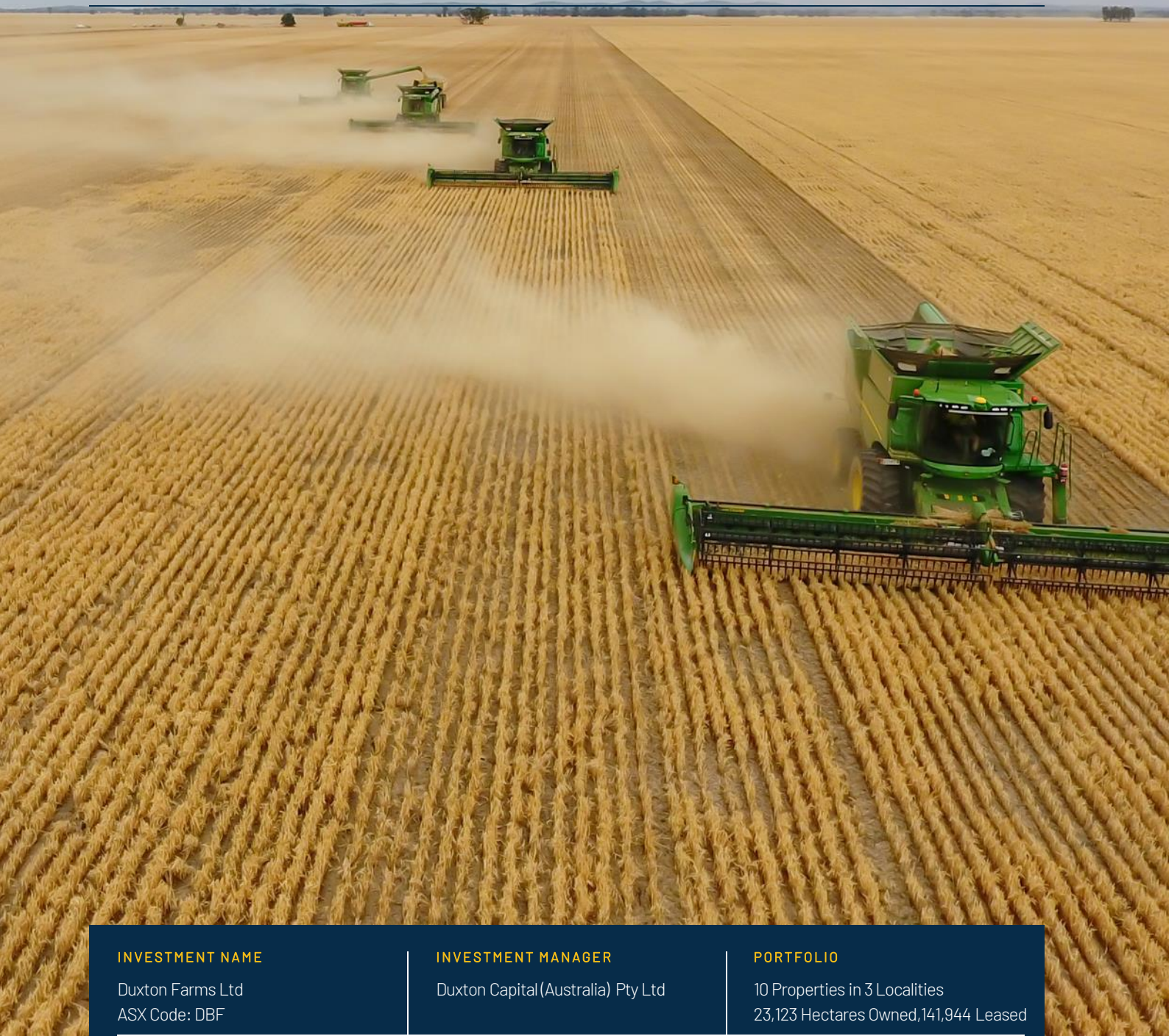


Monthly Update



DECEMBER 2022



INVESTMENT NAME

Duxton Farms Ltd
ASX Code: DBF

INVESTMENT MANAGER

Duxton Capital (Australia) Pty Ltd

PORTFOLIO

10 Properties in 3 Localities
23,123 Hectares Owned, 141,944 Leased

FAIR MARKET VALUE NAV PER SHARE

\$2.69 (30 June 2022)

