



LOWELL RESOURCES FUNDS MANAGEMENT



MONTHLY UPDATE

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

December 2024

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

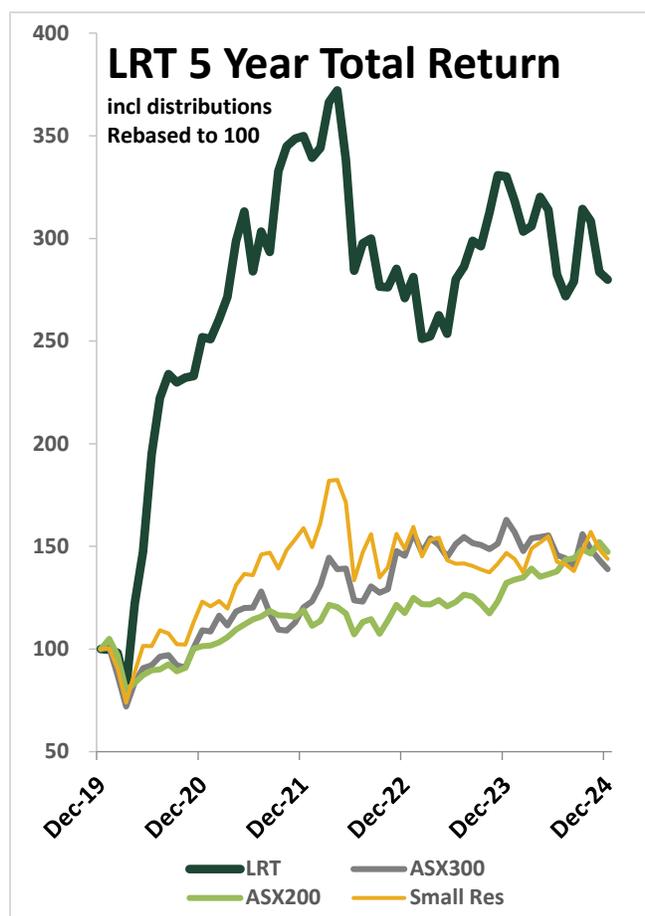
The Lowell Resources Fund's estimated net asset value ('NAV') at the end of December 2024 was approximately AUD\$53.0m, compared to AUD\$53.7m at the end of November 2024.

The NAV per unit finished the month of December at \$1.2807 vs \$1.2980 at 30th November 2024, a decrease of 1.3% over the month.

The last traded unit price of the ASX listed LRT units at month end was \$1.10/unit.

FUND SNAPSHOT 31 December 2024

NAV per unit	\$1.2807
No. of Units on issue	41,380,630
Market Price (ASX)	\$1.10/ unit
Estimated NAV	AUD \$53.0m
FY 24 Distribution paid	15.2 cents per unit
Market Capitalisation	AUD \$45.5m
Responsible Entity	Cremorne Capital Limited
Fund Manager	Lowell Resources Funds Management Ltd



