



**LOWELL RESOURCES
FUNDS MANAGEMENT**

ABN 36 006 769 982



LOWELL RESOURCES FUND

Presentation to Ord Minnett

5th October 2021



Deep value equity fund focused on the junior resources sector





Disclaimer



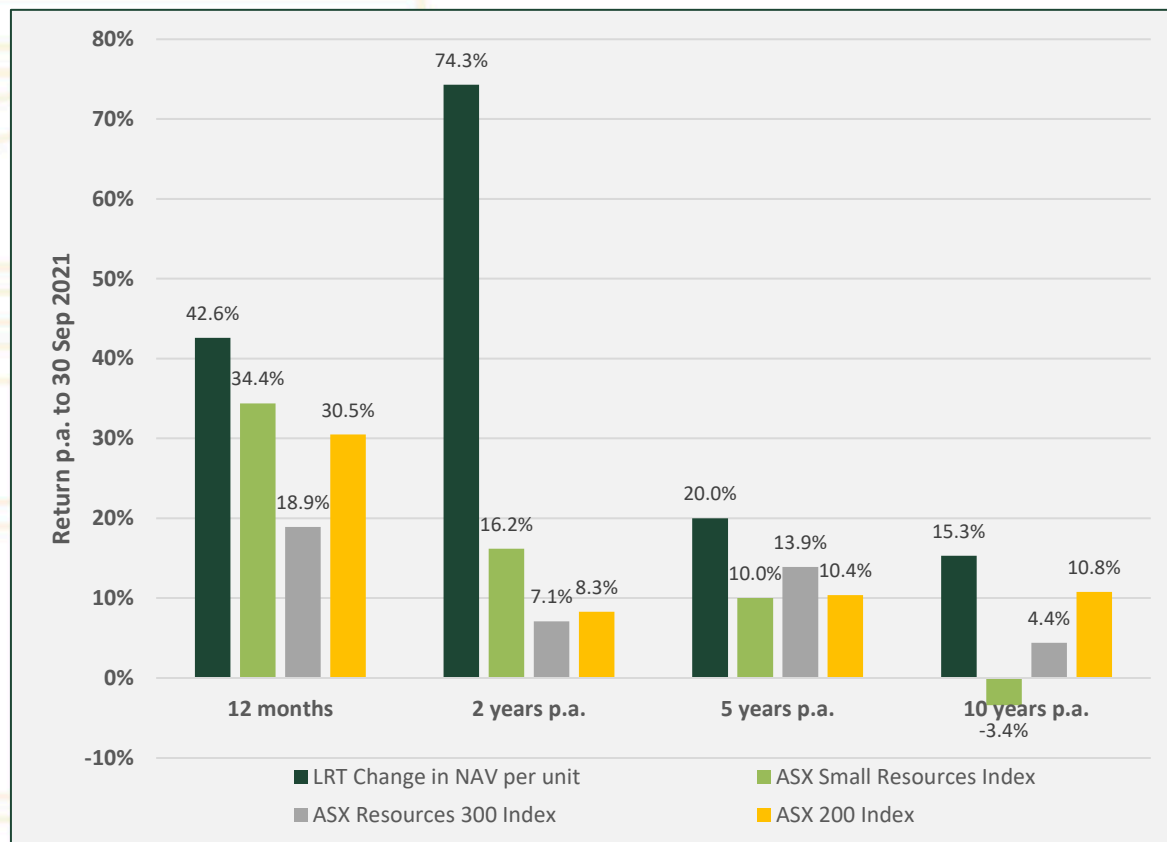
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LRF was the top ranked performer for the whole of the Australian LIC/LIT sector in June 2021¹



LRT has outperformed:

- **S&P/ASX Small Resources Index**
- **ASX Resources 300 Index**
- **ASX 200 Index**

Over:

- **One year**
- **Two years**
- **Five years**
- **Ten years**

¹ the "Risk-Return Metrics June LIC/LIT Report" <https://www.rmmetrics.com.au/june-2021-lic-lit-monthly-report/>

² Indexed to 100



Fund Summary



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Characteristics of the Lowell Resources Fund

Nature of Fund

- Long only, no gearing fund

Investee Companies

- Junior resource companies, including gold, base and specialty metals, and energy.

