LOWELL RESOURCES
FUNDS MANAGEMENT

MONTHLY UPDATE

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

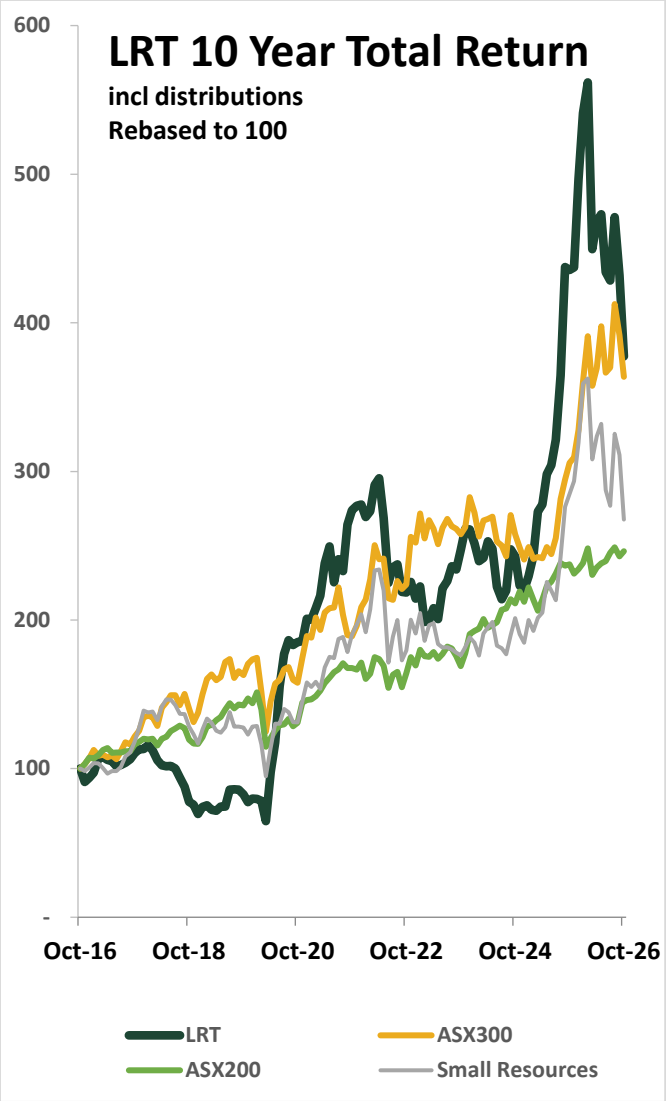
October 2026

October 2026 Performance Summary: Lowell Resources Fund (ASX: LRT)

The Lowell Resources Fund's estimated net asset value ('NAV') at the end of October 2026 was approximately $105.8m, compared to AUD$121.1m at the end of September 2026.

The NAV per unit finished the month of September at $2.0816 vs $2.3829 at 30th September 2026, a decrease of 12.6% over the month.

The last traded unit price of the ASX listed LRT units at month end was $1.72/unit.

