HARVESTING REPORT
September 2021

STONEY RIVER FOREST

Grade 12 AO export logs

Clearfell Harvesting Report – Stoney River – September 2021

Summary

- Gross revenue for the month is **$822,162.48**
- Costs for the month are **$508,821.18**
- Net income for the month is **$313,341.30**
- Tonnes harvested for the month is **5,841.55**
- Net income per tonne for the month is **$53.64**
- Area cleared for the month is **7.9** hectares

The project performance to date is set out below:

- Project gross revenue to date is **$10,031,843.85**
- Project costs to date are **$6,764,488.62**
- Project net income to date is **$3,267,355.23**
- Tonnes harvested to date is **67,764.08**
- Net income per tonne to date is **$48.22**
- Recoverable volume per hectare to date is **787** tonnes
- Net income per hectare to date is **$37,948.38**
- Total forest area is **223.2** hectares, approximate hectares cleared to date is **86.1** 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 **$822,162.48** with an average sale price over all grades of **$140.74** per tonne**.**

September 2021 - Log Markets, Hawkes Bay

The September export prices have remained flat at $0.64/Jas m^3 on average. The slight increase has been to the pruned grades.

Radiata log inventories on the main Chinese ports we monitor have increased again to 4.75Mm^3, with daily offtake 73Km^3 per day range. For the market to show any strength, we need an increase in demand and a downward inventory trend.

The outlook for Chinese port inventories is not great for this time of the of year. Current on port volumes haven't changed much from the previous month, with a significant amount on the water awaiting discharge at ports.

There is concern for the property sector in China as property developer Evergrande faces the risk of default. The company currently has 778 projects underway in 223 cities. The property sector contributes 28% of the Chinese economy and is seen as key to China's economic development. Even if the Chinese Government opts to let Evergrande default rather than bail it out directly, authorities are likely to be involved in coordinating the continuation of these projects that employ 163,000 people.

Shipping congestion in China has reached the point where nearly 10% of the worlds' handy sized fleet capacity were queuing off the China coast. This has two effects, high demurrage and reduced capacity. The congestion has been caused by Chinese authorities reacting to Covid outbreaks by closing ports, delaying berthing, and imposing strict procedures that have reduced ship handling capacity. There has also been strong demand for grain, minerals and iron ore imports.

The NZD remained relatively unchanged from the end of August through to end of September (0.6972 – 0.7039) having little impact on AWG pricing.

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 September is as follows:

