



LOWELL RESOURCES FUNDS MANAGEMENT



MONTHLY UPDATE

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

February 2025

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

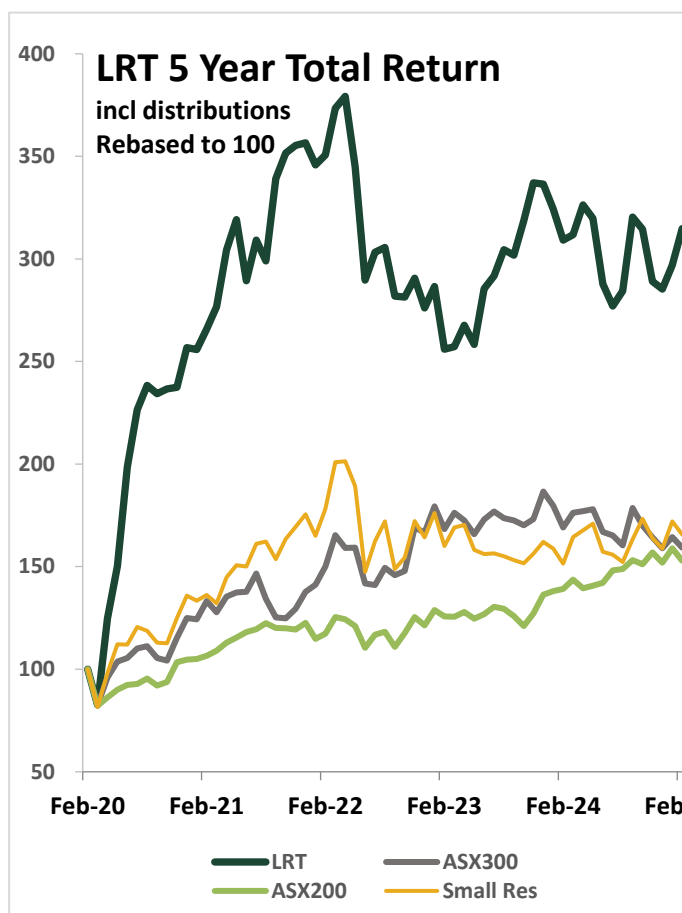
The Lowell Resources Fund's estimated net asset value ('NAV') at the end of February 2025 was approximately AUD\$58.48m, compared to AUD\$55.2m at the end of January 2025.

The NAV per unit finished the month of February at \$1.4131 vs \$1.3337 at 31st January 2025, an increase of 6.0% over the month.

The last traded unit price of the ASX listed LRT units at month end was \$1.155/unit.

FUND SNAPSHOT 28th February 2025

NAV per unit	\$1.4131
No. of Units on issue	41,380,630
Market Price (ASX)	\$1.155/ unit
Estimated NAV	AUD\$58.48m
FY 24 Distribution paid	15.2 cents per unit
Market Capitalisation	AUD \$47.80m
Responsible Entity	Cremorne Capital Limited
Fund Manager	Lowell Resources Funds Management Ltd



Lowell Resources Fund. (ASX: LRT)