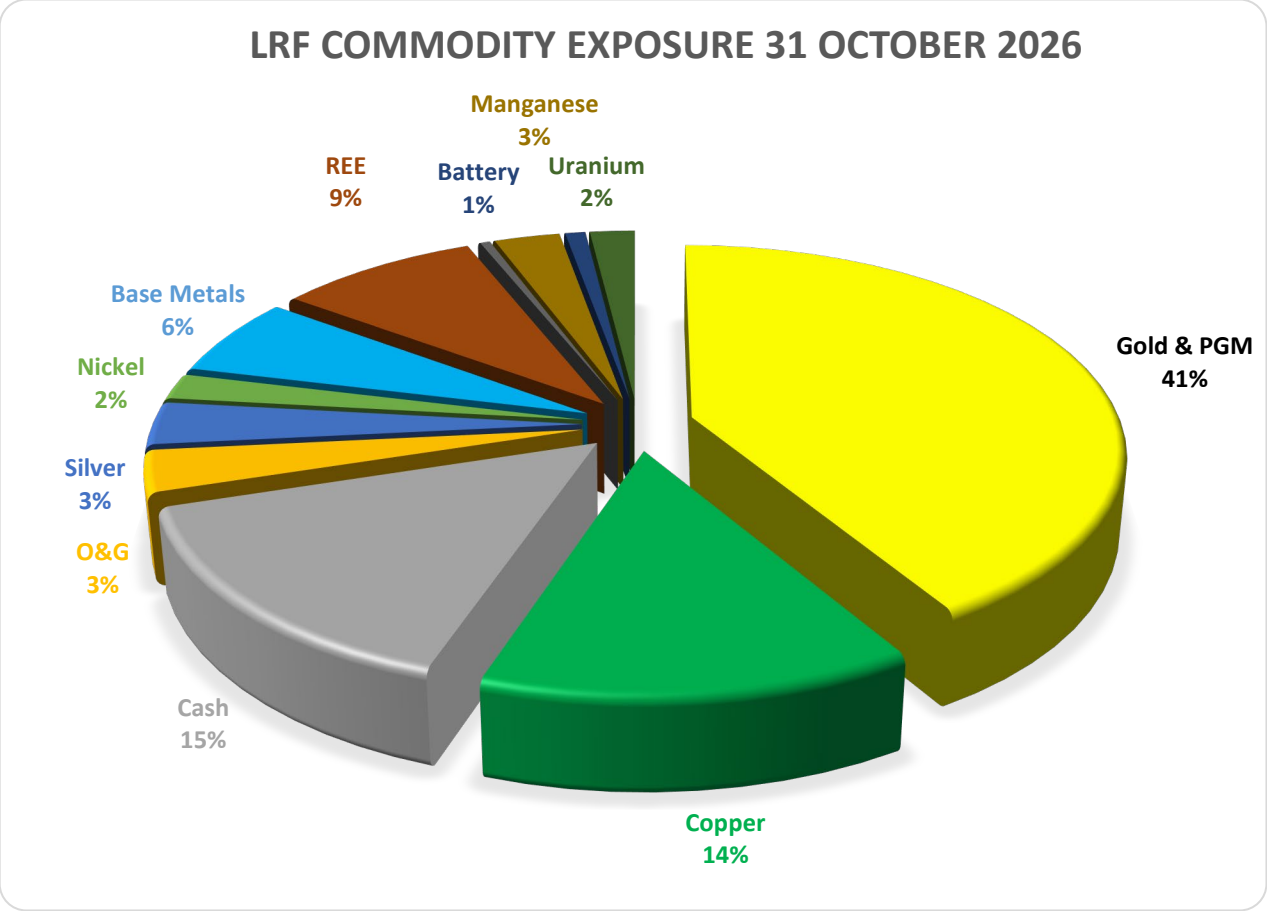


Fund Top Performer

Alvo Minerals Ltd (Market Cap $m ALV.ASX) share price rose 235% over the month of October.

Alvo announced diamond drill results at its Bluebush Ionic Adsorption Clay (IAC) Heavy Rare Earth Element (HREE) project in Brazil which included thick intercepts enriched with the dysprosium and terbium (DyTb) from ionic clay horizons close to surface. Bluebush shares the same geological setting and host Serra Dourada granite as the Serra Verde HREE IAC mine. Serra Verde, recently acquired by USA Rare Earth Ltd for US$2.8 billion, is the only scale producer outside Asia producing all four magnet rare earths, including the critical heavy rare earths Dy & Tb.

ALV has confirmed Bluebush as an ionic adsorption clay rare earth project, with metallurgical testwork extractions of up to 89%.



Fund Investment Actions – October 2026

In energy, the Fund continued to add to its holding in Canadian uranium explorer Geiger Energy.

In precious metals, the Fund increased its holdings in Caprice Resources, Flynn Gold and Ordell Minerals. The Fund took new positions in WA explorer Recharge Metals and Cote d'Ivoire focused Skylark Minerals.

