



LOWELL RESOURCES FUNDS MANAGEMENT



MONTHLY UPDATE

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

May 2025

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

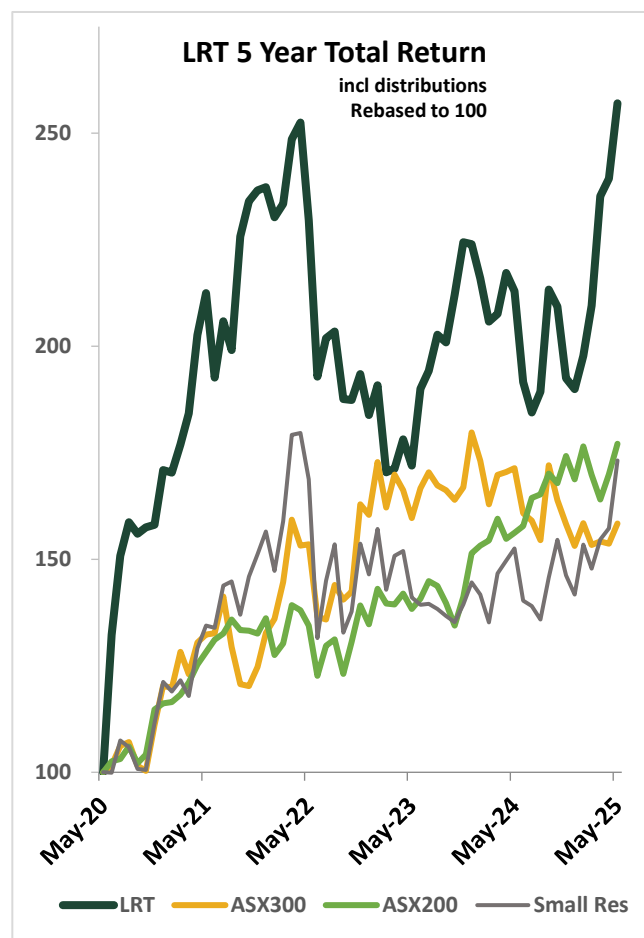
The Lowell Resources Fund's estimated net asset value ('NAV') at the end of May 2025 was approximately AUD\$72.4m, compared to AUD\$66.8m at the end of April 2025.

The NAV per unit finished the month of May at \$1.7333 vs \$1.6143 at 30th April 2025, an increase of 7.4% over the month.

The last traded unit price of the ASX listed LRT units at month end was \$1.34/unit.

FUND SNAPSHOT 31st May 2025

NAV per unit	\$1.7333
No. of Units on issue	41,380,630
Market Price (ASX)	\$1.34/ unit
Estimated NAV	AUD \$72.4m
FY 24 Distribution paid	15.2 cents per unit
Market Capitalisation	AUD \$55.5m
Responsible Entity	Cremorne Capital Limited
Fund Manager	Lowell Resources Funds Management Ltd



Lowell Resources Fund. (ASX: LRT)

