



# MIS Investor Update

December 2021



**QUINTIS**  
SANDALWOOD

# 2021 Harvest

## UPDATE

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Last month Quintis Forestry completed its 8<sup>th</sup> annual harvest on behalf of MIS investors in the TFS 2005 & TFS 2006 Projects and an Institutional investor. This was our largest harvest to date with approximately 50,000 sandalwood trees harvested across 258 hectares.

Our harvesting process is continuously growing and improving to accommodate the increasing annual harvests. Next year our harvest is expected to comprise over 350 hectares and over double the volume of heartwood.

Our harvest process consists of 4 main operations:

- **Felling of the tree** – this operation is done by a Feller Buncher which is a specialised mechanical head that holds and cuts the sandalwood at ground level before placing it on the ground. See image on the right.
- **Crowning the trunk** – the chainsaw operators remove all the non-heartwood limbs and branches to expose a clean trunk. The trunks are then transported to the extraction point within the plantation.
- **Bole and Branch extraction** – at the extraction point the chainsaw operators trim back each log until the heartwood is exposed to form an optimal log for sale.
- **Coring and tumbling** – the specialised corer extracts the rootball (butt) from the ground. Approximately 30% of the heartwood is contained in the rootball. The rootballs are tumbled onsite to remove any excess dirt and rocks.

> Watch our [2021 harvesting video](#) highlighting the key processes of the harvest.



# 2021 Harvest

## UPDATE

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Chain of custody is at the core of our harvesting process. Each load delivered from the plantation is weighed and recorded against a unique Job Number which can be traced back to the plantation area it was harvested from. The heartwood analysis performed not only estimates the heartwood available at sale but also provides crucial insight into the growing conditions of each plantation area.

As our harvest sizes increase, so do our storage requirements. This year we added another 2,500m<sup>2</sup> of storage to our operations in Kununurra, Western Australia. The harvest produce is securely stored across our four sites where the logs are stacked, and the butts are caged in preparation for sale.

A third-party sales agent, Smith Agri International, has been appointed by both the Responsible Entities of TFS 2005 and TFS 2006 projects to sell the harvest produce on behalf of the MIS investors. The sales campaign for the TFS 2005 project has commenced and the tender is expected to close in January. The sale of the TFS 2006 wood will commence in March with multiple tenders expected throughout the year as the harvest continues throughout 2022.

> View our [2021 harvest webpage](#) for photos and videos of our storage facilities.



# Plantation Management

## THREE KEY STAGES OF GROWTH

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Indian sandalwood is a complex species which needs multiple host trees to help it to grow. As the plantations age, there are many various environmental and physiological changes that occur to the trees and plantation system. Each stage requires different management regimes to ensure optimal growth and health:

### Stage 1 - Establishment: Age 0 to 5 years

This is the stage for fast stem growth and short-term host connection. This phase has the highest need for weed and vine control and control of defoliating insects. Initial form pruning is required to encourage the single stem bole height of the sandalwood tree and hedging of the fast-growing host trees for crown management.

### Stage 2 - Mid Rotation: Age 6 to 10 years

This is the transition phase when the sandalwood switches from the short-term host to the long-term hosts. Generally, in this phase we see a decline in tree health. The stem growth is slower, but development of heartwood commences.

This phase has the highest demand for nutritional additions. Disease and termite monitoring continues as well as weed control. There is an increased fire risk which is mitigated through detailed fire management planning.

### Stage 3 - Mature Rotation: Age 11 to harvest

This phase sees improvement in tree health and consistent growth. By this stage the trees have developed its canopy cover which provides shelter from the harsh sun and limits the weed growth. This phase has the highest demand for vine control and disease and termites monitoring.



# Rats!

## INFESTATION IN THE DOUGLAS DALY (NT)

The Douglas Daly in the Northern Territory is home to approximately 2,600 hectares of Indian sandalwood plantations, including two MIS projects (TFS 2015 and TFS 2016).

The region is currently experiencing a rat infestation which mirrors the mouse plagues that have recently occurred in NSW, southern Queensland and southern WA. These rats are a risk to the health of the plantation because of the damage they cause to the drip tape that provides irrigation to the trees (see photo on the right).

In June 2021, the population of rats exploded to plague proportions. Limiting the number of rats with the use of poison was initially problematic as no available Rodenticides were approved for forestry use. Emergency use permits were applied for and received from the Australian Pesticides and Veterinary Medicines Authority and as a result Rodenticide application occurred in October 2021.

