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25 October 2017

Mr Stephen Duerden
Director
Duxton Broadacre Farms Limited
7 Pomona Road
STIRLING SA 5152

Via Email: stephen.duerden@duxtanam.com

Dear Sir

Summary of Valuation Report
Property – “Yarranlea Farms” 424 Warroo Road, Lake Cowal NSW 2671

INSTRUCTIONS

CBRE Valuations Pty Limited (“CBRE”) accepted instructions dated 20 October 2017 to prepare a Fair Value Valuation for the interest in the property listed above. The Valuation is to be relied upon for Prospectus purposes only and is specifically addressed for use and reliance upon, by the parties named above. The Valuation is prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards, having regard to ANZVGN 8 Valuations for use in Offer Documents. The instructions specifically request us to provide our opinion of the Fair Value of the holding which CBRE undertook as at 20 October 2017 on the following basis:

1. Fair Value

We have also had regard to the requirements of the Australian Accounting Standards Board. In particular, we have considered AASB13 Fair Value Measurement, which adopts the following definition of Fair Value:

“Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

The fair value of a non-financial asset is based on its highest and best use to market participants.

CBRE has been instructed to provide a full Valuation Report in addition to this Summary Letter which is included in the Prospectus document. In accordance with ANZVGN 8, our Valuation Report draws attention to the key issues and considerations impacting value and the report details our Critical Assumptions, General Assumptions, Disclaimers, Limitations, Qualifications and Recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, it is considered prudent to consider the entire contents of our Valuation Report. Therefore, we recommend that this Summary Letter be read and considered together with the Valuation Report. We accept no responsibility for reliance upon the Summary Letter. We refer the reader to Duxton Broadacre Farms Limited to obtain a copy of our Valuation Report.

BRIEF DESCRIPTION OF THE PROPERTY

“Yarranlea Farms” is a mixed irrigated and dryland cropping/grazing holding situated at Lake Cowal in the Central West region of New South Wales.

The property includes approximately 2,184 hectares of land with 350 hectares developed to irrigation – flood (row crop) and 1,604 hectares of dryland cropping / grazing land. The balance of land, approximately 230 hectares, comprises remnant vegetation and timbered grazing land.

The irrigation land is supported by access to approximately 1,342 megalitres of Jemalong Irrigation Limited General Security water.

Structures include a main dwelling & surrounds, dated cottage and rural infrastructure.

MARKET MOVEMENT

The valuation within the valuation report, referred to above represents the value of the property as at the date of valuation only (25 October 2017). The value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property or particular property sector). CBRE is not liable for losses arising from any subsequent changes in value.

CRITICAL ASSUMPTIONS AND RELIANCE ON INFORMATION PROVIDED

A summary of select Critical Assumptions noted in the full Valuation Report are noted as follows:

Title	<ul style="list-style-type: none">▪ The land is not subject to any encroachments or restrictions on title.
Identification	<ul style="list-style-type: none">▪ All structures have been erected within the title boundaries of the site and there are no encroachments on or by the subject land.▪ We note that in regard to 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.
Roads	<ul style="list-style-type: none">▪ The property is unaffected by any road alteration proposals.
Approvals/Permits	<ul style="list-style-type: none">▪ All Council approvals and permits have been obtained for the existing development.
Accuracy of Information	<ul style="list-style-type: none">▪ In assessing this valuation, we have been provided with information by the reliant party.▪ We advise that any objective information, data or calculations set out in the Valuation will be accurate so far as is reasonably expected from a qualified and experienced valuer, reflecting due skill, care and diligence. However, we have not independently verified third party information, adopted it as our own, or accepted its reliability. If any of the information provided by others and referred to in the valuation report is incorrect, it may have an impact on the valuation. The valuation is provided on the proviso that the reliant party accepts this risk.
Land Class Apportionment	<ul style="list-style-type: none">▪ In an effort to apportion the correct land classes across the aggregation, we have relied upon information provided by the reliant party in obtaining the appropriate areas. We have reconciled the areas provided by reliant party via Google Earth Pro Mapping Software where possible.▪ If any of the information is found to be incorrect, we reserve the right to review the valuation.
Market Movement	<ul style="list-style-type: none">▪ This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular water entitlement). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 90 days from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

However, it should be recognised that the 90 day reliance period does not guarantee the value for that period; it always remains a valuation at the date of valuation only.

- Water Entitlements:**
- We have assumed that the water entitlements are utilised on the property and form part of the farm enterprise, notwithstanding that they are the personal property of the owner and are not part of the real property. In the event that the water entitlements do not form part of the farm enterprise, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
- Irrigation Infrastructure:**
- Via information obtained and through our property inspection, we have been advised that the irrigation infrastructure is in adequate working order. Therefore for the purpose of this valuation we have assumed that all pumps and irrigation infrastructure are in sound working order.
 - All irrigation equipment including irrigators and pumps are included in the valuation and capitalised into the associated land value.
- Moora Plains Water Scheme**
- We have been advised that the property has access to Stock and Domestic water from the Moora Plains Water Scheme, which provides water to the property from a bore on a neighbouring farm.
 - We have requested but not been provided with any further information. We reserve the right to review the valuation if any of the above is deemed incorrect.
- Lease**
- We have been advised that portion of the property is currently leased to a local operator which is due to terminate on 31 December 2017. We have been advised to disregard the lease as part of our instructions.
- Caveats**
- As at the search date, the following caveats are noted on Title:
 - Caveat by New South Wales Rural Assistance Authority via instrument number AD778333.
 - Caveat by New South Wales Rural Assistance Authority via instrument number AJ796494.
 - Caveat by New South Wales Rural Assistance Authority via instrument number AB794587 (caveat consented via instrument numbers AC249704 and AD484711).
 - We understand that these caveats were all associated with the previous owner and as a result do not affect the current ownership. We have therefore disregarded these caveats for the purpose of this valuation.