In other metals, the Fund added to its holdings in South American focused Alvo Metals and Great Southern Copper, while acquiring a position in Ontario focused copper explorer Aruma Resources.

FUND SNAPSHOT 31st October 2026

NAV per unit	$2.0816	FY 26 Distribution paid	14.32 cents per unit
No. of Units on issue	50,807,427	Market Capitalisation	AUD $87.4m
Market Price (ASX)	$1.72/unit	Responsible Entity	Cremorne Capital Limited
Estimated NAV	AUD $105.8m	Fund Manager	Lowell Resources Funds Management Ltd

Fund Top Holdings

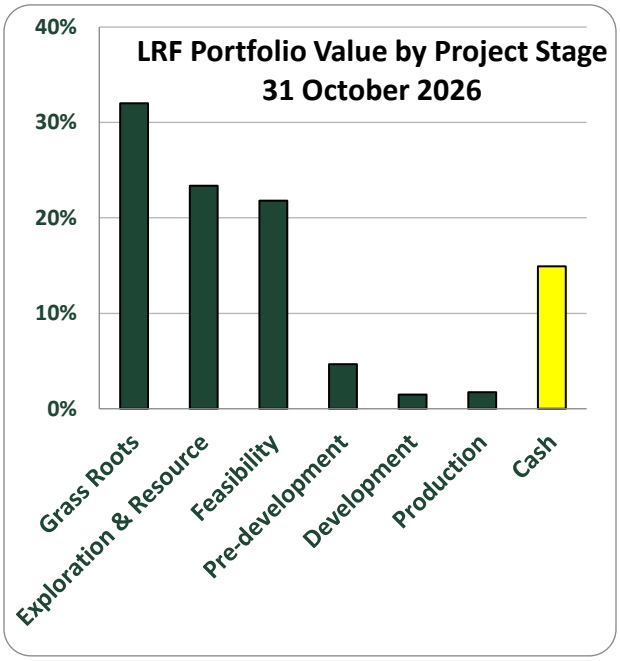
Brazilian Critical Minerals (Market Cap $105m BCM.ASX) announced a binding agreement to acquire a 90% interest in a magnesium sulphate producer located in Bahia State, Brazil for an estimated A$4.2m over 10yrs. This agreement includes in country supply of magnesium oxide, sulphuric acid, and the magnesium sulphate plant, reducing BCM's Eca REE project's reliance on imported reagents.

Kingfisher Metals (Market Cap C$148m KFR.TSXV) announced completion of its 2026 drilling program at HWY 37, Golden Triangle, British Colombia. Assays are pending but of the 9 holes drilled in October 2026, porphyry stockwork veins with copper sulphides (Hank Porphyry Target) or indicators of hydrothermal alteration with pyrite (Upper Hank Gold Targets) were intersected.

Southern Palladium (Market Cap $198m SPD.ASX) released an Updated PFS for its 70%-owned Bengwenyama PGM-chrome project in South Africa. The post-tax $NPV_{8\%}$ is now US$1,961m (up 129%) based on a peak funding requirement of US$329m with a payback period of 2.8yrs. The biggest change from the previous PFS is the increase in the chrome concentrate output by 2.8x to 17.2Mt over LoM. The DFS is expected at the end of Q1 2027.

Astral Resources (Market Cap $235m AAR.ASX) continued its tenure consolidation at the Mandilla Gold Project, WA, by purchasing the Spargoville nickel rights from Estrella Resources Ltd for $3m in scrip. The Mineral Resource Estimate at Spargoville was also updated, increasing by 108% to 8.5Mt @ 1.0g/t Au for 281koz, bringing the Group MRE to 67Mt @ 1.0g/t Au for 2.21Moz.

Ordell Minerals (Market Cap $33m ORD.ASX) released further assays from its recently completed in-fill RC program at the Barimaia Gold Project near Mt Magnet, WA. Drilling highlights included 23m @ 1.60g/t Au from 77m, 32m @ 1.08g/t Au from 91m, and 8m @ 3.35g/t Au from 11. Results from this program will feed into a Maiden MRE due for completion in Q4 2026.