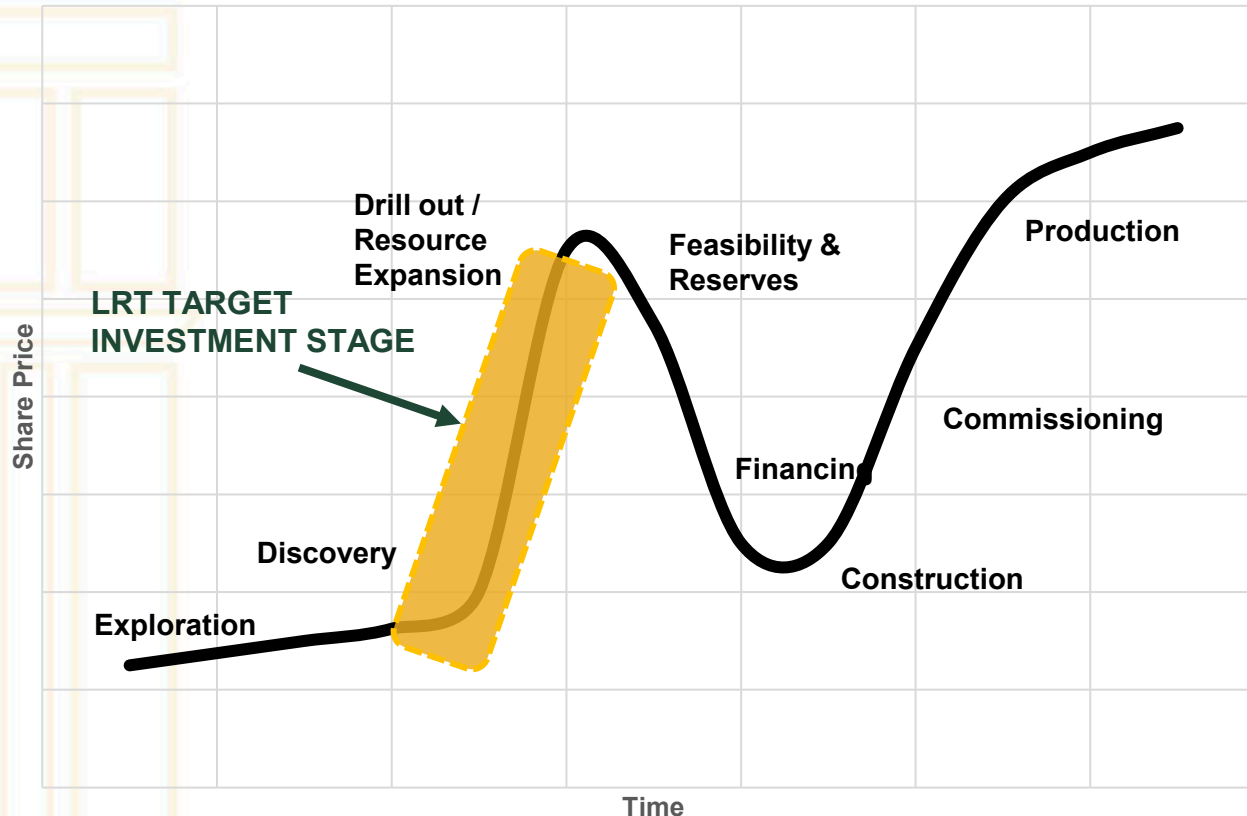
Investment Type

- Focus on global listed and unlisted resources equities

Distribution Policy

- 100% of taxable profits distributed annually
- A\$0.15/unit paid 31 Aug 2021

Capitalising on value accretion: optimal stage



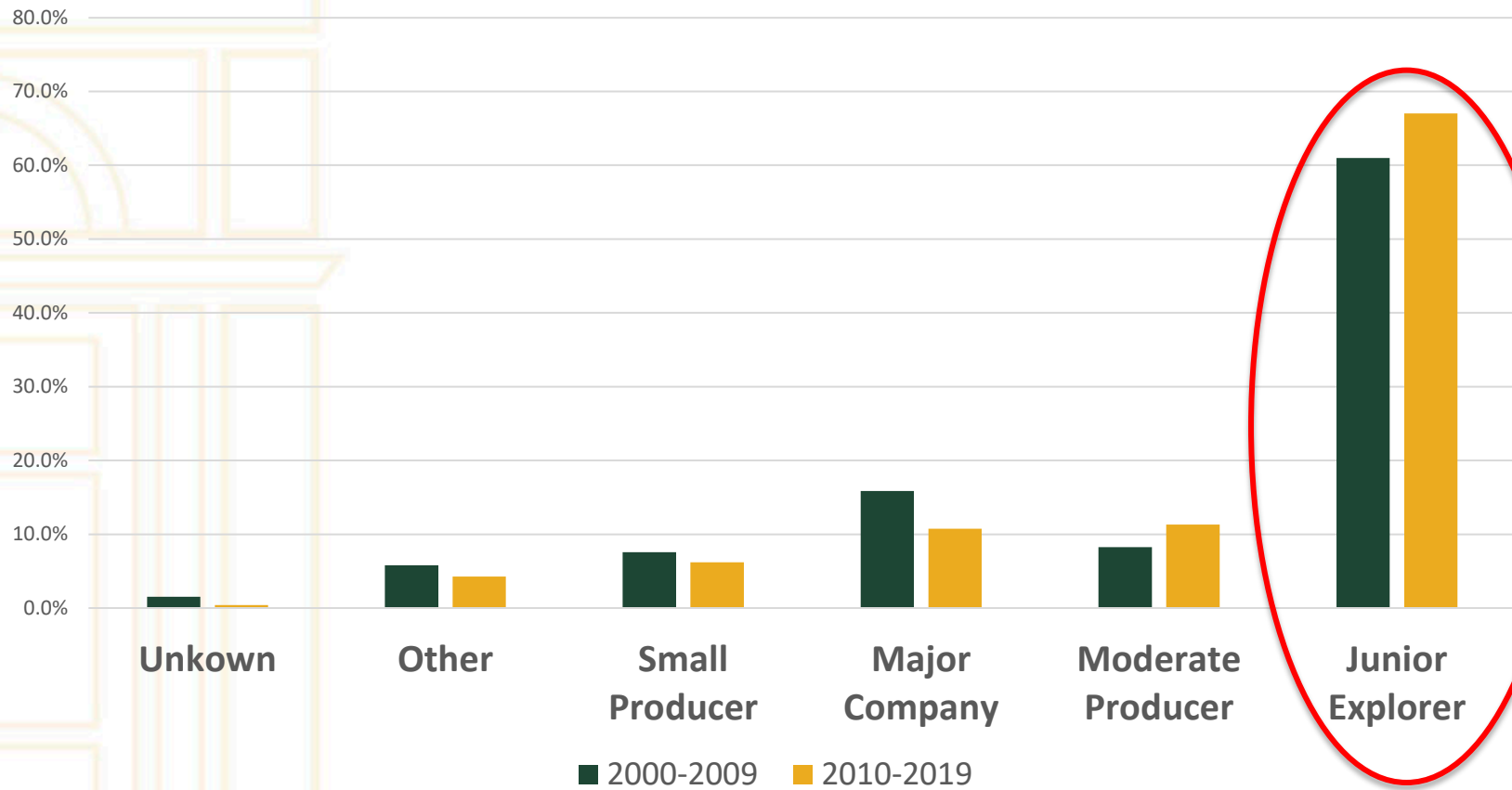
- Leverage: milestone investing “value accretion model”
- LRF focus is on the period from discovery to reserve definition

Why invest in the Juniors?