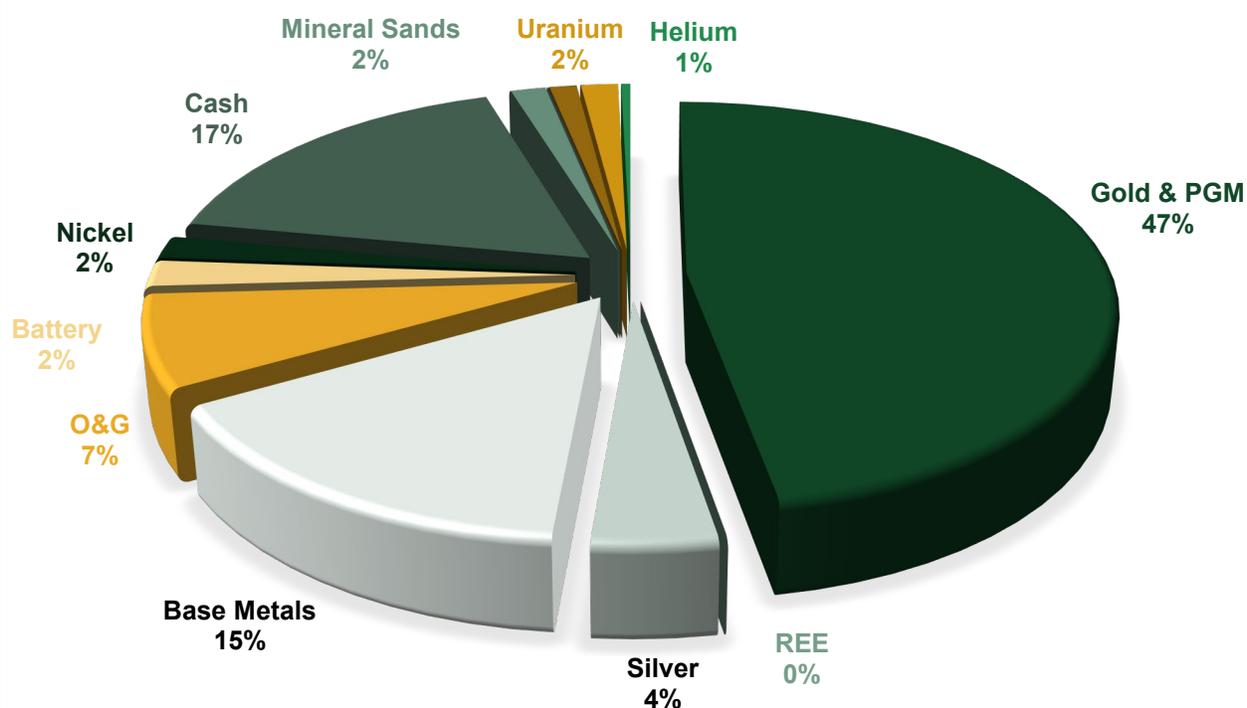
Lowell Resources Fund. (ASX: LRT)

Fund Investment Actions – December 2024

Precious metals exposure was modified when the Fund accepted a scrip takeover offer for its holding in Mako Gold by fellow Cote d'Ivoire gold explorer Aurum Resources. Aurum subsequently reported a maiden 1.6Moz gold resource at its Boundiali Project. Holdings in ASX listed gold companies Saturn Metals, Sipa Resources and Hamelin Gold were increased, as was the holding in Unity Energy & Resources (unlisted).

In base metals, the Fund exited its position in Strategic Energy Resources, and took a position in unlisted WA bauxite developer VBX Pty Ltd. The Fund acquired more stock in Mongolian nickel-copper explorer Asian Battery Minerals, and in WA manganese company Black Canyon Resources.

LRF COMMODITY EXPOSURE 31 DECEMBER 2024



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Fund Top Holdings

Ramelius Resources (Market Cap \$2,391m RMS.ASX) announced the results of the PFS on the Rebecca-Roe gold project in WA, based on a mine plan of 25Mt at 1.4 g/t Au for 1.1 Moz. Capex is estimated at A\$190m for a 3Mtpa processing plant, giving an NPV(5%) of A\$610m after tax at A\$4,000/oz gold price.

Astral Resources (Market Cap AUD\$168m AAR.ASX) announced it had acquired a 19.9% shareholding in neighbouring gold explorer Maximus Resources, and submitted a non-binding offer to acquire the remaining shares in Maximus. Maximus owns the 335,000oz at 1.5g/t Au Spargoville gold project immediately west of Astral's Mandilla gold project. Astral's total resource is 1.46 Moz.

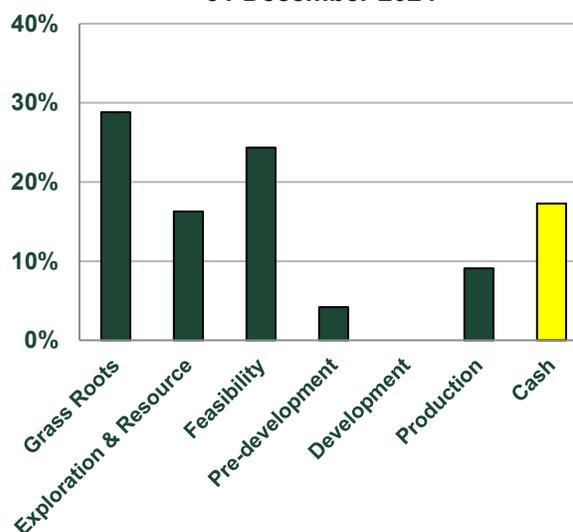
Predictive Discovery (Market Cap AUD\$541m FVL.TSXV) announced resource drill-out intersections of 6m at 20g/t and 13m at 3.3 g.t Au from the Argo area, a regional prospect at its 5.4 Moz Bankan gold project in Guinea, west Africa.

