

# KARLSRING MINERAL WATER CORPORATION



**Karl Post**

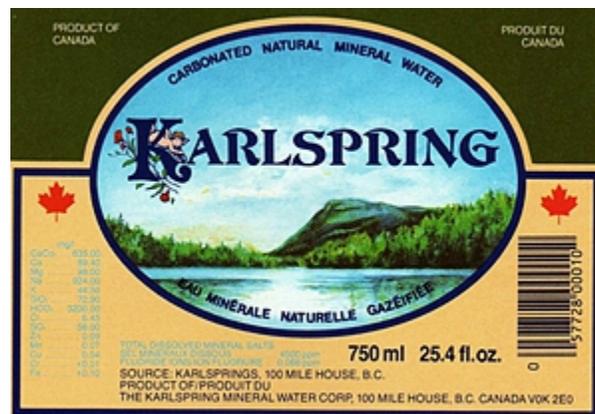
## AN INFORMATION OUTLINE

*for the development of North America's only*

### ***NATURALLY CARBONATED MINERAL WATER SOURCE***

*Water is the noblest element. Pindar, Greece 518 – 438 BC*

1. [Executive Summary](#)
2. [Mineral Water in North America](#)
3. [Introduction / Background / Global Market Readiness](#)
4. [Nature of Offer](#)
5. [Mineral Water Source & Quality](#)
6. [Source Evaluation and Quality Certification](#)
7. [Product Information](#)
8. [Historical Product Development](#)
9. [Future Development](#)
10. [Information on the region](#)
11. [Contact](#)



**Karlspring Mineral Water Corp.**

**1. Executive Summary**

**The Product:**

Karlspring Naturally Carbonated Mineral Water is the only mineral water in all of North America that meets or exceeds the standard of traditional European natural mineral water quality, which was originally established with a minimum of 1000 mg of total dissolved minerals per liter.

**The Source:**

The source of Karlspring mineral water is an aquifer buried under more than 100 meters of bedrock. The location is in the Cariboo Mountains of Central British Columbia, Canada. It is a pristine wilderness setting at a high enough elevation to be completely secure from any human or industrial encroachment. The surrounding lands are owned by the crown (Province of British Columbia) and are not available for settlement and/or development. The area is served by highway and rail road connected to the major centers of Canada and the United States. A small airport provides service to private aircraft up to corporate jets.

**The Market:**

The North American market is dominated by spring water and processed tap water. Such products as Perrier, San Pellegrino and other imports serve the high-end water sales from Europe. Karlspring Mineral Water can easily eclipse all these domestic waters, including the mineral water imports, and dominate the high end of the North American market.

**Volume:**

The existing test well currently produces 40,000 liters per day. However, by changing the pump specification the volume can be increased to 80,000 liters per day or more. Flow tests on the source well suggest the installation of wells with larger diameters will produce the volume of mineral water to match the output of the glass plant.

**Sales Potential:**

We estimate that with the construction of “Phase I” the total production and sales will be conducted on a level of \$ 280 million per year. All additional phases will add to the success.

## **2. Mineral Water in North America**

The North American water market primarily serves Spring Waters, Surface-Glacier Waters, processed tap water, or other low mineralized waters down to the non-recommended distilled drinking water. Currently all these products fight for market share on a price basis with little or no consideration for adequate profit, quality or taste. We believe this is the result of not just an almost universal ignorance of quality mineral water but also because there has been a lack of existing traditional European Style mineral waters on this continent

In Europe, traditional natural mineral waters like Vichy, San Pellegrino, Apollinaris and Gerolsteiner compete with hundreds of similar quality products.

In North America, whoever has possession of a North American sourced, high quality

### **“Naturally Carbonated Mineral Water”**

has the fundamental building blocks for being the industry leader on this continent and gaining absolute dominance in the higher-priced segments of all imported and domestic waters, based on taste, quality and - last but not least - higher profit margins.

