



LOWELL RESOURCES FUNDS MANAGEMENT



MONTHLY UPDATE

Lowell Resources Funds Management Ltd. ABN 36 006 769 982 AFSL 345674

November 2023

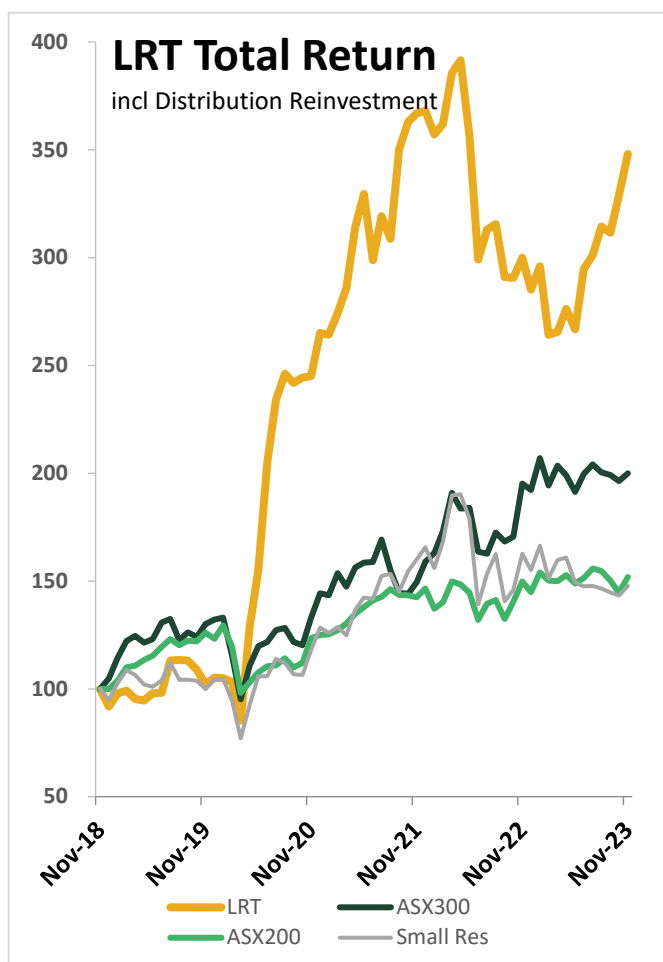
November 2023 Performance Summary: Lowell Resources Fund (ASX: LRT)

The Lowell Resources Fund's estimated net asset value ('NAV') at the end of November 2023 was approximately AUD\$53.8m, compared to AUD \$50.8m at the end of October 2023.

The NAV per unit finished the month of November at \$1.6569 (vs \$1.5661 /unit at 31 October 2023), a increase of 5.8% over the month. The last traded unit price of the ASX listed LRT units at month end was \$1.37/unit.

FUND SNAPSHOT 30 November 2023

NAV per unit	\$1.6569
No. of Units on issue	32,451,402 post DRP
Market Price (ASX)	\$1.37 / unit
Estimated NAV	AUD \$53.8m
FY 23 Distribution	7.0777 cents per unit
Market Capitalisation	AUD \$44.5m
Responsible Entity	Cremorne Capital Limited
Fund Manager	Lowell Resources Funds Management Ltd



Lowell Resources Fund. (ASX: LRT)

Fund Investment Actions - November 2023

The Fund's main trade in November 2023 was the continued sell down of its holding in Azure Minerals, which is the subject of a takeover offer from its major shareholder Chilean lithium company SQM. This sell down has boosted the Fund's cash holdings to around 16%. The Azure position has been one of the Fund's most profitable investments. As at the start of FY24, the Fund held 4.0 million Azure shares with a tax cost base of A\$0.272/sh. As of 30 November 2023, the Fund had sold 3.3m Azure shares at an average price of A\$3.58/sh.

