



Lowell Resources Fund Monthly Update

Fund Introduction (ASX: LRT)

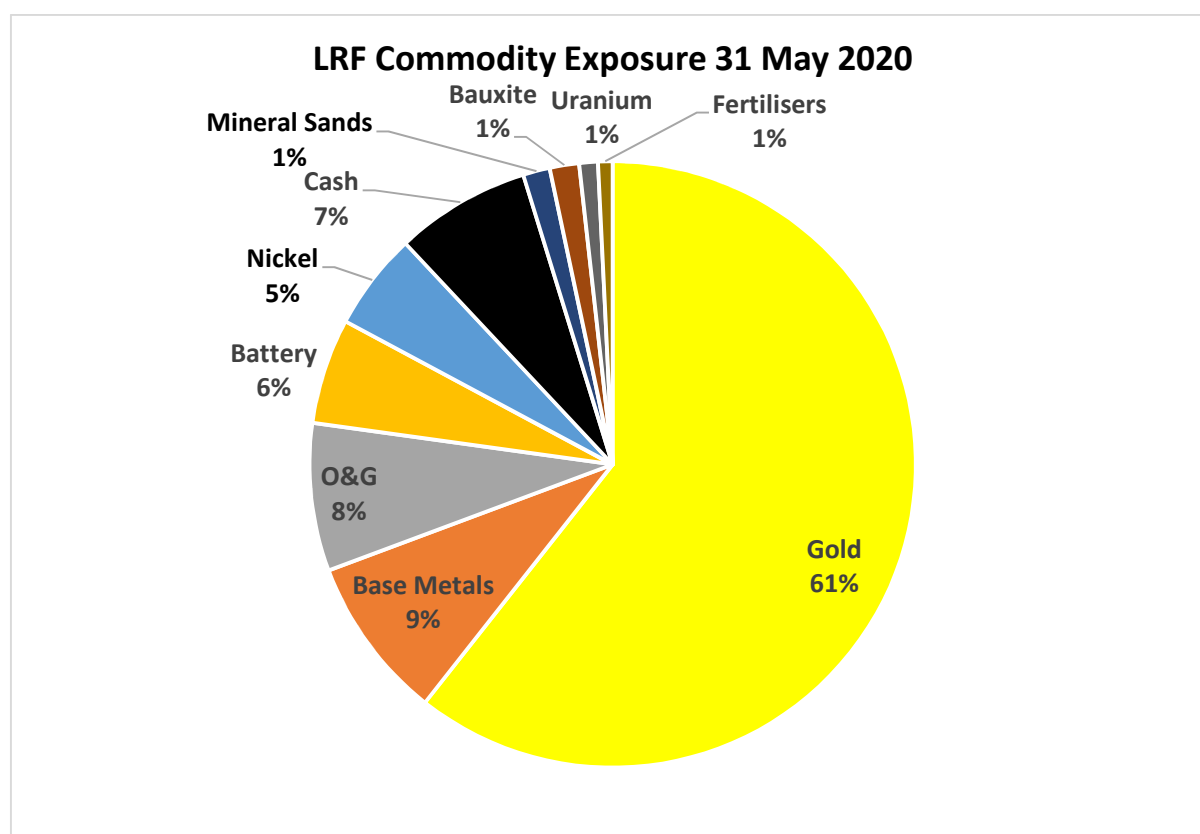
ASX-listed Lowell Resources Fund is focused on generating strong absolute returns from the junior resources sector. Our experienced team of fund managers has many years of experience in this high risk, high reward sector. Lowell Resources Fund Management (LRFM) manages the portfolio of exploration and 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.

Fund Overview

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

Unit Price Snapshot as at 31 May 2020

NAV per unit	\$0.92
No. of units on issue (after 1 for 10 split)	27,354,740
Market price (ASX)	\$0.75/unit
Net Asset Value	\$25.1m





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Fund Performance Summary

- The LRT continued to strongly outperform the relevant indices over the 12 months to 31 May 2020:
 - a 55% out performance over the ASX Small Resources Index (XSRD);
 - a net 61% out performance over the ASX Resources 300 Index;
 - a net 65% out performance over the ASX 200 Index.
- The Fund's NAV per unit was \$0.92 at 31 May 2020 (\$0.76 as at 30 April 2020), representing a 20% increase in NAV in the month of May.
- Unit price of the ASX listed LRT units at month end was \$0.75/unit, representing an 18.3% discount to underlying NAV.
- The Fund's NAV at the end of the month was approximately \$25.1 million.

Fund Top Holdings

During May, the share price of West African focused gold explorer **Predictive Discovery** (PDI.ASX) rose 50%, making PDI the Fund's largest holding. In May, PDI announced that power auger drilling had doubled the mineralised strike length at its NE Bankan gold discovery in Guinea, including high grade results which remain open further along strike. The consistent strong drilling announcements augur well for the potential of the deposit. PDI also announced a capital raising of up to \$9m and commenced diamond drilling at the project.

The Fund's second largest holding **De Grey Mining** (DEG.ASX) continued RC and diamond drilling at its Hemi discovery in the Pilbara, with thick, lower grade intersections indicating the three zones drilled to date may coalesce.

Musgrave Minerals (MGV.ASX) commenced an RC drilling program at the high-grade Starlight ('link') lode at its Cue gold project in WA. Major shareholder Westgold (ASX.WGX) reduced its shareholding to 12.7%, but the MGV share price rose 35% over the month.

Liontown Resources (LTR.ASX) announced an upgrade to its world class Kathleen Valley lithium spodumene deposit to 156Mt @ 1.4% Li₂O & 130ppm Ta₂O₅. This larger resource will be the basis of an updated pre-feasibility study due in H2 2020. Liontown also received encouraging initial exploration results for nickel-copper-PGM's in the same Norcia belt as the Julimar discovery by LTR's sister company Chalice Mining.

