



LOWELL RESOURCES FUNDS MANAGEMENT



MONTHLY UPDATE

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

January 2025

January 2025 Performance Summary: Lowell Resources Fund (ASX: LRT)

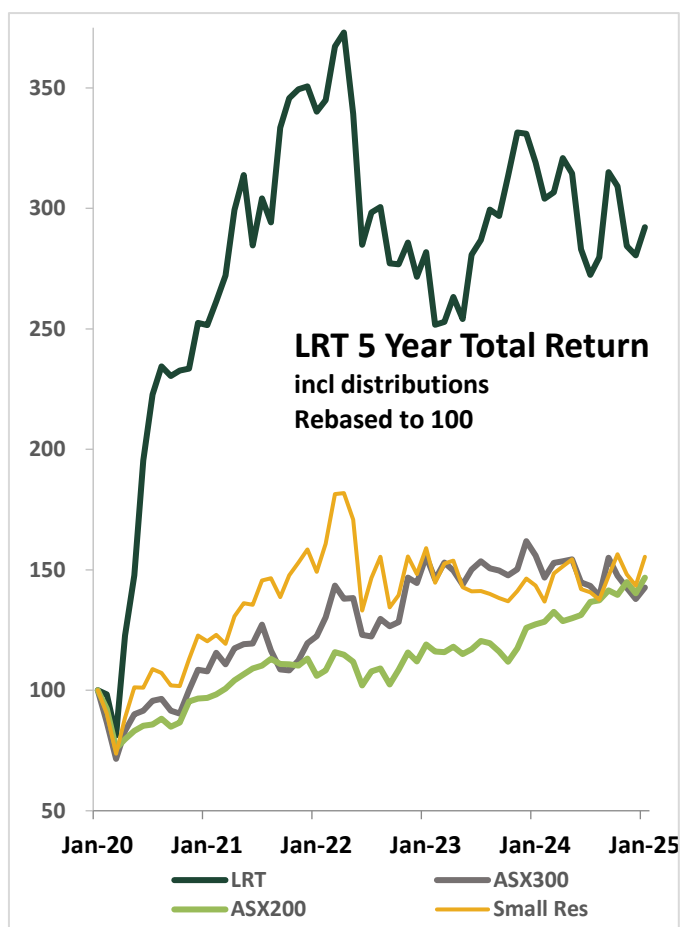
The Lowell Resources Fund's estimated net asset value ('NAV') at the end of January 2025 was approximately AUD\$55.2m, compared to AUD\$53.0m at the end of December 2024.

The NAV per unit finished the month of January at \$1.3337 vs \$1.2868 at 31st December 2024, an increase of 3.5% over the month.

The last traded unit price of the ASX listed LRT units at month end was \$1.095/unit.

FUND SNAPSHOT 31st January 2025

NAV per unit	\$1.3337
No. of Units on issue	41,380,630
Market Price (ASX)	\$1.095/ unit
Estimated NAV	AUD \$55.2m
FY 24 Distribution paid	15.2 cents per unit
Market Capitalisation	AUD \$45.3m
Responsible Entity	Cremorne Capital Limited
Fund Manager	Lowell Resources Funds Management Ltd



