HARVESTING REPORT
November 2021

GLENLEA FOREST

Landing 69 operations.

Clearfell Harvesting Report – Glenlea – November 2021

Summary

- Gross revenue for the month is **$418,853.92**
- Costs for the month are **$290,688.48**
- Net income for the month is **$128,165.45**
- Tonnes harvested for the month is **3,338.61**
- Net income per tonne for the month is **$38.39**
- Area cleared for the month is **5.1** hectares

The project performance to date is set out below:

- Project gross revenue to date is **$9,789,367.65**
- Project costs to date are **$7,407,063.04**
- Project net income to date is **$2,382,304.60**
- Tonnes harvested to date is **74,750.50**
- Net income per tonne to date is **$31.87**
- Recoverable volume per hectare to date is **740.1** tonnes
- Net income per hectare to date is **$23,587.17**
- Total forest area is **293.8** hectares, approximate hectares cleared to date is **101** 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 **$418,853.92** with an average sale price over all grades of **$125.46** per tonne**.**

November 2021 - Log Markets, Hawkes Bay

The November export prices have dropped $13.86/Jas m^3 on average. The decrease has affected the pruned grades slightly more.

Radiata log inventories on the main Chinese ports we monitor have decreased to 4.60Mm^3, with daily offtake relatively solid at 73Km^3 per day as we head into the Northern Hemisphere's winter. Inventory remains 40% above 2018-2020 levels and this is creating downward pressure on CFR sales price.

As mentioned last month, there has been a structural reset in the Chinese economy with the government looking to slow the property market and reduce debt levels. As is often the case, many believe the market has overcorrected. Several factors have contributed to weaker log demand / usage however, the major reasons are adjustments to the construction market due to high debt ratios of property development companies and the energy crisis limiting factory output. China's zero-tolerance policy towards Covid-19 continues to have impacts as workers in new outbreak regions get sent home to control the spread of the virus.

The freight market has continued to trend downward however, at this stage the Chinese appear to be taking advantage of freight cost gains by lowering the CFR price. Due to the lag time of ship chartering, we expect to see pre-booked vessels in December also affecting AWG prices.

The NZD has continued to slip back against the USD since the end of October. The change has not been enough to add some AWG value for forest owners.

Domestic pruned log prices have fallen $15 this quarter due to weaker AWG export pricing and factoring in the spring effects on Jas conversions.

Grade Recovery

Grade out turn for November is as follows:

