HARVESTING REPORT
August 2021

CRICKLEWOOD FOREST

Log 11 working in Setting 18.

Clearfell Harvesting Report – Cricklewood – August 2021

Summary

- Gross revenue for the month is **$464,467.12**
- Costs for the month are **$324,341.19**
- Net income for the month is **$140,125.93**
- Tonnes harvested for the month is **3,564.42**
- Net income per tonne for the month is **$39.31**
- Area cleared for the month is **2.3** hectares

The project performance to date is set out below:

- Project gross revenue to date is **$18,804,926.31**
- Project costs to date are **$12,281,850.57**
- Project net income to date is **$6,523,075.74**
- Tonnes harvested to date is **141,785.59**
- Net income per tonne to date is **$46.01**
- Recoverable volume per hectare to date is **767.7** tonnes
- Net income per hectare to date is **$35,317.14**
- Total forest area is **315.8** hectares, approximate hectares cleared to date is **184.7** hectares.

  The total forest area reflects all net stocked areas regardless of age class or previous roadline volumes.

NB: Measured harvest areas are estimated monthly and reconciled with satellite imagery prior to valuations, they are subject to change and should be used as a guide only.

Revenue

Log Sales

Gross income for the month was **$464,467.12** with an average sale price over all grades of **$130.31** per tonne**.**

August 2021 - Log Markets, Hawkes Bay

The August export prices have dropped $33.21/Jas m^3 on average. The decrease has affected the sawlog grades to a greater extent.

Radiata log inventories on the main Chinese ports we monitor have increased marginally to 4.53Mm^3, with daily offtake 70Km^3 per day range but with significant volume awaiting discharge from ships waiting at port.

If Covid related lockdowns do not escalate further, Chinese demand should remain solid over the balance of 2021, slowly increasing as traditionally production lifts in Quarter 4.

This month exporters have been reluctant to set AWG prices as there was a stand off from customers opening LC's (Letters of Credit) for vessels on route, but these were a lot more forthcoming once the New Zealand lockdown was announced.

The two weeks at the end of August where harvesting ceased has helped clear most port stocks in New Zealand. Log storage, berth availability, stevedoring performance and general infrastructure issues are limiting to varying degrees further production. The average number of vessels departing New Zealand each month has been 55 this year and there are currently less than 35 planned for September. This will hopefully assist with port congestion in China with vessels now waiting up to three weeks.

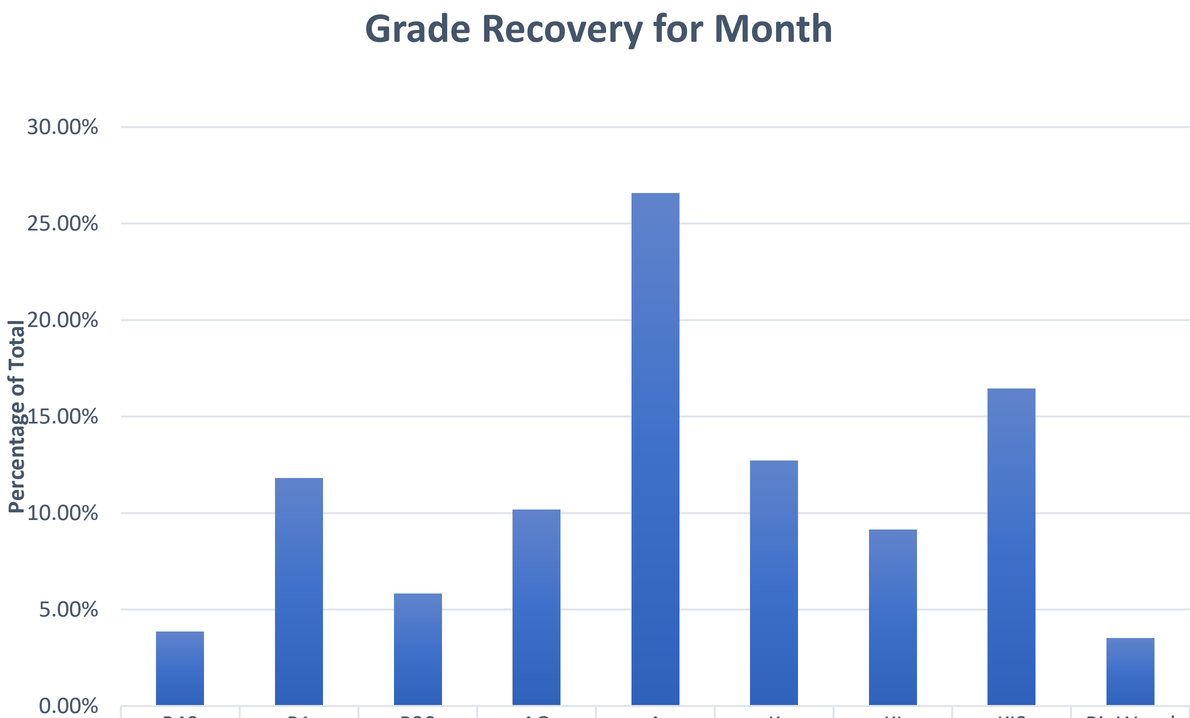
Port congestion in both New Zealand and in China continues to run at record levels, with the result that not only are final freight costs increased significantly but the capacity of the fleet is being reduced. At the China end we are seeing an increase in delays due to Covid restrictions at a number of Chinese ports, particularly in the Yangtze basin. August final freight costs including delays will be over US$70.