STATUTORY NAV PER SHARE

\$2.57 (30 June 2022)

WATER ENTITLEMENTS (ML)

10,035 owned
6,798 leased



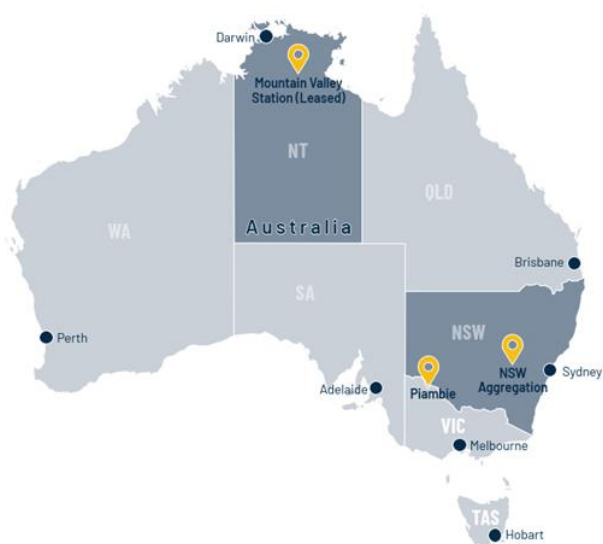
Duxton Farms Limited ("Duxton Farms" / "Company") is an Australian agricultural enterprise that directly invests in and operates a diversified portfolio of efficient, high-quality farmland assets. As a significant landowner and an active producer of key agricultural commodities, the Company seeks to provide investors with returns through ongoing operational yields and sustainable long-term capital appreciation. Duxton Farms seeks to achieve this objective by implementing best-in-class farm management techniques at scale, to produce a diverse range of commodities in an efficient manner, all with the goal of satisfying increasing global demand for key agricultural staples.



COMPANY SNAPSHOT

Duxton Farms manages a diversified portfolio of agricultural assets. The Company owns and operates a major geographic aggregation in NSW, as well as properties in Piamble, VIC and near Katherine in the Northern Territory. These properties are comprised of both dryland and irrigated land, supporting both summer and winter cropping programmes. Livestock production occurs across both the northern and southern properties. A visual overview of Duxton Farms property portfolio is pictured below.

DUXTON FARMS PORTFOLIO OVERVIEW



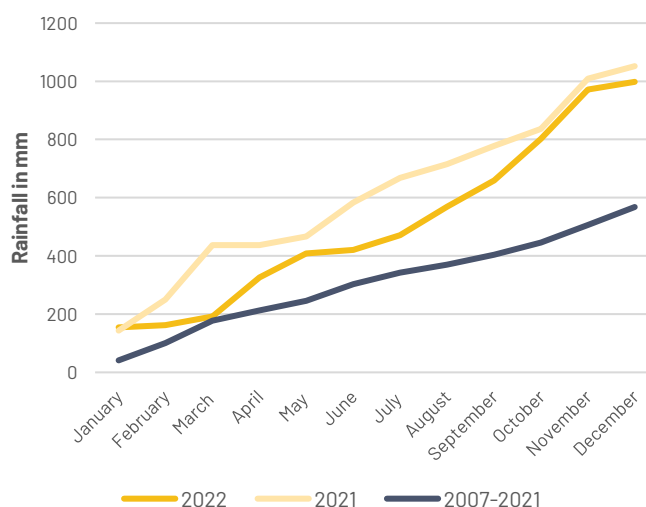
NSW FORBES AGGREGATION

LOCAL WEATHER

Duxton Farms' NSW aggregation continues to experience challenging conditions, with significant flooding across wide areas having continued to disrupt operations in December. The Company notes that drier weather resulted in a gradual improvement as the month progressed, and a drop in flood waters throughout the valley.