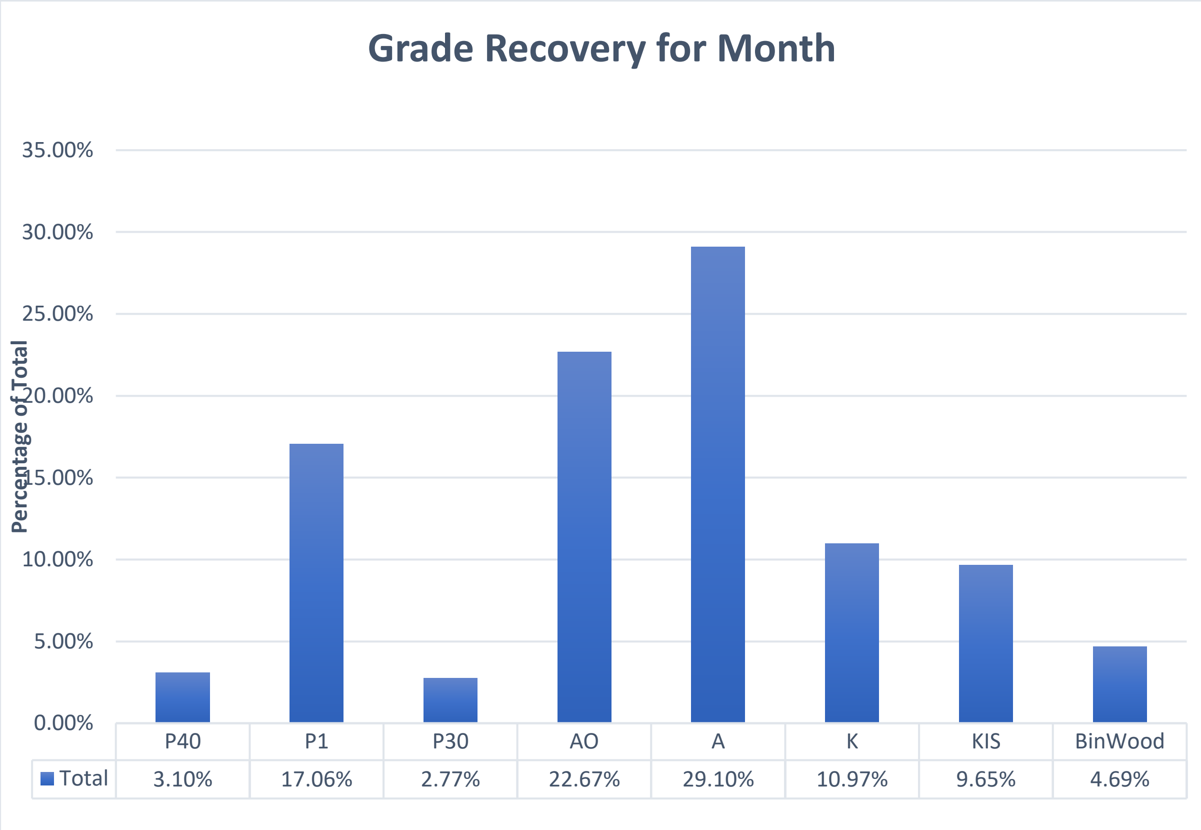


Chart 1: Grade Recovery for Month

Pruned recovery for November comprised 23% of overall sales volume, 17% of which was sold as domestic pruned grades.

High quality export sawlog (AO, A and K grades) made up 63% of the total production volume, with lower quality export (KI and KIS grades) comprising 9% of volume.

The remaining 5% of production was made up of domestic pulp and binwood.

Expenditure

Harvesting

The total logging cost for the month was **$139,960.73**, an average of **$41.92** per tonne.

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

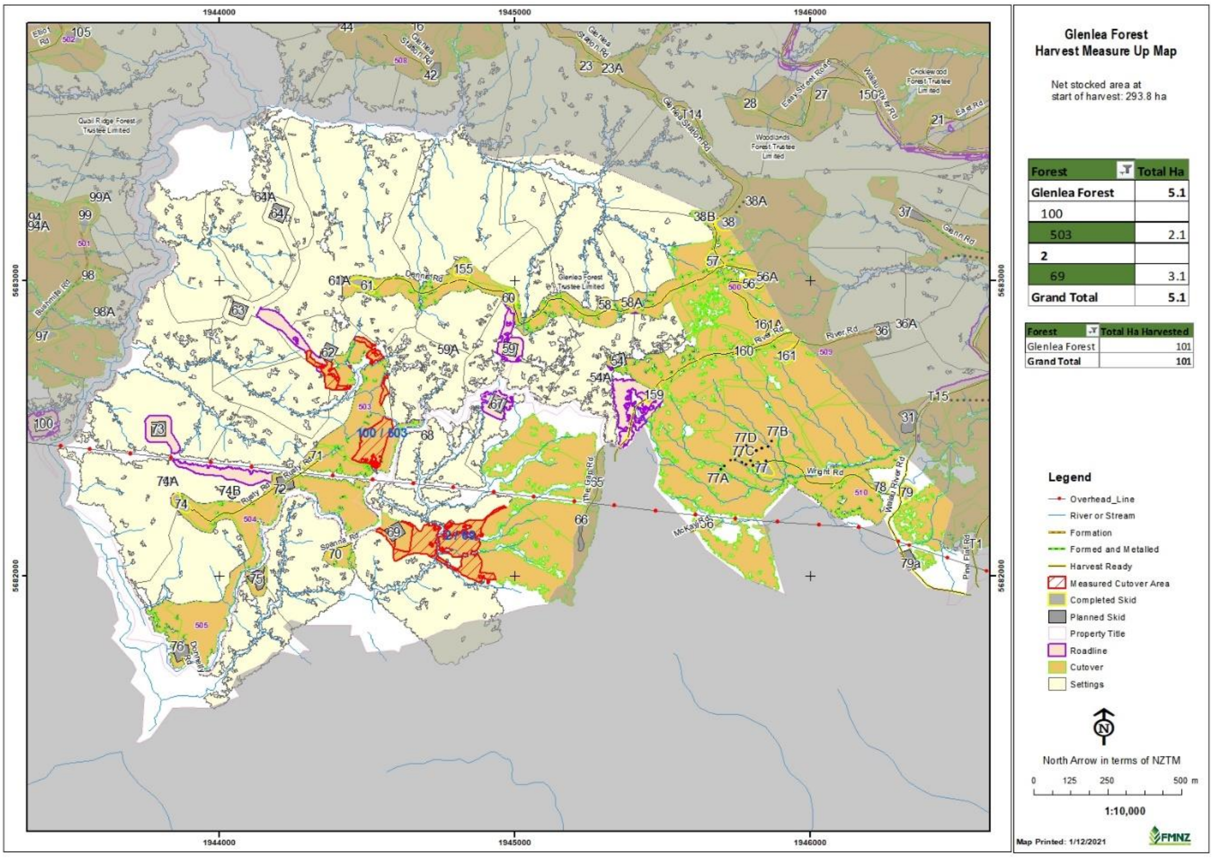
LOGGING COSTS		TOTAL
November		$139,960.73
		$139,960.73

