

28/02/2022

Stone House Forest Partnership
C/- Roger Dickie (N.Z.) Ltd
P O Box 43
Waverley 4544

Stone House Harvest Activities, February 2022:

- Total gross revenue for February is **\$654,118.41**
- Total costs for February are **\$315,242.41**
- Net income for February is **\$338,876.00**
- Tonnes harvested for February is **4,497.22**
- Total area cleared for February is **8.6** hectares
- Recovered volume per hectare for February is **522.9** tonnes

- Total gross revenue to date is **\$2,897,954.37**
- Total costs to date are **\$2,238,937.73**
- Net income to date is **\$659,016.65**
- Tonnes harvested to date is **20,526.78**
- Total area cleared to date is **36.1** hectares
- Recovered volume per hectare to date is **568.6** tonnes

(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.)

February has been an unexpected very wet month with the weather causing operational problems.

Expenditure for the month relates to the harvesting and cartage of logs from roadline Setting 517, Alley Road from Landing 76 towards Landing 75, Setting 520, Matuku Road from Landing 72 to Magog Road and from Landing 75 to the boundary of Granity Forest and Setting 510, Kotare Road from Landing 77 to 78.

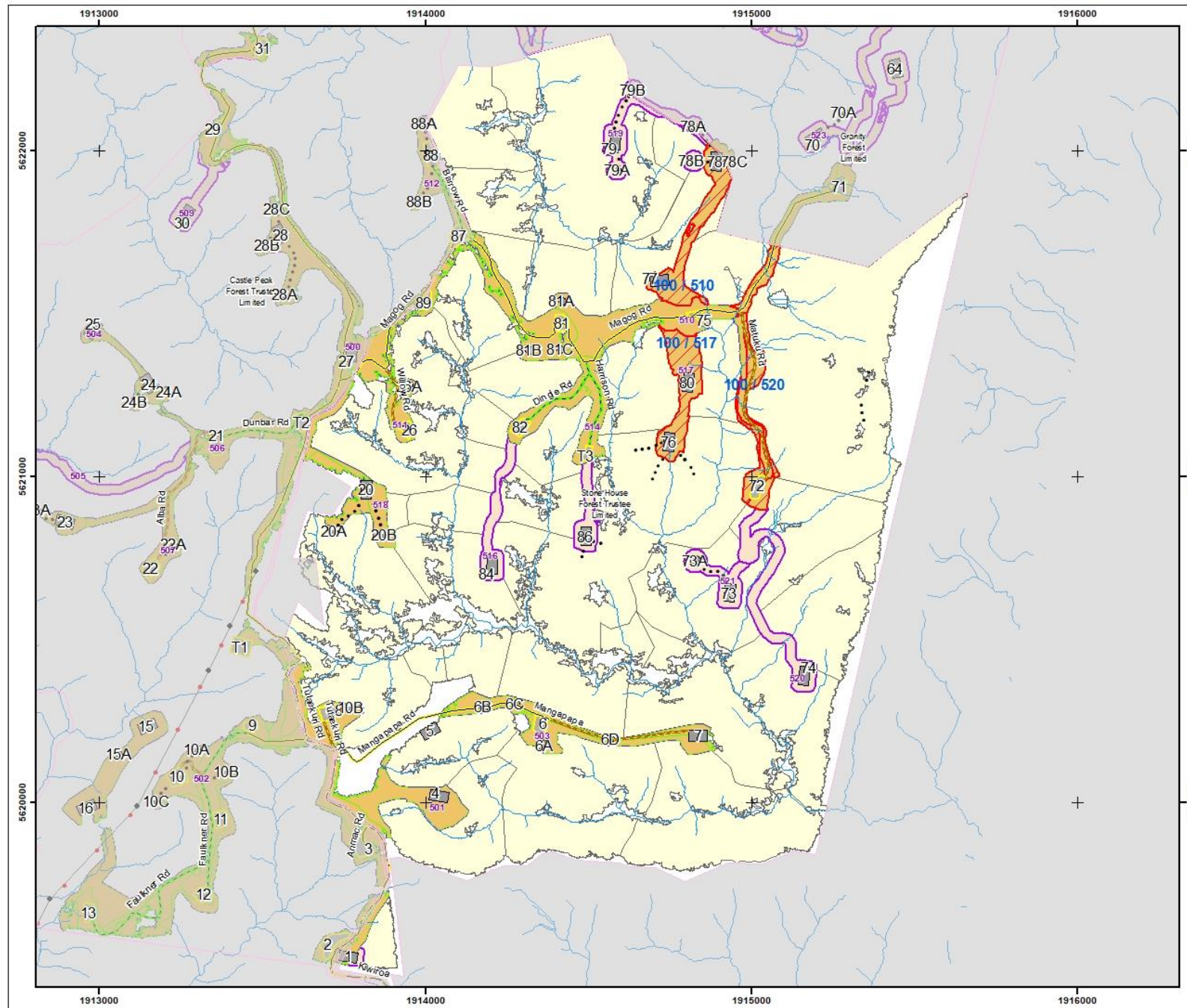
Cartage costs have increased in February due to increased diesel costs.