Australian Mineral Discoveries by Company Size

Source: Minex Consulting





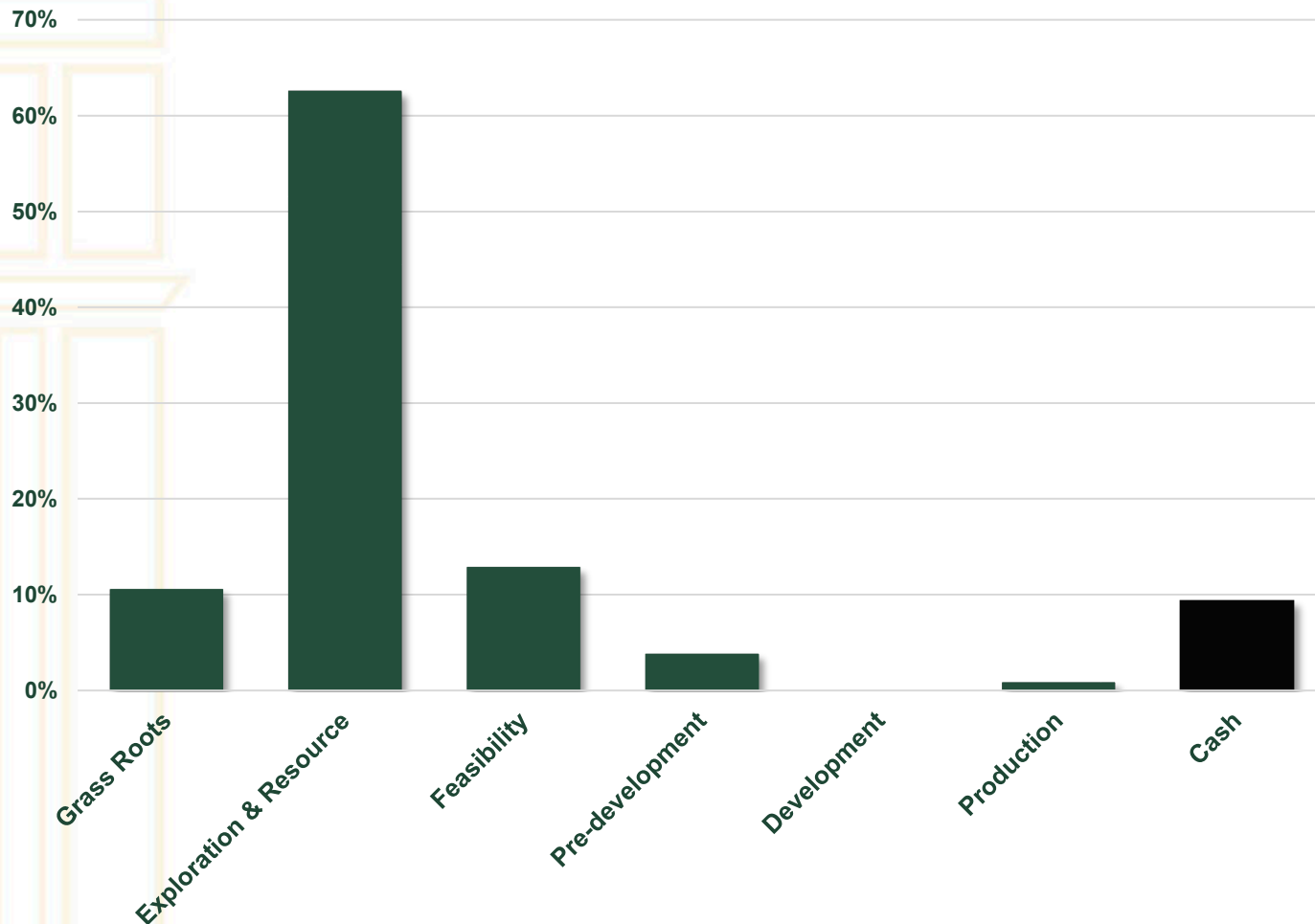
LRF Portfolio by Project Stage



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30 September 2021

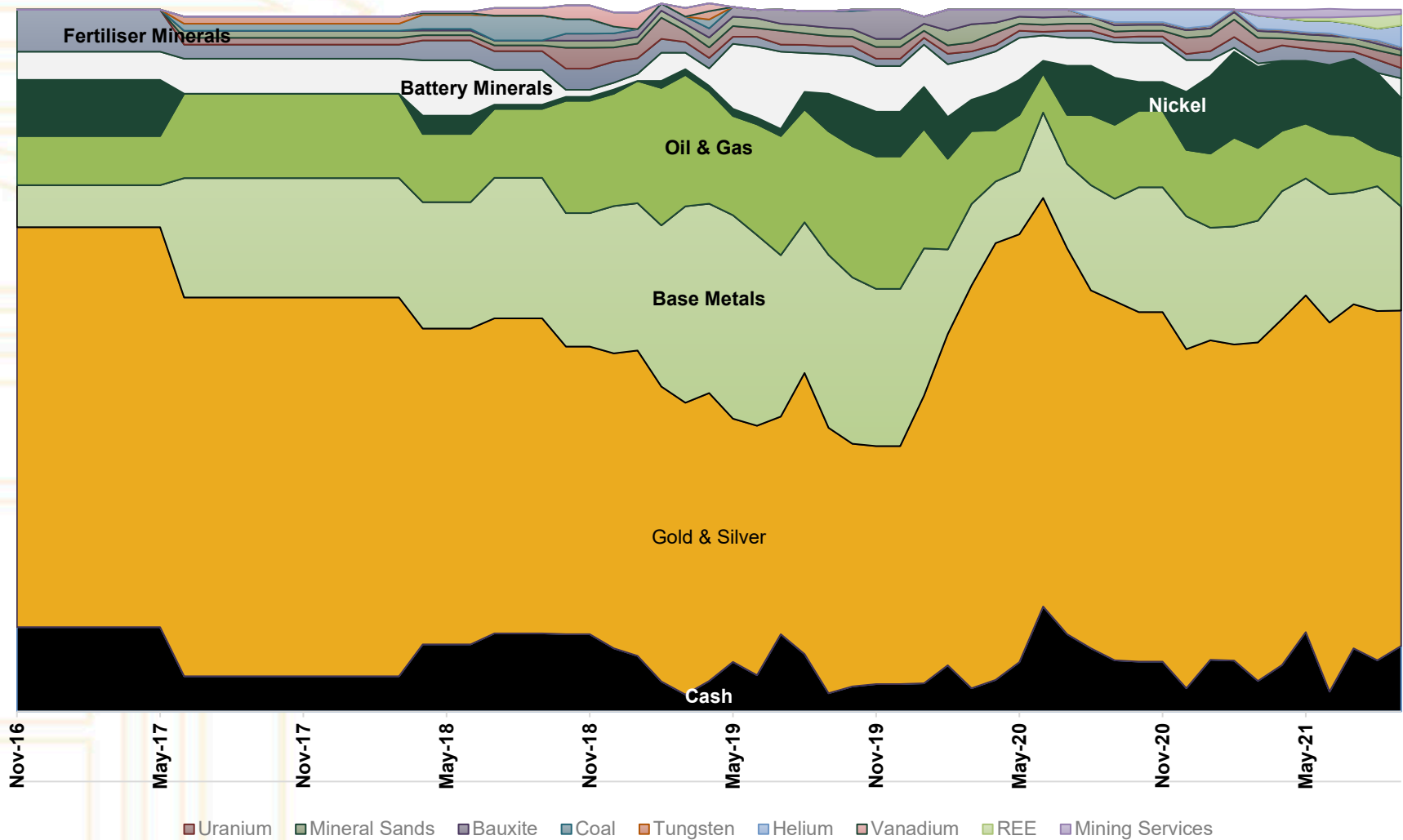


Historic Allocation by Commodity



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Investment Committee Members



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**John Forwood,
Chief Investment Officer**

Mr Forwood is a trained geologist and lawyer, with experience as an exploration geologist in Australia, and overseas. He spent 17 years in junior resource financing with RMB Resources, including 13 years as a Manager of the Telluride Fund. He also qualified with a major Australian law firm to practice as a barrister and solicitor. He has been CIO of the Lowell Resources Fund since 2016.



**Richard Morrow,
Investment Committee Member**

Mr Morrow is an equity partner with Melbourne-based stockbroker Baillieu Holst and is honorary Chairman of the Melbourne Mining Club. He has more than 30 years' experience as a sharebroker in Melbourne and in London, with a particular interest in resources. Mr Morrow is a Master Stockbroker with the Stockbrokers and Financial Advisers Association and qualified as an accredited dealer in derivatives. He is a Fellow of the AusIMM.



**Stephen Mitchell,
Investment Committee Member**

Mr Mitchell began his career as a natural resources specialist at investment banks and advisory firms in the US and Australia. From 1999-2011 he was Managing Director of Molopo Energy Ltd, an ASX-listed oil and gas company which generated a 10 fold increase shareholder value and entered the ASX 200.

Stephen is a partner of Mitchell Peterson Capital Partners, a Melbourne based corporate advisory firm.



Stuart Baker, Investment Committee Member

Mr Baker has a strong local and international reputation for oil and gas E&P company coverage as a senior investment analyst, including 14 years with Morgan Stanley. Mr Baker has also worked in senior research roles with BT Equities and Macquarie Equities. He crossed over to researching listed companies after gaining industry experience with international oilfield services group, Schlumberger.



Fund Summary August 2021

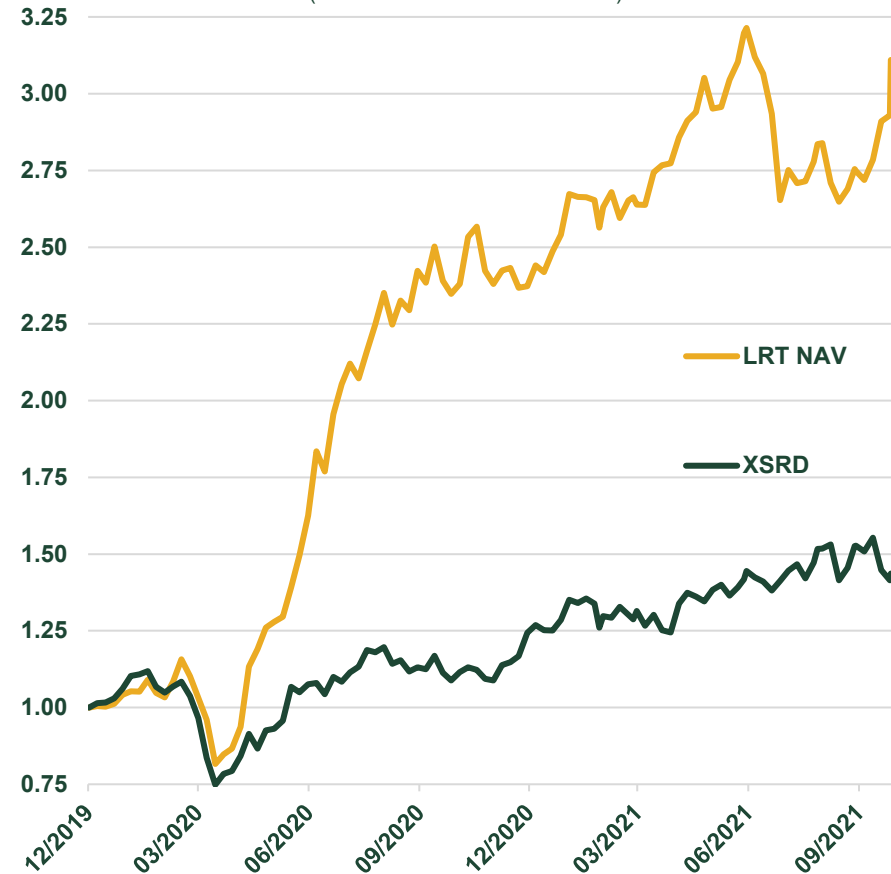


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Overview

Fund size (NAV)	A\$54.6 m
Units on issue	29.38m units
Net Asset Value 29/9/21	\$1.86/unit
Unit Price on 1/10/21	\$1.46
Number of unit holders	~700