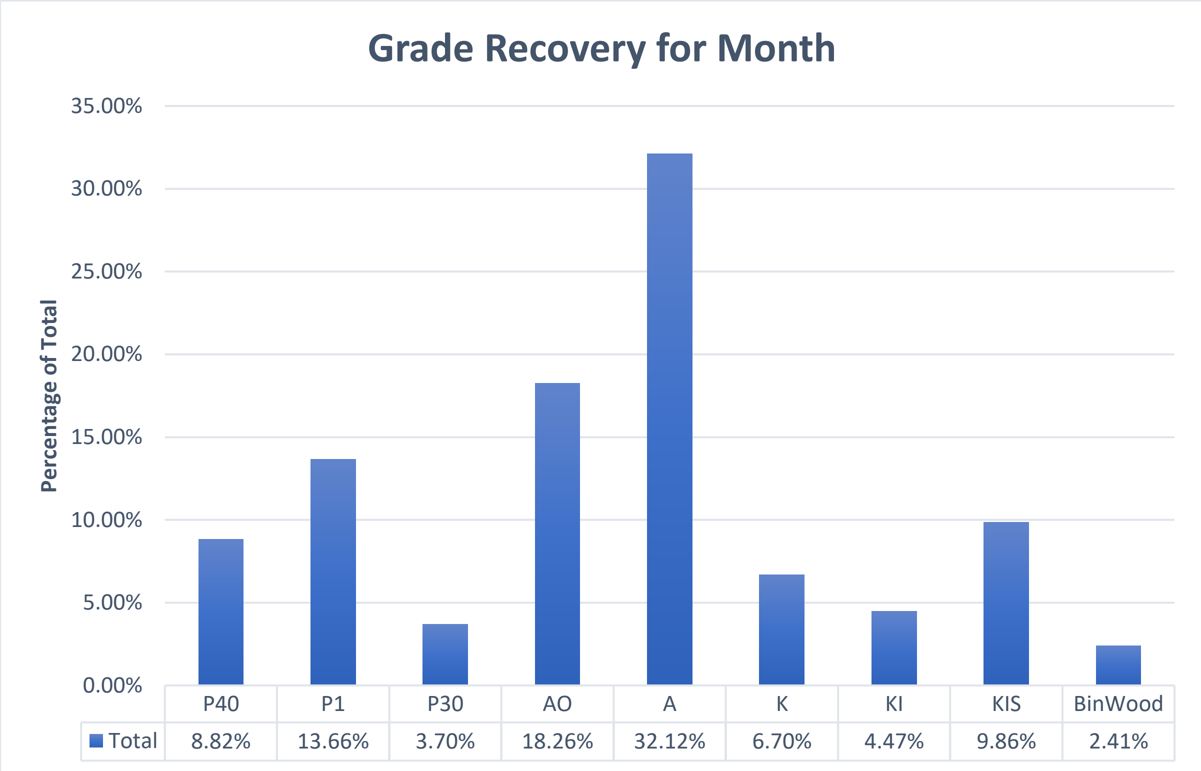


Chart 1: Grade Recovery for Month

Pruned recovery for September comprised 26% of overall sales volume, 14% of which was sold as domestic pruned grades.

High quality export sawlog (AO, A and K grades) made up 57% of the total production volume, with lower quality export (KI and KIS grades) comprising 14% of volume.

The remaining 3% of production was made up of domestic pulp and binwood.