Fund Investment Actions – May 2025

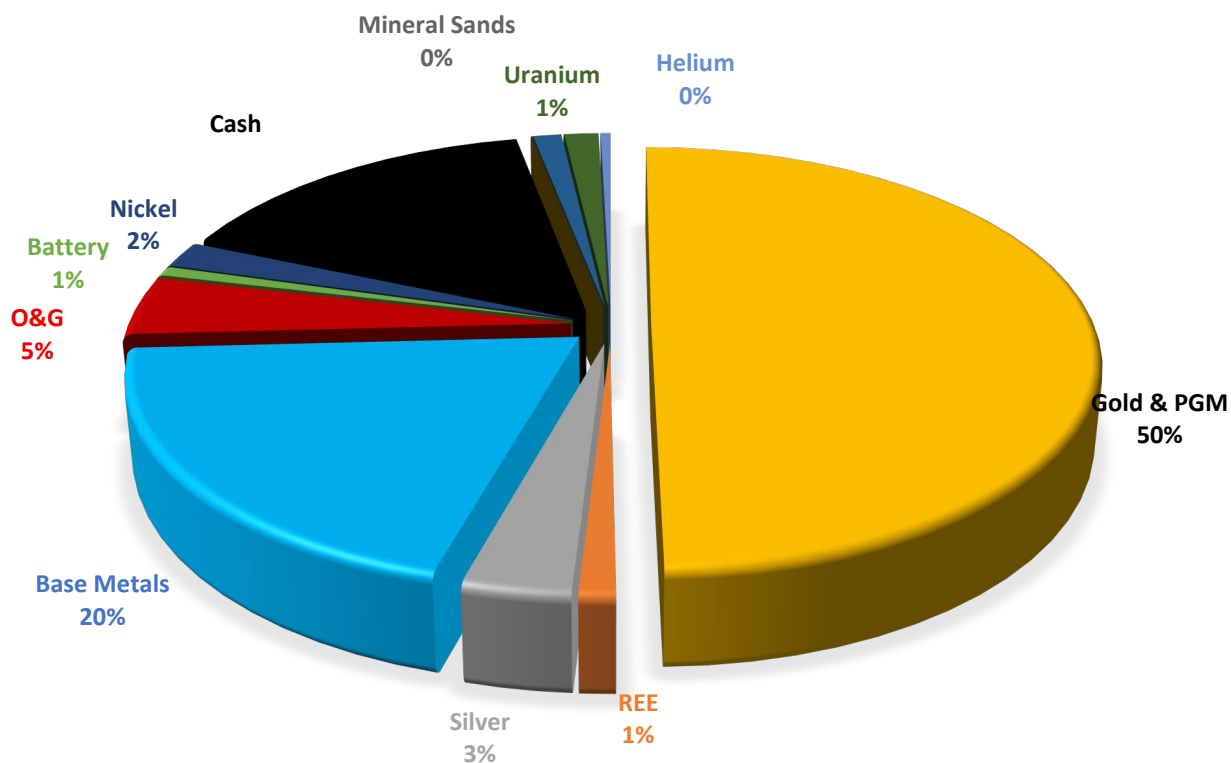
In precious metals, the Fund sold its final tranche of shares in long term holding Predictive Discovery (original investment made in 2011) for a capital gain of nearly 70% pa. The Fund Manager recognises the huge contribution and persistence of founder Paul Roberts and the PDI team in making the transformative 5Moz Bankan gold deposit discovery.

The Fund also sold out of Ramelius Resources and Koonenberry Gold, both yielding significant profits. Ramelius was previously the largest holding of the Fund, acquired as a result of the takeover of Musgrave Minerals for the Cue gold discovery led by Rob Waugh.

The Fund added new investments in Arika Resources and Auric Mining, and increased its exposure to existing holdings in the Paul Roberts-led De Soto Resources, as well as Lefroy Exploration, Aurum Resources, Piche Resources and unlisted Unity Energy & Resources.

In base metals and bulks, the Fund added to its holdings in Alvo Metals, unlisted Pallas Resources and proposed bauxite ASX IPO VBX Resources.

LRF COMMODITY EXPOSURE 31 MAY 2025



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Fund Top Holdings

Astral Resources (Market Cap AUD\$255m AAR.ASX) completed the takeover of Maximus Resources and announced an updated global JORC mineral resource estimate (including Maximus' Spargoville project) of 1.76Moz at 1.1g/t Au.

Medallion Metals (Market Cap AUD\$130m MM8.ASX) announced drilling at the Gem deposit at Ravensthorpe in southern WA had intersected 7.8m @ 17.4g/t Au, 1.5% Cu and 6.6g/t Ag. Medallion is planning to develop the Ravensthorpe gold-copper project by trucking ore to the Forrestania processing circuit to be acquired from IGO. Medallion raised \$27.5m in new equity during the month.