Company	Commodity	% of Gross Investments
Cash	Cash	14.9%
Brazilian Critical Minerals	REE	6.7%
Kingfisher Metals	Gold-Copper	4.6%
Southern Palladium	PGM	3.6%
Astral Resources	Gold	3.3%
Andina Copper	Copper	3.2%
Black Canyon	Mn-Fe	2.9%
Ordell Minerals	Gold	2.6%
Unico Silver	Silver	2.6%
Saturn Metals	Gold	2.2%
Equus Energy	LNG	2.1%

Performance Comparison – October 2026

Over the past 10 years, the Lowell Resources Fund's change in underlying estimated net asset value per unit (inclusive of reinvested distributions, and after fees and expenses) was 14.2%pa. The Fund has outperformed its benchmark S&P/ASX Small Resources Accumulation Index (XSRAI), and the ASX Resources 300 Index (Total Return) and ASX 200 Index (Total Return) over two, three, and ten years.

Total Portfolio Performance to 31 October 2026	LRT Change in NAV per unit incl distributions	S&P/ASX Small Resources Accumulation Index (XSRAI)	ASX Resources 300 Index (Total Return)	ASX 200 Index (Total Return)
12 months	**-11.9%**	-6.0%	18.9%	3.7%
2 years p.a.	**25.9%**	15.3%	18.8%	8.0%
3 years p.a.	**16.6%**	15.0%	12.2%	13.4%
5 years p.a.	**7.4%**	7.1%	14.0%	8.0%
10 years p.a.	**14.2%**	10.3%	13.8%	9.4%
20 yrs pa.	**15.3%**			

The LRT ASX traded unit price at the end of October was $1.72/unit, compared to $2.00/unit at the end of September.

The NAV of the Fund was adversely impacted by US 10-year Treasury yields rising to approximately 5.24%, around a 20-year high. Australian and European bond yields also increased. This disporprotionately impacted non-yielding securities, particularly mineral exploration stocks which may have a long lead time to first cashflow.

Market Notes

Economics

- Rising fuel prices triggered by the Iran war pushed **US inflation** to a higher-than-expected 3.7 per cent in September, however the US Federal Reserve held rates unchanged in October.
- US Global reported that 54 central banks have raised rates so far this year – including the US **Federal Reserve** which raised rates in September by 25bp.
- The **Australian unemployment** rate steadied at a five year high of 4.7% in September.
- Australian Bureau of Statistics figures showed trimmed mean inflation – the RBA's preferred measure – increased to 3.7 per cent in the three months to the end of September, up from 3.6 per cent the previous quarter. The central bank had forecast 3.5 per cent. Headline inflation also came in higher than expected, rising to 4.3 per cent from 4 per cent in August because of a 9.4 per cent lift in petrol prices.

- The **IMF** said it expects the global economy to grow at 3.1% in 2026, below last year's 3.5% growth outcome. It estimates 4% inflation in 2027 with an expectation that the Strait of Hormuz will be fully operational by March 2027 and return to pre-war volumes by October. The IMF cautioned that the economy is reaching it's limits, highlighting global oil reserves are being drawn down at a rate of 2.7 million barrels per day.
- **Oil** traded near a five-month high after Iran said it had *'no choice'* but to assert control over Hormuz. Iran's Revolutionary Guards Navy said that four oil tankers had caught fire and exploded in the Strait of Hormuz, while attempting to use what it described as unauthorised routes, Iranian state media reported. Meanwhile, Yemen's Iran-aligned Houthis said they had attacked Saudi Arabia's East-West crude oil pumping stations and Riyadh airport.
- **China GDP** grew 4.5 per cent in the three months to September compared with a year earlier. It followed 4.3 per cent growth in the previous three-month period, which was one of the lowest rates in years. Li-ion battery production rose 39.5%, industrial robots rose 29.1%. Goods exports jumped a massive 29.6% yoy in September but sales of newly built commercial buildings fell 13.9% in value and 13.2% in floor space.
- Cumulative **China passenger car** retail sales over January to September 2026 reached 13.334m units, down 21.7% year on year. In contrast, passenger car exports rose 73.7% yoy and 3.2% month on month to 917k units in September.
- Bucking the trend of rightwing electoral wins across Latin America, Lula was narrowly re-elected as **Brazilian president**.

