



LOWELL RESOURCES FUNDS MANAGEMENT



MONTHLY UPDATE

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

November 2024

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

The Lowell Resources Fund's estimated net asset value ('NAV') at the end of November 2024 was approximately AUD\$53.7m, compared to AUD\$56.6m at the end of October 2024.

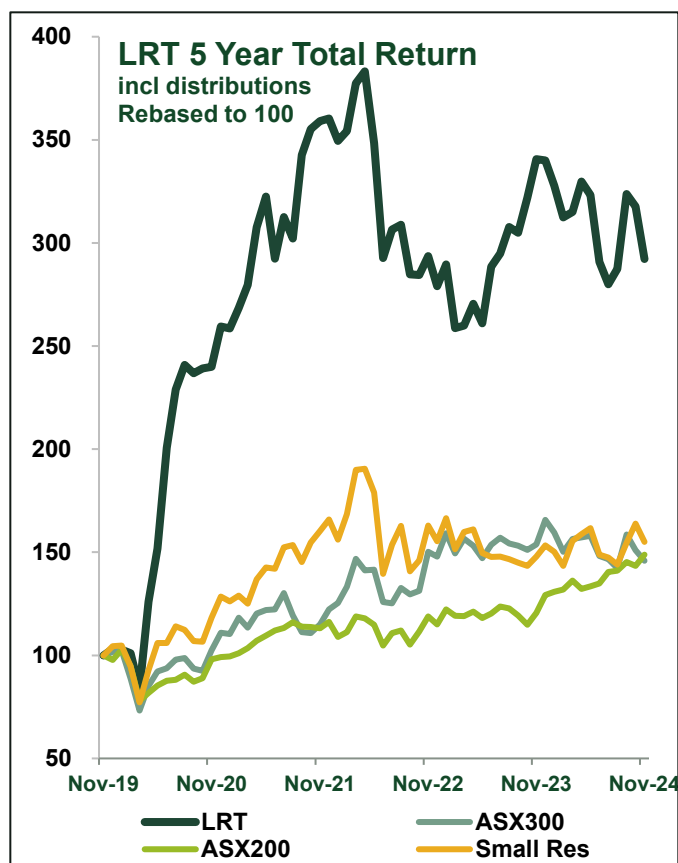
AUD\$1.8m worth of new units were issued at a price of \$1.10/unit during October under a Securityholder Participation Plan.

The NAV per unit finished the month of November at \$1.2980 vs \$1.4116 at 31st October 2024, a decrease of 8.0% over the month.

The last traded unit price of the ASX listed LRT units at month end was \$1.09/unit.

FUND SNAPSHOT 30 November 2024

NAV per unit Post-SPP	\$1.2980
No. of Units on issue	41,380,630
Market Price (ASX)	\$1.09/ unit
Estimated NAV	AUD \$53.7m
FY 24 Distribution paid	15.2 cents per unit
Market Capitalisation	AUD \$45.1m
Responsible Entity	Cremorne Capital Limited
Fund Manager	Lowell Resources Funds Management Ltd



Lowell Resources Fund. (ASX: LRT)