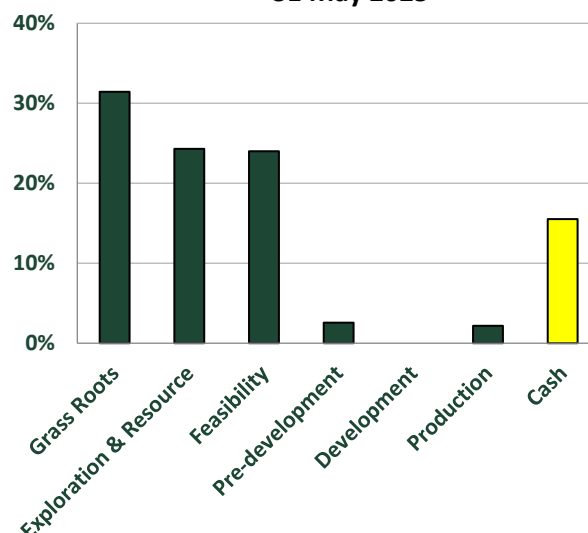
Freegold Ventures (Market Cap CAD\$545m FGV.TSXV) announced new drill intersections at its Golden Summit project near Fairbanks, Alaska of 253m at 1.17g/t Au and 216m at 1.0g/t Au. Golden Summit hosts a resource estimate of 22.4Moz at 1.1 g/t Au.

New World Resources (Market Cap \$174m NWC.ASX) announced it had entered into a 'Scheme Implementation Deed' with London listed base metal producer Central Asia Metals Plc by which it is proposed that CAML will acquire all of the shares in NWC for cash consideration of A\$0.05 per share, a 96% premium to New World's 30-day VWAP. NWC subsequently announced its flagship Antler project had been designated as a 'FAST-41 Transparency Project' by the US Federal Government to streamline permitting.

Fund Top Performer

Southern Palladium (Market Cap \$40m SPD.ASX) share price rose 90% over the month of May. SPD holds 70% of the Bengwenyama PGM project in South Africa which hosts a global resource of 40Moz of platinum group metals. During May the platinum price rose 9% and the World Platinum Investment Council forecast another supply-demand deficit in 2025 (see 'Market Notes' below).

LRF Portfolio Value by Project Stage
31 May 2025



Company	Commodity	% of Gross Investments
Cash	Cash	15.5%
Astral Resources	Gold	5.7%
Medallion Metals	Gold-Copper	5.0%
Freegold Ventures	Gold	4.0%
Sanu Gold	Gold	3.8%
Saturn Metals	Gold	3.4%
Hannan Metals	Gold-Copper	3.3%
New World Resources	Zinc - Copper	3.2%
Unity Energy & Resources	Gold	2.8%
Nexus Minerals	Gold	2.5%
De Soto Resources	Gold - REE	2.4%

Lowell Resources Fund. (ASX: LRT)

Performance Comparison – May 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 20.8%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 one, two, five and ten years.

Total Portfolio Performance to 30 May 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	23.2%	13.5%	-7.6%	13.4%
2 years p.a.	23.7% pa	10.8% pa	-0.4% pa	13.1% pa
5 years p.a.	20.8% pa	11.6% pa	9.6% pa	12.1% pa
10 years p.a.	15.8% pa	9.8% pa	8.7% pa	8.1% pa

The LRT ASX traded unit price at the end of May was \$1.34/unit, compared to \$1.26/unit at the end of April.

Market Notes

Economics

- Moody's stripped the US of its top-notch triple-A **credit rating** as it warned about rising levels of government debt and a widening budget deficit. The agency cut its credit rating on the US by one step from Aaa to Aa1, while its outlook was changed to stable from negative. Fitch and S&P, the other main agencies, had downgraded the US's prime rating years earlier.
- As expected, the US Federal Reserve held the **Fed Funds Rate** steady at 4.25% - 4.5% pa. Chair Jerome Powell said officials weren't in a hurry to adjust rates, as tensions between the US and China lingered ahead of trade negotiations. He said "Although swings in net exports have affected the data, recent indicators suggest that economic activity has continued to expand at a solid pace."
- Crude oil** dropped to its lowest level in more than four years. Brent crude traded down to \$US59 per barrel down from a high around \$US125 a barrel in June 2022.
- A **UK-US trade** deal framework was announced giving the US increased market access to the UK market while the UK will be granted limit relief on cars, aluminium and steel duties.
- China's Central Bank** said it would cut the loan rate of the Housing Provident Fund by 0.25%, and pledged supplementary lending. It also cut the relending rate by 0.25% and the 7-Day

Lowell Resources Fund. (ASX: LRT)

Reverse Repo Rate ('RRR') by 10 basis points. It said it would increase the relending quota for tech innovation and lower the RRR for auto finance and financial leasing firms to 0% from 5%. The bank plans to set up a CNY500 Bln relending facility for service consumption and elderly care.

