



June 2020

Lowell Resources Fund Monthly Update

Fund Introduction (ASX: LRT)

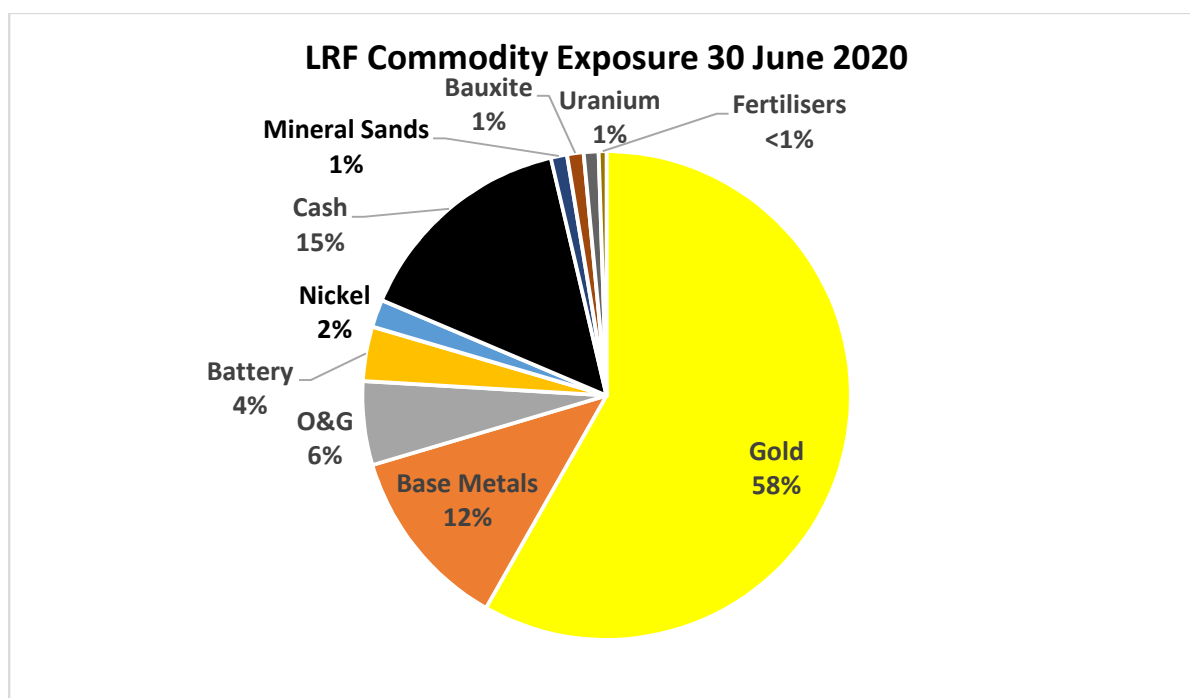
ASX-listed Lowell Resources Fund is focused on generating strong absolute returns from the junior resources sector. Our experienced team of fund managers has many years of experience in this high risk, high reward sector. Lowell Resources Fund Management (LRFM) manages the portfolio of exploration and development companies operating in precious and base metals, specialty metals and the oil and gas space. LRFM has a successful 17-year track record managing LRT. An investment in LRT provides investors with exposure to an actively-managed portfolio focused squarely on one of the most rewarding sectors of the Australian, as well as global, share market.

Fund Overview

Investment Manager	Lowell Resources Funds Management Limited
Managed since	6 February 2004
ASX code	LRT
Income distribution	Annual

Unit Price Snapshot as at 30 June 2020

NAV per unit	\$1.21
No. of units on issue (after 1 for 10 split)	27,354,740
Market price (ASX)	\$0.96/unit
Net Asset Value (pre distribution, post perf fee)	\$33.2m





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Fund Performance Summary

- Based on our currently unaudited accounts, the LRT completed an exceptional year in the 12 months to 30 June 2020, and surpassed the relevant indices by large margins:
 - 108% increase in Net Asset Value over the year
 - 134% increase in unit price traded on the ASX over 12 months
 - NAV outperformed the S&P/ASX 300 Resources Index by 115% in the year to 30 June 2020
 - NAV outperformed the S&P/ASX 200 Index by a net 116% in the year to 30 June 2020
- The Fund's NAV per unit was \$1.21 at 30 June 2020 (\$0.92 as at 31 May 2020), representing a 31.5% increase in NAV in the month of June.
- Unit price of the ASX listed LRT units at month end was \$0.96/unit, representing an 20.7% discount to underlying NAV.
- The Fund's NAV at the end of the month was approximately \$33.2 million (pre-distribution to unitholders).
- An estimated distribution to unitholders of 2.5c per unit is expected.