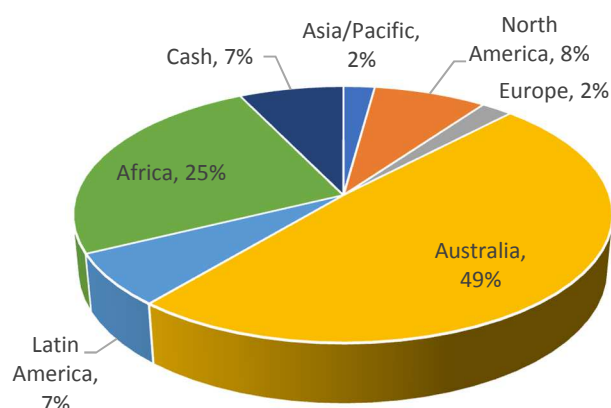
Cardinal Resources (CDV.ASX) received Ghanaian Environmental Protection Agency approval for the Environmental Impact Statement for CDV's 5.1Moz reserve project at Namdini. Cardinal announced that based on the Namdini Feasibility Study, the Pre-Tax NPV5% of the project at US\$1,550/oz gold price is estimated to the US\$1.438bn. Cardinal's current market capitalisation is circa AUD\$200m, while the current gold price is over US\$1,700/oz.



May 2020

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Portfolio by Geography of main project
31 May 2020



Company	Commodity	% of Gross Investments
Predictive Discovery	Gold	15.2%
De Grey Mining	Gold	13.3%
Cash	Cash	7.2%
Musgrave Minerals	Gold	5.8%
Liontown Resources	Lithium	5.3%
Cardinal Resources	Gold	4.8%
Genesis Minerals	Gold	3.8%
Middle Island MDI	Gold	3.5%
Centaurus Metals	Nickel	2.9%
Apollo Consolidated	Gold	2.1%

May 2020 Portfolio Changes

During May, the Fund was active in pruning some non-core gold positions which had performed well over the past two months, such as AIM listed Condor Gold, and reinvesting in Middle Island Resources (ASX.MDI) and Mako Gold (ASX.MKG).

The Fund increased its exposure to Chile-focused copper junior Hot Chili (HCH.ASX) through a placement.

The Fund also switched some of its nickel exposure into TSX.V listed Talon Metals Corp, which has a joint venture with Kennecott Exploration (a subsidiary of Rio Tinto) over the Tamarack nickel deposit in Minnesota, USA.

In light of the high level of volatility in equity markets, the Fund boosted its cash holdings.

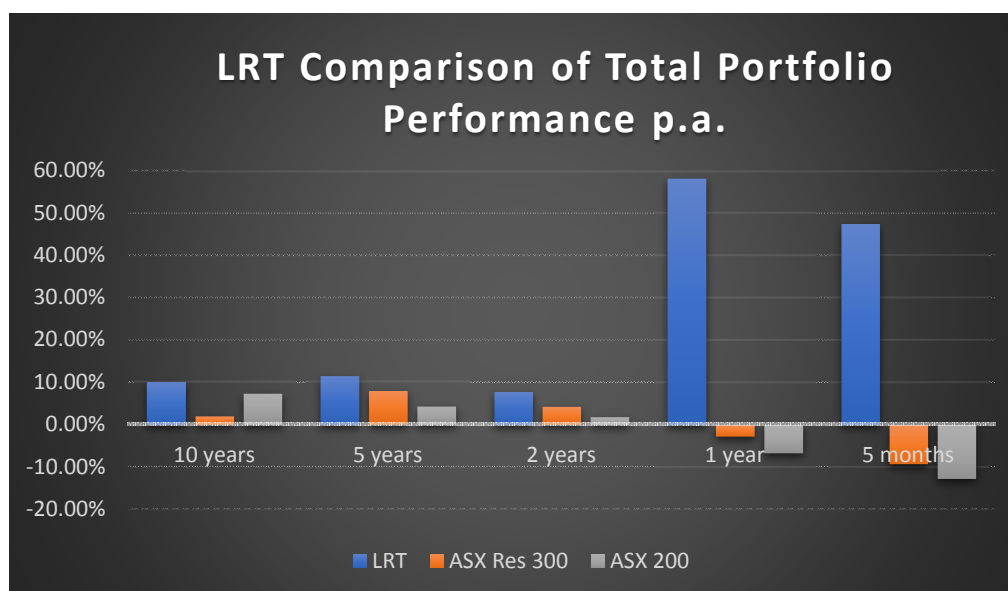


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Comparison Performance

The Fund's NAV again increased substantially in May, by 20% over the month. In the 12 months to 31st May 2020, the Lowell Resources Fund significantly outperformed the benchmark by a net 55%. The S&P/ASX Small Resources Index (XSRD) return of 2.8% compared to the Fund's 58% 12-month change in underlying net asset value per unit (after fees and expenses). Over the longer term, the Fund has outperformed the XSRD, the ASX Resources 300 Index, and the ASX 200 Index over 5 and ten years.

Total Portfolio Performance to 31 May 2020	LRT 12-month Change in NAV per unit	S&P/ASX Small Resources Index (XSRD.ASX)	ASX Resources 300 Index	ASX 200 Index
12 months	+58.2%	+2.8 %	-2.7%	-6.7%
5 years p.a.	+11.2%	+6.3%	+7.8%	+4.3%



The ASX traded unit price of LRT at the end of the month was \$0.75/unit, compared to \$0.62/unit equivalent at the end of April.



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Characteristics of the Fund

Number of investments: 56

Average Market Capitalisation of Investee companies: AUD\$44 million

Weighted Average Market Capitalisation of Investee companies in portfolio: AUD\$138 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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