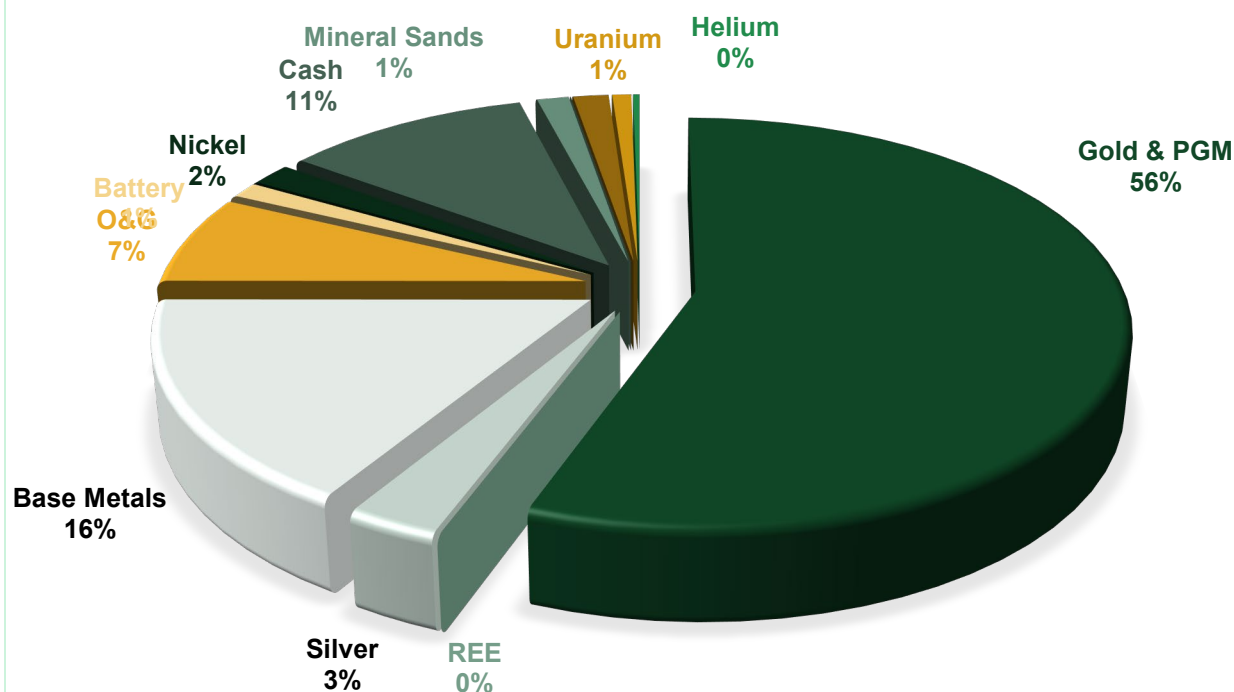
Fund Investment Actions – February 2025

O&G exposure was adjusted by trimming some of the shareholding in Karoon Energy and reallocating to Brookside Energy (BRK.ASX).

Precious metals exposure was increased to nearly 60% due market moves and via additions to holdings of Aumega Metals, Aurum Resources, Borealis Mining, Carnavale Resources, DeSoto Resources, Medallion Metals, Nexus Minerals, Sipa Resources and Spanish Mountain Gold. Some profits were taken from holdings in Sanu Gold and Koonenberry Gold.

In base metals, the Fund exited CZR Resources (iron ore) while adding to holdings in Arrow Minerals (bauxite and iron ore), Asian Battery Minerals (copper-nickel), Black Canyon Resources (manganese), New World Resources (copper), Sunstone Metals (copper-gold) and Talon Metals (nickel). The Fund also subscribed for a placement in Peru focused copper explorer Solis Minerals.

LRF COMMODITY EXPOSURE 28 FEBRUARY 2025



Lowell Resources Fund. (ASX: LRT)

Fund Top Holdings

Ramelius Resources (Market Cap \$3,038m RMS.ASX) announced record H1 FY2025 results, including record gold production of 147,775oz at an AISC of A\$1,699/oz. EBITDA, NPAT, CFOPS, and underlying free cashflow were also records. RMS also announced a maiden fully franked interim dividend.

Astral Resources (Market Cap AUD\$168m AAR.ASX) announced that its offer for neighbour Maximus Resources had become unconditional. By month end, Astral had acquired rights to more than 68% of Maximus shares. Buying Maximus will bolster gold resources at Astral's Mandilla gold project south of Kalgoorlie and increase the area available for mine development. Astral's total resource pre-takeover is 1.46 Moz.

Sanu Gold (Market Cap CAD\$96m SANU.CSE) announced a follow-up 5,000m drill program at its Daina project in Guinea, west Africa. Previous results include 15m at 5.5 g/t Au, 21m at 4.8 g/t Au, 37m at 2.0 g/t Au and 11m at 5.5 g/t Au.

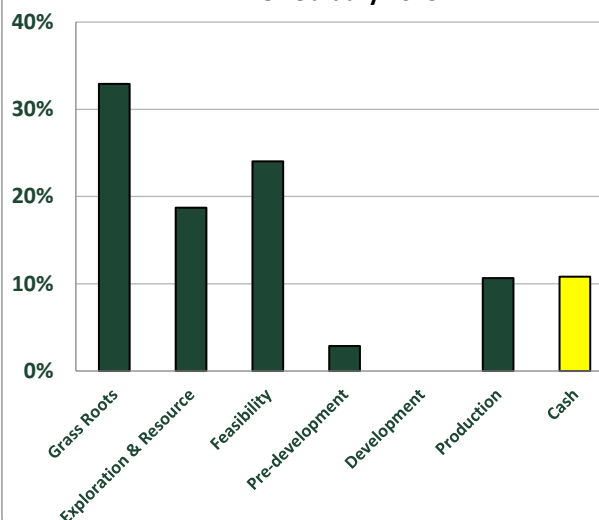
Predictive Discovery (Market Cap AUD\$888m PDI.ASX) announced a A\$69m strategic equity placement to the Lundin Family and Zijin Mining, to advance its 5.4 Moz Bankan gold project in Guinea, west Africa. After completion of the placement, Perseus Mining holds 17.9%, Lundin Group 6.5% and Zijin Mining 3.5%.

