



LOWELL RESOURCES FUNDS MANAGEMENT



MONTHLY UPDATE

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

October 2024

October 2024 Performance Summary: Lowell Resources Fund (ASX: LRT)

The Lowell Resources Fund's estimated net asset value ('NAV') at the end of October 2024 was approximately AUD\$56.2m, compared to AUD\$49.8m at the end of September 2024.

AUD\$5.7m worth of new units were issued at a price of \$1.10/unit during October in a strongly bid placement.

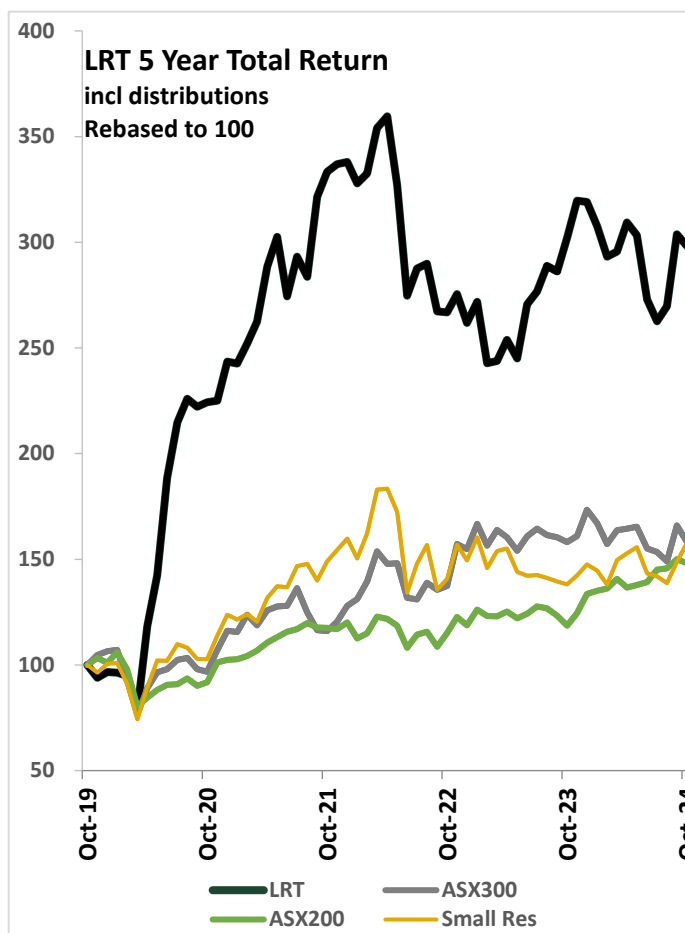
The NAV per unit finished the month of October at \$1.4116 vs \$1.4382 at 30th September 2024, a decrease of 1.8% over the month.

The last traded unit price of the ASX listed LRT units at month end was \$1.11/unit.

An SPP to raise up to an additional \$2m will close on **21 November 2024**. The SPP allows eligible unitholders the opportunity to subscribe for up to \$30,000 of new units at an offer price of \$1.10 per unit.

FUND SNAPSHOT 31 October 2024

NAV per unit Post-placement	\$1.4116
No. of Units on issue	39,776,701
Market Price (ASX)	\$1.11/ unit
Estimated NAV	AUD \$56.2m
FY 24 Distribution paid	15.2 cents per unit
Market Capitalisation	AUD \$44.2m
Responsible Entity	Cremorne Capital Limited
Fund Manager	Lowell Resources Funds Management Ltd



Lowell Resources Fund. (ASX: LRT)