Karlspring Mineral Water is the only Natural Mineral Water in North America that matches or exceeds traditional European Mineral Waters. Karlspring Mineral Water does not need to compete with low-priced spring water, glacier water or re-manufactured tap water, but rather on the level of selected imports, as it is equal or superior to all of these European or worldwide brands.

### **3. Introduction**

Karlspring Mineral Water, probably the finest mineral water discovered to date in North America, flows from a deep and ancient underground volcanic aquifer of immense but undetermined size in the pristine Cariboo Mountains of British Columbia, Canada. When Karl Post emigrated from Germany in the 1980s, he purchased an acreage on McNeil Lake, 60 kilometers east of 100 Mile House in the beautiful Cariboo Region of the interior of British Columbia. The Central Plateau of British Columbia is one of those rare places in the modern world where the natural beauty and unspoiled nature are largely intact. Although on a different continent this aquifer shares many of the natural protection similarities of the aquifers that house the famous high quality European water sources in volcanic areas.

In the beginning, all Mr. Post was looking for was clean drinking water for his planned hunting and fishing lodge. As a European, with a taste for mineral water, he recognized that what bubbled out of his well was one of the finest naturally carbonated mineral waters in the world. This was confirmed by analysis with several laboratories both in North America and Europe.

The well property is in a heavily forested area perched high above the surrounding lakes and forests. There are no sources of industrial, agricultural or human pollution for many hundreds of square kilometers. This ensures the water source is unique amongst competitors worldwide.

Karlspring Mineral Water flows from a 150 m deep well at a steady temperature of 12 degrees Celsius where it has been sealed under pressure deep within a volcanic rock formation protected by more than a 100 m thick layer of bedrock.

To our knowledge there is no other mineral water of comparable quality or taste available in the United States, Canada, Central or South America.

#### **Competition**

Some multinational beverage companies acquired well-known European Natural Mineral Water brands for the purpose of consumer recognition and increasing the status of their portfolio.

Some reputable and well-marketed brands are imported from Europe to North America as classic mineral waters, supplying the high end of market segments on many levels such as retail, restaurant, hotel and convenience. The reason for this temporary dominance is the ongoing lack of any North American equivalent.

A real mineral water of highest quality and purity, like Karlspring, located in North America, would have an immense competitive advantage over any import, as the higher import price levels can and will guide the wholesale and retail pricing; and ensure a strong and profitable position.

### **Global Market Readiness**

In this first and second decade of the 21<sup>st</sup> century populations worldwide are becoming aware of future water problems in general and drinking water problems in particular. As well, the recognition of the need for clean and healthy sources of water is increasing, while the numbers of these qualified and desired sources are declining.

For more than 30 years, we have been aware globally that the situation with past and present pollution is irreversible. Pollution in all populated urban areas will continue to seep into the ground water tables and contaminate existing unprotected aquifers.

Good clean water sources, continually and perpetually regenerated by the natural water cycle, especially water sources like Karlspring, totally protected as it is by the natural environment, geography and altitude, are a precious and desirable commodity in the 21st century.

## 4. Nature of Offer

**We are inviting purchase proposals for Karlspring Mineral Water and its source property** as it has become clear that our small company, starting from scratch and under-capitalized, has little chance of penetrating the market, despite the quality of the resource.

The development of this venture requires a qualified and experienced company with visionary leadership or, as one of many options:

**a Joint Venture (consisting of capital and expertise)** or as a

**M&A (Merger & Acquisition project)** for a purchasing company with a solid understanding of the possibilities for a high quality mineral water in the market place. We believe an examination of Karlspring Mineral Water will confirm its exceptional quality and place this “Naturally Carbonated Mineral Water” at the pinnacle of all types of carbonated waters available in North America and most areas of the world.

The “**know-how**” is on hand and available, under secure conditions.

This mineral water will be of significant value to any company wishing to dominate the North American market with a high quality mineral water, one that equals or exceeds any European mineral water. There is nothing even comparable in the American hemisphere and especially not in the United States.