Prior to the application of the approved Rodenticide, significant effort was made to replace drip tape. Due to the extent of the rat plague and shortage of labour, this has not provided uninterrupted irrigation, however we believe irrigation levels have been effective.

Not everyone is unhappy about the rats. The below 4m long Olive Python was spotted in one of our Douglas Daly sheds earlier this month!



# Reminders

## GO ELECTRONIC

To ensure you are kept fully informed and receive our updates in a timely manner, we encourage you to update us if your contact details change. If you are still receiving correspondence by mail, you can update your mailing preference to electronic by emailing [info@quintis.com.au](mailto:info@quintis.com.au).

## FY21 PROJECT ACCOUNTS

The FY21 Project accounts are available to view and download from our website. The accounts include a status report on the health of the plantations by an independent expert forester. To access the accounts, please select your project in the **MIS Retail Investor** section of our website.

## PROJECT PERFORMANCE ASSUMPTIONS

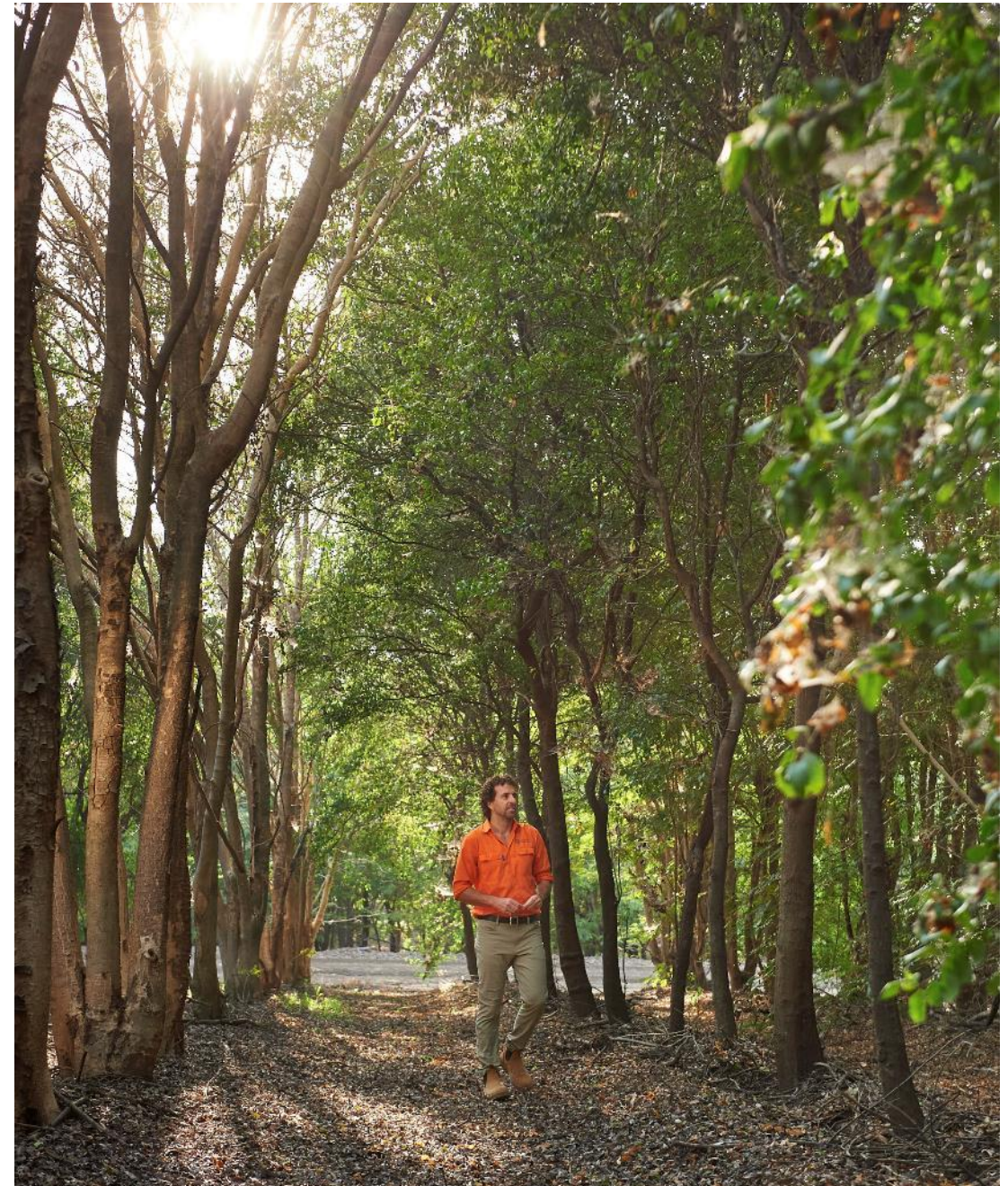
Quintis provides an estimate of the key assumptions and a potential range of the future values of your investment. In order to obtain this information please refer to the **Performance Assumptions** page on our website.