The NZD weakened against the USD when the Level 4 lockdown was announced, dropping from 0.702 to 0.683. The exchange rate then rebounded to pre-lockdown trading margins.

Domestic pruned log prices have lifted $4 this quarter due to strong AWG export pricing and factoring in the winter effects on Jas conversions.

Grade Recovery

Grade out turn for August is as follows:



	P40	P1	P30	AO	A	K	KI	KIS	BinWood
Total	3.86%	11.80%	5.82%	10.16%	26.57%	12.72%	9.12%	16.45%	3.50%

Chart 1: Grade Recovery for Month

Pruned recovery for August comprised 21% of overall sales volume, 12% of which was sold as domestic pruned grades.

High quality export sawlog (AO, A and K grades) made up 49% of the total production volume, with lower quality export (KI and KIS grades) comprising 26% of volume.

The remaining 4% of production was made up of domestic pulp and binwood.

Expenditure

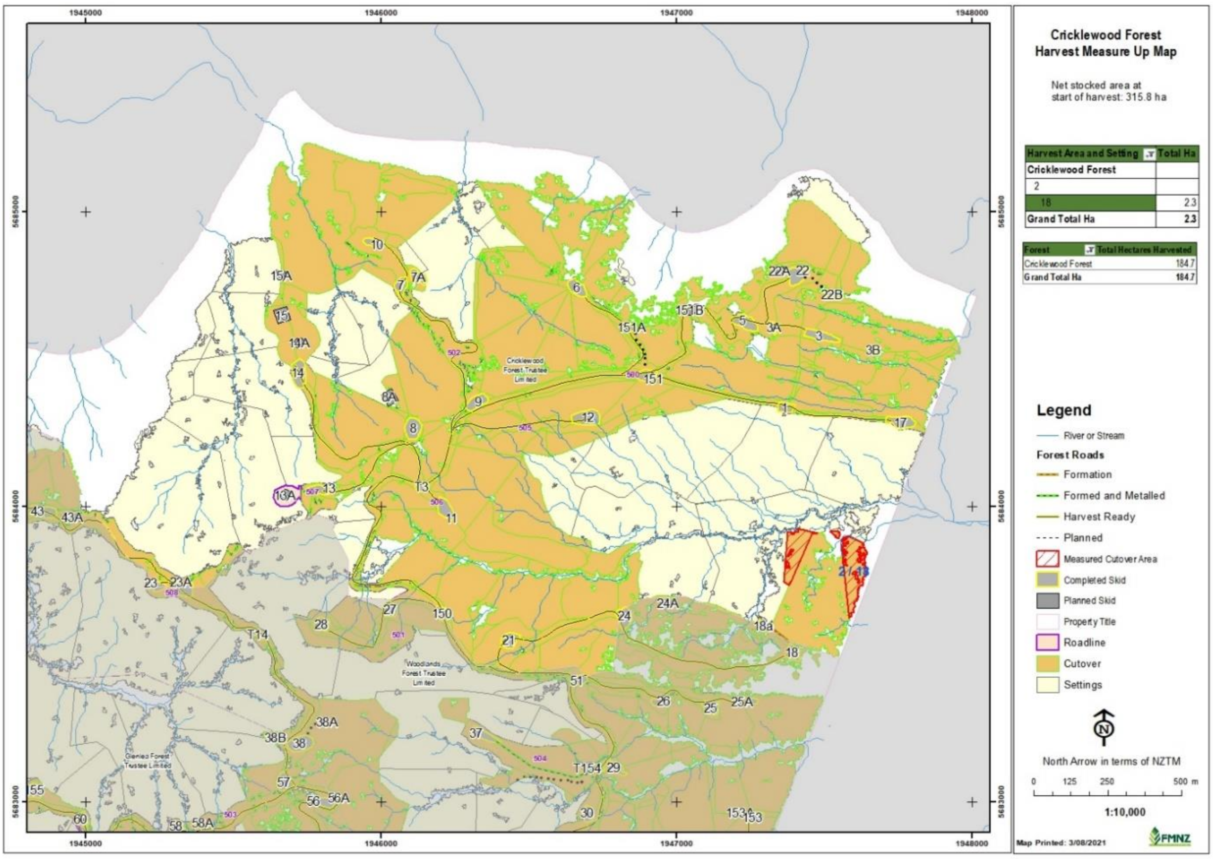
Harvesting

The total logging cost for the month was **$140,079.60**, an average of **$39.30** per tonne.

Harvest expenditure for the month is summarised below in Table 1:

LOGGING COSTS		TOTAL
August		$140,079.60
		$140,079.60

Table 1: Logging Costs



Pic 1: Progress Map

Covid Level 4 lockdown commenced on 18th August and halted production for two weeks. We were able to cart out for two days at the end of August as the ports had run out of logs and had ships to load. MBIE gave a dispensation for this. This worked well for us as enabled us to clear log stocks from the forest before work recommenced.

Harvesting recommenced in Covid Level 3 on 31st August.

Clearfell harvest of Setting 18 continued during August. The hauler was moved to Pad 18A mid-month. The crew did a great job around the lake and wet areas in this setting, although some rehabilitation is required where machinery passages have left tracks in the soil. Some damage occurred to the boundary fence.