Central West New South Wales (Forbes Airport AWS) recorded 26.0mm of rainfall for December, compared to the long-term monthly average of 51.9mm. Total rainfall over the calendar year 2022 was 75 percent higher than the 2007-2021 average, but 5% lower than 2021. Mean maximum temperatures averaged 28.7°C for the month, cooler than the long-term average for December of 31.9°C.

CUMULATIVE RAINFALL (FORBES AIRPORT AWS) 2022 VS 15 YEAR AVERAGE VS 2021



WINTER CROP

Reduced rainfall over December has allowed for those areas which were not as impacted by flooding or wet conditions to begin drying out. This has allowed the Company to start harvest in early December, which is expected to continue into January. In contrast to last season, both yields and quality for grains and oilseeds have been better than expected, although the size of the 2022/23 winter crop is still significantly lower than budgeted as a result of the significant reduction in the aggregation's harvestable area.



NSW FORBES AGGREGATION

SUMMER CROP

For the first time in its operating history, Duxton Farms has been prevented from planting a cotton crop. As floodwaters recede, some summer cropping areas will be planted with forage sorghum to supplement the Company's hay supplies and utilise higher soil moisture levels. Land preparation and repairs to infrastructure have commenced in areas no longer subject to inundation, with the Company addressing some minor structural damage to irrigation channels.

LIVESTOCK

With floodwaters beginning to subside, sale of livestock has recommenced with roads reopening, allowing the movement of stock to saleyards. The Company will continue to trade livestock as favourable pricing opportunities arise. Adequate feed reserves continue to be maintained, supporting the Company's livestock and breeding programme. The Company continues to produce fodder, with wetter conditions supporting strong pasture growth across the aggregation.

IRRIGATION

As at the end of December, the Wyangala Dam is at 98% capacity and the Company's Lachlan River water allocation stands at 115%. With less rainfall over the month, inflows have reduced. Duxton Farms plans to rebuild an irrigation pivot over the summer to support its winter cereals programme and fodder production. This will slightly increase the Company's irrigable capacity.

PIAMBIE

The Company has commenced land preparation at Piambie ahead of the coming season, with fallow areas disced to remove weeds. Although Duxton Farms has working possession of Piambie, in accordance with the conditions of the sale, the Company has agreed to wait until after the previous owner of Piambie has finished their own harvest, which has been delayed by wet conditions, to take operational control of the property. Duxton Farms has no plans for any summer crops at Piambie for this season.

MOUNTAIN VALLEY STATION (LEASED)

Small areas of forage sorghum have been planted at Mountain Valley in areas adjacent to the homestead, which will be utilised as feed for livestock. With the Northern Territory currently in its wet season, there is limited livestock activity at the Station. Once the dry season commences, additional livestock are expected to be purchased and stock moved to the property from the Company's Forbes aggregation. Over December, a small number of cows were purchased for delivery in March.

SHARE BUYBACK

During the month 6,747 shares were bought back. The total number of shares purchased under the buyback is 2,669,969. As announced to the market on 4 January 2023, the Company has increased the maximum number of shares it is able to buy back to 4,175,113 shares.



Harvesting Canola Post Flooding at Yarranlea (December 2022)



AUSTRALIAN MARKET INSIGHTS

CROP PRICES

Grain prices across Australia often vary by port of export, with Duxton Farms historically delivering to the Port Kembla Zone. Local grain prices fell during December with Port Kembla Zone 2022/23 season APW1 (premium quality) wheat prices dropping by 3%, finishing the month at \$380/tonne at port. Port Kembla ASW1 (lower quality) wheat prices however recorded gains over December, rising by 4% and finishing the month at \$340/tonne at port. Port Kembla barley prices also recorded gains of 2% over December, finishing at \$315/tonne at port.¹ International wheat prices recorded gains over December, with US CBOT March 2023 wheat futures ending the month at US\$7.85/bushel. This is largely flat year-on-year and a 2% increase compared to US CBOT December contracts as at the end of November 2022.

