

COMPANY SNAPSHOT

COMPANY NAME
Duxton Broadacre Farms Limited

INVESTMENT MANAGER
Duxton Capital (Australia)

PORTFOLIO
4 broadacre aggregations

LOCATIONS
Forbes and West Wyalong, NSW
Naracoorte, SA

HECTARES
21,445 owned

WATER ENTITLEMENTS (ML)
8,670 owned
6,798 leased



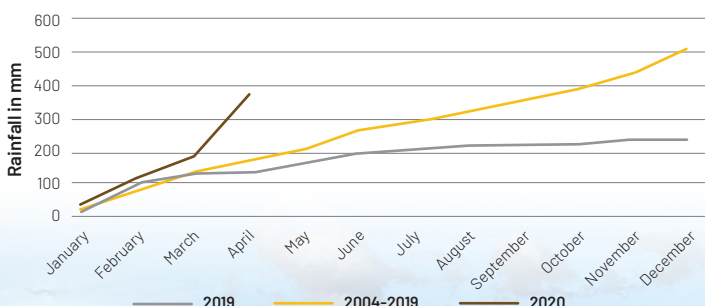
Duxton Broadacre Farms Limited (DBF/Company) presents investors with a unique opportunity to participate directly in the Australian broadacre cropping industry and the possibility to provide shareholders with both ongoing annual operational yield and longer-term capital growth. DBF intends to achieve this through the acquisition and aggregation of land rich parcels into its existing portfolio of diversified high-quality farms, to improve operational efficiencies and the diversification of commodities produced to satisfy the long-term growth in global grain demand.

INVESTMENT AND OPERATIONAL UPDATE

LOCAL WEATHER

Central-west New South Wales (NSW) recorded April rainfall of 186.2mm compared to the historic average of 28.7mm. As shown in the below graph, Forbes has now received 57% more rain than the region did for all of 2019, which is also significantly above 15 year averages. The mean temperature for March was 21.8°C, below the long-term average of 24.8°C. In south-east South Australia (SA), April recorded rainfall of 39.8mm compared to the historic average of 27.6mm. The mean temperature for April was 20.2°C. This is below the long-term average for the region by 1.9°C.

CUMULATIVE RAINFALL (FORBES AIRPORT AWS)
2020 Jan-Apr vs 15 year mean average vs 2019



WINTER CROPS

The above average rainfall in both NSW and SA has provided ideal conditions for the winter crops to continue to be sown. All dual-purpose wheat (grazing and grain) and oats were planted and have emerged in excellent growing conditions. Livestock are currently grazing on the oats and will then transition to the dual-purpose wheat. Planting of wheat and chickpeas has commenced, with barley to follow. The additional rainfall in April has provided the winter cropping program with excellent soil moisture. Fertiliser and chemical inputs for the upcoming winter crop were secured in March to mitigate potential supply chain risk.

SUMMER CROPS

During the month, the early planted cotton was partially picked as wet field conditions delayed picking operations. All cotton fields have now had their first defoliation. Defoliation assists in improving picking efficiency and reduces the amount of leaf litter which can affect cotton grades. The cotton harvest will continue over May as the weather permits. The small trial plot of cotton that developed under a fully biodegradable/dissolvable film has been picked. Once results are received, they will be compared to the regular crop to determine if growing under the film warrants further investigation.

Picking at Walla Wallah cotton fields

IRRIGATION

Following the completion of irrigating the summer crops work in the coming months will be focused on maintenance and improving irrigation infrastructure. The successful production bore at Walla Walla has had an application lodged with State Water, which is awaiting approval. Drilling of test bores to identify irrigation development potential will recommence at Timberscombe once hydrological survey results have been received.

LIVESTOCK

With recent high stock prices, DBF is increasing its sales of livestock that meet market requirements. DBF has been accumulating livestock over the last six months which has allowed the Company to enter the market with good quality trade stock. Additional stock is being purchased as opportunities arise. DBF continues to maintain adequate reserves of fodder for livestock to facilitate the ongoing fattening and wellbeing of stock. Recent rainfall has improved the outlook for livestock with most stock grazing on pasture and oats.

BOORALA

Rainfall during April and warm soil conditions has seen strong pasture growth. During the month, DBF completed the marketing of the last of the lambs. Ewes are being hand fed in the lead up to lambing over the coming months. Preparations have continued for this seasons cropping program with beans and pasture being planted during the month. During May, 750 hectares of cropping area is expected to be planted.

