



Lowell Resources Fund

ARSN 093 363 896

*Financial Statement for the Year
Ended 30 June 2016*

*THIS ANNEXURE A OF 22 PAGES
REFERRED TO IN FORM 388
COPY OF FINANCIAL STATEMENTS AND REPORTS*

*DON CARROLL
DIRECTOR*

DATE: 27 SEPTEMBER 2016

FINANCIAL STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Page Number
Directors' Report	2
Auditor's Independence Declaration	4
Auditor's Report	5
Directors' Declaration	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Net Assets Attributable to Unitholders	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

DIRECTORS' REPORT

The directors of Cremorne Capital Limited ('the Responsible Entity') submit herewith the financial report for the Lowell Resources Fund for the year ended 30 June 2016.

In order to comply with the provisions of the Corporations Act 2001, the directors' report as follows:

Directors

The names of the directors of the Responsible Entity during or since the end of the year are:

- Mr M.A. Ramsden
- Mr D.A. Carroll
- Mr O.R. Carton

Directors were in office for this entire period unless otherwise stated.

Principal Activities

The Fund is a registered managed investment scheme domiciled in Australia.

The principal activity of the Fund is to invest funds in accordance with the investment objectives and guidelines communicated to unitholders and in accordance with the provisions of the Constitution.

The Fund has investments in listed and non listed equity investments, cash and cash equivalents. There has been no significant change in the activities of the Fund during the period.

Changes in State of Affairs

During the year there was no significant change in the state of affairs of the Fund other than that referred to in the Financial Statements or notes thereto.

Review of Operations

Results

The financial results of the operations of the Fund are disclosed in the statement of comprehensive income. The net accounting profit for the Fund for the year ended 30 June 2016 was \$3,453,792. This compares to a net loss of \$1,460,922 for the year ended 30 June 2015.

Distributions

In respect of the year ended 30 June 2016 there was no distribution (2015: \$448,440)

Management costs

The Fund's history of management costs (ICR) is as follows:

Indirect Cost Ratio

Fund	2014	2015	2016
Lowell Resources Fund	2.1%	2.1%	1.8%

Subsequent Events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Fund, the results of the Fund, or the state of affairs of the Fund in future financial years.

Scheme Information in the Directors' Report

The number of units in the Fund held by the Responsible Entity or its associates as at the end of the financial year is disclosed in Note 8 to the financial statements.

The number of applications in the Fund issued during the year, withdrawals from the Fund during the year and the number of units in the Fund at the end of the year is disclosed in Note 5 to the financial statements.

The value of the Fund's assets as at the end of the financial year are disclosed in the Statement of Financial Position as Total Assets and the basis of valuation is included in Note 1 to the financial statements.

Options Granted

No options were:

- (i) Granted over unissued units in the Fund during or since the end of the year; or
- (ii) Granted to the Responsible Entity.

No unissued units in the Fund were under option as at the date on which this Report was made.

No units were issued in the Fund during or since the end of the year as a result of the exercise of an option over unissued units in the Fund.

Indemnification

Under the Schemes constitution the responsible entity including its officers and employees is indemnified out of the Scheme's assets for any loss, damage, expenses or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the scheme.

The scheme has not indemnified any auditor of the scheme.

Insurance Premiums

No insurance premiums are paid out of the Scheme's assets in relation to insurance cover for the Responsible Entity, its officers and employees, the Compliance Committee or the auditors of the Scheme.

Independence Declaration by Auditor

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to s.298 (2) of the *Corporations Act 2001*.

On behalf of the Directors


Don Carroll
Director

MELBOURNE

Dated: 27 September 2016

**Auditor's Independence Declaration
Lowell Resources Fund**

As auditor for the audit of Lowell Resources Fund for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Nexia

Nexia Melbourne Audit Pty Ltd
Melbourne



Geoff S. Parker
Director

Dated this 27 day of September 2016

Independent Auditor's Report

To the unitholders of Lowell Resources Fund

Report on the Financial Report

We have audited the accompanying financial report of Lowell Resources Fund, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Fund are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Lowell Resources Fund, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Lowell Resources Fund is in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note , and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Nexia

Nexia Melbourne Audit Pty Ltd
Melbourne


Geoff S. Parker
Director

Dated this 27 day of September 2016

DIRECTORS' DECLARATION

The financial statements and notes thereto of the Lowell Resources Fund for the financial year ended 30 June 2016 as set out on pages 7 - 23 have been prepared by Cremorne Capital Limited ('the Responsible Entity') in accordance with the Corporations Act 2001.

