

22 July 2021

INDEPENDENT VALUATION UPDATE

Duxton Broadacre Farms Ltd ("Duxton Broadacre Farms" or "DBF" or "the Company") has engaged LAWD Pty Ltd ("LAWD") to provide an updated Independent Valuation Report for the land, water, and structures owned by the Company as of 30 June 2021.

The Board is pleased to announce that the Company's total land, water and structural assets have been assessed at \$107,950,000, representing an increase of 11.4% from this time last year (June 2020: \$96,850,000).

The Company is particularly pleased to highlight that the properties which were managed across both years (that is, the portfolio less divestments and acquisitions) grew at 16.1% year-on-year, which the Board views as a validation of the Company's asset management strategy and a demonstration of the skill and professionalism with which it has been implemented by DBF's on-farm operations staff.

Property	June 2020	June 2021	Value Change
Walla Wallah	\$12,400,000	\$13,825,000	11.5%
Cowaribin	\$3,200,000	\$4,030,000	25.9%
Merriment	\$3,700,000	\$4,490,000	21.4%
Yarranlea	\$9,600,000	\$10,225,000	6.5%
Timberscombe	\$31,200,000	\$36,980,000	18.5%
Kentucky	\$20,750,000	\$24,330,000	17.3%
West Plains ¹	N/A	\$14,070,000	N/A
Boorala ²	\$16,000,000	N/A	N/A
Total	\$96,850,000	\$107,950,000	11.4%

Since its debut on the ASX in February 2018, DBF has endured three challenging drought years, with the Australian Bureau of Meteorology having labelled the period from January 2017 to December 2019 the driest 36-month period for the Murray-Darlin Basin since records began in 1900. Although prevailing conditions have prevented DBF from achieving operational profitability in previous years, 2021 marks the fourth consecutive year of growth in the value of the Company's property assets.

The Board would like to take this opportunity to reaffirm their strong belief in the Company's core thesis and would like to thank shareholders for their patience and support.

This announcement has been authorised for release by the Chairman of Duxton Broadacre Farms Ltd.

For all enquiries, please call Duxton Broadacre Farms on +61 8 8130 9500.

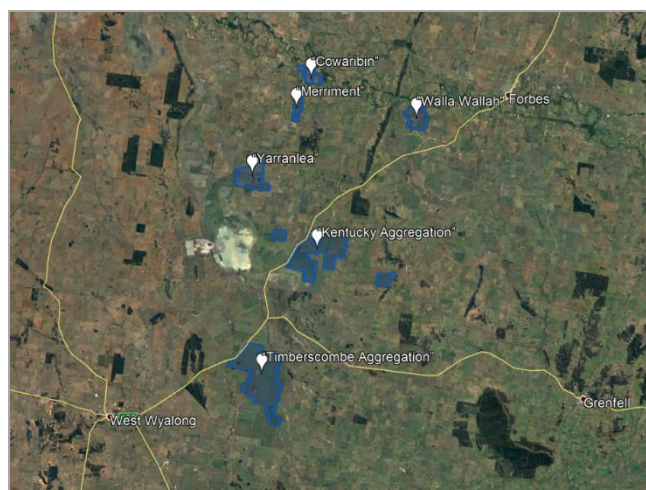
¹ Valuation for West Plains (including Lenborough) completed in May 2021.

² Boorala sold for \$22 million, 37.5% above the indicated valuation.

1 EXECUTIVE SUMMARY

1.1 Valuation Details

Instructing Party	Mr Will Brennan, Portfolio Manager, Duxton Capital Australia
Reliant Party	Westpac Banking Corporation Duxton Broadacre Farms Limited
Registered Proprietor	Multiple – refer to body of report
Report Purpose	Westpac Banking Corporation for the purpose of First Mortgage Security only Duxton Broadacre Farms Limited for the purpose of Financial Reporting only
Interest Valued	Freehold
Date of Valuation	30 June 2021
Date of Inspection	8 June 2021
Date of Instruction	27 April 2021



1.2 Aggregation Overview

Asset Description The Duxton Broadacre Farms Portfolio (operated as 6 holdings), is located in proximity to Forbes in the central-west region of New South Wales. The portfolio is owned and operated by Duxton Broadacre Farms, an Australian stock exchange listed entity and are utilised for irrigated and dryland cropping plus livestock grazing pursuits.

