HARVESTING REPORT
January 2022

STONEY RIVER FOREST

Harvest operations on Landing 113.

Clearfell Harvesting Report – Stoney River – January 2022

Summary

- Gross revenue for the month is **$397,264.65**
- Costs for the month are **$261,319.79**
- Net income for the month is **$135,944.86**
- Tonnes harvested for the month is **3,084.72**
- Net income per tonne for the month is **$44.07**
- Area cleared for the month is **5.9** hectares

The project performance to date is set out below:

- Project gross revenue to date is **$12,255,099.62**
- Project costs to date are **$8,189,774.32**
- Project net income to date is **$4,065,325.31**
- Tonnes harvested to date is **84,267.96**
- Net income per tonne to date is **$48.24**
- Recoverable volume per hectare to date is **760.50** tonnes
- Net income per hectare to date is **$36,690.66**
- Total forest area is **223.2** hectares, approximate hectares cleared to date is **110.80** 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 **$397,264.65** with an average sale price over all grades of **$128.78** per tonne**.**

January 2022 - Log Markets, Hawkes Bay

January export prices have remained flat. This is largely thanks to one of our major exporters who have been paying a premium above the rest of the market. In order to get log supply, the other exporters have had to match prices where they can.

Radiata log inventories on the main Chinese ports we monitor have decreased to 3.9Mm^3, with daily offtake tapering off to 62Km^3 per day. This expected to reduce further to almost zero as the Lunar New Year approaches in early February.

At this time of the year, we normally see inventory building but supply from all major sources into China has been contracting with the lower USD returns. Overall Chinese demand for logs has softened due to a slowdown in the construction sector and high market prices. The effects of China's response to a heated property market and high levels of debt at the country's second-largest property developer (Evergrande Group), have started to ripple through the construction sector.

Log supply from South America into China is expected to be subdued because of high freight costs. This will partly offset the downward pressure on log demand and prices. In the medium-term, demand and prices are also likely to be supported by the imminent removal of Russian logs from the export market in 2022.

The NZD has continued to slip back against the USD since the beginning of January. The change will hopefully add some AWG value for forest owners next month.

Again, this Quarter Domestic pruned log prices have settled flat, due to concerns relating to the slowdown in harvesting affecting production / supply.

Grade Recovery

Grade out turn for January is as follows:

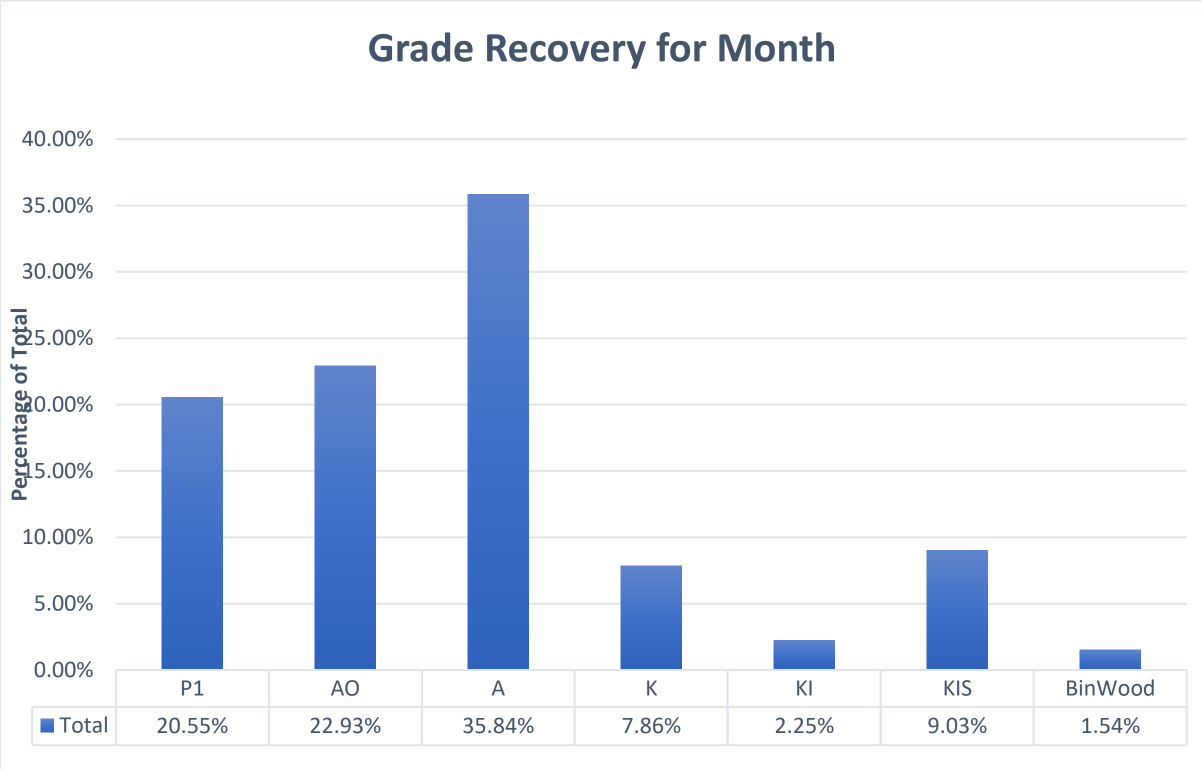


Chart 1: Grade Recovery for Month

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

High quality export sawlog (AO, A and K grades) made up 67% of the total production volume, with lower quality export (KI and KIS grades) comprising 11% of volume.

The remaining 1% of production was made up of domestic pulp and binwood.

