

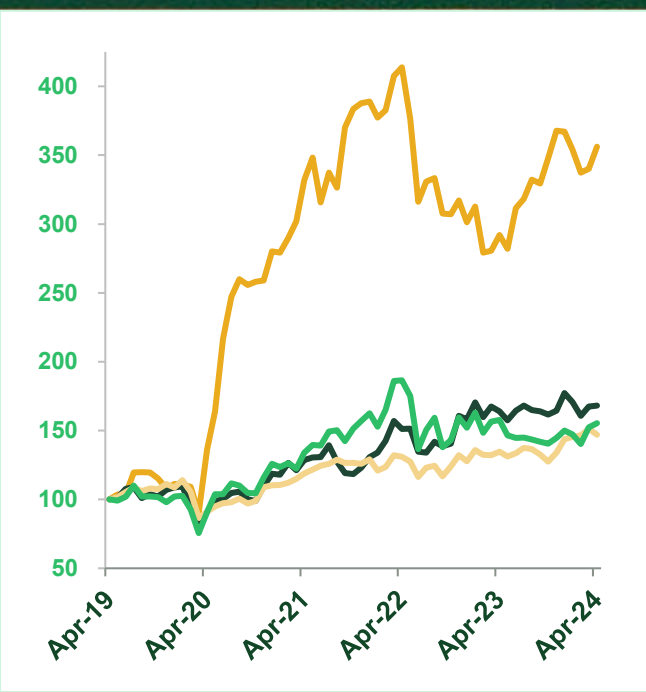


LOWELL RESOURCES  
FUNDS MANAGEMENT



# LOWELL RESOURCES FUND

## INVESTOR PRESENTATION OCTOBER 2024



ABN 36 006 769 982 AFSL 345674





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# Lowell Resources Fund



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## 1. Overview ASX.LRT



# Fund Summary 30 September 2024



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## Overview

Fund size (NAV)	A\$49.8 m
Units on issue	34.6m units
Net Asset Value 31/08/24 (post-distribution)	\$1.44/unit
Distribution FY24 paid 31/07/24	\$0.152/unit
ASX Unit Price on 30/09/24	\$1.255
Number of unit holders	~880
Liquidity (3 month avg)	~\$24k/day

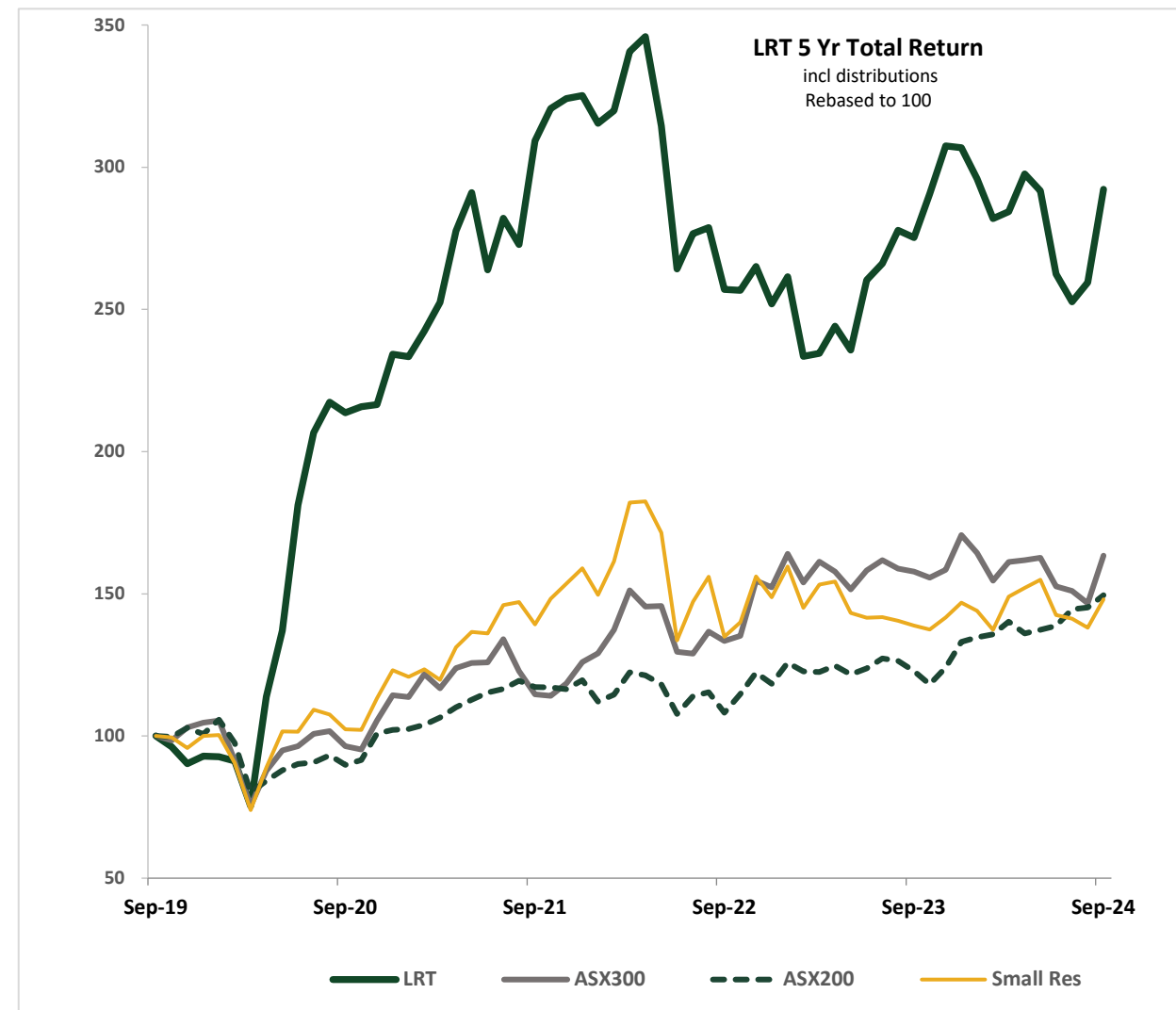
## Listing summary

Exchange

• ASX

ASX Code

• LRT



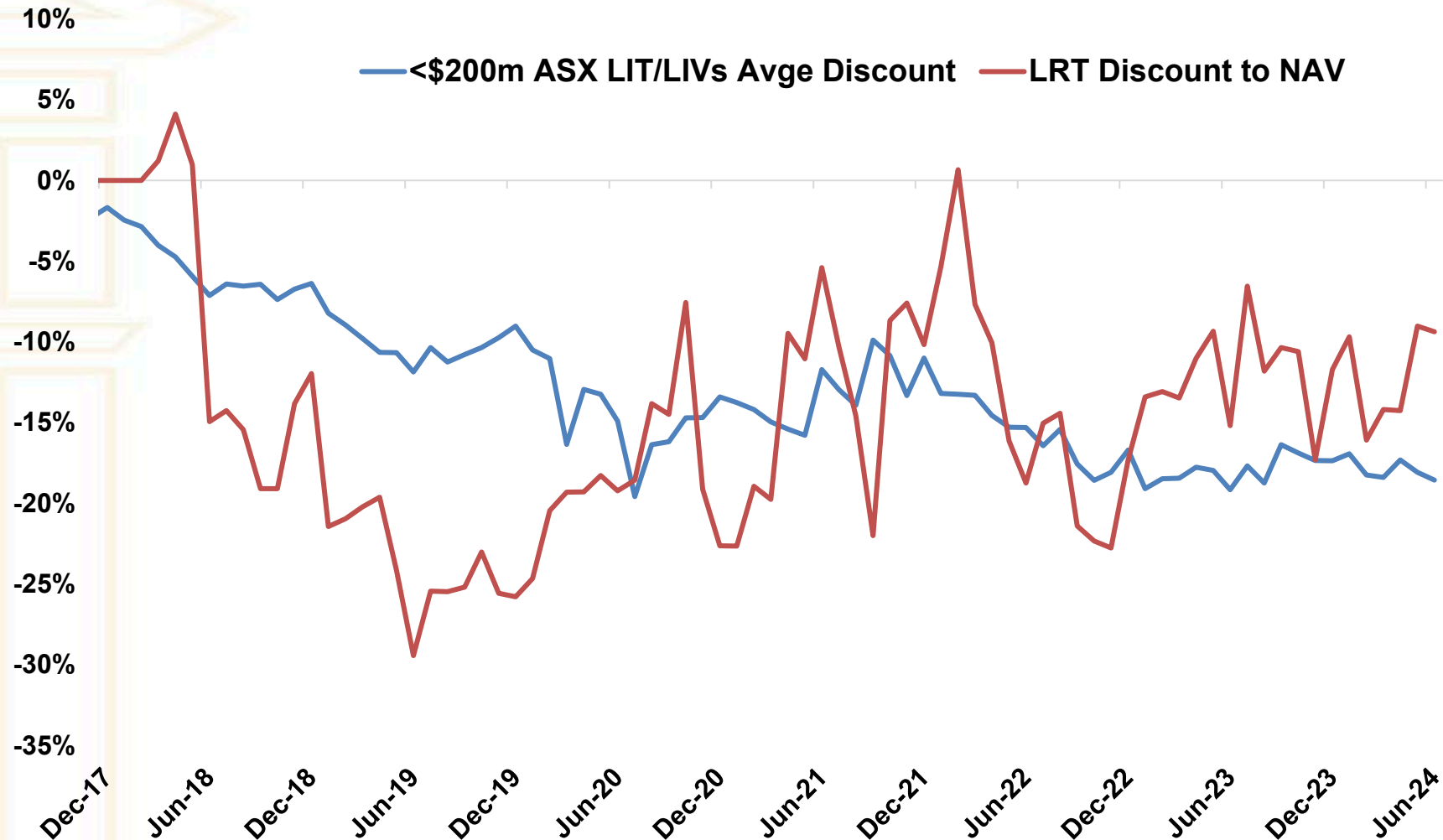
At 30 September 2024 LRT refers to Lowell Resources Fund NAV per unit, 'Small Res' refers to the S&P/ASX Resources Accumulation Index. Investment Portfolio Performance includes distributions to unitholders and is net of operating expenses, fees, taxes and interest.



# ASX Traded Discount to NAV



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## Characteristics of the Lowell Resources Fund

### Nature of Fund

- Long only, ungeared fund

### Investee Companies

- Small mining & energy companies, predominantly in the exploration phase offering major growth potential

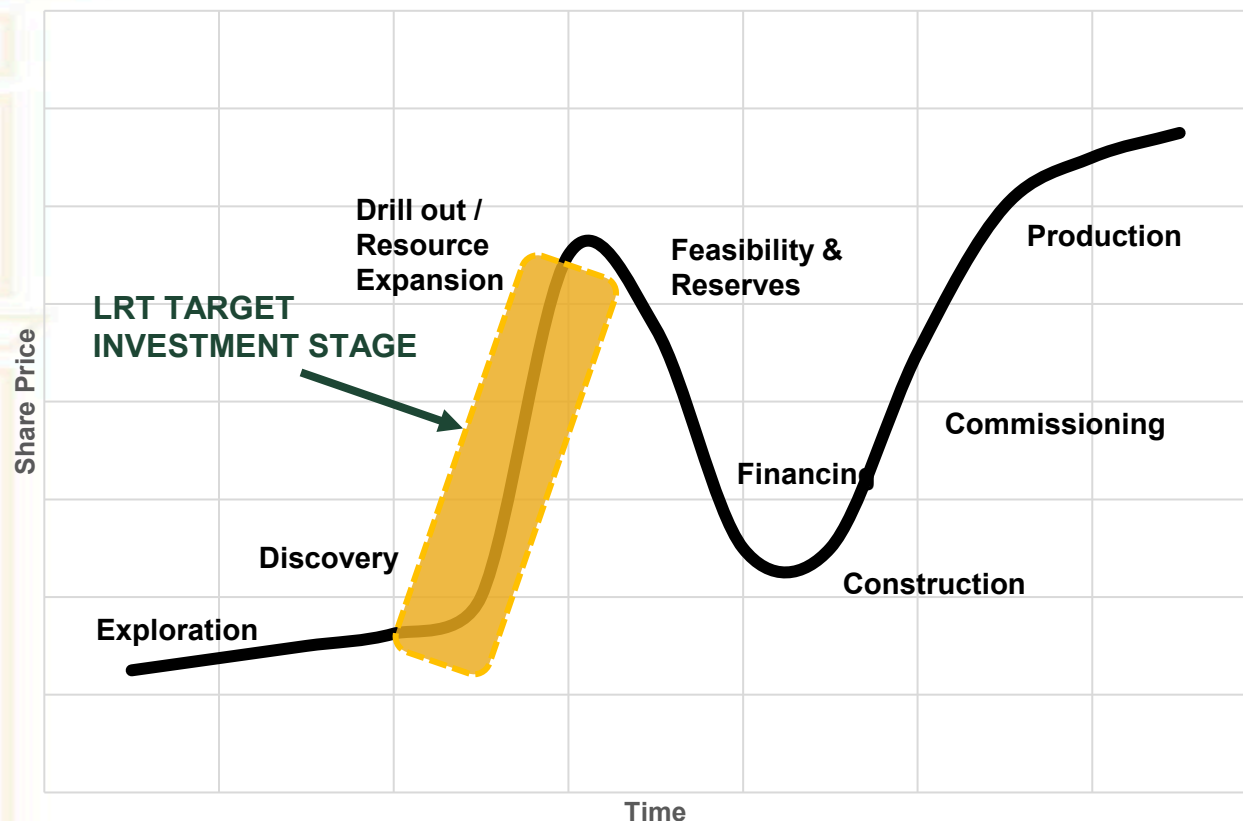
### Investment Type

- Predominantly listed equities globally

### Distribution Policy

- 100% of taxable profits distributed annually
- Last 5 years A\$0.51/unit in distributions
- \$0.152 distribution FY24

## Capitalising on value accretion: optimal stage



- Leverage: milestone investing “value accretion model”
- LRF focus is on the period from discovery to reserve definition



# Investment Committee Members



**LOWELL RESOURCES  
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**John Forwood,  
Chief Investment Officer**

Mr Forwood is a trained geologist and lawyer, with experience as an exploration geologist in Australia, and overseas. He spent 17 years in junior resource financing with RMB Resources, including 13 years as a Manager of the Telluride Fund. He debt financed Northern Star and Saracen into their first gold mines. He also qualified with a major Australian law firm to practice as a barrister and solicitor. He has been CIO of the Lowell Resources Fund since 2016.



