



November 2020

Lowell Resources Fund Monthly Update

November 2020 Performance Summary: Lowell Resources Fund (ASX: LRT)

The Fund's NAV per unit increased modestly to \$1.422 at 30th November 2020 (\$1.417 as at 31 October 2020), representing a 0.3% increase in NAV over the month. The unit price of the ASX listed LRT units at month end was \$1.15/unit, representing a 19% discount to underlying NAV.

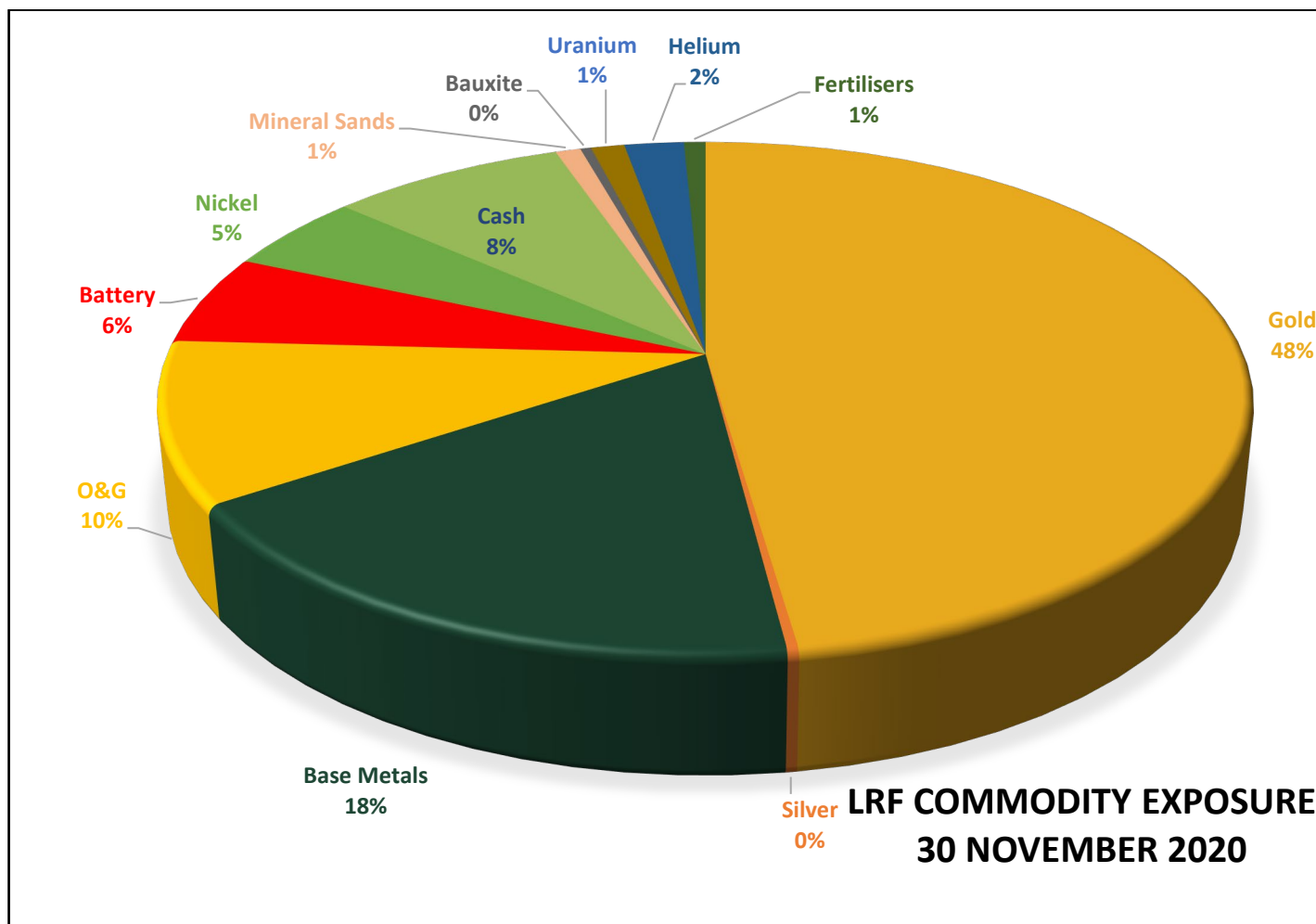
The Fund's NAV at the end of the month was approximately \$39.9 million.