Metals

- **Gold** fell approximately 4.8% in October in US dollar terms as interest rate rises weighed on the precious metals market.
- According to new data from the Federal Department of Industry, Science and Resources latest Resources and Energy Quarterly report continued high prices helped Australian **gold exploration** expenditure reach a record high of $566 million in the June quarter 2026, up 24% from the previous quarter. Higher gold prices also improved the viability of lower-grade deposits, leading to an uptick in new developments.
- China's central bank now holds about 2,410 tonnes of **gold**, 9% of its reserves
- Mid-tier **gold** miner Regis Resources cautioned that its costs had risen almost 30 per cent between the March and September quarters to more than $3,600 per ounce, partly because of higher diesel prices, while heavy rainfall hampered production. Barrick's gold production cost rose 17% between 2025 and 2026 in part because of higher fuel costs. Antofagasta increased its full-year copper cash cost guidance by almost US$0.30/lb to between US$2.60 and US$2.70 per pound, from US$2.40 to US$2.60/lb, citing higher global diesel prices. Capstone reported a 15% year-on-year increase in second-quarter C1 cash costs to US$2.82/lb, partly driven by higher diesel and sulphuric acid expenses. Kinross, which has operations in North America, Latin America and Africa reported that its production cost of sales in 2026 Q2 had a 25% increase to US$1,352/oz from US$1,080/oz, due to higher fuel costs.
- Hudbay Minerals and Mitsubishi Corporation approved construction of the Copper World mine in Arizona on October 21, committing US$2.07 billion of initial capital. **Construction costs** are 59% above the US$1.3 billion estimated in 2023, The Northern Miner reported.

Metals

- The International Copper Study Group forecast a refined **copper** surplus of 368,000t in 2027, up from 104,000 tonnes in 2026.
- Meanwhile, the World Bank raised its **copper** price outlook by 18% to US$13,000/t for 2027. The Bank also forecasts US$13,200/t for 2026. They say the outlook points to sustained demand for new copper supply alongside higher costs. The bank sees long development timelines to keep prices higher for some time.
- A structural **copper** deficit is expected to emerge from around 2028 as mine depletion collides with rising demand from artificial intelligence, power grids and the energy transition, Vandita Pant, CFO of BHP, said. Hyperscaler spending plans imply copper demand for AI infrastructure would reach as much as 3 million tons in two years, according to Trafigura Group's head of industrial metals analysis
- BHP reported **copper** production in the three months to September was down 19% on a year earlier, although seasonally the September quarter is heavily impacted by maintenance.
- Mercuria Energy Group trading house agreed to pay up to US$250m upfront to lock in three years' **copper** supply from a relatively small Chinese-owned mining company in the Democratic Republic of Congo.
- Chinese **copper** smelters have started curbing output and plan further cuts this year and into 2027 due to higher ore costs and falling byproduct prices. Firms including Tongling Nonferrous Metals Group Co. and Daye Nonferrous Metals Group Holdings Co. plan to process less concentrate, with some plants beginning maintenance and running at minimal rates. The cuts would further reduce Chinese refined copper production at a time when metal prices are near a record high.
- Yangshan **copper** premiums in China rose to a 13-year high of US$178-188/t due to a severe physical shortage in China according to SMM. Chinese traders were said to be buying copper cathode to supplement traditional sources. China is struggling to source sufficient concentrate, scrap and blister material to feed its furnaces. Premiums for physical copper cathode are typically around ~US$25-50/t but rose to ~US$75-100 in August-September.
- Codelco will charge a record premium of US$350 a ton to supply **copper** to European customers next year, according to a Bloomberg report. The premium is added to the price of copper traded on the London Metal Exchange. Aurubis also raised its premium to US$347/t for 2027.
- Investors remained concerned about the overhang of **copper** metal inventories in the United States, which has attracted huge flows of copper due to speculation about the government imposing tariffs, "That massive pile of copper in the US is clearly weighing on prices given the risk of re-exporting that copper into the rest of the market," said Ole Hansen, head of commodity strategy at Saxo Bank.
- China resumed **sulphuric acid** exports to Chile in September after a three-month halt,
- China has historically been a significant net importer of refined **zinc**, but exports surged to 40,668 metric tons in August, the second-highest monthly tally in almost 20 years, according to the World Bureau of Metal Statistics.