Medallion Metals (Market Cap AUD\$76m, MM8.ASX) announced discovery of a new sulphide lode at its Harbourview deposit at the Ravensthorpe Gold Project. MM8 also received confirmation of the Ravensthorpe EPBC referral decision that the project will be assessed on Preliminary Documentation only.

Fund Top Performer

Great Southern Copper Plc (Market Cap £12.9m GSCU.LSX) share price rose 65% over the month of February after announcing a high grade drill intersection at its Cerro Negro project in Chile. Drilling at the Mostaza prospect returned 20m at 3.3% Cu and 270 g/t Ag from 27m depth.

LRF Portfolio Value by Project Stage
28 February 2025



Company	Commodity	% of Gross Investments
Cash	Cash	10.8%
Ramelius Resources	Gold	7.3%
Astral Resources	Gold	5.0%
Sanu Gold	Gold	4.6%
Predictive Discovery	Gold	4.1%
Medallion Metals	Gold-Copper	3.6%
Freegold Ventures	Gold	3.1%
Ordell Minerals	Gold	3.1%
Hannan Metals	Copper - Gold	3.0%
Saturn Metals	Gold	2.5%
Unity Energy & Resources	Gold	2.4%

Lowell Resources Fund. (ASX: LRT)

Performance Comparison – February 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 25.8%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 two, five and ten years.

Total Portfolio Performance to 28 February 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	4.0%	9.4%	-5.9%	9.9%
2 years p.a.	12.2% pa	1.7% pa	-2.8% pa	10.3% pa
5 years p.a.	25.8% pa	10.6% pa	9.8% pa	8.9% pa
10 years p.a.	13.5% pa	8.5% pa	8.2% pa	7.5% pa

The LRT ASX traded unit price at the end of February 2025 was \$1.155/unit, compared to \$1.095/unit at the end of January 2025.

LRFM, as manager of the Lowell Resources Fund, is pleased to note that performance has improved relative to the ASX Resources 300 Index and in absolute terms. The above table shows NAV has risen 4.0% over the past 12 months (including the 15.2c distribution in July). The Fund received new funds in Q4 CY2024 through a placement and SPP. These funds have been deployed progressively and have allowed the fund to increase and/or gain exposure to some high-growth companies. In the Manager's opinion, maintaining an overweight exposure to precious metals (currently nearly 60% of NAV) has the potential to deliver further positive performance.

Market Notes

Economics

- US bond yields continued to fall to 4.15% from 4.8% since Trump's inauguration, indicating concern over a potential slowdown in the **US economy**.
- US inflation** unexpectedly increased to 3% in January. Core CPI, which strips out changes to food and energy prices, rose to 3.3% in January from 3.2% in December
- At its February 2025 meeting, the **Australian Reserve Bank** Board decided to lower the cash rate target by 25 basis points to 4.10%.

Lowell Resources Fund. (ASX: LRT)

- Threatened US imposition of **tariffs** unsettled equity markets and risked a major trade war between global economic blocks