The directors of the Responsible Entity declare that:

- a) In the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund.

Signed in accordance with a resolution of the Directors of the Responsible Entity made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



Don Carroll
Director

MELBOURNE

Dated: 27 September 2016

**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

For the Financial Year ended 30 June 2016

	Note	Year Ended 30 June 2016 \$	Year Ended 30 June 2015 \$
INCOME			
Interest Revenue		70,118	128,744
Dividends Revenue		5,048	6,600
Changes in fair value of investments through profit or loss		3,931,016	(1,191,415)
Net Investment Income/(Loss)	6	4,006,182	(1,056,071)
EXPENSES			
Management Fee		269,446	302,695
Custodian's Fee		60,212	61,455
Administration expenses		31,496	24,551
Auditor's Remuneration	7	16,450	16,150
Performance Fee		174,786	-
Total Expenses		552,390	404,851
Profit (Loss) from operating activities		3,453,792	(1,460,922)
Changes in Net Assets Attributable To Unitholders		3,453,792	(1,460,922)
Net Income/(Loss) Attributable To Unitholders		3,453,792	(1,460,922)
Other Comprehensive Income		-	-
Total Comprehensive Income		3,453,792	(1,460,922)
Distribution to Unitholders		-	448,440

The above statement of comprehensive income should be read in accordance with the notes to the financial statements, which are included on pages 11 to 23.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Note	30 Jun 2016 \$	30 Jun 2015 \$
ASSETS			
Cash and cash equivalents	9	1,958,426	5,540,816
Receivables	2	12,726	12,607
Financial Assets	1,3	14,698,131	8,059,786
Total Assets		16,669,283	13,613,209
LIABILITIES			
Accounts Payable	4	245,226	622,441
Total Liabilities (excluding net assets attributable to unitholders)		245,226	622,441
Net assets attributable to unitholders (liability)	5	16,424,057	12,990,768

The above statement of financial position should be read in accordance with the notes to the financial statements which are included on pages 11 to 23.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO UNITHOLDERS

For the Year ended 30 June 2016

	Net Assets Attributable to Unitholders
At 30 June 2014	15,366,380
Net profit/(loss) attributable to unitholders	(1,460,922)
Distribution to unitholders	(448,440)
Applications for units	-
Redemption of units	(466,250)
At 30 June 2015	12,990,768
Net profit/(loss) attributable to unitholders	3,453,792
Distribution to unitholders	-
Distribution reinvested from unitholders	218,285
Applications for units	-
Redemption of units	(238,788)
At 30 June 2016	16,424,057

The above statement should be read in accordance with the notes to the financial statements which are included on pages 11 to 23.

STATEMENT OF CASH FLOWS

For the Financial Year ended 30 June 2016

	Note	Year Ended 30 June 2016 \$ Inflows (Outflows)	Year Ended 30 June 2015 \$ Inflows (Outflows)
Cash flows from Operating Activities			
Distributions and dividends received		5,048	6,600
Interest received		72,283	129,554
Other income received		-	-
Payments for expenses		(490,909)	(387,691)
Net Cash used in operating activities	9(b)	(413,578)	(251,538)
Cash flows from Investing Activities			
Proceeds from sale of securities		1,882,548	7,063,263
Payment for securities		(4,582,418)	(4,135,263)
Net Cash used in/provided by investing activities		2,699,869	2,928,001
Cash flows from Financing Activities			
Payments for redemption of units		(20,504)	(466,250)
Payments for distribution		(448,440)	448,440
Receipts for application of units		-	-
Net cash used in financing activities		(468,944)	(17,810)
Net increase(decrease) in cash and cash equivalents held		(3,582,390)	2,658,653
Cash and cash equivalents at beginning of the year		5,540,816	2,882,163
Cash and cash equivalents at end of the year	9(a)	1,958,426	5,540,816

The above statement of cash flows should be read in accordance with the notes to the financial statements which are included on pages 11 to 23.

Lowell Resources Fund

Notes to and forming part of the Financial Statements
for the Financial Year Ended 30 June 2016

1 Summary of Significant Accounting Policies

Basis of preparation

This general purpose financial report for the financial year ended 30 June 2016 has been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and complies with other requirements of the law.

The functional currency is in Australian Dollars and the level of rounding is to the nearest dollar.

Statement of compliance

The financial statement complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS). The fund is a profit entity.

The financial statements were authorised for issue by the directors. The directors have the ability to amend the financial statements after issue.

In the application of A-IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented in these financial statements.