- **China's exports** grew sharply by 8.1% yoy in April despite Trump's "liberation" day tariffs on shipments to the US, strengthening Beijing's hand ahead of trade negotiations with the US. The strong performance came as Chinese companies diverted trade flows to south-east Asia, Europe and other destinations following the imposition of prohibitively high tit-for-tat tariffs between the world's two largest economies.
- The **US and China** said on 12th May that they would both cut tariffs for at least 90 days, following talks in Geneva. US tariffs would be lowered to 30%, while China's would go down to 10 per cent. Both of those figures are on top of other levies that predate the 2025 trade conflict between the world's two biggest economies.
- Trump announced that he would double **steel and aluminum** import tariffs to 50%, up from 25%, after the US Court of International Trade ruled that Trump's 'Liberation Day' and retaliation tariffs were illegal and the administration did not have the authority to use the emergency economic powers legislation. Section 232 and Section 301 trade levies are not impacted by ruling so tariffs on steel, aluminium, cars are not affected.
- The **Australian Reserve Bank** cut rates by 25 basis points to 3.85%pa, citing rising trade-related uncertainty while forecasting weaker economic growth, slower inflation and slightly higher unemployment in its quarterly projections. The Bank's board also debated a larger 50 basis point cut.

Metals

- According to the World Gold Council, about 30% of central banks say they plan to increase their **gold** holdings in the next 12 months, the highest level ever recorded in their survey.
- China added to its **gold reserves** for the sixth straight month as it continued to diversify its foreign reserve holdings.
- China imported the most **gold** in nearly a year in April despite record prices, after the central bank eased restrictions on bullion inflows. Total gold imports to the country reached 127.5 metric tons, a 11-month high, according to customs data. This represents a 73% jump from a month earlier, even after gold hit successive all-time highs, at one point jumping over US\$3,500/oz.
- The **Shanghai Gold Exchange** plans to expand its warehouse network to Hong Kong, helping to raise the profile of its yuan-denominated products, including for the precious metal, beyond mainland China. The new vault will be operated by a subsidiary of Bank of China Ltd.
- A Bloomberg article reported that the ECB sees risks of a physical squeeze in the **gold** market. "Margin calls and the unwinding of leveraged positions could lead to liquidity stress among market participants, potentially propagating the shock through the wider financial system... Additionally, disruptions in the physical gold market could increase the risk of a squeeze."
- There were inaccurate reports online that **gold** would be reclassified as a Tier 1 'HQLA' (High Quality Liquid Asset) under Basel III as of July 1, 2025. This information was not correct - no official announcement has been made or is expected on gold gaining HQLA status. If that occurred, U.S. banks would count physical gold, at 100% of its market value, towards their core capital reserves. Currently gold is marked down by 50% as a "Tier 3" asset.

