



Lowell Resources Fund Monthly Update

April 2021 Performance Summary: Lowell Resources Fund (ASX: LRT)

The Lowell Resources Fund net asset value ('NAV') per unit hit another new record in April, finishing the month at \$1.823/unit (vs \$1.657/unit at 31 March 2021), representing a 10.0% increase in NAV over the month. The unit price of the ASX listed LRT units at month end was \$1.65/unit, representing a 9.5% discount to underlying NAV.

The Fund's NAV at the end of the month was approximately \$51.1 million.

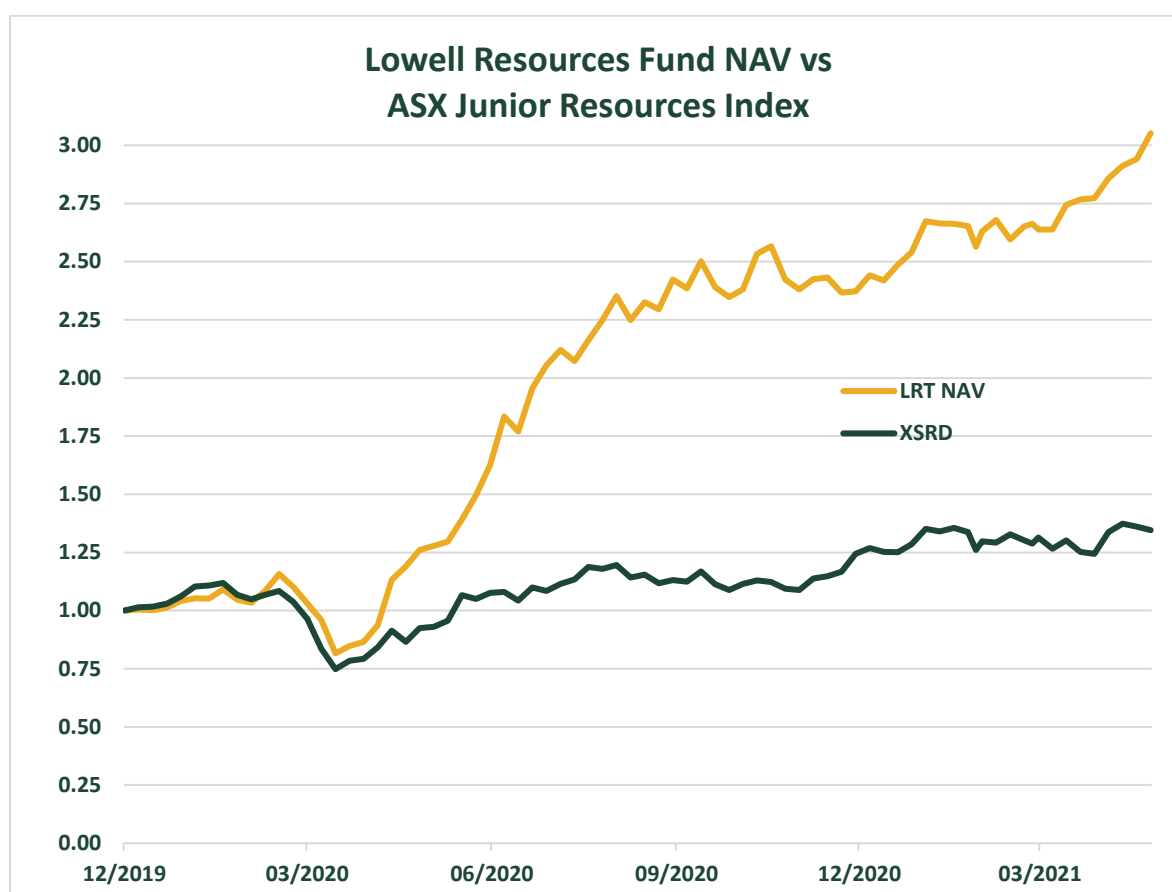
The number of units on issue decreased slightly as a result of a unit buy-back implemented by the Responsible Entity.

Fund Overview

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

Fund Snapshot 30 April 2021

NAV per unit	\$1.8227
No. of units on issue	28,046,614
Market price (ASX)	\$1.65/unit
Net Asset Value	\$51.1m





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Fund Investment Actions – April 2021

In April the Fund sold the last of its shares in Liontown Resources, an investment which netted the Fund more than a 15x multiple on invested funds.