Adoption of new and revised accounting standards

- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.

Accounting standards issued but not yet effective

- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
The Standard makes amendments to AASB 101 *Presentation of Financial Statements* arising from the IASB's Disclosure Initiative project.
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
This Standard amends AASB 107 *Statement of Cash Flows* to include additional disclosures and reconciliation relating to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Lowell Resources Fund

Notes to and forming part of the Financial Statements
for the Financial Year Ended 30 June 2016

- AASB 9 Financial Instruments

AASB 9 includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting rules to remove the quantitative hedge effectiveness tests and have been replaced with a business model test.

AASB 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of AASB 139 as follows:

- a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.
- b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
 - i) The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
 - ii) The remaining change is presented in profit or loss.

AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were made to other standards as a result of AASB 9 by AASB 2014-7 and AASB 2014-8. The mandatory application date of AASB 9 has been deferred to annual reporting periods beginning on or after 1 January 2018 by AASB 2014-1.

- AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 *Revenue*, *AASB 111 Construction Contracts* and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. It applies to all contracts with customers except leases, financial instruments and insurance contracts. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that principle, an entity shall apply all of the following steps:

- a) identify the contract with a customer;
- b) identify the separate performance obligations in the contract;
- c) determine the transaction price;
- d) allocate the transaction price to the separate performance obligations in the contract; and
- e) recognise revenue when (or as) the entity satisfies a performance obligation.

Consequential amendments to other Standards are made by AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*. The mandatory application date of AASB 15 has been deferred to annual reporting periods beginning on or after 1 January 2018 by AASB 2015-8.

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Fund.

Lowell Resources Fund

Notes to and forming part of the Financial Statements
for the Financial Year Ended 30 June 2016

Significant Accounting Policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements and the policies are selected and applied in a manner, which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

a) Foreign currency transactions

All transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Australian dollars at the foreign currency closing exchange rate ruling at the balance sheet reporting date.

Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Australian dollars at the foreign currency closing exchange rates ruling at the dates that the values were determined.

Foreign currency exchange differences relating to investments at fair value through profit or loss and derivative financial instruments are included in gains and losses on investments and net gain/loss on derivatives, respectively. All other foreign currency exchange differences relating to monetary items, including cash and cash equivalents are presented separately in the income statement.

b) Financial Instruments

Purchases and Sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the fund commits to purchase or sell the asset.

Held for trading

Investments are measured initially at fair value (transaction price) plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through the profit and loss are expensed immediately, while on other assets they are amortised.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss is measured at fair value with changes in their fair value recognised in profit or loss.

The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices at the balance sheet date without any deduction for estimated future selling costs.

For investments with no active market such as unlisted equity securities, fair values are determined using discounted cash flow models or other appropriate valuation methodologies. These models use inputs that include growth forecasts, dividend ratios, capital expenditure and terminal values. Additionally where limited data exists for certain assets, prices are interpolated using historic and long-term pricing relationships.

Financial liabilities arising from the redeemable units issued by the Fund are carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets, effectively fair value at reporting date.

Lowell Resources Fund

Notes to and forming part of the Financial Statements
for the Financial Year Ended 30 June 2016

c) Cash and cash equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments readily convertible to known amounts of cash, subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or any other purposes

d) Investment income

Interest income is recognised in the income statement as it accrues, using the effective interest method of the instrument calculated at the acquisition date. Interest income includes amortisation of any discount, transaction costs or any other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Dividend income is recognised in the income statement on the ex-dividend date.

The Fund may receive or choose to receive dividends in the form of additional shares rather than cash. The Fund recognises the dividend income for the amount of the cash dividend alternative with the debit treated as an additional investment.

e) Expenses

All expenses, including management fees and custodian fees, are recognised in the income statement on an accruals basis.

Included in other expenses are registry fees, accounting, legal and audit fees paid by the Fund.

f) Distributions

In accordance with the Fund's constitution, the Fund fully distributes its distributable income to unit holders by way of cash or reinvestment into the Fund. Distributions to unit holders comprise the taxable income of the Scheme to which the unit holders are presently entitled.

g) Income tax

Under current income tax legislation the Fund is not liable to pay income tax as the net income of the Fund is assessable in the hands of the beneficiaries (the unit holders) who are 'presently entitled' to the income of the Fund. There is no income of the Fund to which the unit holders are not presently entitled and additionally, the Fund Constitution requires the distribution of the full amount of the net distributable income of the Fund to the unit holders each period.