Fund Top Holdings

Musgrave Minerals' (MGV.ASX) RC drilling program at the high-grade Starlight ('link') lode at its Cue gold project in WA intersected bonanza near-surface gold including 18m at 179g/t Au and 12m at 112g/t Au. The Starlight lode runs perpendicular to existing defined gold zones and indicates the potential to find repeat parallel structure. Late in June, a new gold lode was discovered 75m south of Starlight. Over the month, the MGV share price more than tripled from 14.5cps to 47.5cps, making Musgrave the Fund's largest individual holding. The share price of the Fund's second largest holding **De Grey Mining (DEG.ASX)** more than doubled in June as 6 RC and diamond drilling rigs at its Hemi gold discovery in the Pilbara defined major extensions to the Aquila zone.

During June, West African focused gold explorer **Predictive Discovery (PDI.ASX)** increased its active drilling fleet at its NE Bankan gold discovery in Guinea to seven rigs. It announced grant of the tenement immediately north along strike from the discovery where power auger drilling has increased the mineralised strike length by 30% to 1.3km with near surface geochemistry up to 16m at 1.39g/t gold.

Genesis Minerals (GMD.ASX) announced a transformative and highly accretive acquisition of the tenements neighbouring GMD's Ulysses gold project in Western Australia. The acquisition will bring the total project resource to 1.4 Moz of gold, with excellent potential to grow this further. The likelihood of developing a stand-alone gold processing operation is now much greater, with commensurately enhanced project economics.

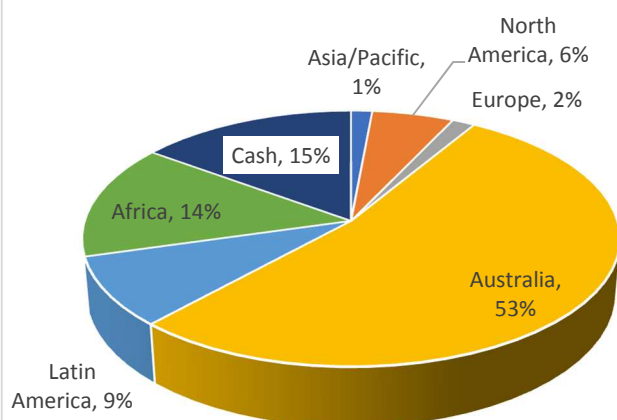
Centaurus Metals (CTM.ASX) released the maiden JORC resource for its Jaguar sulphide nickel project in Brazil, containing over 0.5Mt of nickel at a grade of 1.1% Ni, including a high grade component of 20.6Mt @ 1.56% Ni for 321,400t of nickel. The potential to increase this initial resource looks outstanding, both along strike and at depth. The shallow position of the resource bodes well for the ability to mine the deposit with cheap open pit methods. Encouragingly for the future development of the project, flotation testwork has returned over 80% recoveries using a conventional nickel flowsheet.



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Portfolio by Geography of main project, 30 June 2020



Company	Commodity	% of Gross Investments
Cash	Cash	14.9%
Musgrave Minerals	Gold	13.0%
De Grey Mining	Gold	11.8%
Predictive Discovery	Gold	10.2%
Genesis Minerals	Gold	4.7%
Centaurus Metals	Nickel	3.6%
Liontown Resources	Lithium	3.3%
Middle Island	Gold	3.1%
Saturn Metals	Gold	2.9%
Apollo Consolidated	Gold	2.1%

June 2020 Portfolio Changes

It was an active month for the Fund's gold exposures in west Africa, where the Fund sold out of its long term holding in gold developer Cardinal Resources after the company received an all cash 60cps takeover bid from Shandong Gold Mining Co, which pushed the Cardinal share price to the offer level. The Fund's position in Oklo Resources was sold, but West African gold exposure was added through placements in gold explorers Arrow Minerals in Burkina Faso and Graphex in Mali (to be renamed). The Fund also exercised its rights in the Predictive Discovery entitlement issue.