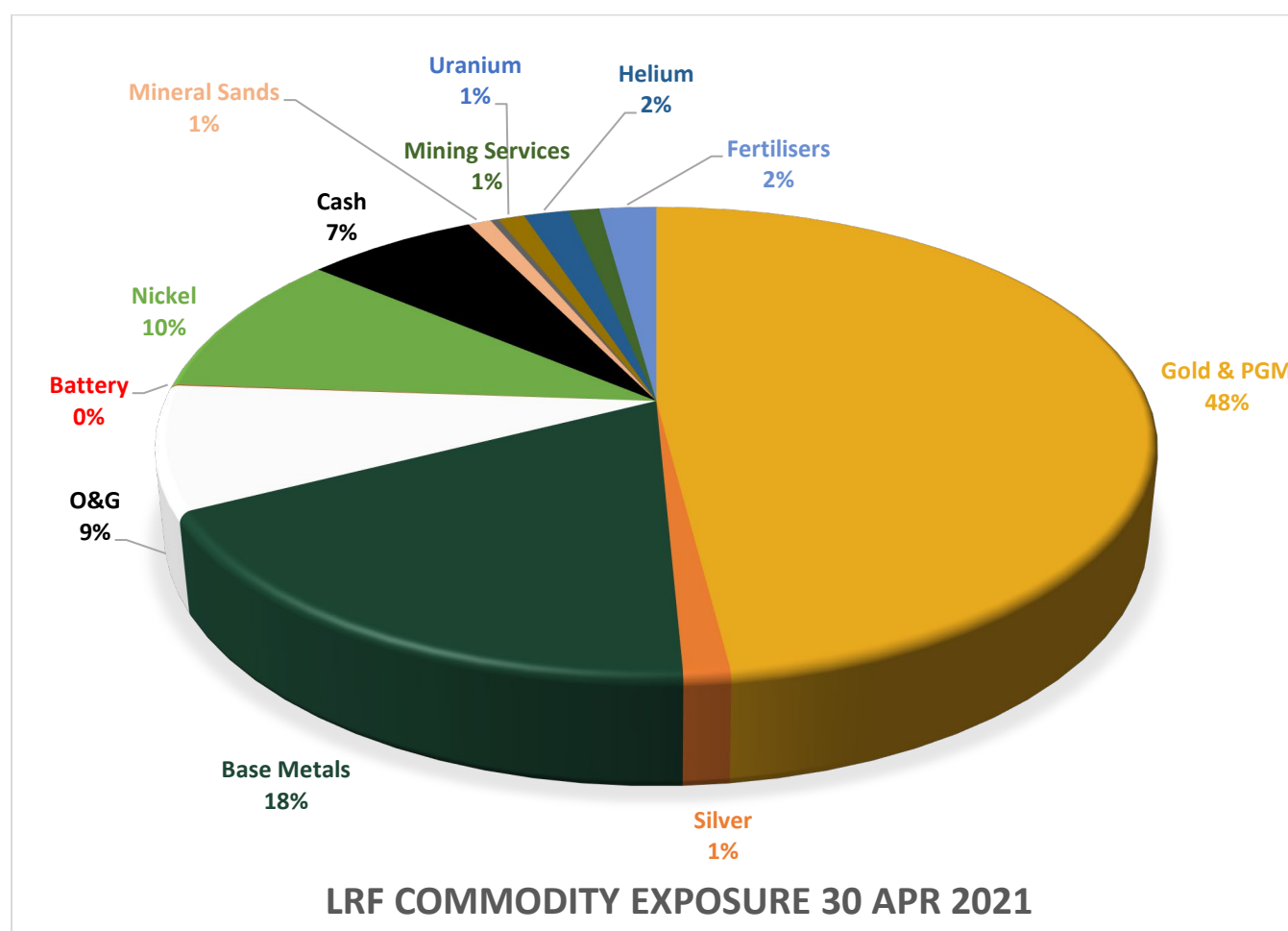
In the energy sector, the Fund exited its position in Pure Hydrogen and took some profits in one of its uranium positions after strong performances in the equities appeared to outpace the underlying uranium spot market.

In April, the Fund rebalanced its gold holdings, participating in the Flynn Gold IPO while reducing some WA gold stocks at a profit.

The Fund also took some profits in the copper sector, after copper prices hit decade highs, while maintaining exposure to the sector given its strong fundamentals.

Exposure to Peru was reduced in light of political trendlines becoming less favourable for foreign investment in that jurisdiction.

The commodity allocation at the end of the month is illustrated in the pie chart below.





