



10 July 2023

INDEPENDENT VALUATION UPDATE

Duxton Farms Ltd ("**Duxton Farms**" / "**Company**") has engaged LAWD Pty Ltd to provide an updated Independent Valuation Report for the land, water, and structures owned by the Company as of 30 June 2023.

The Board is pleased to announce that the Company's New South Wales land, water and structural assets have been assessed at \$158,000,000, representing an increase of 10.1% since 30 June 2022.

Property	June 2022	June 2023	Value Change
Walla Wallah	\$18,200,000	\$19,500,000	7.1%
Cowaribin	\$5,000,000	\$5,500,000	10.0%
Merriment	\$6,000,000	\$6,500,000	8.3%
Yarranlea	\$12,000,000	\$12,500,000	4.2%
West Plains	\$14,000,000	\$15,500,000	10.7%
Lenborough	\$3,675,000	\$4,000,000	8.8%
Kentucky	\$31,650,000	\$35,500,000	12.2%
Timberscombe	\$53,000,000	\$59,000,000	11.3%
Total	\$143,525,000	\$158,000,000	10.1%

The Board regards these results as a silver lining in what was otherwise an exceptionally challenging year; while the Board acknowledges that the operational difficulties faced by Duxton Farms since listing have limited the Company's ability to make regular distributions to shareholders, the portfolio continues to perform in a manner consistent with the original investment thesis.

The Company's Directors would like to once again thank the Operations Team led by Bryan Goldsmith, who have continued to maintain the Company's assets to the highest standard over the past 12 months despite facing some of the most challenging operating conditions since Duxton Farms listed in 2018. The Board and the Operations Team remain focused on leveraging the current portfolio of assets to deliver on the Company's diversification strategy with the objective of elevating and stabilising Duxton Farms' earnings profile to generate sustainable long-term returns.

Investors should further note that Duxton Farms is currently finalising the acquisition of Piambie Farms, which has not been listed as a part of the portfolio above. The Company is expecting the acquisition to be finalised by the end of July 2023. The timing of the acquisition at the start of the new financial year will mean that these changes to the balance sheet will not become apparent until the FY2024 Half Year Report, although the Company will release an update to the market at settlement disclosing further details on the property and the surrounding strategy at settlement.

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

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

Duxton Farms Limited
7 Pomona Road, Stirling SA 5152

Our Ref: TB:23-0139_1

30 June 2023

Mr Caspar Peter
Analyst
Duxton Capital (Australia) Pty Ltd
7 Pomona Road
Stirling SA 5152

Via Email: caspar.peter@duxtonam.com

Dear Mr Peter,

Re: Letter Summary of the Concluded Values for – Duxton Farms Limited Portfolio, Central West NSW

- **"Walla Wallah", 1372 Lachlan Valley Way, Jemalong, NSW 2871**
- **"Cowaribin", Lachlan Valley Way, Warroo, NSW 2871**
- **"Merriment", 346 Willawang Road, Warroo, NSW 2871**
- **"Yarranlea", 424 Warroo Road, Lake Cowal, NSW 2671**
- **"West Plains", 279 West Plains Road, Corinella, NSW 2871**
- **"Lenborough", 373 Wennings Road, Corinella, NSW 2871**
- **"Kentucky Aggregation", Bewleys Road, Wirrinya, NSW 2871**
- **"Timberscombe Aggregation", Newell Highway, Back Creek, NSW 2810**

1 INSTRUCTIONS

Duxton Farms Limited (Duxton) has engaged LAWD to provide valuations for eight properties for financial reporting purposes. LAWD has prepared a detailed valuation report on a confidential basis to Duxton. This letter provides a summary of the conclusions LAWD has reached to assist Duxton with its financial reporting obligations under the Corporations Act. LAWD's role is limited to an expression of opinion regarding the current market value of the properties described below. LAWD does not express any view about the accuracy or otherwise of any financial report or information provided by Duxton to the ASX and to its shareholders.



2 HOLDINGS

1.1 "Walla Wallah", 1372 Lachlan Valley Way, Jemalong, NSW 2871

Asset	"Walla Wallah" is located in the Lachlan Valley approximately 15 linear kilometres south-west of Forbes,
Description	190 linear kilometres north of Wagga Wagga and 335 linear kilometres north-west of Sydney. Primary access is sound from the bitumen sealed Lachlan Valley Way. Topography is relatively level throughout with vegetation having been predominately cleared, excluding scattered shelterbelts. 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 1,400 hectare holding has been developed to approximately 753 hectares of row crop irrigation, 186 hectares of border check irrigation, 410 hectares of arable dryland, with 50 hectares of remnant vegetation land 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 entitlements. Structures include a cottage, workers accommodation, sheep yards, cattle yards, grain silo storage, machinery and hay shedding.

