

QUINTIS®
SANDALWOOD ALBUM



MIS INVESTOR UPDATE

June 2020





COVID-19 UPDATE

In May, we provided an update on how COVID-19 has impacted Quintis. We are happy to report, no Quintis employee has tested positive for the virus.

Generally, there has been minimal disruption to our forestry operations. While there were some delays in getting external labour into our plantations, most of our plantation activities rely on Quintis employees and contractors already on or close to site. In particular, in the NT, we pioneered work methods that involved our crews isolated in small groups and sectioned off work sites and accommodation.

Due to the implementation of these processes we have largely been able to maintain operations as normal.

Our offices in West Perth and Darwin have reopened with staff able to work back in the office under the new guidelines.

We will continue to adapt to our new, and changing, working environments where necessary.

Photo – May 2020:
Quintis technical team measuring trees in Dalbeg QLD, maintaining appropriate social distancing requirements.



PLANTATION MAINTENANCE UPDATE

The wet season officially ended in March and although we experienced a short and below average wet season (see page 4 - rainfall), the plantations have generally responded well due to the clear sunny conditions.

With the dry season now upon us, the post wet season operations have begun across all Quintis-managed plantations including irrigation, weed control and pest and disease monitoring. These dry conditions are favourable for our forestry team and this is the time that the majority of the work for the year is completed in field (before the humidity, high temperatures and rains come again).

As weeds thrive in wet and humid conditions, the weed load is at its highest by the end of the wet season. Therefore weed control is crucial at this time of year (to reduce competition for water and nutrients and to reduce the fire risk) and the first round of weed control has commenced ahead of schedule across all plantations.

Pest and disease monitoring is ongoing throughout the year with pesticides and herbicides being applied when thresholds are reached. The forest protection team provide their recommendations to the operations team who implement control measures where necessary.

There is little to no rain expected for at least the next 4-5 months. The requirement to irrigate increases and so does our need to maintain our irrigation systems. Drip irrigating is labour intensive, the drip irrigation tubes must be regularly checked for leaks and damage from pests (such as rodents or wallabies searching for water) and repaired to maintain the correct operation of the system. This reduces water loss and weed growth associated with leaks. The bores, pumps and associated equipment and infrastructure also require a high amount of maintenance and supervision. For the flood irrigated sites, in parts of WA and QLD, channel and drainage maintenance as well as in field operations are critical to ensure water flows through the fields efficiently.

The dry season brings with it a higher fire risk. Preventative fire maintenance is underway and in step with our fire management plans. Firebreaks and our network of access tracks require significant maintenance at this time of year. We are in the process of clearing and performing controlled burning of firebreaks where appropriate.

Some plantations require pruning (younger trees) and some areas also require host canopy control with a hedging machine. These operations are also performed while the weather is favourable and the trees are not under stress from hot conditions.



Herbicide application, QLD Plantations – May 2020

PLANTATION PERFORMANCE ASSUMPTIONS

Quintis is able to provide you with an estimate of the key assumptions and a potential range of the future values of your investment. In order to obtain this information please download and submit the disclaimer.

[Click here to download disclaimer](#)



MIS PLANTATION PHOTOS – A SAMPLE FROM EACH PROJECT



Photo Date: 20 May 2020
TFS 2006 (planted in 2007)
Block: Farm Hill 2, Kununurra WA



Photo Date: 20 May 2020
TFS 2007 (planted in 2008)
Block: Ivanhoe 5, Kununurra WA



Photo Date: 26 May 2020
TFS 2008 (planted in 2009)
Block: Waringarri 3, Kununurra WA



Photo Date: 27 May 2020
TFS 2009 (planted in 2010)
Block: Smith 568C, Kununurra WA



Photo Date: 26 May 2020
TFS 2010 (planted in 2011)
Block: Pioneer 38C, Kununurra WA



Photo Date: 26 May 2020
TFS 2011 (planted in 2012)
Block: Kimpton 52C,
Kununurra WA



Photo Date: 15 May 2020
TFS 2012 (planted in 2013)
Block: Mugica 2,
Dalbeg QLD



Photo Date: 26 May 2020
TFS 2013 (planted in 2014)
Block: Pioneer 37A,
Kununurra WA



Photo Date: 15 May 2020
TFS 2014 (planted in 2015)
Block: Woods 13,
Dalbeg QLD



Photo Date: 18 June 2020
TFS 2015 (planted in 2016)
Block: Maneroo 3 - 40,
Douglas Daly NT



Photo Date: 18 June 2020
TFS 2016 (planted in 2017)
Block: Maneroo 4 - 45,
Douglas Daly NT



RAINFALL: 2019 / 2020 WET SEASON

The annual rainfall across our plantation is typically monsoonal, with the majority of the annual rainfall falling in the 5 summer months (November through to March).