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Performance Comparison

In the 12 months to 30th April 2021, the Lowell Resources Fund again outperformed the benchmark by the proverbial ‘country mile’. The S&P/ASX Small Resources Index (XSRD) return of 45.6% pa compared to the **Fund’s 143.2% 12-month change in underlying net asset value per unit** (inclusive of distributions and after fees and expenses). The Fund has also outperformed the XSRD, the ASX Resources 300 Index, and the ASX 200 Index over 5 and ten years.

In its review of listed investment companies, Ord Minnett reported the Lowell Resources Fund as the “best performer” in the 12 months to 31 March 2021.¹

Total Portfolio Performance to 30 April 2021	LRT Change in NAV per unit inc distributions	S&P/ASX Small Resources Index (XSRD.ASX)	ASX Resources 300 Index	ASX 200 Index
12 months	143.2%	+45.6%	41.2%	30.8%
5 years p.a.	27.7% pa	+12.5% pa	17.9% pa	10.3% pa
10 years p.a.	12.7% pa	-6.5% pa	2.4% pa	8.4% pa

The LRT.ASX traded unit price at the end of April was \$1.65/unit, compared to \$1.33/unit at the end of January.

Market Notes

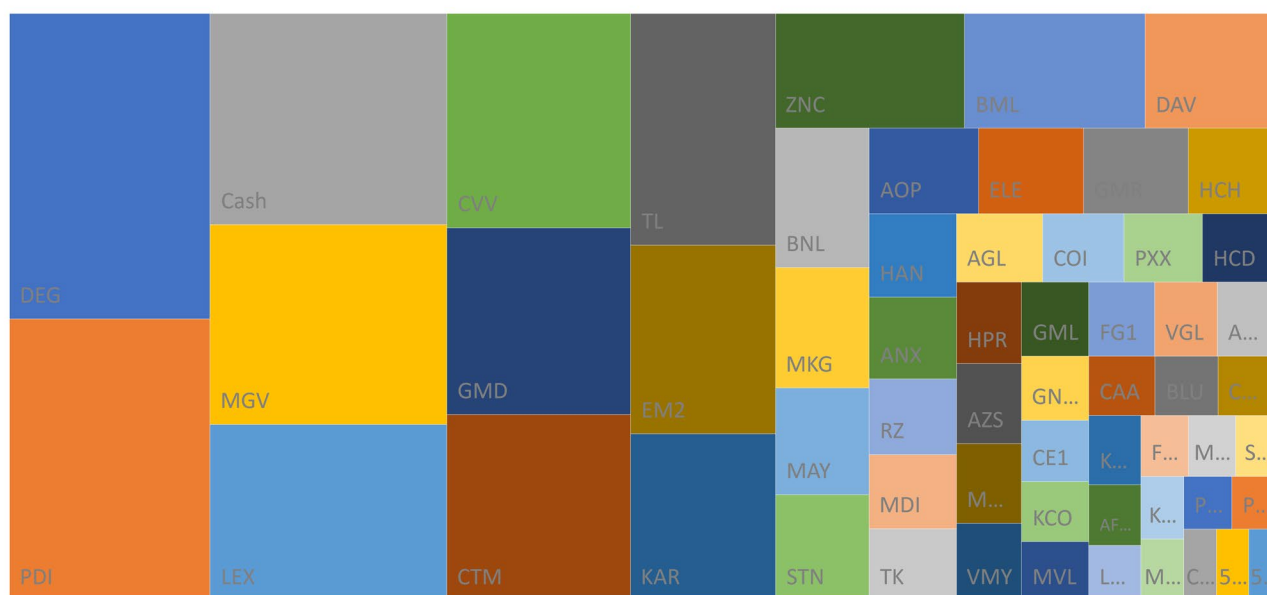
- The S&P junior resources index XSRD rose nearly 10% in April as a broad range of commodities saw price increases.
- WTI oil prices bounced back around 6% in April as inventories of crude fell. Oil imports by China had jumped 38% year-on-year to an all-time high by value of US\$227.3 billion in March 2021. Shipments of LNG to China were also up more than 30% in March due to efforts to open terminals to gas distributors.
- Copper prices finished the month at around US\$4.50/lb, which is a 10-year high. Demand has surged in both China and the western world as economies rebound from the pandemic and copper use intensifies in the move towards greater electrification. Meanwhile in Chile, the world’s largest producer, supplies are threatened by social unrest, Covid-19 and moves to dramatically increase levies on production.
- Iron ore continued its 5-year price rally, and post month end hit record highs of over US\$200/t.
- The USD gold price strengthened by nearly US\$100/oz as US real rates descended further back into negative territory during April, and the debate over the level of future inflation intensified.
- Palladium surged to a record high at just under US\$3,000/oz, following 5 straight years of increases for the precious metal. The palladium market is being stoked by production deficits due to disruptions at Russian mines (the world’s largest producer). Palladium is mainly used in catalytic converters, and rebounding demand from car makers, coupled with tighter emissions controls in Europe and China, has driven the shortage.