For CY2022, a major driver of grain prices was uncertainty surrounding conflict between Russia and Ukraine. With conflict between the two major grain exporters ongoing, continued volatility in prices may continue if exports from Ukraine are restricted.² International market conditions appear to be the main driver of local prices at present, with the domestic harvest and local export logistics seeming to be playing less of a role. However, with the coming harvest expected to deliver substantial volumes of lower quality wheat, this may place downwards pressure on lower specification grain grades as harvest continues.³

GRAIN PRICES CHANGES PAST 12 MONTHS*

Crop	Current Price (per tonne)	Price 12 Months Ago (December 2021)	Percentage Change
Port Kembla Zone Wheat (APW1)	\$380/tonne	\$365/tonne	4%
CBOT Wheat Futures	US\$7.85 /bushel	US\$7.87 /bushel	(0.3%)
Cotton	\$735/bale	\$875/bale	(16%)

*Data from Profarmer Australia, CBOT, ABARES and Cotlook

COTTON PRICES

International cotton prices fell over December, with the Cotlook 'A' Index ending the month at 99USc/lb. This represents a 22% decrease compared to prices as at the same time last year. In Australian dollar terms, this translates to prices of \$735/bale, a 2% decrease compared to the prior month. International cotton prices were volatile over December, with price movements over the month reflective of much of the price behaviour during CY2022. China's relaxation of COVID-19 restrictions, announced in late November carried price support through to December, with signs of improving cotton demand from mills in several countries including, Vietnam, Turkey and Pakistan. Cotlook's estimates of global cotton production in 2022/23 are placed at 24.9 million tonnes. With consumption estimates placed at 23.6 million tonnes, this implies an increase of global cotton stock levels of 1.3 million tonnes.⁴

AUSTRALIAN COTTON PRICES



¹ Profarmer Australia, 2023.

² Dahl, E et. al. *Agricultural Commodities: December Quarter 2022, Outlook for crops*, ABARES.

³ Rural Management Strategies, 2022. *Grain market Update – Wheat (December 2022)*.

⁴ Cotlook, 2023. *December 2022 Market Summary*.



LIVESTOCK PRICES

The Australian Eastern Young Cattle Indicator (“EYCI”) fell by 2% over December, ending the month at \$8.94/kg. The EYCI is now 23% lower than at the same time last year. With the herd rebuild ongoing, increased cattle supply in 2022/23 is expected, which alongside a slowing global economy may place further downwards pressure on cattle prices.⁵ Across 2022, the Australian cattle market overall experienced exceptional on farm conditions with above average rainfall supporting confidence in the industry. Whilst market prices softened over the year, the EYCI averaged \$10.64/kg over CY2022 which was approximately 11% higher than average prices during CY2021.⁶

DOMESTIC LIVESTOCK PRICE CHANGES PAST 12 MONTHS*

Stock	Current Price (per kg)	Price 12 Months Ago (December 2021)	Percentage Change
Beef	\$8.94	\$11.64	(23%)
Lamb	\$6.89	\$8.54	(19%)
Wool	\$13.27	\$13.58	(2%)

