



December 2020

Lowell Resources Fund Monthly Update

December 2020 Performance Summary: Lowell Resources Fund (ASX: LRT)

The Lowell Resources Fund NAV per unit increased to \$1.538 at 31st December 2020 (\$1.422 at 30 November 2020), representing a 8.2% increase in NAV over the month. The unit price of the ASX listed LRT units at month end was \$1.19/unit, representing a 23% discount to underlying NAV.

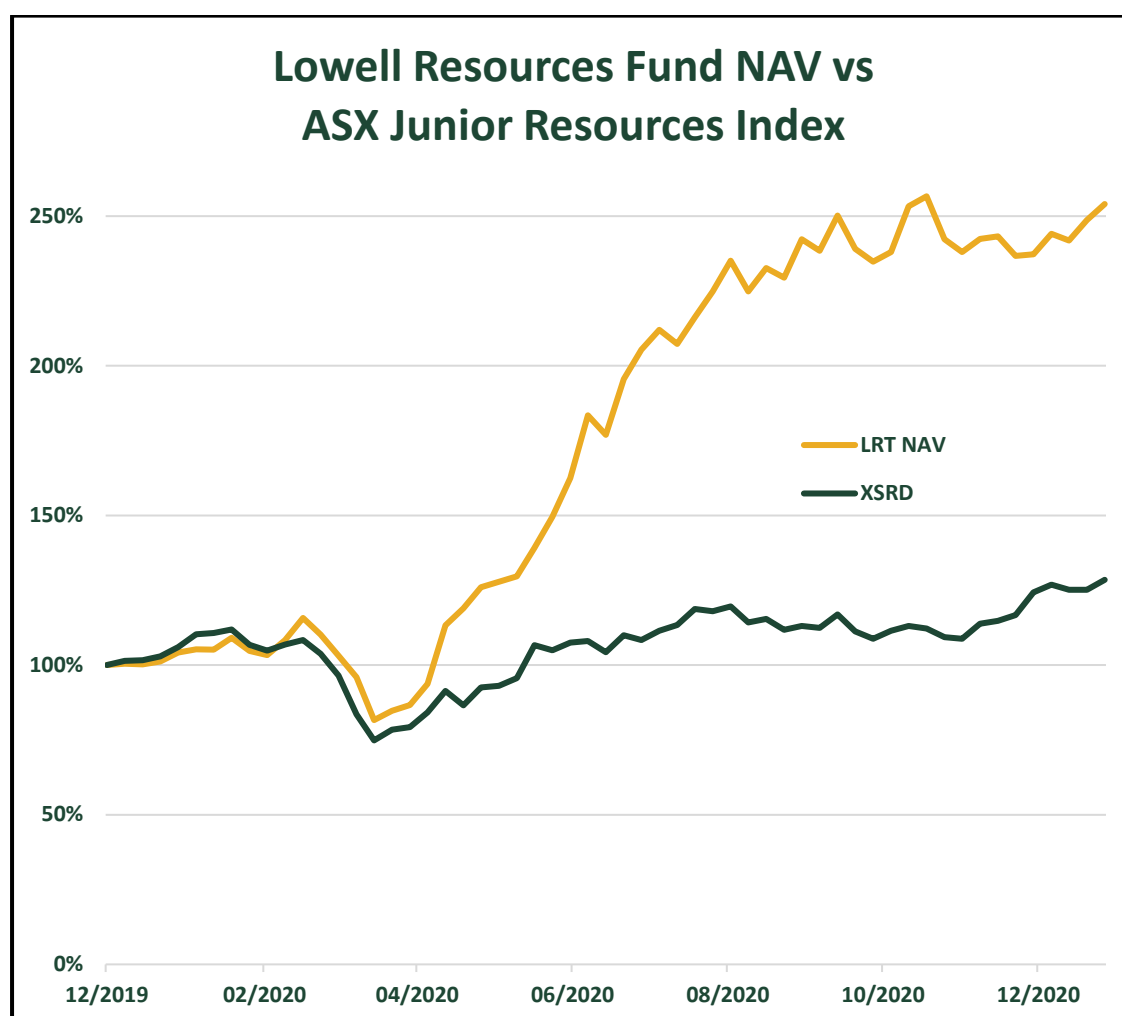
The Fund's NAV at the end of the month was approximately \$43.1 million.

