CROP UPDATE

The winter crop at the NSW aggregation progressed well over Q1FY2024 despite warm conditions and relatively low rainfall. The Operations Team is confident that the Company will be in a good position to harvest a strong crop this year, and any rainfall until the end of October will be positive for growth. Some of the winter crop will be baled for hay or turned into silage to support the livestock programme in anticipation of drier conditions. Land preparation for cotton had been completed as at the end of September, with planting and irrigation to begin in October. Duxton Farms will not be planting a conventional crop in 2024 at Piambie as the property development plan is taking priority and will look to resume the regular cropping programme for the next planting window for next season.

Local wheat prices were generally flat over the quarter, with Port Kembla APW1 prices ending September at $400/tonne at port. International prices trended lower over the quarter as supply from the Northern Hemisphere harvest hit the market, with the US CBOT December 2023 contract ending September at US$5.41/bushel. This was down 19% from US$6.69 at the end of June and down 40% from the same time last year. Domestic pricing will likely remain elevated relative to international pricing due to concerns around the impact of El Niño conditions.

LIVESTOCK

Adequate reserves of fodder continue to be held on farm, providing livestock with feed through the winter. The Company is continuing to trade livestock as favourable opportunities arise. The Company has been receiving good prices for lambs at the abattoir due to proper finishing and the high quality of animals sold.

The Australian Eastern Young Cattle Indicator continued to fall through the quarter, finishing at $3.57/kg at the end of the quarter, representing a 36% drop in three months.

Australian cattle prices are expected to remain subdued over the next few months as current supply remains strong and restocker demand weakens during dryer weather conditions. However, global demand for Australian beef is expected to rise given US production declines expanding export opportunities.

WEATHER

September 2023 was the driest on record for the nation as a whole and one of the driest months generally since the Bureau of Meteorology's records began in 1900, although the Company's portfolio did receive enough rainfall to maintain growth. The 2024 winter crop should finish well, although investors should be aware that current long-term predictions appear to suggest that the country may be entering a period of prolonged dry conditions.

CASH FLOW FORECAST

The company recorded an operating cashflow deficit for the quarter ending 30 September 2023 of $3,245,000 which can be primarily attributed to further spend on tillage, spreading, seed, fertilizer, and other consumables associated with the 2024 winter crop. Planting of the summer 2024 crop is expected to be completed ahead of schedule during October as the company continues to take advantage of favourable weather conditions.

The Company restructured its debt facilities during September 2023, which will allow greater headroom for working capital and continued asset development. Additional funding of $13,000,000 was received which was used to assist with the purchase of Piambie Farm and will assist with the development of the property.

Related part transactions of $688,000 in 6.1 of the quarterly cashflow report represent $517,000 paid to Duxton Capital (Australia) Pty Ltd for financial services and management fees for acting as Investment Manager. Amounts totaling $155,000 were paid to Duxton Water Ltd for water charges and $16,000 to Duxton Dairies (Cobram) Pty Ltd for agriculture services and advice in relation to Piambie.

Canola, NSW Aggregation

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	Quarter ended ("current quarter")
45 129 249 243	30 September 2023

Consolidated statement of cash flows			Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		1,176	1,176
1.2	Payments for			
	(a)	research and development	-	-
	(b)	product manufacturing and operating costs	(2,498)	(2,498)
	(c)	advertising and marketing	(-)	(-)
	(d)	leased assets	(6)	(6)
	(e)	staff costs	(581)	(581)
	(f)	administration and corporate costs	(727)	(727)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		-	-
1.5	Interest and other costs of finance paid		(728)	(728)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		104	104
1.8	Other (provide details if material)		15	15
1.9	**Net cash from / (used in) operating activities**		**(3,245)**	**(3,245)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	-
	(b)	businesses	-	-
	(c)	property, plant and equipment	(9,291)	(9,291)
	(d)	investments	-	-
	(e)	intellectual property	-	-
	(f)	other non-current assets		

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(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**	**(9,291)**	**(9,291)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	(45)	(45)
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	-	-
3.5	Proceeds from borrowings	18,465	18,465
3.6	Repayment of borrowings	(112)	(112)
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**	**18,308**	**18,308**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	(11,476)	(11,476)
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,245)	(3,245)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9,291)	(9,291)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	18,308	18,308
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**(5,705)**	**(5,705)**

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	737	13
5.2	Call deposits	-	-
5.3	Bank overdrafts	(6,442)	(11,489)
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**(5,705)**	**(11,476)**

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	688
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	70,000	60,750
7.2	Credit standby arrangements	10,000	6,442
7.3	Other (please specify)	3,000	1,863
7.4	**Total financing facilities**	83,000	69,055
7.5	**Unused financing facilities available at quarter end**		13,945

7.6 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.

CBA Overdraft $10,000,000: Rate 6.87% maturity at call
CBA Term Debt Facility $70,000,000: Variable Rate 5.45%% maturing 31/12/24
CBA Asset Finance Facility $3,000,000: Variable Rates of 3.38% to 7.50% maturing 31/12/24

All facilities are secured by mortgages over property and water entitlements.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,245)
8.2	Cash and cash equivalents at quarter end (item 4.6)	(5,705)
8.3	Unused finance facilities available at quarter end (item 7.5)	13,945
8.4	Total available funding (item 8.2 + item 8.3)	8,240
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.54

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.

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: No, calculating available funding based on a single quarter of operations in a broadacre farming business is going to give volatile results due to the timing of when revenue and expenses fall across the year.

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: Additional finance facilities of $13,000,000 were provided by CBA during the quarter to fund the purchase of Piambie Farm (as advised to ASX on 1 August 2023) and initial pistachio development thereon.

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: The entity expects to be able to operate without limitation on the basis of supporting cash flow with the sale of the winter harvest and continued sales of livestock.

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: 31 October 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.