SHARE BUYBACK

During the month no shares were bought back. The total number of shares bought under the buyback is 734,623, with the Company being able to acquire up to 4,297,728 additional shares. The intent of the buyback is to enable DBF to acquire shares in the event the Board determines they are trading at a discount to intrinsic value.

AUSTRALIAN MARKET INSIGHTS

CROP PRICES

During April, Australian wheat prices rose to finish the month at \$458/t. Barley prices increased \$16/t during the month to \$372/t. Pricing fluctuations can be attributed to supply and demand dynamics in the market and global economic conditions. Australian wheat prices rose during the month as concerns about dry weather conditions in the Black Sea region and increased buying from major importers concerned about food security helped to support local prices¹. An increase in demand from importers and a reduction in supply from exporters could lead to positive price support for the Australian grain market. A rebound in Australian grain production and a low Australian dollar could result in a rise in exports this year. Increased grain exports can put pressure on domestic buyers to secure grain which can result in price rises. Downside risks for Australian grain prices include high global production due to favourable weather conditions and a rise in the Australian dollar which would make Australian exports unattractive.

COTTON PRICES

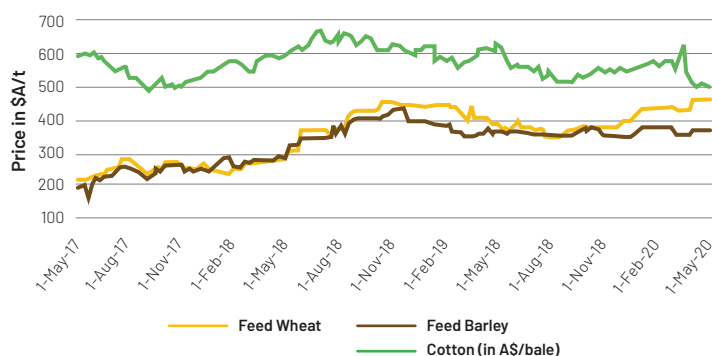
International cotton prices rose during April to finish the month at 65.3USc/lb. Price rises during the month are attributed to higher settlements in New York futures and reports of Chinese buying intention². While international cotton prices rose during the month due to a strengthening Australian dollar, prices in Australia fell. International cotton prices are down nearly 17% since the start of the year. A low Australian dollar has insulated domestic prices with a 13% drop being recorded. A low Australian dollar will continue to

DOMESTIC GRAIN PRICE CHANGES PAST 12 MONTHS*

CROP	CURRENT PRICE (per tonne)	PRICE 12 MONTHS AGO (April 2019)	PERCENTAGE CHANGE
Feed Wheat	\$458	\$405	17%
Feed Barley	\$372	\$360	2%
Cotton	\$497/bale	\$607/bale	-20%

* data retrieved from ABARES weekly commodity reports

DOMESTIC CROP INDICATOR PRICES



1. Bartholomaeus, M. 2020. USDA report bearish for wheat. Farm Online.

2. Cotlook Limited. 2020. April 2020 Market Summary.

support domestic cotton prices and make Australian exports more competitive globally. The latest supply outlook by Cotlook has seen the forecast tonnage for the 2020/21 season just below 25 million tonnes. This level of production would be the lowest level since the 2016/17 season. The global cotton consumption forecast for 2020/21 is 23.9 million tonnes. Cotlook has revised its consumption forecast down by 217,000 tonnes this month due to a combination of lower oil prices keeping synthetics competitive with cotton yarn and the economic recovery likely to be a protracted affair.

CROP PRODUCTION

During the month, the International Grains Council (IGC) forecast for grain production for the 2019/20 season has remained steady at 25.6 million tonnes. Australia's grain production is expected to be 2.7 million tonnes lower than 2018/19 season and is attributed to the adverse climatic conditions that were experienced throughout Australia during 2019. For the 2020 winter cropping season conditions are pointing towards an improved harvest. High levels of rainfall during February to April have assisted in restoring soil moisture levels to above average levels for most cropping regions and rainfall is forecast to exceed medians over the next 3 months.