**Richard Morrow,  
Investment Committee  
Member**

Mr Morrow is a Melbourne-based stockbroker with Ord Minnett and has 35 years' experience in Australia and the UK. He is a non-exec director of Queensland tungsten miner EQ Resources. He is a Fellow of the AusIMM.



**Stephen Mitchell,  
Investment Committee  
Chair**

Mr Mitchell began his career as a natural resources specialist at investment banks and advisory firms in the US and Australia. From 1999-2011 he was Managing Director of Molopo Energy Ltd, an ASX-listed oil and gas company which generated a 10 fold increase shareholder value and entered the ASX 200. Stephen is a partner of MP Capital Partners, a Melbourne based corporate advisory firm.



**Stuart Baker, Investment  
Committee Member**

Mr Baker has a strong local and international reputation for oil and gas E&P company coverage as a senior investment analyst, including 14 years with Morgan Stanley. Mr Baker has also worked in senior research roles with BT Equities and Macquarie Equities. He initially gained industry experience with international oilfield services group, Schlumberger, and also has extensive board experience on ASX listed energy companies



# LICs & LITs

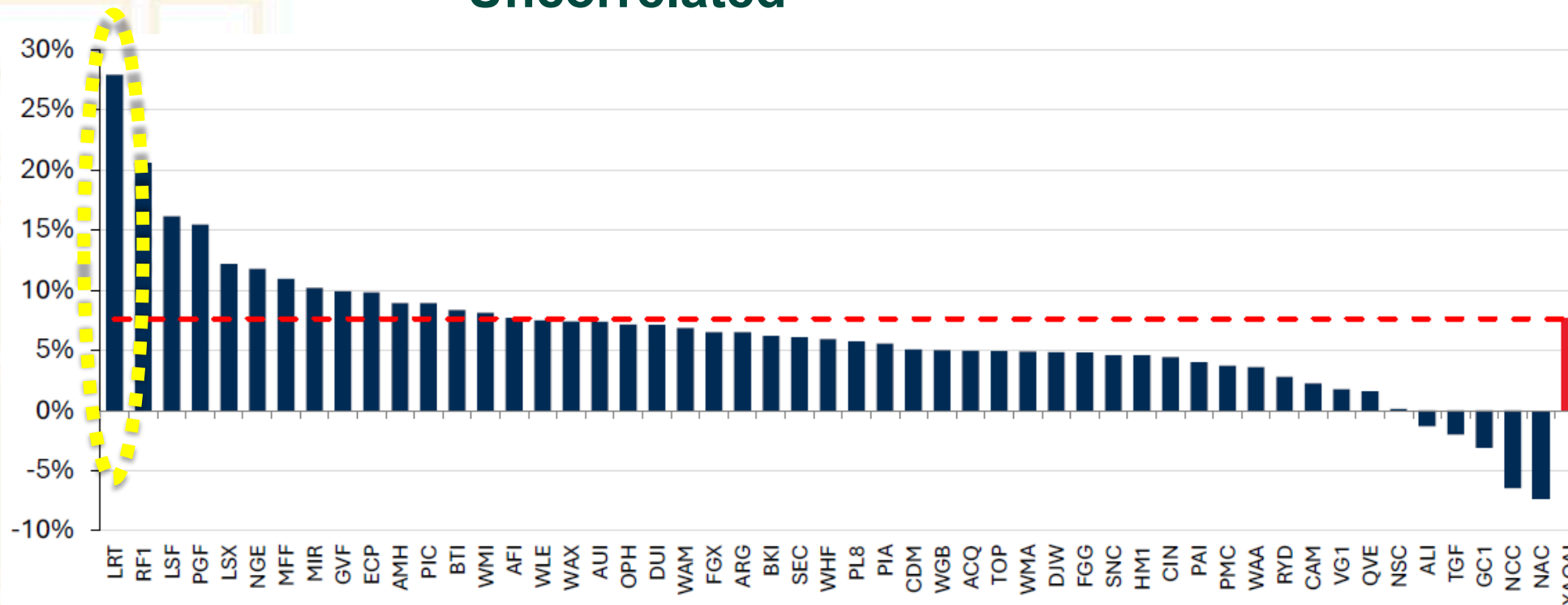
## NTA Compound Annual Growth Rate over 5 years



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- **Outperformance**
- **Uncorrelated**



Source: Bloomberg, IRESS, OML. Figures as at 30 June 2024.



# Fund Performance



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Total Portfolio Performance to 30 September 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	<b>8.4%</b>	6.6%	3.5%	21.8%
5 years p.a.	<b>23.9% pa</b>	8.2% pa	10.3% pa	8.4% pa
10 years p.a.	<b>13.3% pa</b>	7.2% pa	9.0% pa	8.9% pa

<sup>1</sup>Unaudited. Investment Portfolio Performance includes distributions to unitholders and is net of operating expenses, fees, taxes and interest.

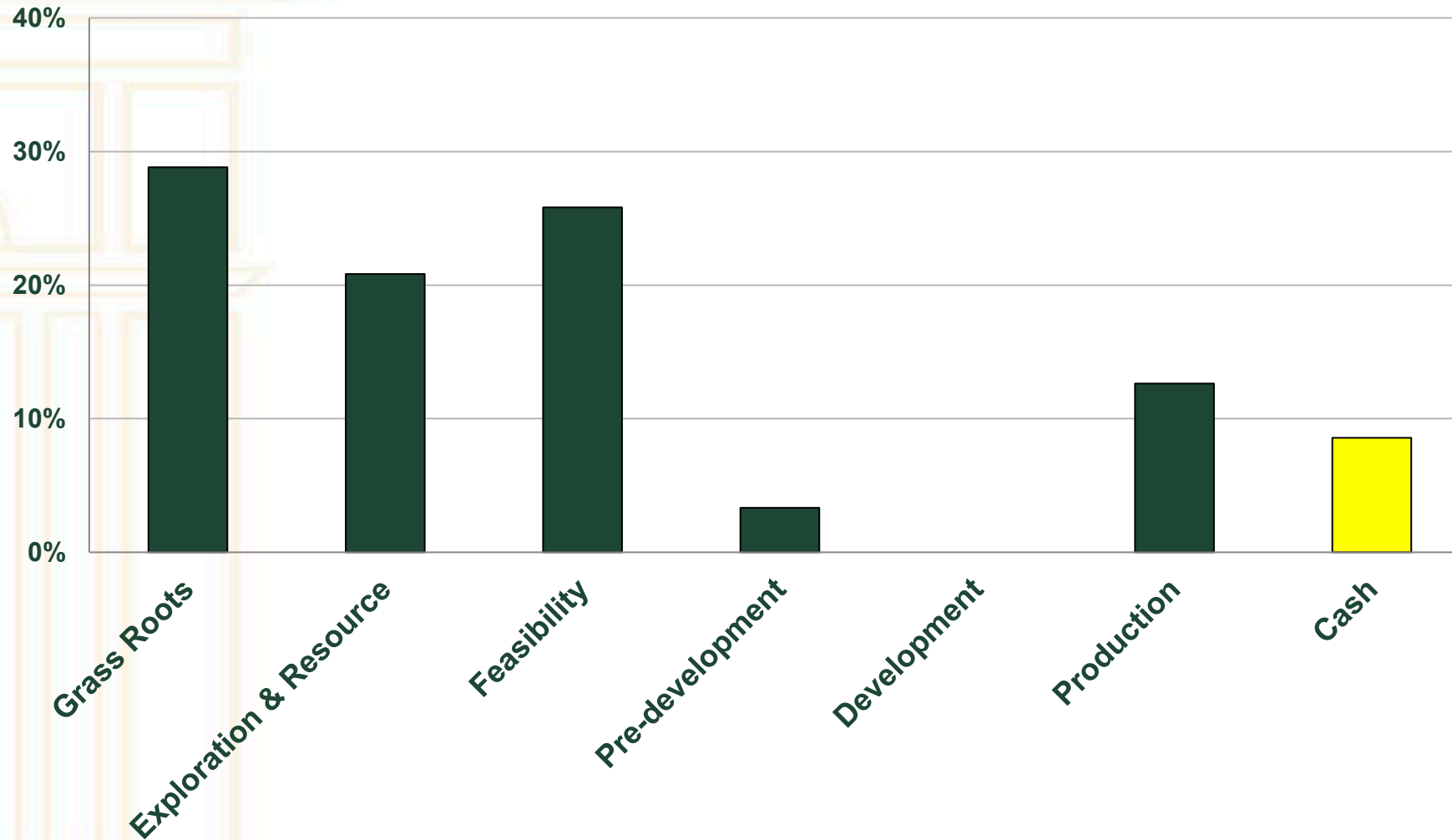


# LRT Portfolio by Resource Development Stage



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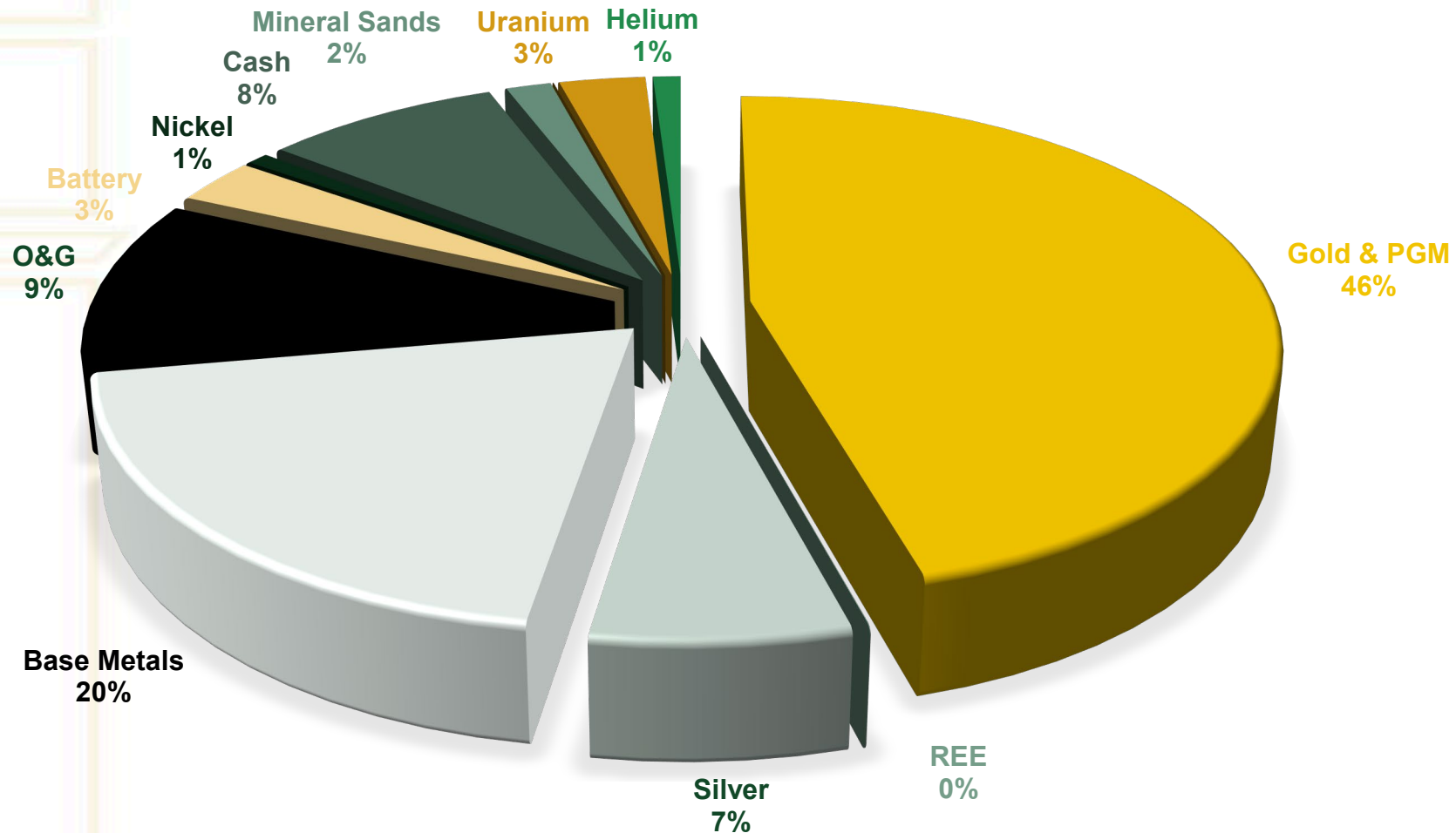
**30 September 2024**



