



Lowell Resources Fund Monthly Update

March 2021 Performance Summary: Lowell Resources Fund (ASX: LRT)

The Lowell Resources Fund net asset value ('NAV') per unit hit a new record in March, finishing the month at \$1.657/unit (vs \$1.5915/unit at 28 February 2021), representing a 4.1% increase in NAV over the month. The unit price of the ASX listed LRT units at month end was \$1.33/unit, representing a 20% discount to underlying NAV.

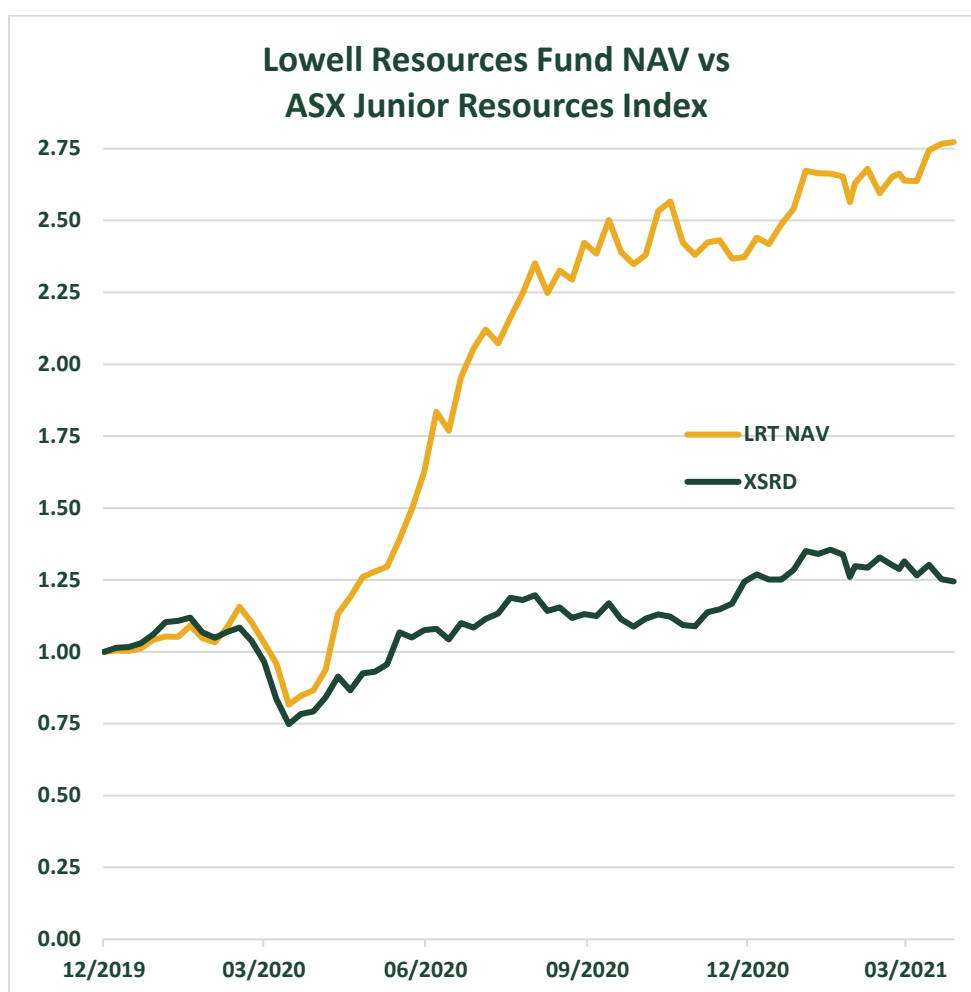
The Fund's NAV at the end of the month was approximately \$46.5 million.