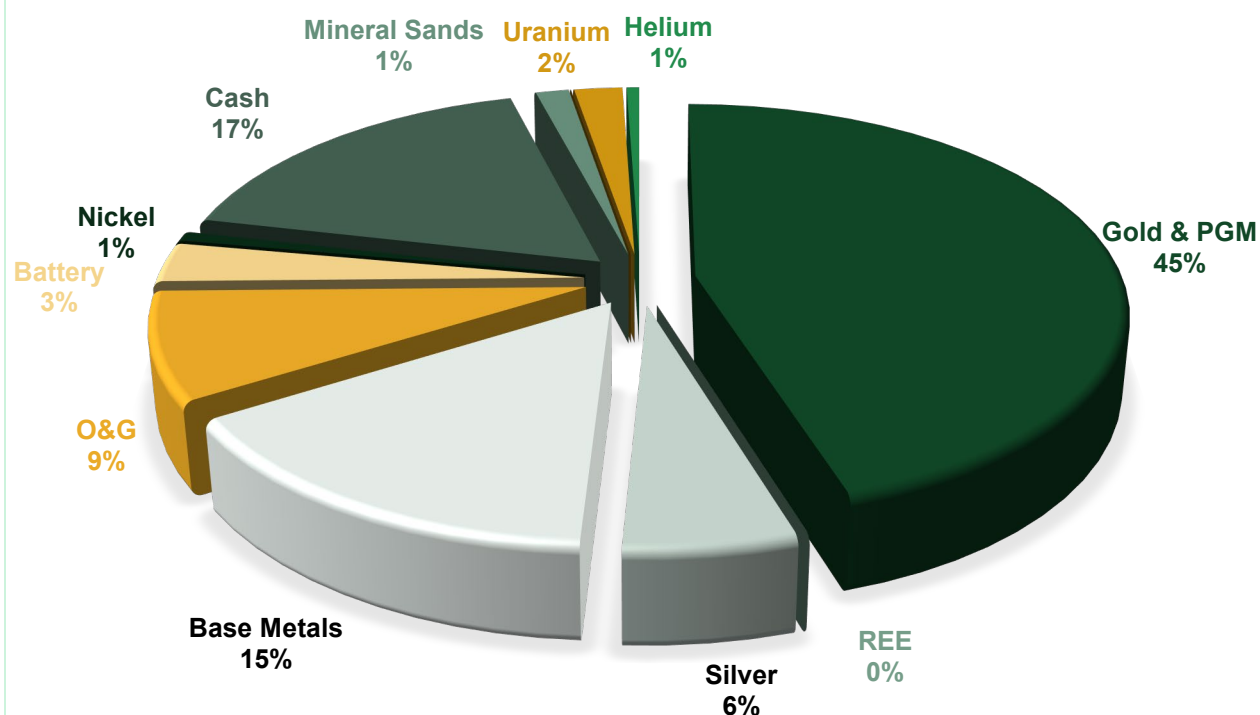
Fund Investment Actions – October 2024

Precious metals exposure was increased by exercising warrants in Alaska focused gold company Freegold Ventures (TSX.V), as well as subscribing for placements in African Gold, Lefroy Exploration and AuMega Metals (formerly Matador Mining). The Fund also increased its exposure to Cambodia-focused gold explorer Unity Energy & Resources Ltd through participation in a pre-IPO placement.

In copper, the fund exited its holding in Anax Metals, but topped up the position in Caravel Minerals.

After raising \$5.7m in a strongly bid placement of new units in the Fund, the cash position was 17% at the end of the month.

LRF COMMODITY EXPOSURE 31 OCTOBER 2024



Lowell Resources Fund. (ASX: LRT)

Fund Top Holdings

Ramelius Resources (Market Cap \$2,758m RMS.ASX) announced unchanged FY25 gold production guidance of 270-300koz at A\$1,500-1,700/oz operating cost with a large portion of this coming in 2H FY2025.

Astral Resources (Market Cap AUD\$173m AAR.ASX) announced another high-grade drill result of 3m at 177g/t Au at its Kamperman prospect south of Kalgoorlie in WA. Kamperman is part of Astral's Mandilla & Feysville gold projects where the total resource is 1.46 Moz.

Saturn Metals (Market Cap AUD\$86m STN.ASX) announced RC drill results including 9m at 3.5g/t Au from 166m and 12m at 3.0g/t from 246m at its 1.8 Moz Apollo Hill gold deposit in WA. Three RC rigs and one diamond rig were on site, as well as an aircore rig undertaking exploration lake drilling along strike.

