meet all the government approvals for our niche dairy. These approvals will need to be formally obtained prior to Good Earth Dairy commencing construction of their niche dairy.

Good Earth Dairy designed a unique modular dairy.

Each of these modular dairies can hold 1680 milking camels and has the capacity to produce

3 MILLION LITRES PER ANNUM.

Pilot plant shed at start of construction

2.4.2 Ready to Scale

Phase 1

\$1.2m raise (complete Nov 2020)

Post our raise in November 2020, the funds were distributed to Good Earth Dairy in February 2021. Since then, we capitalised over A\$0.5M through building infrastructure on the farm to hold an additional

120 camels, of which 48 arrived in June and the remainder due to arrive withing the next couple of months.

The care of our existing herd has increased production with a number of camels coming into production over the next few months. The increased volume of camel milk has also provided additional sales to match production. We are currently selling out all production through our distribution across Perth metropolitan area.

Good Earth Dairy has also commenced construction of our export licensed facility with processing equipment arriving from Europe soon. This facility will enable us to build on a large global market opportunity with our longer shelf-life products.

Phase 2

This CSF Offer + Additional Capital Raise

Good Earth Dairy's next phase of growth is the construction and commissioning of two key assets:

- 1. Niche design - 5000 head dairy &**
- 2. Powder manufacturing facility**

Both these assets will require new land to be acquired with the dairy being in regional WA and the manufacturing facility located on Perth Industrial Land.

Once established the dairy can house up to 5000 camels and calves to produce over 3 million litres per annum

Also, once in the powder form, camel milk has over a year-long shelf life with logistics becoming cheaper and easier especially when considering a global market.

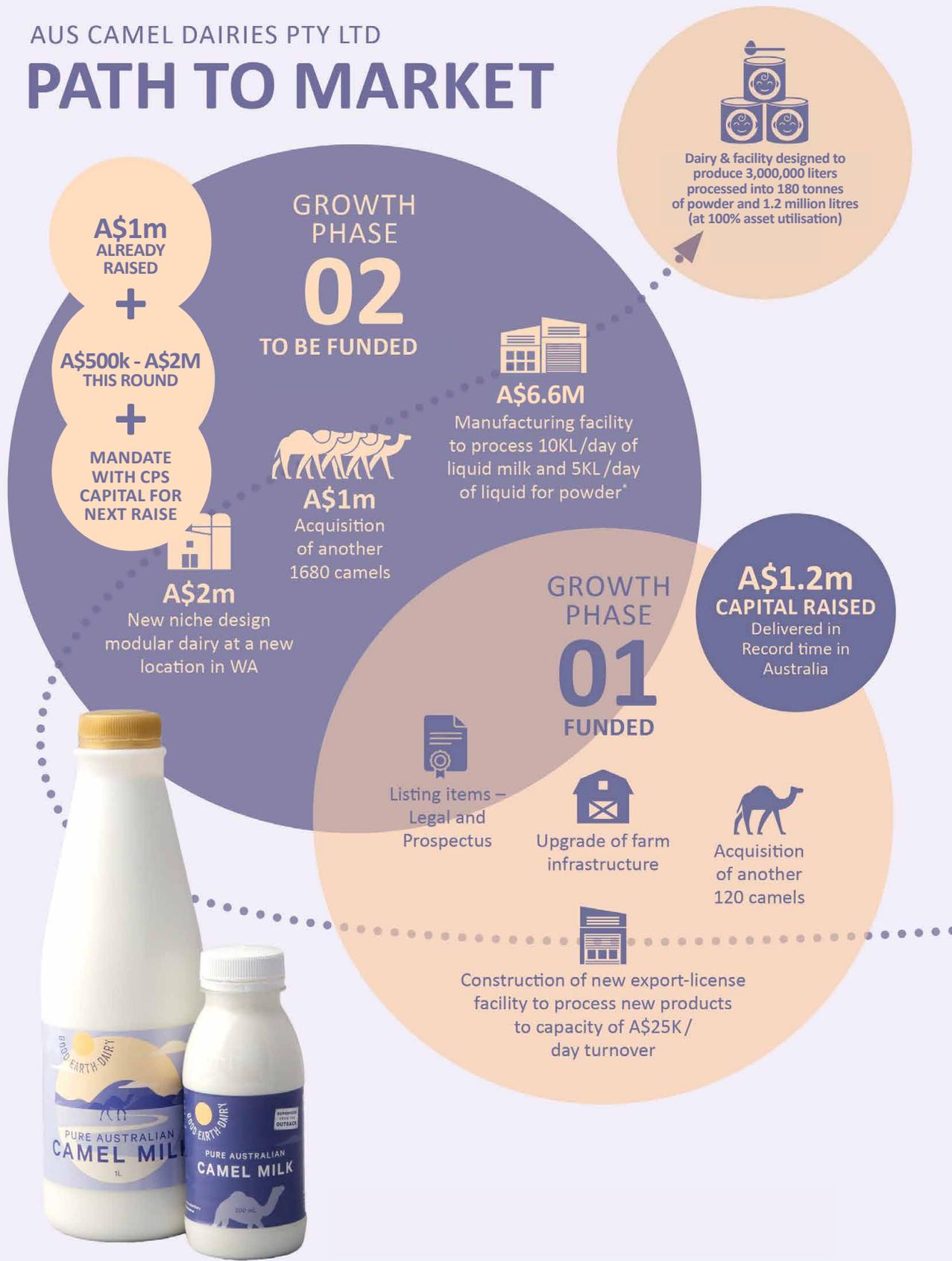
Through Good Earth Dairy's relationship with a 'blend & pack' facility, many different powder products such as infant formula will be produced for a domestic and international market.

This CSF offer will provide the funding to commence development of these 2 assets.

Note: If the maximum funding is not reached the long lead items for the powder manufacturing will await next capital raise (See section 3.2 and 3.5).

AUS CAMEL DAIRIES PTY LTD

PATH TO MARKET



2.4.3 Expert Team

Good Earth Dairy is being led by a highly experienced team with a proven high-performance record across the key capabilities required to succeed.