With respect to the individual operational holdings, we make the following comments:

"Walla Wallah"

- Primary access is sound via the bitumen sealed Lachlan Valley Way.
- Topography is relatively level throughout, with land types comprising rosewood, yellow box, myall and river red gum. Vegetation has been predominately cleared excluding scattered shade lines. Soil types comprise predominately grey self-mulching clay loams which transition to red loams towards the eastern boundary. Soils are typically heavier (with higher clay content) towards the Lachlan River.
- The 1,339 hectare holding has been developed to approximately 753 hectares of row crop irrigation, 186 hectares of border check irrigation, 410 hectares of arable land, with 50 hectares of remnant vegetation remaining.

- The irrigation development is underpinned by access to 4,830 megalitres of groundwater (Zone 3 Upper Lachlan) and 109 megalitres of Lachlan Regulated River - General Security entitlement.
- It is fenced to its boundaries and internally subdivided into 39 paddocks, which feature a significant laneway system servicing most paddocks.
- Structures include a manager's dwelling, cottage, sheep yards, cattle yards, 290 tonnes of grain silo storage, machinery shed and hay shed.

"Cwaribin"

- Primary access is sound via the bitumen sealed Lachlan Valley Way.
- Topography is relatively level throughout, with land types comprising pine, myall and box with small areas of river red gums. Soil types comprise lighter red loams throughout the central-eastern portion, transitioning to dark brown clay loams throughout the western portion, with small areas of chocolate loams interspersed throughout the holding.
- The 939 hectare holding has been developed to approximately 281 hectares of border check irrigation, 593 hectares of arable land, with 65 hectares of remnant vegetation remaining.
- Fenced to its boundaries and internally subdivided into 37 paddocks which feature a laneway system servicing the southern and eastern paddocks.
- Structures comprise a homestead, dwelling, cottage, Dorellan shearing shed & yards, Cwaribin shearing shed & yards, Cwaribin workshop, machinery sheds (2), hay sheds (3), 346 tonnes of grain silo storage and Dorellan cattle yards.

"Merriment"

- Primary access is sound via the formed and gravelled Willawang Road.
- Topography is relatively level throughout, with land types comprising yellow box. Vegetation has been predominately cleared excluding scattered shade lines. Soil types comprise red brown clay loams throughout with small areas of dark self-mulching clays interspersed throughout the holding.
- The 543 hectare holding has been developed to approximately 369 hectares of border check irrigation, 147 hectares of arable land, with 20 hectares of remnant vegetation remaining.
- The irrigation development is underpinned by access to 1,140 megalitres of Groundwater (Zone 5 Upper Lachlan).
- Fenced to its boundaries and internally subdivided into 25 paddocks.
- Structures comprise a homestead, cottage, sheep yards, workshop, grain shed, machinery shed, hay sheds (3), cattle yards and a chemical shed.

"Yarranlea"

- Primary access is sound via the formed and gravelled Warroo Road.
- Topography is relatively level throughout, with land types comprising yellow box and belah plains. Soil types comprise predominately grey self-mulching cracking clay loams transitioning to red and grey loams throughout the northern portion.
- The 2,184 hectare holding has been developed to approximately 560 hectares of row crop irrigation, 1,394 hectares of arable land, with 230 hectares of remnant vegetation remaining.
- The irrigation development is underpinned by access to 1,213 megalitres of Jemalong Irrigation Limited – General Security entitlements.
- "Yarranlea" is fenced to its boundaries and internally subdivided into a number of paddocks, which feature a significant laneway system servicing most paddocks.
- Structures comprise a homestead, cottage, shearing shed & yards, machinery shed, workshop, cattle yards plus sundry rural structures.

"Timberscombe Aggregation"

- Primary access is sound via the bitumen sealed Newell Highway.
- Topography is relatively level with some lower lying areas interspersed throughout. Land types comprise predominately belah plains with areas of rosewood, myall, box pine and wilga. Soil types comprise predominately grey to black self-mulching cracking clay loams transitioning to red and grey loams throughout the north-western, central and south western portions of the aggregation.
- The 8,432 hectare aggregation has been developed to approximately 7,850 hectares of arable land, with 582 hectares of remnant vegetation remaining.
- The holding is fenced to its boundaries with internal fences being removed in line with broadacre practises.
- Structures are extensive and comprise numerous dwellings, cottages, workshops/machinery sheds and grain storage facilities.