**Lowell Resources Fund NAV vs
ASX Junior Resources Index**
(rebased to 1 at December 2019)



Listing summary

Exchange

- ASX

ASX Code

- LRT



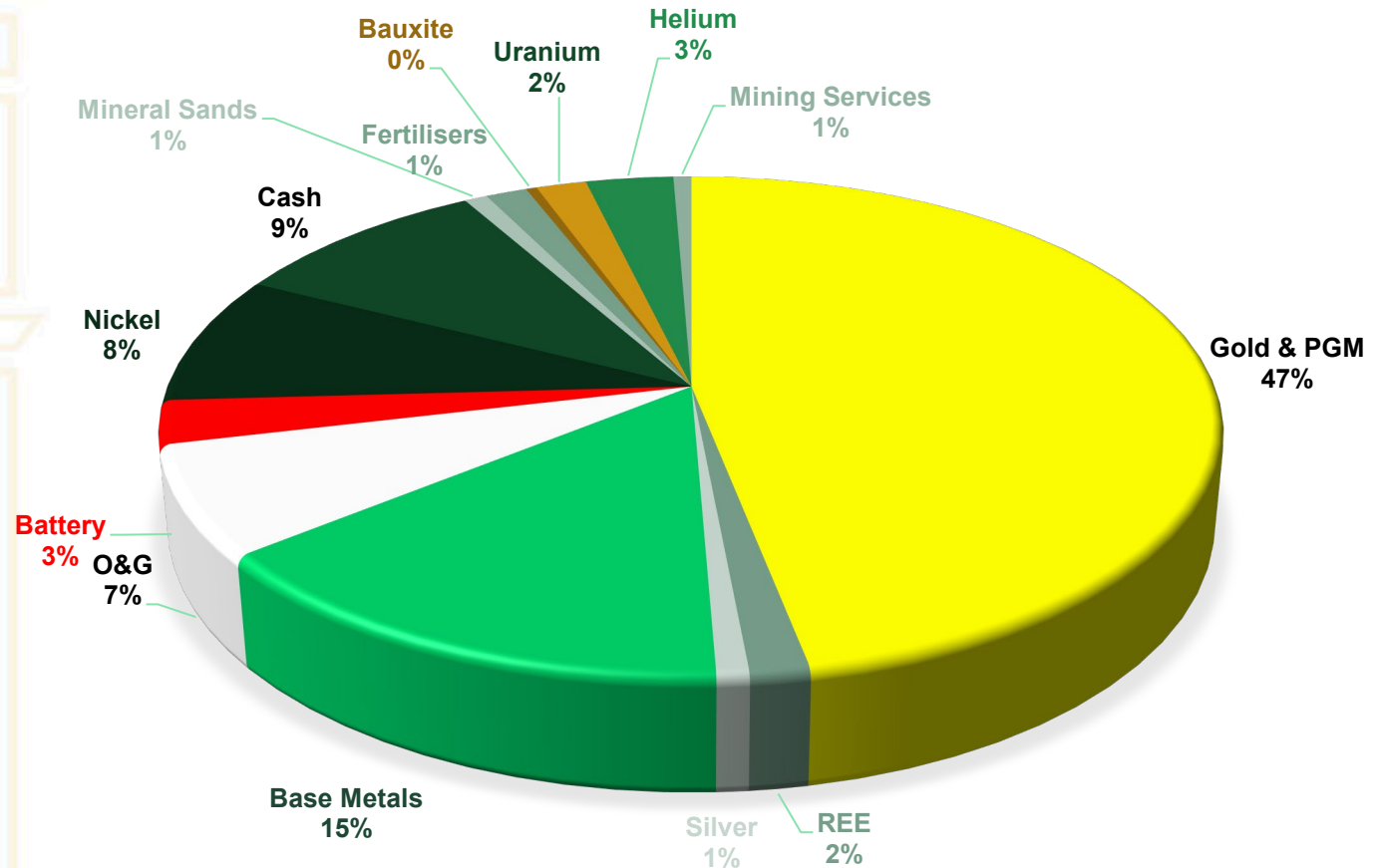
Investments by Commodity



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**Portfolio
30 Sep
2021**





Category	Subcategory	Route Type	Flights
Domestic	Domestic	Domestic	1,200
		International	800
		Cargo	600
		Other	400
	International	Domestic	1,000
		International	700
		Cargo	500
		Other	300
	Cargo	Domestic	900
		International	600
		Cargo	400
		Other	200
International	Domestic	Domestic	1,100
		International	700
		Cargo	500
		Other	300
	International	Domestic	900
		International	600
		Cargo	400
		Other	200
	Cargo	Domestic	800
		International	500
		Cargo	300
		Other	100
Cargo	Domestic	Domestic	1,000
		International	700
		Cargo	500
		Other	300
	International	Domestic	800
		International	600
		Cargo	400
		Other	200
	Cargo	Domestic	700
		International	500
		Cargo	300
		Other	100



Case Study: Predictive Discovery



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Companies

Predictive Discovery (ASX:PDI)

- Grass roots technical gold explorer with 100% interest in Siguiri Basin tenements in Guinea, West Africa
- New gold discovery at Bankan in 2020. Sep 2021 Initial gold resource of 3.6 Moz at 1.5g/t Au
- Discovery cost of AUD\$4/oz
- LRF invested over 10 years starting at IPO in 2011, with average entry price of A\$0.038/sh for aggregate A\$1.6m investment
- Share price at 1 October, 2021 A\$0.22/sh





SIGNIFICANT PERFORMERS



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Australian Rare Earths

- \$0.25m invested at average entry price of A\$0.30/sh in July 2021 IPO
- Share price Sep 30, 2021 A\$1.01/sh.
- Kopamurra REE deposit, South Australia:
- “Rare” ionic clay deposit - 40 Mt at 725ppm TREO



**AUSTRALIAN
RARE EARTHS**

Red Dirt Metals

- \$0.3m invested in June and September 2021 average entry price of A\$0.15/sh.
- Share price September 30, 2021 A\$0.60/sh.
- Acquisition of the Mt Ida gold project: 141koz @ 13 g/t Au plus unrecognised high grade lithium intersections



Centaurus Metals

- \$0.7m invested at A\$0.20/sh.
- Share price Sep 30, 2021 \$0.98/sh
- 59Mt at 0.96% Jaguar Ni sulphide deposit, Brazil
- Scoping Study NPV8 A\$1.1bn post tax



Centaurus Metals
Limited

Caravel Minerals

- \$0.24m invested at \$0.04/sh
- Share price Sep 30, 2021 \$0.38/sh
- Large copper resource in WA wheatbelt: 663Mt at at 0.28% Cu