Fund Overview

Investment Manager	Lowell Resources Funds
	Management Limited
Managed since	6 February 2004
ASX code	LRT
Income distribution	Annual

Fund Snapshot 30 November 2020

NAV per unit	\$1.422
No. of units on issue (including 30 June 2020 DRP)	28,028,458
Market price (ASX)	\$1.15/unit
Net Asset Value	\$39.9m





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Fund Investment Actions – November

During November, LRFM sold the Fund's position in Woodside Petroleum at a profit. The shareholding was non-core and acquired in lieu of low-yielding cash term deposits. The Fund added incrementally to its uranium leverage through a placement in Marenica Energy.

In gold, the Fund took advantage of market weakness to add to its core holding in Musgrave Minerals, and topped up its position in unlisted South American explorer Proximo Resources.

The Fund capitalised on the strength in base metal and battery minerals equities, taking profits in Antipa Minerals and Kopore Metals. The Fund added to its holdings in Australian base and precious metal players Caravel Minerals, Carawine Resources and Pacifico Minerals.

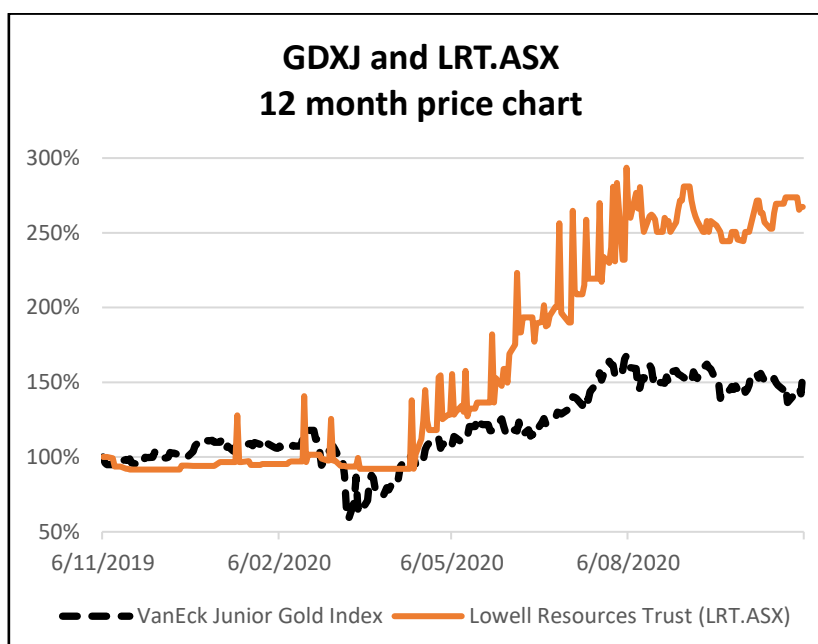
The cash position of the Fund increased from around 7% to over 8%. The asset allocation at the end of the month is illustrated in the pie chart below.

Performance Comparison

In the 12 months to 30th November 2020, the Lowell Resources Fund again significantly outperformed the benchmark, by over 100%. The S&P/ASX Small Resources Index (XSRD) return of 8.7% pa compared to the Fund's 139% 12-month change in underlying net asset value per unit (inclusive of distributions and after fees and expenses). The Fund has also outperformed all of the XSRD, the ASX Resources 300 Index, and the ASX 200 Index over 5 and ten years.

Total Portfolio Performance to 30 November 2020	LRT Change in NAV per unit inc distributions	S&P/ASX Small Resources Index (XSRD.ASX)	ASX Resources 300 Index	ASX 200 Index
12 months	+139.1%	+8.7%	+2.4%	-2.0%
5 years p.a.	+25.9% pa	+15.7% pa	+18.0% pa	+9.1% pa
10 years p.a.	+11.7% pa	-8.5% pa	+1.4% pa	+8.1% pa

The LRT.ASX traded unit price at the end of November was \$1.15/unit, compared to \$1.31/unit at the end of October.