The team consists of people purposefully selected to ensure it contains talented individuals across the entire value chain of camel dairy.

Good Earth Dairy has a board of four individuals along with three key personal providing technical advice around with exclusivity agreements in place. These individuals are noted in section 2.7.

2.4.5 Other Advantages of Camel Milk and Good Earth Dairy

Environment

In comparison to the European cows, camels are far more environmentally friendly as their efficient digestive systems yield less methane and other harmful gases that impact the world's ozone layer. They also produce a lower quantity of droppings requiring significantly less water for housekeeping and hygiene.

Camels also have softer pads thus having less of an impact on the soils for growing crops and can produce milk in adverse conditions in the face of rising temperatures.²⁹



Ethical

Good Earth Dairy's husbandry practices allow camels to share their milk with calves, reducing the stress on both the mother and calf. Also, the calves are only weaned once they have matured, which is similar to how this happens naturally in the wild. This eliminates the anguish felt in traditional dairies and produces higher quality and ethical milk from a happyherd.



2.4.4 Competitive Advantage Summary

	Challenges	Good Earth Dairy Solution
Disease	Camels from Saudi Arabia and the UAE can carry a multitude of diseases. This impacts the countries' ability to trade in key markets, especially infant formula	Australia has the healthiest disease-free ²⁸ camel herd in the world with the largest wild camel population, in addition to the highest quarantine standards globally. More importantly, Good Earth Dairy has experience with intensive camel farming with husbandry knowledge that is detrimental to the success of a large scale camel dairy.
Climate	Camels are a desert animal and are difficult to manage in cool and wet environments.	Due to the dry conditions and warm climates, Western Australia has the perfect conditions for camel herds.
Quality	Camel milk is more delicate than cow milk and quality can be defined by nutrition, and is more susceptible to dairy conditions and processing technology.	Australia has high food quality safety standards, high quality grazing conditions and feed, resulting in the highest nutrition in our milk. This coupled with Good Earth Dairy's highly qualified team and practices ensures our milk is of the highest quality with the flavour to prove it.
Scale	In the US, the industry is hindered by a small domestic camel population and the high cost of importing disease free camels.	Due to the number of wild and disease-free ²⁸ camels in Australia, it is easy to expand efficiently and quickly and achieve scale if you can capitalise on the novel IP of Good Earth Dairy
Cost	In the US, the industry is hindered by a small domestic camel population and the high cost of importing disease free camels.	Economically cheaper to produce via Good Earth Dairy's novel IP and ultimately more affordable for consumers to purchase which enables a superior product to compete in the global dairy market.

²⁸ https://dpir.nt.gov.au/__data/assets/pdf_file/0014/233222/tb314.pdf

²⁹ <https://www.theguardian.com/environment/2014/apr/11/dont-blame-camels-for-global-warming-climate>

2.5 Organisational Structure

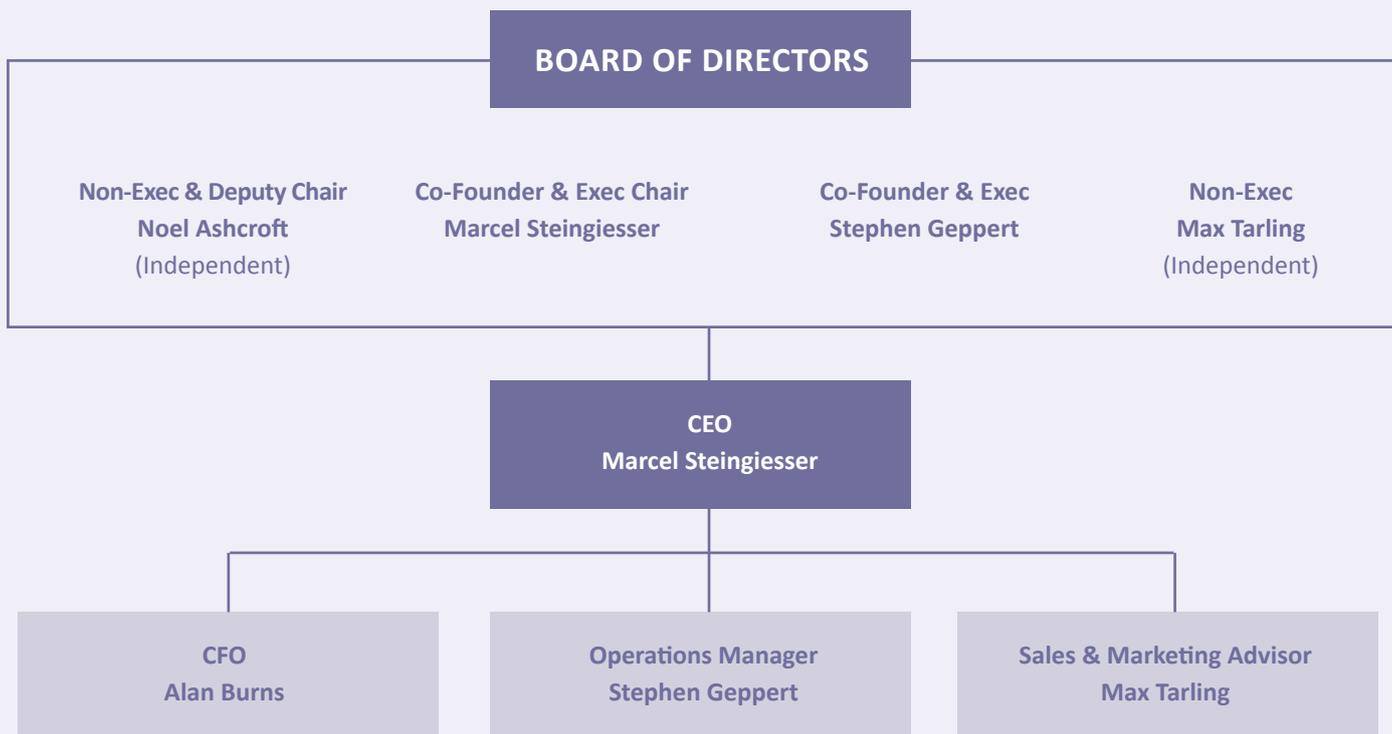
The Board has been carefully selected to bring added strategic, governance and business experience to the Company. The Board’s business experience is summarised in Section 2.7.