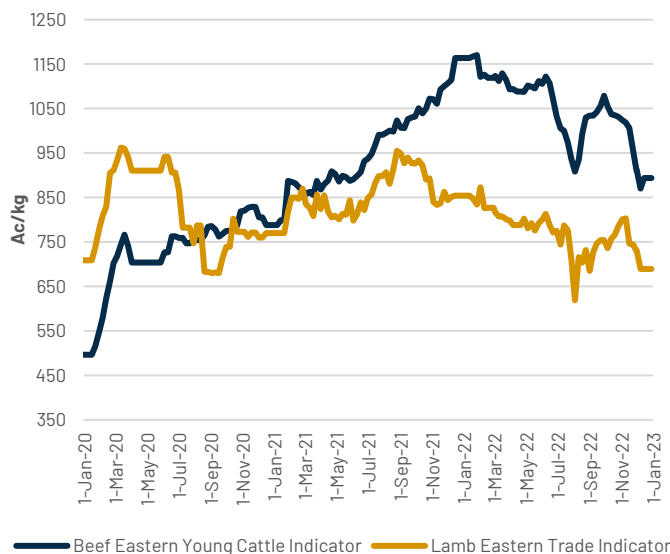
* Data from ABARES weekly commodity reports and Australian Wool Innovation Ltd

⁵ Wong, J et. al. *Agricultural Outlook: December Quarter 2022, Outlook for livestock*, ABARES.

⁶ Meat & Livestock Australia, 2022. *Cattle market in 2022: a year in review*.

⁷ Meat & Livestock Australia, 2023. *Australian red meat exports: 2022 in review*.

AUSTRALIAN LIVESTOCK PRICES



The Australian Eastern States Trade Lamb Indicator (“ESTLI”) also recorded falls in December, ending the month 6% lower at \$6.89/kg. The ESTLI is now 19% lower than at the same time last year. Lamb prices over 2022 began at extreme highs, and overall have been falling since. Australian lamb exports of 284,247 tonnes in 2022 represented a 7% increase compared to exports during 2021. The United States and China remained the two largest export markets, cumulatively accounting for 45% of total exports. South Korea and Papua New Guinea were the third and fourth largest export destinations, with exports growing by 60% and 68% respectively to 22,901 tonnes and 21,901 tonnes.⁷



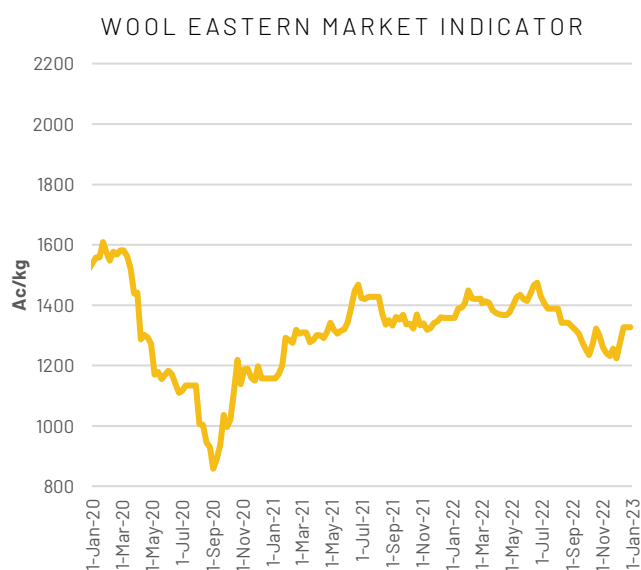
Brahman Heifers for Mountain Valley (December 2022)



Yarranlea Slowly Draining Out (December 2022)

WOOL PRICES

Wool prices rose by 8% over December, with the Eastern Market Indicator ("EMI") ending the month at \$13.27/kg. Wool prices are now 2% lower than at the same time last year. Price movements over December were attributed to the abandonment of zero COVID-19 policies by the Chinese government, resulting in a substantial increase in demand from Chinese factories.⁸ ABARES are forecasting the EMI to average \$12.80/kg during 2022/23, down 8% compared to the 2021/22 average. This is largely attributed to a slowing global economy, contributing to reduced discretionary spending on apparel and consumers moving from woolen products to cheaper substitutes such as cotton and polyester.⁹



CROP PRODUCTION

In its December 2022 Crop Report, forecasts for Australia's national winter crop production for the 2022/23 season are placed by ABARES at 62 million tonnes. If realised, this represents the second largest domestic winter crop on record. Largely favourable conditions over spring across most growing regions are expected to offset production losses for parts of the eastern states, affected by flooding and water inundation. Western Australia and South Australia are both expected to reach new records for production. Consistently wet and cool weather during spring has extended the grain filling period, contributing to the record yield expectations. For New South Wales, extensive crop losses and quality downgrades are expected due to widespread river flooding and crop inundation. In Victoria, following record planted area and strong yields, state production volumes are expected to reach new highs.