## ANNUAL FEES

The 2022 Annual Fees offers were issued this month to investors in the TFS 2009 to TFS 2016 projects. If you would like a copy of your offer please contact the Quintis team on +61 8 6458 4700 or email [fees@quintis.com.au](mailto:fees@quintis.com.au).

## PLANTATION INSURANCE

Plantation insurance offers have been issued for the period 1 October 2021 to 30 September 2022. If you missed the deadline there is still the opportunity to insure. To find out more, please call us on +61 8 6458 4700 or email [insurance@quintis.com.au](mailto:insurance@quintis.com.au).



# Quintis Online

WWW.QUINTIS.COM.AU

## MEET OUR MASTERS

Our Masters are leading experts in their areas. Find out how we are leading the world in the ethical and sustainable supply of sandalwood through our research and commitment to understanding this unique ingredient.

> Learn more: [Meet our Masters](#)

## NEW CORPORATE VIDEO

We are excited to release our new corporate video which captures the passion and enthusiasm across our business. Filmed in Kununurra and Albany in Western Australia, the video showcases our plantations and expertise.

> Watch our [Corporate Video](#)

## THE SANDALWOOD SHOP A SPECIAL CHRISTMAS OFFER FOR GROWERS

Please enter the discount code **GROW22** online to receive a 20% grower discount off 'The Sandalwood Shop' (some exclusions apply) until the end of January 2022.

> Shop online: [www.thesandalwoodshop.com.au](http://www.thesandalwoodshop.com.au)



7 September 2021

### SANDALWOOD: AN ESSENTIAL INGREDIENT FOR PERFUMERS

Sandalwood oil is one of the oldest known perfume ingredients with a history spanning 4000 years of continuous use. Despite this extensive history, it has only been used in European and American perfumery for the past two hundred years. But have you ever wondered what the perfumers of today think about this incredible ingredient?

[READ MORE](#) →

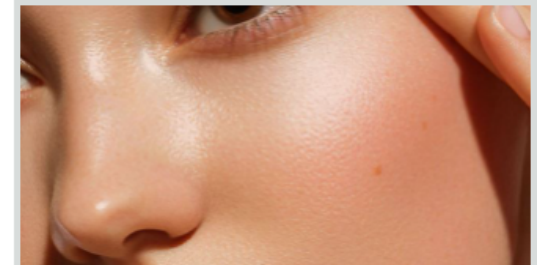


27 August 2021

### TIPS ON LAYERING FRAGRANCES

We all have our rituals when it comes to wearing fragrance; rituals we have developed from observing the people around us, beauty hacks offered by sales consultants at department stores, or the sage advice imparted by our parents during adolescence. But as fragrance trends change, as do our tastes, and sometimes merging scents can transform an experience into an individual aroma. The question is, how?

[READ MORE](#) →



29 June 2021

### MORE ANTIOXIDANT PROTECTION THAN POWERHOUSE VITAMIN E

New cellular research recently published in the Cosmetics Journal has found that Indian sandalwood oil is a more potent antioxidant than the known lipophilic antioxidant vitamin E (alpha tocopherol).

[READ MORE](#) →

From all of us at Quintis,  
we wish you a very happy  
Holiday Season and a  
safe and healthy 2022

If you have any questions about this update or  
wish to discuss your investment,  
please contact our Grower Team on  
+61 8 6458 4700 or email [info@quintis.com.au](mailto:info@quintis.com.au).

Please note that our office will be closed from  
Thursday 23<sup>rd</sup> December and will reopen on  
Tuesday 4<sup>th</sup> January 2022.