Supporting the Board and Executive team, the Company has formed an advisory group which includes experienced individuals in the areas of government, export & sales, manufacturing, and medicine. In light of the IP being developed by Good Earth Dairy, the Company has exclusivity agreements with this advisory group.

Squires Patton Boggs, one of the largest legal global firms with offices in 20 countries on four continents, has provided legal expertise to the business to date.

To ensure financial governance requirements are met and the company’s financials are completed to the highest standards, the Company has employed an experienced CFO as well as utilising the services of one of the 4 largest global accounting firm.

Figure 1: Organisational structure



2.6 Capital structure

The company has been historically funded by the co-founders' finance and equity injections by friends and colleagues. In FY20 when Good Earth Dairy was legally restructured it was further financed by the Co-founder Marcel Steingieser with further equity injected through sophisticated investors under private placement with some investors coming via the Wholesale Investor platform.

2.6.1 Details of the capital raise

Good Earth Dairy is raising A\$0.5m to A\$2m through the issue of 2,500,000 to 10,000,000 ordinary shares at a share price of A\$0.20/share.

2.6.2 Issued Capital

As at the date of this CSF offer document, Good Earth Dairy has only Ordinary Shares on issue. The following table shows the breakdown based on shareholder type.

As at the date of this Offer Document, the Company has 73,548,082 ordinary shares and 6,430,000 options on issue. Table 1 below sets out the issued capital of the Company before the Offer.

Table 1: Issued capital of the Company before the Offer

Shareholder	Share Type	Shares	Options
Key Personnel, ACD Co-founders & Ceo	Ordinary	28,128,682 38.25%	3,300,000 51.32%
Other Directors (Current & Former)	Ordinary	15,018,888 20.42%	-
Founding Shareholders	Ordinary	8,550,996 11.63%	3,130,000 48.68%
Other Shareholders	Ordinary	13,286,268 18.06%	-
CSF Offer Shares (1st Birchal Campaign - November 2020)	Ordinary	8,563,248 11.64%	-
Total		73,548,082 100%	6,430,000 100%

Table 2 sets out the issued capital of the Company following the Offer on a fully diluted basis (i.e. presuming all options are exercised).

Table 2: Issued capital of the Company following the Offer

Shares	Minimum Subscription	Maximum Subscription
Existing Shares	73,548,082 89.17%	73,548,082 81.74%
Option Shares	6,430,000 7.80%	6,430,000 7.15%
Offer Shares	2,500,000 3.03%	10,000,000 11.11%
Total Shares	82,478,082 100%	89,978,082 100%

Note: Assumes all options have been converted (6,430,000 options held by 6 founding shareholders).

2.6.3 Rights and liabilities associated with securities

As at the date of this Offer, the only class on issue are ordinary shares. There is no shareholders agreement between the existing shareholders and as such, the rights and liabilities associated with the shares are as set out in the Company's constitution. Under the constitution, the Board has the power to refuse to register a transfer of shares in the Company. A more detailed description of the rights associated with the shares is set out in Section 3.

All options have no rights or liabilities until they are converted to ordinary shares. The key terms of the 6,430,000 options (680,000 at \$0.20 and 5,750,000 at \$0.10) state that they expire if not exercised prior to 30 June 2023 and if they are unconverted by the intended listing date on the ASX, they will be converted to options exercisable at the listing price.

2.6.4 Debt funding and other sources of funding

Good Earth Dairy has zero debt:

In December 2020, post the successful equity crowdfund, another investment of A\$155K (at A\$0.14 per share) from a wholesale investor was accepted.

This was done to eliminate all debt from the company.

In June 2021, the company raised A\$1,015,000 at A\$0.20 per share from wholesale investors.

This will be used to fund phase 2 of the growth plan.

2.6.5 Utilising Government Grant

In FY20, Good Earth Dairy completed a de-risking study with the support of the Department of Innovation and Primary Industries (WA Gov), who awarded the Company A\$100K towards the study. Good Earth Dairy worked to define all the government approvals required to construct and commission one of its niche designed modular dairies. The de-risking study confirmed that the intended design will be able to obtain the approvals with the controls identified. The study also confirmed the design and construction requirements for key parts of the dairy.

In April 2021, Good Earth Dairy applied for a Federal Government Grant to support 50% of the equipment (including commissioning costs) of the powder manufacturing. The Application was endorsed by State and Federal Government representatives as well stockists who have a turnover greater than A\$750m per annum. If successful, Good Earth Dairy will be awarded \$3.3m.

We will find out by the end of 2021 whether we were successful in our Federal Government Grant application.

Our project's success does not depend on being awarded this grant but will accelerate our growth if awarded.



2.7 Directors and Senior Managers

Driven by leadership Team and Board with proven track record



Marcel Steingiesser

Executive Chair & CEO
BEng (Chem) Executive MBA (AGSM)

14+ years chemical engineering experience in the mining industry, primarily with BHP Billiton, leading operations management, analysis and business improvement.

Drawing on former process and cost improvement expertise to push camel milk production cost down as well as increasing production and yield.

Leading the company since March 2016, Marcel is responsible for attracting A\$4.8M investment and building our strategic R&D program that developed the design of a niche camel dairy and the know how to enable efficient scale and production of camel milk and powder at prices significantly below market price.



Noel Graham Ashcroft AM

Non-Executive Director & Deputy Chairman
BSc (Forestry) Masters of Science at Oxford

Noel is a professional forester and land manager with a Bachelor of Science in Forestry from the Australian National University and a Masters of Science from Oxford.