Overall, national wheat production is expected to reach a new record of 36.6 million tonnes, a 1% increase on the record set last season. Barley production is forecast to be the fourth largest on record at 13.4 million tonnes and canola production is expected to reach a record 7.3 million tonnes. Summer crop plantings for 2022/23 are forecast to decline by 9% to 1.4 million hectares. Falls in total planted area to summer crops are expected due to excessively wet conditions and flooding across major production regions in New South Wales. This decline is expected to contribute to domestic cotton production reaching only 4.3 million bales in 2022/23, a 23% decrease compared to the prior year.¹⁰

⁸ Australian Wool Innovation Limited, 2022. Week 23 – December 2022.

⁹ Wong, J et. Al, 2022. *Agricultural Outlook: December Quarter 2022, Outlook for livestock*, ABARES.

¹⁰ ABARES, 2022. *Australian Crop Report: December 2022*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra.

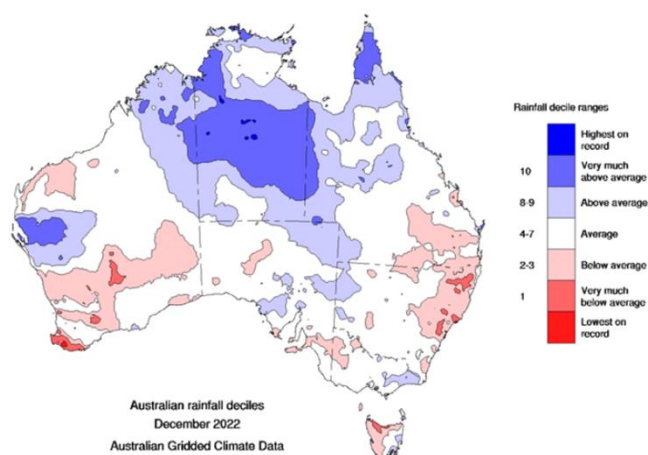


NATIONAL WEATHER

For Australia as a whole, December rainfall was 33% above the 1961-1990 national-area average. Whilst overall above average, significant geographic differences existed. Above average rainfall was concentrated around the northern tropics, compared to the southern half of Australia where many areas recorded below average rainfall. For the Northern Territory, average area rainfall of 153.3mm represented the 8th wettest December on record. Monsoonal activity towards the end of December brought with it the Category 1, tropical cyclone Ellie. This produced heavy rainfall over central and northern parts of the Territory and parts of the Kimberly. Daily rainfall totals exceeded 100mm at many locations, resulting in the flooding of the Fitzroy River. Rainfall was below average across many areas of the southern half of Australia. This included parts of the south-west and inland southern Western Australia, eastern New South Wales and south-east Queensland. New South Wales average area rainfall of 29.1mm was 42% below the long term average for December.

National mean temperatures for December were 0.21°C cooler than the 1961-1990 average for Australia as a whole. Mean maximum temperatures were cooler than average across the majority of New South Wales and Queensland, far eastern Victoria, and central and southern Northern Territory.