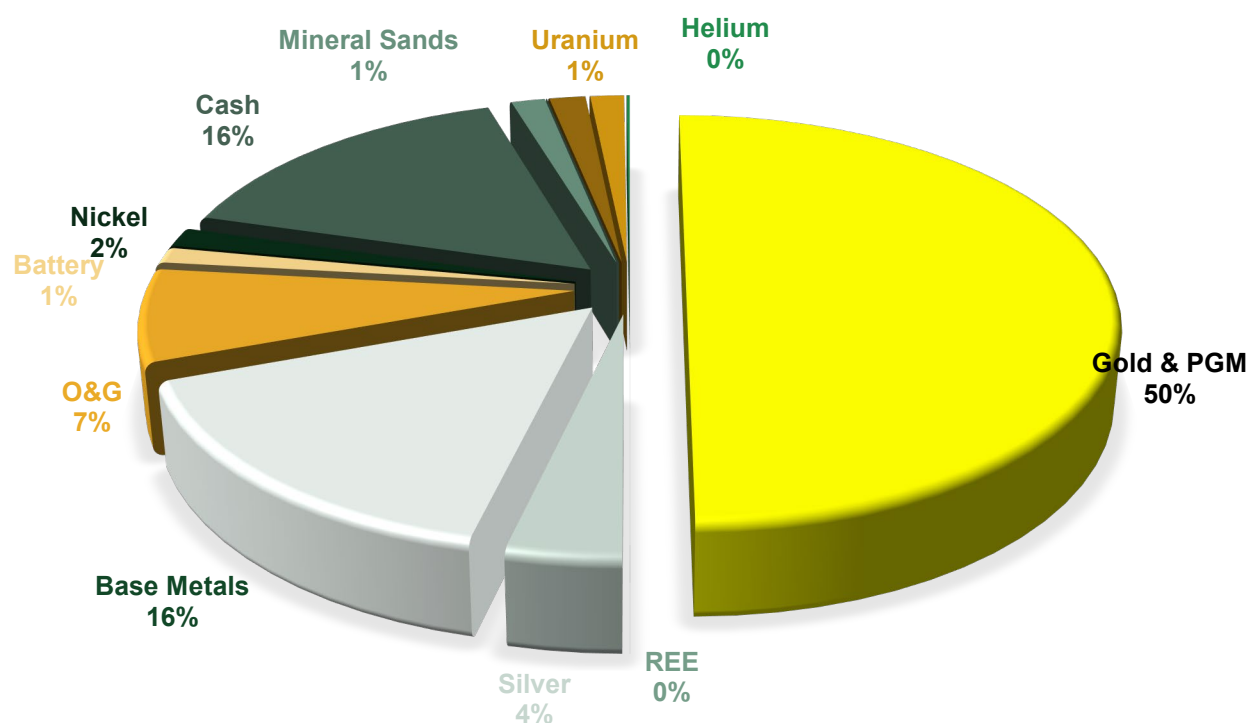
Lowell Resources Fund. (ASX: LRT)

Fund Investment Actions – January 2025

Precious metals exposure was boosted by acquisitions of further stock in British Colombia 'Golden Triangle' explorer Kingfisher Metals Corp (TSXV), and WA Goldfields explorers Nexus Minerals, Leeuwin Metals and Ordell Minerals. The Fund also took a new position in Maximus Resources, the subject of an agreed takeover by Astral Resources.

In base metals, the Fund added to its position in west Africa bauxite and iron ore player Arrow Minerals, as well as participating in a placement by unlisted Argentina porphyry explorer Rio de Oro Corp, which is exploring adjacent to the high-grade Filo del Sol discovery.

LRF COMMODITY EXPOSURE 31 JANUARY 2025



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Fund Top Holdings

Ramelius Resources (Market Cap \$2,853m RMS.ASX) announced record underlying free cashflow for the December quarter of A\$174m from production of 85 koz at an AISC of A\$1,491/oz. The result was in large part due to a substantial overcall on grade from the new Cue mining centre (acquired as part of the Musgrave Minerals takeover in 2023).

Astral Resources (Market Cap AUD\$186m AAR.ASX) announced multiple high grade drill intersections from infill diamond drilling at the Theia deposit, including 9.6m at 27.6 g/t and 24.9m at 4.1g/t Au. Theia is part of Astral's Mandilla gold project south of Kalgoorlie. Astral's total resource is 1.46 Moz.

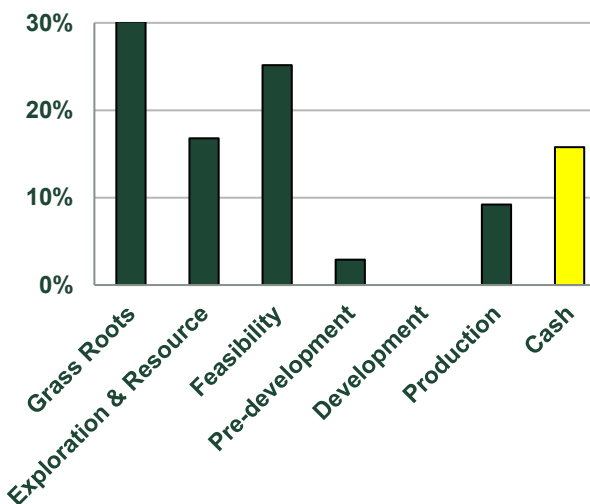
Predictive Discovery (Market Cap AUD\$623m PDI.ASX) announced approval of the key Environmental & Social Impact Assessment for its 5.4 Moz Bankan gold project in Guinea, west Africa. This is a significant de-risking step as it confirms the Guinean environment ministry's support for development of the project in the peripheral zone of the Upper Niger National Park.