# LRT COMMODITY EXPOSURE

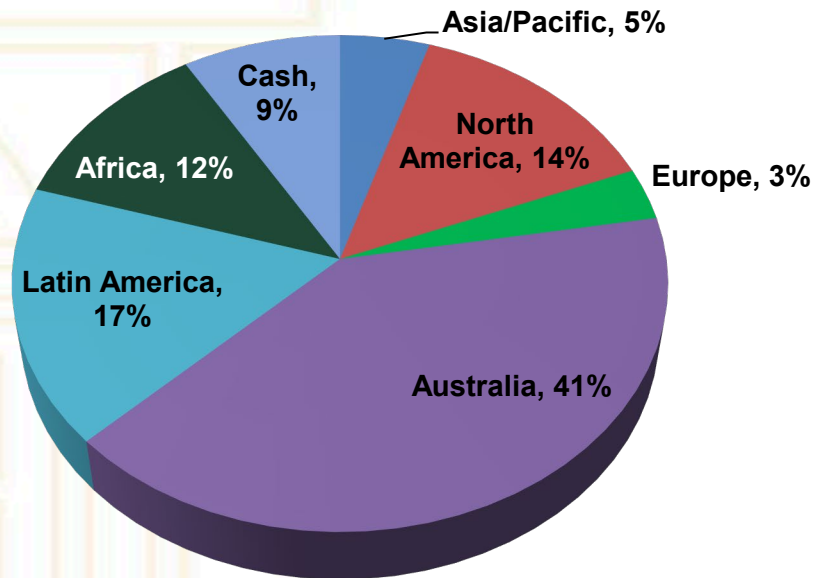


30 SEPTEMBER 2024

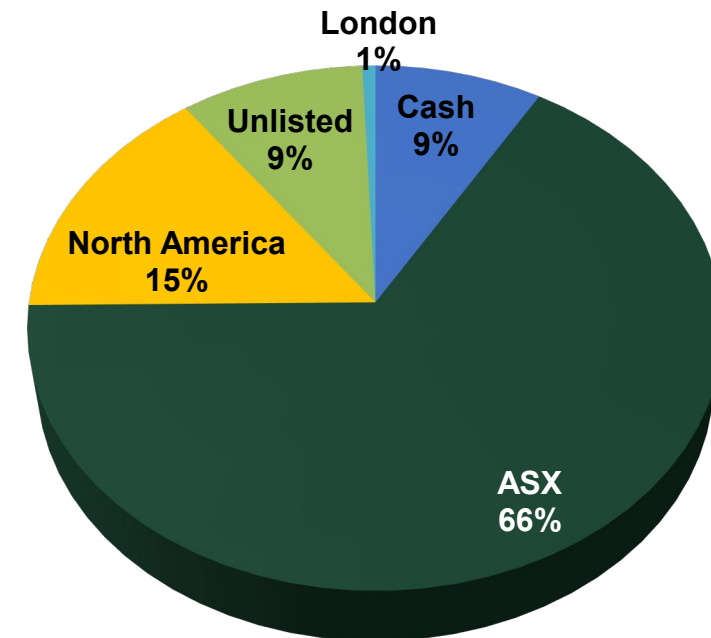




### Portfolio by Geography of Main Project



### Investment Listing





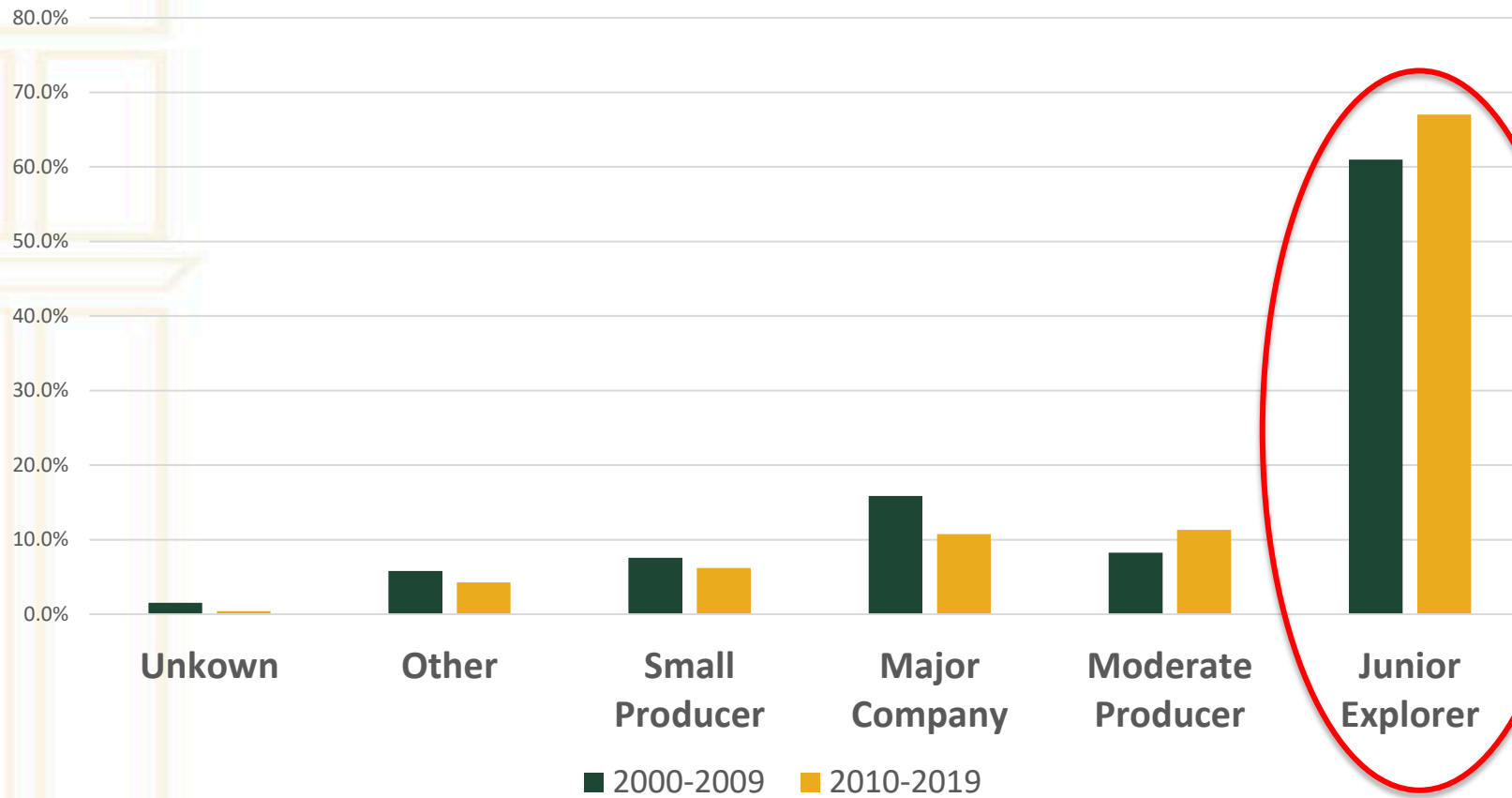
# We Invest in Explorers....because Explorers Make the Discoveries



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## Australian Mineral Discoveries by Company Size

Source: Minex Consulting





# Market Thematics



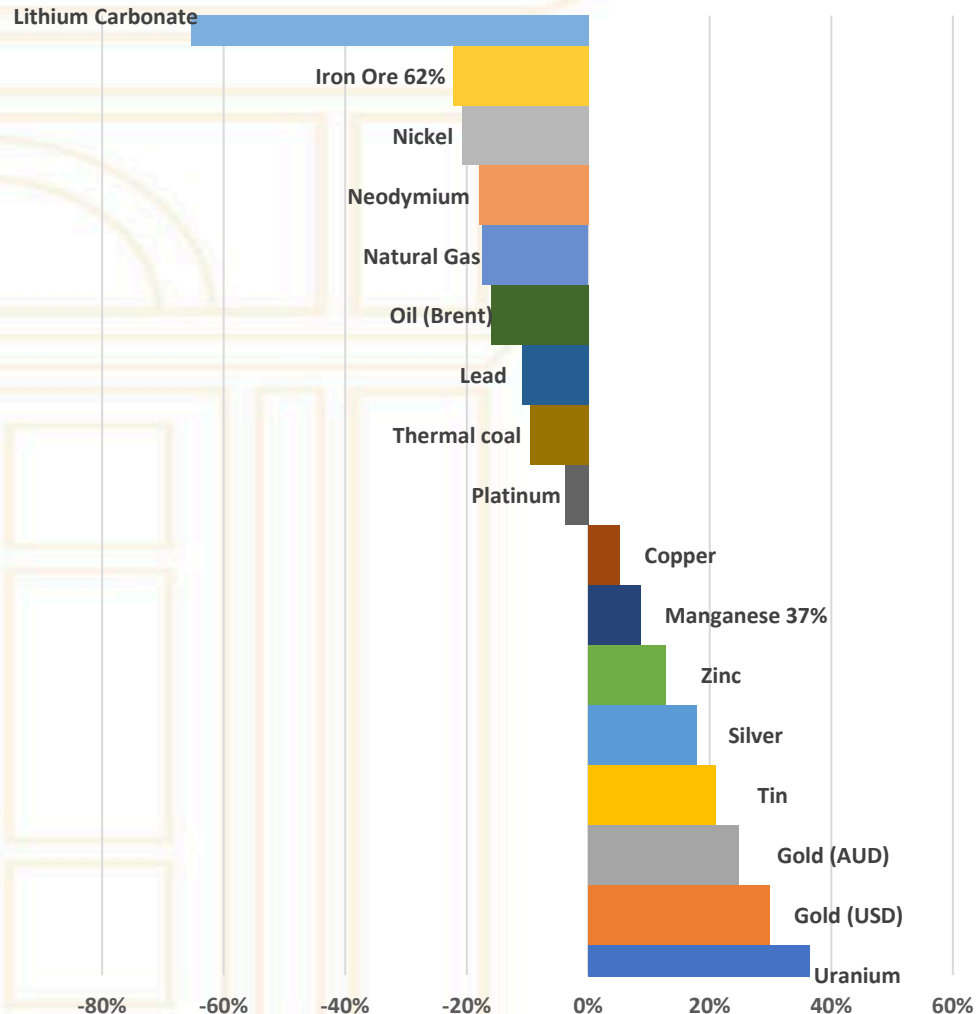
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## 2. Key Market Factors

# 12 Month Commodity Prices



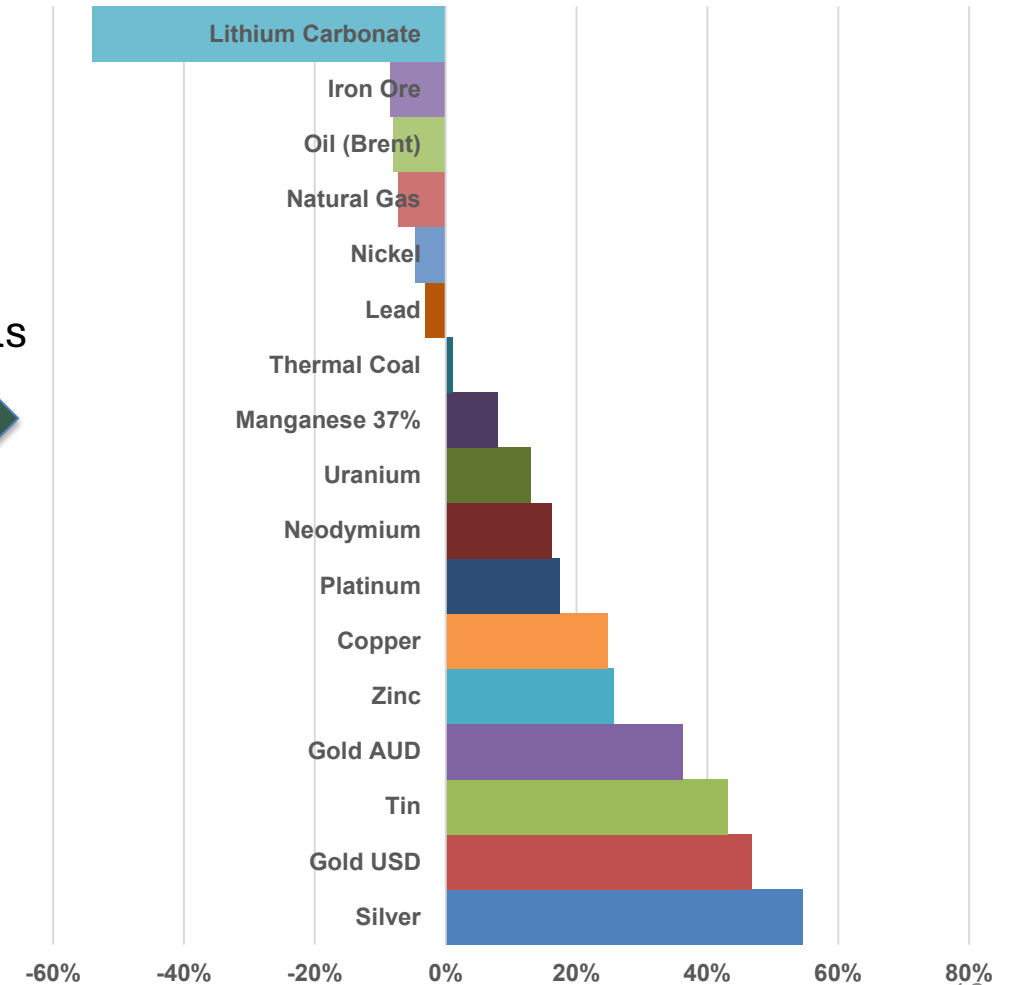
12 month change to Sept 2024



Large positive moves in September: base metals, bulks and precious metals



12 Month Change to Oct 2024





# Banks vs Resources: ASX



Rotation from  
Banks into  
Resources after  
Chinese  
Stimulus.