Hannan Metals (Market Cap CAD\$m HAN.TSXV) announced definition of large scale IP geophysical anomalies at the Vista Alegre epithermal prospect and at the Ricardo Herrera porphyry, in Valiente, Peru. The chargeability anomaly at Ricardo Herrera correlates with a "bulls eye" Cu-Au-Zn-Pb soil anomaly. 14 drill platforms have been recently approved at Ricardo Herrera.

Fund Top Performer

Sanu Gold Corp (Market Cap CAD\$48m SANU.CSE) share price rose 258% over the month of December. The company announced strategic investments from Montage Gold Corp (19.9% shareholding in Sanu) and the Lundin Family (10% shareholding). AngloGold Ashanti plc has maintained its 10% shareholding. AngloGold operates the Siguiri gold mine, around 20km SW of Sanu's Diguifara gold permit in Guinea, west Africa. Sanu commenced the first ever drilling program at Diguifara in Q4 2024.

LRF Portfolio Value by Project Stage
31 December 2024



Company	Commodity	% of Gross Investments
Cash	Cash	17.3%
Ramelius Resources	Gold	6.3%
Astral Resources	Gold	5.8%
Sanu Gold	Gold	4.1%
Predictive Discovery	Gold	3.5%
Freegold Ventures	Gold	2.9%
Saturn Metals	Gold	2.8%
Hannan Metals	Copper - Gold	2.7%
Southern Palladium	PGM	2.6%
Unity Energy & Resources	Gold	2.5%
Mithril Silver & Gold	Au & Ag	2.5%

Lowell Resources Fund. (ASX: LRT)

Performance Comparison – December 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 22.9%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 December 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	-13.4%	-2.0%	-14.8%	11.4%
2 years p.a.	2.8% pa	-1.6% pa	-2.3% pa	11.9% pa
5 years p.a.	22.9% pa	7.6% pa	6.8% pa	8.1% pa
10 years p.a.	13.3% pa	9.6% pa	9.2% pa	8.5% pa

The LRT ASX traded unit price at the end of December was \$1.10/unit, compared to \$1.09/unit at the end of November 2024.

Market Notes

Economics

- **US consumer prices** rose 0.3% on a monthly basis in November. Annually, it climbed 2.7% after increasing 2.6% in October. US PPI climbed 0.4%mom in November, picking up from 0.3% recorded the previous month.
- **China's** Politburo stated that Beijing 'must implement more proactive fiscal policies and moderately loose monetary policies.' Chinese Premier Li Qiang pledged Beijing will do everything possible to boost domestic consumption in an effort to support the country's economic growth. China house prices continued to drop, albeit at a reduced monthly pace, while real estate investment and property sales continued to decline at a double digit pace.
- The **European Central Bank** cut its key rate by 25 basis points to 3%, and the accompanying statement was dovish in tone. The Swiss National Bank opted for a larger-than-expected 50 basis point cut.
- **China's population** continues to shrink, with the number of deaths outstripping births, piling pressure on local governments to address an increasingly bleak demographic outlook. "China's population faces three major trends: ageing, low birth and low marriage rates," said economist Ren Zeping. "There are fewer children and more elderly people. The speed and scale of China's ageing is unprecedented."

Lowell Resources Fund. (ASX: LRT)