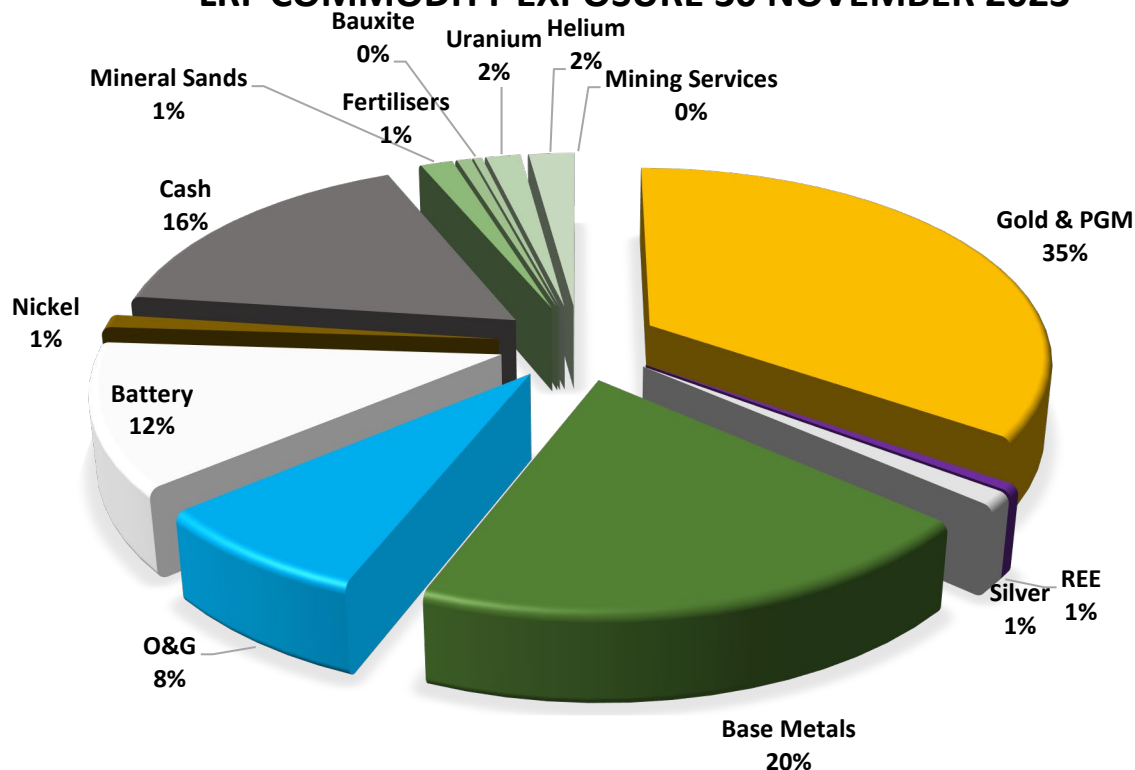
During November, part of the Fund's cash was invested in Newmont Corporation, the world's biggest gold miner post its takeover of Newcrest Mining. This is a highly liquid investment and is a 'cash proxy' as well as providing exposure to the gold price.

In copper, the Fund added to its existing positions in Colombia focused TSX.V explorer Rugby Resources, Chile-focused LSE listed Great Southern Copper Plc, and in ASX listed Mt Isa explorer Cooper Metals. It also took a small position in Pivotal Metals, focused on copper in Quebec.

In oil & gas, a new investment in Canning Basin gas player Buru Energy was entered into, and stakes in Triangle Energy (Perth Basin gas) and ADX Energy (Austrian gas) were boosted.

New positions were acquired in TSX.V listed lithium player Li-FT Energy, unlisted Serbian focused explorer Betoota Holdings, as well as adding to the existing holding in unlisted NT/Qld gold explorer Plutonic Limited.

LRF COMMODITY EXPOSURE 30 NOVEMBER 2023



Lowell Resources Fund. (ASX: LRT)

Fund Top Holdings

Azure Minerals (Market Cap A\$1,812m

AZS.ASX) announced lithium mineralisation over more than 500m of strike in the AP0003/AP0004 pegmatite at its 60% owned Andover project in WA, including drill intersections such as 67m @ 1.18% Li₂O from 41.0m. Azure is the subject of a takeover offer from Chilean lithium producer SQM at \$3.50/sh.

Newmont Corporation (Market Cap A\$70bn

NEM.ASX) announced completion of its approximately US\$15 billion acquisition of Newcrest. The acquisition adds five active mines and two advanced projects to Newmont's portfolio.

CAA Mining (unlisted Market Cap £7.1m based on most recent financing) was granted five lithium licences in the Cape Coast area of Ghana covering 566 sqkm, adjacent to Atlantic Lithium's Ewoyaa lithium project. A drill rig was mobilised to commence the first ever RC drilling on the CAA project.

