

Duxton Broadacre Farms Limited (“DBF”) presents investors with a unique opportunity to participate directly in the Australian grain 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.

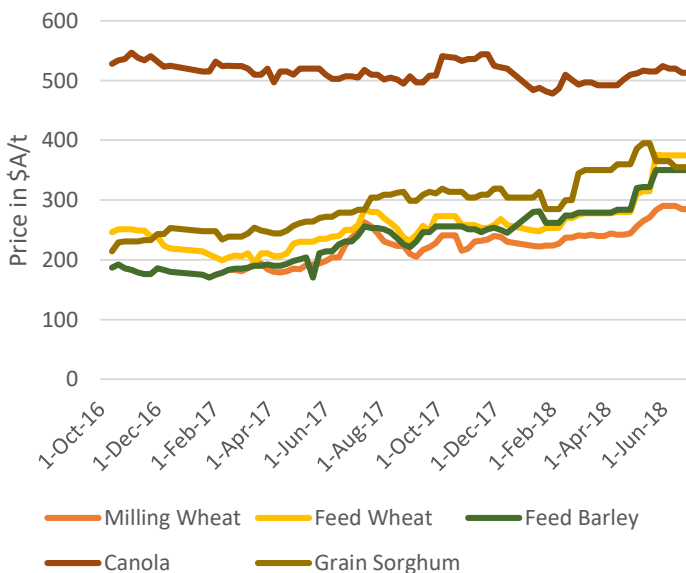
KEY STATISTICS (as at 30 June 2018)

Shares on Issue	43,383,065
IPO Issue Price (25 January 2018)	\$1.50
Market Cap (30 June 2018)	\$67,243,751 (at \$1.55 per share)

COMPANY SNAPSHOT

Company Name	Duxton Broadacre Farms Limited
Investment Manager	Duxton Capital (Australia)
Portfolio	3 broadacre aggregations
Locations	Forbes and West Wyalong, NSW
Hectares	19,460 owned
Water Entitlements (ML)	8,107 owned 6,798 leased (incl. 2,841 ML pending settlement)

Domestic Crop Indicator Prices



Data retrieved from ABARES Weekly Commodity Reports

INVESTMENT AND OPERATIONAL UPDATE

- **Share Buyback** – The share buyback continued this month with the on-market acquisition of 75,376 shares. This brings the total number of shares bought under the buyback to 150,634. The Company has the ability to acquire up to 315,666 additional shares (0.7% of shares on issue). The intent of the buyback is to enable DBF to acquire shares in the event the Board determines shares are trading at a discount to intrinsic value and promote liquidity in light of the relatively thin trading volume to date.
- **Winter Crops** – The dry conditions which have been experienced throughout NSW are adversely impacting winter crop development. Some areas have not received sufficient rainfall to effectively germinate. Subsequently the Company elected to replant 600ha of canola to barley following analysis of anticipated returns under various scenarios. DBF will continue to closely monitor conditions to ensure shareholder value is maximised given the prevailing conditions.
- **Irrigation** – An irrigation development proposal was presented to the board and ratified. Given elevated agricultural commodity prices, particularly cotton, and dry conditions enabling earthworks to be carried out, it was decided to bring forward stages of this development. An additional 80 ha of dryland country at Walla Wallah was laser levelled and converted to irrigated fields. An additional 45ha around Cowal is being laser levelled to convert from dryland to irrigation, with a further 200ha scheduled for development, weather permitting.
- **Livestock** – Livestock are receiving supplementary feed from grain and hay due to a lack of pasture development. The Company has determined that even with the current high feed prices it is more cost effective to fatten and sell the livestock rather than selling lean livestock.

AUSTRALIAN MARKET INSIGHTS

- **Crop Prices** – Growers and consumers are carrying old season stock and this will tighten the market supply until harvest. Old crop grain prices are expected to remain high until the new crop harvest begins. This month DBF completed the final sales of the canola stock (527t) and sold 573t of wheat. DBF has retained 500t of wheat in the event it is required for stock feed. With the nationwide reduction in chickpea plantings (see below) DBF is sitting on 300t from last season and prices are slowly rising as supply begins to tighten.
- **Crop Production** – The 2018/19 winter crop season has seen a mixed start. Autumn rainfall was below average for most major cropping regions but rains in late May in some regions allowed winter crops to be sown. NSW and QLD have not received the optimal required rain and as such plantings have been constrained. Certain crops such as chickpeas have been greatly affected by the low rainfall levels with farmers deciding to forego planting in favour of other varieties which will respond better to the low soil moisture levels and have higher expected returns. Area planted to chickpeas is forecast to fall by 53% this year to 528,000 hectares and total production is forecast to fall 40% to 616,000 tonnes. Total area planted to winter crops is forecast to fall by 4% to 21.1 million hectares. Winter crop production for 2018/19 is expected to be 37.7 million tonnes on the assumption that winter rainfall is timely. The 2017/18 winter crop harvest has been estimated at 37.8 million tonnes.
- **Local Weather** – May recorded a monthly mean temperature of 16.0 degrees compared to the long term average of 15.4. Rainfall was below average with 24.2mm recorded for the month compared to the long term average of 51 mm. The Bureau of Meteorology has predicted that there is a 75% chance of rainfall between 10-25mm and the temperature has a 80% chance of being above the long term median of 12-15 degrees.