Fund Overview

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

Fund Snapshot 30 November 2020

NAV per unit	\$1.538
No. of units on issue	28,050,395
Market price (ASX)	\$1.19/unit
Net Asset Value	\$43.1m





Lowell Resources Fund Monthly Update

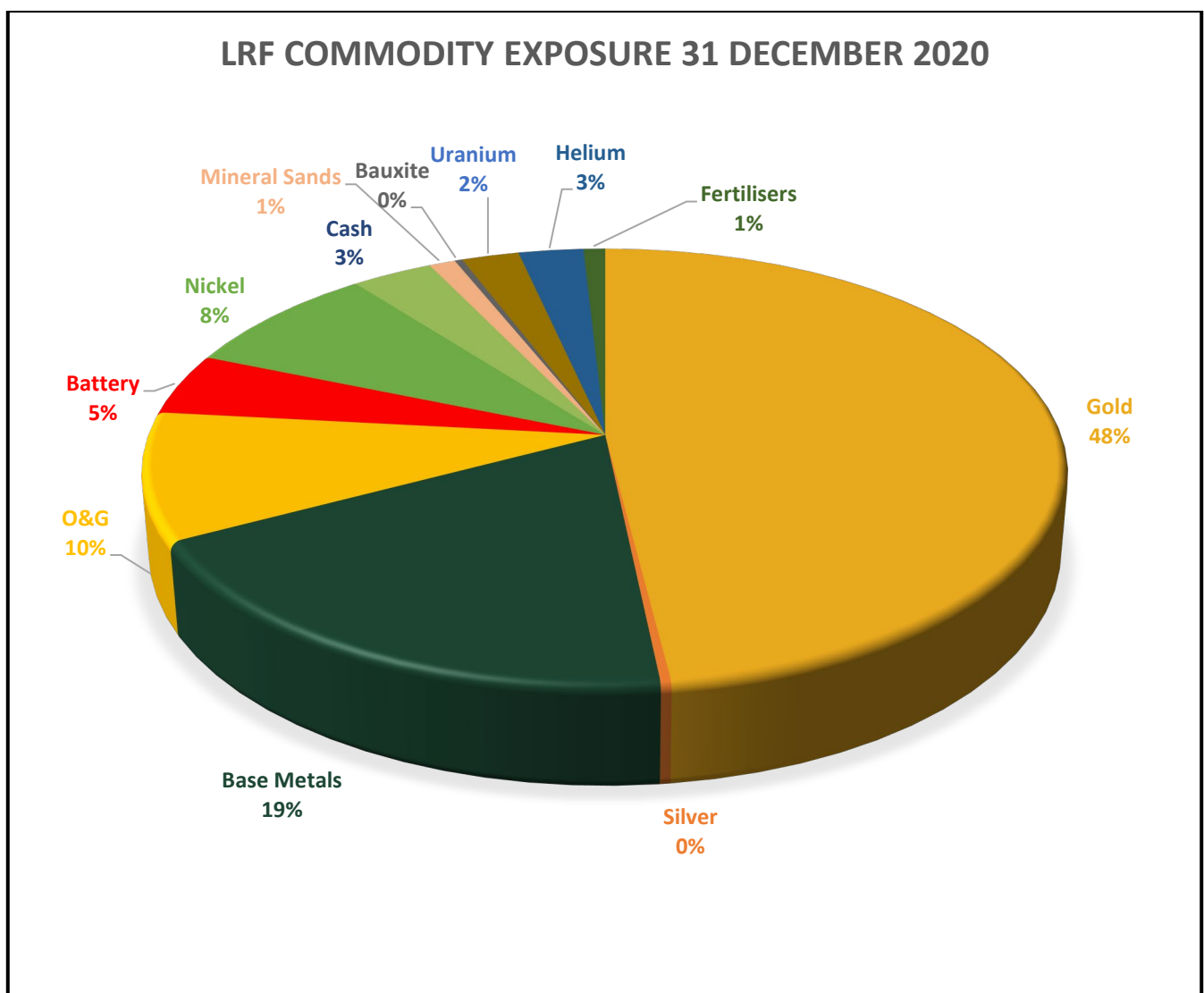
Fund Investment Actions – December

During December, market weakness in the gold sector saw a number of the Fund's key holdings enter deep value territory, with some stocks having retraced by up to 50% from their Q3 highs. LRFM took the opportunity to deploy cash by boosting the Fund's positions in Musgrave Minerals, De Grey Mining, Middle Island Resources and Predictive Discovery. Two new unlisted gold companies were also added to the portfolio: London based CAA Mining and Queensland focused Pacgold.

LRFM continued to capitalise on the strength in base metal and battery minerals equities, locking in profits in Antipa Minerals and Lontown Resources, the latter now reaching an outstanding 30x money multiple on the Fund's investment.