Rugby Resources (Market Cap CAD\$19m)

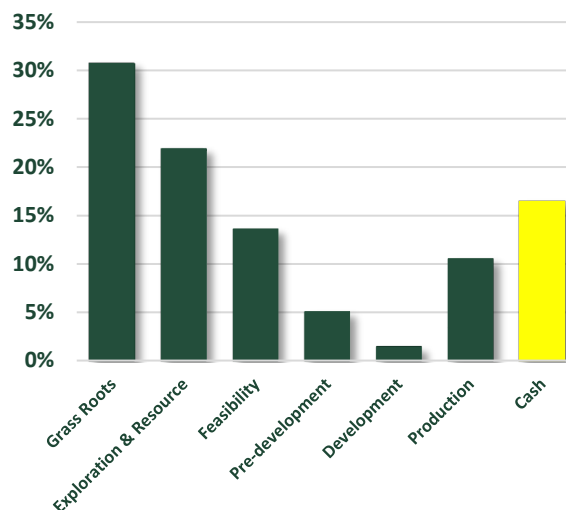
sampling on its Cobrasco copper project in Colombia yielded significant copper, gold and silver values in outcrop and float samples from a new discovery at Cobrasco East. The new porphyry has a surface area of approximately 2 km². Rock chip assayed up to 5.4% copper, 1.4g/t gold and 121g/t silver.

Fund Top Performer

Cooper Metals (Market Cap A\$5.6m CPM.ASX)

share price rose 383% in November as it announced a new copper discovery at its Brumby Ridge prospect within the company's Mt Isa East Cu-Au project in Queensland. RC drilling intersected 71m @ 2.8% Cu from 115m to end of hole, including 24m @ 5.4% Cu and 0.10g/t Au from 115m. The Lowell Resources Fund is the largest shareholder of Cooper Metals.

LRF Portfolio Value by Project Stage
30 November 2023



Company	Commodity	% of Gross Investments
Cash	Cash	16.5%
Ramelius Resources	Gold	5.1%
Azure Minerals	Lithium	5.1%
Predictive Discovery	Gold	5.0%
Newmont Corporation	Gold	3.7%
Cooper Metals	Copper	3.6%
CAA Mining	Lithium	3.1%
Caravel Minerals	Copper	3.0%
Comet Ridge	Gas	2.7%
Rugby Resources	Copper	2.4%
Pacgold	Gold	2.2%

Lowell Resources Fund. (ASX: LRT)

Performance Comparison – November 2023

Over the past 5 years, the Lowell Resources Fund's change in underlying estimated net asset value per unit (inclusive of reinvested distributions and after fees and expenses) was 28.3%pa. The Fund has outperformed the benchmark S&P/ASX Small Resources Accumulation Index (XSRAI), the ASX Resources 300 Index and the ASX 200 Index over one, five and ten years, including its performance being nearly double that of all these benchmarks over the longer term.

Total Portfolio Performance to 30 November 2023	LRT Change in NAV per unit incl distributions	S&P/ASX Small Resources Accumulation Index (XSRAI)	ASX Resources 300 Index (Total Return)	ASX 200 Index (Total Return)
12 months	16.9%	-9.3%	2.4%	1.5%
3 years p.a.	12.5% pa	7.7% pa	15.7% pa	7.2% pa
5 years p.a.	28.3% pa	8.1% pa	14.5% pa	8.7% pa
10 years p.a.	14.8% pa	6.1% pa	8.5% pa	7.3% pa

The LRT ASX traded unit price at the end of November was \$1.37/unit, down from \$1.40/unit at the end of October 2023.

Market Notes

Economics

- **US headline inflation** fell slightly more than expected in the year to October to a rate of 3.2%, down from 3.7% in September. Home sales in the US moved towards 13-year lows, supporting bets the Fed will cut rates earlier than expected.
- **China's consumer data** slipped into deflationary territory in October, with headline inflation easing to -0.2% YoY, the core CPI to 0.6% YoY and the PPI to -2.6% YoY. October exports were down -6.6% YoY and official PMI's 1.0 standard deviation below average, indicating China's modest policy stimulus continued to be ineffective. New home prices in China fell -0.38% MoM v -0.30% in September.
- Australia's RBA under new governor Michele Bullock met the consensus and hiked the **Australian cash rate** by 25 bp to 4.35% on Melbourne Cup Day.