RAINFALL DECILE CHART DECEMBER 2022



Source: Bureau of Meteorology

Many stations in New South Wales and Queensland recorded their lowest monthly mean temperatures on record for December, but mostly at stations with less than 50 years of recorded data. Mean temperatures in New South Wales were 1.69°C cooler than average, representing the 5th coldest on record. Early during the month, heatwave conditions affected large areas on northern Australia. Daily maximum temperatures were more than 6°C warmer than average across areas of the Northern Territory, western Queensland, north-west New South Wales and outback South Australia.¹¹

The BoM's 17 January 2023 Climate Driver Update is reporting that the La Niña event continues in the tropical Pacific, but has weakened since its peak in spring 2022. Climate models are indicating that the El Niño-Southern Oscillation (ENSO) will return to neutral conditions during February. La Niña events typically increase the chance of above average rainfall across northern and eastern Australia during summer. The Indian Ocean Dipole ("IOD") event remains neutral, having little influence on Australian climate. Climate change continues to influence Australia's weather. Australia's climate has warmed by around 1.47°C for the 1910 – 2021 period. There has also been a trend towards a greater proportion of rainfall from high intensity, short duration rainfall events, especially across northern Australia.¹²

GLOBAL MARKET INSIGHTS

PRODUCTION

Total grains (wheat and coarse grains) production for the 2022/23 season is forecast by the International Grains Council (IGC) in its latest market report at 2,256 million tonnes. Whilst down by 33 million tonnes compared to the prior season's all-time high, this remains the second largest global grains crop on record. Falling total year-on-year production reflects a smaller maize crop, dropping by 58 million tonnes compared to prior year due to substantially lower harvests in the United States, Ukraine and the EU. In contrast, the global wheat crop is projected to have reached an all-time record, with record volumes expected from China, Russia and Australia. Gains are also expected in global barley and oats production. Global soybean production is expected to increase by almost 30 million tonnes for 2022/23 to a new high, despite challenging growing conditions across areas of South America.¹³

¹¹ Bureau of Meteorology, 2022. *Australia in December 2022*, Australian Government.

¹² Bureau of Meteorology, 2022. *Climate Driver Update 17 January 2023*, Australian Government.

¹³ International Grains Council, 2022. *January 2023 Grain Market Report*, IGC.



Lucerne Cut at Cowaribin (December 2022)

This monthly update is prepared by Duxton Capital (Australia) Pty Ltd [ACN: 164 225 647; AFSL no. 450218] ("Duxton Capital (Australia)"). Duxton Capital (Australia) is the Investment Manager of Duxton Farms Limited [ACN 129 249 243] ("Duxton Farms"). This monthly update has been prepared for the purposes of providing general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in Duxton Farms. Information from this monthly update must not be issued in any jurisdiction where prohibited by law and must not be used in any way that would be contrary to local law or regulation. The forecasts provided are based upon our opinion of the market as at this date and are subject to change, dependent on future changes in the market. Any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets is not necessarily indicative of the future or likely performance. Investments are subject to risks, including possible loss of principal amount invested. The value of shares/ units and their derived income may fall as well as rise. Past performance or any prediction or forecast is not necessarily indicative of future performance. No assurance is given that the investment objective or the targets will be met. This document does not constitute investment, tax, legal or any other form of advice or recommendation and was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. Investors should study all relevant information and consider whether the investment is appropriate for them. If you require investment or financial advice please contact a regulated financial adviser. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in this presentation. The Duxton Group or its affiliates may hold positions in the securities referred. Where securities are mentioned, it should not be construed that these are recommendations to buy or sell those securities. You are not authorised to redistribute this document nor qualified to make any offer, representation or contract on behalf of Duxton Capital (Australia) or its affiliates. Photographs and other graphics are included for illustrative purposes only and do not necessarily represent the assets of any particular company or fund under Duxton Capital (Australia) management and do not form part of the substantive information upon which any investment decisions should be based. Although the information was compiled from sources believed to be reliable, no liability for any error or omission is accepted by Duxton Capital (Australia) or its affiliates or any of their directors or employees. The information and opinions contained may also change. Copyright protection exists in this presentation. To the extent permitted by applicable law, none of the Duxton Group, their affiliates, or any officer or employee of the Duxton Group accepts any liability whatsoever for any direct or consequential loss arising from any use of this monthly update or its contents, including for negligence.

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