Fund Overview

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

Fund Snapshot 31 March 2021

NAV per unit	\$1.6574
No. of units on issue	28,050,395
Market price (ASX)	\$1.33/unit
Net Asset Value	\$46.5m





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Fund Investment Actions – March 2021

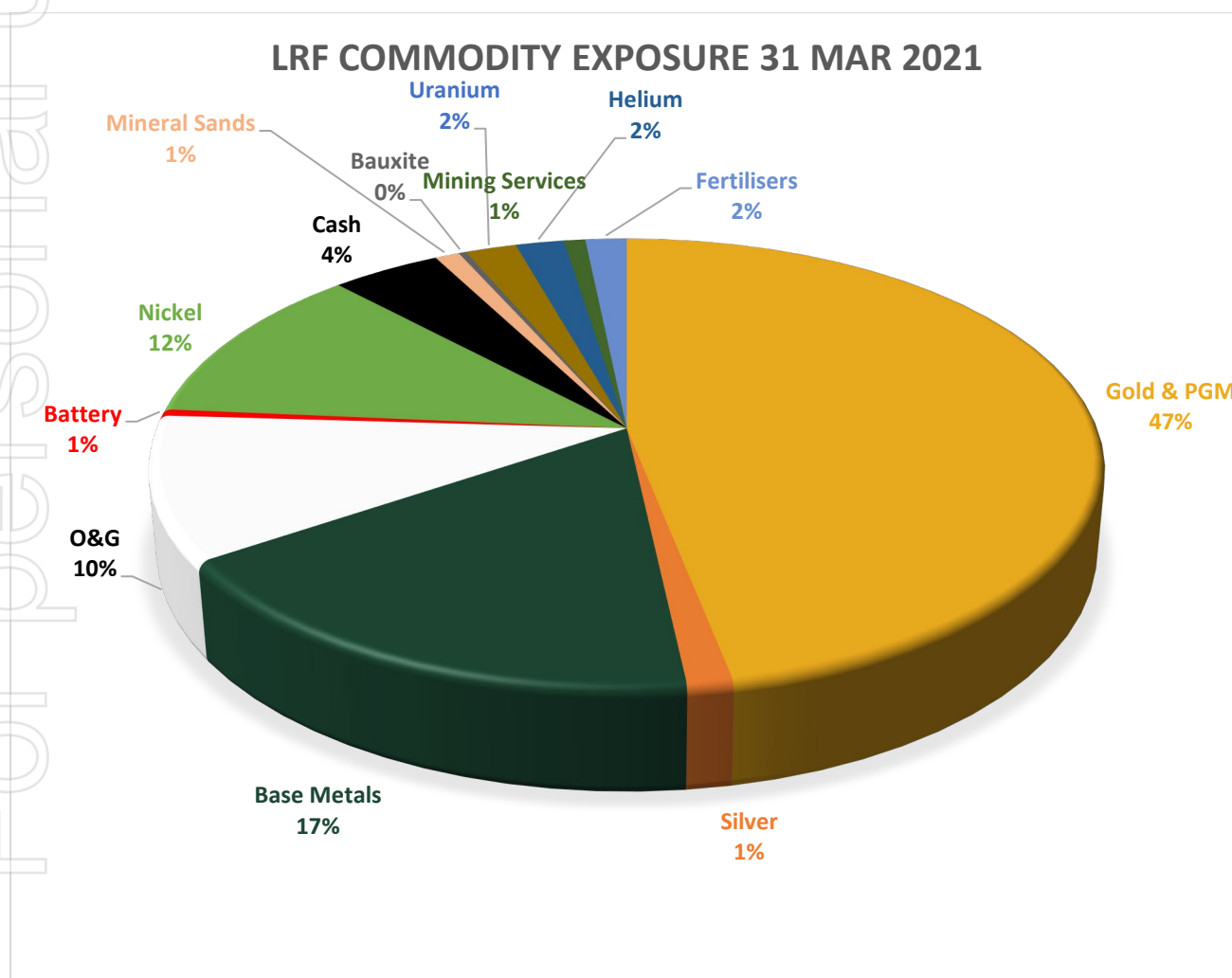
In March the market in 'decarbonisation' related energy stocks ran up substantially, allowing the Fund to book profits in holdings exposed to hydrogen and uranium. The Fund added to its holding in oil explorer Melbana Energy, ahead of the company's Cuban drilling program expected to begin mid-year.

In gold, the Fund added to a position in Queensland focused explorer Great Northern Minerals. It also added to its holding in unlisted West Africa-focused gold company CAA Mining, as well as investing in a seed equity round for platinum group metal (PGM) developer Southern Palladium Ltd which holds a large block of the Merensky and UG2 reefs in South Africa.

In March the Fund invested in new positions in WA explorers/developers Anax Metals (Whim Creek copper project) and Azure Minerals (Andover nickel discovery near Karratha), and added to existing holdings in Corazon Mining and Kincora Copper. NSW focused porphyry copper explorer Kincora was listed on the ASX in March.