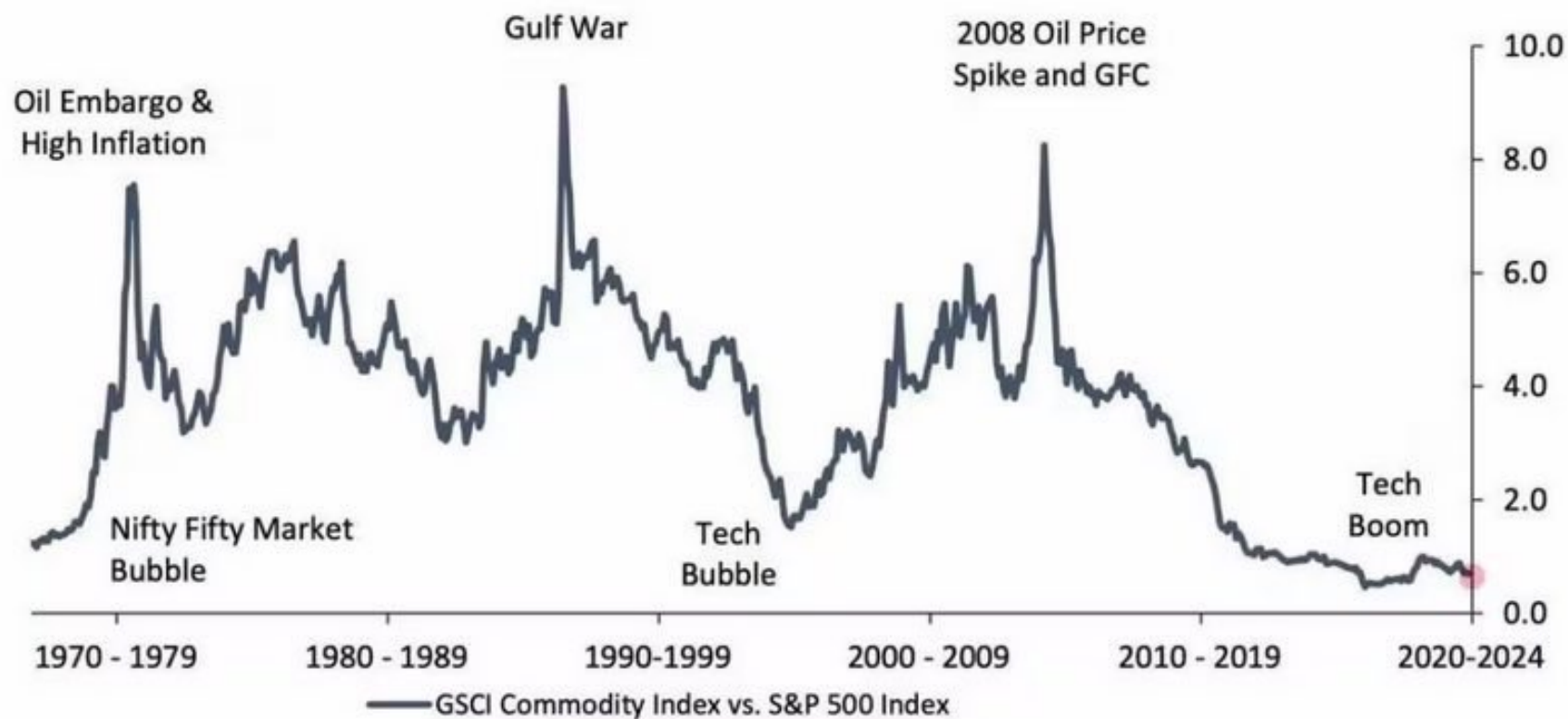
# Commodities Undervalued vs Equities



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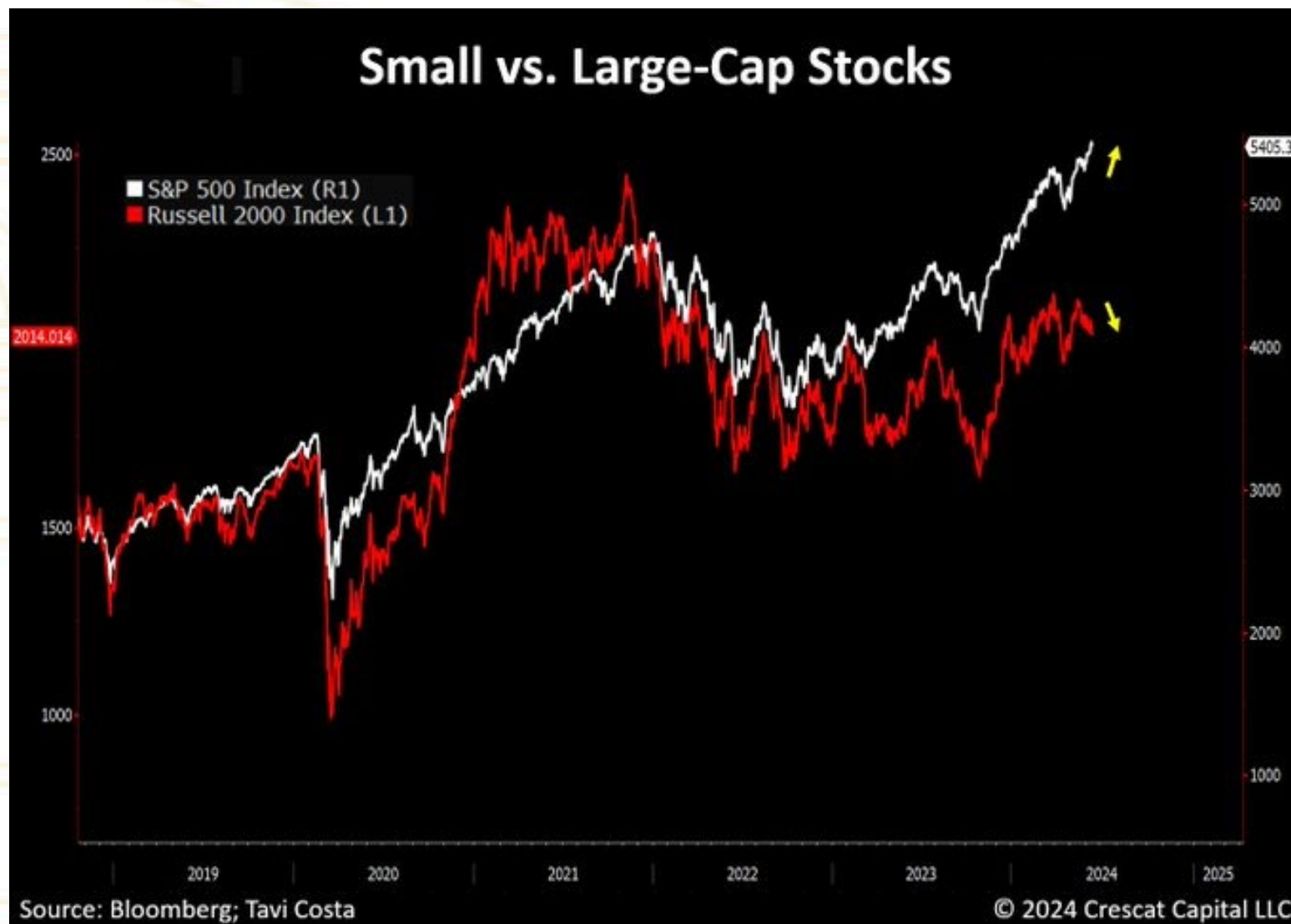
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**Exhibit 1 - Ratio of Commodity Prices to the S&P500**



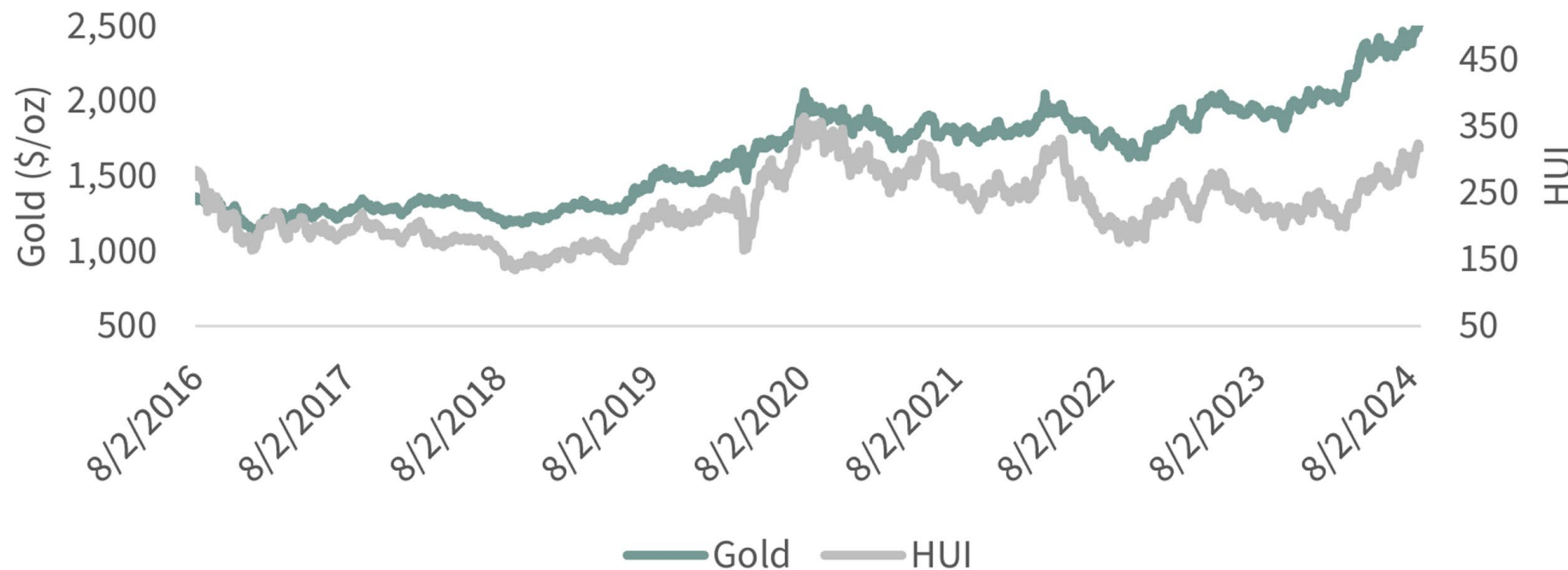
Source: FactSet, Jefferies

# Small Caps vs Large Caps



**Small Equities**  
decouple from  
Large Caps

**FIGURE 3** Gold Price vs. HUI GoldBugs Index



Gold 30% above 2011 peak, but HUI 50% below

HUI today is only 10% above its August 2016 level- when gold was US\$1,300 per ounce.

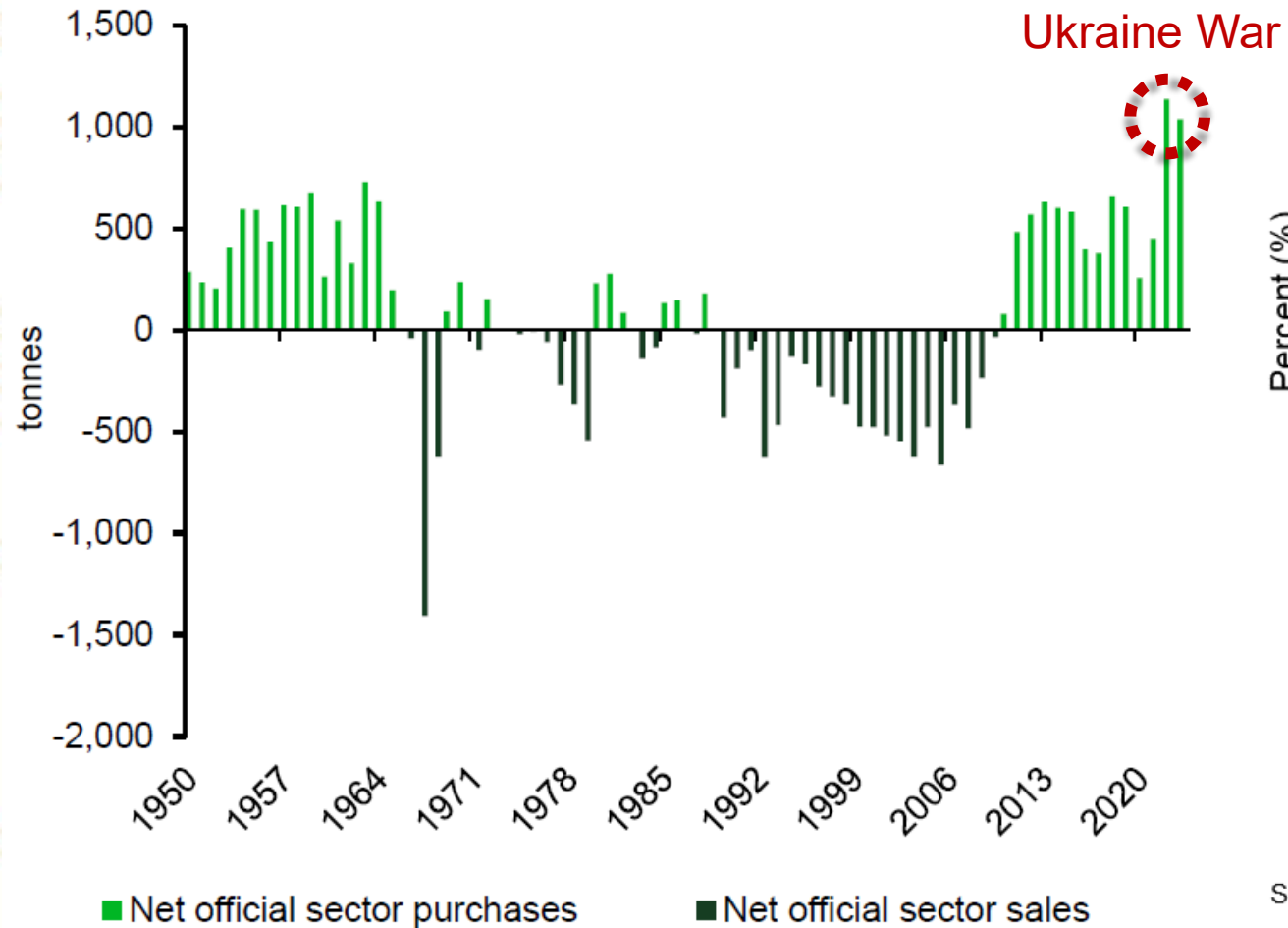
HUI's earnings per share expected to quadruple this year compared to 2016.

*Source: Bloomberg, G&R Models.*

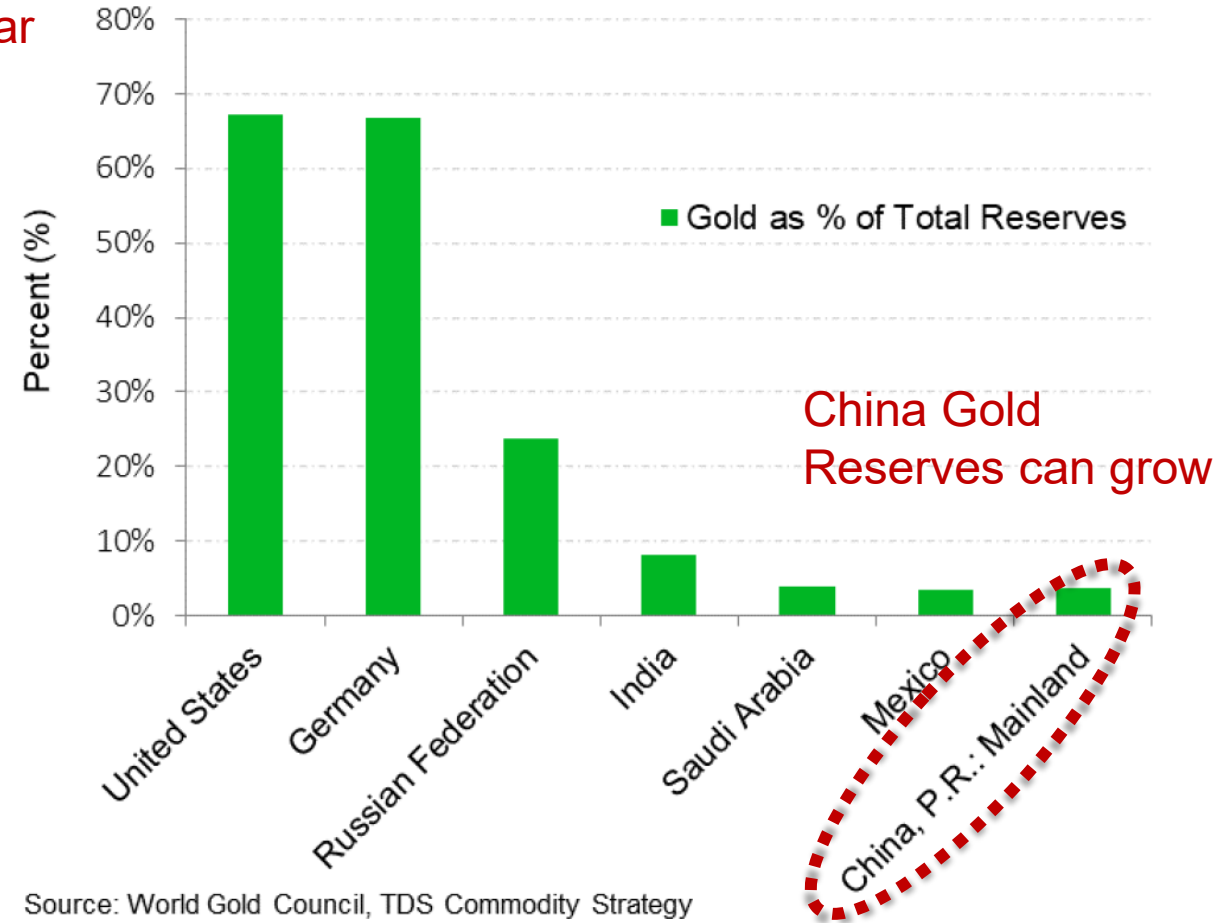
**Gold Equities decouple from Gold Price**