RECOMMENDATIONS

Prior to relying on the report, the Reliant Party is to obtain the following information/additional advice:

- Moora Plains Water Scheme**
- We have not sighted a formal agreement for the Moora Plains Water Scheme allowing access to the property to legally be upheld.
 - We recommend that such agreement be provided or if not in place created via an easement.

We have relied upon information provided by Duxton Broadacre Farms Limited.

Our valuation is based upon the most current information available at the time the valuation was prepared. CBRE accepts no responsibility for subsequent changes in information as to market conditions.

In the current market, it is our view that a 3-6 month marketing period may be required to effect a disposal of the interest in the asset assuming a professional marketing campaign.

REPORT CONTENT

Our Valuation Report, in addition to the content noted earlier, contains detailed information and description pertaining to: Instructions; Use and Reliance; Site Details including Location, Legal, Environmental and Town Planning; and Building Improvements. This is followed by a comprehensive Agriculture and Water Market Overview and details of the sales evidence regarded. Finally, the report considers the value and marketability of the property. We again refer the reader of this letter to our Valuation Report for detail in respect of the above items.

VALUATION METHODOLOGY

In arriving at our opinion of market value in accordance with the instructions, we have placed primary emphasis on the Direct Comparison approach.

VALUATION SUMMARY

In accordance with the instructions, we summarise our valuation conclusions for the subject holding as at 25 October 2017 is as follows:

1. Fair Value

VALUATION RECONCILIATION	
"Yarranlea Farms"	\$7,435,000
ADOPT	\$7,435,000

"Yarranlea Farms"
\$7,435,000 (Seven Million, Four Hundred and Thirty Five Thousand Dollars), exclusive of GST.

CONSENT

CBRE provides its consent for the inclusion of this Summary Letter within the Prospectus Duxton Broadacre Farms Limited subject to Duxton Broadacre Farms Limited making recipients of the Prospectus aware of the following liability disclaimers.

LIABILITY DISCLAIMER

- (a) CBRE is not operating under an Australian Financial Services Licence when providing the full Valuation Report or this Summary Letter and those documents do not constitute financial product advice. Investors should consider obtaining independent advice from their financial advisor before making any decision to invest in/with Duxton Broadacre Farms Limited.
- (b) CBRE disclaims any liability to any person in the event of an omission from, or false and misleading statements included in the Prospectus, other than in respect to this Summary Letter and the full Valuation Report.
- (c) The Valuation Report and this Summary Letter are strictly limited to the matters contained within those documents, and are not to be read as extending, by implication or otherwise, to any other matter in the Prospectus. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.
- (d) CBRE has prepared the full Valuation Report and this Summary Letter relying on and referring to information provided by third parties including financial and market information (“Information”). CBRE assumes that the Information is accurate, reliable and complete and it has not tested the information in that respect.
- (e) References to the Holding’s value within this Summary Letter or the Prospectus have been extracted from CBRE’s Valuation Report. The Valuation Report draws attention to the key issues and considerations impacting value and provides a detailed assessment and analysis as well as key critical assumptions, general assumptions, disclaimers, limitations, qualifications and recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, CBRE recommends that this Summary Letter and any references to value within the Prospectus must be read and considered together with the Valuation Report. This Summary Letter is to be read in conjunction with our full Valuation Report dated 25 October 2017 and is subject to the Assumptions, Limitations, Disclaimers and Qualifications contained therein. We refer the reader to Duxton Broadacre Farms Limited to obtain a copy of the Full Valuation Report.
- (f) No responsibility is accepted for any loss or damage arising as a result of reliance upon this Summary Letter and the Full Valuation Report.
- (g) Neither this Summary Letter nor the full Valuation Report may be reproduced in whole or in part without prior written approval of CBRE.
- (h) CBRE charges a professional fee for producing valuation reports, and the fee paid by Duxton Broadacre Farms Limited for the Valuation Report and this Summary Letter was \$19,250 inclusive of GST.

- (i) We confirm that the valuer does not have a pecuniary interest that would conflict with a proper valuation of the interest in the property.
- (ii) This document is for the sole use of persons directly provided with it by CBRE. Use by, or reliance upon this document by anyone other than those parties named above is not authorised by CBRE and CBRE is not liable for any loss arising from such unauthorised use or reliance.

Yours sincerely
CBRE Valuations Pty Limited



Tom Burchell
Certified Practising Valuer
Director - Agribusiness
Valuation & Advisory Services



Tim McKinnon
Certified Practising Valuer
Senior Director - Agribusiness
Valuation & Advisory Services

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