Noel has extensive experience in project development, and investment and trade. He has over 40 years of experience in government and was the former Deputy Director General of the Western Australian Department of State Development. More recently, Noel was the Deputy Chair of the Mid-West Ports Authority. Noel also worked for the private sector as the Chief Executive, Government Relations and Market Development for the Griffin Group.

Noel has been on many boards, committees and directorships and was appointed by the Western Australian Government to represent the state as the Agent General in London.

Brings extensive expertise in project development, investment and trade.



Alan Burns

CFO

With 35 years of experience, Alan has dealt with clients from numerous industries and professions advising on tax and business services.

His expertise in valuations and structuring has seen him attend to numerous valuations for different businesses, covering partnership disputes, Australian Taxation Office requirements, sale of businesses or shares, and marital disputes.

Alan advises Australian and overseas business clients over a range of business matters, both domestic and international, and is passionate about seeing issues from a client's eye. He leads a team of young dedicated professionals.

Alan was recently recognised for achieving 25 years as a member of the Chartered Accountants Australia and New Zealand, and he is a member of the Special Interest group of the CAANZ which includes Forensic and Valuations.



Max Tarling

Non-Executive Director (independent)

Max led the growth of Peters & Brownes, one of the largest milk and ice cream companies in Western Australia. He held the position of General Manager for Operations & Marketing, followed by Sales Director within the firm.

Max has the best in class experience in the global food trade with strong relationships across many large supermarket chains in Australia and Asia.

Max also ran a successful import/export company that involved dealing with changing foreign and has experience managing a large number of people, which includes workforces that are heavily involved with trade unions and structuring E.B.A's to handle a changing work environment.



Stephen Geppert

Executive Director & Operations Manager

BArt (Philosophy)

Stephen is one of Australia's most experienced camel handlers and trainers. He has ridden feral camels solo across the five Western Australian deserts.

Co-Founder of Good Earth Dairy.

Leading expertise with camels from efficient camel selection, domestication, husbandry, and milking methodologies.



Eryn Kestel

Company Secretary

B Bus CPA

Eryn has over 20 years' experience in compliance. She is a company secretary to several public unlisted and listed companies and has provided company secretarial services to boards across a number of industries including resources, banking and technology.

In advising boards of companies, has equipped her with skills in a wide range of corporate matters including compliance, regulation with ASX Listing Rules and the Corporations Act and corporate governance in Australia.

Eryn is a qualified Accountant having completed a Bachelor of Business Degree and is a Certified Practising Accountant.

Disclosure: The principal duty of a company secretary for ASX listed entities is that of chief administrative officer and ensuring the implementation of sound corporate governance procedures in accordance with the ASX Listing Rules and Corporations Act 2001. This involves administering the corporate affairs of the company and managing/supporting the business of the board offering advice to the board on key administrative issues. The company secretary does not take part in the management of a company as this is the responsibility of the directors who remain legally responsible for a company. As a professional Company Secretary working for many companies at different stages of growth, two companies: Sino Australia Oil and Gas Limited and FE Investment Group Limited were placed in liquidation and administration respectively at the request of the board of directors – it was the board who initiated the administration process on behalf of the company.

Counselled by strong advisory committee



Michael Rammer

Michael brings extensive experience in the dairy industry and will work exclusively with Good Earth Dairy for camel milk products. He led the department of long life milk production for a German dairy industry company, in addition to working at Harvey Fresh WA covering roles from Food Business, Manufacturing and Quality Assurance.

Michael runs his own business, MGR Food Consulting working mainly with dairy industry companies in WA.

He is on the Committee of Dairy Industry Association (WA) and was the President (WA) in previous years.



Dr Graeme Robertson

BSc (Agric) hons, D Phil (oxon), FTSE, FAIA

Graeme is a consultant with a wide knowledge of agricultural systems in WA, nationally and globally.

Former roles include Director General of Agriculture in WA, head of Curtin University's School of Environment and Agriculture, Chair and Board member of National Research and Development Corporations.

He has worked extensively on agriculture development, R&D planning and food security in countries including Morocco, Oman, Kuwait, Abu Dhabi and UAE.



Dr Dave Pevcic

BSc (Anatomical / Pre-Clinical Studies), MBBS

Dave brings extensive medical expertise and is currently a Medical Doctor at Hollywood Private Hospital in Perth, Western Australia.

In 2016 he was appointed as Research Physician at Linear Clinical Research in WA.

Furthermore, he is the author of multiple academic publications in the field of Neuroscience.

Dave is also a professional investor with over 7 years' experience in ASX equities, and is currently a Director of a number of private commercial ventures.

2.8 Risks facing the business

The table below identifies the key risks that may affect Good Earth Dairy's business. An investment in Good Earth Dairy should be seen as high-risk and speculative. A description of the main risks that may impact our business is below. Investors should read this section carefully before deciding to apply for shares under the Offer. There are also other, more general risks associated with Good Earth Dairy (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).

Type of risk	Description of risk
Customer acquisition risk	<p>Unable to acquire sufficient customers to become profitable</p> <p>Good Earth Dairy's evolution and initial purpose was to innovate and develop the agritech for commoditising camel milk. During this time we have been selling all the milk we produced via stockists across Perth, and thus only just commenced building a community of engaged investors and customers. As Good Earth Dairy is only starting to scale now it currently has an insufficient number of customers to fund its business operations and as such Good Earth Dairy is not yet profitable. The commercial success of the business depends on our ability to scale efficiently and increase our customer base for the many products that we intend to launch. If we are unable to acquire customers, this will have a material adverse effect on Good Earth Dairy's potential revenue and viability as a business.</p>
Market or competition risk	<p>Highly Competitive Market</p> <p>The Company is entering a competitive dairy market with a new product offering. Competition risk occurs whenever there are other players trying to win or retain market share. Typically, there is a high level of inertia in terms of switching between cow milk to dairy alternatives, and a camel milk offering may not prove popular in the Global market.</p>
People risk	<p>Loss of Key Personnel</p> <p>Good Earth Dairy may be unable to engage potential key personnel with the requisite experience and expertise to ensure the success of the business. There are a number of current key personnel that are important to the success of the business who have all signed employment contracts, however if these key people were to leave finding suitably skilled replacements may be difficult and could impact achieving the business's objectives.</p>
Disease risk	<p>Loss of Camels due to Disease</p> <p>Camels are at risk to disease like any other animal and this may result in loss of production or death. A loss of our producing camels will impact our milk production and thus our profitability.</p>
Funding risk	<p>Adequate funding for business plan</p> <p>While we have already raised funds for the past five years to continue our research and development and growth, Good Earth Dairy will require to raise further funds to implement its commercialisation plan of building a A\$6.6m powder facility and a 5000 head dairy to enter a global market with its traditional dairy and powder products. Without good project execution or adequate funding for continual growth and obtaining further manufacturing capabilities, Good Earth Dairy's growth will be reduced and may not achieve its strategic business objectives or continue to operate.</p>
Nature or Fire Risk	<p>Force of Nature</p> <p>Any agricultural operation is vulnerable to environmental risk such as fire, climate or flood. These can lead to loss of production or adversely impact the health of the herd.</p>