Fund Investment Actions – November 2024

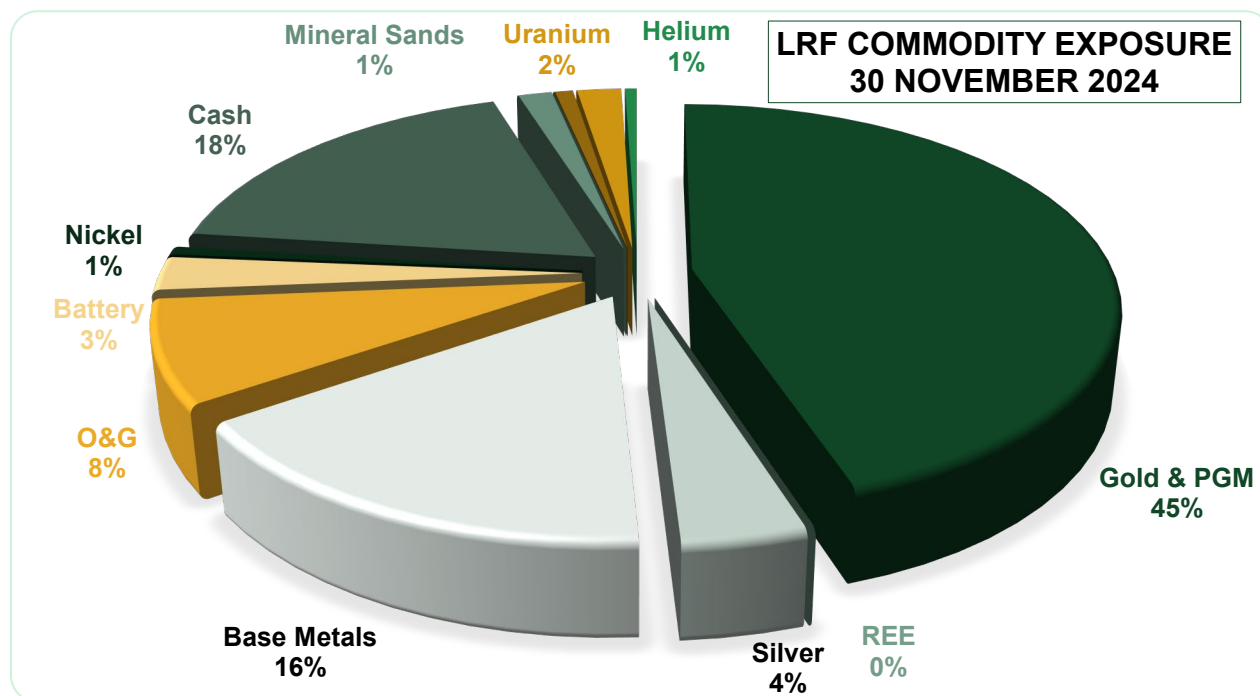
In November, the Fund added to its position in Athabasca Basin uranium explorer Aero Energy (AERO.TSXV).

Precious metals exposure was increased through additional investments in Australian gold explorers Carnavale Resources (CAV.ASX) and Hamelin Gold (HMG.ASX), and South Africa PGM developer Southern Palladium (SPD.ASX). New investments were made in Macquarie Arc focused explorer Koonenberry Gold (KNB.ASX) and British Columbia gold developer Spanish Mountain Gold (SPA.TSXV). A seed position was also taken in the Paul Roberts-led Famien Resources, focused on gold exploration in Cote d'Ivoire.

The Fund sold its shareholdings in Pivotal Metals Ltd, PacGold Ltd and Eagle Mountain Mining Ltd.

In base metals, the Fund took a position in NSW tin developer Sky Metals (SKY.ASX)

The cash position was 18% at the end of the month.



Have Your Say!

Lowell Resources Funds Management is planning a new, free webinar series on the resources sector for launch in 2025, and we would love to hear what topics you would like to learn more about. Is it big picture influences like the geo-political landscape? Or are you interested in new technologies transforming the energy sector? Or do you simply wish to understand what's hot in mining investments and why? Register your interest in our webinar series by clicking [here](#) and help us provide you with the news and views you'd like to hear most in the new year.

Lowell Resources Fund. (ASX: LRT)

Fund Top Holdings

Astral Resources (Market Cap AUD\$151m AAR.ASX) announced an updated global mineral resource estimate at its Mandilla and Feysville gold projects in WA of 42 Mt at 1.1 g/t Au for 1.46 Moz. More high-grade drill results including 33m at 3.75g/t Au were released from its Kamperman prospect south of Kalgoorlie in WA.

Predictive Discovery (Market Cap AUD\$576m PDI.ASX) announced drill results including 16m @ 11.2g/t from 159m and 15m @ 6.5g/t from 106m at its Fouwagbe prospect, as part of resource definition drilling. Fouwagbe is part of PDI's Bankan project in Guinea, west Africa where a resource of 5.38Moz has been defined.

