

Return	NTA cps Feb 2022	Month (%)	Quarter (%)	FYTD (%)	1 Year (% pa)	2 Years (% pa)	Since Inception <sup>3</sup> (% pa)
Precision Opportunities Fund Ltd <sup>1</sup>	37.96	3.7	1.6	14.1	29.1	36.6	16.8
Benchmark <sup>2</sup>	-	0.2	0.5	1.5	2.2	2.2	3.2
Outperformance	-	3.5	1.1	12.6	26.9	34.4	13.7

### Overview

The fund returned 3.7% for the month, clawing back some of January's underperformance. The early part of the month all eyes were on the US data and the likely rate hikes to start at FOMC meeting in March. The All Ords bounced back 7% from its January nadir of ~ 7,100pts, however focus then turned to the increasing tension in Europe culminating in Russia invading Ukraine on the 24<sup>th</sup> of February which sent pro-cyclical risk assets into a whirlwind. Equities sold off worldwide with the All Ords falling 3% on the day. Gold price spiked US\$80/oz to US\$1,975/oz on the news, Oil price added 5% to close in on US\$100/bbl and subsequently breached to trade at US\$105/bbl and Bitcoin fell sharply (has since recovered). Commodities performed well on potential supply shocks and continued low/critical level of inventories. Nickel hit a 10yr high of >US\$11/lb, Copper firmed up to >4.50/lb and Zinc hit >US\$1.60/lb. We increased our cash position from 16% to 18% but also sold some of our smaller, more illiquid positions and took the opportunity to increase in larger more liquid companies as evidenced by a 22% increase in >\$500m market capitalisation companies compared to last month.

Our top three stocks all returned greater than 1% attribution

Our largest holding, Develop Global Ltd ('DVP') added 16% for the month after announcing it was acquiring the Woodlawn zinc-copper project in NSW for \$30m in upfront payments and a further \$70m in milestone payments on reserve increases and production scenario. Woodlawn is currently on care and maintenance after previous expenditure of >\$300m. DVP plans to at least double the current mineral inventory (rsc of 7.4mt @ 15.2% ZnEq) through a significant drill program before recommencing production. DVP raised \$50m via a placement and entitlements issue in which we took up our full entitlement.

Capricorn Metals Ltd ('CMM') added 20% for the month after an excellent Dec quarterly production result (30.3koz @ AISC of \$1,048/oz) with operating margins and cashflow of 55% and >\$40m respectively. Higher gold prices contributed but also recognition that the organic growth available from the Mt Gibson acquisition, which could see group production of 250-300koz in FY'24 put it in an enviable position in comparison to many of its peers.

Mincor Resources NL ('MCR') announced first ore had been delivered to the Kambalda Nickel Concentrator. This augers well for first concentrate production in the June Q and with current Ni prices ~50% higher than the price assumed in the DFS (US\$7.14/lb) MCR should generate strong free cash.

Our worst performer for the month was PYC Therapeutics ('PYC') which was down 25%. Whilst there was nothing company specific, we believe the weakness was predominantly due to global weakness in Life Science companies and some slippage regarding human trials which should now commence in Q3 CY'22. We have more than recouped our original investment and remain optimistic on its long-term future.

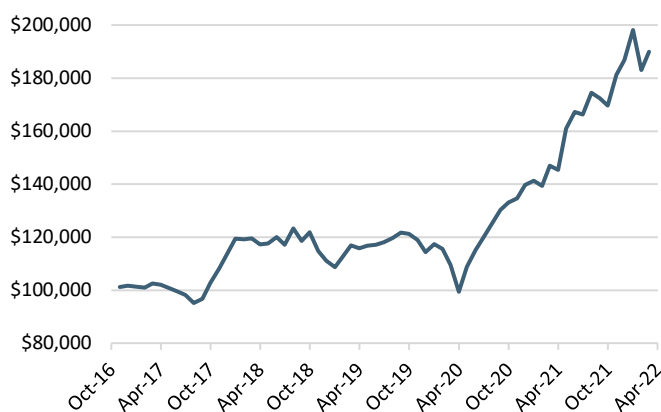
Red Dirt Metals Ltd ('RDT') released its maiden drill results from the first 21 holes (122 holes drilled to date) with some good results showing widths of up to 25-30m and grades of >1.5 Li<sub>2</sub>O but clearly the market was expecting more, and the stock fell 20%. RDT also raised \$22m at \$0.51/sh with two offshore global resource funds participating. We still believe RDT has a strong chance to delineate a sizeable Li resource and, if this occurs it looks cheap in comparison to its peers.

