



6th July 2020

Lowell Resources Fund Press Release

Melbourne-based Lowell Resources Funds Management Ltd (“LRFM”), manager of the Lowell Resources Fund (ASX:LRT, “the Fund”), announces an exceptional year for unitholders in listed investment trust LRT.

Highlights:

- 109% increase in Net Asset Value
- 134% increase in unit price traded on the ASX
- NAV outperformed the ASX Small Resources Index by 109%
- NAV outperformed the All Ordinaries Index by a net 122%
- Burgeoning junior resources sector rally has parallels to 300% run post-2008 GFC
- Anticipated distribution of 2.5cps

ASX-listed LRT is one of few funds exclusively focused on the small resources sector of Australian and global sharemarkets.

Despite fears of COVID destroying global economies the market again rewarded investors in exploration. The Fund holds around 60 investments across the resources space, with a strong current focus on the search for gold.

“Australian companies have hit a purple patch of gold exploration success in 2020,” commented LRFM chairman Mr Stephen Mitchell. *“Our investment team, led by Chief Investment Officer John Forwood, was successful in identifying opportunities to provide capital to explorers which have used the funds to make several of the best discoveries of the past decade. LRT’s unitholders are the beneficiaries of investing ahead of the pack in several exciting companies.”*

LRFM CIO John Forwood said, *“Making big discoveries of new mineral deposits has always been an outstanding way to create value. Through our deep experience and networks in the industry we have access to opportunities with the highest potential in the sector.”*

While positive contribution came from most positions in the LRT portfolio, some of the best performing investments in FY19/20 included:

- **De Grey Mining** (DEG:ASX), which made the Hemi gold discovery in the Pilbara region of WA. The shares rose 1,500% in FY2020 and De Grey now has a market cap of A\$1.2 billion.
- **Adriatic Metals** (ADT:ASX) which made the Vares-Rupice polymetallic discovery in Bosnia. LRT sold its holding in ADT realising a gross profit of over 7 times its invested capital. The Fund invested in Adriatic at the seed capital (pre-listing) stage of capital raising.
- **Musgrave Minerals** (MGV:ASX), which has drilled near surface bonanza grades in the Starlight lode discovery at their Cue gold project in WA, boosting its market cap to over A\$200mm on end June.
- **Predictive Discovery** (PDI:ASX) which has been reporting a flow of tremendous gold intercepts in drill results at NE Bankan in Guinea, west Africa.



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- **Cardinal Resources** (CDV:ASX) that is the target of a A\$300 million takeover bid from a Shandong Gold Mining Co Ltd.

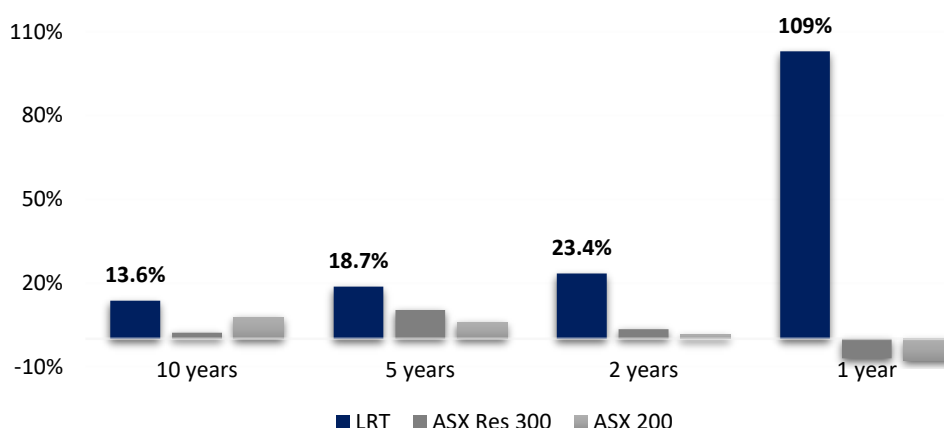
LRFM's high conviction investment strategy for the Fund allows for relatively large investments in high-risk, high-reward early-stage companies. Mr Mitchell said *"When these companies are successful, the benefits to our unitholders are substantial."*

LRFM has maintained its macro view on gold during 2020 where gold prices are near record highs as investors seek a hedge against volatile financial markets and this is driving investment into precious metals producers and explorers. *"Our primary interest is in advanced exploration and our team investigates hundreds of opportunities a year seeking out new investment opportunities"* John Forwood said.

LRFM sees the potential for the junior resources market to be in the early stages of a massive rally. *"We see parallels with 2008 in the current market, which saw the sector rise nearly 300% from its lows. Massive monetary stimulus will keep global economies going while we expect gold to remain strong as a traditional safe haven against inflation and interest rates plumb record lows. We continue to see tremendous buying opportunities and have not been as excited about the market in many years"* John Forwood said.

Reflecting on the year overall, Mr Mitchell noted *"The Fund has a long-term track record of value creation in the sector. Our rigorous investment process doesn't always deliver winners, but if we look at the scoreboard for 2020, I think unitholders will be well satisfied with the outcome presented today."*

LRT NAV Annualised Performance to 30 June 2020





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ABOUT THE LOWELL RESOURCES FUND

The Lowell Resources Fund listed in March 2018, converting from an unlisted open-ended trust with a history dating back to the 1980s. The Fund raised approximately \$3.5m in new capital at the equivalent of 83.2c per unit at the time of listing. The Fund split its units one into 10 in March 2020 to more closely align the unit price with the prices of the shares in which the Fund invests. As at June 30 this year, the net asset value before distributions to unit holders of the Fund was A\$33.2m. This reflected end-June market prices of investments listed on global sharemarkets, and 2% of the Fund which is invested in shares of unlisted seed opportunities, where the valuation is based on the price of the most recent capital raising.

On July 2nd 2020 the Fund announced anticipated distribution of 2.5c per unit for the financial year ending 30 June 2020.

Our **top ten investments** at June 30th 2020 were:

Shareholding	%'age of NAV
Musgrave Minerals Ltd	13.4%
De Grey Mining Ltd	12.1%
Predictive Discovery Pty Ltd	9.6%
Genesis Minerals Limited	5.3%
Centaurus Metals Ltd	3.6%
Middle Island Resources Ltd	3.5%
Liontown Resources Ltd	3.2%
Saturn Metals Ltd	2.9%
Apollo Consolidated Limited	2.0%
Pacifico Minerals Ltd	1.9%



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ABOUT CREMORNE CAPITAL:

Cremorne is the Responsible Entity for the Lowell Resources Fund. See more at www.cremornecapital.com

ABOUT LOWELL RESOURCES FUND MANAGEMENT:

LRFM is the fund manager of LRT. See more at www.lowellresourcesfundmanagement.com.au

WARNING

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