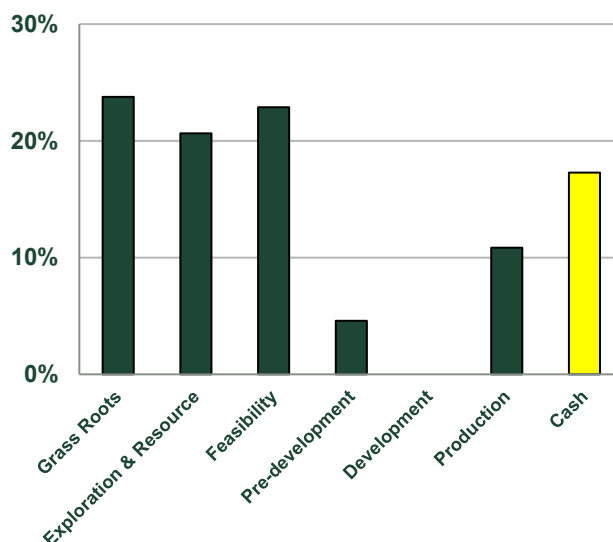
Freegold Ventures (Market Cap CAD\$512m FVL.TSXV) announced drill intersections of 3.1 g/t Au over 42m and 1.36 g/t Au over 115.2 metres at its 24Moz Golden Summit gold deposit in Alaska.

Southern Palladium (Market Cap AUD\$66m SPD.ASX) announced Prefeasibility Study results at its 70% owned Bengwenyama PGM project in South Africa of NPV₈ of US\$1.06bn based on a maiden JORC Ore Reserve of 6.29 Moz at 6.17g/t PGM (6E). The total resource at the Bengwenyama increased to 40.25 Moz.

Fund Top Performer

Asian Battery Metals (Market Cap \$48m AZ9.ASX) share price rose 179% over the month of October. The company announced a drill intersection of 8.8m @ 6.1% Cu, 3.2% Ni, 1.6g/t Pt+Pd+Au, and 0.1% Co (CuEq 12.6%) from 107.2m at its 100% Oval Cu-Ni-PGE prospect, located in the Gobi-Altai region of Mongolia. The intersection is located within a strike length of 800m+, which is open in most directions.

**LRF Portfolio Value by Project Stage
31 October 2024**



Company	Commodity	% of Gross Investments
Cash	Cash	17.3%
Ramelius Resources	Gold	6.9%
Astral Resources	Gold	6.1%
Predictive Discovery	Gold	4.0%
Saturn Metals	Gold	3.5%
Freegold Ventures	Gold	3.5%
Mithril Silver & Gold	Ag & Au	3.1%
Southern Palladium	PGM	2.5%
Comet Ridge	Gas	2.4%
Unico Silver	Silver	2.4%
Caravel Minerals	Copper	1.8%

Lowell Resources Fund. (ASX: LRT)

Performance Comparison – October 2024

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 24.4%pa. The Fund has outperformed the benchmark S&P/ASX Small Resources Accumulation Index (XSRAI), the ASX Resources 300 Index (Total Return) and the ASX 200 Index (Total Return) over five and ten years.

Total Portfolio Performance to 31 October 2024	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	0.8%	14.3%	-0.7%	24.9%
2 years p.a.	6.9% pa	5.9% pa	7.3% pa	13.4% pa
5 years p.a.	24.4% pa	9.6% pa	9.6% pa	8.2% pa
10 years p.a.	13.4% pa	8.8% pa	8.7% pa	8.3% pa

The LRT ASX traded unit price at the end of October was \$1.11/unit, compared to \$1.255/unit at the end of September 2024.

Market Notes

Economics

- **US GDP** rose at 2.8% pa annualized rate in the third quarter, lower than the 3.0% pa rate in the second quarter.
- Stronger-than-expected **US labour** data weighed on US Treasuries, with US 10 year yields continuing to rise in October, to over 4.2%pa.
- A summit of BRICS countries hosted by Putin, saw members look to enhance financial cooperation between BRIC countries. There was a consistent emphasis on **de-dollarisation**.