Cartage

Cartage is managed by Harvest Logistics Ltd, who organise the despatch and supply of log trucks into the forest.

The total cartage expense for the month was **$111,718.35** which is an average unit rate of **$31.34** per tonne.

Cartage expenditure for the month is summarised below in Table 2:

CARTAGE COSTS		TOTAL
August	Cartage - Truck	$111,718.35
	Weighbridge	$1,162.78
		$112,881.13

Table 2: Cartage Costs

The average cart rate for August inclusive of weighbridge fees is **$31.67** per tonne.

Engineering

ENGINEERING		RL	CF	TOTAL
August	R&M - Road Maintenance		$220.00	$220.00
	Stockpile Works	$228.00	$381.90	$609.90
	Trucks - Cart & Dump		$3,760.00	$3,760.00
	Loadout Bay Construction	$110.00		$110.00
	Culverts - Freight	$50.00		$50.00
	Landings	$7,824.00		$7,824.00
	Metal Rock		$3,362.67	$3,362.67
	Pads	$27,896.00		$27,896.00
	R&M - Culverts Maintenance		$75.00	$75.00
	Road Formation	$4,051.00		$4,051.00
		$40,159.00	**$7,799.57**	**$47,958.57**

Table 3: Engineering Costs

Earthworks was centred around the purchase and cartage of road aggregate, maintenance work on East Road for the harvest of Setting 18 as well as construction of Landings 15 and 15A on Moonlight Road.

Planned Activities for September 2021

Once Setting 18 has been completed the crew will harvest the windthrow in Setting 12 on Happy Valley Road, which blew over in the windstorm in July. They will then move to Setting 7 on Hunter Road where further wind blow damage occurred.

Earthworks in September will be related to ongoing clearfell harvest operations.

Net Revenue

Net revenue for the project to date excluding GST is shown in Table 4 below:

MONTH	NET MONTH	NET PROJECT
August	**$140,125.93**	**$6,523,075.74**

Table 4: Total Revenue

The net revenue for the month equates to an average of **$39.31** per tonne, or **$60,924.32** per hectare.