Metals

- **Bullion** hit a new record of \$2,956 per troy ounce. Gold-backed ETFs saw the biggest net inflows since 2022, with the biggest one day increase in holdings since 2023. However, North America saw \$500m of outflows from **gold ETFs** in January, whilst Europe saw \$3,400m worth of inflows.
- A pilot program in China that allows insurers to buy **gold** for the first time could free up billions of dollars of investment in the metal. Ten insurance firms, including two of China's biggest, will be able to invest as much as 1% of their assets in bullion, in a program that became effective on 7th February. That would translate into a potential 200 billion yuan (US\$27.4 billion). This marks the first commodity in which Chinese insurers have been explicitly permitted to invest.
- China's central bank expanded its **gold reserves** for a third month in January, even as the precious metal kept rallying to a record high. Bullion held by the People's Bank of China rose by 0.16 million troy ounces. The central bank resumed adding gold reserves in November after a six-month halt that followed an 18-month buying spree. Central banks bought more than 1,000 tonnes of gold last year for the third year in a row, according to data from the World Gold Council.
- Gold traders were waiting for weeks to withdraw gold in London, as demand for physical gold ramped up to several new factors. An institutional scramble to move physical gold from the UK to US created a "disorderly" gold market in London as traders wait weeks to withdraw from the Bank of England, a key store of the precious metal. The gold exodus was triggered by concerns Trump will slap tariffs on imports. According to the London Bullion Market Association (LBMA), more than 8,000 tonnes of gold and 30,000 tonnes of silver are held in London's vaults between the Bank of England, HSBC, ICBC, Standard Bank and J.P. Morgan. Around 393 tonnes has moved from London to New York since Trump's election.
- Swiss customs data showed gold exports from **Switzerland** rose year on year in January as supplies to the United States soared to the highest in at least 13 years and offset lower deliveries to top consumers China and India.
- US based CME **silver** stockpiles jumped by 22% to 375.8 million ounces since November 24 when Trump pledged steep tariffs on all products from Mexico and Canada. CME gold stocks had seen a sharper growth since November partly because gold is flown around by plane and silver is usually transported by sea or land.
- Danny Moses, best known for being the head trader at FrontPoint Partners, the small Wall Street firm which made a reported \$US750 million by betting on the collapse of sub-prime mortgages in 2007, is buying gold. "I've been a **gold bug** for some time," Moses said. "To me, it's effectively going short all the things that could go wrong."
- **Barrick Gold Corp**, the world's second largest gold miner, is now operating at its lowest production rate in 25 years. Barrick produced just under four million ounces of bullion in 2024, marking the fifth straight decrease. The company expects output to drop further in 2025, amid a dispute at operations in Mali. The decline is a reflection of aging mines, political turbulence and slowed expansion work across its sprawling portfolio of gold mines spanning 18 countries and four continents. Barrick reached an agreement with Mali to end the dispute agreeing to pay a total of ~US\$438m. In return, the government said it will release detained employees, return seized gold inventories and allow operations to resume at the company's Loulo-Gounkoto gold mining complex.

Lowell Resources Fund. (ASX: LRT)

- Mitsui Bussan Commodities Ltd (MBCL), which trades energy and base metals derivatives, hired the former head of precious metals at DRW Investments, to lead its expansion into **precious metals**. MBCL's decision to enter global precious metals trading to hedge client risk is expected to bring extra liquidity to the global precious metals market, replacing those who left the sector.
- **Capital raisings** for the junior resources sector across the globe fell 12% in 2024 to US\$10.27 billion which is the lowest level in 5 years. Surprisingly, raisings for gold exploration companies fell 28% in December alone to \$375m.
- Chinese battery giant CATL is resuming operations at its **lithium** lepidolite mine in China's Jiangxi province, USB said, four months after reports the company had suspended production in the area sparked a rally in lithium miners' shares. CATL's mine in the southern province of Jianxi was a major contributor to rapidly growing supplies of lithium in China, the world's top processor of the battery material.
- New York **copper** futures outpaced gains in London due to Trump ordering the US Commerce Department to examine possible imports tariffs on all forms of the metal. Copper futures on COMEX reached \$4.7/lb (\$10,378/t) whilst LME prices were sitting at \$9,550/t towards the end of February. The US sources 90% of refined copper imports from Chile, Canada, and Peru. The US produced 1.1mt of copper in 2023 vs 1.27mt of copper in 2017. Opposition to new mines has made the development of new mines all but impossible in many key states, particularly Minnesota. Rio Tinto is still working to appease local opposition to its Resolution copper mine in Arizona.
- China tightened requirements for building new **copper** smelters, in its latest attempt to curb relentless capacity expansion in the world's top producer of refined copper. Companies building new copper smelters should control enough mine supply - via outright ownership or equity stakes - to feed the plants, according to a 2025-2027 development plan for the country's copper industry jointly issued by 11 ministries. This condition would probably be met by only a small number of major Chinese companies. Freeport Indonesia reported it is running at 40% of normal capacity owing to export restrictions. The Company noted that it is seeing **copper** concentrate stockpiles building up.
- Vitol Group has hired a former Glencore Plc trader to develop a **copper** trading business, as the energy trading powerhouse seeks to enter the highest-profile metals market. Vitol is the world's biggest independent trader of oil, moving around 7.3 million barrels of crude and oil products a day.
- The ongoing M23 rebel advancement in eastern DRC threatens to disrupt copper supply from the world's second largest producer of mined copper (3.0Mt in 2024) and China's main source of refined copper imports (37% in 2024). While not directly affecting the copper rich Haut-Katanga province to date, any further destabilisation could have a myriad of adverse effects on copper supply from the Haut-Katanga and Lualaba provinces as security resources are diverted to other parts of the country, including a breakdown of law and order, power and transportation infrastructure disruptions and potential border closures.
- China put export controls on **tungsten** and other niche metals used in the electronics, aviation and defense industries as it retaliated in a targeted way to US tariffs. As well as tungsten — which is known for its remarkable density and high melting point and is most commonly used in armour-piercing missiles — Beijing imposed export curbs on molybdenum, tellurium, bismuth and indium. The announcement came immediately after President Trump fired the opening salvo in the trade war, hitting all US imports from China with a blanket 10% tariff. China produces around 80% of the world's tungsten and bismuth, and is also the No. 1 supplier of the other metals. China has banned imports of tungsten scrap for a number of years, citing environmental concerns over how it's processed. If it were to lift the embargo, it could suck in more supply and limit what's left for other countries.