Metals

- The best performing major metal in 2024 was **gold**, which gained more than 27% in US dollar terms over the year, although the **manganese** price saw a nearly 50% gain.
- China's central bank expanded its **gold** reserves in November, ending a six-month pause in purchases after prices for the precious metal rose to a record. Bullion held by the People's Bank of China climbed by 160,000 fine troy ounces last month to 72.96 million fine troy ounces, according to official data released on Saturday. The PBOC had added to its stockpiles for 18 consecutive months up until April this year, helping to underpin the strength in bullion prices.
- China swiftly retaliated against the latest U.S. trade restrictions, tightening controls on the export of key raw materials to the U.S. and cautioning Chinese companies against buying American chips. The tit-for-tat sanctions came a day after the U.S. Commerce Department said it would cut China's access to advanced memory chips critical to artificial-intelligence applications. They sent a message to Washington as Beijing prepares for further trade conflicts in the second Trump administration. China's Ministry of Commerce said it would in principle ban the export of **gallium**, **germanium**, **antimony** and certain other extremely hard materials to the U.S.
- Australia will grant an additional A\$400 million loan to Iluka Resources ILU.AX to develop its **rare earths** refinery in Western Australia, which will also see the critical minerals miner shell out more money than committed. Iluka said the federal government is granting the additional loan on top of the A\$1.25 billion loan offered in 2022. The miner will have to cough up an extra A\$214 million in cash equity on top of the A\$200 million cash equity and stockpile already earmarked for the project. Eneabba, set to be Australia's first fully integrated rare earths refinery, is estimated to cost between A\$1.7 billion (\$1.09 billion) and A\$1.8 billion. After the announcement, shares in Iluka fell as much as 15%.
- **Mali's military junta** said it wants to arrest Barrick Gold's CEO Mark Bristow and the Loulo-Gounkoto gold mine's general manager for money laundering. Four other Barrick employees were detained and charged in November.
- Bloomberg reported that Indonesia is considering deep cuts to **nickel** mining quotas as it seeks to boost slumping prices of the battery metal, according to people familiar with the matter. The Energy and Mineral Resources Ministry is looking at lowering the amount of nickel ore allowed to be mined next year to 150 million tons, according to the report. That would be a sharp drop from 272 million tons this year.
- Norilsk Nickel expects that in 2024-2025 the **nickel** market will maintain a surplus of 150,000 tons of metal, which will be in the high-grade nickel segment. Exchange inventories of the metal have grown by more than 100,000 tons since the beginning of this year.
- Stellantis and Chinese battery maker CATL said yesterday that they plan to invest up to 4.1 billion euros (\$4.33 billion) to build a plant in Spain to develop low-cost **EV batteries**.
- Patriot Battery Metals announced Volkswagen will be taking a 9.9% stake in the company for C\$69m. The investment is the carmaker's first foray in the mining industry. It includes an agreement that will supply Volkswagen with 100,000t of **lithium** material over 10 years, representing 25% of PMET's first phase of production.

Lowell Resources Fund. (ASX: LRT)

- Global **copper** smelting increased in November from October due to higher activity of plants integrated into a mining operation outside the world's top copper refiner China, data from satellite surveillance showed on Wednesday. Earth-i, which specialises in observational data, tracks smelters representing up to 95% of global production for its SAVANT service. In November, an average of 13.4% of global copper smelter capacity monitored was inactive, down from 16.1% in October, the company said, adding that November's reading was the lowest since February.
- CM Group showed the Guinea **bauxite** price (at 45% Al₂O₃ and 3% SiO₂) jumped to US\$120/t. The Australian price continues to play catch-up and has jumped US\$7/t to US\$95/t. Remarkably, bauxite is now trading well above iron ore.
- **Iron ore** saw record supply out of Australia's Port Hedland in November. Australian exports are due to overtake last year's record iron ore output.
- De Beers Group has stockpiled its biggest inventory of **diamonds** since the 2008 financial crisis. A slump in Chinese demand, intensifying competition from lab-grown alternatives and the legacy of pandemic lockdowns, when the number of marriages fell, has left the world's biggest diamond producer by revenue with inventory worth about US\$2bn. The diamond market's struggles come as De Beers is set to be spun off into a separate company by its owner, Anglo American.