Risk mitigation strategies

Type of risk	Mitigation Strategy
Customer acquisition risk	<p>Good Earth Dairy has reviewed the milk chemistry of camel milk to confirm that it has a significant product differentiation compared to other animal milks especially for those allergic to animal milk.</p> <p>New products have been created that independent market research highlighted the palatability of our camel milk products meet customer expectations as a favoursome product.</p> <p>With an ability to bring a well priced product with significant product differentiation and great flavour into a global dairy market Good Earth Dairy expects to obtain market penetration as well as pick up sales from the market growth produced by population increases.</p> <p>Most importantly, Good Earth Dairy has talented individuals with proven success in selling cow dairy products to a global market despite cow milk being a saturated market.</p>
Market or competition risk	<p>The Company is entering a A\$552 billion market with a niche product that has already gained market acceptance in smaller circles. Good Earth Dairy has a relationship with a number of marketing and distribution companies domestically and internationally. This coupled with our team’s relationships and experience with stockists across the globe will support our carefully executed marketing and sales strategy.</p>
People risk	<p>We have a strong and committed team to deliver the strategy.</p> <p>Key personnel will be remunerated at market rates and provided with short- and long-term incentives. The Board and senior management are building a culture that makes the Company an employer of choice.</p>
Disease risk	<p>Western Australia has the strictest cross-border quarantine controls in Australia. Within Western Australia, bio-security protocols exist between regions.</p> <p>The Company has developed advances in camel husbandry to ensure the camels are happy and healthy. Good Earth Dairy also established its own bio-security measures, and have fully trained personnel.</p>
Funding risk	<p>We have a skilled Board and Senior Leadership Team (see Section 2.7) who have raised capital to date and we will continue with the capital attraction plan to seek further funding to meet our strategic goals.</p> <p>Furthermore, the Company has carefully planned the use of funds (refer Section 3.2) and has added additional contingency to its financial plans.</p>
Nature or Fire Risk	<p>Management have prepared response plans for known and emerging risk such as weather extremities and ensured Good Earth Dairy is heavily insured for its assets and any business continuity that may be lost.</p>

2.9 Financial Information

Below are the financial statements of the Company for the financial years ended 30 June 2020 and 30 June 2021, which have been prepared in accordance with the Accounting Standards by Hall Chadwick.

The audit for FY21 financials will take place in the next few months. No material changes are expected.

2.9.1 Balance Sheet

Statement of Financial Position to 30 April 2021	2020 \$	2021 (Unaudited) \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	171,083	1,110,561
Trade and other receivables	253,586	345,363
Inventories	22,937	-
Biological assets	56,760	66,260
TOTAL CURRENT ASSETS	504,366	1,522,184
NON-CURRENT ASSETS		
Property, plant and equipment	460,314	570,462
Intangible assets	2,285	2,285
Right of use assets	74,029	56,967
TOTAL NON-CURRENT ASSETS	536,628	629,714
TOTAL ASSETS	1,040,994	2,151,898
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	270,128	237,408
Financial liabilities	168,080	39,403
Lease Liabilities	22,377	20,339
Short term provisions	84,049	84,048
TOTAL CURRENT LIABILITIES	544,634	381,198
NON-CURRENT LIABILITIES		
Other financial liabilities	32,269	-
Lease Liabilities	53,773	39,948
TOTAL NON-CURRENT LIABILITIES	86,042	39,948
TOTAL LIABILITIES	630,676	421,146
NET ASSETS	410,318	1,730,752
EQUITY		
Issued capital	881,685	3,139,463
Retained earnings	(471,367)	(1,408,711)
TOTAL EQUITY	410,318	1,730,752

2.9.2 Profit and loss statement

CONSOLIDATED STATEMENT OF PROFIT AND LOSS	2020 \$	2021 (Unaudited) \$
Sales revenue	83,533	124,233
Other revenue	100,000	-
Cost of sales	(54,114)	(150,394)
Gross profit/(Loss)	129,419	(26,161)
Other income	269,215	159,890
Accounting and audit fees	(48,803)	(76,988)
Administration expense	(58,616)	(16,934)
Advertising expenses	(17,480)	(70,167)
Contractor cost	(18,147)	-
Consulting fees	-	(68,194)
Depreciation expense	(75,661)	(109,052)
Depreciation – Right of Use Lease Asset	(17,062)	(17,062)
Employee benefit expense	(232,103)	(443,781)
Finance cost	(42,758)	(13,912)
Insurance	(32,732)	(30,957)
Lease Interest Expense	(5,059)	(4,137)
Legal fees	(14,414)	(48,609)
Impairment of Goodwill	(116,220)	-
R&D Expenses	(2,400)	(19,181)
Rent	(20,414)	(12,066)
Repairs and maintenance	(8,456)	(7,885)
Tools & Materials	(3,258)	(3,137)
Travel expenses	(12,920)	(3,560)
Utilities expense	(4,429)	(6,658)
Vehicle expenses	(69,559)	(78,568)
Other expenses	(69,510)	(40,225)
Profit before income tax	(471,367)	(937,344)
Income tax (expense)/income	-	-
Profit for the year	(471,367)	(937,344)
Total comprehensive income for the year	(471,367)	(937,344)