This Naturally Carbonated Mineral Water has the potential to be a new and dominating flagship within any national or multinational company’s network.

## 5. The Source and Mineral Water Quality

### The Source

The wellhead property, originally an old homestead, consists of 35 deeded acres, protected from any industrial, human or agricultural pollution by high elevation and is surrounded by hundreds of square miles of natural forest-covered hills and pristine lakes. The surrounding land is owned by the Province of British Columbia and is not available for any form of development.

### Water Quality

Karlspring Mineral Water is nearly identical in its characteristics to those of the classic European mineral waters, especially Vichy, Apollinaris, Gerolsteiner, Überkinger and some other more distinguished products, categorized as *Health Waters*, e.g. Fachingen, Adelheidquelle etc.

### Appendix 2 Mineral Water Analysis + Product Information Sheet

Analysis to be provided on request, along with a professionally-conducted evaluation.

Karlspring Mineral Water features the following characteristics that match or exceed those of comparable products such as Vichy and Apollinaris and all the aforementioned brands:

- High mineral content of valuable minerals
- carbonation at the source (the ancient volcanic rock formations)
- well-protected beneath 100 meters of bedrock
- the source is renewable and perpetual
- tremendous health benefits based on European criteria and standards
- this mineral water is capable of creating strong consumer loyalty
- natural mineral water cannot be produced artificially or copied; each one is an exclusive venture; each one has its own distinguishable taste
- The well site has a major competitive advantage in the long term as it exists in the centre of pristine wilderness with little danger of pollution

## **Analysis + Quality**

Karlspring Mineral Water is absolutely natural. It is the only bottled natural mineral water in North America that, according to Canadian and European standards, qualifies for both categories of “Natural Mineral Water” and “Naturally Carbonated Mineral Water”.

For export to Europe it qualifies also as a *Health Water* (Heilwasser).

The usual retail water products from North America are sometimes classified as mineral water, but are actually spring water, table water, or surface glacier water, identified by low or no mineral content, and unable to meet the standard of “Natural Mineral Water”.

The current Canadian analysis shows that Karlspring Mineral Water contains 2660 ppm (parts per million) = mg/l of valuable dissolved minerals, after the evaporation lab test procedure.

The real total is 4500 ppm+ before the evaporation process is accomplished and the residue measurement taken. This formula is specified and certified by the world-leading *Fresenius Institute* in Germany; and confirmed by common and scientific knowledge.

After all, it is more important to show to the public on the label, what the consumer takes in when the beverage is consumed than a theoretical amount of minerals that has partly disappeared (at a level of ~ 40%) by an irrelevant testing procedure.

While the mineral levels from the source are confirmed as being consistent over the last 25+ years, the counting method of the Canadian Lab has been converted to the international standard – but still without consideration for an adjustment regarding the pre-existence of the evaporated mineral quantities.

Mineral Water is distinguished from other types of bottled water by its constant level and relative proportions of minerals and trace elements at the point of emergence from its source. Karlspring Mineral Water is absolutely consistent in this matter.

## **Purity**

Karlspring Mineral Water is 100 percent pure. There is not the slightest trace of contaminants, natural or man-made. Nothing has to be added or removed, other than the usual deferrizing (iron removal) similar to Appollinaris and other high quality mineral waters.

Some North American producers claim that the lack of minerals in their products attests to the purity of the water. This is misleading. The presence of beneficial dissolved minerals, which the human body requires on a daily basis for good health, never has and never will contribute to any measure of purity.

Karlspring Mineral Water has zero bacteria of any kind. Once again, it is the storage vault deep in the bedrock with its natural carbonation that protects the water from any bacterial pollution. This means that, unlike many other commercially available waters, Karlspring Mineral Water does not require ozone treatment or any comparable process to kill bacteria or even e-coli, thus eliminating the process of attempting to remove the dead bacteria.

## **Packaging**

Although Karlspring has been dormant for several years it was distributed in glass bottles to preserve the quality and purity of the mineral water. Glass also contributes to the unlimited shelf life and contains and maintains the carbonation as well as the unsurpassable taste.