Expenditure

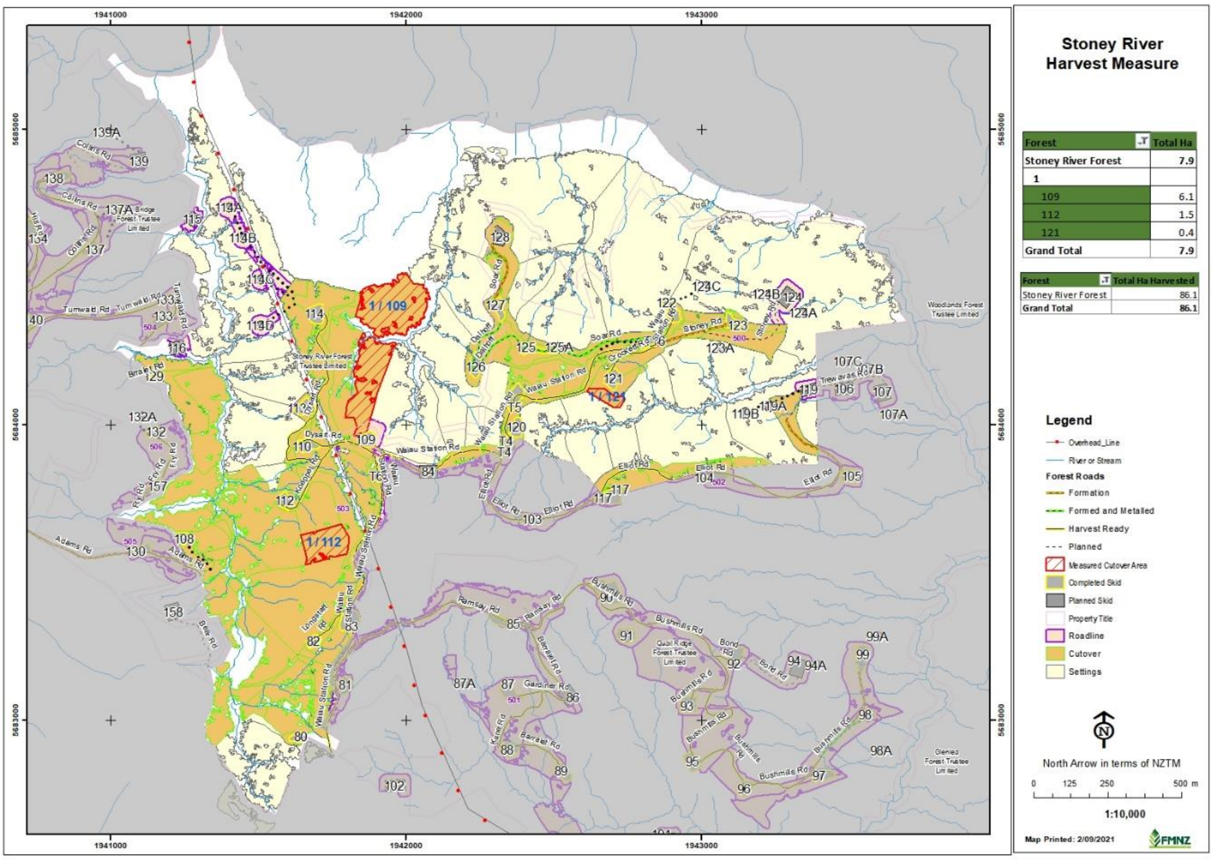
Harvesting

The total logging cost for the month was **$258,690.41**, an average of **$44.28** per tonne.

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

LOGGING COSTS		TOTAL
September		$258,690.41
		$258,690.41

Table 1: Logging Costs



Pic 1: Progress Map

During the month of September, Log 26 continued clearfell harvest of Setting 109 which was slow and difficult with the crew battling the wind which was affecting the ability to fell trees. They processed all of the wood which was ground-base felled and pulled to Landing 112 and commenced clean-up of the windthrown trees in Setting 121.

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 **$190,020.44** which is an average unit rate of **$32.53** per tonne.

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

CARTAGE COSTS		TOTAL
September	Cartage - Truck	$190,020.44
	Weighbridge	$1,885.22
	Trailer Lifting	$54.00
		$191,959.66

Table 2: Cartage Costs

The average cart rate for September inclusive of weighbridge and trailer lifting fees is **$32.86** per tonne.

Trailer lifting costs are for use of the public gantry to reload trailers for loads delivered outside the normal hours of the facility provided by the Napier Port.

Engineering

ENGINEERING		RL	CF	TOTAL
September	R&M - Road Maintenance	$1,735.80	$3,066.80	$4,802.60
	Culvert Installation	$628.50		$628.50
	Establishment - Engineering		$596.00	$596.00
	Landings	$785.70		$785.70
	Pavement	$100.80		$100.80
	Road Formation	$4,962.60		$4,962.60
	Stockpile Works		$136.20	$136.20
	Trucks - Cart & Dump	$432.00		$432.00
	Loadout Bay Construction	$385.00		$385.00
	R&M - Culverts Maintenance	$462.00		$462.00
	R&M - Event Clean-up		$225.99	$225.99
	Rehab	$1,974.20	$7,420.00	$9,394.20
		$11,466.60	**$11,444.99**	**$22,911.59**

Table 3: Engineering Costs

Engineering was completed on Trewavas Road in September as well as maintenance associated with harvesting activities and the final pavement and loadout pad for Landing 121.

Planned Activities for October 2021

Planned activities for October are to continue pulling Setting 109 for most of the month as well as some windthrow salvage and cutting of Landing 121. An Electrical Hazard Management Plan (EHMP) will be submitted for the power lines area in Setting 113 which will be the next setting for the hauler.

Planned earthworks includes finishing the pavement on Trewavas and Soar Roads.

Net Revenue

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

MONTH	NET MONTH	NET PROJECT
September	**$313,341.29**	**$3,267,355.23**

Table 4: Total Revenue

The net revenue for the month equates to an average of **$53.64** per tonne, or **$39,663.46** per hectare.

Fees and Levies

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

FEES & LEVIES		TOTAL
September	Management	$32,886.50
	FGC levy	$1,961.29
		$34,847.79

Table 5: Fees and Levies

Miscellaneous

See Table 6 below:

MISCELLANEOUS		TOTAL
September	Consumables	$308.11
	Other	$103.63
		$411.74

Table 6: Miscellaneous Expenses

Consumable costs are for docket books used for the loadout of logs during September, log grade stencils and for antisapstain used to treat the ends of pruned export logs.

Other costs are for the proportional costs of operating the forest digital radio network.

Health and Safety

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

Environmental

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

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.