As a result, deferred taxes have not been recognised in the financial statements in relation to differences between the carrying amounts of assets and liabilities and their respective tax bases, including taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that taxable gains are realised by the Fund, these gains would be included in the taxable income that is assessable in the hands of the unit holders as noted above.

Realised capital losses are not distributed to unit holders but are retained within the Fund to be offset against any realised capital gains. The benefit of any carried forward capital losses are also not recognised in the financial statements. If in any period realised capital gains exceed realised capital losses, including those carried forward from earlier periods and eligible for offset, the excess is included in taxable income that is assessable in the hands of unit holders in that period and is distributed to unit holders in accordance with the requirements of the Fund Constitution.

Lowell Resources Fund

Notes to and forming part of the Financial Statements
for the Financial Year Ended 30 June 2016

h) Application and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

The application and redemption prices are determined as the net assets attributable to unit holders of the Fund adjusted for the estimated transaction costs, divided by the number of units on issue on the date of the application or redemption.

i) Redeemable units

All redeemable units issued by the Fund provide investors with the right to require redemption for cash and give rise to a financial liability. In accordance with the Constitution, the Fund is contractually obliged to redeem units at redemption price, which includes an allowance for transaction costs incurred by the Fund on disposal of its assets required to fund the redemptions.

j) Unit Prices

The unit price is based on unit price accounting outlined in the Fund's constitution.

k) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), recoverable from the Australian Taxation Office (ATO) as a reduced input tax credit (RITC) except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from the Australian Taxation Office is included in receivables in the balance sheet.

l) Payables

Trade payables and other accounts payable are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods & services.

m) Receivables

Trade receivables and other receivables are recorded at amortised cost less impairment.

n) Performance incentive fees, changes to the deed & overpaid redemptions made

The Lowell Resources Fund, by way of proxy votes from unit holders, adopted changes to the constitution on 29 March, 2007 including the introduction of a performance incentive fee effective from 1 July 2006.

Lowell Resources Fund

Notes to and forming part of the Financial Statements
for the Financial Year Ended 30 June 2016

2 Receivables	30 June 2016	30 June 2015
	\$	\$
Interest receivable	915	3,079
Goods and services tax recoverable	11,813	2,069
Trade debtors on sale of investments to be settled	-	7,459
	12,727	12,607

The Fund has no significant concentration of credit risk with respect to any party other than those receivables specifically provided for and, if any provision is made, mentioned within Note 2. The main source of credit risk is considered to relate to sale of investments to be settled.

On a geographic basis, the Funds credit risk exposures are limited to Australia as all investments are settled within Australia.

All balances of receivables are within initial terms and are considered to be of high credit quality. The fund does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired. No collateral is held as security for any of the trade and other receivable balances.

3 Financial Assets Held for Trading

At fair value:

Equities investments in listed and unlisted shares	14,698,131	8,059,786
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4 Payables

Other unsecured payables and accrued expenses	23,303	22,318
Trade creditors on purchase of investments to be settled	-	125,926
Management Fees Payable	29,658	25,727
Distribution Payable	-	448,440
Accrued Performance Fee	192,265	
	245,226	622,441

Lowell Resources Fund

Notes to and forming part of the Financial Statements
for the Financial Year Ended 30 June 2016

5 Net assets attributable to unit holders

(a) Movements in net assets attributable to unit holders

	30 June 2016	30 June 2015
	\$	\$
At beginning of the year	12,990,768	15,366,380
Units issued during the year	-	-
Units redeemed during the year	(238,788)	(466,250)
Transfer of the net undistributed income from the statement of comprehensive income	3,453,792	(1,460,922)
Distribution reinvestment from unitholders	218,284	-
Distributions payable	-	(448,440)
Closing balance of net assets attributable to unit holders	16,424,056	12,990,768

(b) Movements in number of units

On issue at beginning of the year	2,421,498	2,503,999
Units reinvested	40,688	-
Units issued during the year	-	-
Units redeemed during the year	(48,014)	(82,501)
On issue at year end	2,414,172	2,421,498

6 Operating Segments

The operation of the fund is solely from Australia, the Fund has exposure to various resources' sectors as follows:

COUNTRY	INCOME		ASSETS	
	2016	2015	2016	2015
	\$	\$	\$	\$
Australia	4,006,182	(1,056,071)	13,970,266	7,296,887
Canada	-	-	727,865	762,899
	4,006,182	(1,056,071)	14,698,131	8,059,786

7 Auditor's Remuneration

Review and Audit of the financial report	16,450	16,150
Other non-audit services	-	-
	16,450	16,150

Lowell Resources Fund

Notes to and forming part of the Financial Statements
for the Financial Year Ended 30 June 2016

8 Related Party Disclosures

The Responsible Entity of Lowell Resources Fund is Cremorne Capital Limited (ACN 006 844 588).