- Vale reported ~10% of seaborne **iron ore** is now loss making due to a rise is costs is as a result of higher freight and fuel costs due to the conflict with Iran.
- A dispute over **iron ore** sales between Fortescue and China Mineral Resources Group (CMRG) remains unresolved, and Fortescue has warned that its operations could be affected if negotiations are not concluded by the end of the year. CMRG is trying to change the balance of power in a market historically dominated by major miners. BHP faced a similar standoff before reaching an agreement with CMRG in April 2026.
- **Iron ore** futures in **Singapore** hit their lowest month-end close since October 2022 amid high **Chinese** stockpiles.
- Bloomberg reported that **metals traders** are earning billions of dollars in a second consecutive boom year for the sector, with several top trading houses notching up record profits. Trafigura Group, which with Glencore is one of the world's largest metals traders, made a record profit of around US$2 billion in metals trading in its financial year that ended in September, according to Bloomberg. Glencore has also raked in some of its best-ever profits. Mercuria Energy Group, the most aggressive of a group of energy traders that have expanded in metals in the past few years, has also had a strong year. Mercuria's annual operating profits are on track to match or exceed last year's level above US$300 million, people familiar with the matter said. The company has ploughed more than US$4 billion into metals deals from Congolese copper to Indonesian aluminum as it seeks to grow its footprint in the market.
- Ex-China **Rare Earth** premiums widened in Q3 2026, according to Alvo Minerals: Dysprosium oxide price is around ~16 times higher in the West, Terbium oxide ~7 times and Yttrium oxide more than 150 times Chinese domestic prices.
- FT reported that Japan is months from running out of supplies of **yttrium**, a critical metal, and has asked the US to push China to ease rare earth export controls that threaten severe disruption to the global automotive, defence and chip industries.
- **Lithium** prices have fallen around 30% in the past 3 months. A 2% consumption tax on Li-ion batteries took effect in September in China, ending a decade-long exemption. The most active GFEX lithium carbonate contract fell as much as 5.3% to RMB88,320/t (US$13,258/t), its first move below RMB90k this year. Prices are down c.45% in two months, from a peak near RMB160k/t in early September, attributed to concerns over EV and energy storage demand growth. Battery makers are reported cutting procurement to avoid inventory losses, placing only sporadic spot orders with no new bookings.
- **Zimbabwe lithium** miners asked to push the country's concentrate export ban from 1 January 2027 to 31 December 2027. But the government said earlier this month it sees no reason to delay. Zimbabwe supplied around 10% of global mined lithium last year.
- The International Tin Association forecast that global **tin** demand will increase by 22% between 2026 and 2035, while refined tin supply is projected to grow by just 16%.
- Emirates Global Aluminium (EGA) restarted 631 of the 1,262 reduction cells at its Al Taweelah **aluminium** smelter in the UAE, marking a major milestone in recovery efforts following an emergency shutdown on March 28 amid regional security developments that affected operations at Khalifa Economic Zone Abu Dhabi. Despite the scale of the disruption, EGA continues to expect the Al