1.2 "Cowaribin", Lachlan Valley Way, Warroo, NSW 2871

Asset	"Cowaribin" is located in the Lachlan Valley approximately 35 linear kilometres west of Forbes, 200 linear kilometres north of Wagga Wagga and 335 linear kilometres north-west of Sydney. Primary access is sound from the bitumen sealed Lachlan Valley Way.
Description	Topography is relatively level throughout. 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 dryland, with 65 hectares of remnant vegetation land remaining. Structures include a homestead, dwelling, cottage, "Dorellan" shearing shed and yards, "Cowaribin" shearing shed and yards, "Cowaribin" workshop, two machinery sheds, three hay sheds, grain silo storage and cattle yards / feedlot complex.



1.3 "Merriment", 346 Willawang Road, Warroo, NSW 2871

Asset	"Merriment" is located in the Lachlan Valley approximately 40 linear kilometres south-west of Forbes, 190 linear kilometres north of Wagga Wagga and 340 linear kilometres north-west of Sydney. Primary access is sound from the formed and gravelled Willawang Road.
Description	<p>Topography is relatively level throughout with vegetation having been predominately cleared excluding scattered shelterbelts. Soil types comprise red brown clay loams throughout with small areas of dark self-mulching clays interspersed throughout the holding.</p> <p>The 535 hectare holding has been developed to approximately 367 hectares of border check irrigation, 148 hectares of arable dryland, with 20 hectares of remnant vegetation land remaining.</p> <p>The irrigation development is underpinned by access to 1,140 megalitres of Groundwater (Zone 5 Upper Lachlan) entitlements.</p> <p>Structures comprise a homestead, cottage, sheep yards, workshop, grain shed, machinery shed, two hay sheds, cattle yards and a chemical shed.</p>

1.4 "Yarranlea", 424 Warroo Road, Lake Cowal, NSW 2671

Asset	"Yarranlea" is located in the Lachlan Valley approximately 50 linear kilometres south-west of Forbes, 180 linear kilometres north of Wagga Wagga and 350 linear kilometres north-west of Sydney. Primary access is sound from the formed and gravelled Warroo Road.
Description	<p>Topography is relatively level throughout. Soil types comprise predominately grey self-mulching cracking clay loams transitioning to red and grey loams throughout the northern portion.</p> <p>The 2,184 hectare holding has been developed to approximately 560 hectares of row crop irrigation, 1,394 hectares of arable dryland, with 230 hectares of remnant vegetation land remaining.</p> <p>The irrigation development is underpinned by access to 1,205 megalitres of Jemalong Irrigation Limited – General Security entitlements.</p> <p>Structures comprise a homestead, cottage, shearing shed and yards, machinery shed, workshop, cattle yards plus sundry rural structures.</p>



1.5 “West Plains”, 279 West Plains Road, Corinella, NSW 2871

Asset	“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 sound from the bitumen sealed Burcher Road.
Description	<p>Topography is generally level. Soil types comprise predominately grey and red loams transitioning to grey cracking clays throughout the western portion.</p> <p>The 2,709 hectare holding has been developed to approximately 450 hectares of row crop irrigation, 1,978 hectares of arable dryland of which approximately 80 hectares has been deep ripped and 200 hectares of low lying arable dryland, with 80 hectares of remnant vegetation land remaining.</p> <p>The irrigation development is underpinned by access to 1,128 megalitres of Lachlan River General Security entitlements. Livestock water is sourced from a Stock and Domestic entitlement from the Jemalong Irrigation Scheme and two stock and domestic bores.</p> <p>Structures comprise a homestead, cottage, machinery shed, workshop / machinery shed, storage shed, machinery shed / hay shed, hay shed, shearing shed, two sheep yards, grain silo storage and a set of cattle yards.</p>

1.6 “Lenborough”, 373 Wennings Road, Corinella, NSW 2871

Asset	“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. Primary access is sound from the formed and gravelled Wennings Road.
Description	<p>Topography is generally level with soil types comprising grey and red loams.</p> <p>The 768 hectare holding has been developed to approximately 189 hectares of row crop irrigation, 554 hectares of arable dryland, with 25 hectares of remnant vegetation land remaining.</p> <p>Situated within the Jemalong Irrigation Scheme however, does not hold any permanent entitlements from the Lachlan River, it can purchase temporary water from within the Jemalong Irrigation Scheme for irrigation purposes.</p> <p>Structures comprise a homestead, workshop / machinery shed, hay shed / machinery shed, machinery shed, grain storage shed, grain silo storage and sheep yards.</p>



