

Return	NTA cps Feb 2022	Month (%)	Quarter (%)	FYTD (%)	1 Year (% pa)	2 Years (% pa)	Since Inception ³ (% pa)
Precision Opportunities Fund Ltd ¹	40.16	-0.2	9.7	20.7	24.8	42.2	18.3
Benchmark ²	-	0.2	0.6	1.9	2.3	2.2	3.1
Outperformance	-	-0.5	9.1	18.8	22.5	40.1	15.2

Overview

The fund was flat for the month in line with the Small Resources Index, but it was really a story of two halves with a strong first half of the month and many stocks, especially, Lithium exposed names hitting record highs followed by a retracement as the prospect of increased rates, stronger USD and global volatility affecting major global indices. The gold price briefly flirted with US\$2,000/oz before finishing the month below US\$1,900/oz. Quarterly production reports from the domestic miners demonstrated the impact of labour and skills shortages plus inflationary pressure with many failing to generate any free cash. However, our two mid cap producers, WAF and CMM continued to perform well with both generating significant free cash. Lithium carbonate prices peaked during the month and at the end had fallen ~ 5%, however, Spodumene prices continued their upward surge with many of producers forecasting >US\$4,000t rec'd prices for the June Q. Copper prices fell 5% for the month as the China lockdown impacted sentiment whilst the Nickel price stabilised around the US\$14-15/lb level after the wild fluctuations the month before. Our nickel exposures; MCR, CTM, NIC, PAN and WIN were all positive contributors for the month and now represent ~14% of the total portfolio.

Our top three stocks, MCR, EV1 and FFX all returned greater than 0.5% attribution

Continued high nickel prices combined with imminent first concentrate production from its Cassini operations saw Mincor Resources NL ('MCR') hit a ten year high of >\$2.80/sh and finish the month up 15%. It also rejigged the offtake arrangement with BHP with the implementation of a grade recovery curve applied to the ore delivered by MCR enhancing early cashflow from the operations with first production slated for May'22. Whilst we took some profits in March, MCR is still a >3% portfolio holding.

Evolution Energy Minerals Ltd ('EV1') added 24% for the month with news it had signed an MOU with a Chinese graphite products specialist YXGC for 30kt of coarse flake graphite over 3 yrs. This represents 56% of planned production and over 70% of concentrate revenue for the first three years. We recently increased our position in EV1 to ~ 2% of the portfolio and believe it has the team, project and shareholder backing to become a vertically integrated graphite producer over the medium term.

Firefinch Resources Ltd ('FFX') defied the broader Lithium sell off to post a gain of 7% for the month after it unveiled its long-awaited demerger plans to spin off Leo Lithium into a separate entity. Essentially, FFX has ascribed 65% of its value to Goulamina and 35% to Morilla. FFX shareholders will be entitled to a participate in an entitlement offer to raise \$100m in Leo Lithium followed by a in specie distribution based on a ratio of 1 Leo Lithium share for every 1.4 FFX shares held. On a comparative basis, Leo looks cheap, and we expect the IPO to perform well.

Red Dirt Metals Ltd ('RDT') was our worst performer for the month, down 29%. An exploration update showed it continued to discover pegmatite/spodumene with four key areas now identified. These areas will form the basis of a maiden resource which is due in the 2nd H CY'22 and we see potential for >15mt @ >1.2% LiO2 to be defined. We have no doubt market volatility in some of the lithium names contributed to this de rating. Pegmatites were also discovered on the eastern margin of the main granite opening new possibilities.