Also overseas, the holding in Alaskan copper-gold-base metals explorer Polar X was increased, and the Fund took a seed position in Japan-focused gold explorer Cipango Ltd.

In Australian gold, the Fund increased its exposure to Genesis Minerals, Nexus Minerals and Saturn Metals, while exiting Horizon Gold and lightening off its position in some other Australian gold names.

During June, the Fund added to its uranium exposure through a placement in Vimy Resources. It also committed to a second tranche placement in Colorado helium exploration company Blue Star Helium.

In light of the high level of volatility in equity markets, the Fund continued to boost its cash holdings to take advantage of new opportunities.



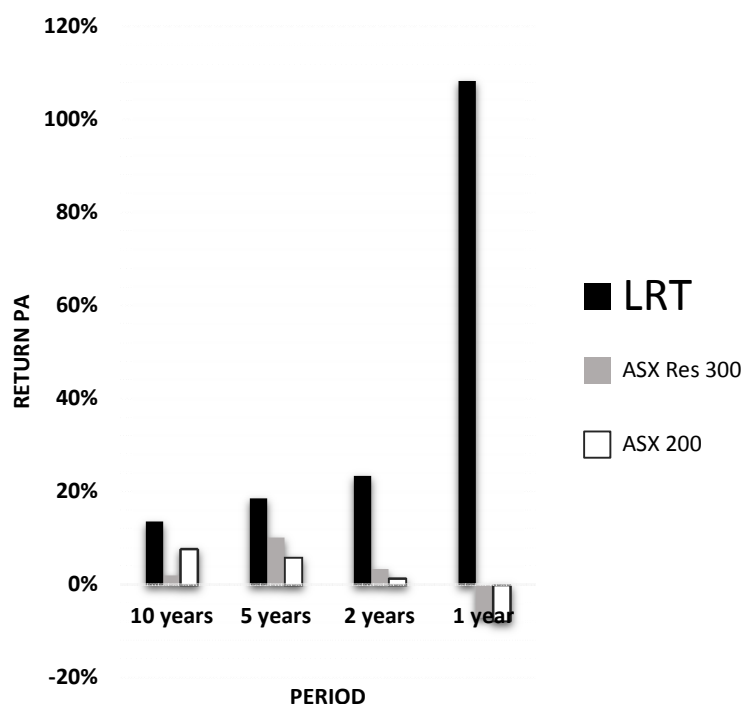
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Comparison Performance

The Fund's NAV again increased substantially in June, by more than 30% over the month. In the 12 months to 30th June 2020, the Lowell Resources Fund significantly outperformed the benchmark by over 100%. The S&P/ASX Small Resources Index (XSRD) return of -0.1% compared to the Fund's 108% 12-month change in underlying net asset value per unit (after fees and expenses). Over the longer term, the Fund has outperformed the XSRD, the ASX Resources 300 Index, and the ASX 200 Index over 5 and ten years.

Total Portfolio Performance to 30 June 2020	LRT Change in NAV per unit	S&P/ASX Small Resources Index (XSRD.ASX)	ASX Resources 300 Index	ASX 200 Index
12 months	+108.1%	+0.1 %	-7.0%	-7.7%
5 years p.a.	+18.7% pa	+8.9% pa	+10.3% pa	+6.0% pa
10 years p.a.	+13.6% pa	-7.0% pa	2.15% pa	7.80% pa

Chart: LRT NAV Annualised Performance to 30 June 2020



The ASX traded unit price of LRT at the end of the month was \$0.96/unit, compared to \$0.75/unit equivalent at the end of May.



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Characteristics of the Fund

Number of investments: 56

Average Market Capitalisation of Investee companies: AUD\$56 million

Weighted Average Market Capitalisation of Investee companies in portfolio: AUD\$230 million

Nature of fund	Long only, absolute return fund
Investee companies	Junior resource companies, including gold, base and specialty metals, and energy
Investment type	Focus on global listed and unlisted resource equities
Distribution policy	100% of taxable profits distributed annually

WARNING

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