2.9.3 Cash flow statement

STATEMENT OF CASH FLOWS TO 30 APRIL 2021	2020 \$	2021 (Unaudited) \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	271,817	74,721
Receipt from government	72,500	411,721
Payments to suppliers and employees	(435,175)	(1,036,690)
Interest received	74	107
Finance costs	(19,060)	(10,835)
Net cash provided by operating activities	(109,844)	(560,976)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(256,393)	(219,199)
Cash from purchase of business	9,747	-
Net cash (used in)/provided by investing activities	(246,646)	(219,199)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares, net of costs	821,048	1,903,575
Proceeds from borrowings	33,697	100,268
Repayment of borrowings	(307,172)	(264,190)
Repayment of lease liabilities	(20,000)	(20,000)
Net cash provided by/(used in) financing activities	527,573	1,719,653
Net increase in cash held	171,083	939,478
Cash and cash equivalents at beginning of financial year	-	171,083
Cash and cash equivalents at end of financial year	171,083	1,110,561

2.9.4 Statement of changes in equity

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020	Issued Capital \$	Retained Earnings \$	Total \$
Balance at 3 July 2019	-	-	-
COMPREHENSIVE INCOME			
Loss for the year	-	(471,367)	(471,367)
Other comprehensive income for the year	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(471,367)	(471,367)
Transactions with owners, in their capacity as owners, and other transfers			
Founder shares	48	-	48
Shares issued on conversion of convertible note	60,637	-	60,637
Placement	821,000	-	821,000
Total transactions with owners	881,685	-	881,685
Balance at 30 June 2020	881,685	(471,367)	410,318
Comprehensive income			
Loss for the year	-	(937,344)	(937,344)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(937,344)	(937,344)
Transactions with owners, in their capacity as owners, and other transfers			
Placement during the year	2,188,855	-	2,188,855
Shares issued on exercise of options	154,203	-	154,203
Capital raising cost	(85,280)	-	(85,280)
Total transactions with owners	2,257,778	-	2,257,778
Balance at 30 June 2021 (Unaudited)	3,139,463	(1,408,711)	1,730,752

2.9.5 Going Concern

Good Earth Dairy has been developing its technology over the last 5 years with funding from a combination of equity, product revenues and the R&D refund provided through the Federal Government's innovation policy.

Good Earth Dairy currently has adequate cash and revenue to meet its current and planned business activities.

2.9.6 Management Commentary

Good Earth Dairy has been working on its R&D program for over 5 years. We have started commercialising our technology and are looking to further scale our production capabilities as well as our manufacturing capabilities.

In the short term we are expecting to see the company's turnover continue to grow through an increase in our milk production and launch of our new products. The product manufacturing facilities Good Earth Dairy intend to commission soon will further enable our global reach and turnover expectations.

Following this raise, Good Earth Dairy will commence execution of building its 5000 head dairy as well as the powder manufacturing facility.

The board has the relationships and capabilities to ensure Good Earth Dairy's growth strategy is executed on time and on budget.

SECTION 3: INFORMATION ABOUT THE OFFER

3.1 Terms of the Offer

Aus Camel Dairies Pty Ltd is offering up to 10,000,000 shares at an issue price of \$A0.20 per share to raise up to A\$2 million max

The key terms and conditions of the Offer are set out in the Table below.

To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. The Intermediary's website provides instructions on how to apply for shares under the Offer at www.birchal.com.

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

Table 4: Terms of the Offer

Term	Details
Shares	Fully-paid ordinary shares
Price	A\$0.20 per share
Minimum Subscription	A\$0.5million
Maximum Subscription	A\$2 million
Opening date	19 August 2021
Closing date	16 September 2021

A description of the rights associated with the shares is set out in Section 3. Investors may withdraw their application during the Cooling-off Period (further information on investor cooling-off rights are found in Section 4 of this CSF offer document). The Offer is not underwritten.

3.2 Use of funds

The table below sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts.

Intended Use

Intended use	FY 21 Minimum Subscription	FY21 Maximum Subscription
Herd growth and development of 5000 head dairy	A\$415K	A\$1,100K
Long Lead items for powder manufacturing	Nil (await next raise - see 3.5)	A\$710K
Offer Costs	A\$35K	A\$140K
Listing Fees	A\$50K	A\$50K
Total	\$A500K (A\$0.5m)	A\$2000K (A\$2m)

The Offer is not underwritten and there is no guarantee that these funds will be raised.

The cost of the Offer includes the Intermediary’s fees under the hosting agreement between the Company and the Intermediary. These fees are 6% of all funds raised by the Issuer through Birchal Pty Ltd (Intermediary) plus A\$2800 for administration and setup costs. Also there is a 1% from funds raised to be paid to CPS Capital.

Other than as specified above, no other payments from the funds raised will be paid (directly or indirectly) to related parties, controlling shareholders, or any other persons involved in promoting or marketing the Offer.

3.3 Rights associated with the shares

Immediately after issue, the shares will be fully-paid shares. There will be no liability on the part of shareholders and the shares will rank equally with the shares currently on issue.

The rights associated with the shares are set out in the Company’s constitution. These rights are described below. A copy of the constitution is available on the Intermediary’s platform.



Intended powder facility (external). All images are renders only.

3.3.1 Voting rights

Each shareholder has one vote on a show of hands and, on a poll, one vote for each share held.

3.3.2 Dividends

All shareholders have a right to receive any dividends declared and paid by the Company.

The directors have a discretion and may resolve to pay dividends, subject to their obligations under the Corporations Act (for example, they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

3.3.3 General meetings and notices

Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares. Shareholders who hold at least 5% of the votes which may be cast at a general meeting of the Company have the power to call and hold a meeting themselves or to require the directors to call and hold a meeting.