Fees and Levies

Management fees and FGC levies are summarised in Table 5 below:

FEES & LEVIES		TOTAL
August	Management	$18,578.68
	FGC levy	$1,166.62
		$19,745.30

Table 5: Fees and Levies

Miscellaneous

See Table 6 below:

MISCELLANEOUS		TOTAL
August	Consultancy Fees	$614.39
	Consumables	$65.14
	Other	$688.21
	Security	$2,226.85
	Traffic Management	$82.00
		$3,676.59

Table 6: Miscellaneous Expenses

Consultancy fees are for a late invoice for a Log Value Recovery audit conducted in May.

Consumable costs are for docket books used for the loadout of logs during August.

Other costs are for the proportional costs of operating the forest digital radio network, the proportional annual costs for the land lease location of the Putere repeater and for a donation of children's snack packs for the Putere School Cross Country event.

Security costs are for repairs to the fence line caused by tree felling.

Traffic Management costs are for school bus signage for Putere Road.

Health and Safety

There were no health and safety incidents reported in the forest during August.

Environmental

There was no site-specific environmental planning or monitoring undertaken during August.

Financial Performance

The graph below shows the actual project results compared with the forecast budget.

The orange cumulative line measures actual performance against the forecast budget.

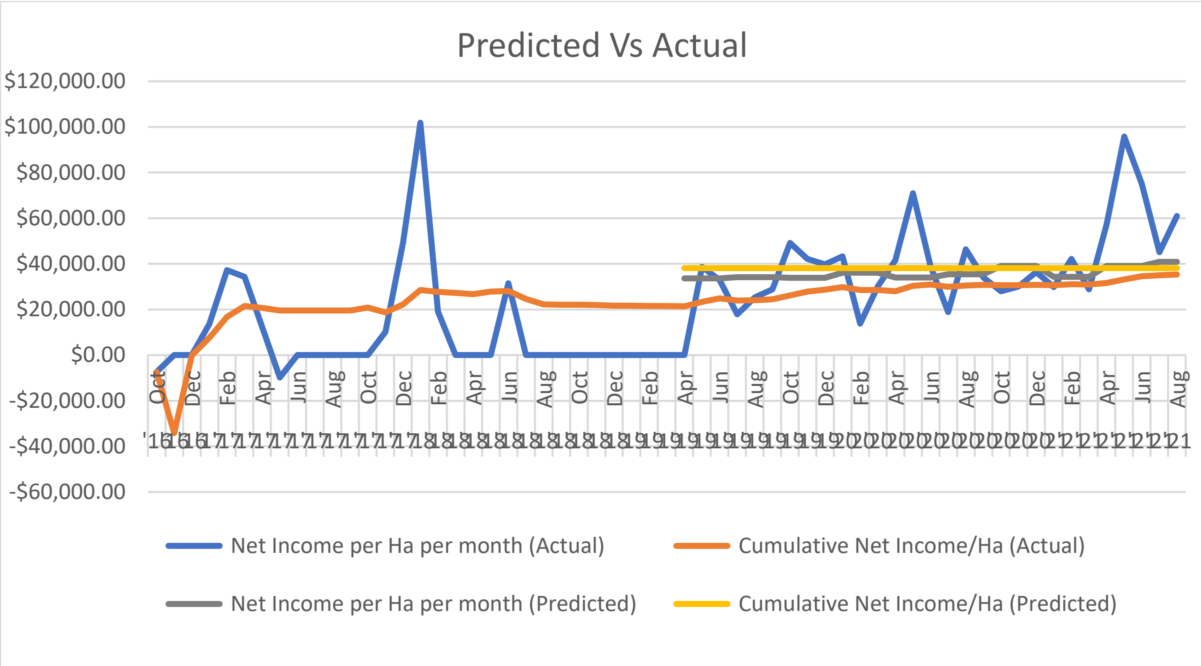


Chart 2: Actual vs Predicted

Net return per tonne to date is **$46.01**, forecast was $50.70.

Gross return per tonne to date is **$132.63**, forecast was $135.61.

Net return per hectare to date is **$35,317.14**, forecast was $38,119.31.