We believe that glass fundamentally maintains the quality of the mineral water, especially in the carbonated state. This will exclude the product from the current widespread concerns about plastic bottles in connection with environmental waste and health concerns around carcinogenic issues.

The higher priced imported carbonated mineral waters from Europe (France, Italy and Germany) would not sell in North America at their established price levels, if it wasn't for the design, image and positive impression of the glass bottle as the packaging of choice.

Freight advantages with the lighter plastic bottles are insignificant and are more than offset by the product-quality assurance of glass and the much higher wholesale and retail sale price.

## **Glass Manufacturing Plant**

One final direction of the project planning and future development deals seriously with a glass manufacturing plant – strictly under our own jurisdiction. All the related planning stages like drawings, descriptions, financial budget planning, staffing requirements and their numbers and calculated cost, logistics, glass recipes, energy consumption and cost, clean environment and clean air preserving and protection measurements are available to serious and qualified companies.

## **Shelf-life**

Karlspring Mineral Water has an unlimited shelf life due to its purity and the natural bedrock protection underneath, around and above the source, combined with its natural carbonation. In fact, all the bottles on hand have without exception retained their initial quality and taste and carbonation after being bottled for 20+ years!

## **Taste and Carbonation**

At its original source in the bedrock, Karlspring Mineral Water is under more than 12 atmospheres of hydrostatic pressure. At this level of pressure the carbonation is held in a liquid stage and cannot emerge. On the way up the well, into the tanks and in the deferrizing (iron removal) process, the carbonation is released with other gases and is re-injected at the point of bottling.

A Mineral Water like Karlspring, with its natural composition and total amount of natural minerals, needs the carbonation to balance its full-bodied taste. An experience in itself!

By comparison, good tasting spring water loses its sweet taste when carbonation is added for the purpose of imitating the natural sparkle and without considering the creation of sour taste by adding the carbonation artificially.

Karlspring Mineral Water combines, in a unique manner, at its source deep in the bedrock, natural carbonation, and an astonishingly high mineral count of beneficial dissolved minerals. The result is a beverage of choice, appreciated by connoisseurs, creating a very strong consumer loyalty.

## **Serving Karlspring Mineral Water**

At or slightly below room temperature, Karlspring releases the full taste of all its minerals; chilled, it offers all the freshness a natural product can give; and it is an excellent mixer for a wide variety of alcoholic and non-alcoholic drinks.

Former customers, using Karlspring Mineral Water, have experimented by mixing the mineral water with juice or juice concentrates and found it to be an excellent drink of choice because it requires much less sugar to develop an unsurpassed taste.

As North American tastes appear to have a strong demand for juice beverages, this is an opportunity we explored with favourable results, but were unable to take to market, for financial funding reasons.

## **Health Benefits**

In conformity with American and Canadian legal requirements, no direct health claims can be made on behalf of any beverage or water, including mineral water.

However, personal testimony does indicate “Active Beneficial Qualities” and experienced health benefits from this Mineral Water. As well, in Europe, tests indicate the product can be classified as *Health Water* - “Heilwasser”. This, we believe, could be a strong advantage in the European markets, coupled with the perception of Canada as the origin of many pure natural resources. It is possible to ship Mineral Water and Health Water profitably from Canada to Germany without excessive wasted packaging. R = special packaging.

The fact that Karlspring Mineral Water compares favourably with the highest category of the unique naturally-carbonated mineral waters of Europe, like Vichy, Fachingen, Apollinaris and Gerolsteiner, may require more discussion to address any further questions about the composition and benefits of all the minerals involved. The interpretation of both the European and Canadian analysis clearly demonstrates positive favourable results.

## 6. Source Evaluation and Quality Certification

### Source Testing

Source testing has been performed under European and North American standards. To ensure complete satisfaction, we would welcome testing by any interested party's hydrologists, geologists, engineers and technicians, preferably involving expertise and experience with naturally carbonated sources from volcanic rock formations. Qualified and experienced European experts may be consulted. Previously we were acquainted with and able to name and recommend such experts and we can still continue to arrange for such consultants as independent advisers.