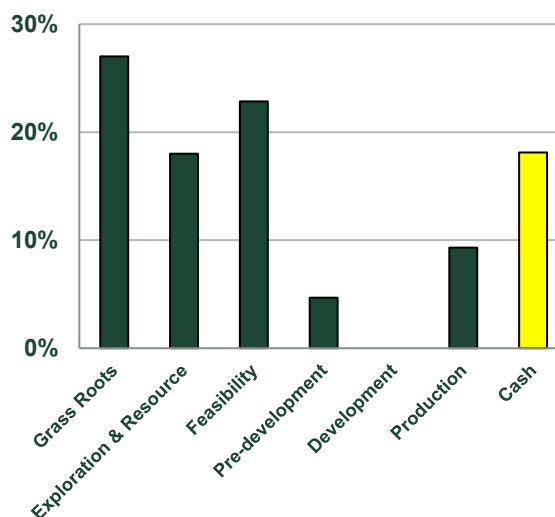
Freegold Ventures (Market Cap CAD\$378m FVL.TSXV) announced drill intersections of 3.62 g/t Au over 42 metres and 1.23 g/t Au over 170.7 metres at its 24Moz Golden Summit gold deposit, near the Fort Knox mine in Alaska.

Hannan Metals (Market Cap CAD\$73m HAN.TSXV) announced it had received environmental approval for its first drill program at the Belen prospect, part of the Company's 100%-owned Valiente copper-gold project in Peru. The permit covers three porphyry copper/epithermal gold prospects within a 8km by 2km trend.

Fund Top Performer

Ordell Minerals (Market Cap \$18m ORD.ASX) share price rose 55% over the month after it announced high grade drill intersections at its 80% owned Barimaia JV gold project at Mt Magnet, WA. Results 29m @ 2.5g/t Au from 81m, and 4m @ 9.6g/t Au from 59m. Gold mineralization at Barimaia (McNabs East prospect) has been defined over 1km strike length at shallow depths (typically <80m), and remains open along strike and is untested at depth.

LRT Portfolio Value by Project Stage 30 November 2024



Company	Commodity	% of Gross Investments
Cash	Cash	18.1%
Ramelius Resources	Gold	6.3%
Astral Resources	Gold	5.6%
Predictive Discovery	Gold	3.6%
Freegold Ventures	Gold	3.1%
Southern Palladium	PGM	3.0%
Saturn Metals	Gold	3.0%
Comet Ridge	Gas	2.6%
Mithril Silver & Gold	Ag & Au	2.4%
Hannan Metals	Copper	2.3%
Caravel Minerals	Copper	2.3%

Lowell Resources Fund. (ASX: LRT)

Performance Comparison – November 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 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 November 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	-12.4%	4.9%	-5.5%	23.4%
2 years p.a.	0.9% pa	-2.5% pa	-1.4% pa	11.9% pa
5 years p.a.	23.9% pa	9.2% pa	7.9% pa	8.3% pa
10 years p.a.	13.1% pa	9.6% pa	9.3% pa	9.1% pa

The LRT ASX traded unit price at the end of November was \$1.09/unit, compared to \$1.11/unit at the end of October 2024.

Market Notes

Economics

- The **US dollar** surged to a DXY index of over 106, after the results of the US elections. The US dollar rose to the strongest level in a year as Donald Trump won the race for the presidency, also triggering a sharp rise in Treasury yields. The US government bond selloff was among the largest of the past five years, lifting yields across maturities by 5 to 17 basis points.
- The Federal Reserve cut **US interest rates** again, by 25 basis points to 4.75% pa, while the Australian Reserve Bank left interest rates on hold at its Melbourne Cup day meeting. Federal Reserve Chair Jerome Powell made clear he's ready to defend the US central bank from political pressure following the re-election of Donald Trump, saying he wouldn't resign if asked and insisting the incoming president doesn't have the power to fire him or other senior Fed leaders. Powell said he didn't rule "out or in" a further cut in December, noting recent indicators suggested the economy was still expanding solidly.
- **US inflation** rose to 2.6% in October, in line with economists' expectations of a 2.6% rate of growth and above September's 2.4%.
- **China** announced a Rmb10tn (US\$1.4tn) fiscal package to bail out local governments and help shore up its faltering economy, as it braced for increased trade tensions with the US under Donald

Lowell Resources Fund. (ASX: LRT)

Trump. The fiscal plan is one of the biggest to target the country's troubled local authorities, but it disappointed investors expecting more support for flagging household consumption in the world's second-largest economy. China's property sector remains the key drag on the economy and broader demand for commodities, with China's construction activity weakening last month to the slowest pace since data began in May 2012, excluding the pandemic.