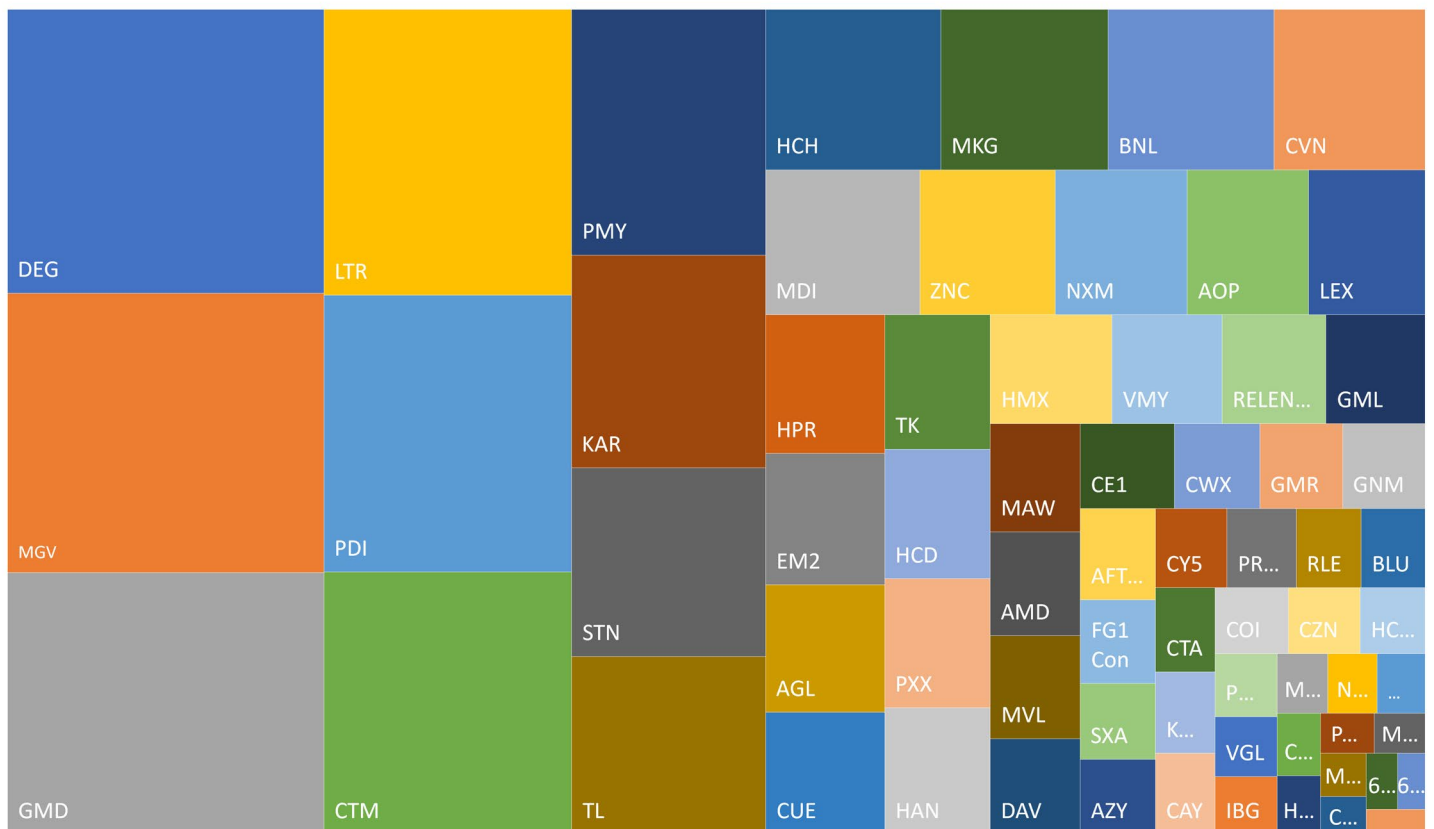
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Market Summary

- USD gold fell over 5% during the month, followed by gold equities. The VanEck Vectors gold miners ETF GDX fell 7.5% in November.
- The gold market is usually inversely correlated to the US dollar and real US interest rates. However, both fell during November. This anomaly appeared to be reversing post month end.
- By contrast, oil, copper and other base metals performed strongly in November.
- Brent crude oil price was up 27% over the month, and the junior oil index ZJO jumped over 30%, spurred by hopes of economic recovery due to covid vaccines, as well as reports that Chinese oil imports returned to record levels.
- Copper rose 12.5%, nickel 7% and zinc over 10% during November. Copper scarcity is reflected in the demand for concentrates after China banned Australian copper concentrate imports, and Chilean supply was further disrupted by industrial relations disputes. In the zinc market, Morgan Stanley forecasts a 4.5-5% fall in mine supply this year, mainly due to reduction in supply out of Peru and strong demand for galvanized products in China.
- Battery mineral equities such as lithium developers and producers performed well in November, driven by expectations of substantial demand growth flowing from jumps in electric vehicle sales in Europe.