3.3.4 Election and removal of directors

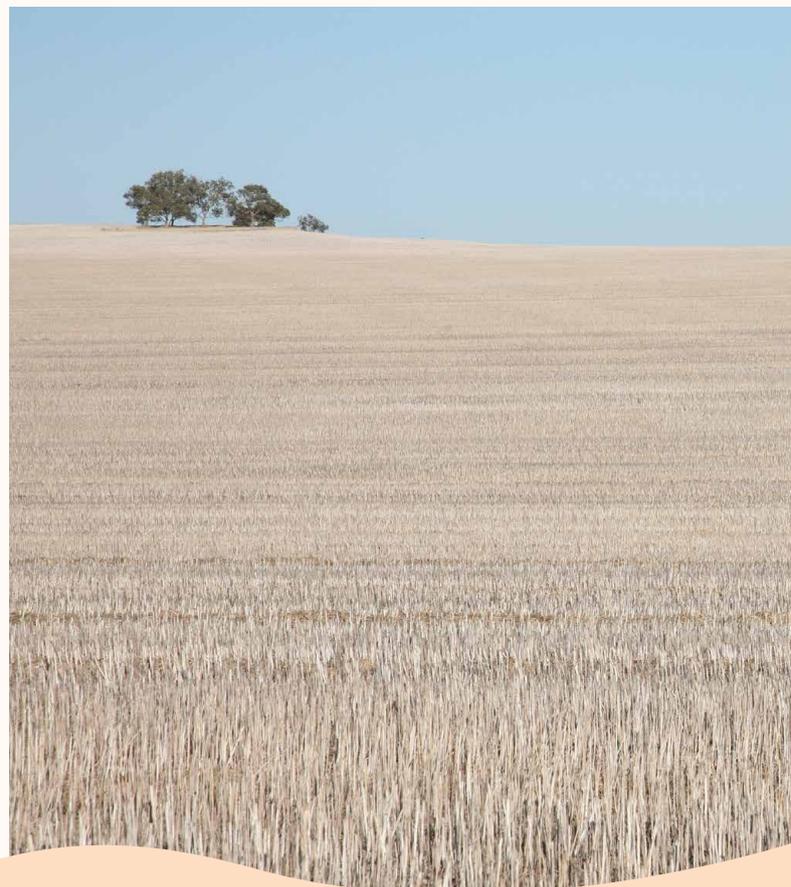
Shareholders may vote to elect and remove directors at a general meeting by way of ordinary resolution (50%).

3.3.5 Winding-up

If the Company is wound up and there are any assets left over after all the Company's debts have been paid, the surplus is distributed to holders of ordinary shares after secured and unsecured creditors of the Company. Holders of fully-paid ordinary voting shares rank ahead of other classes of shares (if any).

3.3.6 Restrictions on sale or transfer

If the Company lists on the ASX, the Company will be subject to the ASX's Listing Rules. In particular, there may be a restriction on shareholders disposing or transferring shares for a period of time (e.g. 12 months or longer) commencing on the date of the ASX Listing (i.e. the Escrow Period as defined in the ASX Listing Rules).



3.4 What can I do with my shares?

Shares in the Company are considered illiquid as they cannot easily be transferred or sold. However, there are numerous possible circumstances that may create an opportunity for shareholders to exit the business. These include, but are not limited to:

- A trade purchase of the Company
- A listing on a recognised stock exchange (e.g. the ASX)
- A private equity investment in the Company
- A share buy-back by the Company

There is no guarantee that any of the exit options will eventuate.

3.5 Engagement of Lead Manager, Broker & Corporate Advisor

Good Earth Dairy has engaged CSP Capital (cpscapital.com.au) to be lead manager, broker and corporate advisor for capital raising and corporate advisory services, including a proposed capital raising via an IPO proposed for mid 2022. This mandate may be terminated by the parties.

CPS Capital is a highly reputable broker firm in Australia with over A\$1 Billion raised since 2015, they are also a strategic and corporate advisory firm with a highly capable and experienced team.

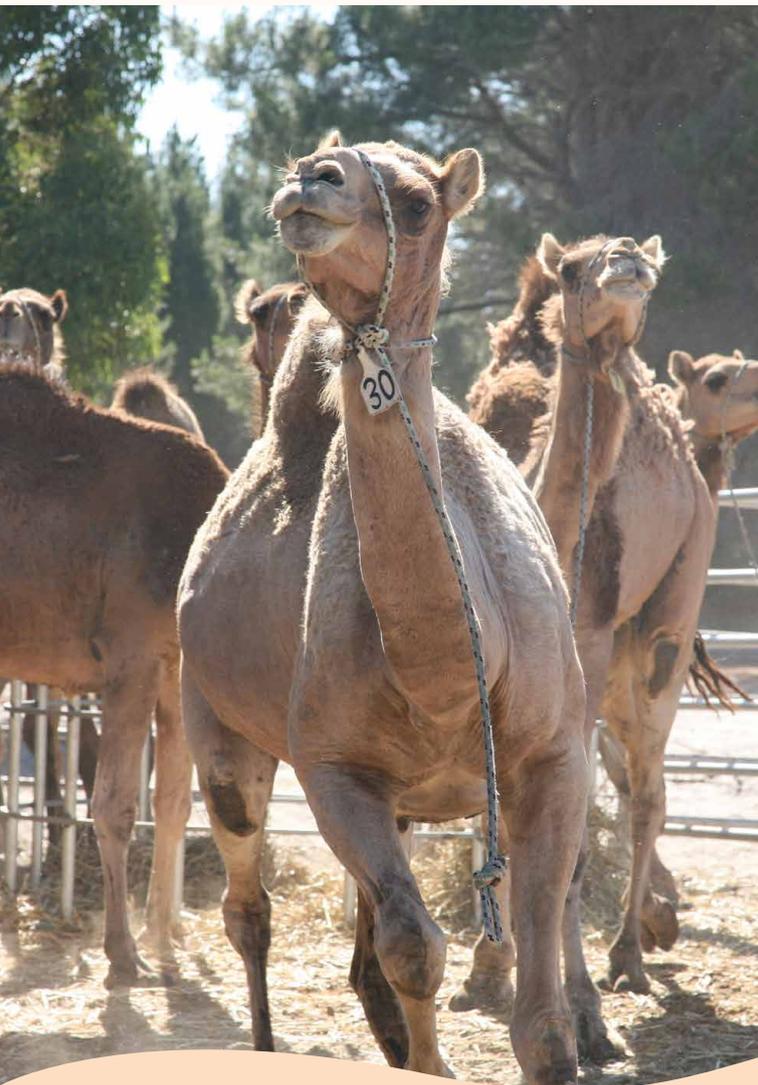
Good Earth Dairy has engaged Squire Patton Boggs to provide legal advice to Good Earth Dairy.