- US President Joe Biden authorised **Ukraine** to launch limited strikes into Russia using US-made long-range missiles, in a big policy shift before Donald Trump takes office in January. The move follows the deployment of thousands of North Korean troops to support Russia.
- Trump said he would impose **US tariffs** on Canada, Mexico and China. Trump said he would impose tariffs of 25% on all imports from Mexico and Canada on his first day in office, accusing the two countries of failing to do enough to curb illegal migration and drug trafficking. Analysts from Citigroup said that aluminium and steel would be the most impacted metals. The US buys about 70% of its aluminium from abroad, with 60% of that from Canada. Steel imports account for 24% of the American supply, with Canada providing a quarter of the amount and Mexico about 15%. Mexican President Sheinbaum suggested her country could respond to Trump's threatened tariffs with levies of its own. According to the Canadian government, Canada counts the US as its biggest export market for metals and minerals, with aluminium, iron and steel making up almost half of metals shipments.

Metals

- Trump is likely to withdraw the US from the Paris agreement again and it is likely that the US\$370bn set aside in the **Inflation Reduction Act** for clean energy support will be scaled back significantly.
- 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."
- According to Bloomberg, the SPDR **Gold** Share ETF (ELD) reported its largest weekly outflow in over two years, with outflows of over ~\$1b. However, in the week-ending 22nd November, gold had its best week in nearly 2-years, regaining the \$2,700 level and closing at \$2,716/oz, up ~6% or \$153/oz on the week.
- Prices of base and precious metals fell against the stronger US dollar the day after the presidential election. **Copper and zinc** both retreated by more than 4% with the former falling through its 21-day, 50-day and 100-day moving averages. Zinc spot to 3 month discount continued to widen, falling by \$4.50 after the election.
- Reuters reported that China has allowed more private firms to blend more polluting complex **copper** concentrates domestically as the country that smelts half the world's copper struggles to secure enough standard grades. That could significantly widen the scope of copper concentrates, which are currently subject to strict customs rules, that China can import. China is the world's largest copper consumer but only the fourth biggest mined producer, meaning it has to import concentrate. Its import standards allow only around 20% of the world's copper concentrates to be shipped into the country, with the remainder considered too polluting. Only giant state-owned enterprises have typically been allowed to buy and blend copper concentrates that contain more toxic chemicals like arsenic than standard grades. Foreign traders, also barred from processing polluting concentrates within China, have to blend concentrates in South Korea, Malaysia and Taiwan prior to sale to Chinese smelters. But the Chinese government granted at least three new licenses to private firms to process lower grades over the past few months as a shortage of standard copper concentrates worsened.

Lowell Resources Fund. (ASX: LRT)