GLOBAL MARKET INSIGHTS

Weather

- North America is being impacted by a number of weather events. The US corn belt has been impacted by dry conditions in the Midwest while some areas have received excessive rain and are flooding.
- The Black Sea region has been struggling with drought conditions having received just half of their average rainfall. Soil moisture levels are decreasing which will impact the crop. As the weather conditions deteriorated during a critical growing time for wheat and barley yields are likely to be reduced.
- The adverse weather conditions in other countries will help to support prices and demand for Australian products.

Production

- Due to adverse weather effects being experienced by Russia, forecasted production of wheat is expected to drop by 16%. This represents the first production decrease since 2012.
- Over the past 10 years the USA has averaged slightly over 56MMT of wheat production per year. The past two years have seen production approximately 15% lower than this long term average.
- These production falls present an opportunity as global demand for wheat is not stagnant. As supply has been added to the market, demand has risen and the majority of this demand is inelastic, meaning demand is insensitive to changes in price and is expected to be sustained.

Grain Prices

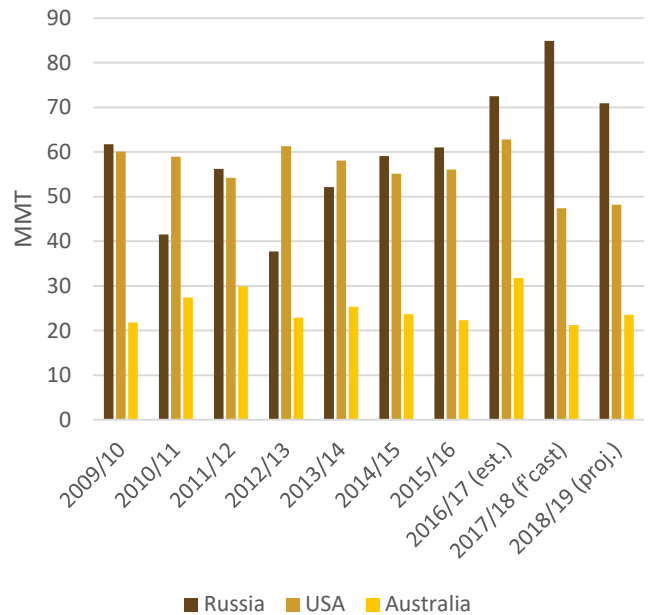
- Grain prices are influenced by several factors including; supply and demand, political risk, global economic conditions, and weather.
- Political instability between China and the USA is helping to support higher prices as the Chinese market begins to source their products from other countries.
- Globally grain pricing is going to be largely dependent on how the Russia and US seasons finish. Conditions are deteriorating in both countries and if this continues it will provide positive uplift to Australian grain prices.

Inflation Adjusted Price per Tonne (Wheat) USD/tonne



Data retrieved from Economic Research Services unit of the USDA

Wheat Production



Data retrieved from the International Grains Council

Domestic Grain Price Changes Past 12 Months*

Crop	Current Price per Tonne	Price 12 Months ago	Percentage Change
Milling Wheat	\$285	\$237	20%
Feed Wheat	\$375	\$255	47%
Feed Barley	\$350	\$236	48%
Canola	\$513	\$505	2%
Sorghum	\$355	\$284	25%

*Data retrieved from ABARES Weekly Commodity Reports

This factsheet 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 Broadacre Farms Limited [ACN 129 249 243] ("Duxton Broadacre Farms"). This factsheet 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 Broadacre Farms. Information from this factsheet 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 stocks are mentioned, it should not be construed that these are recommendations to buy or sell those stocks. You are not authorized to redistribute this document nor qualified to make any offer, representation or contract on behalf of Duxton Capital (Australia) or its affiliates. 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 factsheet or its contents, including for negligence.