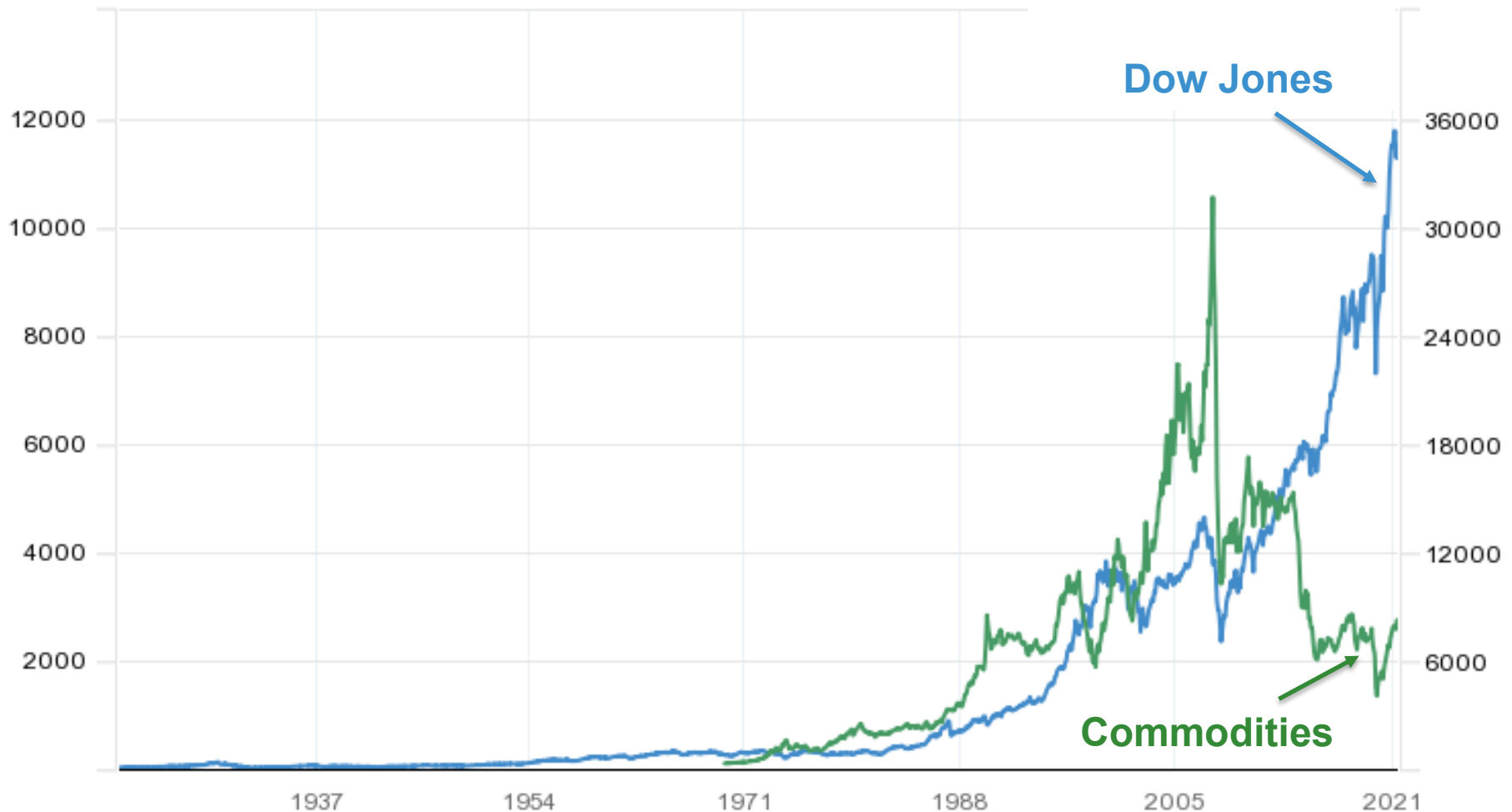
Commodities vs Dow Jones



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US30 | S&P GSCI



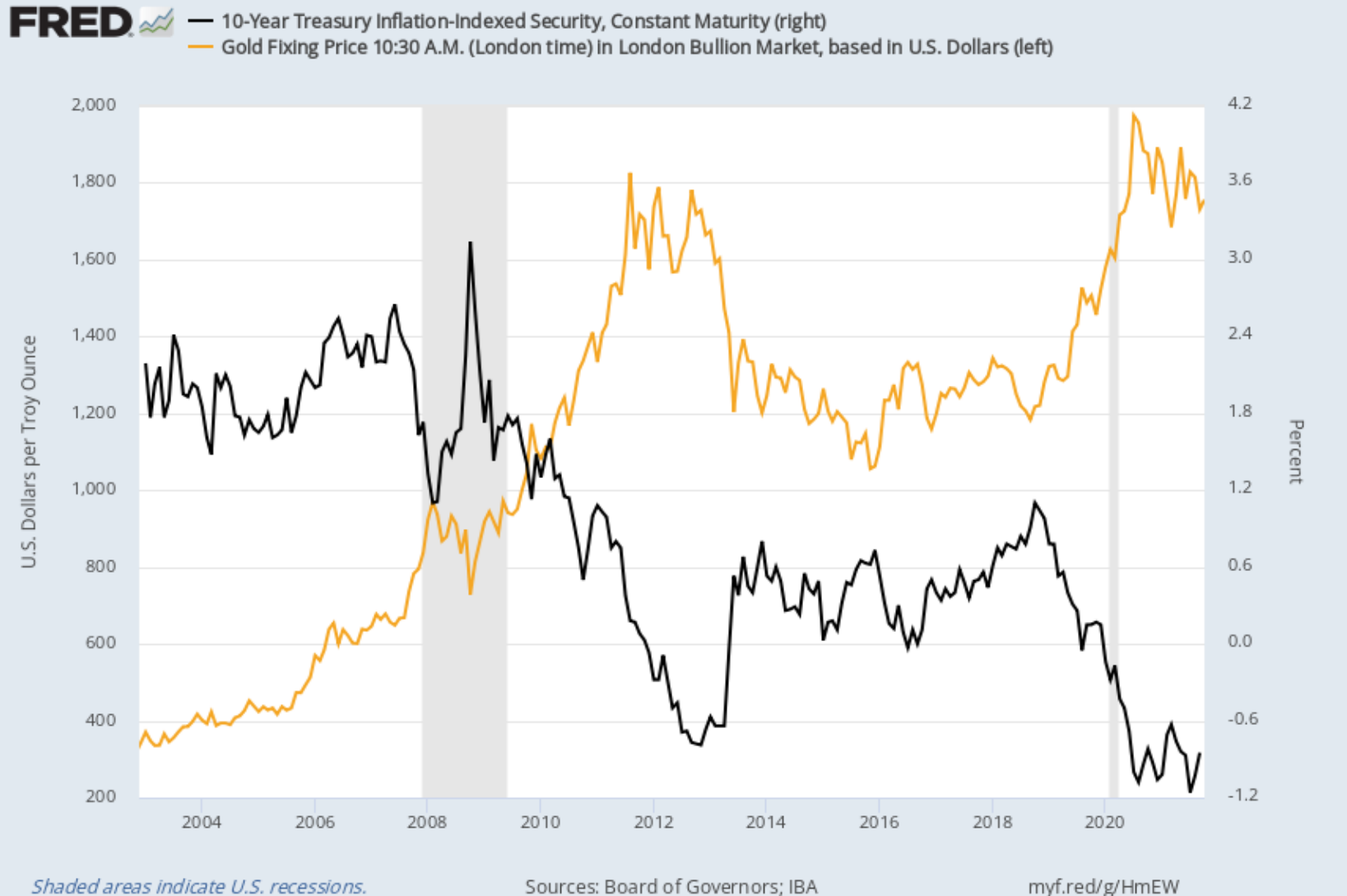


Gold loves low US Real Interest Rates



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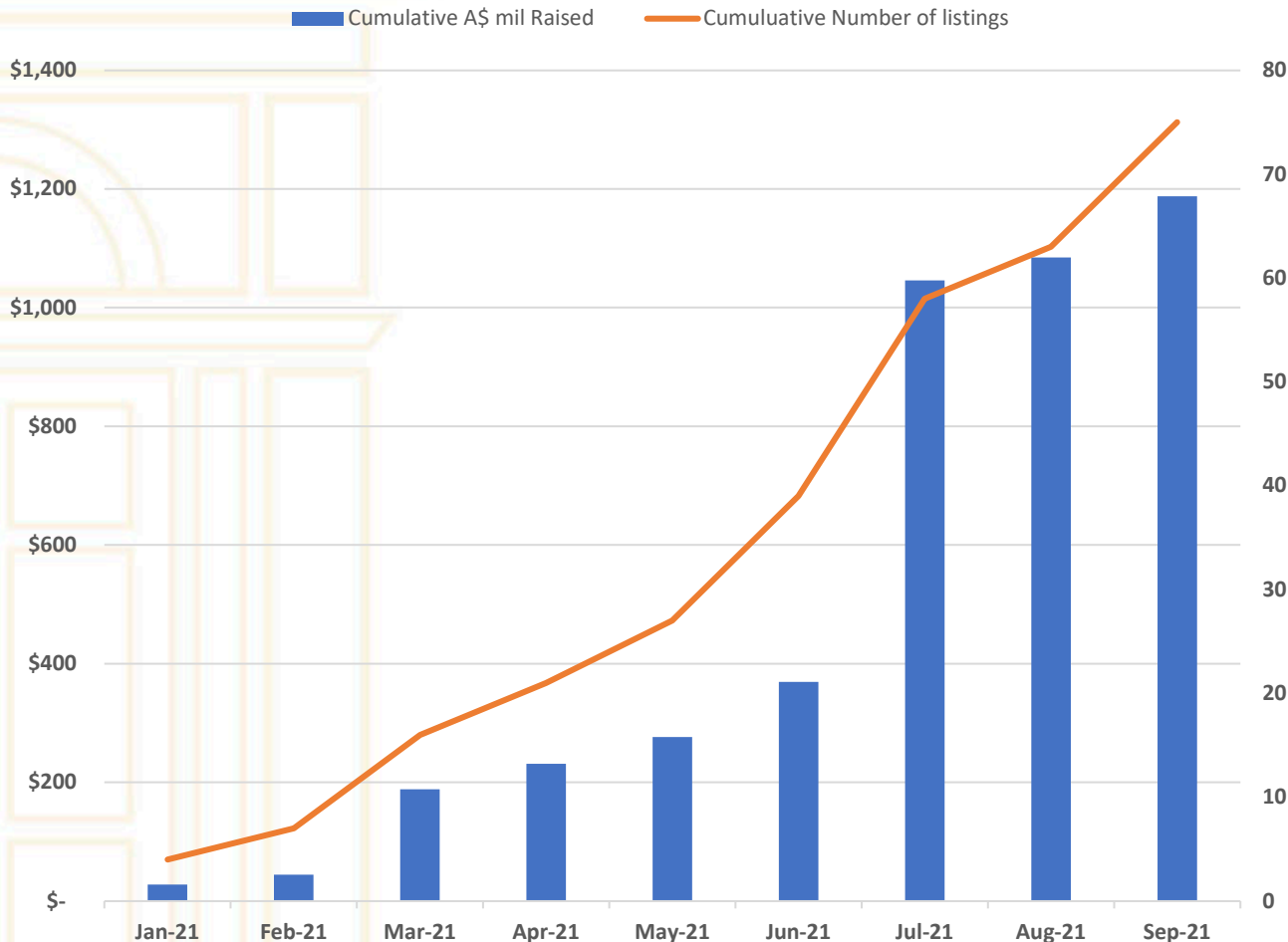
2021 ASX Resource IPO's