OreCorp Ltd ('ORR'), our third largest portfolio holding at 5.7%, fell 5% for the month with no company specific news. It plans to demerge and IPO its WA exploration assets via an In-specie distribution and Pro Rata Priority offers to raise up to \$12m. We continue to rate this as one of the best undeveloped gold assets owned by a junior and expect the revised DFS due in the 2<sup>nd</sup> H CY'22 to reflect this.

### Portfolio Performance

Top 3 Contributors		Bottom 3 Detractors	
Company	Sector	Company	Sector
Develop Global Ltd	Copper/Zinc	PYC Therapeutics	Biotech
Capricorn Metals Ltd	Gold	Red Dirt Metals	Lithium
Mincor Resources	Nickel	Ore Corp Ltd	Gold

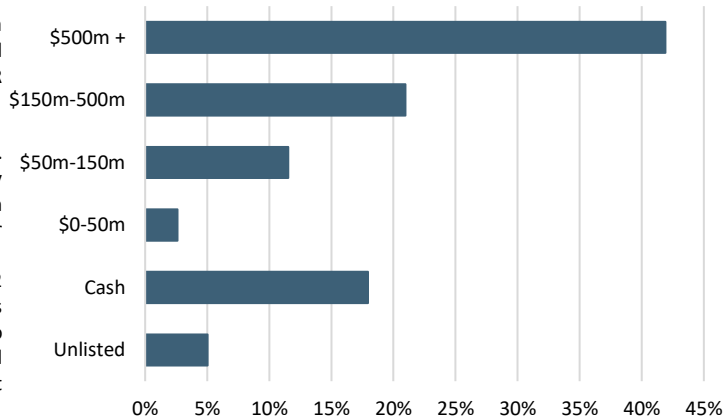
### Growth of \$100,000 Since Inception



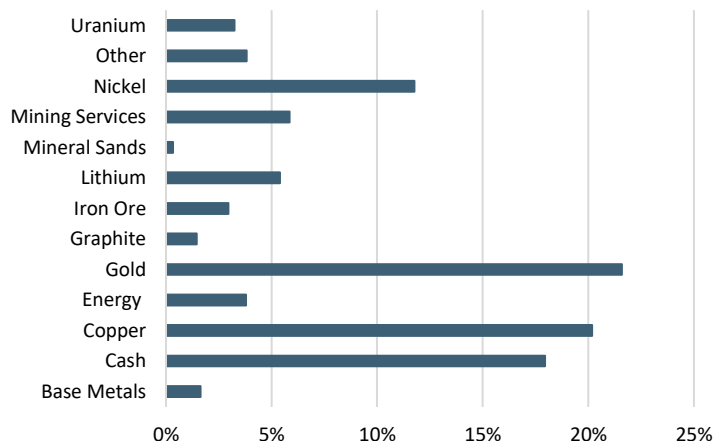
### Top 5 Portfolio Holdings

Company	Sector	Portfolio %
Develop Global Ltd	Copper	16.6
Capricorn Metals Ltd	Gold	6.9
OreCorp Ltd	Gold	5.7
Mincor Resources NL	Nickel	5.4
Centaurus Metals Ltd	Nickel	5.1

### Market Capitalisation Exposure



### Portfolio Composition



<sup>1</sup> Returns after fees and taxes

<sup>2</sup> The Benchmark being the average 90 day bill plus 2% (annually)

<sup>3</sup> Inception date: October 2016