"Kentucky Aggregation"

- Primary access is sound via the bitumen sealed Newell Highway.
- The aggregation comprises three non-contiguous holdings originally known as "Roselyn", "Kentucky" and "Warangla East".
- Topography is relatively level to gently undulating with some low lying areas. Land types comprise predominately belah plains with areas of rosewood, myall, box pine and wilga. Soil types vary though predominately comprise grey and black self-mulching clay loams transitioning to areas of red loam to the north-eastern portion. There are also areas of gravel rises to the east of the aggregation.
- The 5,914 hectare aggregation has been developed to 367 hectares of border check irrigation (not in use), 4,911 hectares of arable land, with 636 hectares of remnant vegetation remaining.
- The holding has access to 1,487 megalitres of Jemalong Irrigation Limited – General Security entitlements.
- The aggregation is fenced to its boundaries with internal fences being removed in line with broadacre practises.
- Structures are extensive and comprise numerous dwellings, cottages, workshops/machinery sheds and grain storage facilities.

1.3 Asset Risk Assessment

Location & Access	<p>The Duxton Broadacre Farms Portfolio incorporates 8 non-contiguous holdings operated as 6 holdings/aggregations. These provide for a large scale irrigated and dryland cropping enterprise situated in the Forbes region of central-west New South Wales. The region is recognised for its generally fertile soils, reliant rainfall and proximity to grain handling and processing facilities.</p> <p>Access to the individual holdings within the portfolio is considered sound to fair, with the majority of the holdings fronting bitumen sealed roads being major highways and/or local government roads.</p>
Condition	<p>The individual holdings within the portfolio are developed to a sound standard, considered above the district average, with significant capital being invested into the re-designing of fields, drainage and fertiliser.</p> <p>Internal roads throughout the holdings provide sound ingress, creating ease of machinery movement. Structures have been well maintained with capital spent on some of the structures across the portfolio.</p>
Functionality & Obsolescence	<p>Structural development, fencing and water infrastructure is considered to provide serviceable utility, commensurate with the scale of the enterprise.</p> <p>“Cowaribin”, “Merriment” and “Yarranlea” are serviced by the Jemalong Irrigation System.</p> <p>“Timberscombe Aggregation” and “Kentucky Aggregation” comprise large scale cropping holdings, which feature well developed regular shaped fields, providing economies of scale and cropping efficiencies.</p>
CapEx Requirements	<p>Minor – predominately ongoing maintenance surrounding water and fencing infrastructure to continue operating to the same level.</p>
Land Use Issues	<p>None known.</p>
Current Management	<p>We understand the portfolio is managed by Duxton Broadacre Farms who appear to be operating to a best practise standard.</p>
Required Management	<p>Standard relating to a large scale irrigated and dryland cropping plus grazing portfolio.</p>

1.4 Transaction History

Previous Sale	<p>According to our enquiries, none of the portfolio has sold in the past 3 years.</p>
Contract of Sale	<p>We have been advised by the proprietor that there are no current contracts of sale for any of the properties within the portfolio.</p>

1.5 Marketability

Buyer Demand/Purchaser Profile in the current market

Anticipated Buyer Demand/Liquidity	<p>There has been increased market activity in the last 12 months, with record prices being achieved within the wider central-west New South Wales market. We anticipate demand for holdings of the quality and scale comprising the Duxton Broadacre Farms Portfolio would be high.</p>
Likely Purchaser Profile	<p>Institutional investors, Owner operators, established operators, syndicates, high net worth investors and private investors.</p>
Estimated Selling Period	<p>3 to 6 months (assuming a professional marketing campaign).</p>