Unity Energy & Resources (Market Cap AUD\$13.5m, Unlisted) is exploring for gold immediately south of Emerald Resources' (ASX.EMR) Okvau mine in Cambodia. Unity's undrilled Ngot Central target is a mineralised diorite intrusion which extends over an area of 600m x 500m with grab samples over 60g/t Au. Unity is planning to list on the ASX in H1 2025.

Fund Top Performer

Koonenberry Gold Ltd (Market Cap \$22m KNB.ASX) share price rose 108% over the month of January. The company announced an 11km drill program had commenced on its Junee project in the Lachlan Fold Belt of NSW, funded by 80% JV partner Newmont. Also in the Lachlan Fold Belt, KNB announced initial fieldwork at its Breakfast Creek project had confirmed high-grade gold-copper within a 6km Au-Cu soil anomaly.

LRF Portfolio Value by Project Stage
31 January 2025



Company	Commodity	% of Gross Investments
Cash	Cash	17.3%
Ramelius Resources	Gold	7.2%
Astral Resources	Gold	5.5%
Sanu Gold	Gold	3.8%
Freegold Ventures	Gold	3.5%
Predictive Discovery	Gold	3.4%
Saturn Metals	Gold	3.0%
Hannan Metals	Copper - Gold	2.8%
Unity Energy & Resources	Gold	2.6%
Caravel Minerals	Copper	2.3%
Koonenberry Gold	Copper - Gold	2.3%

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Performance Comparison – January 2025

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 23.9%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 January 2025	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	-6.5%	8.3%	-8.5%	15.2%
2 years p.a.	3.0% pa	-1.2% pa	-4.2% pa	11.1% pa
5 years p.a.	23.9% pa	9.2% pa	7.4% pa	8.0% pa
10 years p.a.	13.2% pa	10.0% pa	9.7% pa	8.7% pa

The LRT ASX traded unit price at the end of January was \$1.095/unit, compared to \$1.10/unit at the end of December 2024.

Market Notes

Economics

- The **US economy** exceeded expectations to create 256,000 jobs in December, sending yields on US government debt higher as traders and banks trimmed their forecasts for Federal Reserve interest rate cuts. The figure was larger than the consensus forecast and was above the 212,000 positions added in November.
- The **US economy** grew at an annualised rate of 2.3% in the fourth quarter, compared to 3.1% in the third quarter of calendar 2024.
- The **US consumer price index** rose 2.9% in December from a year ago, the highest since July. It was the third straight increase after inflation fell to a 3.5 year low of 2.4% in September. However, excluding the volatile food and energy categories, 'core inflation' declined to 3.2%, after remaining stuck at 3.3% for three months in a row.
- Federal Reserve chairman Jerome Powell said the bank was in no rush to lower interest rates, adding the **US central bank** is pausing to see further progress on inflation following a string of

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rate reductions last year. However, the ECB and the Canadian Reserve Bank both cut interest rates.

- The **Australian** Reserve Bank's preferred measure of **inflation** remained stuck above the RBA's target band last month. Trimmed mean inflation was 3.2% in November, the Australian Bureau of Statistics said. Although the figure was lower than October's 3.5% outcome, it took underlying inflation back to where it was in September.
- Prior to two years ago, there were only four times in the history of the **S&P 500** when it returned 20% or more for two years in a row. In three of those four instances, the index declined in the subsequent two-year period. (The exception was 1995-98, when the TMT bubble caused the decline to be delayed until 2000, but then the index lost almost 40% in three years.) In the last two years, it's happened for the fifth time. The S&P 500 was up 26% in 2023 and 25% in 2024, for the best two-year stretch since 1997-98.
- **China** reported that its **GDP** growth averaged 5.0% for the 2024 year on a strong final quarter attributed to government stimulus and front-loading overseas shipments ahead of potential tariffs in the US. China claimed its economy expanded 5.4%yoy in 4Q24.
- Newly inaugurated US president Donald Trump followed through with his **tariff threats**. The president set levies of 25% on most goods from Canada and Mexico (quickly rescinded), and 10% on China and Canadian energy.