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- **Copper** spreads remained in tight backwardation for dates until June 2026. Copper demand in China so far has been surprisingly strong despite the trade war. The physical copper premium in Yangshan port climbed to US\$100 per ton, which is highest since December 2023. Copper inventories on the SHFE declined 60% month-on-month in April, hitting 89,307 metric tons at the end of the month and marking the sharpest withdrawal on record. China is investing heavily in expanding its power grid network to better connect solar, wind, hydro and new nuclear power as it ramps up its power capacity.
- LME, SHFE and Comex **copper** stocks represented around 7.2 days of 2024 global consumption at the end of May, almost a 2 year low.
- The premium for COMEX **copper** over LME copper collapsed to around US\$600 following a US-China 90 day trade truce. The copper market was previously betting a 25% tariff on copper, similar to Aluminium and Steel, which pushed the premiums to US\$1,600 over the previous two months.
- There is a growing shortage of copper concentrates, mainly due to new copper smelter capacity in China in recent years. Treatment and Refining charges (TC/RCs) for **copper concentrates** continued to fall according to traders and news reports. TC/RCs fell from their normal positive ranges to negative values around six months ago and continue to fall. There were rumours of a rate of - \$100/t for sourcing copper concentrates in an already tight market. Strong premiums in the US have drawn substantial physical metal into the US on the expectation of new Trump tariffs on copper imports with freight costs keeping it there.
- The IEA forecasts **copper** supply will fall 30% short of the amount required by 2035 if nothing is done, highlighting that China now controls >70% of copper processing.
- The status of one of the world's most important **copper** mines was clouded in uncertainty, after seismic activity caused widespread flooding deep below ground. Ivanhoe Mines Ltd.'s Kamoa-Kakula complex in the Democratic Republic of Congo is one of the world's top sources of copper and was on course to become the third-biggest supplier of the metal this year. Yet its condition was a mystery, with contrasting messages from its biggest shareholders. In the near-term, Kakula's concentrator facilities can process sizable surface stockpiles, which means there hasn't been any immediate interruption to supplies.
- The Guinean government revoked a range of mining licences, which appeared mainly aimed at the developers and producers of **bauxite**. Most of the licences that have been revoked appear to be small scale development assets and will have limited impact on Guinea's bauxite production, with two notable exceptions. The first is Guinea Alumina Corporation which was producing ~14mtpa of bauxite before the operation was shutdown mid-2024. EGA's licences were revoked because it failed to fulfil its commitment to build an alumina refinery in Guinea. It appears this is unlikely to be resolved quickly. EGA is reported to have invested over A\$700M into mining and transshipping infrastructure at the EGA mine since 2019. The mine was producing up to 14Mtpa of bauxite (~3% of global supply) prior to suspension in October 2024. The cost of building a refinery in Guinea is estimated to be at least US\$1Bn (for a 2Mtpa refinery). It seems this 14Mtpa of bauxite supply will remain out of the market in the short term. The major second licence revoked was Axis Minérales which produced 23Mt of bauxite in 2024. The Axis licence may be re-awarded and production recommence in 2026.
- Rio Tinto reportedly told its customers that its flagship Pilbara Blend Fines **iron ore** product will be permanently downgraded for the first time. "Rather than containing 61.6% iron, each tonne of ore will contain 60.8% iron; the changes will take effect between July and September."