1.6 Valuation Summary

Valuation Date	30 June 2021
Basis of Valuation	Market Value – As Is – Vacant Possession
Valuation Approach	Direct Comparison – Summation Approach
"Walla Wallah"	\$13,825,000 (Thirteen Million, Eight Hundred and Twenty Five Thousand Dollars)
"Cowaribin"	\$4,030,000 (Four Million and Thirty Thousand Dollars)
"Merriment"	\$4,490,000 (Four Million, Four Hundred and Ninety Thousand Dollars)
"Yarranlea"	\$10,225,000 (Ten Million, Two Hundred and Twenty Five Thousand Dollars)
"Timberscombe Aggregation"	\$36,980,000 (Thirty Six Million, Nine Hundred and Eighty Thousand Dollars)
"Kentucky Aggregation"	\$24,330,000 (Twenty Four Million, Three Hundred and Thirty Thousand Dollars)
Principal Valuer	Tim McKinnon Senior Director Certified Practising Valuer AAPI Job Involvement – Principal Valuer Portfolio Inspection – Yes
Secondary Valuer	Nick Houston Associate Director Certified Practising Valuer AAPI Job Involvement – Secondary Valuer Portfolio Inspection - Yes
Reliant Term	LAWD advises that, in this rapidly changing economic environment, the opinions and values detailed at the time of preparing this report may change significantly in a short period of time. The standard 90 day reliance period should be considered in light of the current sentiment and the evolving nature of the market / economy. We recommend intermittent revaluations to confirm any reliance on this report.



NOTE: This summary must not be read independently of the valuation report in its entirety. This valuation is subject to all content, assumptions, disclaimers, qualifications and recommendations throughout the report. The report is prepared for the use of and reliance by the Reliant Party only and limited only to the Purpose specifically stated. No responsibility is accepted or assumed to any third party for the whole or any part of the report.

1 EXECUTIVE SUMMARY

1.1 Valuation Details

Instructing Party	Mr Will Brennan, Portfolio Manager, Duxton Capital Australia
Reliant Party	Westpac Banking Corporation Duxton Broadacre Farms Limited
Registered Proprietor	Multiple registered proprietors – refer to Section 4 Title Details
Report Purpose	Westpac Banking Corporation for the purpose of First Mortgage Security only Duxton Broadacre Farms Limited for the purpose of Financial Reporting only
Interest Valued	Freehold
Date of Valuation	3 May 2021
Date of Inspection	3 May 2021
Date of Instruction	27 April 2021



1.2 Property Overview

Asset Description

"West Plains" is located approximately 45 linear kilometres south-west of Forbes, 170 linear kilometres north-east of Wagga Wagga and 340 linear kilometres west of Sydney. Primary access is via the bitumen sealed Burcher Road.

Topography is generally level with land types comprising a mix of belah and yellow box. Soil types comprise predominately grey and red loams transitioning to grey cracking clays throughout the western portion.

The holding comprises a total area of 2,708.82 hectares and has been developed to:

- 450.00 hectares of border check irrigation;
- 1,978.35 hectares of arable land;
- 200.00 hectares of low lying arable land; and
- 80.47 hectares of non-arable land.

"West Plains" has been fenced to all boundaries and internally subdivided into approximately 24 main paddocks, ranging in size from approximately 20 hectares to 313 hectares. Supporting the primary grazing paddocks are an additional 6 holding paddocks. The boundary is fully fenced with construction of both internal and boundary fencing comprising, netting with a top barbed wire on steel posts. Overall, fencing appeared in sound condition across the holding.

"West Plains" is situated within the Jemalong Irrigation Scheme. The holding has access to 1,128 megalitres of Lachlan River General Security entitlement. Livestock water is sourced from a Stock and Domestic entitlement from the Jemalong Irrigation Scheme and two stock and domestic bores, one via the West Plains Water Users Association and the second via Trigalana Water Users Association.

Structures comprise a homestead, cottage, machinery shed, workshop / machinery shed, storage shed, machinery shed / hay shed, hay shed, shearing shed, sheep yards (2), grain silos (290 tonnes) and a set of cattle yards.

Land Area

2,708.82 hectares

Local Authority Forbes Shire Council.

Zoning

Primary Production (RU1).

Local Plan Forbes Local Government Plan 2013.

1.3 Asset Risk Assessment

Location & Access

"West Plains" is situated in the central-west region of New South Wales, approximately 45 linear kilometres south-west of Forbes. The region is recognised for its generally fertile soils and water reliability. The holding is utilised to support a mixed enterprise supporting an irrigated and dryland cropping operation, plus a wool growing and sheep breeding enterprise.

Due to the geographical location, the holding has access to large grain handling facilities in the area.