1.7 "Kentucky Aggregation", Bewleys Road, Wirrinya, NSW 2871

Asset	"Kentucky Aggregation" is located in the Lachlan Valley approximately 45 linear kilometre south-west of Forbes, 165 linear kilometres north-west of Wagga Wagga and 330 linear kilometres west of Sydney.
Description	<p>Primary access is sound from the bitumen sealed Newell Highway.</p> <p>The aggregation comprises three non-contiguous holdings originally known as "Roselyn", "Kentucky" and "Warangla East".</p> <p>Topography is relatively level to gently undulating with some low lying areas. 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.</p> <p>The 5,914 hectare aggregation has been developed to 367 hectares of border check irrigation (not in use), 4,911 hectares of arable dryland, with 636 hectares of remnant vegetation land remaining.</p> <p>The holding has access to 1,463 megalitres of Jemalong Irrigation Limited – General Security entitlements. Structures are extensive and comprise numerous dwellings, cottages, workshops/machinery sheds and grain storage facilities.</p>

1.8 "Timberscombe Aggregation", Newell Highway, Back Creek, NSW 2810

Asset	"Timberscombe Aggregation" is located in the Lachlan Valley approximately 70 linear kilometres south-west of Forbes, 140 linear kilometres north of Wagga Wagga and 340 linear kilometres west of Sydney.
Description	<p>Primary access is sound from the bitumen sealed Newell Highway.</p> <p>Topography is relatively level with some lower lying areas interspersed throughout. 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.</p> <p>The 8,432 hectare aggregation has been developed to approximately 7,850 hectares of arable dryland, with 582 hectares of remnant vegetation land remaining.</p> <p>Structures are extensive and comprise numerous dwellings, cottages, workshops/machinery sheds and grain storage facilities.</p>



3 CRITICAL ASSUMPTIONS AND RELIANCE ON INFORMATION PROVIDED

Our assessment is subject to the following critical assumptions.

Title	The land is not subject to any encroachments or restrictions on Title.
Identification	<p>All structures have been erected within the Title boundaries of the sites and there are no encroachments on or by the subject land.</p> <p>Regarding rural properties, it is common for fencing to encroach either way between boundaries. Given that it is not practical to verify the status of boundaries due to the sheer size and scale of rural properties, we assume there to be no impact on productivity, marketability, or value.</p>
Roads	The portfolio is unaffected by any road alteration proposals.
Approvals/ Permits	All Council approvals and permits have been granted/approved for the existing development.
Objective Information	Any objective information, data or calculations set out in this summary letter will be accurate so far as is reasonably expected from a qualified and experienced valuer, reflecting due skill, care and diligence.
Land Class Apportionment	<p>To apportion the correct land class areas of the subject portfolio, LAWD have relied upon information provided by the property manager and reliant party in obtaining the appropriate areas. We have reconciled the areas provided via Google Earth Pro Mapping Software where possible.</p> <p>If any of the information is found to be incorrect, we reserve the right to review the assessment.</p>
Market Movement	Values vary from time to time in response to changing market circumstances. The valuations are based on available information as at the date/s of inspection of this assessment. No warranty can be given as to the maintenance of these values into the future. Therefore, it should be reviewed periodically.
Value Subject to Change	This letter report is current as at June 30 2023. The value/s assessed herein may change significantly and unexpectedly over a relatively short period (caused by general market movement or factors specific to the particular property). For the avoidance of doubt, this may include global financial crises or force majeure events. We do not accept liability for losses arising from such subsequent changes in value.
Land Identification	The portfolio has been identified by reference to the Deposited/Crown Plans. The structures appear to be erected within the Title boundaries of the sites and there do not appear to be any encroachments on or by the subject land. We note however, we are not experts in this field and that actual identification of Title boundaries, encroachments and confirmation that structures are contained within those boundaries, would necessitate a check survey be undertaken by a qualified land surveyor.
Certificates of Title	<p>We have not been provided with current Certificates of Title and associated Plan searches, as such we have relied upon some title searches provided by the client, dating back to June 2020, with either <i>Duxton Broadacre Farms Limited</i>, <i>Peter George Hammond</i>, <i>West Plains (Forbes) Pty Ltd</i> or <i>Superb Developments Pty Ltd</i> as the registered owner. Since then we have been informed that the registered ownership name has transferred to Duxton Farms Limited for all holdings.</p> <p>It is an express assumption that associated Certificates of Title and associated Plan searches have not been adversely impacted by any encumbrances / registrations that have occurred since the search date.</p> <p>We reserve the right to review the valuation if any of the information provided is found to be incorrect.</p>