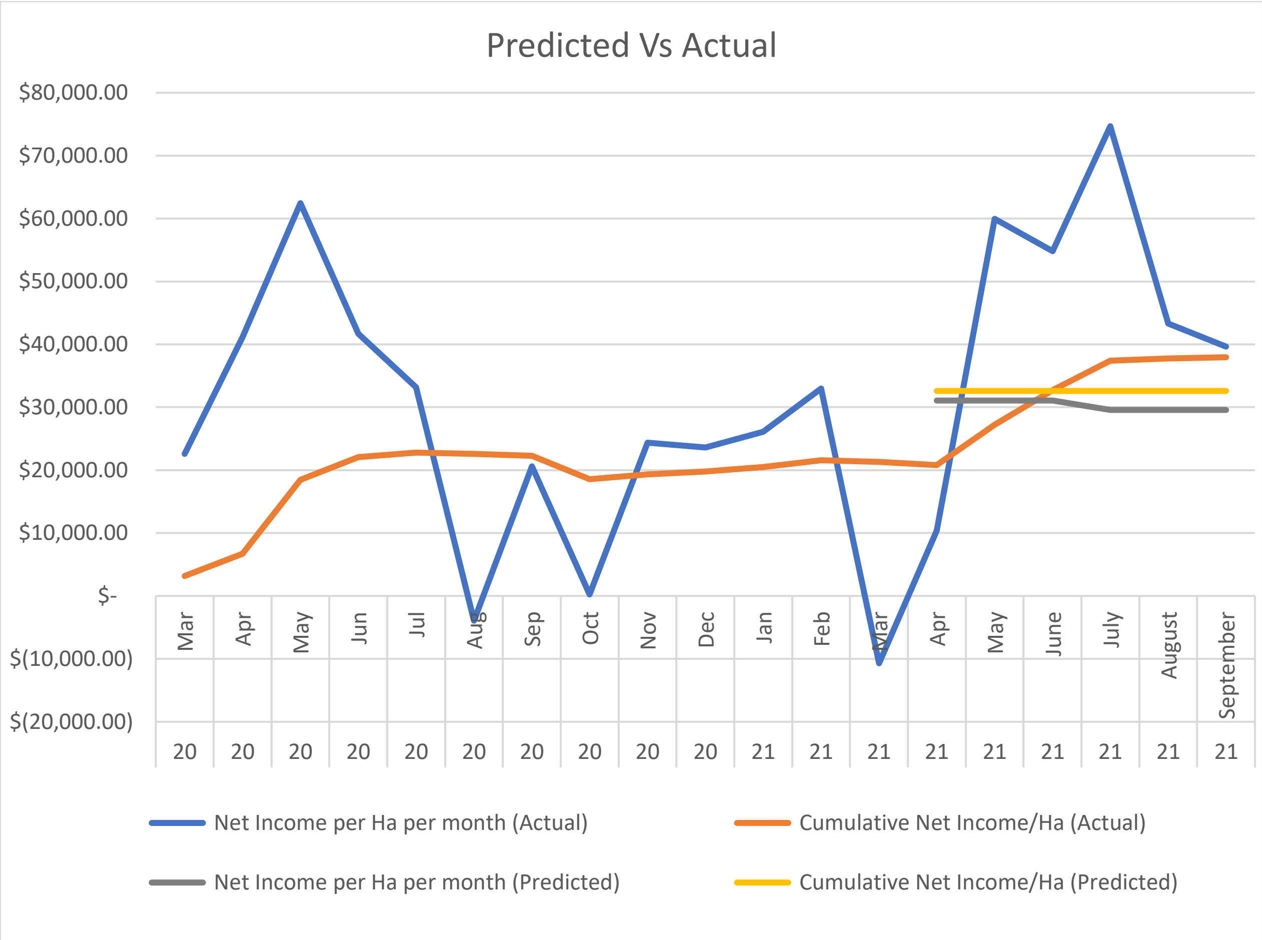


Chart 2: Actual vs Predicted

Net return per tonne to date is **$53.64,** forecast was $43.70.

Gross return per tonne to date is **$140.71,** forecast was $135.77.

Net return per hectare to date is **$39,663.46**, forecast was $32,592.02.