- Chile registered its best month of metal export revenue in almost three years on the back of recovering prices. Codelco exceeded its own monthly production goal in October, consolidating a recovery that began in August. October was the best month so far this year for Chile's state-owned **copper** giant and came in above year-ago levels.
- Citi cut its **copper** forecasts amid concerns that sweeping tariffs under US President-elect Donald Trump and disappointing stimulus in China will derail a recovery in global manufacturing. The broker cut its short-term price target to \$US8500 a tonne, from \$US9500 a tonne previously. Copper prices on the London Metal Exchange fell below \$US9000 a tonne for the first time in two months
- **Steel** exports from China hit the highest level since 2015. Exports increased to 11.2 million tons last month, just below the record reached in September 2015, according to customs data yesterday.
- Alcoa Corp. declared force majeure on **bauxite** shipments from Brazil's Juruti Port after local authorities declared the waterway inactive due to a stranded ship. Alcoa didn't give a time frame on when shipments would return to normal, but said it's in close contact with the navigation authority to understand the salvage plan process and its impact on the company's future shipments.
- The suspension of exports from Guinea Alumina Corporation (GAC), a subsidiary of Emirates Global Aluminium (EGA) was ongoing for more than month, driving **bauxite** and alumina prices to record highs. Historically, when alumina prices surged higher, Chinese alumina refineries ramp up output and take advantage of the export arbitrage. However, that is not happening this time –because they don't have the bauxite. Not only is Guinean output constrained, but we have also seen closures of bauxite mines in China.
- The US has installed 20GW of **battery storage** to the power grid, with 5GW being installed in the first seven months of the year. According to the US Energy Information Administration, capacity could double to 40GW by the end of 2025.
- Resolute made US\$130m in payments to the government of **Mali** (with a further \$30m to be paid in 2024) after three employees were detained in the country. Four senior Barrick employees were also re-arrested by the government pending trial.
- According to China's Ministry of Industry and Information Technology, China will step up efforts to support domestic exploration of **lithium, cobalt, and nickel** resources and bolster national resource security. The plan is targeting an increase in the scale of the new energy storage manufacturing industry to match demand by 2027, calling for the creation of three to five 100 billion yuan (\$13.96 billion) new energy storage manufacturing firms by then.
- Chinese company CMOC Group Ltd noted the shrinking role of **cobalt** in electric vehicle batteries, predicting that EV batteries will never return to the era that relies on cobalt. The adoption of cobalt-free lithium iron phosphate, or LFP, batteries has gained momentum in recent years, due to manufacturing costs. The proportion of EV batteries in China containing cobalt will drop to 31% in 2024, from 44% two years ago, according to the CRU Group. While the CMOC has been ramping up production, Glencore, which CMOC overtook as the biggest cobalt supplier last year, has cut output at its Mutanda asset in DRC.
- China's finance ministry said that from December, it will end tax relief for exports of products spanning **aluminum, copper** and biofuel feedstocks, which previously benefited from a 13% rebate on export duties. First introduced in the 1980s, export tax rebates have kept Chinese import prices low for its trade partners and propelled the country's economic growth, but signs of a more protectionist approach from its counterparts appear to have shifted its policy stance. The aluminium price jumped over 7% on the news.

Lowell Resources Fund. (ASX: LRT)

- In a Financial Times interview Jérôme Baudalet, chief executive of Eramet Indonesia, said Chinese technology, expertise and equipment were essential to produce **nickel** at competitive prices. “I don’t think you can do without [Chinese companies],” he said. “You can actually be profitable as a western company if you have the plant built by a Chinese [company], and maybe get the operations done in that particular plant by the Chinese, because they have built a lot of expertise,” said Baudalet. He added that Chinese companies’ high-pressure acid leach (HPAL) technology — extracting battery-grade nickel from low-quality ore — was essential for building nickel processing plants. “They also have economies of scale in all the equipment they build for those plants,” he said.
- Anglo American agreed to sell its remaining Australian **steelmaking coal** mines to Peabody Energy for up to \$3.78 billion in cash, the first major disposal in a wider restructuring plan. The London-listed miner is reshaping its business to focus on copper after fending off a \$49 billion takeover bid from larger rival BHP in May, betting on disposals to increase value and ward off unwanted suitors.
- CM Group reported that the Guinea **bauxite** price had increased to US\$97/t (cif China) which was a record high. The price lifted US\$20/t in the previous month due to supply constraints in Guinea and China. The Australian price has lagged the rally, but this is only because of a lack of spot cargo sales from RIO which allow for ‘price discovery’.
- **Bauxite** markets are tight due to strong demand growth from China at a time when supply is constrained. Indonesia has implemented export bans, Chinese domestic production is declining, and Australian supply is at risk (WA environmental issues, Gove planned closure). China has become reliant on supply from Guinea which now accounts for about 70% of China’s bauxite imports. The big increase in alumina prices this year would normally have seen Chinese alumina refineries increase production and export take advantage of high export prices. A key reason this has not happened is that refineries in China cannot source enough bauxite.
- The Western Australian state government announced it would establish a \$50 million loan facility to help **lithium** miners sustain their operations until the average price of lithium spodumene exceeds US\$1100 per tonne for two successive quarters or by June 2026. Prices are currently hovering around US\$800 per tonne, almost two years after having exceeded US\$8000. Under the plan, state government agencies will also waive fees for up to two years to support downstream processing of lithium, as well as port charges and mining tenement fees worth up to \$9.37 million for miners during the ramp up phase of their operations.