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- **Lithium** producer Albemarle said it is anticipating more pain for high-cost producers with about 40% of global supply either at or below breakeven, and about 1/3 being idled. However Albemarle said the lithium demand case remains strong forecasting growth of 20% this year despite tariffs. A Chinese lithium trader said that, “**Lithium** carbonate prices continue to decline fast, while market sentiment has become even more bearish.” In contrast to Albemarle’s forecast, the trader said “the market remains greatly oversupplied but there’s no improvement in demand.”
- Rio Tinto will pay up to \$900m for a 49.9% stake in Chile’s Maricunga **lithium** project. Unlike other diversified major miners like BHP and Anglo American, Rio is investing heavily in lithium. The Maricunga salt flat is the second-largest lithium reserve in Chile, and contains some of the highest-grade lithium brines in the world. To be developed in partnership with state-owned copper company Codelco, the project will be Chile’s first major lithium venture in more than 40 years, after mining began in its larger Atacama salt flat in the 1980s.
- The World **Platinum** Investment Council (WPIC) quarterly update forecasts the platinum market to record a deficit of 966koz in 2025, following a 992 koz deficit in 2024. Supply risks remain the prominent theme with mine supply declining 13% yoy to record the lowest output since Covid affected Q2 2020. An expected 4% yoy reduction in total platinum supply in 2025 will continue the structural erosion of platinum supply (-1.2% CAGR since 2015). However demand is also set to decline 4% due to a cyclical trough in glass demand. Nevertheless, above ground stocks are expected to fall to three months of demand by the end of year, and to zero within 2 years.
- Anglo American spun off its **platinum** business into a new entity called Valterra Platinum that is the world’s most valuable producer of the metal with a market capitalisation of \$11 billion.
- Chinese exports of **rare earths** dropped in April, after the government tightened permits to regulate the supply of critical minerals to the US. Overseas sales fell 16% from March to 4,785 tons, although still higher than the year-ago figure. “We haven’t seen the flow of some of those critical minerals as they were supposed to be doing,” US Trade Representative Jamieson Greer said. “China continues to, you know, slow down and choke off things like critical minerals and **rare earth** magnets.”
- 45 days after export control measures were implemented for seven categories of medium-heavy **rare earth**-related items, including samarium, gadolinium, terbium, dysprosium, lutetium, scandium, and yttrium, Cailian Press reported that that six companies had obtained the export licenses for dual-use rare earth substances issued by the Ministry of Commerce.
- The European **tungsten** price approached US\$400/mtu, its highest price in 12 years, due to Chinese export restrictions on customers purchasing “dual use” tungsten powders/materials. Tungsten production in the US ceased in 2015. The US had been mining tungsten, but it was no longer commercially viable due to low prices and competition from China. China dominates global tungsten production, accounting for over 80% of last year’s total output of 81,000 tons, according to the USGS. Tungsten is a small market, with an estimated value of around \$5 billion in 2023.
- The **gallium** price has more than doubled from US\$350 per kilogram in July 2023 to US\$725. The Chinese price, by contrast, is falling as more gallium stays in the domestic market. China started restricting exports of the metal in August 2023. Global production last year was only 760 metric tons, according to the United States Geological Survey. Even at today’s elevated prices the world market’s nominal value is a modest US\$550 million pa. However, the UGS estimates that a one-year suspension of Chinese gallium exports would translate into a \$3.1 billion hit to the US economy. Gallium nitride-enhanced radars are being deployed in the US Army’s Lower-Tier Air and Missile Defence Sensor (LTAMDS), an integral part of Patriot missile defence units, and the F-35 Joint Strike Fighter.