Lowell Resources Fund. (ASX: LRT)

Metals

- Oil giant Exxon formally committed to direct **lithium** extraction from brines in the Smackover formation of Arkansas. Exxon's aim is to supply enough lithium to support the production of 1M EV's by 2030. This will begin with a JV with Tetra Tech with the goal of producing 10kt of LCE in 2026. Tetra Tech's land parcel is sandwiched between Standard Lithium and Exxon's recently acquired 120,000 acres in the Smackover for US\$100m. Exxon/Tetra Tech expect to have a proof of concept at scale in 2026.
- **Lithium** extended is run of declines, taking its drop this year to 75%, with expectations the rout in the electric-vehicle battery metal not over. Spodumene, the lithium-bearing rock mined in Australia, has more than halved in 2023, whilst China lithium carbonate prices fell below \$20,000/t. A supply glut has pushed down prices in 2023, after they surged in the previous couple of years. The global lithium market won't return to deficit until 2028, according to forecasts from industry consultancy Benchmark Mineral Intelligence.
- According to an Albemarle representative one of the explanations for the continued **lithium** price weakness is that buyers are running down inventories in a process that has almost run its course. Albemarle highlighted the company was having no problem selling into the spot market and expects another year of double-digit growth in 2024. Similarly, SQM management said they continue to see strong fundamentals supporting long-term growth in lithium demand, while the pricing pressure in Q3 came from the supply side: excess inventory accumulated across battery and lithium chemical supply chains in Asia, plus new lithium supply – they noted these factors may continue to exert pressure on price in Q4.
- WA banked record earnings from **lithium** of A\$21bn in FY 23, which moved past gold to become the state's second highest mineral earner. Iron ore was still well ahead with earnings of \$125bn making up almost half of the state's mining and energy sector sales.
- Progress was made following worker strikes in the Democratic Republic of Congo. About 2,700 trucks carrying some 89,000 tonnes of **copper** had been previously stuck and the backlog could take some time to clear.
- First Quantum was forced to suspend operations at its Panama **copper** mine from November due to coal supplies being blocked by protestors in boats, backed by actor Leonardo di Caprio, opposing the government's contract with one of the world's biggest and newest copper mines. In FY22 Cobre Panama mine produced 350kt of Cu (~1.5% of world copper supply) and had planned to ramp up to >400kt of Cu in CY23.
- There was also a strike at the Las Bambas **copper** mine in Peru, where in the first half of CY23 the mine was at a run rate of 280kt of Cu pa (~1% of world supply). Las Bambas is one of Peru's largest copper producers, while the country itself is the No. 2 producer worldwide. However copper metals sit in the most elevated levels of contango over the past two decades, highlighting a glut of physical supply.
- Hopes for stronger **copper** consumption were raised by a pledge from China's central bank to support the property sector, a major consumer of metals. The Yangshan copper premium hit US\$100 a tonne and has more than tripled since the start of August, suggesting a need for China to import.
- Mitsui noted it expected **copper** supply to peak in 2026, triggering wide deficits through the turn of the decade. Trafigura, a well known copper bull in recent years, expects copper concentrate stockpiles to hit critical levels by 2025, forcing higher cost smelters to slash production. China has boosted its smelter capacity far beyond the availability of mined concentrate.

Lowell Resources Fund. (ASX: LRT)

- The Chinese central bank, The People's Bank of China, reported that its **gold** reserves rose by 23 tonnes in October – the 12th consecutive month of buying. Gold prices rose for four consecutive sessions and hit a 6 month high of over US\$2,040/oz at the end of the month, supported by the retreating US dollar and expectations that the U.S. Federal Reserve has finished hiking interest rates.
- Seaborne **iron ore** prices rose to US\$135/t on November 23, their highest point since March, following reports that China is planning to provide at least 1 trillion yuan (\$137.4 billion) in low-cost financing for urban village renovation. Iron ore inventories were sitting at less than 18 days consumption vs historical averages of 25 days. China steel mills inventories declined for the sixth week in a row, hitting December 2019 lows.
- China's centralised **iron ore** buying body noted that current pricing levels were “unreasonable”. And China's state planning commission said it would work with the Dalian Commodity Exchange to study ways to strengthen iron ore market supervision, in response to the recent unusual surge of iron ore prices.
- An **alumina** refinery in Henan Sanmenxia cut production on **bauxite** shortage, involving capacity of 700ktpa. Australian junior bauxite miner Metro Mining announced that the average price it received last quarter was A\$57/t delivered and is reaching A\$66/t in the spot market this quarter. Year to date bauxite imports into China are up 13% yoy.
- Beijing will resume exports of small amounts of **germanium and gallium** after a two-month ban. The move comes as graphite export controls come into force on December 1st. Germanium and gallium are used in chip making.
- The Financial Times reported that Indonesia had imported **nickel** ore from the Philippines to fill its smelters. This arose from a government investigation into corruption, which led to delays in issuing quotas for nickel. French miner Eramet last month cut its forecast for 2023 nickel ore production from its Weda Bay Mine from 35Mt to 30Mt because of a lack of quota.
- There were reports that the US was discussing a free trade agreement with Indonesia for their **nickel**, but these negotiations were opposed by some in Congress. The environmental and labour laws of the U.S. are an obstacle to this deal. More importantly most of the nickel in Indonesia is mined and refined by Chinese companies which makes it hard for the US to support.
- China's Ministry of Commerce asked all exporters of **rare earth** metals and oxide products to report transactions. Rare earths are targeted as the only item on the export reporting list. China accounts for ~70% of rare earth mine supply globally and ~85% of world processing capacity in 2022.