# Central Banks & Gold

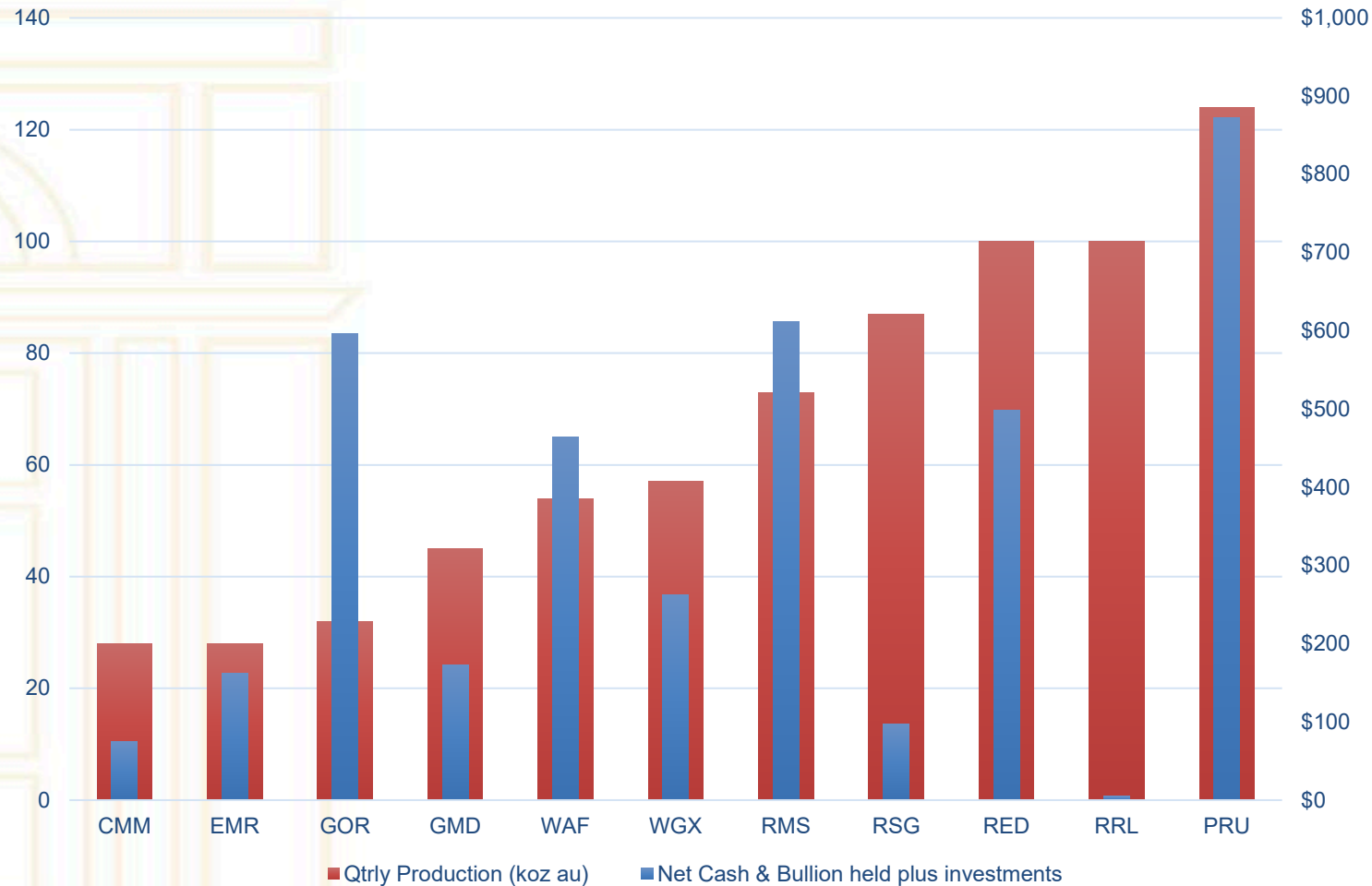


Source: TD Securities, Metals Focus, Refinitiv GFMS, World Gold Council



Source: World Gold Council, TDS Commodity Strategy

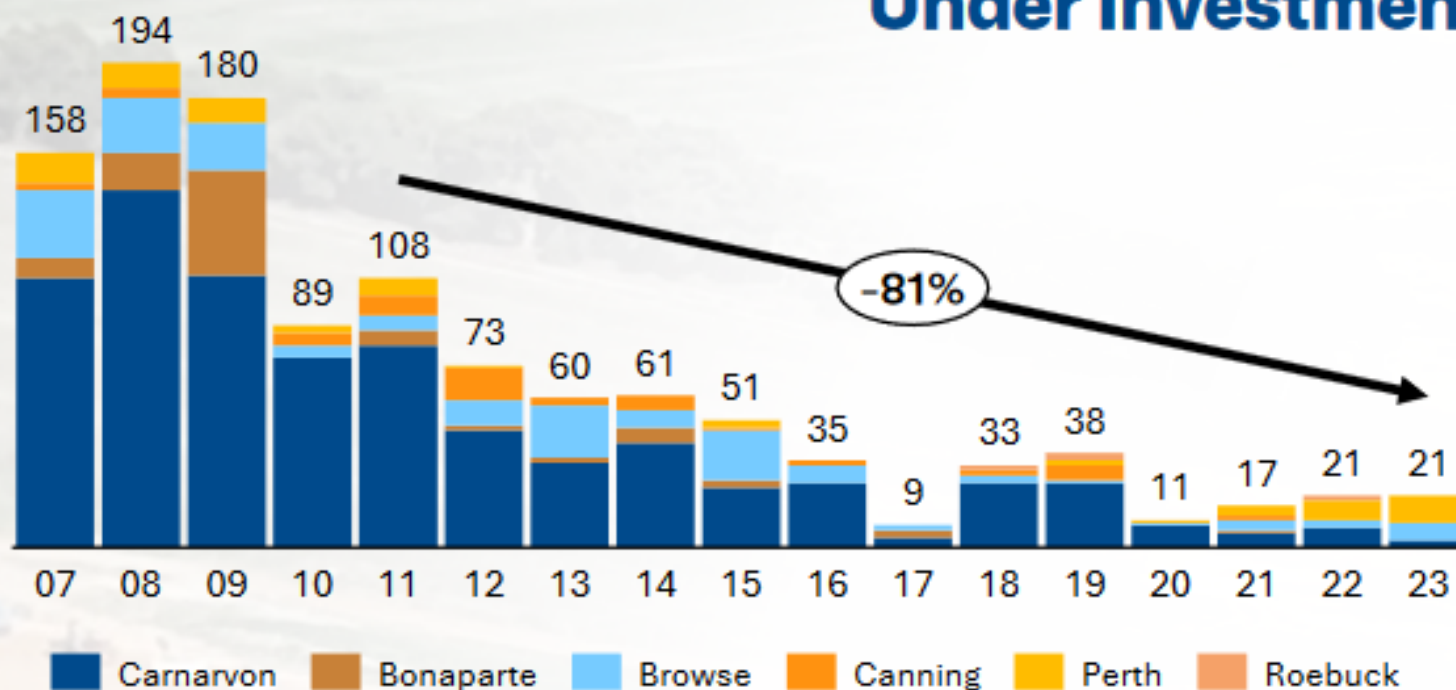
**Cash holdings (AUD\$mil) Australian Gold Producers**



**Average Cash  
equivalents  
~A\$350million**

WA (oil and gas) wells drilled per  
Basin per year

**Sustained  
Under Investment**



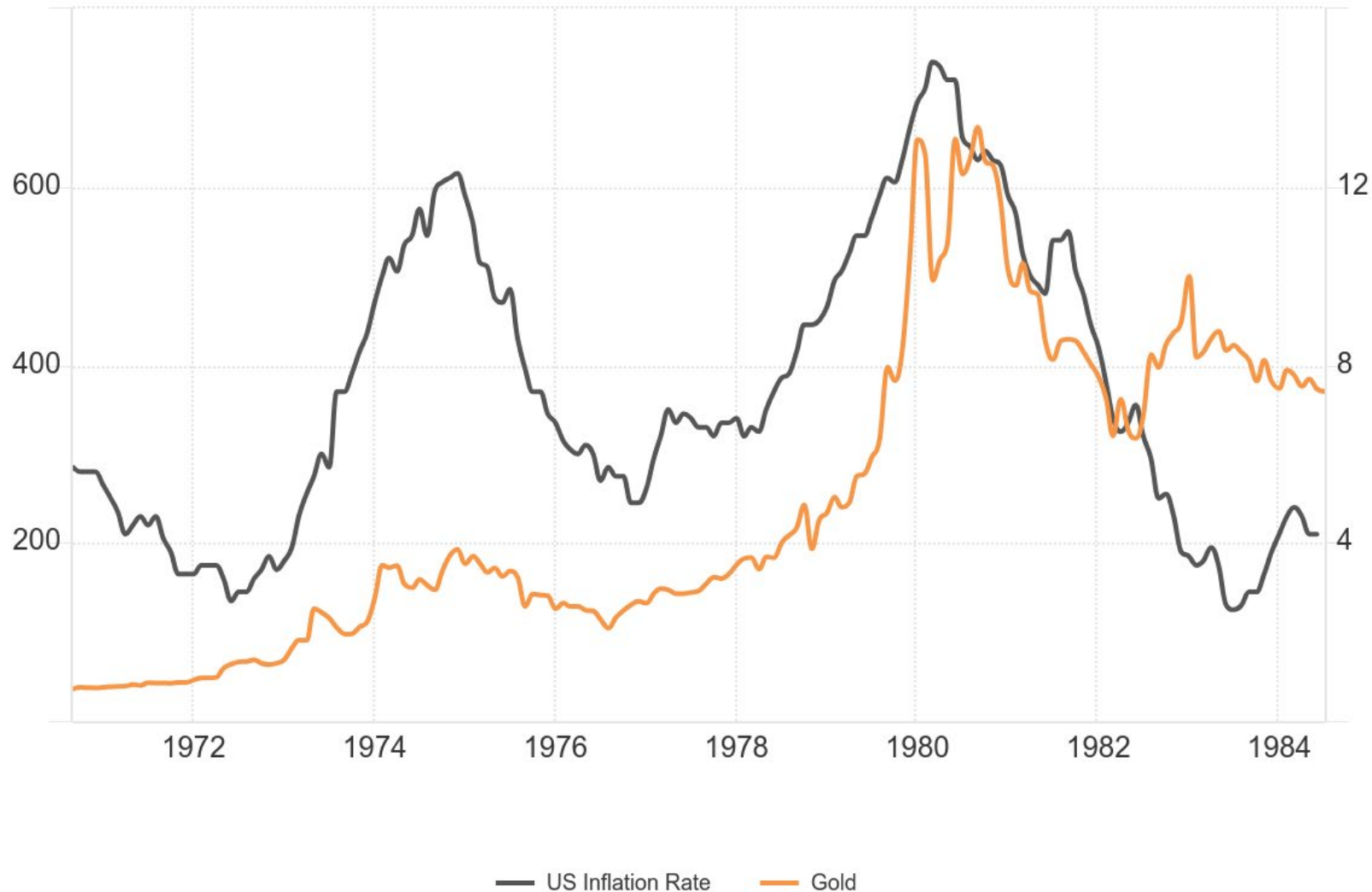
Sustained  
underinvestment  
globally in oil

Source: Compiled using information from APPEA and National Offshore Petroleum Titles Administrator.