In oil and gas, LRFM partially sold down the Fund's investment in Cue Energy, as its share price ran ahead of the drilling of the high-impact Northwest Shelf Ironbark well, which did not ultimately intersect hydrocarbons.

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





December 2020

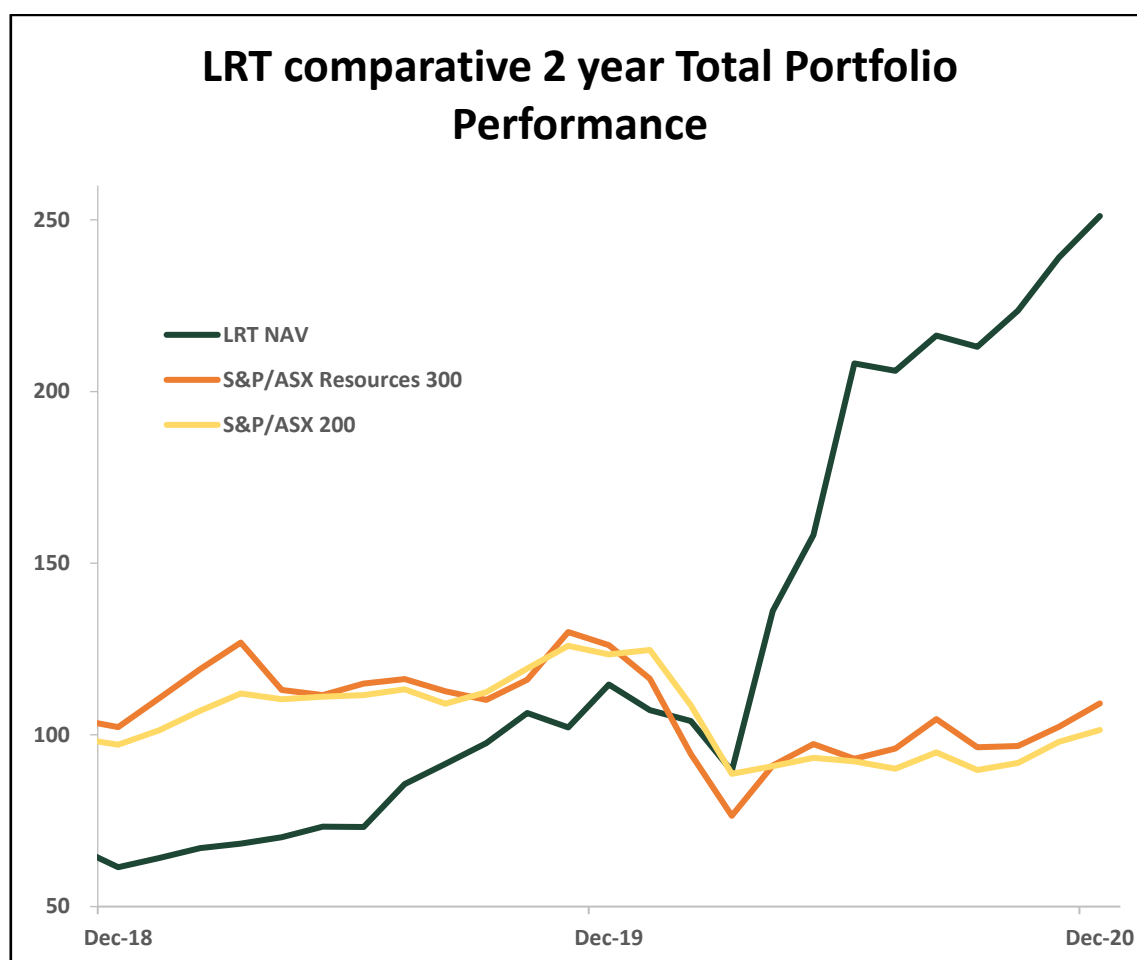
Lowell Resources Fund Monthly Update

Performance Comparison

In the 12 months to 31st December 2020, the Lowell Resources Fund again significantly outperformed the benchmark, by over 100%. The S&P/ASX Small Resources Index (XSRD) return of 21.1% pa compared to the **Fund's 151% 12-month change in underlying net asset value per unit** (inclusive of distributions and after fees and expenses). The Fund has also outperformed all of the XSRD, the ASX Resources 300 Index, and the ASX 200 Index over 5 and ten years.