Cremorne Capital Limited also acts as the manager of the Fund.
The Custodian of the Fund is Equity Trustees Limited.

Transactions with related parties have taken place at arms length and in the ordinary course of business.

Investment management fees of \$269,446 (2015: \$302,695) were paid to the Responsible Entity in accordance with the constitution at 2.1% per annum (2015: 2.1%) of the total cash and investment portfolio of the Fund assessed and payable on a monthly basis.

Custodian fees of \$36,000 (2015: \$36,000) were paid to the Responsible Entity in accordance with the constitution at a fixed rate of \$3,000 per month.

There were no expenses reimbursed to the Responsible Entity (2015: Nil) of costs incurred by the Responsible Entity on behalf of the Fund.

There was no performance fee paid in 2016 to Cremorne Capital Limited (2015: NIL).

Key Management Personnel

The names of the key management personnel of the Fund during the financial year were:

- Mr M.A. Ramsden (Director)
- Mr D.A. Carroll (Director)
- Mr O.R. Carton (Director)

The positions noted above for the Scheme's key management personnel are the positions held within the Responsible Entity and not the Scheme itself. The Responsible Entity continues to engage Lowell Resources Funds Management to make the day to day investment decisions for the fund.

Compensation of Key Management Personnel

No amount is paid by the Scheme directly to the Directors of the Responsible Entity. Consequently, no compensation as defined in AASB 124 "Related Party Disclosures" is paid by the Scheme to the Directors as Key Management Personnel.

Holdings of units by related parties

During or since the end of the financial period, there are no key management personnel and/or their related parties that hold units in the Fund, either directly, indirectly, or beneficially.

Lowell Resources Fund

Notes to and forming part of the Financial Statements
for the Financial Year Ended 30 June 2016

9 Notes to the Statement of cash flows

(a) Reconciliation of cash and cash equivalents

	30 June 2016	30 June 2015
	\$	\$
Cash	954,949	2,044,392
Deposits at call	1,003,477	3,396,424
Total cash and cash equivalents	1,958,426	5,440,816

(b) Reconciliation of net income attributable to unitholders for period to net cash provided by operating activities

<i>Net profit/(loss) attributable to unitholders</i>	3,453,792	(1,460,922)
Net gains on disposal of investments	(382,014)	(1,632,080)
Net profit on revaluation	(3,549,002)	2,823,495
Changes in net assets:		
(Increase)/decrease in income receivable	(7,579)	909
Increase/(decrease) in creditors and accruals	71,225	17,061
Net cash used in operating activities	(413,578)	(251,537)

(c) Non-Cash Financing and Investing Activities

During the period, no distributions were reinvested by unitholders for additional units in the fund.
During the period, no distributions receivable by the Fund in respect of its investments were reinvested.

10 Financial Instruments

(a) Financial risk management objectives

The Fund outsources the investment management to Cremorne Capital Limited, who in turn co-ordinate access to domestic and international financial markets, and manages the financial risks relating to the operations of the Fund in accordance with an investment mandate set out in accordance with the Fund's constitution.

The Fund does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Funds investment policies, which provide written principles on the use of financial derivatives.

Compliance with policies and exposure limits is reviewed by the Responsible Entity on a continuous basis.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1 to the financial statements.

(c) Credit risk management

Credit risk represents the risk that would be recognised if counterparties failed to perform as contracted. The Fund does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, except for its investments as disclosed in Note 3 and the cash held in the bank.

Lowell Resources Fund

Notes to and forming part of the Financial Statements
for the Financial Year Ended 30 June 2016

The carrying amount of financial assets recorded in the financial statements represents the Fund's maximum exposure to credit risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Fund's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

Under the terms of its Constitution, the Fund has the ability to manage liquidity risk by delaying redemptions to unit holders, if necessary, until the funds are available to pay them.