LRF Portfolio by Value 30 Nov 2020





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Fund Top Holdings

De Grey Mining (DEG.ASX) announced further high-grade extensions at the Aquila, Crow and Falcon zones at its Hemi gold project in the Pilbara, including 17m at 12.9g/t and 31m at 3.3g/t Au.

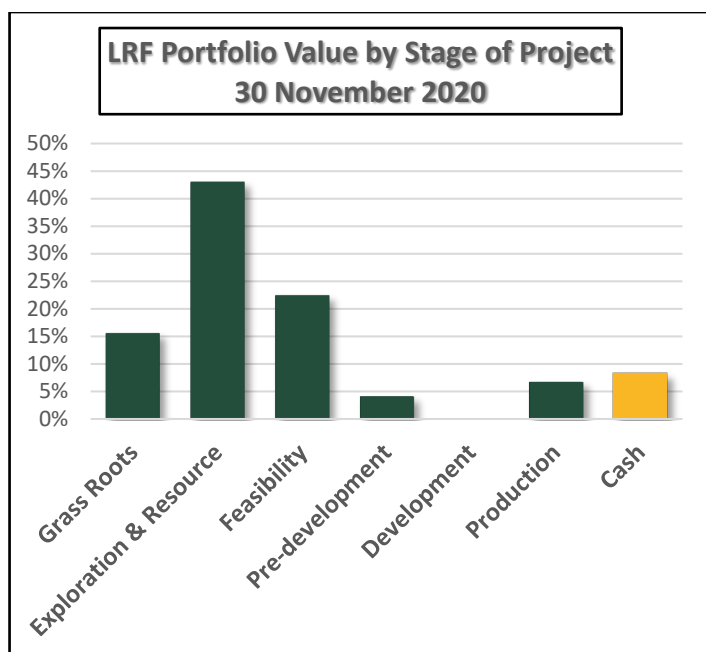
Musgrave Minerals (MGV.ASX) released the initial mineral resource estimate for the Starlight and White Light lodes at Cue of 161,000 oz at 13.9g/t Au, describing it as “one of the highest grade, undeveloped, near-surface, gold resources in Australia”. Regional drilling discovered a new zone (“White Heat”) south of Starlight. Initial drilling at White Heat has returned 6m at 11.6g/t and 6m at 8.3 g/t Au.

Genesis Minerals’ (GMD.ASX) continued drilling on its recently acquired Kookynie tenements in WA. Abundant near surface gold mineralisation over 1.2km strike has been intersected both within and outside the current mineral resource at Orient Well.

The share price of **Liontown Resources (LTR.ASX)** benefited from renewed interest in the battery sector due to better than expected electric vehicle sales growth in Europe. LTR’s Kathleen Valley lithium spodumene project is rated a “Tier 1” lithium resource with attractive economics.

Predictive Discovery (PDI.ASX) announced that a 10,000m RC and DDH drilling program would commence in December at its Bankan Gold discovery in Guinea. Gold in West Africa continues to be a hotspot of M&A activity as a third bidder emerged in the takeover battle for Cardinal Resources, and Teranga Gold and Endeavour Mining announced a merger.

Centaurus Metals (CTM.ASX) drilling at its Jaguar nickel sulphide project in Brazil returned more thick open-pittable intersections at the Central zone including 47m at 1.37% Ni. The Central zone has the potential to boost early project cashflows with low strip ratio, high grade mineralisation.



Company	Commodity	% of Gross Investments
Cash	Cash	8.2%
De Grey Mining	Gold	7.0%
Musgrave Minerals	Gold	6.9%
Genesis Minerals	Gold	6.5%
Liontown Resources	Lithium	5.5%
Predictive Discovery	Gold	5.3%
Centaurus Metals	Nickel	5.1%
Pacifico Minerals	Lead-Silver	3.7%
Karoon Energy	Oil & Gas	3.2%
Saturn Metals	Gold	2.9%



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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 17-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.

Characteristics of the Fund

Number of investments: 70

Average Market Capitalisation of Investee companies: AUD\$80 million

Weighted Average Market Capitalisation of Investee companies in portfolio: AUD\$212 million

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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