Total Portfolio Performance to 31 December 2020	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	+139.1%	+21.1%	+9.2%	+1.4%
5 years p.a.	+25.9% pa	+18.0% pa	+20.4% pa	+8.7% pa
10 years p.a.	+11.7% pa	-8.1% pa	+1.6% pa	+7.8% pa

The LRT.ASX traded unit price at the end of December was \$1.19/unit, compared to \$1.15/unit at the end of November.



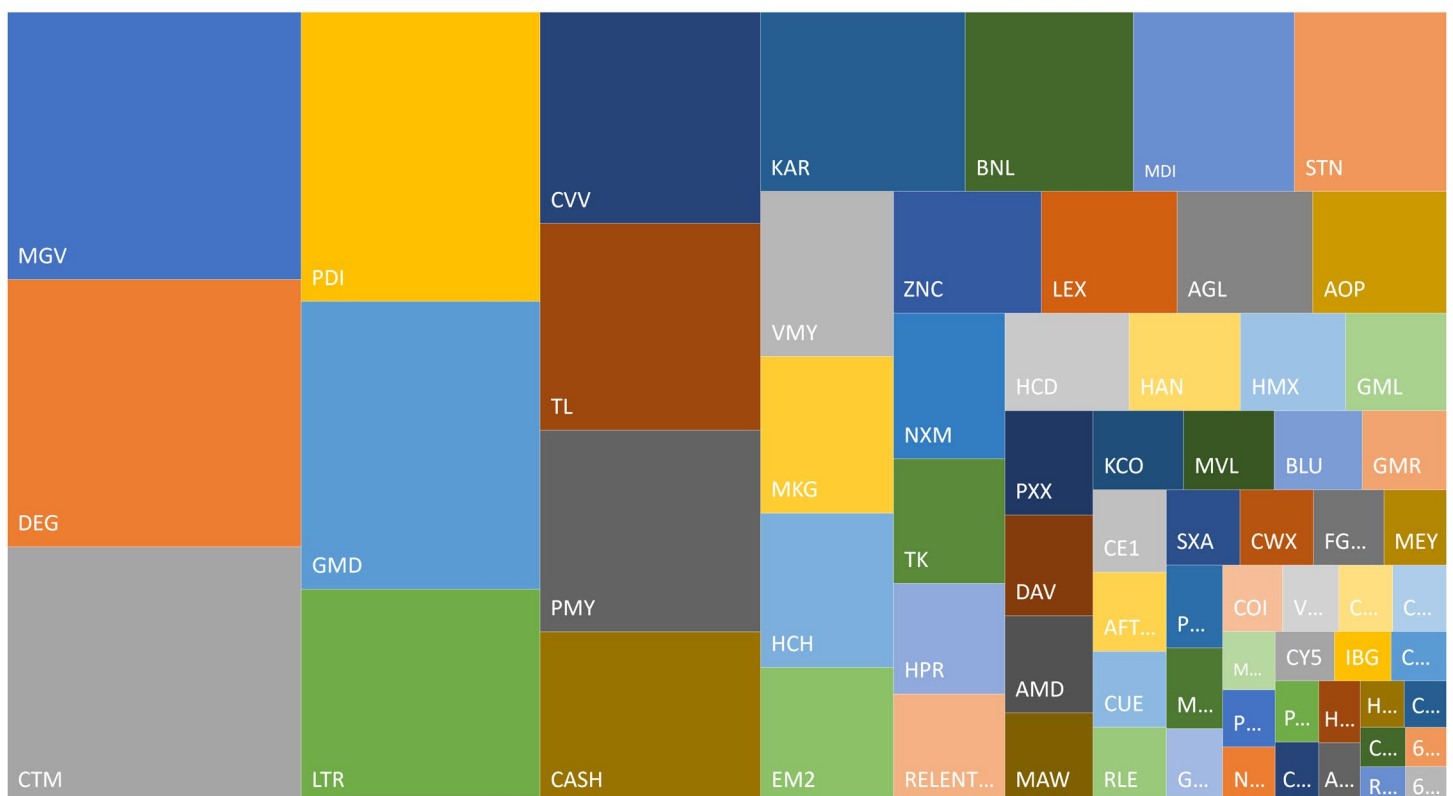


Lowell Resources Fund Monthly Update

Market Summary

- The US dollar and real US interest rates continued to fall. Real US interest rates (represented by US 10-year TIPS) peaked at -0.71% in November but fell to -1.06% by 31 December as inflation expectations grew. The DXY USD Index fell 4.5% from its peak in November. Both these factors are positive for precious metals, and mineral commodities generally.
- The USD gold price rebounded by over US\$100/oz (8%) during the month, as did gold equities. The VanEck Vectors junior gold miners ETF GDJX was up 8% in December.
- USD silver rose 16%, copper was up 2.6% and nickel rose 3.5% in December.
- Chinese demand for iron ore pushed prices towards US\$150/t, despite Brazil's iron ore exports rising 33% YoY in December.
- Chinese and Indian oil imports were at near record levels, which, together with the OPEC+ decision in November to defer production growth, drove a rally in oil prices. WTI rose nearly 7%, and Brent rallied to over US\$50/bbl on December 12.
- Battery minerals lithium and graphite prices were both up strongly. The lithium carbonate 99% (China) price rose over 20% during December.