### Volume in Liters

Our flow tests suggest that additional wells with adequate diameters can be installed to produce a preliminary 500,000 liters per day and subsequently up to 1 or 2 or 4 – 6 million (plus) liters per day.

The current well, protected by over 100 meters of bedrock, is considered to be a test well and produces 40,000 liters per day. With enhancements to the present pumping system, a doubling in capacity to 80,000 liters per day is feasible for this test well. More wells with larger diameters can be drilled as needed.

### Volume in Dollars

(this is one of several possible scenarios for different and increasing volumes)

Based on previous pricing structures, 500,000 liters per extraction day = calendar days result in approximately:

\$280 million gross sales per year (or more, as there is no comparable North American competition). This volume - Phase I - synchronized with the scheduled 24/7 output of the glass bottle manufacturing plant.

These numbers will clearly increase with eventually growing demand – like 1 or 2 or 4 - 6 million liters per day. We are prepared to enter into direct discussions supported by existing Excel charts.

## 7. Product Information

### Quality

- \* Karlspring is the only Canadian Mineral Water with natural carbonation
- \* Karlspring is the only Canadian Mineral Water on par with European standards for “Natural Mineral Water”
- \* Competitors would only qualify as "spring water" or "table water" with respect to European standards.

### Mineralization

The relatively high mineralization with natural carbonation gives Karlspring its unique taste.

### Purity

Karlspring has a tremendous purity compared to most waters in the world. It contains no contamination at all; no nitrates or nitrites, no lead, mercury, arsenic or cadmium.

### Health Effects

Karlspring is a Natural Mineral Water synonymous with the German standard for “Health Waters”; “product types which are recommended by doctors and hospitals in Germany”.

Experiments (for internal use only) have proven that Karlspring Mineral Water gives relief from problems related to:

- Stomach
- Heartburn
- Kidneys
- Urinary function
- Poor blood circulation
- Ulcers
- Arthritis
- Bladder Infections
- Arthritic heart muscle
- Morning sickness during pregnancy

- \* improves digestion
- \* regulates the movement of the bowels
- \* supports the treatment of diabetes
- \* reduces high blood pressure

(According to research by Dr. McCarron from the Health Science University in Portland, Oregon, it is more important for persons with high blood pressure to insure a high intake of Calcium Carbonate  $\text{CaCO}_3$  rather than leaving sodium out of their diet altogether.)

Karlspring has all the important minerals the human body needs for optimal function, with a better taste than all comparable health waters.

### Additional Recommendations

- In addition to enjoying Karlspring Mineral Water in its natural state, Karlspring mixed with juice or juice concentrates is highly recommended.
- A mix (about 50:50) with a good natural wine (at home) produces a premium natural cooler, readily available, preservative free, pure and natural.
- Typical mineral water enthusiasts recognize its natural purity and prefer it in this form.
- Mixed with juice, wines, or simply sparkling in a glass by itself, Karlspring Mineral Water has a taste that is unsurpassable.

## **8. Historical Product Development**

With limited financial resources at the time of discovery between 1983 and 1986, Mr. Post developed the process from source location, investment in infrastructure, extraction, product branding, labeling, bottling and distribution.

All marketing and sales of Karlspring Mineral Water were done in the Province of British Columbia, Canada, between 1986 and 1992. Some container loads per year were shipped to Germany and sold as a specialty Canadian Health Water. Some truck loads were successfully sold to chain stores in Seattle Washington State. Countrywide United States marketing was not possible due to lack of financial resources.

The financial situation became even negative with the total loss of an associated retail business destroyed by fire. This forced Karlspring in 1992 to cease production. Mr. Post has been waiting for the appropriate time to move forward with expansion and to secure investment in this valuable resource. In the meantime, the property and the well have been left and maintained in their initially developed state, keeping the vision for the future alive.