Maturity analysis for financial liabilities

The following table details the Fund's expected maturity for its non-derivative financial assets and liabilities. The table has been drawn up based on the undiscounted contractual maturities of the financial assets and liabilities. The inclusion of information on non-derivative financial assets and liabilities is necessary in order to understand the Fund's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Financial liabilities due for payment								
Trade and other payable	23,304	148,244	-	-	-	-	23,304	148,244
Amounts payables to related parties	212,922	474,197	-	-	-	-	212,922	474,197
Total expected outflow	245,226	622,441	-	-	-	-	245,226	622,441
Financial assets - cashflows realisable								
Cash and cash equivalents	1,958,426	5,440,816	-	-	-	-	1,958,426	5,440,816
Trade, term and loan receivables	-	-	-	-	-	-	-	-
Total anticipated inflows	1,958,426	5,440,816	-	-	-	-	1,958,426	5,440,816
Net (outflow)/inflow on financial instruments	1,713,200	4,818,375	-	-	-	-	1,713,200	4,818,375

Net assets attributable to unit holders are entirely payable on demand.

(e) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

Lowell Resources Fund

Notes to and forming part of the Financial Statements
for the Financial Year Ended 30 June 2016

Interest rate risk management

30 June 2016	Weighted Average Int Rate (% p.a.)	Variable Int. Rate \$'000	Non-Interest Bearing \$'000	Total \$'000
Financial Assets				
Cash & Equivalents	2.19%	1,958	-	1,958
Listed & Unlisted Equities	-	-	14,698	14,698
Receivables	-	-	-	-
	-	1,958	14,698	16,657
Financial Liabilities				
Investments Payable	-	-	-	-
Accounts Payable	-	-	245	245
	-	-	245	245

30 June 2015	Weighted Average Int Rate (% p.a.)	Variable Int. Rate \$'000	Non-Interest Bearing \$'000	Total \$'000
Financial Assets				
Cash & Equivalents	2.24%	5,440	-	5,440
Listed & Unlisted Equities	-	-	8,060	8,060
Receivables	-	-	5	5
	-	5,440	8,065	13,505
Financial Liabilities				
Investments payable	-	-	-	-
Accounts Payable	-	-	622	622
	-	-	622	622

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The table below indicates the currencies to which the Fund had significant exposure at 30 June 2016 on its monetary assets and liabilities and forecast cash flows. The analysis calculates the effect of a reasonably possible movement of the currency rate against the Australian Dollar on the income statement, with all other variables held constant.

30 June 2016	Currency	AUD Equivalent in exposure by currency \$'000	Change in currency rate in %	Effect on net assets attributed to unitholders \$'000
	CAD	728	10/(10)	73
30 June 2015	Currency	AUD Equivalent in exposure by currency \$'000	Change in currency rate in %	Effect on net assets attributed to unitholders \$'000
	CAD	763	10/(10)	76

Lowell Resources Fund

Notes to and forming part of the Financial Statements
for the Financial Year Ended 30 June 2016

Equity Price Risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. Equity price risk exposure arises from the Fund's investment portfolio.

The effect on net assets attributable to unit holders and operating profit before distribution due to reasonably possible changes in market factors, as represented by the equity indices, with all other variables held constant is indicated in the table below.

30 June 2016	Index	Change in equity price %	Effect on net profit attributable to unitholders \$'000
	ASX All Ords	20/(20)	2,476/(2,476)
	S&P/TSX Composite	20/(20)	145/(145)
	Unlisted Equities	25/(25)	365/(365)
30 June 2015	Currency	Change in equity price %	Effect on net profit attributable to unitholders \$'000
	ASX All Ords	20/(20)	1,240/(1,240)
	S&P/TSX Composite	20/(20)	152/(152)
	Unlisted Equities	25/(25)	272/(272)

(f) Fair value measurement recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other quoted prices within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2016	2016	2016
	\$	\$	\$
	Level 1	Level 2	Level 3
Financial assets at FVTPL			
Available for sale financial assets			
Shares in listed entities	13,109,374	-	-
Options in listed entities	127,457	-	-
Shares in unlisted entities	-	1,461,300	-
Total	13,236,831	1,461,300	-

There were no transfer between Level 1 and 2 in the period

Lowell Resources Fund

Notes to and forming part of the Financial Statements
for the Financial Year Ended 30 June 2016

NOTE 11: Capital Management Policies and Procedures

The Fund's capital management objectives are:

- to ensure the Fund's ability to continue as a going concern;
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Fund monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position.

Management assesses the Fund's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Fund's various classes of debt. The Fund manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Fund may adjust the amount of distributions paid to unitholders, return units to unitholders, issue new units, or sell assets to reduce debt.

Additional company information

Cremorne Capital Limited (A.C.N. 006 844 588) a company incorporated and operating in Australia is the Responsible Entity of the Lowell Resources Fund.

Registered Office

8 Chapel Street
Cremorne Vic 3121