LOWELL RESOURCES
FUNDS MANAGEMENT

MONTHLY UPDATE

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

October 2022

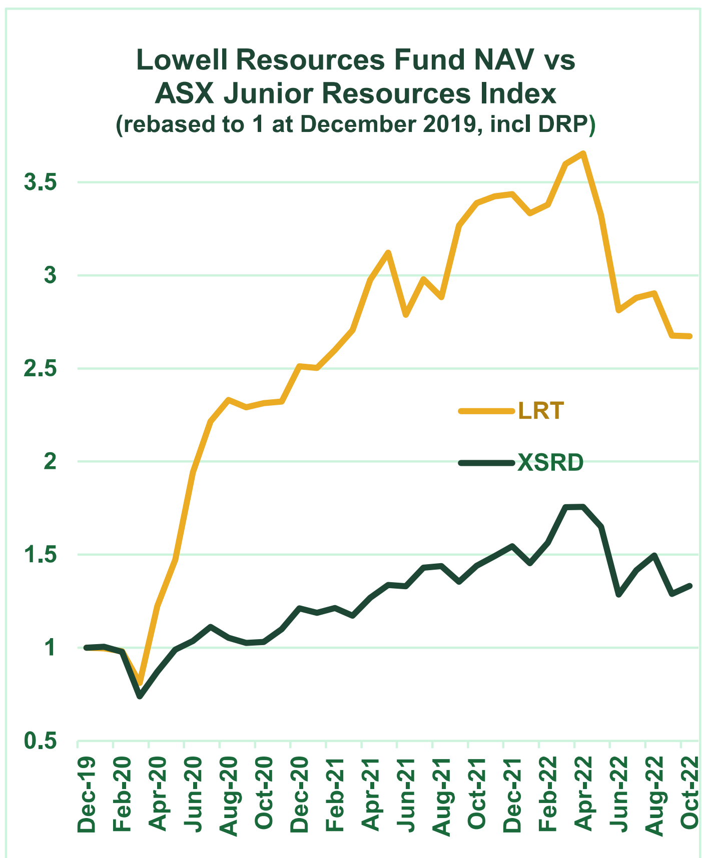
October 2022 Performance Summary: Lowell Resources Fund (ASX: LRT)

The Lowell Resources Fund's estimated net asset value ('NAV') at the end of October 2022 was approximately $45.3m, compared to $45.4m at the end of September 2022.

The NAV per unit finished the month of October at $1.4420/unit (vs $1.4439/unit at 30 September 2022), a decrease of 0.1% over the month. The traded unit price of the ASX listed LRT units at month end was $1.12/unit.

FUND SNAPSHOT 31 October 2022

NAV per unit	$1.4420
No. of Units on issue	31,432,505
Market Price (ASX)	$1.12/unit
Estimated NAV	$45.3m
FY 22 Distribution	$0.1157/unit
Market Capitalisation	$35.2m