Kind Regards

FMNZ Harvest Team

Appendix 1 Harvesting Financial Summary (Clearfell and Roadline)

FMNZ

Historic Harvesting Financial Summary

Stoney River Forest Partnership 01/09/2021 to 30/09/2021

Paid to bank account # 02-0792001449-000 GST # 61-378-928

SALES					
Type	**Grade**	**Tonnes**	**Jas (m3)**	**Sales Price**	**Gross Revenue ($)**
Binwood					
Pulp		140.68		$45.50	$6,400.94
TOTAL BINWOOD SALES		**140.68**			**$6,400.94**

Domestic					
Pruned Dom		192.46		$209.50	$40,320.37
Pruned Dom	P1 4.9	605.68		$207.00	$125,375.76
TOTAL DOMESTIC SALES		**798.14**			**$165,696.13**

Export					
Pruned Exp	P40 3.9	0.00	52.782	$172.00	$9,078.50
Pruned Exp	P40 3.9	0.00	478.760	$186.00	$89,049.36
Pruned Exp	P30 5.1	0.00	27.713	$145.00	$4,018.39
Pruned Exp	P30 5.1	0.00	198.777	$150.00	$29,816.55
A40	AO 3.8	0.00	1,107.952	$129.00	$142,925.81
A40	AO 3.9	0.00	29.377	$130.00	$3,819.01
A30	A 3.8	0.00	543.442	$124.00	$67,386.81
A30	A 3.8	0.00	225.334	$127.00	$28,617.42
A30	A 5.1	0.00	0.345	$129.00	$44.50
A30	A 5.8	0.00	660.091	$126.00	$83,171.47
A30	A 5.8	0.00	503.718	$129.00	$64,979.62
K	K 3.8	0.00	19.900	$117.00	$2,328.30
K	K 3.8	0.00	352.452	$119.00	$41,941.79
K	K 5.8	0.00	15.691	$119.00	$1,867.23
KI	KI 3.8	0.00	149.828	$108.00	$16,181.42
KI	KI 3.8	0.00	112.671	$111.00	$12,506.48
TOTAL EXPORT SALES		**0.00**	**4,478.833**		**$597,732.66**

Export Pulp					
Export Pulp	KIS 2.9	0.00	156.968	$93.00	$14,598.02
Export Pulp	KIS 2.9	0.00	34.143	$96.00	$3,277.73
Export Pulp	KIS 3.8	0.00	334.534	$103.00	$34,457.00
TOTAL EXPORT PULP SALES		**0.00**	**525.645**		**$52,332.75**
TOTAL		**938.82**	**5,004.478**		**$822,162.48**

Appendix 1 Harvesting Financial Summary (Continued)

FEES	
FMNZ Management Fee @ %	$32,886.50
TOTAL FEES	**$32,886.50**
LEVIES	
Forest Grower Commodity Levy @ $0.33	$1,961.28
TOTAL LEVIES	**$1,961.28**
COSTS	
Harvesting	$258,690.41
Cartage	$190,020.44
Weighbridge	$1,885.22
Consumables	$308.11
Culvert Installation	$628.50
Establishment	$596.00
Landings	$785.70
Loadout Bay: Construction	$385.00
Metalling: Cart to stockpile	$432.00
Metalling: Grading & Rolling	$100.80
Other	$103.63
Post Harvest Rehab	$9,394.20
R&M - Culvert Maintenance	$462.00
R&M - Event Cleanup	$225.99
R&M - Road Maintenance	$4,802.60
Road Formation	$4,962.60
Stockpile Works	$136.20
Trailer Lifting	$54.00
TOTAL COSTS	**$473,973.40**
TOTAL FEES, LEVIES & COSTS	**$508,821.18**

NET INCOME	**$313,341.30**
GST	**$47,001.19**
NET INCOME (INCLUDING GST)	**$360,342.49**

Photo 1: Windthrow in Setting 121.