Primary access to the holding is sound, being via the bitumen sealed Burcher Road.

Condition

"West Plains" has been developed to a high standard, considered above the district average.

At the date of inspection, the holding appeared in good condition carrying a substantial body of grass and reportedly a full moisture profile in the cropping land.

The holding has been internally subdivided into 30 paddocks of which 6 are smaller holding paddocks surrounding the homestead complex. The boundary is fully fenced with construction of both internal and boundary fencing comprising netting with a top barbed wire on steel posts. Overall, fencing appeared in sound condition across the holding.

Structures appear in fair to sound condition.

Internal roads provide sound dry weather access to all paddocks and watering points across the holding.

Functionality & Obsolescence

The holding comprises two non-contiguous holdings, a negative feature which may present as a management challenge.

Structural development, fencing and water infrastructure is considered to provide serviceable utility, commensurate with the scale of the enterprise.

Structures have been well maintained with capital spent on the majority of structures across the holding.

The holding is serviced by the Jemalong Irrigation System with channels interspersed throughout the holding.

CapEx Requirements

Minor – predominately ongoing maintenance surrounding water and fencing infrastructure to continue operating to the same level.

Land Use Issues

None known.

Current Management

We understand the holding is managed by the Hammond family who appear to be operating to a district standard.

Required Management

Standard relating to a medium scale irrigated and dryland cropping operation plus a wool growing and sheep breeding enterprise.

1.4 Transaction History

Previous Sale

According to our enquiries, the holding has not sold in the past 3 years.

Contract of Sale

"West Plains" was placed under contract on 29 April 2021 for \$11,000,000 with a 42 day settlement period. We believe the market for the Lachlan River - General Security water entitlement has increased since the purchase price was negotiated in April 2021 and therefore, we have applied a rate of \$1,300 per megalitre which increases our valuation \$11,170,000.

1.5 Marketability

Buyer Demand/ Purchaser Profile in the current market

Anticipated Buyer Demand/Liquidity

Moderate to high.



Likely Purchaser Profile

Adjoining owners, owner operators, established operators, private investors, institutional investors, syndicates and high net worth investors.

Estimated Selling Period

3 to 6 months (assuming a professional marketing campaign).

1.6 Valuation Summary

Valuation Date	3 May 2021
Basis of Valuation	Market Value – As Is – Vacant Possession
Valuation Approach	Direct Comparison - Summation
Market Value	\$11,170,000 (Eleven Million, One Hundred and Seventy Thousand Dollars)
Principal Valuer	Nick Houston Associate Director Certified Practising Valuer AAPI Job Involvement – Principal Valuer Property Inspection – Yes 
Co-signatory	Tim McKinnon Senior Director Certified Practising Valuer AAPI Job Involvement – Co-Signatory in capacity of Director Property Inspection – No 
Reliant Term	LAWD advises that, in this rapidly changing economic environment, the opinions and values detailed at the time of preparing this report may change significantly in a short period of time. The standard 90 day reliance period should be considered in light of the current sentiment and the evolving nature of the market / economy. We recommend intermittent revaluations to confirm any reliance on this report.

NOTE: This summary must not be read independently of the valuation report in its entirety. This valuation is subject to all content, assumptions, disclaimers, qualifications and recommendations throughout the report. The report is prepared for the use of and reliance by the Reliant Party only and limited only to the Purpose specifically stated. No responsibility is accepted or assumed to any third party for the whole or any part of the report.

1 EXECUTIVE SUMMARY

1.1 Valuation Details

Instructing Party	Mr Will Brennan, Portfolio Manager, Duxton Capital Australia
Reliant Party	Westpac Banking Corporation Duxton Broadacre Farms Limited
Registered Proprietor	Superb Developments Pty Ltd
Report Purpose	Westpac Banking Corporation for the purpose of First Mortgage Security only Duxton Broadacre Farms Limited for the purpose of Financial Reporting only
Interest Valued	Freehold
Date of Valuation	3 May 2021
Date of Inspection	3 May 2021
Date of Instruction	27 April 2021



1.2 Property Overview

Asset Description

"Lenborough" is located approximately 45 linear kilometres south-west of Forbes, 170 linear kilometres north-east of Wagga Wagga and 340 linear kilometres west of Sydney. Access is via the formed and gravelled Wennings Road.