LRF Portfolio by Value 31 Dec 2020





Lowell Resources Fund Monthly Update

Fund Top Holdings

Musgrave Minerals (MGV.ASX) announced high grade regional exploration results both from its Lake Austin JV with Evolution Mining (incl 5m at 12.1g/t Au) and its 100% owned Cue gold project. The first stage drilling results from MGV's 100% owned ground have been remarkable, highlighted by 6m at 11.5g/t Au from 18m depth at 'Target 17' released during December. To fund further exploration and a PFS on the Cue Gold Project, Musgrave announced a \$18m capital raising, in which the Fund participated.

At its Hemi gold project in the Pilbara, **De Grey Mining (DEG.ASX)** announced infill drilling results as part of resource definition work at Brolga including 70.2m @ 1.5g/t Au.

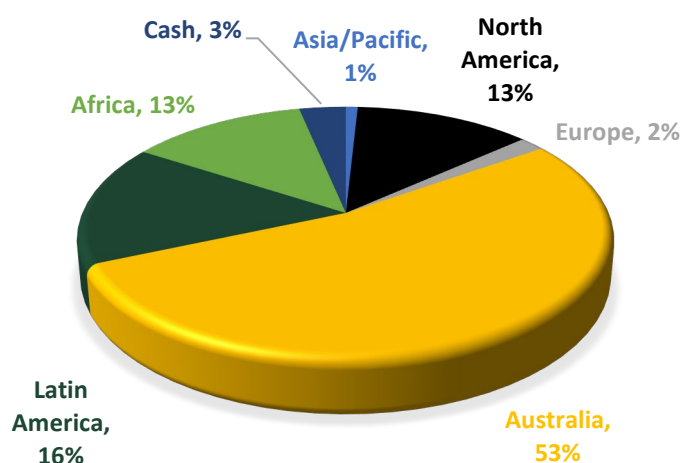
Centaurus Metals (CTM.ASX) share price rose over 30% in December, as drilling at its Jaguar nickel sulphide project in Brazil returned more spectacular results including 30m at 3.3% nickel. Given probable conventional metallurgy, such intersections have the potential to be highly profitable in an underground mining scenario, and even more so when they are likely to be open-pittable.

Predictive Discovery (PDI.ASX) recommenced diamond drilling at its Bankan Gold discovery in Guinea, focused on the 1.6km long NE Bankan discovery. PDI is also using an auger rig to infill between the NE Bankan and Bankan Creek zones. A maiden mineral resource estimate is expected in mid-2021.

Genesis Minerals' (GMD.ASX) exercised the option to complete the acquisition of the Kookynie Gold Project in WA. Drilling results at the project's Butterfly deposit returned 10.8m @ 5.2g/t gold from 122.5m

Liontown Resources (LTR.ASX) began a maiden drilling program at its 100% owned Moora Project located 150km northeast of Perth in WA where a 15km long trend hosts multiple gold-PGE-nickel-copper anomalies. These anomalies are coincident with magnetic and gravity features, interpreted to be indicative of underlying mafic/ultramafic intrusions similar to the host rock of Chalice Mines Limited's Julimar discovery, ~90km to the south.

PORTFOLIO BY GEOGRAPHY OF MAIN PROJECT
31 DECEMBER 2020



Company	Commodity	% of Gross Investments
Musgrave Minerals	Gold	6.8%
De Grey Mining	Gold	6.8%
Centaurus Metals	Nickel	6.6%
Predictive Discovery	Gold	6.0%
Genesis Minerals	Gold	6.0%
Liontown Resources	Lithium-PGM	4.4%
Caravel Minerals	Copper	4.1%
Talon Metals (TSX)	Nickel	4.0%
Pacifico (Boab)	Silver-Lead	3.9%
Cash	Cash	3.3%



Lowell Resources Fund Monthly Update

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: 68

Average Market Capitalisation of Investee companies: AUD\$86 million

Weighted Average Market Capitalisation of Investee companies in portfolio: AUD\$232 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

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.