Table 1: Logging Costs

ADDITIONAL HARVEST COSTS		TOTAL
November	Establishment	$1,000.00
		$1,000.00

Table 2: Additional Logging Costs

Establishment costs are for moving an excavator to Landing 67 and for transporting engineering machinery within the forest. Also included were costs for transporting harvesting equipment within the forest for the harvest crew.



Pic 1: Progress Map

During November, the harvest crew finished pulling the windthrow from Setting 43 and then opened up Setting 69 to enable the crew to run ropes. The roadlining to Landing 71 is at a standstill until the weather dries up and in the meantime, a strip of trees above Landing 71 was removed to square up for planting. The felling machine was walked up to Landing 67 and a manual feller cut the trees with the machine pulling them across Putere Road.

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 **$104,128.84** which is an average unit rate of **$31.19** per tonne.

Cartage expenditure for the month is summarised below in Table 3:

CARTAGE COSTS		TOTAL
November	Cartage - Truck	$104,128.84
	Weighbridge	$1,098.00
	Trailer Lifting	$6.00
		$105,232.84

Table 3: Cartage Costs

The average cart rate for November inclusive of weighbridge and trailer lifting fees is **$31.52** 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
November	R&M - Road Maintenance	$220.00	$56.00	$276.00
	Stockpile Works	$252.00	$168.00	$420.00
	Establishment - Engineering	$320.00	$145.60	$465.60
	Trucks - Cart & Dump		$1,113.70	$1,113.70
	Landings	$22,769.00		$22,769.00
	Loadout Bay Construction	$715.00		$715.00
	Rehab	$682.00		$682.00
		$24,958.00	**$1,483.30**	**$26,441.30**

Table 4: Engineering Costs

During November, earthworks was completed on Rusty Road on Landings 62 and 71. Work also commenced on constructing Landing 67 on Putere Road. Fulton Hogan began works on the council road, removing two corners near Landing 67. The removed material was used as fill in the construction of the landing.

Planned Activities for December 2021

The harvest crew will continue to pull Setting 69 and then move to Rusty Road to get the remaining wood from Landing 63. Once over the culvert by Landing 62, they will use the tractor to drag to Landing 71. Wood from Landing 67 will also be loaded out.

An Electrical Hazard Management Plan and traffic management will be organised for felling around the powerlines in Settings 67 and 69.

Earthworks in December will predominantly be around securing all open sites for the Christmas shut down. The temporary crossing on Rusty Road will be removed and the creek tidied up in preparation for the permanent crossing installation in the New Year.

Net Revenue

Net revenue for the project to date excluding GST is shown in Table 5 below:

MONTH	NET MONTH	NET PROJECT
November	**$128,165.45**	**$2,382,304.60**

Table 5: Total Revenue

The net revenue for the month equates to an average of **$38.39** per tonne, or **$25,130.48** per hectare.