Fund Investment Actions - October 2022

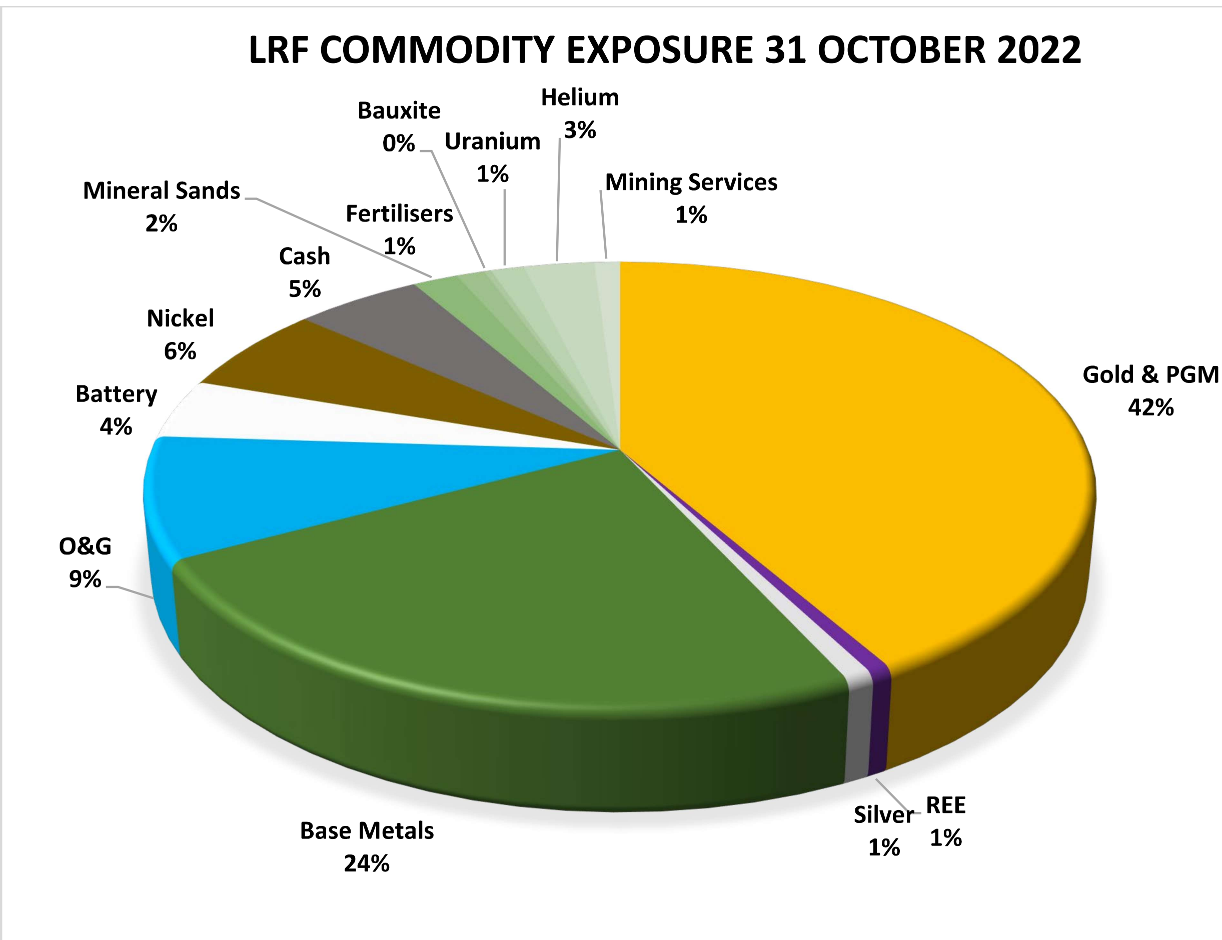
In October, the Fund increased its holdings in ASX listed gold companies Astral Resources and Mako Gold through participation in an entitlement issue and placement respectively.

The Fund also increased positions in Alchemy Resources and Larvotto Resources, both ASX listed explorers with exposure to lithium prospects in Western Australia. Also in lithium, the Fund participated in a placement by Quebec focused lithium explorer Cygnus Gold.

The Fund made a substantial additional investment in Rugby Resources, a TSX listed explorer drilling a new porphyry copper discovery in Colombia.

Further investment was made in WA iron ore developer CZR Resources.

The Fund exited its position in Argonaut Resources, and commenced the sell down of a number of other non-core holdings.