Other costs include transportation of engineering machinery, tracking, landing and loadout bay construction, metal cart and spread, road pavement and landing repairs and maintenance, culverts purchase and installation, road formation, purchase of road name blade and radio call-up signs and consultancy fees for preparation of construction plans relating to the entranceway design.

Also included are the proportional costs for operating the forest digital radio network and for repairing the lifestyle block water pipes after discovering the stock tanks were emptying over a very short time. This was due to an old trough line being cut by road construction machinery.

Kind Regards

FMNZ Harvest Team



Stone House Forest Harvest Measure Up Map

Forest	Total Ha
Stone House	8.6
100	
510	3.7
517	2.9
520	2.1
Grand Total	8.6

Forest	Total Ha Harvested
Stone House	36.1
Grand Total	36.1

Legend

- Buffer5
- Overhead_Line
- River or Stream
- Forest Roads
 - Formation
 - Formed and Metalled
 - Harvest Ready
- Measured Cutover Area
- Completed Skid
- Planned Skid
- Property Title
- Roadline
- Cutover
- Settings



North Arrow in terms of NZTM



1:10,754

Map Printed: 1/04/2022





Photo 1: Loading out on Landing 75.



Photo 2: Landing 75, loadout machine.



Photo 3: Roadline Setting 510, wood being shovelled to landing.



Photo 4: Loadout on Landing 75.



Photo 5: Roadline Setting 510 processing.



Photo 6: Roadline Setting 510 processing.



Photo 7: Processor and log stacks.