Metals

- US dollar **gold** reached a new record price of US\$2,790 per ounce, while the Australian dollar gold price broke above AUD\$4,500/oz for the first time, up from A\$4,250/oz at the start of the year.
- The Assets under Management ('AUM') of **Bitcoin ETFs** surpassed the AUM of **gold-backed** ETFs.
- A surge in **gold shipments to the US** has led to a shortage of bullion in London, as traders amassed an \$82bn stockpile in New York over fears of Trump administration tariffs.
- **China's central bank** expanded its **gold** reserves for a second month in December to 73.29 million fine troy ounces, from 72.96 million in the previous month. The People's Bank of China resumed adding to its gold reserves in November following a six-month pause when prices hovered at record levels. Both the Chinese central bank and retail are now considered key gold buyers. China's central bank, alongside Russia and Turkey predominantly, added significant holdings to their reserves in 2024.
- **Kazakhstan's** central bank said it would start selling down **gold** holdings alongside its dollar reserves to support its currency. Kazakhstan reportedly buys all gold mined in country, with bullion accounting for c.50% of reserves, valued at US\$23.8bn. The central bank estimates it will sell about \$6 billion a year in equal installments each quarter, National Bank of Kazakhstan Governor Timur Suleimenov told reporters in Astana. Kazakhstan produces about 2.3 Moz of gold a year, according to the central bank.
- In the latest in a string of bad news from and for **Mali**, Reuters reported that Mali seized A\$245 million in **gold** from Barrick's Loulo-Gounkoto gold mining complex. Barrick immediately suspended operations at the site as a result.
- President Trump's threat of tariffs has been accelerating the depletion in the LBMA's free floating **silver** stockpile. A wave of metal has made its way into the US from London, the world's largest vaulting system, regardless of whether precious metals will ultimately be subject to tariffs.

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- China's Zijin Mining Group Co. aims to start producing **lithium** in the Democratic Republic of Congo early next year from one of the world's largest deposits. Zijin is accelerating activity at the disputed Manono site in southeast Congo that's still claimed by AVZ Minerals Ltd. The Australian firm has initiated arbitration proceedings against the African nation's government as part of its efforts to recover an exploration licence. Manono would become the first operating lithium mine in Congo, the world's second-largest copper producer and biggest source of cobalt. Chinese companies including Zijin are investing heavily in Africa's lithium resources from Mali to Zimbabwe, even after prices slumped almost 90% from a peak in 2022.
- Saudi Aramco, the world's largest oil company, and Maaden are forming a joint venture to produce **lithium**. Saudi Aramco said it had found "promising lithium concentrations" in its oil and gas fields.
- China's 2024 **lithium carbonate** demand reportedly rose 44% yoy to 850kt LCE (SMM). However, 2024 carbonate production saw an annual surplus of ~60kt, with a cumulative inventory build of 110kt.
- Australian lithium miner Pilbara Minerals said realised prices for its **lithium** spodumene were \$US700 (A\$1124) a tonne in the December quarter, up from \$US682 in the previous three-month period and 11% above analysts' expectations. The rise in prices enabled the company to renegotiate two offtake agreements with customers, which the miner said had improved its bottom line.
- Steep losses in global stock markets were triggered by the breakout success of Chinese artificial-intelligence startup DeepSeek, which raised worries about sky-high valuations in the tech sector. Some analysts correlated this with falls in the price of **copper**.
- 2025 **copper TC/RC** benchmark negotiations were completed with zinc to follow in April / May. ~US\$21.25/dmt was recently set for copper concentrates in 2025 – representing a ~73% reduction (vs 2024). Similarly, Zinc concentrate is expected to be set at ~\$US100/dmt – representing a ~39% reduction (vs 2024). TC/RCs have been in a freefall since last year due to the expansions of Chinese smelters and a shortage of concentrates. In April 2024, Fastmarkets' weekly copper concentrate TC/RC index tracking the midpoint between smelter and trader buying levels fell into negative territory for the first time. The last time the annual benchmark fell below \$50/tonne was 2010, according to CRU data. Chile's state-run copper commission Cochilco previously stated that it projects supply to tighten by 3.4% this year, which could drive TC/RCs further down. Faced with fierce competition in raw material markets and a subdued demand for refined copper, copper smelters will become more sensitive and vulnerable to profitability of byproducts, like sulfuric acid and recovered metals, including gold, silver and other minor metals, Fastmarkets said. The fees for processing spot copper concentrate fell to negative \$8.30 a ton in mid-January, according to Fastmarket data.
- China refined **copper** imports rose to a 13-month high in December, and the Yangshan copper premium, which reflects import appetite, rose to twelve month highs in January. Shanghai inventories have fallen from over 330kt last summer to 74kt in December.
- **Chile** cut its **copper** production projection for the coming decade, adopting a more conservative approach that may see analysts tweak their own global supply models. The top-producing nation now expects output to be 5.54 million metric tons by 2034, according to a study released Wednesday by state copper commission Cochilco. That's only slightly higher than last year's production - and is less than the agency's projection of 6.43 million tons made a year ago.
- The State Grid Corporation of China – the single **largest consumer of copper** in the world – announced its 2025 investment budget at a record RMB 650Bn (US \$89Bn). This is up by 8.3% from last year's budget of RMB 600Bn (US\$82Bn), which was actually upgraded mid-year from an initial target of RMB 500Bn (US\$68Bn).