- Bloomberg reported that **Chinese nickel** producers, including Tsingshan and GEM, planned to discuss cutting **Indonesian** output amid weak prices. Nickel is down around 20% from its May peak and cobalt has hit a one-year low. Indonesia has tightened quotas and raised ore prices, while the Iran war has lifted sulphur costs. Water shortages have also disrupted operations.
- Australia-listed **Nickel** Industries says nickel producers in the Indonesia Morowali Industrial Park (IMIP), a key production base for the metal, will coordinate on output cuts as Chinese operators weigh steep reductions. “There will be coordinated cuts across all of the operations within the IMIP,” Managing Director Justin Werner.
- Water shortages due to drought in Indonesia began impacting **nickel and bauxite** production.
- The **platinum** market recorded a modest surplus in Q2’26. A small surplus was forecast by the WPIC for 2026, mainly due to decreased investment demand, following three successive annual deficits. However, Valterra, the largest PGM producer globally, reported overall PGM production was down 6% (804.3koz) in the September quarter. Due to the lesser importance of investment demand in the **palladium** sector, the palladium market is forecast to remain in deficit this year, with both primary supply and net demand shrinking by around 6%.

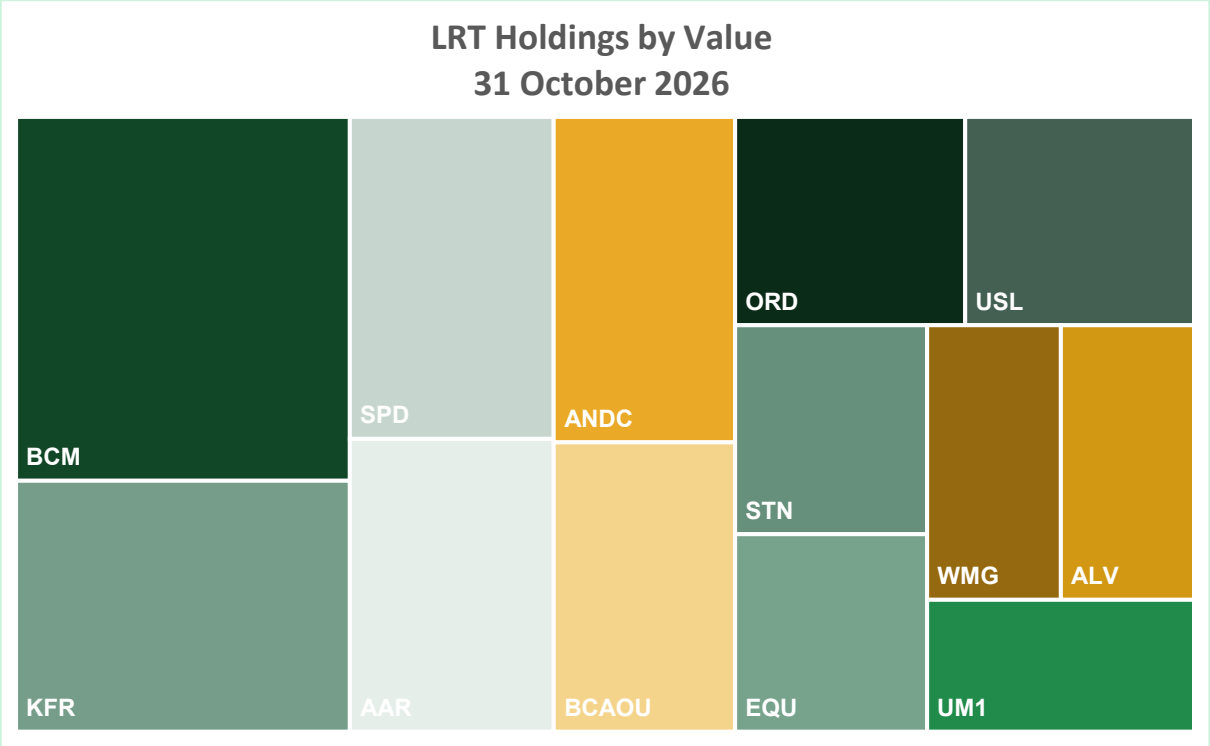
Energy

- The US-dollar Brent **crude oil** price rose approximately 15% during October 2026.
- **Oil inventories** in western countries have been exhausted as a result of the Iran war, the CEO of Vitol Group (the world's largest independent oil trader) said, warning that fuel markets are likely to remain tight going into winter. Nearly 1 billion barrels of oil have been drained from global inventories since disruptions to shipping through the Strait of Hormuz began, sharply reducing the world's emergency supply cushion, according to ADNOC's chief executive.
- Yemen's Iran-aligned **Houthis** struck the headquarters of Saudi Arabia's national oil company, while the number of attacks on tankers crossing the Strait of Hormuz continued to climb. A missile strike killed 12 people and injured more than 300 at Riyadh's airport, days after several people were killed at the same airport by Iran-backed Houthi rebels. It was the deadliest attack on **Saudi Arabia** in more than a decade as the confrontation between the kingdom and the Houthis continued to escalate.
- **Persian Gulf oil exports** however surpassed prewar levels, as an improvised shipping system under U.S. protection helped tankers move oil through one of Iran's fiercest waves of attacks in the Strait of Hormuz. Middle East oil flows, including shipments through Hormuz and alternative routes across the region, averaged more than 24 million barrels a day in the week through October 18th, surpassing prewar levels of 23.3 million, according to ship tracker Kpler.
- **Oil** flows from the Middle East rose sharply at the end of September. Volumes exceeded pre-war levels of 18 million barrels per day for a number of successive days in the final week of September, data from analytics firm Kpler showed.