Lowell Resources Fund. (ASX: LRT)

- **Bismuth** - a critical metal used in defence industries - spiked to a decade-high after China added the commodity to an export-control list in retaliation for US tariffs. The metal, which is also used in automotive coatings, paints and low-temperature alloys and castings, has surged 38% to US\$8.25 a pound since the curbs were imposed on Feb. 4, according to data from Fastmarkets Ltd. The restrictions mean that local exporters must first obtain permission for overseas.
- Trump said he would impose 25% tariffs on all **steel and aluminium imports** into the US. Canada, China and Mexico accounted for ~\$52bn or nearly 50% of all steel and aluminium imports into the US. Futures contracts tracking the price American manufacturers pay for 'aluminum' rallied to the highest since 2022. EC President Ursula von der Leyen said the EU would respond to 25% tariffs imposed by the US on steel and aluminium imports.
- Chinese refined **nickel** exports could almost treble this year, as domestic overcapacity produces yet another glut of metal that will have to be absorbed by overseas markets. The country flipped to a net exporter of refined nickel, used primarily for stainless steel, for the first time in 2024, with annual sales of 25,000 tons. Mysteel Global reckons that could rise to nearly 70,000 tons this year, adding nickel to the list of commodities that China overproduces and ships abroad to clear its surplus. Refined nickel production rose 36% to 335,000 tons in 2024, according to Mysteel.
- The Philippine Congress could ratify a bill banning raw mineral exports as soon as June, its Senate leader said. The plan that investors warn could lead to mine closures. The Philippines is the world's second-largest **nickel ore** supplier with bulk of its shipments going to China. The government has been pushing miners to invest in processing facilities instead of just shipping out raw ore, hoping to replicate No. 1 nickel supplier Indonesia's success in boosting mining revenue. Indonesia's ban on exports of metal ore in 2020 boosted the value of its nickel exports from \$3 billion to \$30 billion in two years as Chinese companies built refineries and smelters there.
- One of the biggest **nickel** smelters in Indonesia has slashed production and was reported to be close to shutting down completely, after the recent collapse of its Chinese parent company. PT Gunbuster Nickel Industry, which is affiliated with bankrupted stainless steel giant Jiangsu Delong Nickel Industry Co., is delaying payments to local energy suppliers and is unable to procure nickel ore. Gunbuster has the capacity to produce 1.8Mtpa of nickel pig iron (10-14% nickel content). Global nickel prices have almost halved since the end of 2022 as booming Indonesian production forced mines and plants elsewhere to shutdown. But now even smelters in the Southeast Asian country — which typically benefit from lower energy and labor costs — are feeling the pinch. Supplies of ore in the country have also been tight for almost a year due to a lack of mining quotas issued by the government. Global nickel production in 2024 reached an estimated 3.7 million metric tons, with Indonesia contributing around 2.2 million tons (59.46%) of the total.
- Anglo American wrote down the value of its **De Beers diamond** business for the second time in two years, as part of a drastic restructuring by the end of the year. It booked an impairment charge of \$2.9bn on the diamonds unit, which has been hit by a slump in the market for the precious stones. That follows the \$1.6bn writedown of De Beers that Anglo reported in its annual results last year. Diamond prices have fallen over the past decade, and the market has come under recent pressure from the rise in popularity of cheaper lab-grown diamonds and the pullback in consumer spending in China.
- The Chinese government moved a step further in its move to increase control of the rare earth market. New regulations suggest **REE** concentrate imports into China may be stopped to reduce pollution, this will also limit REE production. Miners looking to continue or start REE concentrate trade into China will only be allowed to do so if their Chinese counterparty has the relevant permit.
- New Federal laws in Australia provide tax discounts of up to 10% for firms that produce renewable **hydrogen** or process **critical minerals** under legislation passed in parliament, in the latest move by the labor government to boost domestic green industries and shore up supply chains.