Topography is generally level with land types comprising a mix of belah and yellow box. Soil types comprise grey and red loams.

The holding comprises a total area of 768.00 hectares and has been developed to:

- 189.00 hectares of border check irrigation;
- 554.00 hectares of arable land; and
- 25.00 hectares of non-arable land.

Fenced to all boundaries and internally subdivided into 25 paddocks. Boundary and internal fence construction comprises a mixture of one or two barbed wires and wire netting on steel posts or 4 plain and 2 barbed wires on steel posts. Overall, fencing appeared in fair condition.

The holding has access to the Trigilana shared bore scheme which is piped throughout to a number of troughs supported by 8 catchment dams.

"Lenborough" is situated within the Jemalong Irrigation Scheme. Whilst "Lenborough" does not hold any permanent entitlements from the Lachlan River, it can purchase temporary water from within the Jemalong Irrigation Scheme for irrigation purposes. Livestock water is sourced from a Stock and Domestic entitlement from the Jemalong Irrigation Scheme as well as via the Trigilana Water Users Association.

Structures comprise a homestead, workshop / machinery shed, hay shed / machinery shed, machinery shed, grain storage shed, 215 tonnes of grain silo storage and sheep yards.

Land Area

768.00 hectares

Local Authority Forbes Shire Council.

Zoning

Primary Production (RU1).

Local Plan Forbes Local Government Plan 2013.

1.3 Asset Risk Assessment

Location & Access

"Lenborough" is situated in the central-west region of New South Wales, approximately 45 linear kilometre south-west of Forbes. The region is recognised for its generally fertile soils and water reliability. The holding is utilised to support a cropping and sheep breeding enterprise.

Due to the geographical location the holding has access to large grain handling facilities.

Primary access to the holding is sound, being via the bitumen sealed Burcher Road and Newell Highway.

Condition

"Lenborough" has been developed to a fair standard, considered in line with the district average.

At the date of inspection, the property appeared in good condition carrying a substantial body of grass and reportedly a full moisture profile in the cropping land.

The holding has been internally subdivided into 25 paddocks. The boundary is fully fenced with construction of both internal and boundary fencing comprising a mixture of one or two barbed wires and wire netting on steel posts or 4 plain and 2 barbed wires on steel posts. Overall, fencing appeared in fair condition.

Structures appear in fair condition.

Internal roads provide poor to fair dry weather access to all paddocks and watering points across the holding

Functionality & Obsolescence

Structural development, fencing and water infrastructure is considered to provide serviceable utility, commensurate with the scale of the enterprise.

Structures have been maintained with capital spent on some of structures across the holding.

The holding is serviced by the Jemalong Irrigation System with channels traversing the northern boundary of the holding.

CapEx Requirements

Minor – predominately ongoing maintenance surrounding water and fencing infrastructure to continue operating to the same level.

Land Use Issues

None known.

Current

We understand the holding is managed by Superb Developments Pty Ltd who appear to be operating to a fair standard.

Management

Required

Standard relating to a small scale dryland cropping and grazing enterprise.

Management

1.4 Transaction History

Previous Sale

According to our enquiries, the property has not sold in the past 3 years.

Contract of Sale

We understand the property was placed under contract on 29 April 2021 for \$2,900,000 with a 60 day settlement period. The transaction appears in line with market value.

1.5 Marketability

Buyer Demand/ Purchaser Profile in the current market

Anticipated Buyer

Moderate.

Demand/Liquidity

Likely Purchaser

Adjoining owners, owner operators, established operators and private investors.

Profile

Estimated Selling

3 to 6 months (assuming a professional marketing campaign).

Period

1.6 Valuation Summary

Valuation Date 3 May 2021

Basis of Valuation Market Value – As Is – Vacant Possession

Valuation Approach Direct Comparison - Summation

Market Value \$2,900,000 (Two Million and Nine Hundred Thousand Dollars)

Principal Valuer Nick Houston
Associate Director
Certified Practising Valuer | AAPI
Job Involvement – Principal Valuer
Property Inspection – Yes



Co-signatory Tim McKinnon
Senior Director
Certified Practising Valuer | AAPI
Job Involvement – Co-Signatory in capacity of
Director
Property Inspection – No



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