

TEMPLEGATE - MOSSGROVE

BUDGET, 12 MONTHS

1 JULY 2010 TO 30 JUNE 2011

<u>3 Months Ending</u>	<u>Sept</u> <u>2010</u>	<u>Dec</u> <u>2010</u>	<u>March</u> <u>2011</u>	<u>June</u> <u>2011</u>	<u>Total</u>
Cash Inwards					
Trust Monies	226,993	-	-	-	226,993
Harvest Proceeds	200,000	200,000	200,000	200,000	800,000
Cash In	426,993	200,000	200,000	200,000	1,026,993
Cash Outwards					
Operating Expenses	50,000	50,000	30,000	30,000	160,000
R.E. & Other Costs	75,000	10,000	5,000		90,000
Harvest Fee	-	-	-	40,000	40,000
Cash Out	125,000	60,000	35,000	70,000	290,000
Net Cash	301,993	140,000	165,000	130,000	736,993
Cash Balance	301,993	451,993	621,993	736,993	

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1. PLANTATION SPECIFICATIONS

Gross Area	799 ha
Planted Area	683 ha
Fire destroyed	194 ha
Remaining Plantation today	489 ha
Years Planted	1982 and 1983
Number of Lots	797

Thinning 2006/2008

Area	144 ha
Tonnes	16,146

Clearfell

Proposed Date	2010
Area (Low Form)	263 ha
Est. tonnes	79,000
Proposed Date	2012/2013
Area (Medium and High Form)	226 ha
Est. tonnes	75,400

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2. SUMMARY OF PROJECTED REVENUE AND EXPENSES

YEAR	10/11	11/12	12/13	TOTAL
<u>Revenue</u>				
Thinning Clearfell	1,139,000		2,076,000	3,215,000
Proj. Revenue	1,139,000		2,076,000	3,215,000
<u>Expenses</u>				
Operating	180,000	25,000	105,000	310,000
R.E.	75,000	75,000	75,000	225,000
Audit, P.I. & Other	15,000	15,000	15,000	45,000
Harvest Royalty	57,000		100,000	157,000
Proj. Expenses	327,000	115,000	295,000	737,000
Net Profit/(Loss)	812,000	(115,000)	1,781,000	2,478,000

Purchase Offers for Mossgrove Timber, May 2009

	<u>Sale Price</u>	<u>R.E. Fees</u>	<u>Net</u>
Mt David Group	\$ 3,545,000	\$ 100,000	\$ 3,445,000
Humes	\$ 2,200,000	\$ 100,000	\$ 2,100,000

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3. CLEARFELL - PROJECTED REVENUE AND OPERATING EXPENSES 2010/2011

Hectares 263 low form
 Tonnes/ha 300 (284 per GHD)
 Total Tonnes 79,000 tonnes

REVENUE

<u>Quality</u>	<u>Sawlog</u>	<u>Export</u>	<u>Pulp</u>	<u>TOTAL</u>
Tonnes	15,800	7,900	55,300	79,000
%	20%	10%	70%	100%
Av. Royalty	\$ 30.00 (1)	\$ 25.00	\$ 8.47	\$ 14.42
<u>Gross Revenue</u>	<u>\$ 474,000</u>	<u>\$ 197,000</u>	<u>\$ 468,000</u>	<u>\$ 1,139,000</u>

OPERATING EXPENSES

Roads, construction and upgrade (7kms, 3 metre track width @ \$8,000 km)	\$ 56,000
Supervision	\$ 50,000
Insurance, fire and public liability	\$ 30,000
Dust Suppression (water truck)	\$ 20,000
1 large capacity culvert	\$ 4,000
Chipper Sites 20 @ \$1,000 each	\$ 20,000
	<u>\$ 180,000</u>

(1) See Royalty Calculation Schedule attached.

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4. OPERATING EXPENSES - 4 YEARS TO 2015

YEAR	11/12	12/13	TOTAL
Weeds, F/Breaks	3,000	3,000	6,000
Maintenance	2,000	2,000	4,000
Insurance	20,000	20,000	40,000
Dust Suppression		15,000	15,000
Roads		15,000	15,000
Supervision		50,000	50,000
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	25,000	105,000	130,000
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5. CLEARFELL IN 2012/2013

Total Hectares 226

Unthinned

Area 81 ha
 Volume 400 t/ha
 Total 32,400 tonnes

Thinned

Area 145 ha (Med/Hi Form)
 Volume 300/340 t/ha
 Total 43,000/49,000 tonnes

Revenue

<u>Quality</u>	<u>Sawlog/Export</u>	<u>Pulp</u>	<u>TOTAL</u>
Unthinned, tonnes	21,000	11,400	32,400
%	65%	35%	100%
Av. Royalty/tonne	\$ 32.00 (3)	\$ 8.47	\$ 23.70
Gross Revenue	<u>\$ 672,000</u>	<u>\$ 96,000</u>	<u>\$ 768,000</u>

<u>Quality</u>	<u>Sawlog/Export</u>	<u>Pulp</u>	<u>TOTAL</u>
Thinned, tonnes	34,400	8,600	43,000
%	80%	20%	100%
Av. Royalty/tonne	\$ 35.90 (2)	\$ 8.47	\$ 30.42
Gross Revenue	<u>\$ 1,235,000</u>	<u>\$ 73,000</u>	<u>\$ 1,308,000</u>

TOTAL REVENUE **\$ 2,076,000**

(2) and (3) See Royalty Calculation Schedule attached.