Expenditure

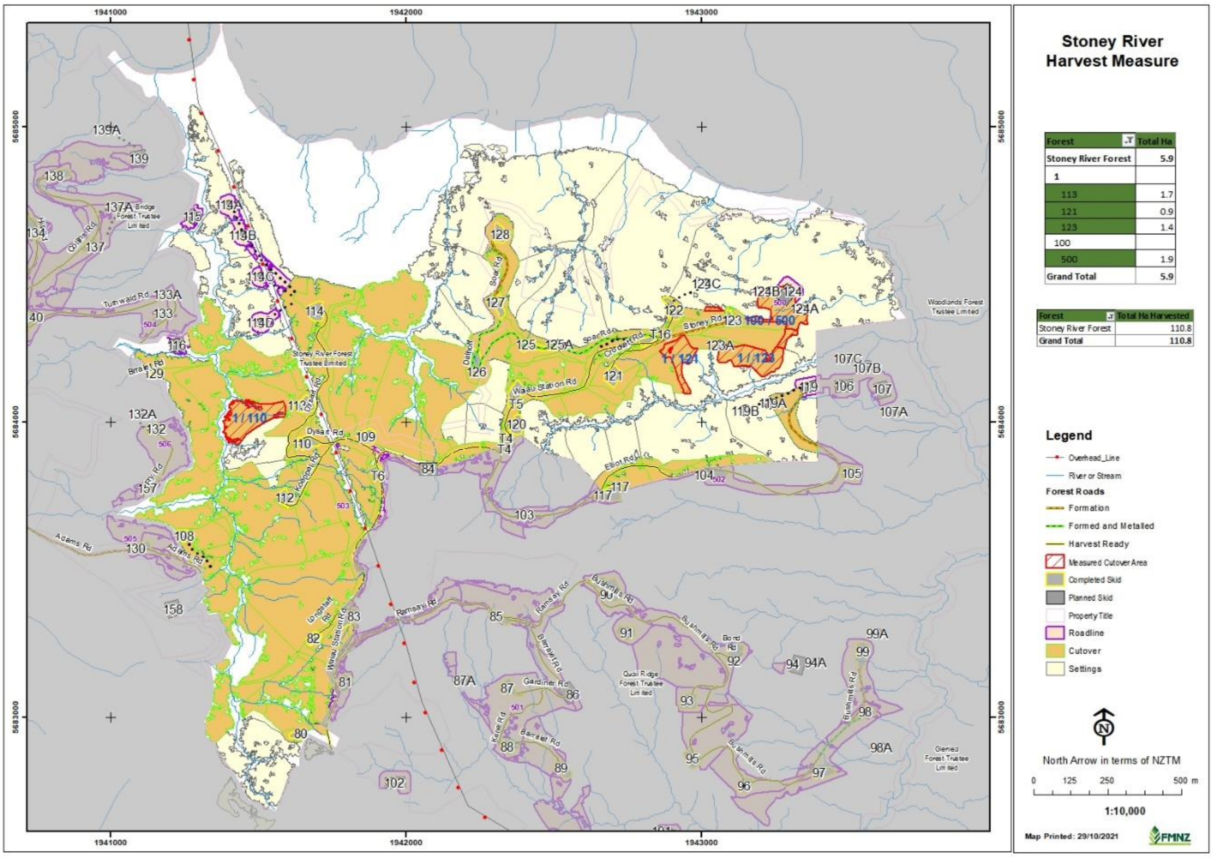
Harvesting

The total logging cost for the month was **$131,785.92**, an average of **$42.72** per tonne.

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

LOGGING COSTS		TOTAL
January	Logging – tonnes	$131,785.92
		$131,785.92

Table 1: Logging Costs



Pic 1: Progress Map

Harvesting recommenced after the Christmas break on the 17th of January 2022.

The harvest crew ground-base harvested a section on Landing 123 where they also did a small roadline section in Setting 500 at the same time. This was undertaken to allow time for the cable Setting 113 to be felled and have this activity far enough away from the working ropes for the crew to recommence cable harvesting.

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 **$108,612.53** which is an average unit rate of **$35.21** per tonne.

Cartage rates have increased in January because of the effects of diesel price rises.

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

CARTAGE COSTS		TOTAL
January	Cartage - Truck	$108,612.53
	Weighbridge	$1,202.19
		$109,814.72

Table 2: Cartage Costs

The average cart rate for January inclusive of weighbridge fees is **$35.60** per tonne.

Engineering

ENGINEERING		RL	CF	TOTAL
January	Rehab		$1,820.00	$1,820.00
			$1,820.00	**$1,820.00**

Table 3: Engineering Costs

Earthworks in January was associated with clearing slash off Landing 110, Koeppel Road.

Net Revenue

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

MONTH	NET MONTH	NET PROJECT
January	**$135,944.86**	**$4,065,325.31**

Table 4: Total Revenue

The net revenue for the month equates to an average of **$44.07** per tonne, or **$23,041.50** per hectare.

Fees and Levies

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

FEES & LEVIES		TOTAL
January	Management	$15,890.59
	FGC levy	$1,052.30
		$16,942.89

Table 5: Fees and Levies

Miscellaneous

See Table 6 below:

MISCELLANEOUS		TOTAL
January	Consumables	$56.27
	Other	$138.33
	Traffic Management	$21.66
		$216.26

Table 6: Miscellaneous Expenses

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

Other costs are for the proportional costs of operating the forest digital radio network and the shared cost of cameras at Putere school to monitor logging trucks.

Health and Safety

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

Environmental

ENVIRONMENTAL		TOTAL
January	Environmental Monitoring	$740.00
		$740.00

Table 7: Environmental Expenses

Expenditure for the month relates to environmental costs for Hawkes Bay Regional Council compliance monitoring of the resource consent.

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.