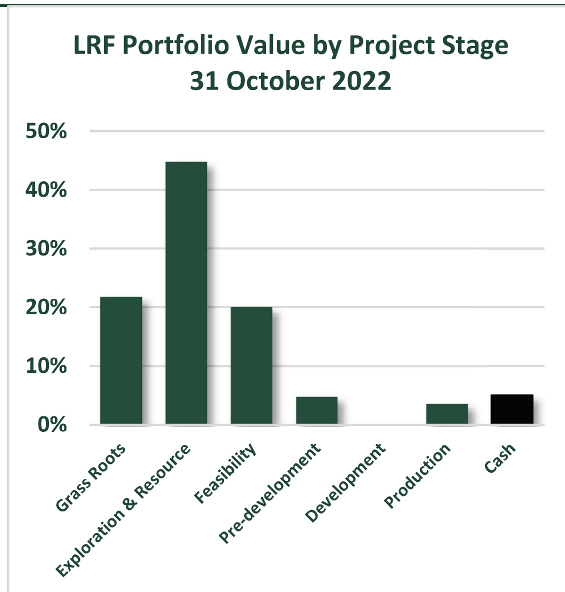
Fund Top Holdings

Genesis Minerals (Market Cap A$385m GMD.ASX) announced it had acquired over 76% of takeover target Dacian Gold. Dacian announced drill results of up to 111m at 1.2 g/t Au around existing open pits at its Jupiter syenite complex in WA.

Musgrave Minerals (Market Cap A$124m MGV.ASX) announced deep high-grade drill intersections at the West Island prospect on the Musgrave - Evolution Cue Joint Venture (Evolution Mining earning 75%), including 1.0m at 74g/t Au and 1.9m at 34.3g/t Au.

Talon Metals (TL.TSXV Market Cap C$411m) announced $114.8m US Government funding for mineral processing in North Dakota of its Tamarack nickel project. Tamarack is one of the first projects to be funded under President Biden's bipartisan Infrastructure Law. Ore will be railed from the proposed minesite in Minnesota to the processing facility.

Southern Palladium (Market Cap A$83m SPD.ASX) announced it had intersected the UG2 reef in its first 3 drill holes at the Bengwenyama PGM project on the Bushveld Igneous Complex in South Africa. The drillholes are up to 3km apart. SPD owns 70% of the 18.8 Moz Bengwenyama PGM Inferred Resource.



Company	Commodity	% of Gross Investments
Cash	Cash	5.1%
Predictive Discovery	Gold	6.4%
Genesis Minerals	Gold	6.0%
Musgrave Minerals	Gold	5.3%
De Grey Mining	Gold	4.2%
Talon Metals	Nickel	3.8%
Southern Palladium	PGM	3.7%
Caravel Minerals	Copper	3.7%
Rugby Resources	Copper	3.4%
Alchemy Resources	Au/Li	3.3%
Comet Ridge	Gas	3.1%

Fund Top Performer

African Gold Ltd (Market Cap A$11m A1G.ASX) share price rose by 80% over the month. The company is exploring for gold in Cote d'Ivoire and Mali. At its Didievi project in Cote d'Ivoire results have included 10m at 123g/t Au from 66m. The company released an exploration target for its Blaffo Gueto and Pronoi prospects in Cote d'Ivoire of 0.8-1.9 Moz Au at 1.5-1.7g/t Au.

Performance Comparison – October 2022

Over the past 2 years, the Lowell Resources Fund's change in underlying estimated net asset value per unit (inclusive of distributions and after fees and expenses) was 7.5%pa, and 37.2% pa over three years. The Fund has outperformed the benchmark S&P/ASX Small Resources Index (XSRD), the ASX Resources 300 Index and the ASX 200 Index over three, five and ten years.

Total Portfolio Performance to 31 October 2022	LRT Change in NAV per unit incl distributions	S&P/ASX Small Resources Index (XSRD)	ASX Resources 300 Index	ASX 200 Index
12 months	**-21.1%**	-7.6%	18.4%	-4.9%
3 years p.a.	**37.2% pa**	10.5% pa	11.2% pa	4.8% pa
5 years p.a.	**14.1% pa**	6.9% pa	13.0% pa	7.2% pa
10 years p.a.	**10.6% pa**	-2.1% pa	6.6% pa	8.7% pa

The LRT.ASX traded unit price at the end of October was $1.12/unit, compared to $1.135/unit at the end of September 2022.