¹ Ord Minnett Research, Listed Investment Companies March 2021 Performance Review and Update 3 May 2021



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LRF Portfolio by Value 30 April 2021



Fund Top Holdings

At its Hemi gold project in the Pilbara, **De Grey Mining (DEG.ASX)** has now increased the number active rigs on site to 10. The company is well funded to maintain one of the largest drill programs in Australia with over \$80m in cash. Thick and high-grade intersections continued across the project: both at the Hemi deposit itself i.e. Crow (25m at 12.1g/t Au) and Aquila (11m at 10.5g/t Au), and in other areas: Eagle (36m at 6.9g/t Au) and Diucon (20m at 4.9g/t Au).

Predictive Discovery (PDI.ASX) continued to advance its Bankan gold discovery in Guinea, announcing results at NE Bankan including 51m at 2.5g/t Au and 54m at 2.1g/t Au from surface. The company also announced the results of an aeromagnetic survey which indicated 9 high priority targets in a 35km long structural corridor which hosts the NE Bankan deposit. These targets are now being tested with regional power auger drilling.

Musgrave Minerals' (MGV.ASX) extended the strike of its new "Big Sky" prospect at its Cue project to 1.2km, with intersections such as 30m at 5.8g/t Au and 12m at 4.1g/t Au.

During April **Lefroy Exploration (LEX.ASX)** began diamond drilling at its 100% owned Burns project in Western Australia which hosts high grade gold mineralisation in porphyry. Early results included 48m at 0.4g/t Au, and 0.4% Cu and 29m at 2.6g/t Au and 0.2% Cu.

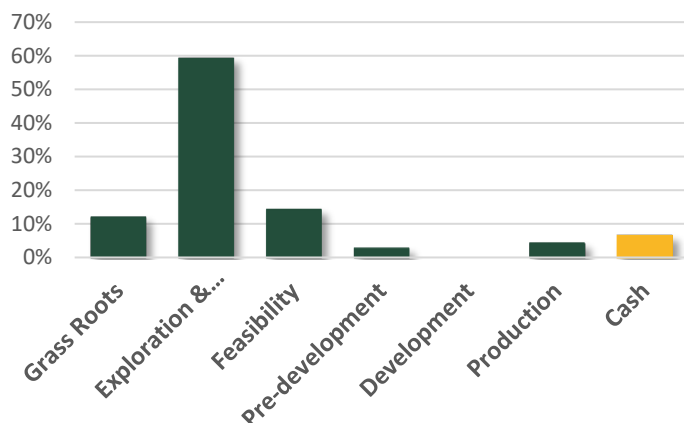
Caravel Minerals (CVV.ASX) is progressing a pre-feasibility study on its Caravel Copper Project in the wheatbelt of southwest WA. The project is a large low-grade deposit (662Mt at 0.28% Cu) with good potential metallurgical and low-cost mining attributes. The project represents excellent leverage to the burgeoning copper price.

Genesis Minerals (GMD.ASX) raised \$11m through an equity placement in April and began to extend the mineralisation at its 1.6Moz Ulysses gold project near Leonora in WA. The company drilled a new prospect at Puzzle North, with results including 16m at 1.6 g/t Au and 106m at 0.7g/t Au.



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LRF Portfolio Value by Stage of Project
30 April 2021



Company	Commodity	% of Gross Investments
De Grey Mining	Gold	8.1%
Predictive Discovery	Gold	7.5%
Cash	Cash	6.3%
Musgrave Minerals	Gold	5.5%
Lefroy Exploration	Gold	5.2%
Caravel Minerals	Copper	4.5%
Genesis Minerals	Gold	4.5%
Centaurus Metals	Nickel	4.4%
Talon Metals	Nickel	3.6%
Eagle Mountain Mining	Copper	3.2%

What is the Lowell Resources Fund? (ASX: LRT)

ASX-listed Lowell Resources Fund is focused on generating strong absolute returns from the junior resources sector. Our 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.

Characteristics of the Fund

Number of investments: 61

Average Market Capitalisation of Investee companies: AUD\$109 million

Weighted Average Market Capitalisation of Investee companies in portfolio: AUD\$259 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



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WARNING

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