STONE HOUSE

	Descriptions	Mar 21	Apr 21	May 21	June 21	July 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Net Income
Engineering	Culvert Installation		-\$19.50	-\$58.50	-\$39.00		-\$1,046.30	-\$3,045.00	-\$2,962.50		-\$2,107.50			-\$9,278.30
	Culverts	-\$514.99		-\$129.00			-\$612.00	-\$12,314.52	-\$6,157.24				-\$3,078.63	-\$22,806.38
	Culverts - Freight	-\$68.25	-\$199.50	-\$39.00	-\$168.00	-\$360.00	-\$87.75	-\$300.00	-\$300.00	-\$420.00			-\$270.00	-\$2,212.50
	Entranceway - Seal		-\$475.50						-\$1,085.28		-\$435.00			-\$1,995.78
	Establishment - Engineering	-\$573.00	-\$282.00	-\$81.00	-\$2,978.00	-\$2,160.00	-\$876.00	-\$1,462.50	-\$960.00	-\$862.50	-\$2,634.25	-\$486.00	-\$762.50	-\$14,117.75
	Grass Seeding		-\$187.50	-\$235.50	-\$190.00			-\$2,433.25	-\$427.50					-\$3,473.75
	Metal Rock	-\$161.60			-\$52,313.87	-\$6,784.04	-\$16,947.30	-\$7,487.07	-\$3,366.08					-\$87,059.95
	Other	-\$341.25		-\$39.00	-\$207.00		-\$926.50	-\$19.50		-\$2,002.50	-\$105.00		-\$208.25	-\$3,849.00
	Pavement		-\$671.25	-\$3,122.25	-\$9,167.50	-\$1,374.00	-\$2,458.50	-\$2,990.00	-\$3,737.50	-\$2,162.50	-\$3,250.00	-\$552.50		-\$29,486.00
	R&M - Culverts Maintenance		-\$52.65											-\$52.65
	R&M - Road Maintenance	-\$120.00	-\$75.00	-\$729.53	-\$3,178.50	-\$104.00	-\$1,953.21	-\$162.00	-\$7,941.13	-\$654.00		-\$2,038.00	-\$2,442.50	-\$19,397.87
	Road Formation	-\$1,203.59	-\$8,269.89	-\$13,791.00	-\$34,561.00	-\$840.50	-\$55,002.40	-\$100,502.50	-\$51,740.00	-\$10,440.00	-\$56,110.00	-\$1,692.00	-\$3,600.00	-\$337,752.88
	Trucks - Cart & Spread		-\$18,094.35	-\$18,698.77	-\$4,473.40		-\$786.12							-\$42,052.64
	Landings			-\$12,402.25	-\$6,581.50	-\$4,042.50	-\$9,722.50	-\$34,072.50	-\$22,782.86	-\$17,017.00	-\$4,425.00		-\$14,240.00	-\$125,286.11
	Loadout Bay Construction			-\$496.06	-\$360.00				-\$975.00			-\$420.00	-\$240.00	-\$2,491.06
	Metal Lime			-\$1,010.14										-\$1,010.14
	Polycom			-\$1,732.50										-\$1,732.50
	Rehab			-\$218.75		-\$1,170.00			-\$2,145.00		-\$1,950.00	-\$2,300.00	-\$245.00	-\$8,028.75
	Sediment Control			-\$20.22										-\$20.22
	Spread from stockpile			-\$1,071.00	-\$10,089.00	-\$10,170.00	-\$3,711.00	-\$4,445.00	-\$6,480.00		-\$12,795.00	-\$2,220.00		-\$50,981.00
	Stockpile Works			-\$169.50	-\$6,654.00	-\$7,043.50	-\$4,109.45	-\$4,054.12	-\$3,990.00	-\$1,400.00	-\$7,740.00	-\$1,184.00		-\$36,344.57
	Trucks - Cart & Dump			-\$5,890.17	-\$19,887.18	-\$12,582.90	-\$14,646.25	-\$57,800.52	-\$9,040.20			-\$1,247.36	-\$11,975.14	-\$133,069.72
	R&M - Metal				-\$8,896.72		-\$519.42	-\$959.51						-\$10,375.65
	R&M				-\$126.00	-\$260.00		-\$427.91			-\$1,072.50	-\$1,620.00		-\$3,506.41
	Borrow Pit				-\$1,170.00									-\$1,170.00
	Fluming				-\$3,362.07			-\$7,007.47	-\$3,650.00					-\$14,019.54
	Metal - Winning				-\$8,360.00									-\$8,360.00
Engineering Total		-\$2,982.68	-\$28,327.14	-\$59,934.14	-\$172,762.74	-\$46,891.44	-\$113,404.70	-\$239,483.37	-\$127,740.29	-\$34,958.50	-\$92,624.25	-\$13,759.86	-\$37,062.02	-\$969,931.12
Miscellaneous	Environmental Monitoring	-\$144.75	-\$313.63				-\$350.00		-\$346.20	-\$279.83				-\$1,434.41
	Other		-\$81.08		-\$265.00	-\$114.00	-\$2,143.64	-\$265.59	-\$103.64	-\$87.69	-\$223.91	-\$76.00	-\$76.00	-\$3,436.55
	Power Lines		-\$3,705.85			-\$5,720.41								-\$9,426.26
	Traffic Management		-\$937.76	-\$182.27	-\$28.99	-\$113.62		-\$51.00	-\$60.00	-\$240.21		-\$187.66	-\$60.42	-\$1,861.93
	Consumables			-\$74.41	-\$40.46	-\$59.10	-\$80.58	-\$35.47	-\$100.04	-\$144.21	-\$42.04	-\$27.62	-\$68.89	-\$672.81
	Security				-\$8,992.70									-\$8,992.70
	Consultancy Fees						-\$614.39						-\$459.16	-\$1,073.55
Miscellaneous Total		-\$144.75	-\$5,038.32	-\$256.68	-\$9,327.15	-\$6,007.13	-\$3,188.61	-\$352.06	-\$609.88	-\$751.94	-\$265.95	-\$291.28	-\$664.47	-\$26,898.21
Fees	FGC levy			-\$601.19	-\$752.23	-\$323.82	-\$723.74	-\$741.19	-\$1,226.26	-\$162.24		-\$642.54	-\$1,489.79	-\$6,663.01
	Management			-\$11,983.28	-\$15,618.20	-\$6,191.92	-\$12,131.11	-\$12,922.96	-\$19,432.24	-\$1,689.20		-\$9,784.54	-\$26,164.74	-\$115,918.18
Fees Total				-\$12,584.47	-\$16,370.43	-\$6,515.74	-\$12,854.84	-\$13,664.16	-\$20,658.50	-\$1,851.45		-\$10,427.07	-\$27,654.52	-\$122,581.18
Harvesting	Cartage - Truck			-\$24,355.24	-\$32,008.00	-\$15,334.50	-\$34,165.30	-\$33,867.09	-\$55,828.51	-\$8,149.02		-\$30,956.38	-\$70,816.91	-\$305,480.93
	Establishment - harvesting			-\$2,957.50	-\$3,660.00			-\$825.00			-\$491.67			-\$7,934.17
	Logging			-\$73,359.78	-\$92,284.53	-\$38,667.97	-\$89,604.84	-\$89,262.60	-\$143,510.90	-\$15,837.32		-\$76,574.16	-\$174,965.98	-\$794,068.08
	Trailer Lifting			-\$12.00				-\$6.00						-\$18.00
	Weighbridge			-\$618.46	-\$772.78	-\$289.40	-\$731.46	-\$695.07	-\$1,196.08	-\$94.76		-\$734.51	-\$1,691.01	-\$6,823.54
	Tracking						-\$220.00	-\$1,950.00				-\$367.50	-\$2,387.50	-\$4,925.00
	Cartage - Trans Shipping								-\$277.50					-\$277.50
Harvesting Total				-\$101,302.98	-\$128,725.30	-\$54,291.87	-\$124,721.60	-\$126,605.77	-\$200,812.98	-\$24,081.09	-\$491.67	-\$108,632.55	-\$249,861.40	-\$1,119,527.21
Income	Log Sales			\$299,581.95	\$390,454.88	\$154,797.92	\$303,277.68	\$323,074.07	\$485,806.00	\$42,230.08		\$244,613.38	\$654,118.41	\$2,897,954.37
Income Total				\$299,581.95	\$390,454.88	\$154,797.92	\$303,277.68	\$323,074.07	\$485,806.00	\$42,230.08		\$244,613.38	\$654,118.41	\$2,897,954.37
Net Income		-\$3,127.43	-\$33,365.46	\$125,503.69	\$63,269.25	\$41,091.74	\$49,107.92	-\$57,031.28	\$135,984.35	-\$19,412.89	-\$93,381.87	\$111,502.61	\$338,876.00	\$659,016.65