Now, at an age exceeding the 70's, Mr. Post has decided that it is time to evaluate and re-assess the opportunities. It has been concluded the best way forward is to find a capable company that can realize and bring to fruition the full potential of this unique and extraordinary natural mineral water resource.

## 9. Future Development

We have done a great deal of research into the options for the establishment of an expanded infrastructure for extraction, bottling and distribution of the product. While the options are many, we have local connections to secure the construction of any future development. The physical resources are available to optimize extraction and bottling efficiency through the construction of full production facilities in the 100 Mile House area in British Columbia.

Central British Columbia, as a direct result of global warming, has governments at all levels developing policies to support new and innovative industries to the area to offset some recession in the timber industry. Local officials in 100 Mile House will welcome the opportunity to offer assistance to develop the industry described in this presentation.

This area is well served with a major highway that connects directly with highways serving the Canadian Provinces and the United States as far south as Mexico, north to Alaska and west to harbours on the Pacific Coast for export. It is also connected to the North American railroad grid through a direct link to Vancouver and the American railroad system.

Fruit and vegetable trucks from California and Mexico are always available and seeking return freight at a very reasonable freight charge into the US.

Shipments to Asia qualify naturally for their own extraordinary low container rates because of the huge oversupply of containers routed from North America and directed to China/Asia.

In addition there is a 1486m/4,877ft lit, paved airstrip with jet fuel and navigational aids to serve private, commercial and corporate jet air traffic.

<http://www.cariboord.bc.ca/services/airports/south-cariboo-regional-airport>

The well site is about 60 kilometers east of 100 Mile House, which serves a resident population of about 20,000 people scattered over an area 150 kilometers east to west and 100 kilometers north to south (15,000 square kilometers).

All of the planning process for expansion of extraction and water storage facilities developed by Karlspring can be part of any agreement that may result from this proposal.

We offer the same cooperation for all the research and work that was conducted in the past years in regards to the accomplishments for the exploration and setting up the conditions for the successful development of this remarkable venture – consisting of:

1. unique, naturally carbonated mineral water aquifer
2. in combination with a state-of-the-art bottling facility
3. the only one in Canada, re-erected and Canadian or company-owned glass bottle manufacturing
4. and enough space to circulate and connect more industries around this cornerstone structure

## **Health Spa**

An additional potential project for the future, in the category of “Health & Wellness” is the development of an exclusive Health Spa, similar to the old traditional spas in France, Italy and Germany - like Vichy, Evian, Vittel, Badoit or Contrex - overlooking McNeil Lake. Individual spa treatments and doctor-prescribed medical mineral water drink sessions (called “Trinkkur”) with this beneficial Health Water may bring positive results beyond imagination.

**(Advantages and details for a Spa can be discussed on an individual basis)**

## **10. Information on 100 Mile House and the Cariboo Region of British Columbia**

More regional information is available on the following websites:

[Satellite view of the South Cariboo](#)

[South Cariboo information and resources](#)

[South Cariboo Chamber of commerce](#)

[South Cariboo Visitor Centre](#)

[South Cariboo Regional Airport](#)

[Cariboo Regional District](#)

[District of 100 Mile House](#)

## **11. Contact**

Please feel free to contact us with any questions or need for further detail. We are very knowledgeable about all the given logistics and conditions in our area.

Mr. Post is prepared to meet with any interested party for a more detailed discussion and for the pleasure of sharing with you the taste of some professionally bottled samples.

We also extend an invitation to visit us and our region to explore the property and determine how it will fit with your company's future plans for North America.

You may reach us as follows:

Karl Post  
KARLSRING MINERAL WATER CORP.  
P.O. Box 250  
108 MILE RANCH B.C.  
CANADA V0K 2Z0

Telephone: (+message)  
1-250-791-6666  
Fax: available on demand  
E-mail: (preferred)  
post@bcinternet.net  
[post@karlspring.com](mailto:post@karlspring.com)

Web Site: <http://www.karlspring.com/>