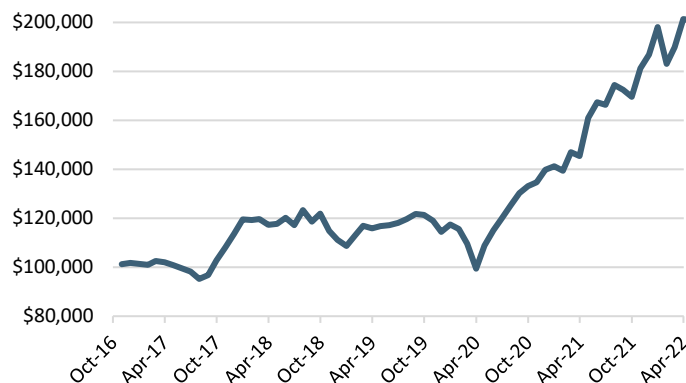
Nexus Minerals Ltd ('NXM') fell 28% for the month after a back log of assays results from the Crusader-Templar discovery were announced. The results were average showing that whilst mineralisation is present; continuity in some areas is questionable and the higher-grade deeper zones whilst visually exciting failed to deliver. We exited our position entirely during the month but on average still returned >1.8x our original investment.

OreCorp Ltd ('ORR') fell 11% for the month on weaker gold prices. There was nothing company specific, however, the company did successfully spin out its WA properties into a new IPO called Solstice Minerals Ltd ('SLS'). The updated DFS is on track to be delivered by 2nd Q CY'22 which should demonstrate the potential of this project.

Portfolio Performance

Top 3 Contributors		Bottom 3 Detractors	
Company	Sector	Company	Sector
Mincor Resources	Nickel	Red Dirt Metals	Lithium
Evolution Energy	Graphite	Nexus Minerals	Gold
Firefinch Ltd	Lithium	OreCorp Ltd	Gold

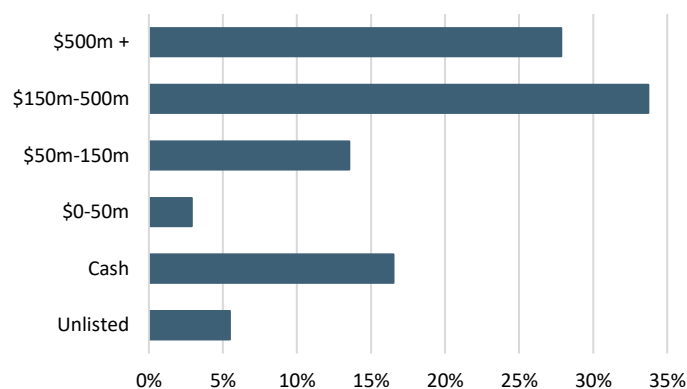
Growth of \$100,000 Since Inception



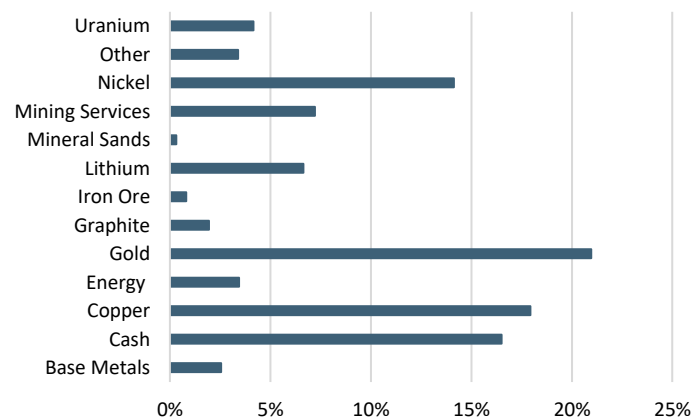
Top 5 Portfolio Holdings

Company	Sector	Portfolio %
Develop Global Ltd	Copper	14.6
Centaurus Metals Ltd	Nickel	5.5
OreCorp Ltd	Gold	5.3
Capricorn Metals Ltd	Gold	5.2
Firefinch Limited	Lithium	4.3

Market Capitalisation Exposure



Portfolio Composition



¹ Returns after fees and taxes

² The Benchmark being the average 90 day bill plus 2% (annually)

³ Inception date: October 2016