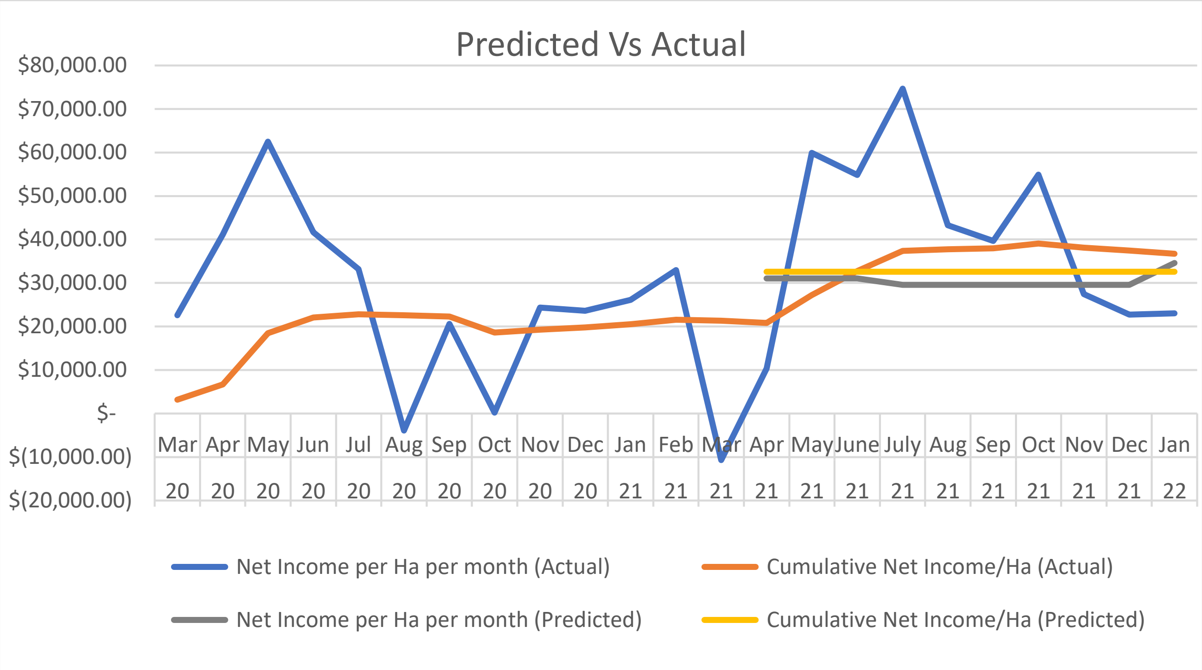


Chart 2: Actual vs Predicted

Net return per tonne to date is **$48.24**, forecast was $43.70.

Gross return per tonne to date is **$145.43**, forecast was $135.77.

Net return per hectare to date is **$36,690.66**, forecast was $32,592.02.

Kind Regards

FMNZ Harvest Team

Appendix 1 Harvesting Financial Summary (Clearfell and Roadline)

Historic Harvesting Financial Summary

FMNZ

Stoney River Forest Partnership   01/01/2022 to 31/01/2022

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

SALES					
Type	Grade	Tonnes	Jas (m3)	Sales Price	Gross Revenue ($)
Binwood					
Pulp		47.52		$45.50	$2,162.16
TOTAL BINWOOD SALES		**47.52**			**$2,162.16**

Domestic					
Pruned Dom		0.00		$0.00	$0.00
Pruned Dom		326.12		$194.50	$63,430.34
Pruned Dom	P1 4.9	307.70		$192.00	$59,078.40
TOTAL DOMESTIC SALES		**633.82**			**$122,508.74**

Export					
A40	AO 3.8	0.00	778.769	$114.00	$88,779.67
A30	A 3.8	0.00	57.181	$108.00	$6,175.55
A30	A 3.8	0.00	324.718	$112.00	$36,368.42
A30	A 5.8	0.00	136.127	$110.00	$14,973.97
A30	A 5.8	0.00	639.067	$114.00	$72,853.64
K	K 3.8	0.00	17.064	$101.00	$1,723.46
K	K 3.8	0.00	200.484	$104.00	$20,850.34
K	K 5.8	0.00	26.352	$103.00	$2,714.26
KI	KI 3.8	0.00	14.506	$92.00	$1,334.55
KI	KI 3.8	0.00	59.010	$95.00	$5,605.95
TOTAL EXPORT SALES		**0.00**	**2,253.278**		**$251,379.81**

Export Pulp					
Export Pulp	KIS 2.9	0.00	75.485	$78.00	$5,887.83
Export Pulp	KIS 2.9	0.00	14.863	$80.00	$1,189.04
Export Pulp	KIS 3.8	0.00	115.778	$86.00	$9,956.91
Export Pulp	KIS 3.8	0.00	48.048	$87.00	$4,180.18
TOTAL EXPORT PULP SALES		**0.00**	**254.174**		**$21,213.96**
TOTAL		**681.34**	**2,507.452**		**$397,264.67**

FEES	
FMNZ Management Fee @ %	$15,890.59
TOTAL FEES	**$15,890.59**

Appendix 1 Harvesting Financial Summary (Continued)

LEVIES	
Forest Grower Commodity Levy @ $0.33	$1,052.30
TOTAL LEVIES	**$1,052.30**
COSTS	
Harvesting	$131,785.92
Cartage	$108,612.53
Weighbridge	$1,202.19
Consumables	$56.27
Environmental Monitoring	$740.00
Other	$138.33
Post Harvest Rehab	$1,820.00
Traffic Management	$21.66
TOTAL COSTS	**$244,376.90**
TOTAL FEES, LEVIES & COSTS	**$261,319.79**

NET INCOME	**$135,944.88**
GST	**$20,391.73**
NET INCOME (INCLUDING GST)	**$156,336.61**

Photo 1: Trees ready for the skidder to take out to the landing.