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2021 ASX Resource IPO's



ASX Resource IPO's:

- 75 IPO's 2021CY to date
- 2013-2016 only 20 resource IPOs in total



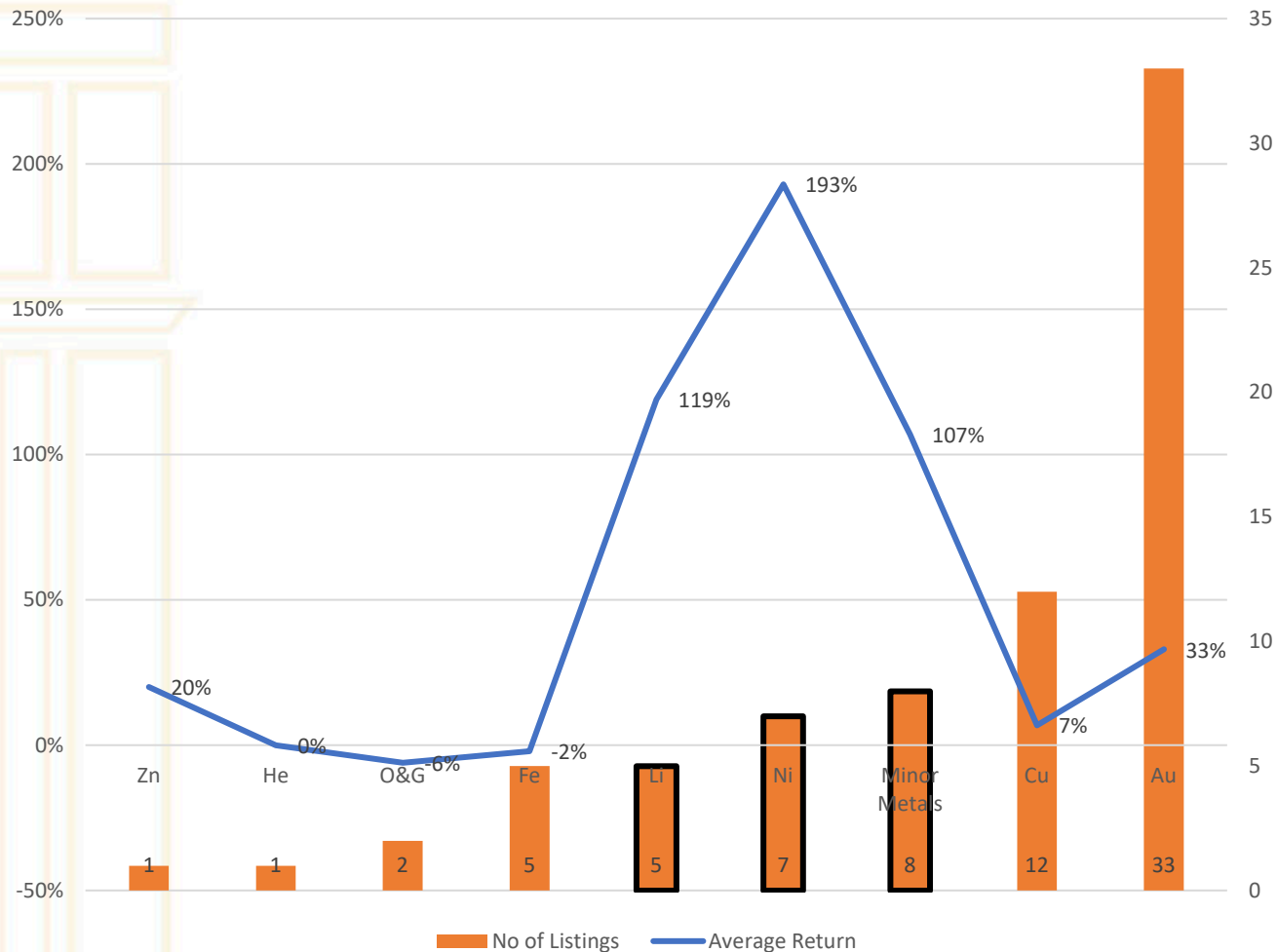
2021 ASX Resource IPO's



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ASX Resources IPO's CY 2021
(to 30 Sep 2021)