Kind Regards

FMNZ Harvest Team

Appendix 1 Harvesting Financial Summary (Clearfell and Roadline)

FMNZ
MAXIMISING YOUR FOREST VALUE

Historic Harvesting Financial Summary

Cricklewood Forest Partnership — 01/08/2021 to 31/08/2021

Paid to bank account # 02-0792-0001502-000 — GST # 61-378-960

SALES					
Type	Grade	Tonnes	Jas (m3)	Sales Price	Gross Revenue ($)
Binwood					
Pulp		124.86		$45.50	$5,681.13
TOTAL BINWOOD SALES		**124.86**			**$5,681.13**

Domestic					
Pruned Dom		123.80		$209.50	$25,936.10
Pruned Dom	P1 4.9	296.92		$207.00	$61,462.44
TOTAL DOMESTIC SALES		**420.72**			**$87,398.54**

Export					
Pruned Exp	P40 3.9	0.00	144.343	$183.00	$26,414.77
Pruned Exp	P30 3.9	0.00	213.382	$150.00	$32,007.30
A40	AO 3.8	0.00	379.047	$129.00	$48,897.06
A30	A 3.8	0.00	339.621	$127.00	$43,131.87
A30	A 5.8	0.00	32.704	$118.00	$3,859.07
A30	A 5.8	0.00	596.347	$129.00	$76,928.76
K	K 3.8	0.00	164.578	$119.00	$19,584.78
K	K 5.8	0.00	266.437	$121.00	$32,238.88
KI	KI 3.8	0.00	325.405	$111.00	$36,119.95
TOTAL EXPORT SALES		**0.00**	**2,461.864**		**$319,182.44**

Export Pulp					
Export Pulp	KIS 2.9	0.00	215.500	$93.00	$20,041.50
Export Pulp	KIS 3.8	0.00	312.267	$103.00	$32,163.50
TOTAL EXPORT PULP SALES		**0.00**	**527.767**		**$52,205.00**
TOTAL		**545.58**	**2,989.631**		**$464,467.11**

FEES	
FMNZ Management Fee @ %	$18,578.68
TOTAL FEES	**$18,578.68**

Appendix 1 Harvesting Financial Summary (Clearfell and Roadline)

LEVIES	
Forest Grower Commodity Levy @ $0.33	$1,166.62
TOTAL LEVIES	**$1,166.62**
COSTS	
Harvesting	$140,079.60
Cartage	$111,718.35
Weighbridge	$1,162.78
Consultancy Fees	$614.39
Consumables	$65.14
Culverts - Freight	$50.00
Landings	$7,824.00
Loadout Bay: Construction	$110.00
Metal Rock m3	$3,362.67
Metalling: Cart to stockpile	$3,760.00
Other	$688.21
Pads	$27,896.00
R&M - Culvert Maintenance	$75.00
R&M - Road Maintenance	$220.00
Road Formation	$4,051.00
Security	$2,226.85
Stockpile Works	$609.90
Traffic Management	$82.00
TOTAL COSTS	**$304,595.89**
TOTAL FEES, LEVIES & COSTS	**$324,341.19**

NET INCOME	**$140,125.92**
GST	**$21,018.89**
NET INCOME (INCLUDING GST)	**$161,144.81**

Photo 1: Log 11 grapple carriage flying through the air to retrieve next drag.

Photo 2: Pole hauler setting up on Landing 18.


Photo 3: Landing 18 operations.

Photo 4: Log 11 hauler being set up on two-stage Pad 18A with grapple carriage in foreground.

Photo 5: Log 11 hauler being set up on two-stage Pad 18A.