STONEY RIVER CUMULATIVES

Categories	Descriptions	Mar 17 - Feb 18	Mar 18 -Feb 19	Mar 19 -Feb 20	Mar 20 - Feb21	Mar 21	Apr 21	May 21	June 21	July 21	Aug 21	Sep 21	Grand Total
Engineering	Culvert Installation		-$900.00		-$3,847.00		-$555.00	-$75.00	-$252.00		-$1,284.00	-$628.50	-$7,541.50
	Culverts	-$10,113.06	-$2,531.88	$600.27	-$14,791.70				-$2,846.34		-$2,846.34		-$32,529.05
	Culverts - Freight				-$400.00		-$30.00	-$45.00	-$192.00		-$807.50		-$1,474.50
	Entranceway - Seal	-$6,069.64	-$25.00										-$6,094.64
	Establishment - Engineering	-$6,910.00	-$3,397.50	-$420.00	-$11,171.08	-$320.00	-$645.00	-$240.00	-$150.00	-$384.00	-$616.00	-$596.00	-$24,849.58
	Fluming	-$1,763.73	-$439.04		-$4,917.81				-$1,586.00		-$1,715.30		-$10,421.88
	Geotextiles	-$1,443.20											-$1,443.20
	Grass Seeding				-$1,375.00			-$380.00					-$1,755.00
	Labour		-$210.00										-$210.00
	Landings	-$51,578.20	-$696.00		-$231,862.00		-$3,490.20	-$7,449.30	-$729.00	-$810.00	-$25,881.00	-$785.70	-$323,281.40
	Loader Hire				-$360.00								-$360.00
	Loadout Bay Construction				-$4,366.50		-$477.50	-$10.80	-$825.00	-$140.00	-$770.00	-$385.00	-$6,974.80
	Loadout Bay Metal				-$2,970.00					-$495.00			-$3,465.00
	Metal Rock	-$42,714.92	-$4,776.26	-$1,820.00	-$71,046.15	-$2,510.51	-$10,076.88	-$7,570.48	-$5,277.63	-$3,435.50	-$1,767.88		-$150,996.21
	Other			-$120.00	-$3,072.56				-$330.00	-$50.00			-$3,572.56
	Pavement		-$13,111.80	-$204.00	-$7,937.48			-$2,709.37	-$912.00		-$244.80	-$100.80	-$25,220.25
	Public Roads	-$2,166.66											-$2,166.66
	R&M		-$5,610.20		-$6,353.40				-$3,603.49	-$2,195.00	-$234.00		-$17,996.09
	R&M - Culverts Maintenance				-$1,360.00		-$150.00			-$228.00		-$462.00	-$2,200.00
	R&M - Event Cleanup				-$660.00							-$225.99	-$885.99
	R&M - Road Maintenance		-$165.00		-$10,310.00	-$805.00		-$1,578.84	-$1,409.40	-$5,242.00	-$324.00	-$4,802.60	-$24,636.84
	Rehab				-$12,726.00	-$3,276.00	-$903.00		-$1,909.46		-$3,364.00	-$9,394.20	-$31,572.66
	Road Formation	-$119,437.45	-$15,676.80	-$2,296.00	-$178,846.20		-$28,406.80	-$13,195.50	-$10,821.10		-$14,677.20	-$4,962.60	-$388,319.65
	Sediment Control				-$198.98								-$198.98
	Spread from stockpile			-$715.00	-$17,104.90		-$286.00	-$7,858.60	-$1,930.50	-$959.00	-$247.50		-$29,101.50
	Stockpile Works				-$16,409.34	-$333.45	-$2,272.65	-$1,385.40	-$490.20	-$324.00	-$204.57	-$136.20	-$21,555.81
	Temp Landings				-$8,091.00					-$1,836.00			-$9,927.00
	Trucks - Cart & Dump	-$53,288.36	-$33,496.25	-$2,548.00	-$90,966.00	-$3,360.00	-$12,480.00	-$4,560.00	-$5,760.00		-$2,496.00	-$432.00	-$209,386.61
	Trucks - Cart & Spread	-$23,112.25	-$1,130.12		-$4,480.50								-$28,722.87
	R&M - Metal									-$4,800.00			-$4,800.00
Engineering Total		**-$318,597.47**	**-$82,165.85**	**-$7,522.73**	**-$705,623.60**	**-$10,604.96**	**-$59,773.03**	**-$47,058.29**	**-$39,024.12**	**-$20,898.50**	**-$57,480.09**	**-$22,911.59**	**-$1,371,660.22**