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- Australia's Albanese government doubled down on its commitment to the Gina Rinehart-backed **Arafura Rare Earths** with a \$200 million equity investment through the National Reconstruction Fund ('NRF') that will take taxpayers' exposure in the company to more than \$1 billion. Arafura's Nolans project lies about 125 km north of Alice Springs and aims to be the first ore-to-oxide operation in Australia by supplying about 4,440 tonnes or 4% of the world's rare earths neodymium and praseodymium by 2032. The construction of the mine and processing facility would cost about \$1.68 billion, Arafura has previously said, and the NRF's commitment is contingent on the success of the overall equity raise, which is expected to be publicly launched in mid-2025.
- The continued reduced **manganese** ore supply from major manganese ore producing countries has further reduced manganese ore port stocks in China by circa 1Mt post quarter end with stocks now reportedly at a 5-year low.
- Australia's government committed a record A\$2 billion to help the country's **aluminium** industry shift to green energy and attract future investments. The government announced a new Green Aluminium Production Credit on Jan. 20 to "provide targeted support" to Australian aluminum smelters switching to renewable electricity before 2036.
- The price of **bauxite from Guinea** pulled back to US\$110/t after hitting US\$130/t in early January ago, and Australian bauxite pulled back to US\$90/t from US\$100/t. There has been no change to the Guinea Alumina Corporation (GAC) suspension, which is now into its 16th week. However, new supply from other projects in Guinea including Ashapura's new 9Mtpa river port at Gueme St Jean will add further capacity to Guinea's exports in 2025.
- The world's biggest **cobalt** miner, which produced a record amount of the battery metal last year, is targeting similar levels of production for 2025 following a ramp-up at two African mines. China's CMOC Group Ltd. gave output guidance at 100,000 to 120,000 tons of cobalt, after producing 114,165 tons in 2024. Elevated levels of cobalt output have further pressured prices of the material that's used in electric vehicle batteries and aerospace alloys. Cobalt prices have plummeted to their lowest level since 2016, as spot prices for the metal dropped to just above \$11 a pound compared to peaks above \$40 a pound in 2018 and again in 2022.
- Indonesia has set a quota of around 200 million metric tons for **nickel ore** mining this year, a senior mining ministry official said, down from 272 million tons in 2024. Nickel ore output last year was 215 million tons. "We have issued around 200 million tons. But if based on their performance evaluation, especially post-mining reclamation and environmental management (not meeting government requirements), we will cut," said Tri Winarno, director general of mineral and coal at the ministry. Nickel ore supply in Indonesia, which accounts for more than half of global nickel production, struggled to keep up with demand last year due to government restrictions, leading to record imports from the Philippines.
- China has urged its citizens to trade in their lithium-ion battery-based electric bikes for newer models with sealed **lead-acid batteries** (SLAs). There are an estimated 350 million electric bicycles in China. While sealed lead acid-based batteries have higher safety margins than lithium ion batteries, they have significantly lower energy density and lifespans. To help solve this issue, some companies are pushing for sodium-ion batteries to replace both lead-acid and lithium-ion batteries as the next big e-bike battery chemistry. Sodium-ion batteries have the safety advantages of lead-acid batteries, yet offer better energy density and lifespans that are beginning to approach that of lithium-ion batteries. The cost remains relatively high for the newer sodium-ion battery technology, but significant investments in the development of sodium-ion battery manufacturing are expected to help reduce the cost in the next few years.