# Gold in USD vs US CPI – 1980's



Source: tradingeconomics.com







# Investment Examples



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## 3. Recent Outperforming Stocks

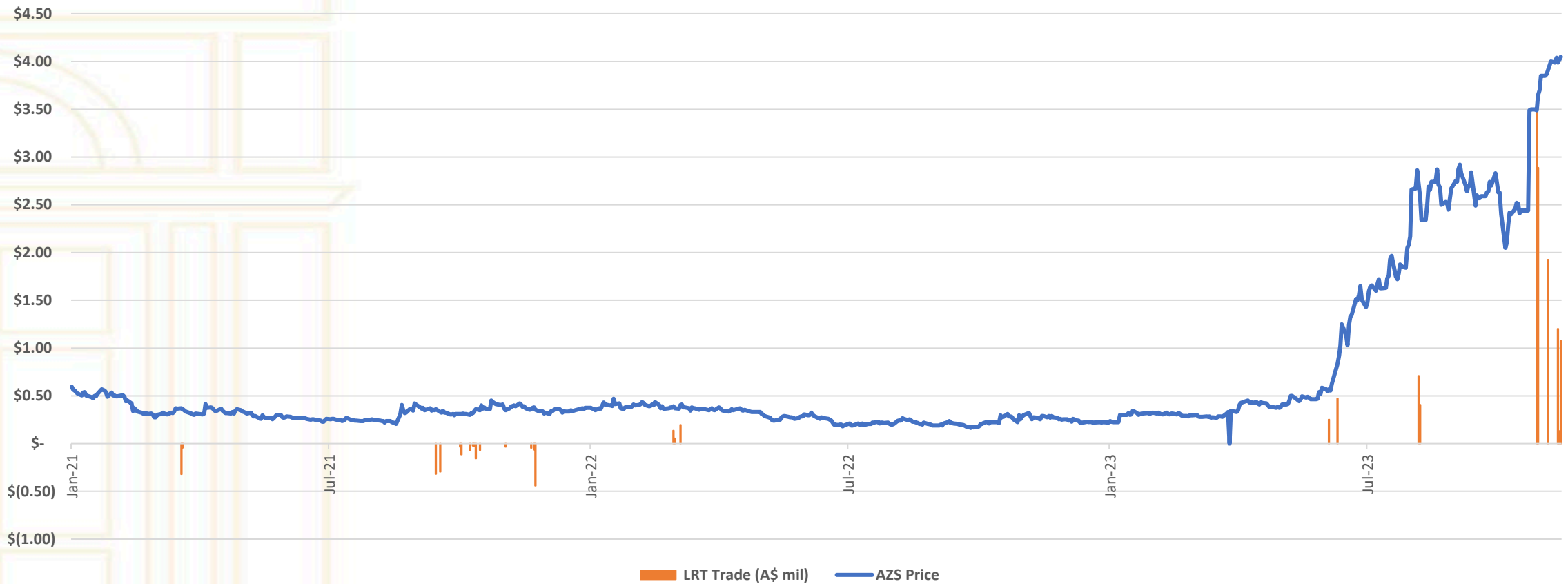


# Azure Minerals



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Azure Minerals LRT Investment





# Southern Cross Gold SXG.ASX



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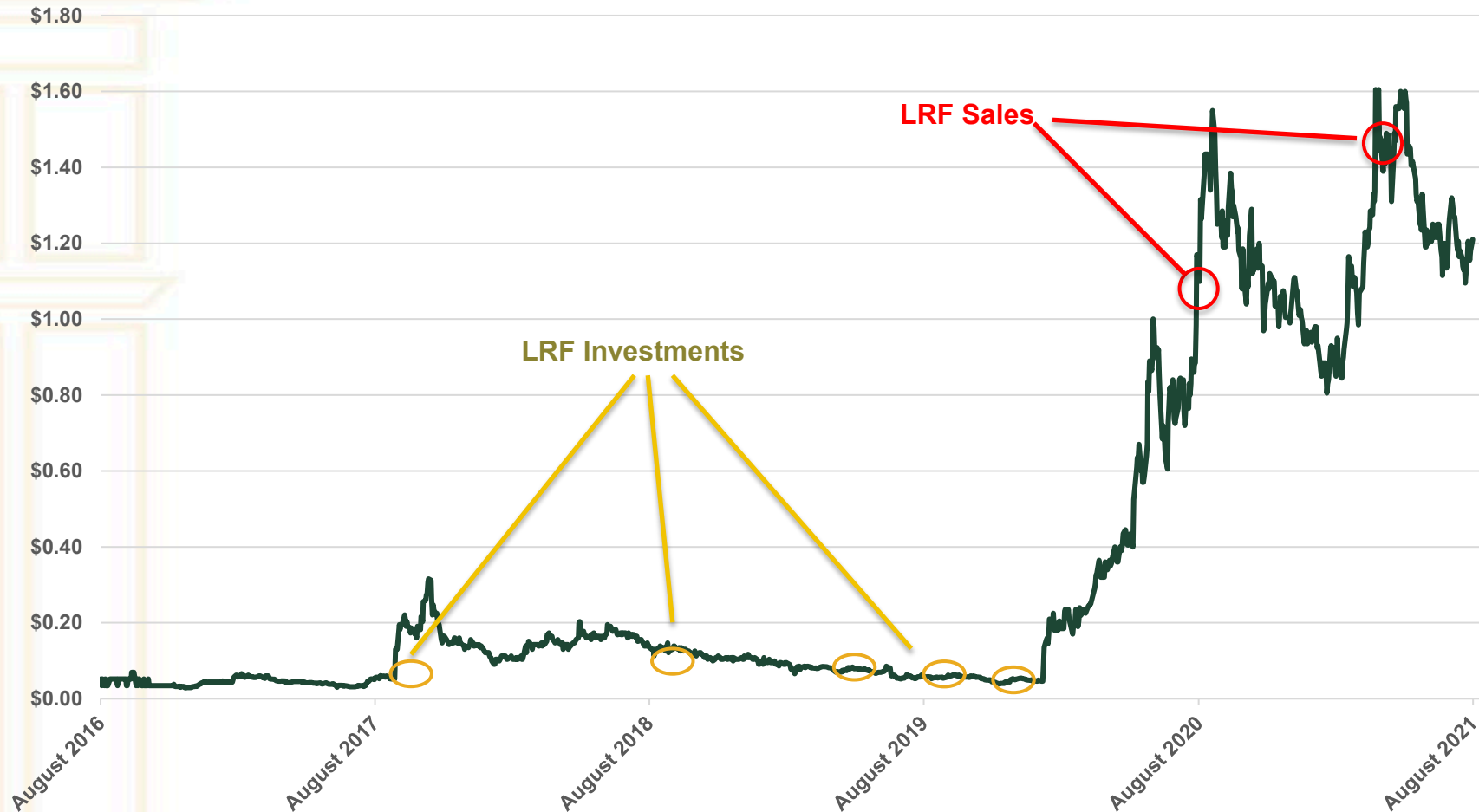


# Case Study: De Grey Mining



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De Grey Mining (DEG.ASX)





# Current and Upcoming



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## 4. Preferred Positions





# Top 10 Positions



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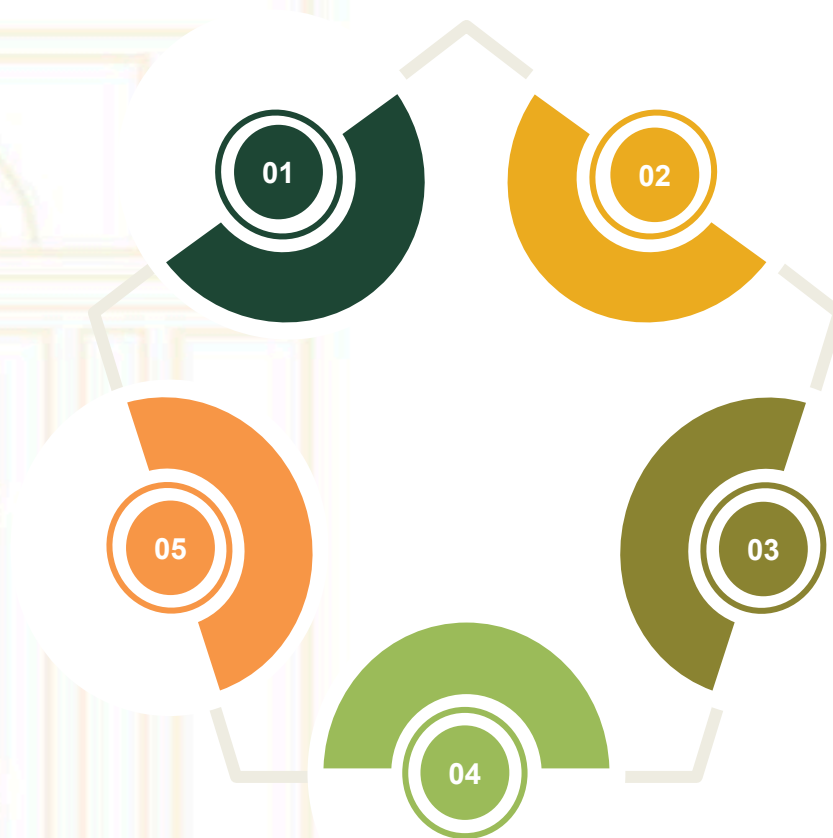
LRT Portfolio at 30 September 2024				
Code	Company	Commodity	Portfolio Weight	Comment
RMS	Ramelius Resources	Gold	7.2%	Held from scrip takeover of Musgrave Minerals
AAR	Astral Resources	Gold	5.5%	WA Goldfields M&A or standalone development
PDI	Predictive Discovery	Gold	5.2%	Tier 1 African gold discovery – subject to M&A
STN	Saturn Metals	Gold	4.0%	Gold leverage from large low-grade project
MTH	Mithril Silver & Gold	Silver & Gold	3.2%	High grade silver exploration in Mexico
FVL.TSXV	Freegold Ventures	Gold	3.2%	Alaskan project similar to Hemi (DEG)
COI	Comet Ridge	Gas	3.0%	Australian East Coast Gas thematic
HAN.TSXV	Hannan Metals	Copper	2.3%	Greenfields Porphyry Copper Discovery
CVV	Caravel Minerals	Copper	2.2%	Copper leverage from large low-grade project
RUG.TSXV	Rugby Resources	Copper	2.2%	Porphyry Copper Discovery
Cash	Cash	Cash	8.6%	



# Lowell – a Unique Investment Opportunity



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## 01 Fund Focus

- One of the few investment funds that offers exposure to the junior resources sector across Australia and global stock exchanges in unlisted and listed companies

## 02 Successful track record for 20 years

- Superior performance over the medium and long term
- Fund must distribute 100% of taxable profits
- Distribution Reinvestment Plan in place

## 03 Experienced Management

- Deep technical, financial and commercial expertise and networks with experience through numerous cycles.

## 04 Unique network, not easily replaced

- Access to deal flow in public and private markets
- Proven ability to generate returns throughout the cycle

## 05 Liquidity

- ASX Listing under the code “LRT”



# Contact



**LOWELL RESOURCES  
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## Investment Manager

### **LOWELL RESOURCES FUNDS MANAGEMENT**

ACN 006 769 982

AFSL 345674

#### **Address**

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Melbourne VIC 3000

Tel: (03) 9642 0655

Fax: (03) 9642 5177

Email: [johnf@lowell.net.au](mailto:johnf@lowell.net.au)

## Responsible Entity

### **CREMORNE CAPITAL LIMITED**

ACN 006 844 588

AFSL 241175

#### **Address**

8 Chapel Street,  
Richmond VIC 3121

Tel: (03) 9665 2499



# Appendix 1



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## Resources Market Information



# Rotation / Trickle Down - AUSTEX



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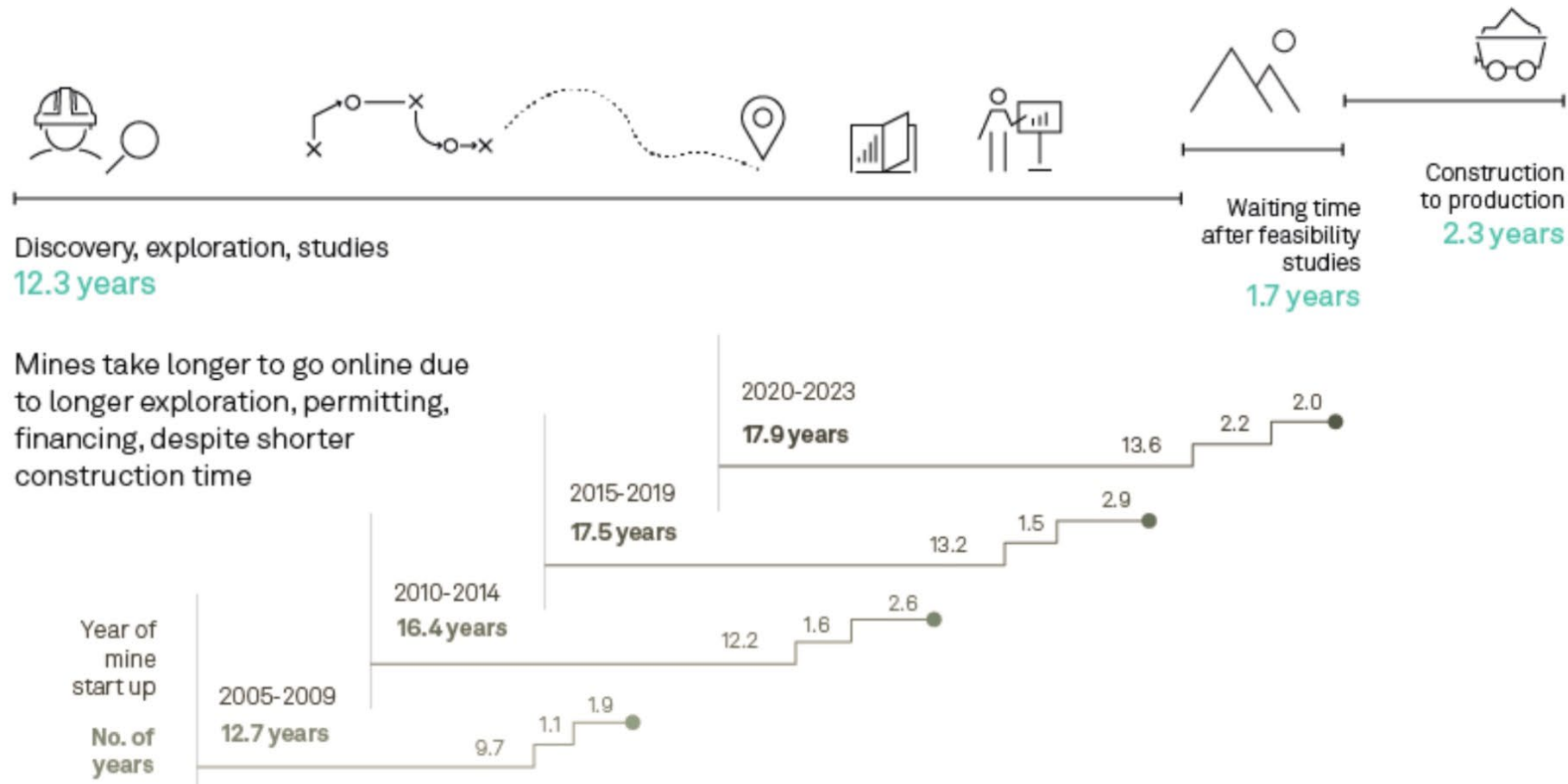
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## THE ASX RESOURCES MARKET QUARTILE RANGES

Data to 27th Sep 2024	MARKET CAP	LAST 24 MTHS	LAST 12 MTHS	LAST 6 MTHS	LAST 3 MTHS	LAST ONE MTH
FIRST QUARTILE	>\$61m	44%	29%	26%	12%	11%
SECOND	>\$16m - \$61m	-26%	-1%	11%	10%	7%
THIRD	>\$6m - \$16m	-49%	-28%	-7%	2%	5%
FOURTH	<\$6m	-70%	-51%	-23%	-4%	2%
ALL CO'S		-25%	-13%	-1%	5%	6%