Energy

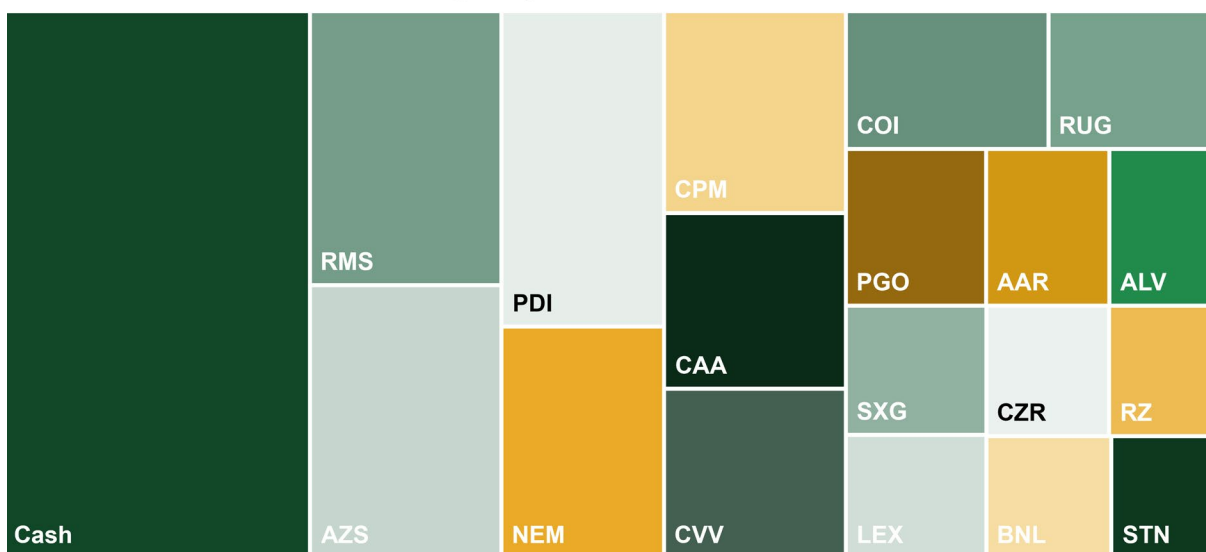
- The **Uranium** spot price jumped to over US\$80/lb for the first time in 15 years.
- **Oil** prices have been stable with OPEC+ managing production to keep the market in balance.
- Australian domestic **gas** markets continue to tighten, due to lack of new supply and lingering uncertainty on Government energy policy in general. The latter is impeding investment in new projects and is contributing to high prices in the near term

Lowell Resources Fund. (ASX: LRT)

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 20-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.

LRT Holdings by Value 30 November 2023



Lowell Resources Fund. (ASX: LRT)

Characteristics of the Fund

Number of Investments: 85

Unlisted Investments by value: 9.5%

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

The information given by Lowell Resources Funds Management Ltd "LRFM" (ACN 006 769 982, AFSL 345674) is general information only and is not intended to be advice. You should therefore consider whether the information is appropriate to your needs before acting on it, seeking advice from a financial adviser or stockbroker as necessary.

DISCLAIMER

Cremorne Capital Limited (ACN 006 844 588, AFSL No: 241175) is the responsible entity of the Lowell Resources Fund (ARSN 093 363 896). You should obtain and consider a copy of the product disclosure statement relating to the Lowell Resources Fund before acquiring the financial product. You may obtain a product disclosure statement from Cremorne Capital Limited at www.cremornecapital.com/lrf-pds/. To the extent permitted by law, Cremorne Capital Limited and Lowell Resources Funds Management, its employees, consultants, advisers, officers and authorised representatives are not liable for any loss or damage arising as a result of reliance placed on the contents of this document. Past performance is not a reliable indicator of future performance. The investment objective is not a forecast and returns are not guaranteed.

This release has been approved by the Responsible Entity's Board of Directors