CRICKLEWOOD CUMULATIVES

Categories	Descriptions	May 13 - Feb 17	Mar 17 - Feb 18	Mar 18 -Feb 19	Mar 19 -Feb 20	Mar 20 -Feb 21	Mar 21	Apr 21	May 21	June 21	July 21	Aug 21	Grand Total
Engineering	Corduroy					-$385.00							-$385.00
	Crossings	-$2,080.00											-$2,080.00
	Culvert Installation			-$510.30	-$2,712.00	-$882.00	-$5,316.00						-$9,420.30
	Culverts	-$14,035.61	-$21,380.60	-$4,748.27	-$7,394.51	-$17,359.39	-$2,846.34			$3,795.12			-$63,969.60
	Culverts - Freight		-$624.00	-$2,660.00	-$680.00	-$2,790.00	-$640.00					-$50.00	-$7,444.00
	Entranceway - Seal	-$2,497.47			-$73.70								-$2,571.17
	Establishment - Engineering	-$4,302.60	-$2,160.00	-$1,187.35	-$3,477.40	-$7,067.43	-$1,680.00	-$1,832.00	-$60.00	-$960.00	-$610.00		-$23,336.78
	Fluming		-$5,942.75	-$1,076.20	-$893.00	-$7,119.27	-$1,586.00			$1,586.00			-$15,031.22
	Grass Seeding				-$436.15	-$1,842.41	-$285.00	-$585.50	-$380.00				-$3,529.06
	Landings	-$18,280.00	-$24,067.50	-$33,180.44	-$27,456.00	-$46,300.00	-$3,591.00					-$7,824.00	-$160,698.94
	Loader Hire				-$1,950.64	-$3,327.00							-$5,277.64
	Loadout Bay Construction					-$2,486.65		-$1,471.00		-$1,650.00	-$2,015.00	-$110.00	-$7,732.65
	Loadout Bay Metal	-$1,292.83			-$280.00	-$2,879.00	-$385.00						-$4,836.83
	Metal Lime					-$912.00							-$912.00
	Metal Rock	-$119,579.52	-$124,267.33	-$30,222.35	-$39,243.06	-$63,221.76	-$28,110.49				-$5,276.90	-$3,362.67	-$413,284.08
	Other				-$801.67	-$1,474.79							-$2,276.46
	Pads		-$3,555.00			-$8,031.00	-$1,296.00					-$27,896.00	-$40,778.00
	Pavement			-$11,603.72	-$876.00	-$5,902.30	-$748.90	-$1,962.60		-$432.00	-$2,244.00		-$23,769.52
	Public Roads		-$2,166.67										-$2,166.67
	R&M		-$4,145.00	-$10,492.20	-$40,460.70	-$10,359.10	-$4,334.00	-$1,540.58		-$3,385.40	-$290.00		-$75,006.98
	R&M - Metal		-$2,040.00			-$1,045.00	-$742.31						-$3,827.31
	R&M - Road Maintenance	-$6,905.00	-$52,336.05	-$2,135.00		-$1,265.00	-$3,335.10	-$6,084.40	-$1,656.60	-$3,630.00		-$220.00	-$77,567.15
	Rehab				-$10,187.21	-$26,016.00	-$7,547.00		-$2,562.00	-$8,162.00	-$4,884.00		-$59,358.21
	Rehab - Skids/Pads		-$1,235.00										-$1,235.00
	Road Formation	-$58,574.50	-$127,867.31	-$76,797.90	-$9,150.60	-$132,481.00	-$24,714.00					-$4,051.00	-$433,636.31
	Sediment Control				-$26.88	-$390.61							-$417.49
	Spread from stockpile		-$5,165.91	-$41,780.72	-$24,922.97	-$20,187.50	-$4,400.00	-$1,980.00			-$6,124.00		-$104,561.11
	Stockpile Works					-$15,195.13	-$4,815.30	-$1,209.00		-$204.00	-$1,011.30	-$609.90	-$23,044.63
	Temp Landings					-$12,333.00							-$12,333.00
	Trucks - Cart & Dump		-$27,194.82	-$14,400.45	-$43,249.62	-$58,804.12	-$27,520.00	-$1,680.00				-$3,760.00	-$176,609.02
	Trucks - Cart & Spread	-$43,665.93	-$59,790.58		-$2,559.00	-$3,905.00							-$109,920.51
	Upgrade Roads	-$12,687.42											-$12,687.42
	R&M - Culverts Maintenance									-$75.00	-$500.00	-$75.00	-$650.00
	R&M - Event Cleanup									-$1,650.00			-$1,650.00
Engineering Total		**-$283,900.88**	**-$463,938.52**	**-$230,794.90**	**-$216,831.12**	**-$453,961.47**	**-$123,892.44**	**-$18,345.08**	**-$4,658.60**	**-$14,767.28**	**-$22,955.20**	**-$47,958.57**	**-$1,882,004.05**