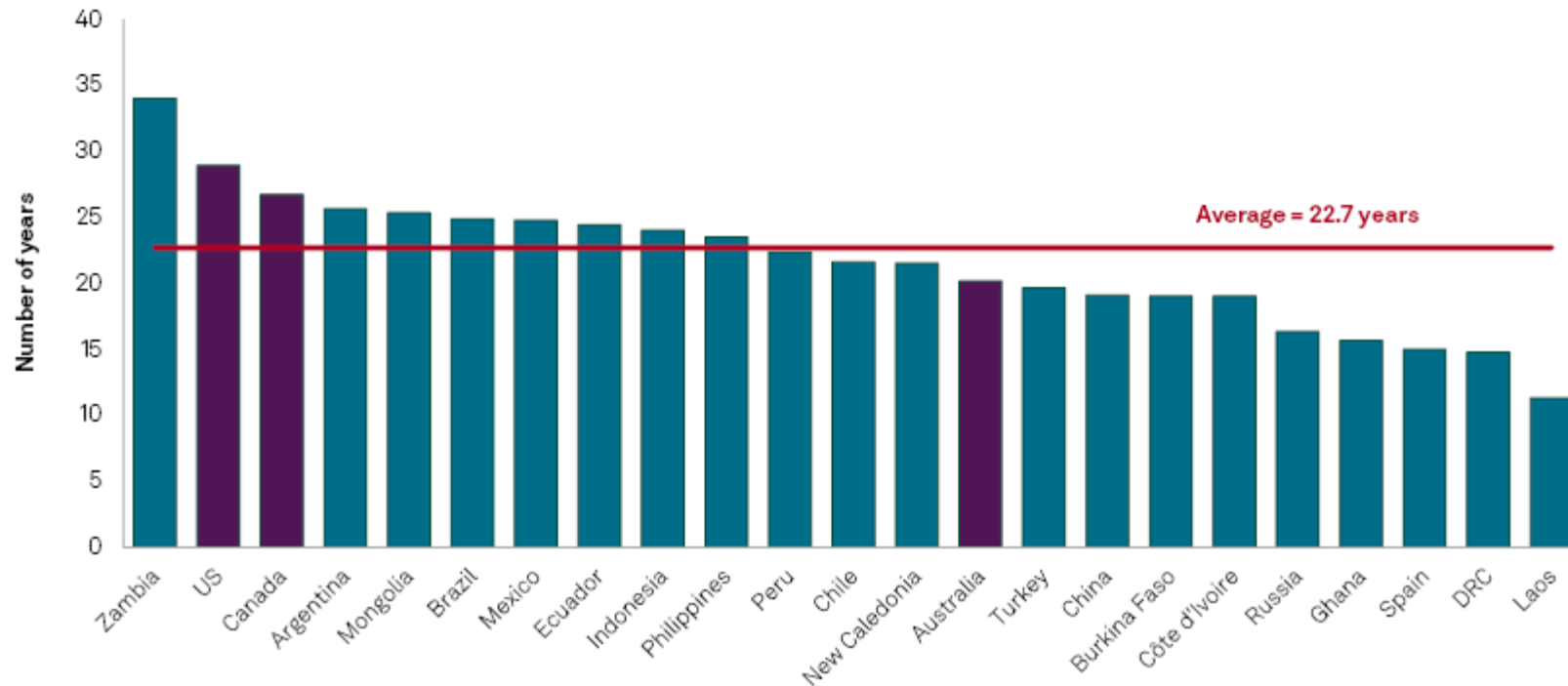
## Average lead time almost 18 years for mines started in 2020–23



# Lead Time for New Mines



Zambia, US, Canada have longest mine development lead times



Data compiled Feb. 21, 2024.

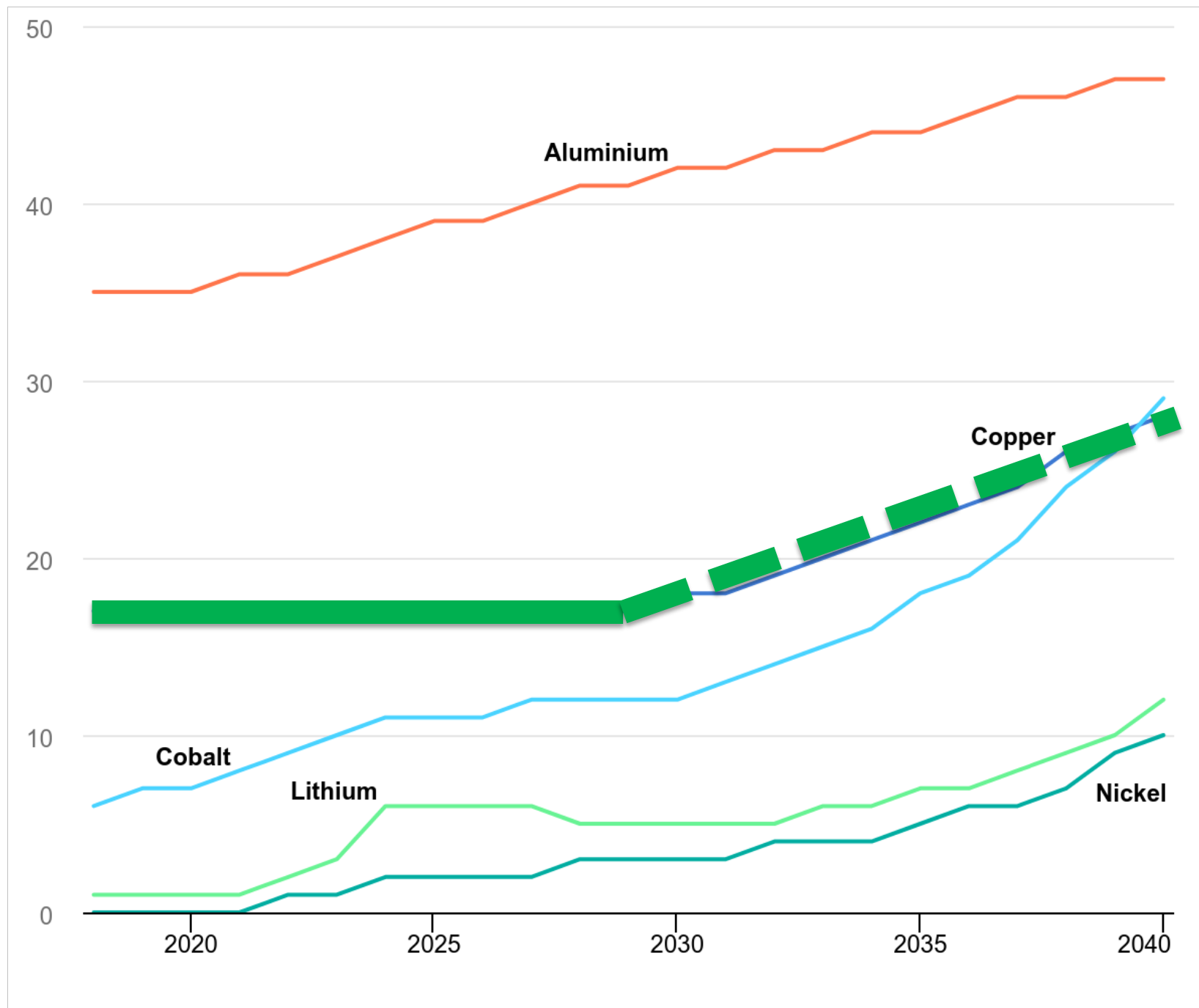
DRC = Democratic Republic of Congo.

Includes countries with at least two mines. Includes mines not yet in operation.

Source: S&P Global Market Intelligence.

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# Metals Recycling - IEA





# Gold Miners to Gold Price Ratio



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## Gold Miners-to-Gold Ratio

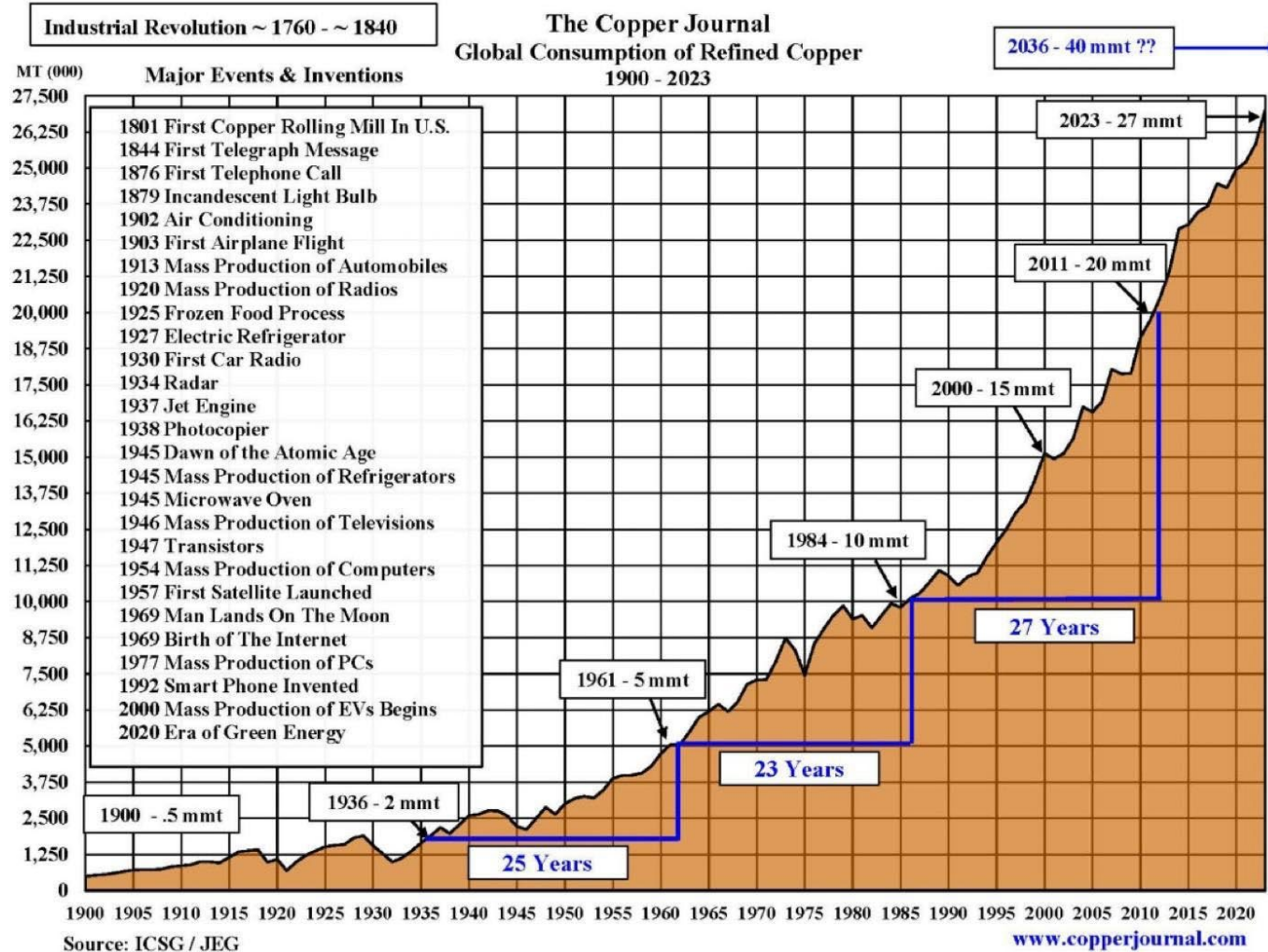
*Calculation: Philadelphia Stock Exchange Gold and Silver Index / Gold Prices – As of 9/13/2024*



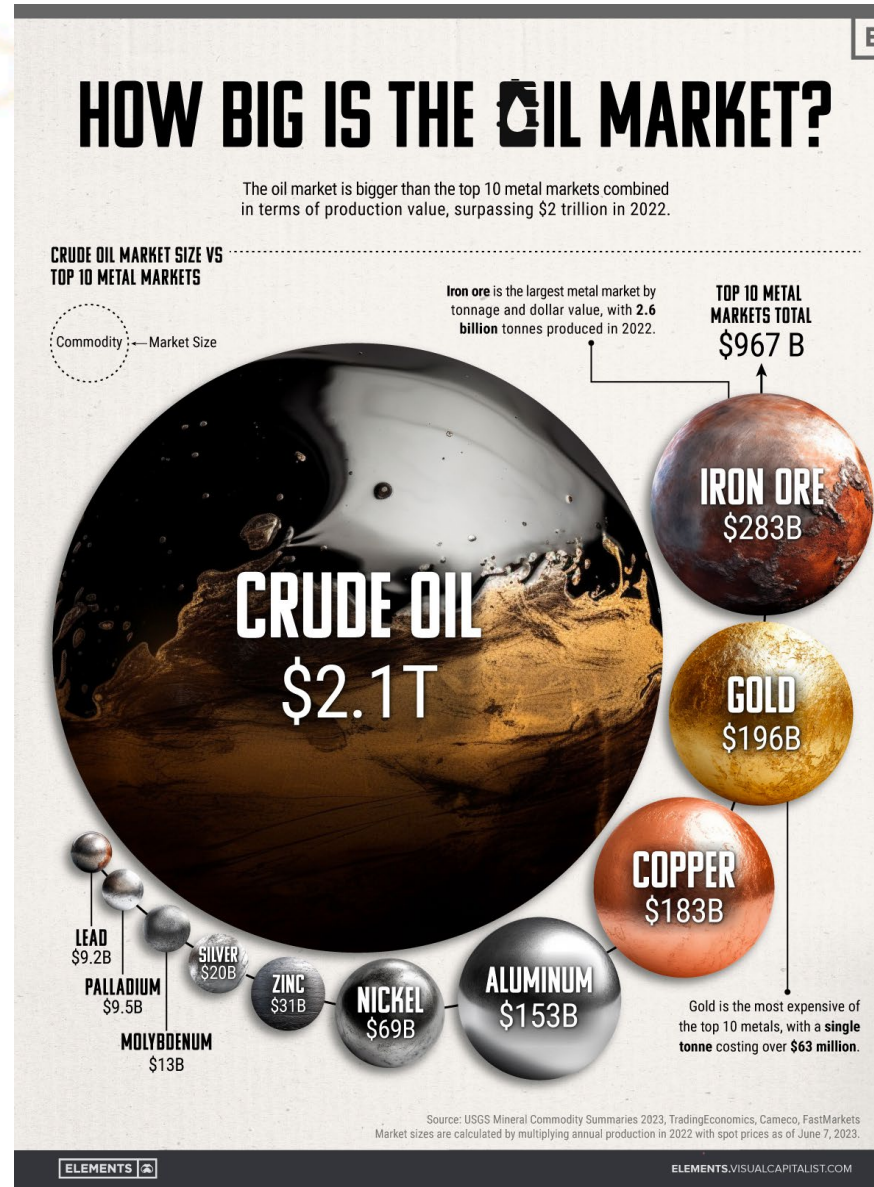
Source: Bloomberg; Tavi Costa

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# Copper Consumption 1900-2023