The Fund also made a rare investment in mining services, in the form of Elmore Ltd, which expects to be reinstated to the ASX list in April.

The asset allocation at the end of the month is illustrated in the pie chart below.





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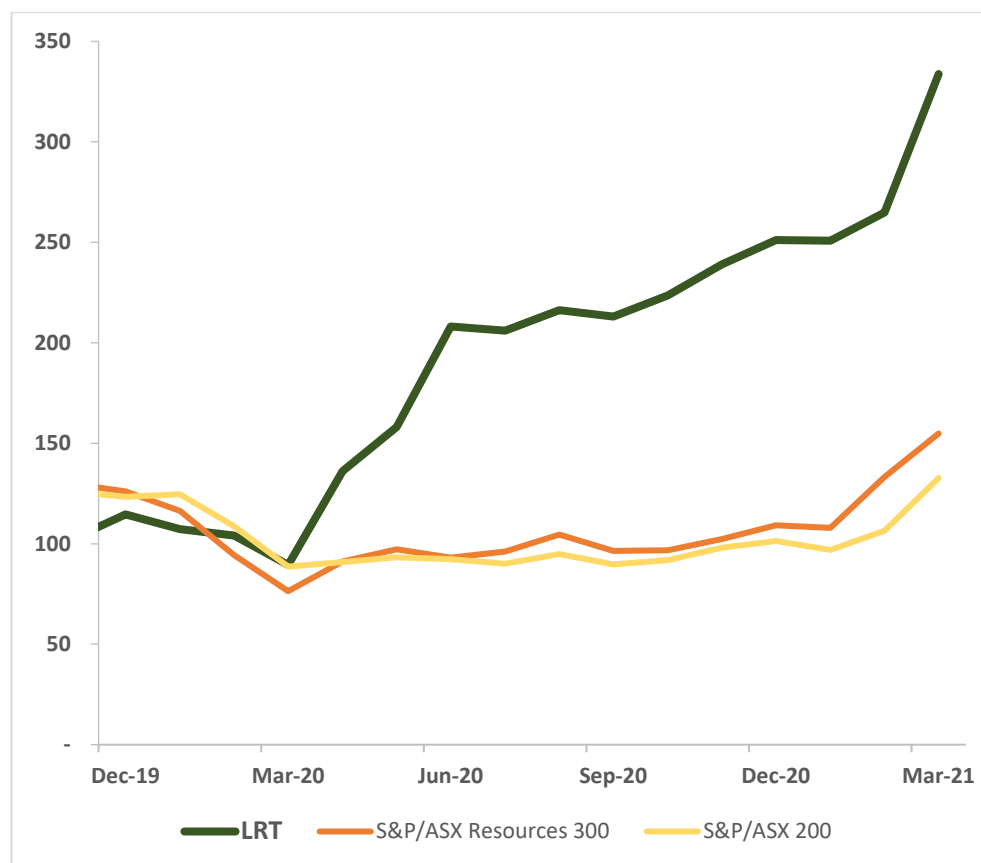
Performance Comparison

In the 12 months to 31st March 2021, the Lowell Resources Fund spectacularly outperformed the benchmark, by over 170%. The S&P/ASX Small Resources Index (XSRD) return of 59.7% pa compared to the **Fund's remarkable 233.8% 12-month change in underlying net asset value per unit** (inclusive of distributions and after fees and expenses). The Fund has also outperformed the XSRD, the ASX Resources 300 Index, and the ASX 200 Index over 5 and ten years.

Total Portfolio Performance to 31 March 2021	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	+233.8%	+59.7%	+54.9%	+32.7%
5 years p.a.	+28.1% pa	+13.9% pa	+19.9% pa	+10.3% pa
10 years p.a.	+11.2% pa	-7.8% pa	+1.6% pa	+8.0% pa

The LRT.ASX traded unit price at the end of March was \$1.33/unit, compared to \$1.29/unit at the end of January.