Projects aplenty, but Talent is Scarce



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GMD.ASX

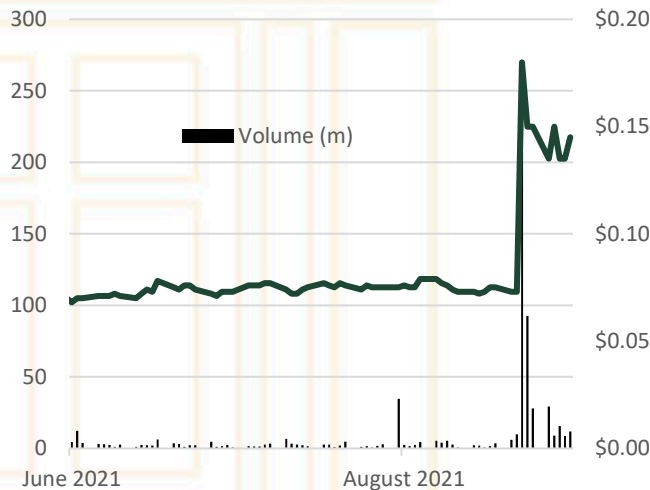
30 Aug '21: 5.8% of LRT portfolio at 7.5cps
(cost 2.5cps)

1.6 Moz Ulysses Au Project, WA

22 Sep '21 Raleigh Finlayson (ex Saracen MD) and Nev Power (ex Fortescue MD) join board and invest

30 Sep '21: Share Price 13.5cps

Genesis Minerals





Cost Pressures Emerging



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Bardoc Gold.ASX

Bardoc Gold Project WA 3.1 Moz at 1.8g/t Au

Project FID deferred due to \$55m capex increase

rising materials & input costs

tightening WA labour market & COVID 19 supply challenges

Impact of closed WA borders

Share price fell -21.5%



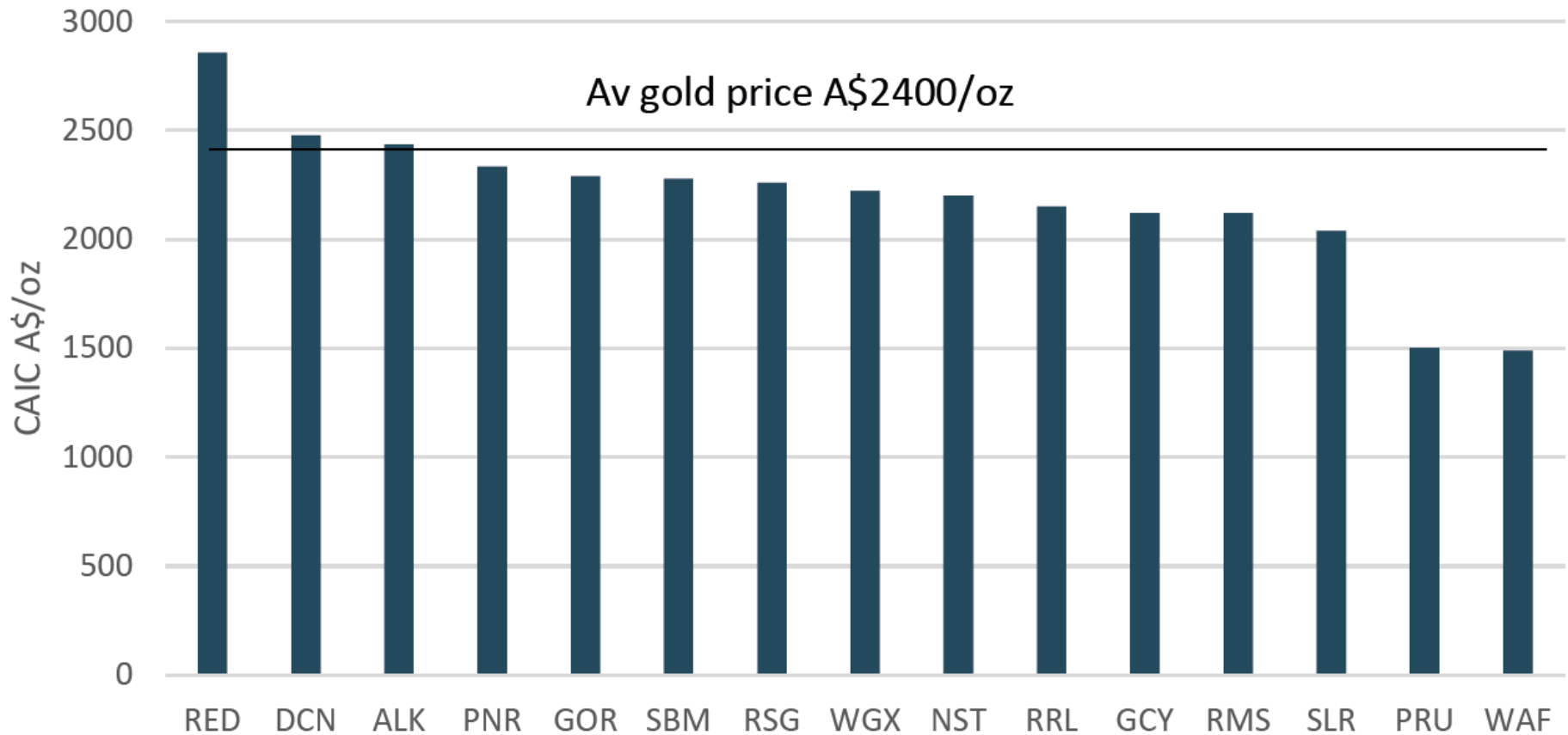
Australian Gold Miners



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SepQ 2021 - Forecast "Corporate All-in Costs"





Gold M&A



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Abundant
funding
and
limited
organic
growth

2021

Agnico Eagle and Kirkland Lake Merger US\$24bn

Westgold alternative bid for Gascoyne Resources A\$94m vs Gascoyne merger with Firefly \$45m

Navarre acquisition of Mt Carlton from Evolution A\$90m

Metalicity takeover of Nex Metals A\$13m

Nusantara takeover by Indika A\$61m

Shandong takeover of Cardinal A\$594m

Evolution takeover of Battle North Gold C\$343m

Pre-2021

Rameliuss takeovers of Spectrum A\$230m and Explaurum A\$60m

Northern Star and Saracen Minerals merger A\$16bn

Company	2020/21 Profit	Dividend
BHP	US\$17bn	US\$15.2bn
RIO	US\$12.2bn	US\$9.1bn
FMG	US\$10.3bn	US\$8.2bn