Photo 2: Roadline volume section being cut.

Photo 3: Landing 123.

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	Oct 21	Nov 21	Dec 21	Jan 22	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	-$426.24	-$218.40			-$25,494.22
	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	-$325.00	-$605.00			-$7,904.80
	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				-$8,381.54		-$159,377.75
	Other			-$120.00	-$3,072.56				-$330.00	-$50.00				-$110.00	-$882.00		-$4,564.56
	Pavement		-$13,111.80	-$204.00	-$7,937.48			-$2,709.37	-$912.00		-$244.80	-$100.80	-$42.00				-$25,262.25
	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			-$200.00		-$2,400.00
	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	-$298.01	-$266.62	-$2,003.00		-$27,204.47
	Rehab				-$12,726.00	-$3,276.00	-$903.00		-$1,909.46		-$3,364.00	-$9,394.20	-$2,006.20		-$2,598.00	-$1,820.00	-$37,996.86
	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	-$285.60				-$388,605.25
	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		-$379.50		-$275.00		-$29,756.00
	Stockpile Works				-$16,409.34	-$333.45	-$2,272.65	-$1,385.40	-$490.20	-$324.00	-$204.57	-$136.20	-$81.60	-$396.00			-$22,033.41
	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		-$1,670.55	-$6,655.74		-$217,712.90
	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**	**-$3,844.15**	**-$3,266.57**	**-$20,995.29**	**-$1,820.00**	**-$1,401,586.23**
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	-$1,959.15	-$1,638.60	-$920.53	-$1,052.30	-$26,143.87
	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	-$33,145.19	-$25,291.43	-$14,603.03	-$15,890.59	-$490,203.98
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**	**-$35,104.34**	**-$26,930.03**	**-$15,523.56**	**-$16,942.89**	**-$516,347.85**
Harvesting	Cartage - Trans Shipping				-$501.00										-$647.50		-$1,148.50
	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	-$190,389.78	-$156,027.14	-$89,300.80	-$108,612.53	-$2,564,518.00
	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	-$262,040.75	-$211,865.80	-$120,703.15	-$131,785.92	-$3,489,334.45
	Logging - Hourly	-$2,914.50			-$1,603.28									-$7,260.00			-$11,777.78
	Tracking				-$20,643.00										-$1,050.00		-$21,693.00
	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	-$1,930.03	-$1,546.98	-$940.88	-$1,202.19	-$27,949.15
	Trailer Lifting							-$6.00	-$48.00	-$36.00		-$54.00	-$72.00	-$66.00	-$12.00		-$294.00
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**	**-$454,432.56**	**-$376,765.92**	**-$212,654.34**	**-$241,600.64**	**-$6,165,147.39**
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	$828,629.66	$632,285.72	$365,075.75	$397,264.65	$12,255,099.62
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**	**$828,629.66**	**$632,285.72**	**$365,075.75**	**$397,264.65**	**$12,255,099.62**
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	-$191.87	-$123.21	-$46.72	-$56.27	-$3,711.69
	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	-$103.64	-$87.69	$2,930.97	-$138.33	-$7,439.08
	Power Lines				-$18,622.50										-$2,697.00		-$21,319.50
	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				-$13,850.00	-$21.66	-$66,045.58
	Environmental Monitoring									-$269.50				-$280.00		-$740.00	-$1,289.50
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**	**-$295.51**	**-$490.90**	**-$13,662.75**	**-$956.26**	**-$106,692.85**
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**	**$334,953.10**	**$224,832.30**	**$102,239.81**	**$135,944.86**	**$4,065,325.30**