Lowell Resources Fund. (ASX: LRT)

- **Ukraine** President Zelensky flew to Washington to sign an agreement on jointly developing its mineral resources with the US, including oil and gas, but Trump hosted a fractious meeting and Zelensky departed early. The US had earlier dropped demands for a right to \$500bn in potential revenue from exploiting Ukraine's resources. The deal would exclude mineral resources that already contribute to Ukrainian government coffers.

Energy

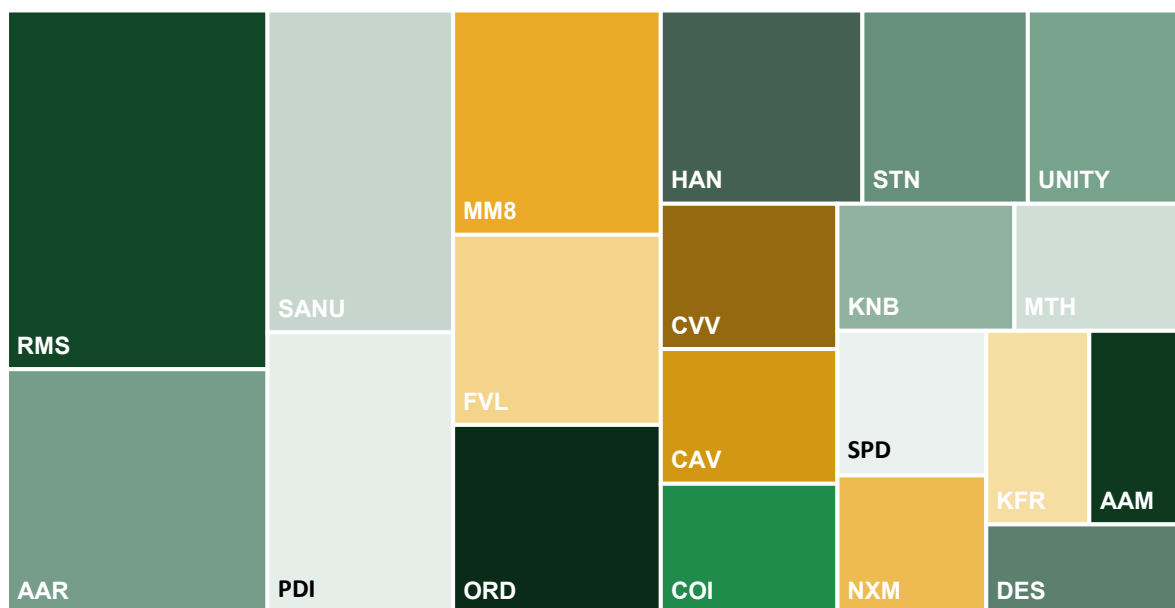
- **China's** top economic planning agency said on Sunday it was taking steps to scale back subsidies for **renewable energy** projects after a boom in solar and wind power installations. China broke its own records for new solar installations in 2024 with installed capacity up 45% from the previous year. China now has almost 887 GW of installed solar power, more than six times the capacity of the United States, according to data from the International Renewable Energy Agency. The surge in installations meant China hit its 2030 target six years ahead of schedule.
- China's power industry began construction on nearly 100 gigawatts of new **coal** plant capacity last year, the most in nearly a decade, according to a report from two clean-energy groups.
- State-run NTPC Ltd., India's biggest power producer, is planning to expand in **nuclear** energy as the country steps up its decarbonization efforts, a company executive said. The company aims to add 10 gigawatts of atomic energy capacity by 2033 and will target small modular reactors as well as larger ones.
- Trump said that his administration will discuss **denuclearization** with Russia and China. Both US and Russia have already reduced their arsenals and the opportunity is for even further reductions. This is likely to be high grade intermediate uranium products rather than warheads which have already been reduced.

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
28 February 2025



Lowell Resources Fund. (ASX: LRT)

Characteristics of the Fund

Number of Investments: 78

Unlisted Investments by value: 8.3%

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