- The Group of Seven countries agreed to release 100 million barrels of **diesel and crude oil** from emergency reserves and pledged to refrain from energy export restrictions after Trump threatened to ban US diesel exports.
- Trump surprised by announcing that Russia had agreed to release **diesel** to global energy markets, but Russia has little diesel to export following Ukrainian strikes on its oil refineries and storage. The initial Russian supply would meet only about 14 hours of US demand.
- **European** spot gas prices rose over 40% in the three months to mid-October.
- **Diesel** consumption is expected to fall by more than 10% this year in China as EV trucks gain share according to Sinopec Economics & Development Research Institute. Beijing is targeting 40% for heavy electric vehicles by 2030.
- The US Baker Hughes **rig count** rose by 5 to 603 units (+56 or +10% year on year), the highest since May 2024, with oil rigs up 6 to 462 units (+44 y/y) and gas rigs down 1 to 132 units (+12 y/y), as the Permian gained 4 to 274 units (+24 y/y).
- BP, Chevron, ExxonMobil, Shell and TotalEnergies reported combined net profits of US$56 billion in the third quarter, driven by surging **oil and gas** prices, record-high refining margins and strong trading results. BP posted its highest quarterly profit ever, US$8.5 billion, as earnings from its refining business rose tenfold from a year earlier. For the other majors, the quarter was generally their second-strongest on record, behind only the extraordinary gains booked following Russia's invasion of Ukraine in February 2022.

- Cory Kos, vice-president of investor relations at uranium producer Cameco, said companies such as Amazon and Microsoft were looking to buy physical **uranium** for the next-generation nuclear reactors that would power data centres.
- Alphabet agreed to buy **nuclear** power from Constellation Energy in a deal that could require the addition of 890 megawatts of new reactor capacity.
- Spot **uranium** passed the US$90.00/lb level – moving up to US$92.65/lb per UxC at month end. UxC October month-end report showed the 3yr and 5yr forward prices at US$105/lb and $112/lb, respectively.
- **Thermal coal** prices in China hit a 3 year high of US$150 per tonne due to subdued domestic production, reduced Indonesian exports and the energy crisis as a result of the Middle East conflict. Thermal coal still supplies the bulk of China's power requirements accounting for around 50% of the power mix. After a spate of fatal mine collapse, the restart of the collapsed Shanxi mine has been delayed as approval of restart permits remains outstanding leaving a 31m tonne supply gap. Indonesia has also limited exports to China in an effort restore prices.
- State-run **Coal** India Ltd. said its e-auction sales in October fetched an average 140% premium over notified prices, a sharp jump from previous months.

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 20-plus 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: 82

Unlisted Investments by value: 7.0%

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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This release has been approved by the Responsible Entity's Board of Directors