WA: Kununurra

Projects: TFS 2006 to TFS 2013 and part of TFS 2012

Autumn rainfall was below average for most of the far north of WA, while much of the southern Kimberley had a wet autumn. For the state as a whole, the mean temperature for autumn 2020 was the ninth-highest on record, as both the mean maximum and minimum temperature were among the top ten highest on record.

NT: Katherine

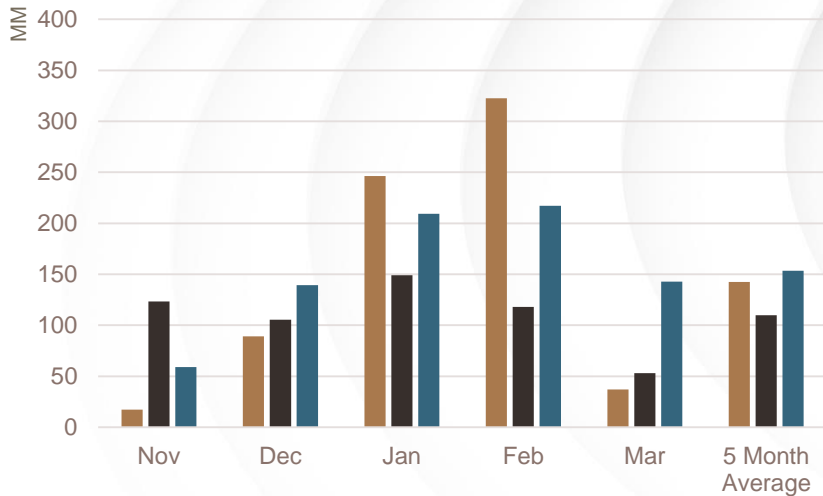
Projects: TFS 2015 & TFS 2016

Nearly the entire Northern Territory experienced below average rainfall totals during the 2019-20 wet season. Temperatures ranked as the second-highest on record as nearly all locations had temperatures in the highest 10% of their long-term record. The NT was also affected by two tropical cyclones during the wet season of 2019-20. No significant wind impacts were observed on the plantations.

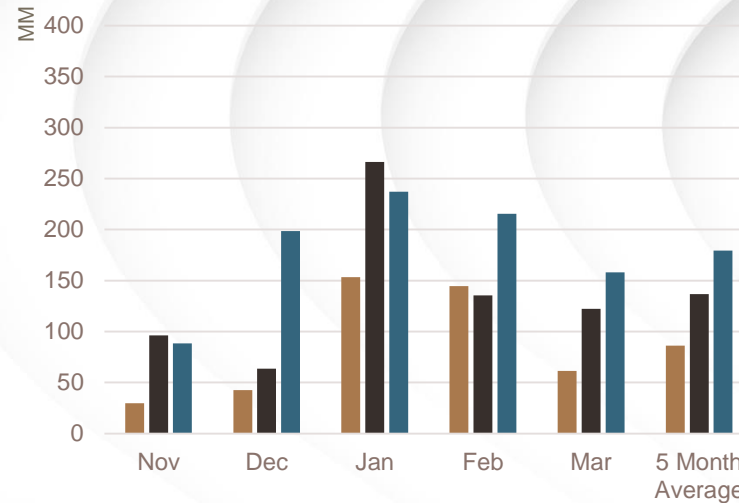
QLD: Dalbeg

Projects: Part of TFS 2012 and TFS 2014

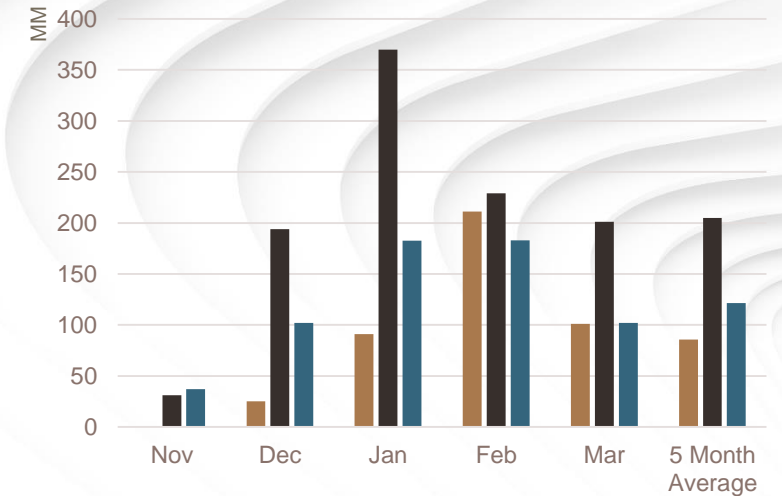
Below average rainfall was recorded from central to southeast Queensland, and around the Gulf Country. Daytime temperatures were warmer than average across parts of the tropics and southeast, and below average through the southern inland. Tropical cyclone Greta formed well off the east coast QLD in the Coral Sea in March but had no impact on the Australian mainland.