Fees and Levies

Management fees and FGC levies are summarised in Table 6 below:

FEES & LEVIES		TOTAL
November	Management	$16,754.16
	FGC levy	$1,114.13
		$17,868.29

Table 6: Fees and Levies

Miscellaneous

See Table 7 below:

MISCELLANEOUS		TOTAL
November	Consumables	$97.63
	Other	$87.69
		$185.32

Table 7: Miscellaneous Expenses

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

Environmental

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

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.

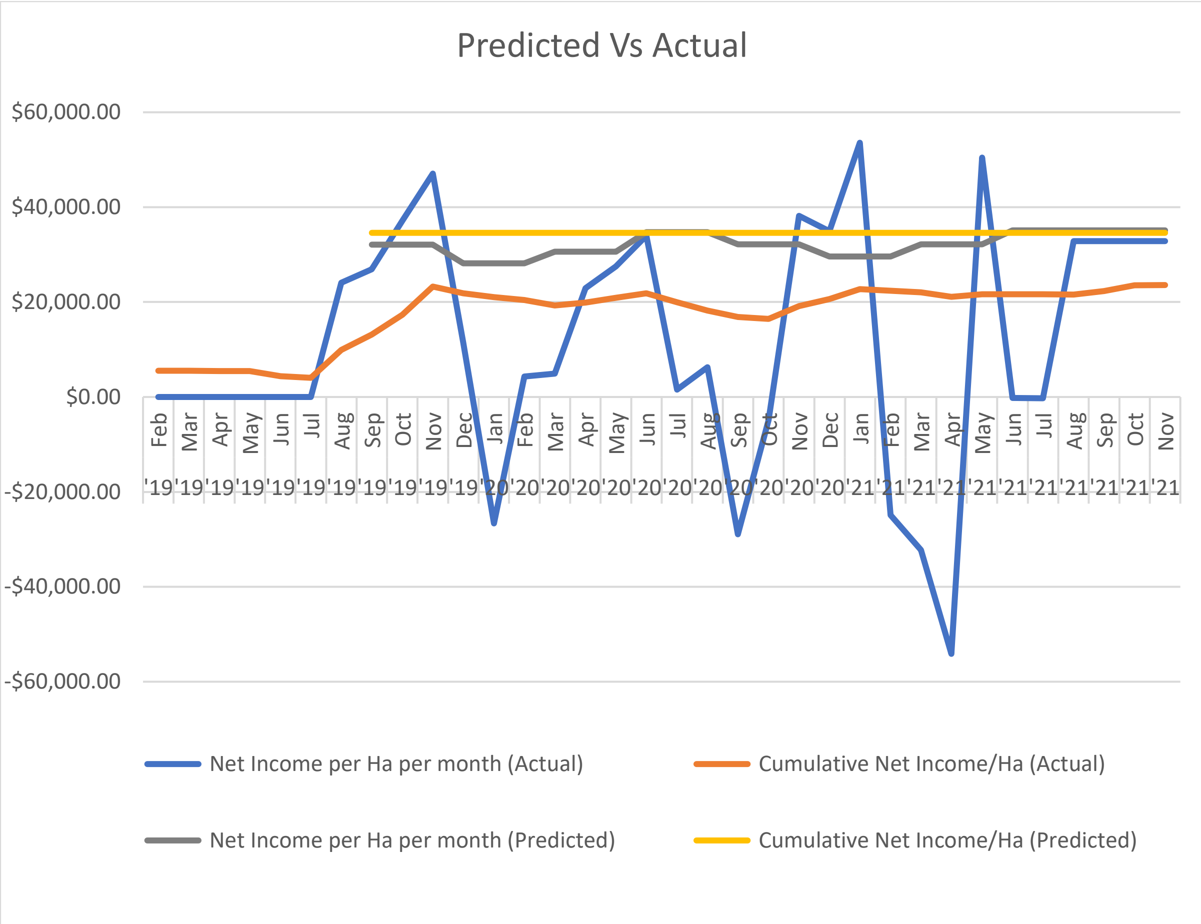


Chart 2: Actual vs Predicted

Net return per tonne to date is **$31.87** forecast was $46.07.

Gross return per tonne to date is **$130.96**, forecast was $135.42.