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- The **International Tin** Association reported that Myanmar officials allowed resumption of full-scale tin production in Wa State in late April, with gradual recovery since.
- **China's declining steel demand** has been affecting related markets, with prices of the coking coal and coke used in blast furnaces plunging to their lowest since 2016. Steel mills are expected to curtail production this year to cope with the drop in consumption. The protracted collapse in the property sector remains the biggest drag, while exports that have helped soak up the domestic surplus are likely to recede in the face of mounting trade barriers.
- The U.S Department of Commerce made a preliminary determination by to impose up to 721% tariffs on synthetic and natural **graphite** anode material from China. The decision is deliberately aimed at encouraging diversity of supply of Graphite concentrates a critical input to the battery industry. At present China dominates the Graphite export market with circa 90% market share.
- At the peak of the market, in 2021, there were 105 **mining IPOs** on the ASX. That fell to 64 in 2022, 25 in 2023 and 15 in 2024. There had technically been none in 2025 as of the end of May, although a number are in the pipeline.

Energy

- **Oil prices** slumped in early May over renewed concerns of a global supply glut following a decision by OPEC+ to announce a second consecutive monthly output increase. Brent crude, the global benchmark, fell more than 4 per cent to below \$59/bbl, testing four-year lows. The price of West Texas Intermediate, the US benchmark, fell to near \$56/bbl. Eight OPEC+ members, including Saudi Arabia and Russia, announced a decision to increase supply by 411,000 barrels a day in June. This was followed by Saudi Arabia and other OPEC+ members deciding to raise oil production by 411,000 barrels per day (bpd) in July 2025 compared to the required production level in June 2025. This adjustment is equivalent to three monthly increases.
- **Kazakhstan's** Energy Ministry announced plans to continue to pump ~1.74mb/d of crude oil in May, the same level as April, which remains significantly in excess of its voluntary OPEC+ production quota of ~1.4mb/d.
- Santos' \$3.6 billion **Narrabri gas** development will go ahead after a tribunal ruled the project's importance to the nation's energy reliability, in particular the urgent need for additional gas supply on Australia's east coast outweighed potential environmental and cultural heritage concerns. The ruling by the Native Title Tribunal ends Santos' decade-long fight to drill up to 850 wells and extract coal-seam gas in north-western New South Wales, which is also an important agricultural area for the state.
- In addition, the new Federal Environment minister approved Woodside to build the next leg of its **NW Shelf gas** project.
- The US House of Representatives voted to bar **California's** landmark plan to end the sale of gasoline-only vehicles by 2035 that has been adopted by 11 other states.
- The spot **uranium** price rose from recent lows around the low US\$60's/lb, back above US\$70/lb. The term uranium price remained stable and unchanged at US\$80/lb.
- The Sprott Physical **Uranium** Trust raised US\$25.5m through a private placement of trust units. The proceeds are guided to cover general operating expenses over the next year. This removed speculation of SPUT selling pounds in the immediate term to cover operating expenses.
- Germany dropped its long-held opposition to **nuclear power**, saying it will no longer block French efforts to ensure nuclear power is treated on par with renewable energy in EU legislation
- Trump signed four executive orders to speed the build of new **nuclear reactors** and strengthen fuel supply chains. The orders are aimed at accelerating the deployment of nuclear energy in the US, with the objective of increasing US nuclear energy output from 100GW to 400GW by 2050. As a rule of thumb, 1GW requires around 0.5Mlb of uranium as fuel, so the US plans would add 150Mlb/year of uranium demand. The orders include objectives to fund 5 GW of power upgrades to the existing fleet and ten new GW-scale reactors into construction by 2030, support the restart of closed plants and finish half-built reactors. Further, the US Department of Energy will work with the US Department of Defence to study the feasibility of restarting or repurposing closed nuclear power plants as energy hubs for military micro-grid support. Equities in the Australian uranium sector, which had been heavily shorted, jumped as a result of short-covering.
- The US House of Representatives narrowly voted in favour of a budget bill that plans to roll back Biden-era **Inflation Reduction Act** tax credits for low-carbon energy projects sooner than previously indicated.
- **Spain**, where substantial amount of grid power is supplied by renewables, suffered an unexplained 24 hour countrywide black out. Spain has subsequently boosted generation from costlier gas-fired power plants.

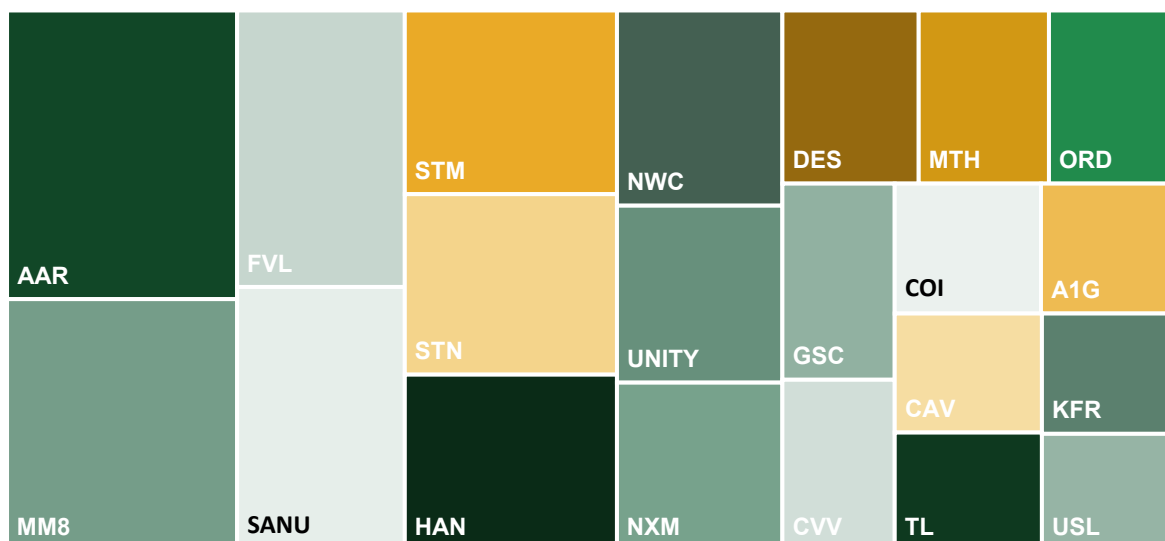
Lowell Resources Fund. (ASX: LRT)

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 May 2025



Lowell Resources Fund. (ASX: LRT)

Characteristics of the Fund

Number of Investments: 74

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