Fees	FGC levy	-$1,117.47	-$500.21		-$7,528.15		-$426.26	-$2,311.57	-$2,759.92	-$2,266.71	-$1,701.70	-$1,961.29	-$20,573.28
	Management	-$25,102.43	-$9,853.55		-$145,317.76		-$8,874.24	-$45,872.53	-$57,574.24	-$47,907.61	-$27,884.90	-$32,886.50	-$401,273.75
Fees Total		**-$26,219.90**	**-$10,353.76**		**-$152,845.91**		**-$9,300.50**	**-$48,184.10**	**-$60,334.16**	**-$50,174.32**	**-$29,586.60**	**-$34,847.79**	**-$421,847.04**
Harvesting	Cartage - Trans Shipping				-$501.00								-$501.00
	Cartage - Truck	-$115,777.04	-$53,748.28		-$762,440.62		-$38,180.45	-$214,190.51	-$262,072.01	-$215,489.61	-$168,268.78	-$190,020.44	-$2,020,187.74
	Establishment - harvesting	-$13,637.50			-$670.00		-$32,320.00		-$890.00		-$915.00		-$48,432.50
	Logging	-$164,753.24	-$71,671.58		-$1,019,772.42		-$53,763.44	-$311,613.55	-$361,255.54	-$295,807.19	-$225,611.46	-$258,690.41	-$2,762,938.83
	Logging - Hourly	-$2,914.50			-$1,603.28								-$4,517.78
	Tracking				-$20,643.00								-$20,643.00
	Weighbridge	-$1,358.43	-$598.60		-$9,217.36		-$449.91	-$2,337.51	-$2,683.98	-$2,143.06	-$1,655.01	-$1,885.22	-$22,329.08
	Trailer Lifting							-$6.00	-$48.00	-$36.00		-$54.00	-$144.00
Harvesting Total		**-$298,440.71**	**-$126,018.46**		**-$1,814,847.69**		**-$124,713.79**	**-$528,147.57**	**-$626,949.53**	**-$513,475.86**	**-$396,450.25**	**-$450,650.07**	**-$4,879,693.94**
Income	Log Sales	$627,560.68	$246,338.80		$3,632,943.90		$221,855.93	$1,146,813.27	$1,439,356.01	$1,197,690.36	$697,122.42	$822,162.48	$10,031,843.85
Income Total		**$627,560.68**	**$246,338.80**		**$3,632,943.90**		**$221,855.93**	**$1,146,813.27**	**$1,439,356.01**	**$1,197,690.36**	**$697,122.42**	**$822,162.48**	**$10,031,843.85**
Miscellaneous	Consents	-$156.52											-$156.52
	Consultancy Fees		-$165.83								-$614.39		-$780.22
	Consumables	-$332.04	-$26.47		-$1,271.07		-$484.69	-$249.49	-$297.14	-$192.19	-$132.42	-$308.11	-$3,293.62
	Fencing	-$656.51											-$656.51
	Other	-$141.55	-$4,998.94	-$1,343.43	-$2,270.64	-$95.00	-$95.00	-$95.00	-$95.00	-$114.00	-$688.20	-$103.63	-$10,040.39
	Power Lines				-$18,622.50								-$18,622.50
	Royalty payments		-$500.00										-$500.00
	Security			-$15.50	-$4,778.75								-$4,794.25
	Traffic Management	-$6,501.83	-$1,528.76	-$1,097.67	-$22,395.03		-$6,720.00	-$13,597.00		-$251.63	-$82.00		-$52,173.92
	Environmental Monitoring									-$269.50			-$269.50
Miscellaneous Total		**-$7,788.45**	**-$7,220.00**	**-$2,456.60**	**-$49,337.99**	**-$95.00**	**-$7,299.69**	**-$13,941.49**	**-$392.14**	**-$827.32**	**-$1,517.01**	**-$411.74**	**-$91,287.43**
Grand Total		**-$23,485.85**	**$20,580.73**	**-$9,979.33**	**$910,288.71**	**-$10,699.96**	**$20,768.92**	**$509,481.82**	**$712,656.05**	**$612,314.35**	**$212,088.48**	**$313,341.29**	**$3,267,355.23**