Net return per hectare to date is **$23,587.17**, forecast was $34,595.00.

Kind Regards

FMNZ Harvest Team

Appendix 1 Harvesting Financial Summary (Clearfell and Roadline)

Historic Harvesting Financial Summary

FMNZ

Glenlea Forest Partnership 01/11/2021 to 30/11/2021

Paid to bank account # 02-0792-0001529-000 GST # 61-378-863

Type	Grade	Tonnes	Jas (m3)	Sales Price	Gross Revenue ($)
SALES					
Binwood					
Pulp		156.50		$45.50	$7,120.75
TOTAL BINWOOD SALES		**156.50**			**$7,120.75**
Domestic					
Pruned Dom		354.92		$194.50	$69,031.94
Pruned Dom	P1 4.3	16.46		$192.00	$3,160.32
Pruned Dom	P1 4.9	198.08		$192.00	$38,031.36
TOTAL DOMESTIC SALES		**569.46**			**$110,223.62**
Export					
Pruned Exp	P40 3.9	0.00	54.679	$170.00	$9,295.43
Pruned Exp	P40 5.1	0.00	55.472	$170.00	$9,430.24
Pruned Exp	P30 3.9	0.00	99.313	$135.00	$13,407.26
A40	AO 3.8	0.00	788.301	$116.00	$91,442.92
A30	A 3.8	0.00	340.090	$114.00	$38,770.26
A30	A 5.8	0.00	644.372	$116.00	$74,747.15
K	K 3.8	0.00	157.935	$106.00	$16,741.11
K	K 5.8	0.00	199.833	$108.00	$21,581.96
TOTAL EXPORT SALES		**0.00**	**2,339.995**		**$275,416.33**
Export Pulp					
Export Pulp	KIS 2.9	0.00	150.437	$80.00	$12,034.96
Export Pulp	KIS 3.8	0.00	159.753	$88.00	$14,058.26
TOTAL EXPORT PULP SALES		**0.00**	**310.190**		**$26,093.22**
TOTAL		**725.96**	**2,650.185**		**$418,853.92**

FEES	
FMNZ Management Fee @ %	$16,754.16
TOTAL FEES	**$16,754.16**

Appendix 1 Harvesting Financial Summary (Continued)

LEVIES	
Forest Grower Commodity Levy @ $0.33	$1,114.13
TOTAL LEVIES	**$1,114.13**
COSTS	
Harvesting	$139,960.73
Cartage	$104,128.84
Weighbridge	$1,098.00
Consumables	$97.63
Establishment	$1,465.60
Landings	$22,769.00
Loadout Bay: Construction	$715.00
Metalling: Cart to stockpile	$1,113.70
Other	$87.69
Post Harvest Rehab	$682.00
R&M - Road Maintenance	$276.00
Stockpile Works	$420.00
Trailer Lifting	$6.00
TOTAL COSTS	**$272,820.19**
TOTAL FEES, LEVIES & COSTS	**$290,688.48**

NET INCOME	**$128,165.44**
GST	**$19,224.82**
NET INCOME (INCLUDING GST)	**$147,390.26**

Photos 1 & 2: Landing 69 operations.