Market Notes

Economics

- UK **inflation** hit a 40-year high of 10.1% in October. Germany's headline consumer price index struck an annual rate of 11.6%.
- Post month end, the **US Federal Reserve** approved a fourth-straight interest rate hike of 0.75%. This brings the central bank's benchmark lending rate to a new target range of 3.75% to 4%, the highest Fed funds rate since January 2008.
- The Reserve Bank of **Australia** took a softer stance on rates, increasing by 25 basis points when 50 was widely expected.
- China's President Xi's speech at the communist party congress indicated **China** would retain its zero-covid policy and focus on "frugality" which were both negative comments for GDP growth, however the commitment to decarbonization was reaffirmed.
- **China** delayed announcement of its quarterly GDP during the party congress. The GDP number eventually announced came in at 3.9% for the September quarter.
- The **shipping** rate for 40-ft containers from Shanghai to Los Angeles fell below the long-term average (2011-2022).

Metals

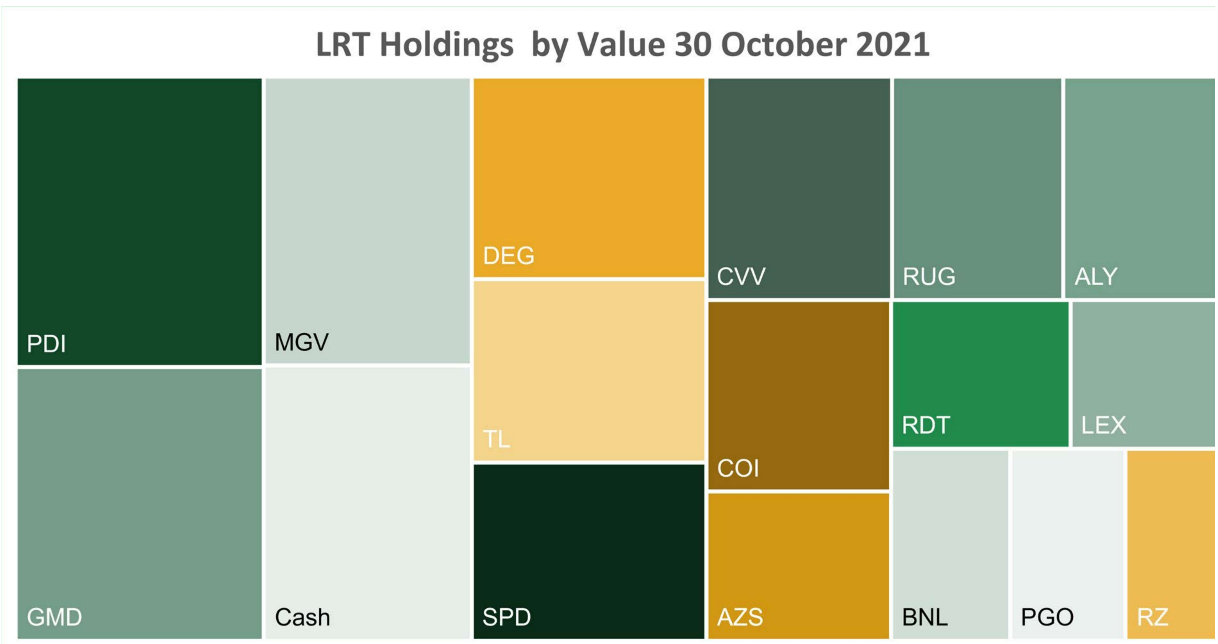
- **Gold** has fallen for seven consecutive months since its highs in March, down 20% to $1,634/oz. However, central banks bought up record amounts of gold in Q3 in the amount of 400 tons **-** the most gold purchased YTD since 1967 (when the US dollar was backed by gold).
- Premia for physical metal such as **copper and zinc** spiked. It's "striking how negative financial markets feel about this market and yet the physical [copper] market is so tight," said Richard Adkerson, chief executive officer of Freeport-McMoRan Inc. "We're not seeing customers scaling back orders. Customers are really fighting to get products." Chilean state-owned Codelco, the world's biggest copper producer, recently signed contracts for three to five years with customers in Europe, in contrast to the more standard annual deals, Chairman Maximo Pacheco said in an interview.
- However surplus in **copper** ore supply is pushing smelting fees over $100/t to 8-year highs.
- **Lithium** prices hit an all time high. Cash costs at Greenbushes, Australia's largest lithium mine, were A$253/t in the September quarter compared to the average sales price of US$4,187/t. Greenbushes EBITDA was A$1.6bn for the quarter.
- The US was reported to be considering a ban on Russian **aluminium**. Russia is the world's second largest aluminium producer after China.
- The Biden administration awarded US$2.8Bn in **grants** to 20 manufacturing and processing companies for projects across 12 states to expand **battery** manufacturing for EVs and domestic mineral production. These funds will allow U.S. manufacturers to process critical minerals such as lithium and nickel that are used in battery production.
- **Iron ore** prices hit a 3-year low as China's purchasing manager's indices fell into contraction as COVID curbs and the languishing property sector weighed on activity.
- Indonesia, the world's largest **nickel** producer, announced it is studying the establishment of an Opec-like cartel for nickel and other key battery metals.