Oil traders reported to return to metals in H1 2024



# Appendix 2



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## Fund Structure and Process



# Fee Structure



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Gross Asset Value	Existing Management Fee
< \$20m	\$300,000 p.a. plus 0.6%
Next \$20m - \$50m	2.100%
Next \$50m - \$150m	1.600%
Next > \$150m	1.600%

PERFORMANCE FEES (calculated 6 monthly)	
Variables	Existing
Benchmark	10% pa outperformance
Fee rate	17.5%
Calculated & Paid	6 monthly

## Top down focus

1

- Macroeconomics
- Equity markets

2

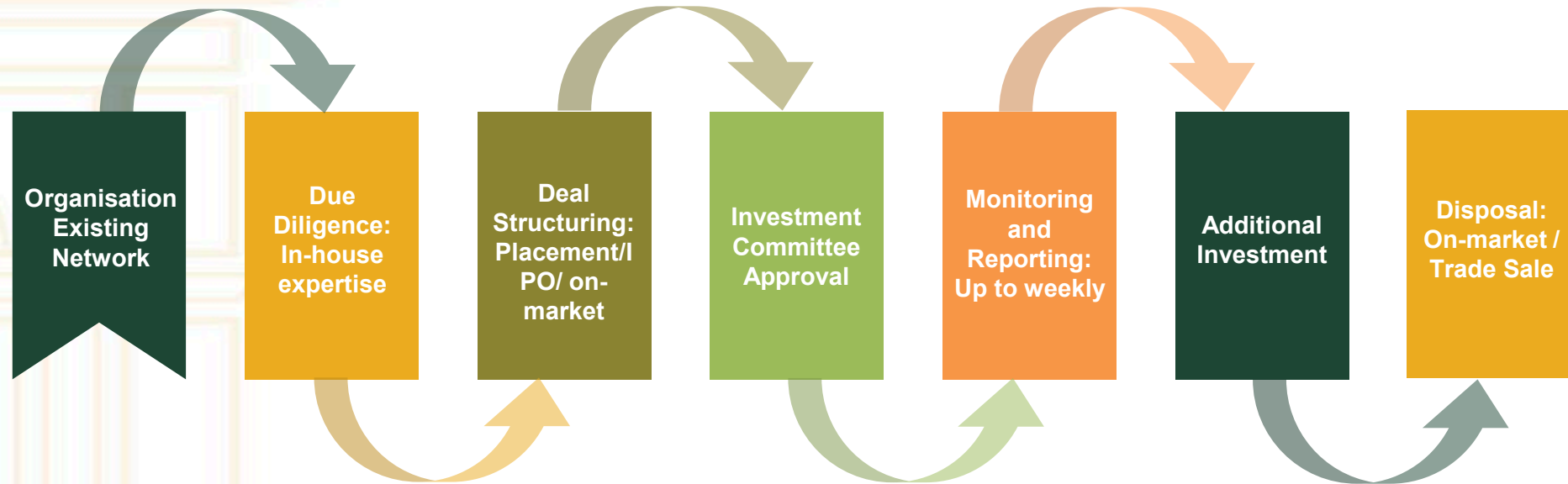
- Market sectors
- Commodities

3

- Resource categories
- Individual stocks

## Criteria

- ✓ Management
- ✓ Geographic location
- ✓ Geological setting
- ✓ Resource/ Reserve magnitude
- ✓ Grade, metallurgy
- ✓ Stage
- ✓ Infrastructure and market
- ✓ Indicative economics
- ✓ Valuation
- ✓ Timing

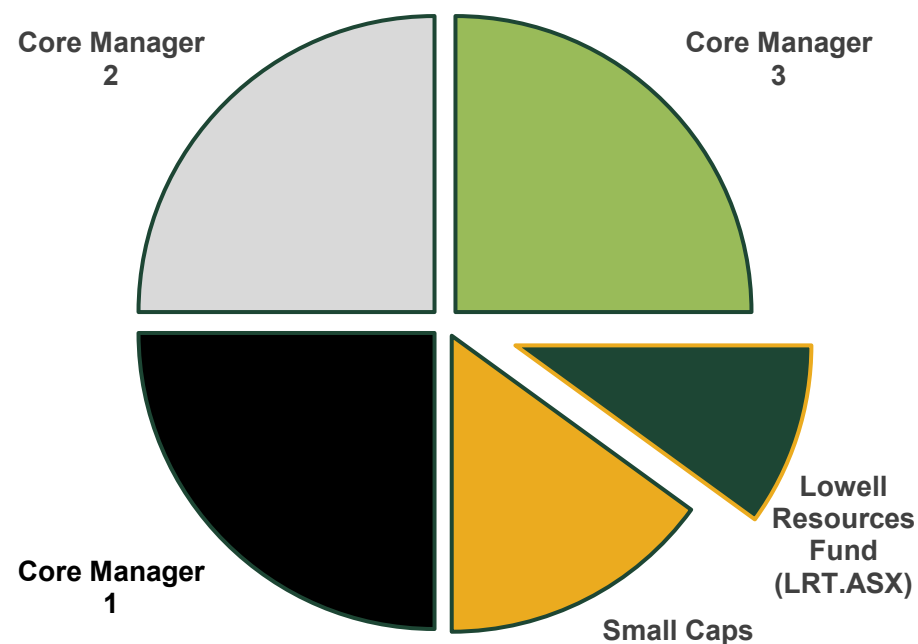


LRFM prefers to keep holdings to < 5% of any company

- Allows a range of exit alternatives in relatively illiquid stocks
- In a boutique fund, these positions can still 'move the needle' for performance



## Portfolio



- There is a compelling case for Lowell Resources Fund to be in an equities portfolio (Australian or Global), as one of the small cap manager allocations
- Lowell is an uncorrelated investment manager with superior stock selection
- Investing primarily in Australian companies that provide exposure to global growth



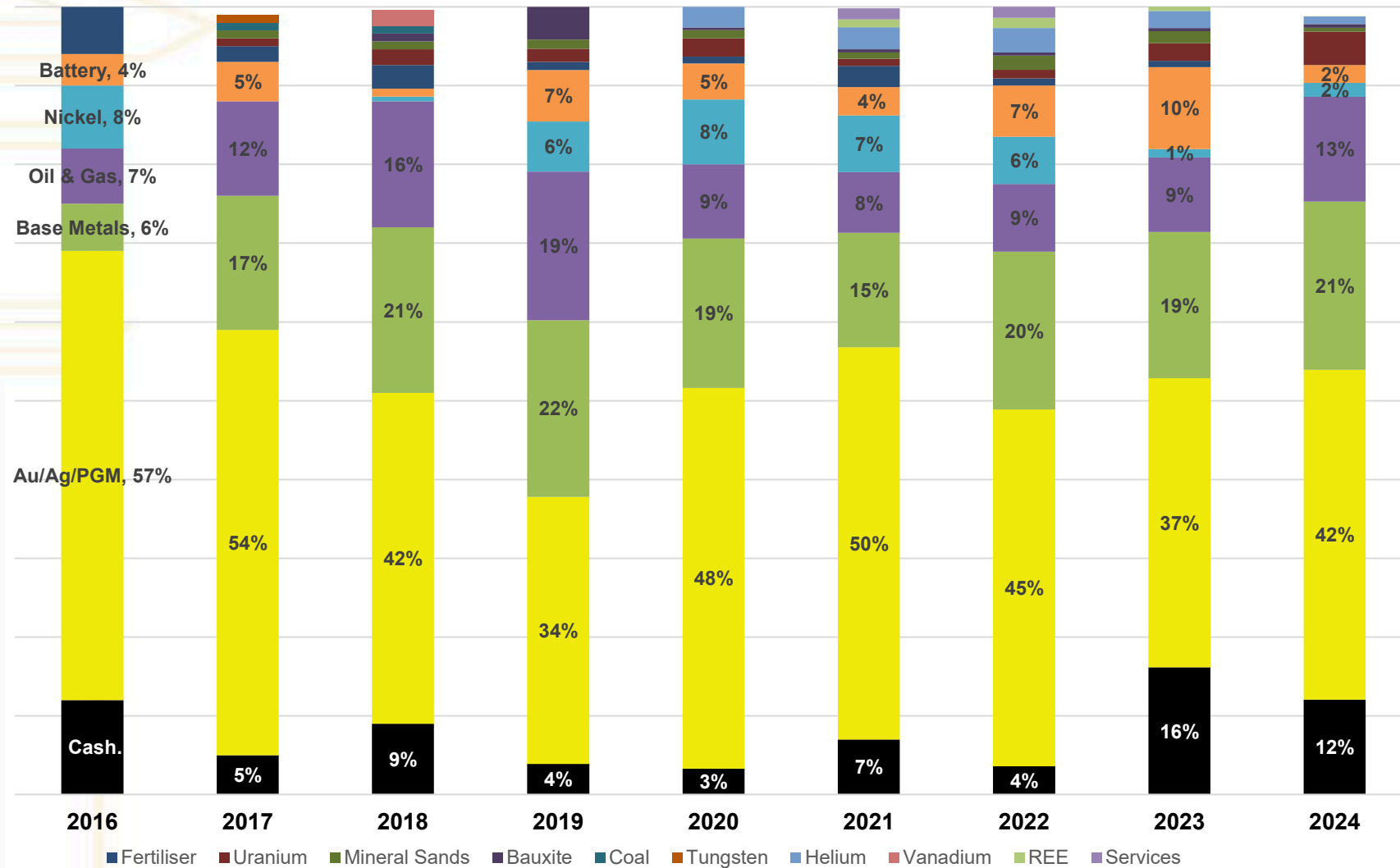
# Appendix 3



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## Portfolio Analysis

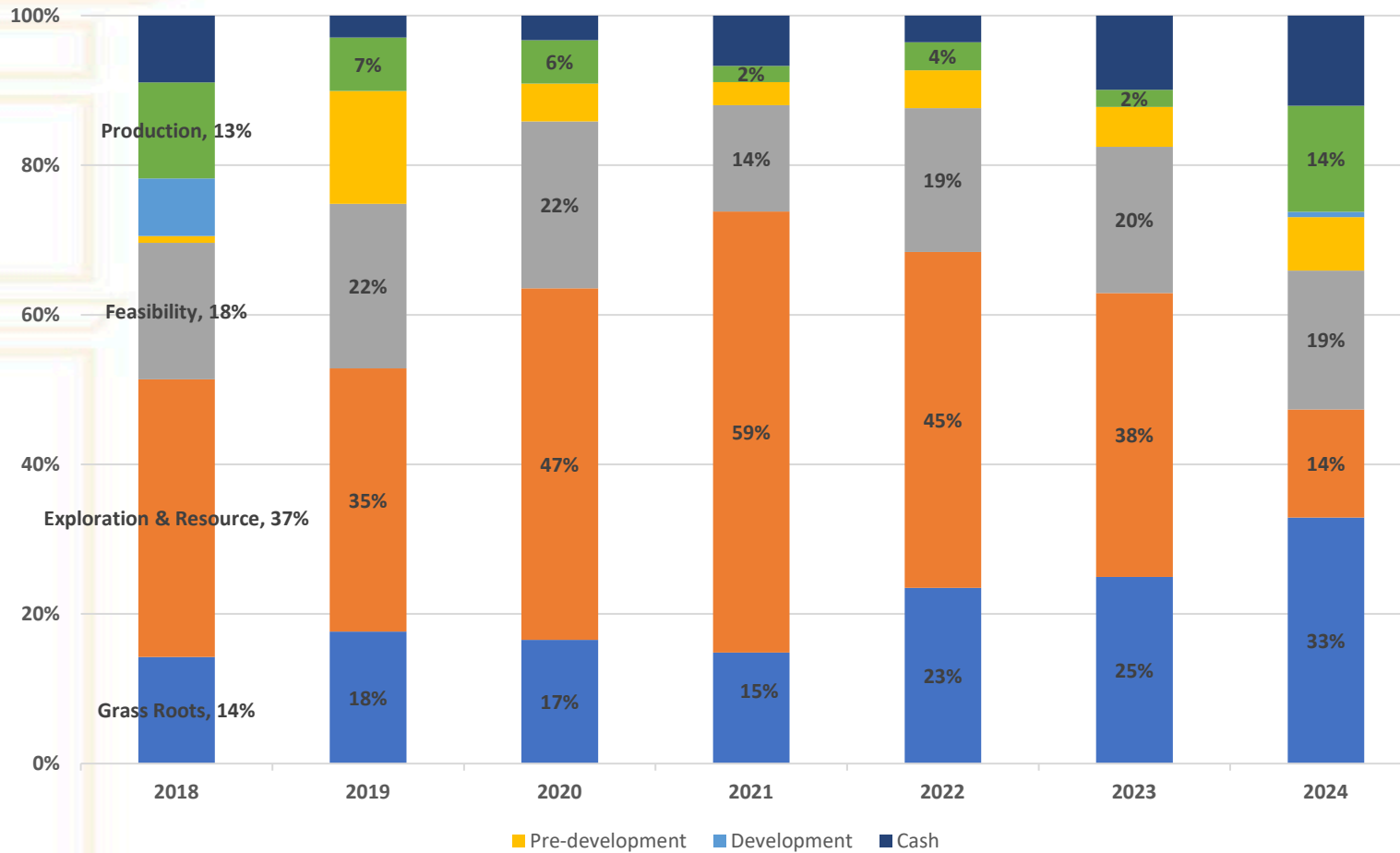
# LRT Commodity Allocation over Time



# LRT Project Stage Allocation



Portfolio by Project Stage



# LRT Top 20 Holdings



LRT Holdings by Value  
31 August 2024