GLENLEA 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	Sep 21	Oct 21	Nov 21	Grand Total
Engineering	Borrow Pit					-$196.00										-$196.00
	Crossings					-$701.22										-$701.22
	Culvert Installation			-$1,822.50	-$3,114.00	-$15,718.00		-$100.00								-$20,754.50
	Culverts		-$7,554.36	-$12,616.82	-$9,789.15	-$28,371.12										-$58,331.45
	Culverts - Freight			-$660.00	-$948.75	-$4,250.00		-$50.00						-$175.00		-$6,083.75
	Entranceway - Seal		-$11,963.54	-$156.52	-$336.60	-$2,024.00							-$990.00			-$15,470.66
	Establishment - Engineering		-$2,327.50	-$1,790.50	-$6,057.45	-$15,891.63	-$590.00	-$1,120.00				-$480.00	-$1,040.00	-$1,760.00	-$465.60	-$31,522.68
	Fluming			-$93.90	-$3,225.42	-$6,246.05										-$9,565.37
	Grass Seeding				-$498.33	-$1,653.05	-$190.00	-$1,252.25	-$190.00	-$1,781.25						-$5,564.88
	Landings	-$975.00	-$6,255.00	-$34,775.00	-$66,251.00	-$205,775.00	-$18,680.00	-$40,606.00					-$47,722.00		-$22,769.00	-$443,808.00
	Loader Hire				-$1,765.57	-$4,908.00										-$6,673.57
	Loadout Bay Construction					-$6,090.00		-$1,975.00				-$970.00	-$341.00	-$550.00	-$715.00	-$10,641.00
	Loadout Bay Metal					-$8,801.00										-$8,801.00
	Metal Rock	-$396.00	-$15,905.80	-$79,070.82	$6,875.74	-$105,402.37		-$9,656.51				-$3,893.32	-$7,439.75			-$214,888.83
	Other				-$1,358.86	-$1,771.91										-$3,130.77
	Pads				-$700.00											-$700.00
	Pavement				-$204.00	-$21,132.80		-$852.00	-$599.70			-$252.00		-$2,075.00		-$25,115.50
	Public Roads		-$2,166.67													-$2,166.67
	R&M			-$15,640.97	-$6,108.90	-$5,176.65	-$495.00					-$24.00				-$27,445.52
	R&M - Culverts Maintenance			-$100.00		-$360.00										-$460.00
	R&M - Metal					-$1,265.00										-$1,265.00
	R&M - Road Maintenance			-$5,597.50	-$330.00	-$999.00		-$1,936.00		-$1,870.00					-$276.00	-$11,008.50
	Rehab			-$1,215.00	-$5,758.21	-$23,059.00	-$6,974.00	-$4,048.00	-$4,026.00				-$3,014.00		-$682.00	-$48,776.21
	Rehab - Skids/Pads					-$100.00										-$100.00
	Road Formation		-$11,195.00	-$90,587.50	-$9,156.00	-$245,916.00							-$196.00			-$357,050.50
	Sediment Control				-$26.87	-$410.61										-$437.48
	Spread from stockpile			-$12,877.09	-$8,272.00	-$28,090.00	-$275.00					-$275.00	-$1,345.00	-$1,540.00		-$52,674.09
	Stockpile Works					-$15,577.78	-$60.00	-$1,822.50				-$682.65	-$144.00	-$768.00	-$420.00	-$19,474.93
	Temp Landings				-$13,346.00	-$2,825.00										-$16,171.00
	Trucks - Cart & Dump		-$11,711.40	-$125,871.68	-$21,772.70	-$64,721.03		-$9,200.00				-$4,320.00	-$9,360.00	-$55.00	-$1,113.70	-$248,125.51
	Trucks - Cart & Spread	-$765.00	-$9,962.50	-$23,904.00	-$1,071.00											-$35,702.50
	Metal - Stripping						-$1,012.00									-$1,012.00
Engineering Total		**-$2,136.00**	**-$79,041.77**	**-$406,779.80**	**-$153,215.07**	**-$817,432.22**	**-$28,276.00**	**-$72,618.26**	**-$4,815.70**	**-$3,651.25**		**-$10,896.97**	**-$71,591.75**	**-$6,923.00**	**-$26,441.30**	**-$1,683,819.09**
Fees	FGC levy	-$436.72	-$399.07	-$1,579.92	-$4,477.51	-$9,625.39	-$33.24	-$269.20	-$325.70	-$6.74		-$360.59	-$1,248.56	-$1,214.21	-$1,114.13	-$21,090.97