■ 2019/2020 - Wet Season ■ Last Year ■ Long term Average



■ 2019/2020 - Wet Season ■ Last Year ■ Long term Average



■ 2019/2020 - Wet Season ■ Last Year ■ Long term Average





Bespoke harvesting equipment

Corer – removes the Sandalwood root ball from below the ground after we have cut the trees down at the base.
The central root system can contain up to 30% of the total oil in the tree.

Our harvesting team are preparing for this year's harvest of Sandalwood trees which is set to commence in July. These trees were planted in Kununurra, Western Australia in 2005 (aged 15 years) and will be the company's 7th annual harvest.

There will be approximately 30,000 trees harvested in total, the majority of which are owned by growers in the 2004 Projects. The harvest area is larger than previous years but still relatively modest compared to further harvests to come.

The heartwood is located within the primary stem, larger branches and central root system of the Sandalwood tree. Due to a significant portion of the heartwood being found below ground level in trees aged 14 to 16, the central root system is removed in the harvest process. The harvest is conducted using customised harvest machines designed to fell the trees and remove the central root system with minimal losses of heartwood.

With Quintis' experience, specialist harvesting team and bespoke equipment, we have the ability to remove 100 trees per hour which equates to 20-30 tonnes of tree biomass in just one day.

We look forward to updating you on the progress in our next update.

2020 PLANTATION HARVEST

HARVEST VIDEO

[Click here to view](#)



CONSUMER PRODUCTS CONTAINING INDIAN SANDALWOOD OIL

Quintis owns and operates an oil distillery in Albany, WA. This is one of the largest facilities of its kind, with the capacity to process 2,000 tonnes of wood by steam distillation each year. Quintis produces a range of consumer products that contain this oil. We have recently released a new range of aromatherapy oils, blending our oil with a range of natural ingredients, that ease urban stress, improve wellness and restore nature's balance.

At the start of the pandemic our distillery in Albany quickly swung into action to step up production of consumer products that were experiencing elevated demand. Escalating the production of our hand sanitiser products proved challenging because of a shortage of ethanol across the country. In order to overcome this challenge, Quintis formed a partnership with Great Southern Distilling (a local craft gin and whisky distillery) who provided us with ethanol, allowing the manufacture of hand sanitiser to meet our customers' demands, as well as theirs. This is a fantastic example of two local businesses coming together to deliver a great outcome for the community.

We have been producing around 1,500 units of hand sanitiser per week and selling these through the Mount Romance website, stores, local businesses and not for profit organisations, who were struggling to fill their own needs. Examples of those we were able to assist include St John's Ambulance, Main Roads and the Autism Association of WA.

SPECIAL PRODUCT OFFER FOR GROWERS

Please enter discount code **GROW20** online to receive a 20% grower discount off the Mt Romance Range (exclusions apply) until the end of July.

Shop online: www.mtromance.com.au

AROMATHERAPY ESSENTIAL OIL BLENDS

Featuring a range of well known essential oils blended with the soft, sweet woody aroma of Sandalwood Album oil.

With guaranteed high quality supply, Quintis Sandalwood can be an antidote to modern living - a natural and multifunctional ingredient to fight back against urban stress, improve wellness and restore nature's balance.



CORPORATE UPDATE

NEW CEO OF QUINTIS

In February, Richard Henfrey was appointed to succeed Julius Matthys as Chief Executive Officer of the Company. Julius has remained with the Company as a Non-Executive Director.

Richard has extensive executive experience, most recently comprising of 10 years at ASX-200 health supplements business Blackmores, which culminated in him being elevated to the position of Chief Executive Officer. As Blackmores' Chief Operating Officer, he was responsible for overseeing a significant overhaul of its supply chain and distribution network in order to facilitate an increased push into the Asian market, particularly in China. His successful implementation of this strategy contributed to Blackmores' net profit after tax for the 2016 financial year increasing by 115 per cent.

This experience and track record is attractive to Quintis, as it builds on the positive market development that has already been achieved in preparation for far larger harvests in the next few years.

[RICHARD HENFREY BIO](#)

[Click here to view](#)



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FOOTAGE**

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