LRT Total Portfolio Performance: Comparison to ASX 200 and ASX Resource 300 Indices



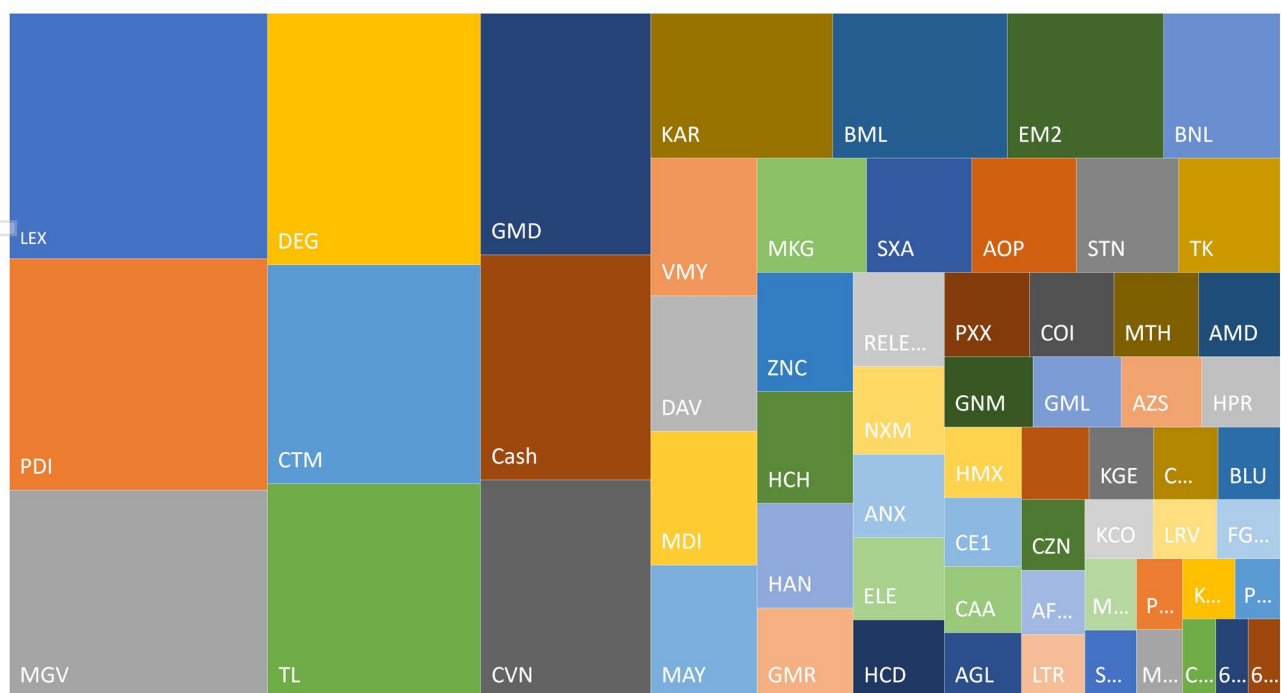


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Market Summary

- During March, the US Congress approved a further US\$1.9trn stimulus package, and the Biden administration proposed a US\$2.25trn infrastructure plan. Both the US and Chinese economies are now forecast to grow more than 6% this year. This has ignited the debate on inflation, while the bond market pushed US 10 year treasury yields to over 1.7% pa.
- WTI oil prices fell 5% in March. Higher OPEC+ production primarily came from Iran and Iraq, the former apparently significantly increasing its exports to China.
- The USD gold price was largely unchanged over the month. Gold equities now appear cheap compared to other sectors. The top 25 companies in the Van Eck Vectors Gold Miners index ended 2020 with a record US\$22.8bn in cash and an operating margin over 40% (S&P 500 Gold Miners).
- Copper prices eased 3% in March, but TC/RC's in China have set decade lows due to strong demand. On the supply side, Chile produces 28% of the world's copper and Peru produces 12%. Both countries are setting new high Covid-19 infection rates, while at the same time major mines in both countries are suffering from industrial unrest. These shorter term factors are underlain by the long term underinvestment in new copper mine projects.
- Nickel fell precipitously in early March, and was down 13% over the month, due to Chinese refiner Tsingshan announcing it had developed a new method of producing battery grade nickel from nickel pig iron. However, the new process is reported to be energy intensive.
- The lithium carbonate price in China jumped a further 20% during March. Lithium refining facilities to date have taken longer than expected to ramp up to nameplate capacity/specifications and shortages of battery grade chemicals appear likely in the medium term due to increased uptake of EV's.