	Management	-$7,367.89	-$8,934.47	-$35,721.72	-$83,318.90	-$181,500.30	-$183.35	-$5,256.18	-$5,040.77	-$37.16		-$5,821.35	-$20,939.02	-$20,699.44	-$16,754.16	-$391,574.71
Fees Total		**-$7,804.61**	**-$9,333.54**	**-$37,301.64**	**-$87,796.41**	**-$191,125.68**	**-$216.59**	**-$5,525.38**	**-$5,366.47**	**-$43.90**		**-$6,181.94**	**-$22,187.58**	**-$21,913.65**	**-$17,868.28**	**-$412,665.68**
Harvesting	Cartage - Trans Shipping					-$440.00							-$462.50			-$902.50
	Cartage - Truck	-$42,414.61	-$40,004.74	-$158,258.86	-$494,062.45	-$932,207.49	-$2,906.35	-$23,565.81	-$28,602.66	-$589.12		-$33,353.36	-$116,044.97	-$115,653.43	-$104,128.84	-$2,091,792.66
	Establishment - harvesting	-$1,390.00			-$32,397.50	-$8,019.00						-$10,812.25			-$1,000.00	-$53,618.75
	Logging	-$61,495.20	-$60,324.88	-$243,005.50	-$646,073.03	-$1,371,533.19	-$2,014.80	-$35,912.30	-$36,272.54	$4,514.18		-$46,771.10	-$157,483.73	-$158,047.03	-$139,960.73	-$2,954,379.84
	Logging - Hourly				-$4,812.70			-$47,501.25								-$52,313.95
	Tracking					-$4,332.00										-$4,332.00
	Trailer Lifting					-$12.00								-$36.00	-$6.00	-$54.00
	Weighbridge	-$597.87	-$569.39	-$2,270.03	-$5,862.69	-$11,156.53		-$305.46	-$244.75			-$344.48	-$1,039.22	-$1,196.52	-$1,098.00	-$24,684.94
Harvesting Total		**-$105,897.68**	**-$100,899.01**	**-$403,534.39**	**-$1,183,208.37**	**-$2,327,700.20**	**-$4,921.15**	**-$107,284.81**	**-$65,119.95**	**$3,925.06**		**-$91,281.20**	**-$275,030.41**	**-$274,932.97**	**-$246,193.57**	**-$5,182,078.65**
Income	Log Sales	$184,197.20	$223,361.79	$893,042.98	$2,082,972.59	$4,537,507.38	$4,583.67	$131,404.52	$126,019.37	$929.11		$145,533.74	$523,475.46	$517,485.91	$418,853.92	$9,789,367.65
Income Total		**$184,197.20**	**$223,361.79**	**$893,042.98**	**$2,082,972.59**	**$4,537,507.38**	**$4,583.67**	**$131,404.52**	**$126,019.37**	**$929.11**		**$145,533.74**	**$523,475.46**	**$517,485.91**	**$418,853.92**	**$9,789,367.65**
Miscellaneous	Arboriculture			-$1,980.00												-$1,980.00
	Consents		-$156.52													-$156.52
	Consultancy Fees			-$165.84			-$720.00									-$885.84
	Consumables		-$84.51	-$243.79	-$626.57	-$1,886.19	-$2.07	-$13.02	-$17.94	-$0.35		-$98.16	-$53.93	-$223.64	-$97.63	-$3,347.79
	Fencing			-$2,298.64												-$2,298.64
	Other		-$123.58	-$4,312.33	-$1,779.12	-$3,672.14	-$2,000.22	-$95.00	-$95.00			-$688.21	-$103.64	-$580.51	-$87.69	-$13,537.44
	Power Lines				-$19,489.60	-$10,562.80						-$2,567.80	-$1,322.10			-$33,942.30
	Royalty payments			-$500.00												-$500.00
	Security			-$287.75	-$2,351.77	-$11,271.60										-$13,911.12
	Traffic Management	-$1,760.00	-$8,370.83	-$189.20	-$43,301.54	-$873.54			-$159.65	-$31.81		-$982.00				-$55,668.57
	Environmental Monitoring						-$679.00			-$1,322.90	-$269.50					-$2,271.40
Miscellaneous Total		**-$1,760.00**	**-$8,735.44**	**-$9,977.55**	**-$67,548.60**	**-$28,266.28**	**-$3,401.29**	**-$108.02**	**-$272.59**	**-$1,355.06**	**-$269.50**	**-$4,336.17**	**-$1,479.67**	**-$804.15**	**-$185.32**	**-$128,499.63**
Grand Total		**$66,598.91**	**$25,352.04**	**$35,449.60**	**$591,204.14**	**$1,172,983.01**	**-$32,231.36**	**-$54,131.96**	**$50,444.66**	**-$196.04**	**-$269.50**	**$32,837.46**	**$153,186.06**	**$212,912.15**	**$128,165.45**	**$2,382,304.60**