WOOL PRICES

Wool prices fell during the month from \$14.38/kg to \$12.72/kg. Prices during the month suffered a rapid initial decline as a blockade of the global supply chain had participants trying to safeguard their businesses and employees³. Buyer support that was present at the end of March evaporated in April as the assumption that the Australian wool industry would go into lockdown started to fade. The potential for a lockdown of the Australian wool industry could have provided price support as buyers looked to secure supply. The opposite ended up occurring with an additional auction week held during the month

that was originally scheduled to be a recess. The additional supply in the market and buyers moving to a risk adverse position contributed to prices staying muted throughout the remainder of the month.

NATIONAL WEATHER

April has continued Australia's hot start to the year registering as the fifth warmest on record. Western Australia, Queensland and the Northern Territory recorded the largest temperature anomalies. During April rainfall across Australia was 21% below average with below average levels of rainfall in Western Australia and Queensland. Victoria recorded its 3rd highest rainfall for April at double the historic mean, while Tasmania was 68% above historic means.

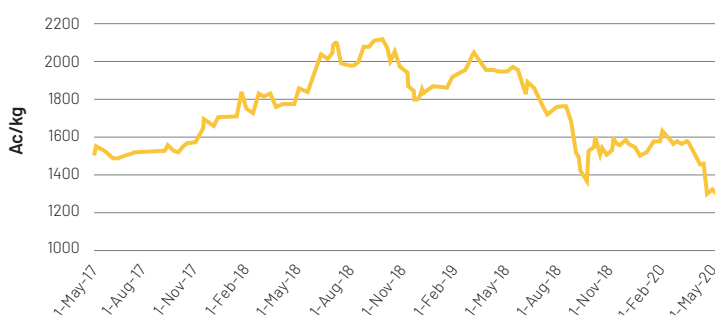
The Bureau of Meteorology's (BoM) climate outlook for May has predicted a 50% chance of rainfall exceeding the long-term median of 25-50mm and a 50% chance of temperatures being below the long-term median of 18-21°C for central-west NSW. The south-east of SA has a 50% chance of rainfall exceeding the long-term median of 25-50mm and a 65-70% chance of temperatures being below the long-term median of 15-18°C.

Nationally, the BoM predicts warmer temperatures during the day for northern and eastern Australia and warmer nights nationally. Wetter than average weather is likely for most of Australia during May through to July with an exception for the north and east coasts. The BoM has reported that the Indian Ocean Dipole (IOD) and the El Niño-Southern Oscillation (ENSO), are currently neutral and are forecast to remain neutral through winter. However, models are suggesting that by the end of winter or early spring a negative IOD and La Niña could develop. With the IOD and the ENSO currently neutral, Australian rainfall and temperature patterns are likely to be driven by local climate drivers. A high-pressure system is expected to impact Australian rainfall in the first weeks of May.



First load of cotton being delivered to the Trangie gin

WOOL EASTERN MARKET INDICATOR



3. Australian Wool Innovation Limited. 2020. Weekly Price Report

LIVESTOCK PRICES

During the month Meat and Livestock Australia (MLA) made the decision to suspend reporting of the typical eastern and western state indicator pricing for cattle and sheep. The suspension of the indicators was in response to MLA's COVID-19 containment efforts and at this point will remain in place until the 25th of May 2020. Due to the suspension of the indicators, DBF will utilise the last reported prices of the eastern state indicators (25th of March 2020) for the tables and charts.

The last reported Australian Eastern Young Cattle Indicator (EYCI) price was \$7.04/kg on the 25th of March. During the month domestic cattle prices declined across most weight ranges⁴. Since the start of the year cattle prices had been increasing as widespread rain and increased processing requirements had resulted in a rise in demand for cattle. Following the rapid rise in prices supply in the market started to increase to take advantage of the high prices. As supply has increased and demand has been met prices have started to decline. In addition to an increase in supply the continued effects of COVID-19 on global supply chains is weighing on prices. With early signs of China starting to re-emerge, a large portion of Asia still having a protein supply deficit due to African Swine Fever and a low Australian dollar there is some upside for beef exports. Over the coming months one of the major drivers of cattle prices will be supply, however the impacts of COVID-19 will persist in the background.