Good Earth Dairy has not yet engaged with the ASX in relation to an IPO. There are a range of factors, including suitability, financial capacity and market conditions that may affect our ability to proceed with an IPO by mid 2022, or at all.

3.6 Details of previous CSF Offer

Good Earth Dairy made a previous CSF offer in November 2020 where A\$1.2m was raised successfully at a share issue price of \$A0.14.

Only change to the board was the decision to modify the structure from a Managing Director with a Non-Executive Chairman to an Executive Chairman. This change was advised by our legal counsel to further optimise the control of our intellectual property. As a result, Marcel Steingieser moved from the Managing Director & CEO role to the Executive Chair role and Tony Adcock stepped down. As part of the legal advice (to ensure good company governance), Noel Ashcroft was promoted to Deputy Chairman to co-sign all the company's communication to shareholders.



SECTION 4:

INFORMATION ABOUT INVESTOR RIGHTS

4.1 Cooling-off rights

If you are a retail investor, you have the right to withdraw your application under this Offer and to be repaid your application money. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (**Cooling-off Period**).

You must withdraw your application via the Intermediary's platform. You will be able to withdraw your application within the Cooling-off Period by following the link and the instructions within your portfolio on the Intermediary's platform.

After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.



4.2 Communication facility for the Offer

You can ask questions about the Offer on the communication facility available on the Intermediary's platform. You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

You will be able to post comments and questions about the Offer and see the posts of other investors on the communication facility. The Company and/or the Intermediary will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of the Company, and related parties or associates of the Company or the Intermediary, may participate in the facility and must clearly disclose their relationship to the Company and/or Intermediary when making posts on the facility.

Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the Corporations Act.

4.3 Proprietary company corporate governance obligations

4.3.1 Annual report

While the Company is currently a small proprietary company that is not required to prepare annual financial reports and directors' reports, if we successfully complete this Offer, then we will be required to prepare and lodge these annual reports with ASIC (within four months of the financial year end). The Company has a 30 June year end and its financial reports must be lodged by 31 October each year.

Our financial reports are currently not required to be audited as we are a small proprietary company. This means that the Company's financial reports will not be subject to auditor oversight and, therefore, there will be no independent assurance of the Company's financial statements. However, the directors are still required to ensure that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with the accounting standards.

We may be required to have our financial reports audited in the future if we raise more than A\$3 million from CSF offers (including this current offer and any future offers) or otherwise become a large proprietary company.

4.3.2 Distribution of annual report

The Company is not required to notify shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post.

However, shareholders will be able to access the annual report when it is available on the Company's website at the following address Goodearthdairy.com.au (free of charge) or can purchase the report from ASIC.

4.3.3 Related party transactions

If we successfully complete this Offer, the rules on related party transactions in Chapter 2E of the Corporations Act will apply to the Company (for so long as we continue to have CSF shareholders). This means that the Company is required to obtain shareholder approval before giving financial benefits to related parties of the company (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

4.3.4 Takeovers

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the company. However, the general principles of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.

SECTION 5:

GLOSSARY

AM annotates a Member of the Order (In the Australian honours system appointments to the Order of Australia confer the highest recognition for outstanding achievement and service).

CAGR means compound annual growth rate

Company means Aus Camel Dairies Pty Ltd ACN 634 549 170

Cooling-off Period means the period ending five business days after an application is made under this Offer, during which an investor has a right to withdraw their application and be repaid their application money

CSF means crowd-sourced funding under Part 6D.3A of the Corporations Act

EBA stands for Enterprise Bargaining Agreement which are agreements generally between employees and employers.

EBITDA means Earnings Before Interest, Taxes, Depreciation, and Amortization

Intermediary means Birchal Financial Services Pty Ltd AFSL 502618

Maximum Subscription means the amount specified in this CSF offer document as the maximum amount sought to be raised by the Offer

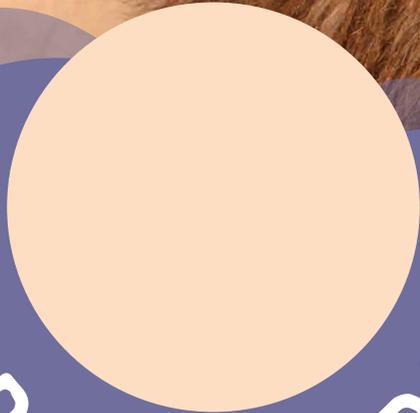
Minimum Subscription means the amount specified in this CSF offer document as the minimum amount sought to be raised by the Offer

Offer means an offer of fully-paid ordinary shares by the Company under this CSF offer document

Wholesale Investor means an investor who satisfies the definition of a 'wholesale client' under Chapter 7 of the Corporations Act 2001 (Cth).

A photograph of two camels in a field. The camel in the foreground is wearing a red harness and has its mouth open, showing its teeth. The camel in the background is wearing a brown harness. The background shows a field of green grass and a clear blue sky.

**THANK YOU
FOR
READING**

A logo for Good Earth Dairy. It features a large, light-colored circle in the center, surrounded by the words "GOOD EARTH DAIRY" in a white, distressed, sans-serif font. The text is arranged in a semi-circle around the bottom and sides of the circle.

GOOD EARTH DAIRY

**For further information
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