Energy

- **OPEC+** announced it would cut production by 2 million barrels of oil per day from November.
- US **diesel** inventories hit their lowest seasonal level recorded in data going back to 1982. In Europe, the fuel is commanding huge spot premiums. Strikes at French oil refineries have hampered preparations for a ban on imports from Russia that's 3 months away. Russian diesel imports in Europe were 41% of market share in September.
- Japanese Prime Minister Fumio Kishida was reported to be seeking a personal assurance from Australian PM Anthony Albanese over the reliability of **gas** exports to Japan amid concerns in Tokyo of rising "energy nationalism" in Australia.
- The spot TTF **gas** price in the Netherlands collapsed to near €100/MWh due to a mild autumn and increased non-Russian imports.
- In a significant reversal, German Chancellor Olaf Scholz ordered an extension in the life of the country's three remaining **nuclear** plants until mid-April 2023, as the country contends with an unprecedented energy crisis.
- **Fossil fuel** companies are currently generating exceptional levels of cash. Exxon posted its highest quarterly profit in its 152-year history and Santos announced record year-to-date sales revenue and free cash flow in the September quarter. Whitehaven Coal (market capitalization circa A$10bn) generated A$1.55b of cash in the quarter.

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 18-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: 73

Unlisted Investments: 6%

Average Market Capitalisation of Investee companies: AUD$69 million

Weighted Average Market Capitalisation of Investee companies in portfolio: AUD$171 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

The information given by Lowell Resources Funds Management Ltd "LRFM" (ACN 006 769 982, AFSL 345674) is general information only and is not intended to be advice. You should therefore consider whether the information is appropriate to your needs before acting on it, seeking advice from a financial adviser or stockbroker as necessary.

DISCLAIMER

Cremorne Capital Limited (ACN 006 844 588, AFSL No: 241175) is the responsible entity of the Lowell Resources Fund (ARSN 093 363 896). You should obtain and consider a copy of the product disclosure statement relating to the Lowell Resources Fund before acquiring the financial product. You may obtain a product disclosure statement from Cremorne Capital Limited at www.cremornecapital.com/lrf-pds/. To the extent permitted by law, Cremorne Capital Limited and Lowell Resources Funds Management, its employees, consultants, advisers, officers and authorised representatives are not liable for any loss or damage arising as a result of reliance placed on the contents of this document. Past performance is not a reliable indicator of future performance. The investment objective is not a forecast and returns are not guaranteed.