Cashed-up Forrest trumps BHP in nickel bidding war

Brad Thompson *Reporter*



Aug 31, 2021 – 7.19am

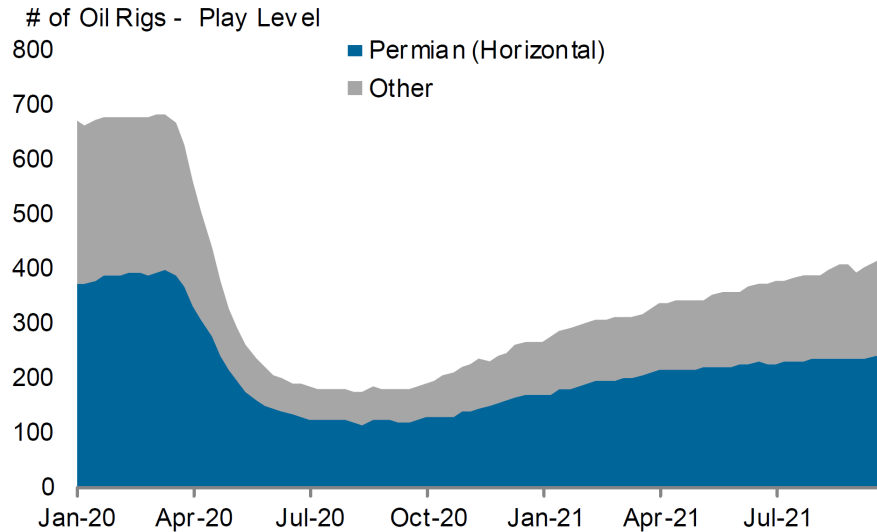


O&G Drilling Activity



United States: Oil Drilling Activity

Baker Hughes Oil Rig Counts; 2020 to Present



Source – Baker Hughes

Australian Petroleum Exploration A\$ mil



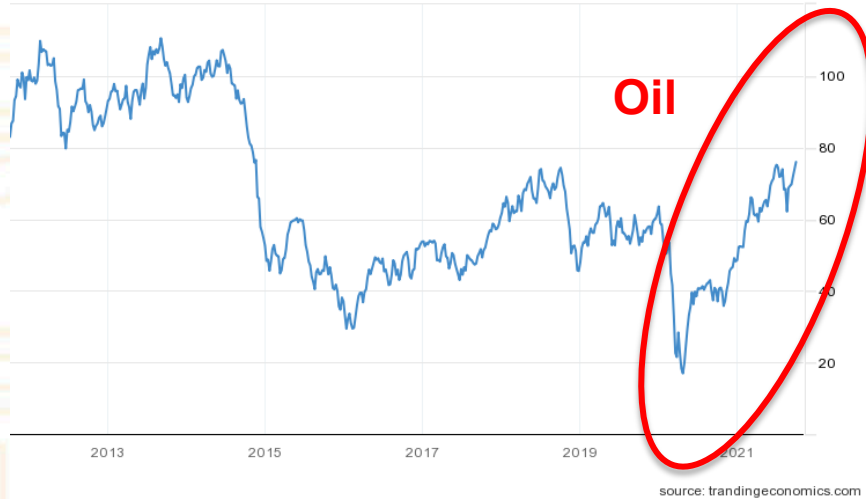


Energy Underinvestment

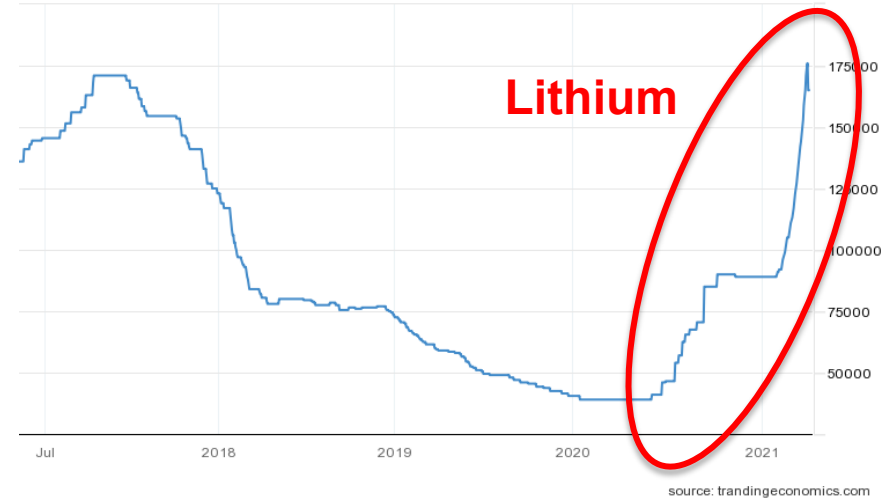


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Crude Oil WTI



Lithium Carbonate



Uranium



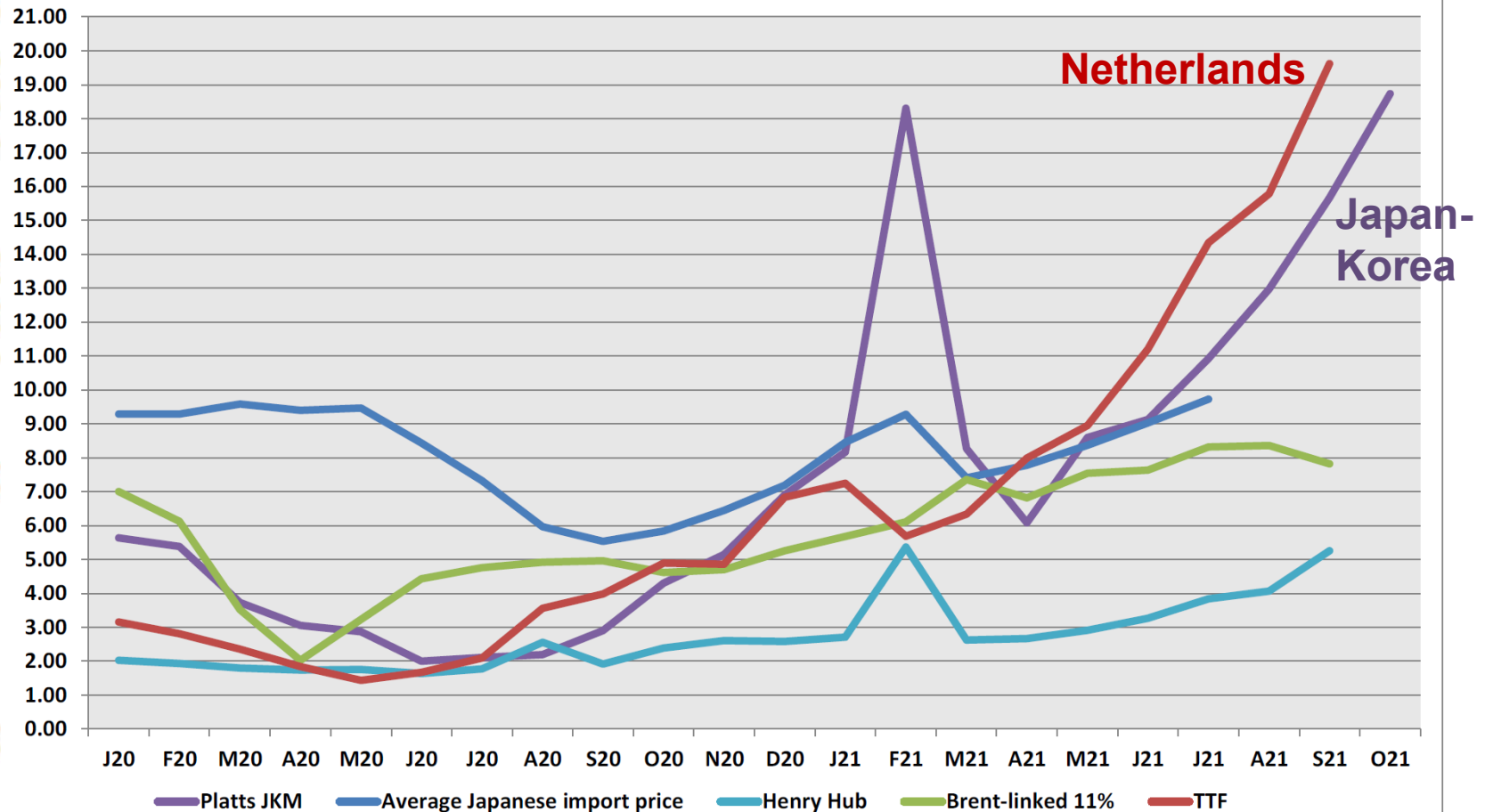
Coal



Gas Prices “Going Beserk”



Asian, European and US gas prices (US\$/MMBtu)





Contact



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Investment Manager

LOWELL RESOURCES FUNDS MANAGEMENT

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