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14 June 2018

Mr William Brennan
Authorised Representative
Duxton Broadacre Farms Limited
7 Pomona Road
STIRLING SA 5152

Via Email: will.brennan@duxtonam.com

Dear Sir

Summary of Valuation Report

Property – “Wyalong Aggregation” Various Addresses Via West Wyalong NSW 2671 & Forbes NSW 2871

INSTRUCTIONS

CBRE Valuations Pty Limited (“CBRE”) accepted instructions dated 17 April 2018 to prepare a Fair Value Valuation for the interest in the property listed above. The Valuation is to be relied upon for Financial Reporting purposes only and is specifically addressed for use and reliance upon, by the party 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. The instructions specifically request us to provide our opinion of the Fair Value for financial reporting as at 14 June 2018 of the holding which CBRE undertook as at 10 May 2018 on the following basis:

1. Fair Value for Financial Reporting purposes only.
In assessing the valuation on this basis 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. 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

“Wyalong Aggregation” is a large scale dryland cropping holding situated in proximity to both West Wyalong and Forbes in the Central West region of New South Wales.

The holding comprises two separate aggregations, which are known as “Timberscombe Aggregation” and “Kentucky Aggregation”. Both aggregations include extensive frontage to the Newell Highway with “Timberscombe Aggregation” being situated in proximity to West Wyalong and “Kentucky Aggregation” being situated in proximity to Forbes.

“Wyalong Aggregation” currently supports a dryland cropping enterprise and includes a total land area of approximately 14,347 hectares across both “Timberscombe Aggregation” and “Kentucky Aggregation”.

“Timberscombe Aggregation” includes approximately 8,432 hectares of land with 7,850 hectares considered arable. The balance of land, approximately 582 hectares, is considered to comprise remnant vegetation and timbered grazing land. Structures include 3 habitable dwellings, extensive rural shedding and grain storage facilities.

“Kentucky Aggregation” includes approximately 5,914 hectares with 5,278 hectares considered arable. It is noted that approximately 367 hectares of the arable land is developed to flood irrigation, however is considered a dated configuration and is not currently in use. The balance of land, approximately 636 hectares, is considered to comprise timbered grazing land and remnant vegetation. Approximately 811 megalitres of Jemalong Irrigation Limited (General Security) surface water is included in the valuation. Structures include 2 habitable dwellings, extensive rural shedding and grain storage facilities.

A summary of the holding is provided below:

| "Wyalong Aggregation" | | |
|----------------------------|--------------------------------|------------------|
| Property Name | Property Address | Area (ha) |
| "Timberscombe Aggregation" | Newell Highway, Back Creek NSW | 8,432.26 |
| "Kentucky Aggregation" | Bewleys Road, Wurrinya NSW | 5,914.39 |
| Total | | 14,346.65 |

MARKET MOVEMENT

The property is valued for financial reporting as at 14 June 2018, while our inspection of the property was on 10 May 2018. We have assumed that the land and buildings and real estate market conditions remain unchanged between the date of inspection and the date of valuation. 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 | 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 site and there are no encroachments on or by the subject land.</p> <p>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.</p> |
| Roads | The aggregation is unaffected by any road alteration proposals. |
| Approvals/Permits | All Council approvals and permits have been obtained for the existing development. |

- Accuracy of Information** 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** 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 the 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.
- Water Access** We note that the irrigation – flood land situated to the north on “Kentucky Aggregation” is currently not in use for irrigation (used for dryland cropping only) and is an outdated configuration. We have been advised that the Jemalong Irrigation Limited surface water can still be accessed on the property.
- It is an express assumption that the abovementioned is true and correct, should this be found incorrect we reserve the right to review our report.
- Certificates of Title** We have not been provided with current Certificates of Title and associated Plan searches, as such we have relied upon title searches provided by the client dated March 2017.
- 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. Further, we assumed that there has not been a change in ownership.
- We reserve the right to review the valuation if any of the information provided is found to be incorrect.
- Water Licences** We have been advised that approximately 811 megalitres of Jemalong Irrigation Limited (General Security) and 24 megalitres of Jemalong Irrigation Limited (Stock & Domestic) water is to be included in the valuation. We note that the licences were previously registered to Wyalong Rural Investments, then recently changed ownership to Merrimont Rural Investments Pty Ltd (related entity to the reliant party) and are now in the process of being changed to Duxton Broadacre Farms Limited, however we have been advised to include same in the “Wyalong Aggregation” valuation.
- We have not received copies of the associated licences for 90 megalitres of the 811 megalitres Jemalong Irrigation Limited - General Security on “Kentucky Aggregation”. We have been advised that this water is under the ownership of Merrimont Rural Investments Pty Ltd and is now in the process of being changed to Duxton Broadacre Farms Limited and to be included in this valuation. We have only been provided with an extract detailing the 90 megalitres of Jemalong Irrigation Limited - General Security water, which is summarised below:
- 30 megalitres of Jemalong Irrigation Limited – General Security via Holding Reference W1006.
 - 35 megalitres of Jemalong Irrigation Limited – General Security via Holding Reference W1011.
 - 25 megalitres of Jemalong Irrigation Limited – General Security via Holding Reference W1012.
- It is an express assumption that the abovementioned water entitlements are to be included in the valuation, should this be found incorrect we reserve the right to review our report.**
- Market Movement** 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.
- Financial Reporting** That there will be no material change in the property market or the property between the date of inspection and the date of valuation.

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 6-9 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 14 June 2018 as follows:

1. Fair Value

VALUATION RECONCILIATION

| | |
|----------------------------|--------------|
| "Timberscombe Aggregation" | \$28,750,000 |
| "Kentucky Aggregation" | \$18,200,000 |

"Timberscombe Aggregation"
\$28,750,000 (Twenty Eight Million, Seven Hundred and Fifty Thousand Dollars), exclusive of GST.

"Kentucky Aggregation"
\$18,200,000 (Eighteen Million, Two Hundred Thousand Dollars), exclusive of GST.

CONSENT

CBRE Valuations Pty Limited provides its consent for the inclusion of the Summary Letter, unaltered and in its entirety to the ASX making recipients of such documents aware of the following liability disclaimers. Any further reference to CBRE, the valuation or the valuer within a public document shall require further express review of the content and our express consent prior to release.

LIABILITY DISCLAIMER

Liability limited by a scheme approved under Professional Standards Legislation.

- (a) CBRE is not operating under an Australian Financial Services Licence when providing the full Valuation Report or 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 including the ASX Disclosures, other than in respect to the Summary Letter and the full Valuation Report.
- (c) The Valuation Report and the 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. 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 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 Property’s value within the Summary Letter 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, assumptions, disclaimers, limitations and 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 ASX Disclosure 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 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 the 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 the prior written approval of CBRE.
- (h) We confirm that the valuer does not have a pecuniary interest that would conflict with a proper valuation of the interest in the property.
- (i) 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
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