Metals

- The AFR reported that Australian miners “paid more **corporate tax** than all other sectors of the economy combined in 2022-23, new data from the Australian Taxation Office shows, with Rio Tinto, BHP and Fortescue paying a combined \$43 billion.”
- **Gold** hit an all time high of \$2,790/oz after Israel said it had been targeted by rockets fired by Iran.

Lowell Resources Fund. (ASX: LRT)

- However, physical demand for **gold** across key markets fell as prices continue to rise, with some retail consumers opting to sell their holdings and book the profit, industry players and analysts said. Spot gold is heading for the biggest annual gain in 14 years - fuelled by the start of U.S. Federal Reserve interest rate cuts and geopolitical tensions. India, the world's second-biggest bullion consumer after China, slashed import duties on gold in July to tackle smuggling but then saw local prices rising to all-time highs.
- The global refined **copper** market showed a 91,000 ton surplus in July, compared with a 113,000 ton surplus in June according to the International Copper Study Group (ICSG). The ICSG expects a 469,000-ton global supply surplus this year followed by another 194,000-ton surplus in 2025. The scale of oversupply is more than double that forecast when the group last met in April. The group's increased surplus forecasts for 2024 and 2025 are almost entirely due to changes on the supply side. Expected copper mine production growth of 1.7% in 2024 will fall just short of last year but is a significant upgrade from the 0.5% forecast in April. The ICSG expects the growth rate to accelerate to 3.5% next year as big mines such as Kamoa-Kakula in the Congo and Oyu Tolgoi in Mongolia ramp up capacity and the new Malmyzhskoye mine in Russia enters production.
- In a Reuters report, Tsingshan cut **ferronickel** production in Indonesia due to persistent shortages of ore caused by delays to mining quotas.
- **Palladium** prices rose after the US asked G7 allies to consider sanctions on Russian palladium and titanium. Russia produces 40% of global palladium output, although most is sold to China. Palladium has fallen about 37% since the start of last year and almost two-thirds from a March 2022 peak, which miners attribute to a subdued global economy and destocking by manufacturers. The possibility of removing Russian palladium from the market may tighten the market as "South Africa and the other major producers won't be able to fill the gap," said Dan Smith, head of research at Amalgamated Metal Trading.
- **Zinc** surged to a 20-month intraday high as major producer Teck Resources Ltd. lowered output targets following a fire at its Canadian smelter, stoking anxiety about supply after a string of mine disruptions.
- Sibelco and Quartz Corp have both shuttered **quartz** operations in North Carolina following damage from Hurricane Helene. BloombergNEF estimated last year that the two operations account for over 80% of global **high purity quartz** supply. The high purity quartz is fed into the solar and semiconductor industries to produce the inner layer of crucibles.
- US-listed Arcadium **Lithium** said it had had a takeover approach from Rio Tinto in a deal shaping up to be worth at least \$US4bn. Arcadium operates in the same jurisdictions as Rio, including Argentina where Rio Tinto has the Rincon Lithium project, and has hard rock lithium in Canada where Rio has operations in commodities iron ore and mineral sands. "Lithium is necessary in almost any construct of a battery, so there will be growth in lithium." Said Rio Tinto CEO Jakob Stausholm.
- Ongoing disruptions in Guinea and China, coupled with falling freight rates has seen Guinea **bauxite** FOB prices hit a record high of US\$62/t.

Lowell Resources Fund. (ASX: LRT)