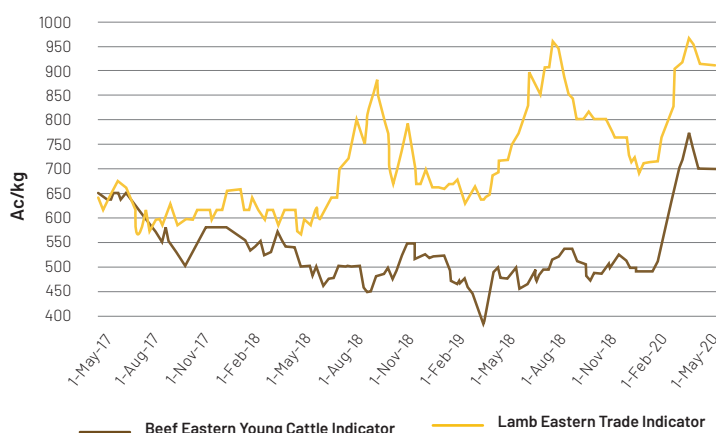
DOMESTIC LIVESTOCK PRICE CHANGES PAST 12 MONTHS*

LIVESTOCK	CURRENT PRICE (per kg)	PRICE 12 MONTHS AGO	PERCENTAGE CHANGE
Beef	\$7.04	\$4.41	46%
Lamb	\$9.10	\$6.47	28%
Wool	\$12.72	\$19.63	-35%

* data retrieved from ABARES weekly commodity reports

The last reported Australian Eastern States Trade Lamb Indicator (ESTLI) price was \$9.10/kg on the 25th of March. During the month, the processor and restocker lamb indicators rose after seeing price declines during March. The rise in prices in April could be attributed to a continued fall in supply and the likelihood that supply will not increase until spring⁵. In 2018 and 2019 the decline in supply during winter led to strong price increases across all classes of lamb. With a similar supply and demand dynamic playing out this year comparable price support could be found over the winter months. The heavy lamb market might not see the same levels of support due to the continued impact on key export markets from COVID-19. A recovery in export markets and rising demand could lead to support for heavy lamb prices through winter. Continued improvements in domestic weather conditions could see support for the restocker market as producers look to rebuild their herds following years of contraction.

AUSTRALIAN LIVESTOCK PRICES



4. Meat and Livestock Australia (MLA). 2020. COVID-19 sees cattle market adjustment
5. Meat and Livestock Australia (MLA). 2020. Lamb supply remains low

GLOBAL MARKET INSIGHTS

WEATHER

Weather conditions during the month have been predominantly favourable with some countries currently being impacted by adverse conditions⁶. Globally, climate conditions for the winter wheat crop are generally favourable. China is currently experiencing exceptional to favourable conditions for winter wheat which could improve yields at harvest. In south-eastern and western Europe dry conditions are impacting the crop. Rain will be needed over the next 2 months to maintain yields. A lack of rain over the past two months is impacting the wheat crop in southern Ukraine. Maize conditions are favourable for all countries except for Brazil and some areas of south-eastern Europe. Southern Brazil has been impacted by dry conditions over the spring maize season. In south-eastern Europe, a dry spring and cold conditions have impacted sowing and emergence of maize. Conditions for rice are mixed with several countries experiencing adverse conditions. This includes drought conditions in Indonesia and Thailand potentially reducing yields, and a shortage of freshwater in Vietnam due to saline intrusions.

PRODUCTION

During the month, forecasts for the 2019/20 grain season have risen slightly. The rise in production is attributed to improved production for maize. The 2019/20 grain season is forecast to produce 2,176 million tonnes of grain. For reference, the average world total annual grain production for the past 10 years has been 1,995 million tonnes. Overall wheat production is projected to be up year-on-year by 30 million tonnes. Initial projections for the 2020/21 grain season are for 2,218 million tonnes of grain production.

GRAIN PRICES

Grain prices are influenced by several factors including, but not limited to, supply and demand, political risk, global economic conditions, and weather. The IGC global grain and oilseed index fell during the month to finish April down by 2.8%. The wheat index finished April down by 2.3%. The wheat index is up 8.3% year on year. The wheat index fall was driven by lower prices in North America. The soybean index was 4.3% lower for the month. The maize index fell by 12.1% during the month. Maize price falls during the month are attributed to a fall in demand from US ethanol producers as oil prices remain subdued and a seasonal increase in South American supplies.

6. Agricultural Market Information System (AMIS), 2020. Market Monitor May 2020



Moving modules – lower bore at Walla

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