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Energy

- **China**, the world's largest **oil importer**, said its oil imports had fallen nearly 2%, or 240,000 barrels a day, to just over 11mn bopd in 2024 compared with the year before, the first decline in two decades except for the disruption during the Covid pandemic. In December, Sinopec, China's biggest refiner, brought forward its forecast for crude oil consumption to reach a peak to 2027, compared with the range it previously gave of between 2026 and 2030. This is partly due to Chinese economic growth, but also due to increasing EV's.
- The oil price hit a 5 month high after the US imposed its most aggressive and ambitious sanctions yet on **Russia's oil industry**, targeting large exporters, insurance companies and more than 150 tankers. WTI reached over US\$80/bbl before falling back later in January, when Trump declared a national energy emergency and pledged to expand domestic oil and gas production by easing permitting, ended the moratorium on new US licences to export liquefied natural gas and withdrew the US from the 2015 Paris climate agreement.
- Citigroup estimated that as much as 30% of Russia's so-called "shadow fleet" of tankers could be affected by the **US sanctions**, threatening as much as 800,000 barrels a day, although the effective loss may be less than half that figure. Citigroup described the US package as "unprecedented". The sanctions were expected to place more pressure on India and China, potentially forcing refiners in each country to source alternative supplies. India emerged as a vital buyer of Russian crude after the 2022 Ukraine invasion, while China is the world's largest oil importer.
- Russian O&G giant **Gazprom** made public plans to retrench 1,600 staff as the company struggles with plummeting gas sales in Europe and sanctions against its oil arm in the wake of the Ukraine war.
- Outgoing President Joe Biden announced a ban on new offshore **oil and gas drilling** along most of the **US coastline** in a move designed to bolster his environmental and climate legacy before he left office. Trump said he would immediately "unban" Biden's prohibition on new offshore drilling, but overturning the order could prove challenging and may require an act of Congress, according to legal experts. The new president declared plans to refill the **US strategic oil reserve** "right to the top" after it reached lows not seen since the 1980s.
- A wave of fresh supply of **LNG natural gas** is forecast to start hitting the market in 2025 or 2026, bringing with it the possibility of lower prices. The jump in new LNG production, mostly from North America, was originally expected to start impacting global gas markets in 2024, but was pushed back as projects were delayed. That meant the global market remained "tight" last year.
- The ACCC warned of **potential winter gas shortages** in the southern Australian states in 2025, saying "In the short term, it seems increasingly likely that the southern states will have to import gas to meet demand". The regulator said "Imported gas may incur additional costs not currently experienced by gas users on the east coast, including LNG shipping, liquefaction and regasification costs."