Energy

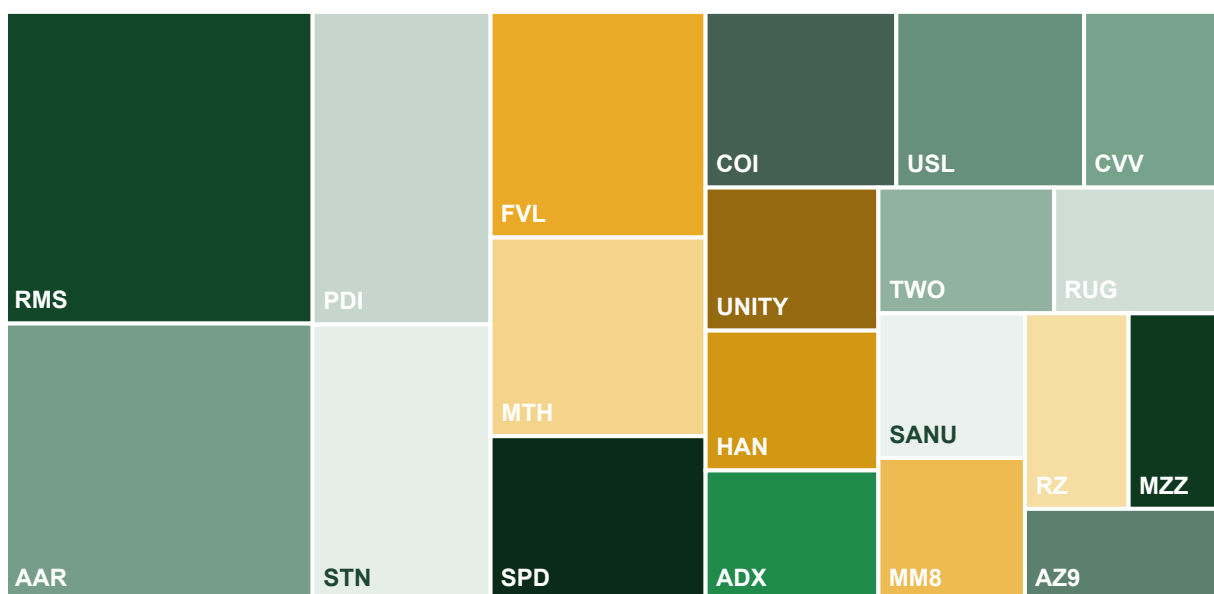
- **Oil** surged after **Iran** fired rockets at Israel, before falling back below US\$80/bbl WTI at the end of October as speculation of Israeli or Iranian strikes on energy infrastructure eased. Iran exports 1.7mn barrels of oil a day, mainly from a terminal on Kharg Island, about 25km off the country's southern coast.
- **Oil** exporters in the **OPEC** cartel together have more than 5mn b/d of spare production capacity, mainly in Saudi Arabia and the United Arab Emirates, which could be brought online in case of disruption to Iranian supplies. But if Iran blocked tanker traffic through the Strait of Hormuz, dubbed "the world's most important oil transit chokepoint" by the US Energy Information Administration, the move would halt about a fifth of global consumption.
- 2024 has seen a rush of demand for **nuclear** plants from the so-called 'hyperscale' tech companies, Google, Amazon, Meta and Microsoft, which need vast amounts of low-carbon, 24-hour electricity to run their data centres. In fact, Microsoft even has a new position called "Director for Nuclear".
- The US Department of Energy forecasts the Westinghouse AP1000 **nuclear** plant capex will fall by 50% as a result of economies of scale efficiencies in the plant build-out. The first new nuclear reactors in the USA since 2016 (Vogtle 3 and 4) came online this year, massively over budget and schedule.
- French nuclear energy group Orano SA is suspending its **uranium** mining operations in **Niger**, after the ruling military junta blocked the company's exports in the wake of a coup last year. Niger accounted for about 4% of global uranium mine production in 2022.
- Origin Energy abandoned its **hydrogen** venture in a blow to a key element of the Australian Federal Labor government's decarbonisation strategy, as the economics of clean hydrogen projects increasingly fail to stack up. The ASX-listed electricity and gas giant said it would not proceed with its investment in the NSW Hunter Valley Hydrogen Hub, one of the most advanced clean hydrogen developments in the country and one that has been shortlisted for funding as part of Labor's \$2 billion Hydrogen Headstart scheme. Clean hydrogen is made using renewable energy and has been touted by advocates and policymakers as a replacement for gas. "It has become clear that the hydrogen market is developing more slowly than anticipated, and there remain risks and both input cost and technology advancements to overcome," said Origin chief executive Frank Calabria.

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-plus 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 31 October 2024



Lowell Resources Fund. (ASX: LRT)

Characteristics of the Fund

Number of Investments: 77

Unlisted Investments by value: 8.7%

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