LRF Portfolio by Value 31 March 2021





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Fund Top Holdings

During March **Lefroy Exploration (LEX.ASX)** became the Fund's largest holding by value based on its 6-fold share price increase since announcing a thick high-grade gold-copper drill intersection of 60m @ 5.2g/t Au and 0.3% Cu at its 100% owned Burns project in Western Australia. In March, Lefroy announced it had intersected the same mineralised porphyry, including one hole with visible gold, in 4 lines of drilling covering 200m strike to the north.

Predictive Discovery (PDI.ASX) continued to announce thick near surface intersections from drill holes at NE Bankan in Guinea including: 51m @ 2.5g/t Au, 65m at 2.7g/t Au and 54m @ 2.1g/t Au. The Company has indicated that the maiden resource due mid-year could be in excess of 1 Moz. Of potential significance, PDI also announced a new regional auger drilling intercept of 7m @ 4.3g/t Au, 800m north-west of NE Bankan. PDI strengthened its board by appointing Andrew Pardey (ex-CEO of Centamin Plc) and Francis Harper (Chair of Tietto Minerals Ltd).

Musgrave Minerals' (MGV.ASX) RC drilling at the White Heat discovery, 300m south of the Break of Day resource continued to intersect high-grade gold including: 11m @ 19.6g/t Au from 48m, and 21m @ 7.4g/t Au from 64m.

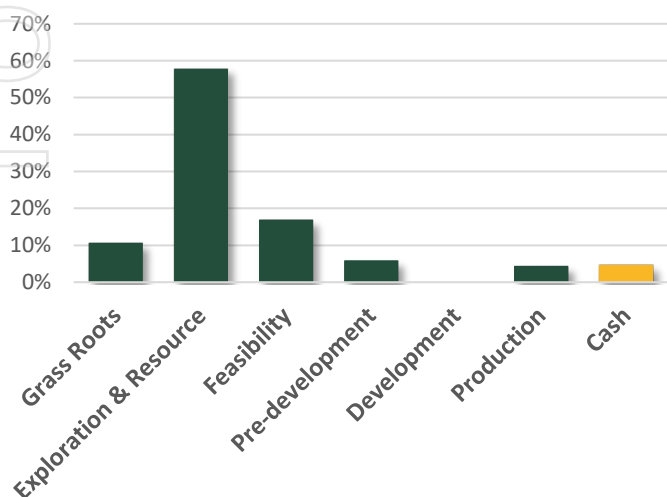
At its Hemi gold project in the Pilbara, **De Grey Mining (DEG.ASX)** further expanded its Crow/Aquila gold system (33m @ 4.9g/t Au and 52m at 2g/t Au), and grew newer prospects Diucon (121m at 1.1g/t Au) and Eagle (123m at 1.0g/t Au).

Centaurus Metals (CTM.ASX) announced the scoping study for its Jaguar nickel sulphide project in Brazil. Headline economics at US\$7.50/lb nickel price are post-tax NPV8 of A\$604m with an IRR of 54%, based on a US\$178m development capital cost for a project producing 20,000 tpa of nickel over a 10 year mine life. These numbers are expected to be bolstered by 65km of drilling in 2021 as well as a separate study examining the production of nickel metal or nickel sulphate.

Talon Metals (TL.TSX) is a Canadian company earning a 60% interest in the Tamarack nickel project in Minnesota, USA. In March, Talon announced a record drill intersection for massive sulphides at the project which assayed 21m @ 8.35% Nieq. At the end of March, Talon announced consistent intersections of massive sulphide mineralization at shallow depths in a new area that extends to approximately 700m north-east of the project's resource area.

Genesis Minerals (GMD.ASX) announced a new mineral resource for the Ulysses Project of 1.6 Moz at 1.8g/t Au. An initial feasibility study for a stand-alone project is due in Q2 2021.

LRF Portfolio Value by Stage of Project 31 March 2021



Company	Commodity	% of Gross Investments
Lefroy Exploration	Gold	7.2%
Predictive Discovery	Gold	6.8%
Musgrave Minerals	Gold	6.1%
De Grey Mining	Gold	6.1%
Centaurus Metals	Nickel	5.3%
Talon Metals (TSX)	Nickel	5.2%
Genesis Minerals	Gold	4.6%
Cash	Cash	4.3%
Caravel Minerals	Copper	4.2%
Karoon Energy	Oil & Gas	3.0%



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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: 64

Average Market Capitalisation of Investee companies: AUD\$98 million

Weighted Average Market Capitalisation of Investee companies in portfolio: AUD\$206 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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