



2023/24 CROPPING UPDATE

The quarter finished with generally favourable weather conditions at Duxton Farms' Forbes aggregation for the 2023/24 winter crop. Land preparation for the upcoming winter crop is nearing completion at both Forbes and Piambie, where planting is expected to commence in May across a mixture of irrigated wheat and canola seed production. Seed and fertiliser inputs have been secured and are on farm in preparation for planting.

While the Company was prevented from planting a large cotton crop this summer due to flooding, small areas of forage sorghum were planted to supplement the Company's hay supplies. Post-flood repairs across the Forbes aggregation are ongoing, with the replacement of the main return pump at Yarranlea being one of the key repair items. Irrigation channel repairs are also being completed across previously flooded areas where required. Investors should note that while the flooding had a material impact on operations (as previously disclosed), the expenses relating to flood repairs are immaterial relative to the Company's regular business expenditures.

Local wheat prices rose by 4% over the quarter, with Port Kembla APW1 prices ending March at \$395/tonne at port. Internationally, grain prices continues to be influenced by conflict in Eastern Europe. The Black Sea grain corridor deal has been extended, allowing large volumes of Russian and Ukrainian exports to enter markets. While this is placing downwards pressure on prices, the extension may remain only in place until mid-May 2023, meaning that a further extension will be required if the export corridor is to remain in place during Ukraine's harvest.

LIVESTOCK

With floodwaters now subsided, livestock activity across the Company's Forbes properties is picking up, with sales taking place as livestock meet market specification. Favourable rainfall alongside warm weather conditions is supporting strong pasture growth across the properties, which is helping to bolster feed reserves. With the Northern Territory in its wet season, livestock activity at Mountain Valley Station have been limited, and activity is expected to pick up in April/May. Forage sorghum has been planted across some areas which the Company plans to cut for hay.

Rising supply, attributed to over two years of herd rebuilding is placing downwards pressure on livestock prices. The Australian Eastern Young Cattle Indicator continued to fall over the quarter, dropping by 25%, ending March at \$6.72/kg. Lamb prices also fell, with the Eastern States Trade Lamb Indicator finishing the quarter 4% lower at \$6.62/kg.

CASH FLOW COMMENTARY

The Company recorded an operating cashflow deficit for the quarter ending 31 March 2023 of \$3,026,000 which can be primarily attributed to commencement of spend on tillage, spreading, seed, fertilizer, and other consumables associated with the 2024 winter crop. This deficit was anticipated following the 2022 flooding event and was previously factored into the Company's published guidance. With the Company entering into a lease of Mountain Valley station in the Northern Territory in December 2022, this quarter now includes the monthly operating costs associated with that property as activities are scaled up.

Related party transactions of \$400,000 in 6.1 of the quarterly cashflow report represent \$344,000 paid to Duxton Capital (Australia) Pty Ltd for financial services and management fees for acting as Investment Manager. Amounts totalling \$56,000 were paid to Duxton Water Ltd for water charges.



Row cropping at Yarranlea (March 2023)

This announcement has been authorised for release by the Directors of Duxton Farms Limited

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Duxton Farms Ltd

ABN

45 129 249 243

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,628	6,732
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(4,219)	(9,533)
(c) advertising and marketing	(-)	(2)
(d) leased assets	(51)	(175)
(e) staff costs	(485)	(1,386)
(f) administration and corporate costs	(692)	(4,353)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	415
1.5 Interest and other costs of finance paid	(443)	(910)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	50	88
1.8 Other (provide details if material)	186	1,005
1.9 Net cash from / (used in) operating activities	(3,026)	(8,119)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	(1,335)
(c) property, plant and equipment	(662)	(4,852)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	76	109
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(586)	(6,078)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	(66)	(197)
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(1)
3.5	Proceeds from borrowings	-	8,684
3.6	Repayment of borrowings	(341)	(558)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(407)	7,928

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	(7,558)	(5,308)
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,026)	(8,119)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(586)	(6,078)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(407)	7,928
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	(11,577)	(11,577)

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	12	1,175
5.2	Call deposits	-	-
5.3	Bank overdrafts	(11,589)	(8,733)
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	(11,577)	(7,558)

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	400
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	55,000	35,500
7.2	Credit standby arrangements	13,000	11,577
7.3	Other (please specify)	-	-
7.4	Total financing facilities	68,000	47,077
7.5	Unused financing facilities available at quarter end		20,923
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>CBA Overdraft \$13,000,000: Rate 6.37% maturity at call CBA Term Debt Facility A \$16,000,000: Variable Rate 4.44% maturing 30/09/24 CBA Term Debt Facility B \$2,000,000: Variable Rate 4.23% maturing 30/09/24 CBA Term Debt Facility C \$6,000,000: Variable Rate 4.67% maturing 30/09/24 CBA Term Debt Facility D \$31,000,000: Variable Rate 4.76% maturing 30/09/24</p> <p>All facilities are secured by mortgages over property and water entitlements.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,026)
8.2	Cash and cash equivalents at quarter end (item 4.6)	(11,577)
8.3	Unused finance facilities available at quarter end (item 7.5)	20,923
8.4	Total available funding (item 8.2 + item 8.3)	9,346
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.1
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .28 April 2023.....

Authorised by:By the Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.