- Flooding** The quality, completeness and accuracy of flood mapping varies widely between localities and Councils. LAWD have not verified, and make no representation as to, the appropriateness, accuracy, reliability or currency of the flood mapping reviewed. The Reliant Party may wish to confirm the flood mapping information by obtaining an expert hydrologist's report. If further flooding data is obtained, we reserve the right to review and, if necessary, amend the relevant valuation.
- Land Inundation** Due to the high level of inundation preventing access to "Timberscombe Aggregation", we were unable to physically inspect that property and have valued it on a restricted desktop basis only. We have been advised that there has been no material change to the property since our previous inspection in mid-2021. If any of the above is deemed incorrect we reserve the right to review.
- Irrigation Infrastructure** From information obtained and through our previous property inspections, we have been advised that the irrigation infrastructure to be included in these valuations was in adequate working order. Therefore, for the purpose of these valuations we have assumed that the pumps and limited irrigation infrastructure are in sound working order.
- The irrigation equipment that we have been advised to include in the valuations, is capitalised into the associated land value.
- Water Supply Works and Water Use** It is an express assumption that the Water Supply Works and Water Use Approvals are current for the portfolio.
- Should this not be the case, the valuations provided should not be relied upon.
- Water Entitlements** We have not been provided with any current Water Entitlements, as such we have relied upon information provided to us from the registered proprietor.
- It is an express assumption that associated entitlements have not been adversely impacted by any encumbrances / registrations that have occurred since the search date.
- We reserve the right to review the affected valuation if any of the information provided is found to be incorrect.



4 VALUATION METHODOLOGY

Overview In arriving at our opinion of value, we have employed industry recognised valuation methodologies. LAWD have considered relevant general and economic factors and, in particular, have investigated recent sales of comparable properties (as previously detailed).

The method included in this valuation for Duxton Farms Limited Portfolio is:

- Direct Comparison – Summation Approach

5 VALUATION SUMMARY

In accordance with the instructions, we summarise our Market Value conclusions for the subject properties as of 30 June 2023 as follows:

VALUATION SUMMARY		
Holding		Market Value (\$)
"Walla Wallah", 1372 Lachlan Valley Way, Jemalong, NSW 2871	Nineteen Million, Five Hundred Thousand Dollars	\$19,500,000
"Cowaribin", Lachlan Valley Way, Warroo, NSW 2871	Five Million, Five Hundred Thousand Dollars	\$5,500,000
"Merriment", 346 Willawang Road, Warroo, NSW 2871	Six Million, Five Hundred Thousand Dollars	\$6,500,000
"Yarranlea", 424 Warroo Road, Lake Cowal, NSW 2671	Twelve Million, Five Hundred Thousand Dollars	\$12,500,000
"West Plains", 279 West Plains Road, Corinella, NSW 2871	Fifteen Million, Five Hundred Thousand Dollars	\$15,500,000
"Lenborough", 373 Wennings Road, Corinella, NSW 2871	Four Million Dollars	\$4,000,000
"Kentucky Aggregation", Bewleys Road, Wirrinya, NSW 2871	Thirty-Five Million, Five Hundred Thousand Dollars	\$35,500,000
"Timberscombe Aggregation", Newell Highway, Back Creek, NSW 2810	Fifty-Nine Million Dollars	\$59,000,000



6 CONSENT AND DISCLAIMERS

LAWD does not have an Australian Financial Services Licence and does not express any opinion about the financial position of Duxton. Our valuation report provided to Duxton of which this is a Summary Letter only, is provided solely for financial reporting purposes. Our opinion is limited solely to the subject matter of the valuation report provided to Duxton.

That opinion is entirely the opinion of LAWD, which has been provided independently and is not subject to any undue influence from Duxton Capital Australia or any other person.

LAWD is an established service provider for Duxton and is routinely paid for services provided on other projects. The fee LAWD has received is not in any way linked to its opinion and LAWD has not been promised or granted any incentive, rebate or further retainer by Duxton (or any of its associates) for the provision of the valuations.

In preparing our valuation report and this summary letter, LAWD has not had regard to the individual needs of any person that has invested or may invest with Duxton. Such investor should seek their own valuation and financial advice before deciding to make, hold or realise any investment in Duxton. LAWD does not accept any legal responsibility to any investor that makes an investment decision in reliance on this summary letter. Each person should note that our valuation report, emphasises that the report is current at the date of valuation only. The value assessed therein may change significantly or unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). Without limiting the generality of the disclaimer set out in the previous paragraph, LAWD does not accept any liability for losses arising from such subsequent changes in value.

Kind regards,

Tom Burchell, AAPI
Senior Director | LAWD Valuations
Certified Practising Valuer

Mick McNamara, AAPI
Associate Director | LAWD Valuations
Certified Practising Valuer

Tim McKinnon, AAPI
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