Fees	FGC levy	-$1,812.35	-$3,889.67	-$422.75	-$11,282.07	-$14,108.67	-$2,031.20	-$1,071.32	-$1,691.28	-$1,701.85	-$1,294.44	-$1,166.62	-$40,472.23
	Management	-$37,117.01	-$80,785.48	-$9,738.89	-$203,391.10	-$256,071.32	-$35,519.84	-$19,560.11	-$31,980.33	-$34,008.44	-$25,446.05	-$18,578.68	-$752,197.26
Fees Total		**-$38,929.36**	**-$84,675.15**	**-$10,161.64**	**-$214,673.17**	**-$270,179.98**	**-$37,551.03**	**-$20,631.44**	**-$33,671.61**	**-$35,710.30**	**-$26,740.50**	**-$19,745.30**	**-$792,669.49**
Harvesting	Cartage - Trans Shipping				-$495.00								-$495.00
	Cartage - Truck	-$175,677.48	-$378,840.46	-$42,923.31	-$1,198,921.51	-$1,400,311.75	-$175,709.41	-$91,563.36	-$147,334.69	-$152,391.44	-$123,489.40	-$111,718.35	-$3,998,881.14
	Establishment - harvesting	-$3,656.25			-$28,624.50				-$480.00				-$32,760.75
	Logging	-$253,432.64	-$526,166.32	-$66,452.62	-$1,653,461.22	-$1,938,819.20	-$234,073.20	-$120,398.80	-$199,554.40	-$208,653.20	-$154,267.20	-$140,079.60	-$5,495,358.41
	Logging - Hourly				-$2,500.00								-$2,500.00
	Tracking		-$2,220.00										-$2,220.00
	Trailer Lifting	-$144.43	-$1,021.01			-$6.00	-$30.00	-$12.00		-$30.00	-$12.00		-$1,255.44
	Weighbridge	-$2,319.94	-$5,013.06	-$627.23	-$13,871.63	-$16,267.29	-$1,740.20	-$896.63	-$1,640.27	-$1,752.16	-$1,209.99	-$1,162.78	-$46,501.16
Harvesting Total		**-$435,230.73**	**-$913,260.84**	**-$110,003.16**	**-$2,897,873.87**	**-$3,355,404.23**	**-$411,552.81**	**-$212,870.79**	**-$349,009.37**	**-$362,826.79**	**-$278,978.58**	**-$252,960.72**	**-$9,579,971.89**
Income	Log Sales	$927,920.00	$2,019,637.11	$243,472.23	$5,084,777.48	$6,401,782.88	$887,995.91	$489,002.87	$799,508.23	$850,211.12	$636,151.37	$464,467.12	$18,804,926.31
Income Total		**$927,920.00**	**$2,019,637.11**	**$243,472.23**	**$5,084,777.48**	**$6,401,782.88**	**$887,995.91**	**$489,002.87**	**$799,508.23**	**$850,211.12**	**$636,151.37**	**$464,467.12**	**$18,804,926.31**
Miscellaneous	Consultancy Fees			-$165.84	-$386.36							-$614.39	-$1,166.59
	Consumables	-$410.98	-$570.21	-$124.85	-$1,530.32	-$2,297.60	-$146.85	-$59.09	-$141.25	-$308.12	-$111.96	-$65.14	-$5,766.38
	Environmental Monitoring				-$150.00					-$1,182.90	-$269.50		-$1,602.40
	Fencing				-$391.18								-$391.18
	Other		-$123.60	-$4,996.02	-$2,577.03	-$2,905.15	-$95.00	-$95.00	-$95.00	-$95.00	-$114.00	-$688.21	-$11,784.02
	Royalty payments			-$500.00									-$500.00
	Security			-$45.75	-$396.30	-$101.25	-$568.91	-$1,757.30		-$13.04		-$2,226.85	-$5,109.40
	Traffic Management	-$109.22		-$189.20	-$222.34	-$282.41						-$82.00	-$885.17
Miscellaneous Total		**-$520.20**	**-$693.81**	**-$6,021.66**	**-$5,653.53**	**-$5,586.41**	**-$810.76**	**-$1,911.39**	**-$236.25**	**-$1,599.06**	**-$495.46**	**-$3,676.59**	**-$27,205.14**
Grand Total		**$169,338.83**	**$557,068.78**	**-$113,509.13**	**$1,749,745.79**	**$2,316,650.79**	**$314,188.87**	**$235,244.17**	**$411,932.40**	**$435,307.68**	**$306,981.63**	**$140,125.93**	**$6,523,075.74**