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Energy

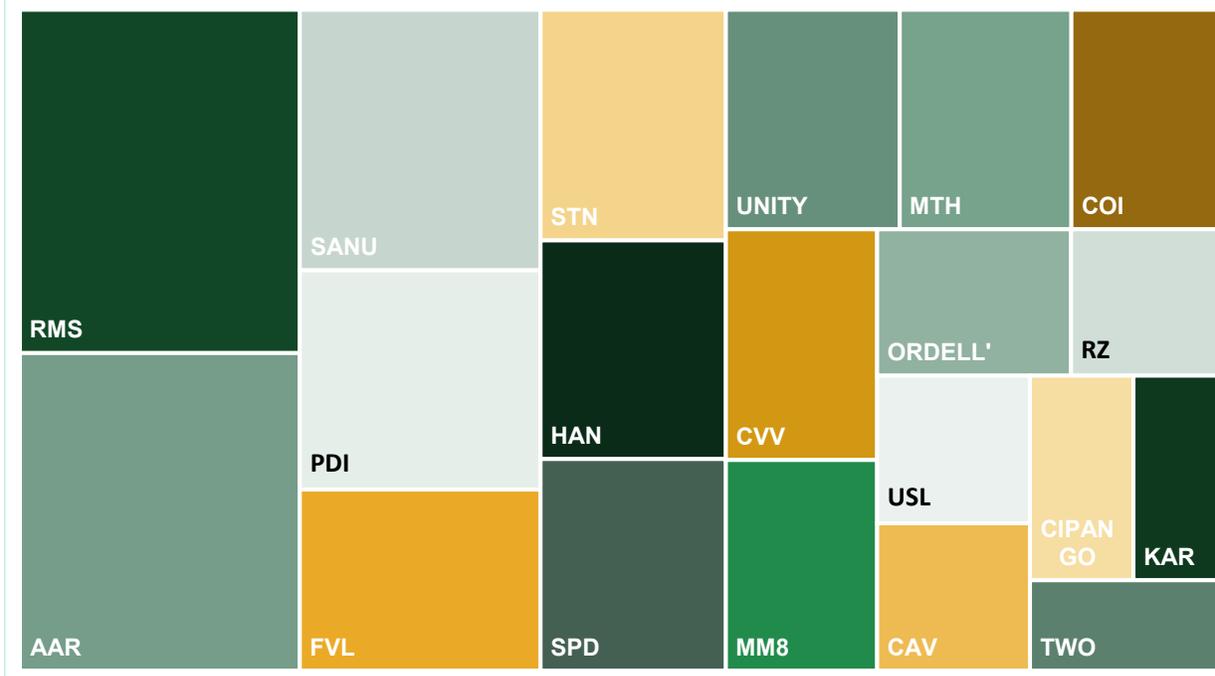
- The Australian opposition leader Peter Dutton unveiled a A\$311Bn plan to introduce **nuclear power** into the country's energy mix. The scheme proposes the construction of seven nuclear power plants by 2050, with the first planned to start operations by 2036
- The Australian federal government's science agency dismissed criticism of its findings that building a **nuclear energy** industry would be too expensive and slow, in a new report that challenged Peter Dutton's signature energy policy. The CSIRO's draft GenCost report for 2024-25, compiled with the Australian Energy Market Operator, found solar and wind power backed up by firming and transmission remains the lowest-cost form of new generation. The first large nuclear reactor could not produce electricity in Australia until 2040 at the earliest and at a cost per unit of generation of between \$145 and \$238, well above firmed renewables, the report found.
- Kazatomprom will get new joint-venture partners at some of its domestic **uranium** operations as Russia divests stakes to Chinese companies. The world's largest uranium producer said that a subsidiary of China's State Nuclear Power Technology Corp had sold a 49% stake in a uranium mining JV with Kazatomprom.
- Reuters reported that global exports and use of **thermal coal** will reach all-time highs in 2024, despite the record roll-out of renewable energy generation capacity. China mined a record amount of coal in November, surpassing the previous peak set in early 2023, according to Bloomberg.
- OPEC cut **oil demand** growth forecasts for 2024 and 2025 for a fifth straight month, making its deepest reduction to the 2024 outlook after agreeing to extend its supply curbs. The Organization of Petroleum Exporting Countries chopped projections for consumption growth in 2024 by 210,000 barrels a day to 1.6 million barrels a day, according to its monthly report. The cartel has slashed projections by 27% since July as it belatedly recognizes the deteriorating market picture. Last week, the OPEC+ alliance led by Saudi Arabia and Russia agreed for a third time to delay plans to restart halted crude production, while also slowing the pace of increases once they do begin next year.
- Ukraine received its first shipment of **LNG** from the US, as the country joined European efforts to fully wean themselves off Russian fossil fuels in preparation for Donald Trump's return to the White House. Europe sources about 40% of its LNG imports from the US, but none had ever been directly purchased by Ukraine before. The shipment came days before the expiry of a five-year deal allowing the transit of Russian pipeline gas through Ukraine. The pipeline through Ukraine accounted for about 5% of the EU's gas imports, prior to the 31 December deadline, even as the bloc has shifted to more LNG imports following Russia's full-scale invasion in 2022. Trump has threatened to impose tariffs on European countries unless they buy more US oil and gas. The Kremlin-controlled Gazprom slumped to a US\$7bn loss, the largest since 1999, primarily due to the loss of European markets for its gas.

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 December 2024**



Lowell Resources Fund. (ASX: LRT)

Characteristics of the Fund

Number of Investments: 77

Unlisted Investments by value: 9.1%

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