April 2022 Update

LOG MARKET UPDATE

Global markets during March have been driven by the war in Ukraine with all major commodities trading higher. Demand in China has been strong, however the recent lockdowns in Shenzhen and Shanghai have seen daily Chinese port offtakes drop down to around 43,000 tonnes per day – around half the normal amount.

China is still pursuing a zero-Covid strategy, and these lockdowns mean most factories, business activities and cargo movements have been affected. Log inventories on the Chinese ports are currently at normal levels, and any reduction in processing capacity is thought to be offset by reduced supply on the back of the Ukraine conflict.

Shipping has been affected by the increase in crude oil, which has undone all recent shipping rate decreases. As European countries ban exports of commodities, we are hearing that more of the bulk shipping fleet is moving into the Pacific, this could flow through to freight rate reductions in the medium term. In New Zealand, Covid has affected port loading capacity as most major ports struggle to keep a complete labour force. Log supply on the East Coast has been hampered by the recent weather events, this has helped to stop port inventories building with the other processing constraints.

Domestically, demand remains strong. The housing market has reached a turning point, however there is a huge backlog for timber to complete the existing consented builds. Consents were the highest on record for the first part of this year.

Log prices are expected to lift slightly in April/May, however external pressures around freight, the Ukraine crisis and covid shutdowns may affect this.

FOREST ACTIVITY UPDATE

Roadline harvest is ongoing. The plan is still that a clearfell harvest crew could start in July / August. This will be dependent on crew availability and the log market at the time. The crew will be shared between Castle Peak, Granity and Stone House.

DAMAGE UPDATE FROM MARCH 2022 RAIN EVENT

The forest managers have been on the ground in the forest, and commented, that despite the significant amount of rain that came down during the rain event last month, the forest has escaped relatively unscathed.