Energy

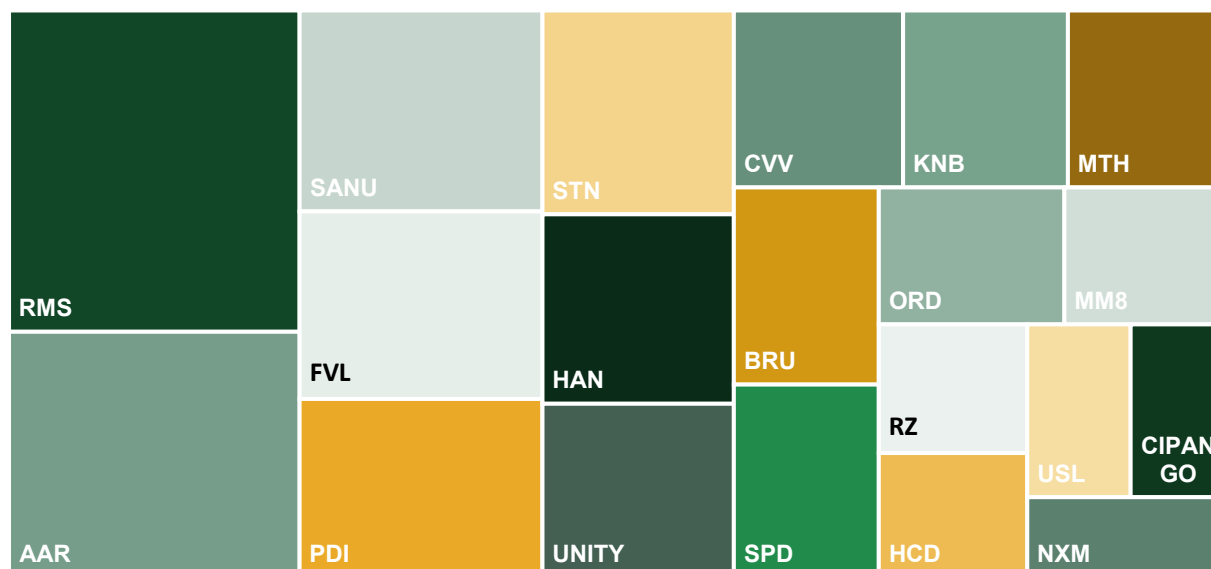
- BlackRock exited a big **climate change** industry group, in the wake of Donald Trump's election as US president and heightened regulatory scrutiny. The world's largest money manager told institutional clients that it had quit Net Zero Asset Managers, a voluntary global group that describes itself as committed to "the goal of net zero greenhouse gas emissions by 2050 or sooner". In Australia, Macquarie repeatedly declined to clarify whether it stands by its climate targets.
- The price of **enriched fuel for nuclear** reactors surged to a record high as demand from artificial intelligence data centres exacerbated a squeeze on the market following Russia's invasion of Ukraine. Prices for enriched uranium hit \$190 per separative work unit — the standard measure of the effort required to separate isotopes of uranium — compared with \$56 three years ago, according to data provider UxC. Russia is a major player in the process of turning mined uranium into the enriched fuel needed for a nuclear reactor, but US sanctions and a Russian export ban have helped push prices to record highs. The spot prices for mined U3O8 remain subdued however, around US\$70/lb.
- Aura Energy reported that the **Swedish** government lifted the **uranium** ban which had been in place since 2018. The government enquiry into lifting the ban recommended that uranium be regulated as a Concession Mineral within the Minerals Act, which allows deposits with economic quantities of uranium to be exploited.
- **French nuclear** generation climbed to the highest level in almost six years, compensating for lower wind-power output in western Europe. The nation is exporting some of that to Germany. After switching off the last of its nuclear plants last year, **Germany** is relying more on imports and expensive gas and coal-fired stations when there's a slump in wind output. Germany's electricity generation from oil surged to the highest in a single day since at least 2017 in mid-January.
- A new IEA report concluded electricity generation from the world's fleet of nearly 420 reactors is on track to reach new heights in 2025. Even as a few countries phase out nuclear power or retire plants early, global generation from **nuclear plants** is rising as Japan restarts production, maintenance works are completed in France, and new reactors begin commercial operations in various markets, including China, India, Korea and Europe. Nuclear power produces just under 10% of global generation and is the second-largest source of low-emissions electricity today after hydropower. The report indicates that there is enough uranium supply in the short term whilst the supply gap is being filled by inventory draw downs, but new investment in uranium mines is required.
- **China's coal imports** hit a record high in 2024. Coal imports for the year totalled 543 million metric tons, according to China's General Administration of Customs, up from 474 million tons in 2023.
- The price of **Australian coal** slumped to a three-and-a-half-year low on surging supply, signalling the end of a super-cycle that propelled local miners to record profits and created billions of dollars in wealth. The benchmark price for top-quality NSW thermal coal fell to \$US115/t, according to GlobalCoal. At its peak, top-quality NSW thermal coal – used for power generation – fetched an average of \$US432 per tonne in September 2022.
- The Australian Liberal Party said it would commence an "immediate audit of stalled **coal, gas and iron ore projects** to attempt to expedite the delivery of new resources jobs" if it wins the 2025 federal election.
- Reuters reported that Britain's approvals for two vast **North Sea oil and gas** fields were overturned by a Scottish court, a significant win for environmental campaigners that leaves the decision on whether the projects should go ahead with the government.

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 January 2025



Lowell Resources Fund. (ASX: LRT)

Characteristics of the Fund

Number of Investments: 78

Unlisted Investments by value: 9.3%

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