Lowell Resources Fund. (ASX: LRT)

Energy

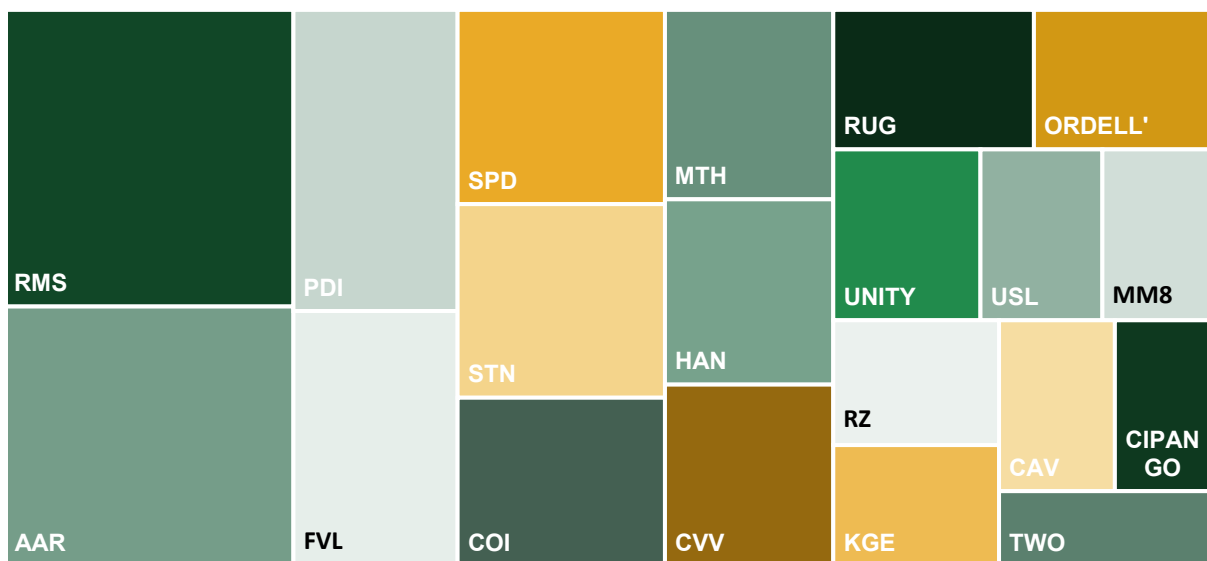
- President-elect Donald Trump nominated Chris Wright, who runs a Colorado-based oil and natural gas fracking services company, to lead the **US Energy Department**.
- The Biden administration set out plans to triple **nuclear power** in the US by 2050, a move supported by Trump and which will deploy an additional 200 gigawatts of nuclear energy capacity by 2050. The White House aims to have 35 GW of new capacity operating by ~2035.
- **Uranium** prices jumped US\$4/lb after Russia imposed restrictions on the export of enriched uranium to the United States, creating supply risks for U.S. nuclear power plants which last year imported a quarter of their enriched uranium from Russia. Russia said the temporary restrictions were a response to Washington's ban on imports of Russian uranium, which was signed into law earlier this year, but contained waivers allowing for shipments to continue in case of supply concerns until 2027. Russia is the world's sixth largest uranium producer and controls about 44% of global uranium enrichment capacity. In 2023, the U.S. and China topped the list of Russian uranium importers, followed by South Korea and France. Russia accounted for 27% of the enriched uranium supplied to U.S. commercial nuclear reactors last year. Imports to the U.S. from Russia through July this year stood at 313,050 kilograms (690,160 lb), down 30% from last year.

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 30 November 2024



Lowell Resources Fund. (ASX: LRT)

Characteristics of the Fund

Number of Investments: 79

Unlisted Investments by value: 9.2%

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