

Return	NTA cps July 2022	Month (%)	Quarter (%)	FYTD (%)	1 Year (% pa)	2 Years (% pa)	Since Inception ³ (% pa)
Precision Opportunities Fund Ltd ¹	34.19	4.8	-14.9	4.8	-2.0	18.2	12.7
Benchmark ²	-	0.3	0.9	0.7	2.7	2.4	3.3
Outperformance	-	4.4	-15.8	4.1	-4.7	15.9	9.4

Overview

The portfolio returned 4.8% for the month, clawing back some of the losses from the past two months. Global equities rebounded strongly in July from oversold levels with the Nasdaq +12.5%, S&P 500 +9.1%. Local indices followed suit with the All Ords +4% and the Small Resources Index +10%. Commodities continued to weaken into July before bouncing; for example, Copper hit a low of US\$3.20/lb before adding 8% to finish the month end at US\$3.50/lb – still 20% from its recent peak of US\$4.80/lb. Lithium equities rebounded as both the spodumene and hydroxide price remained strong with the producers such as Pilbara Minerals and Alkem the main beneficiaries. Gold price continued to weaken to US\$1,685/oz before adding US\$100/oz in the second part of the month. Concerns over cost inflation, productivity and hence margin compression weighed on the gold producers, however, the quarterly reports were generally not as bad as feared and many of the companies rebounded off multi year lows. Our two main gold producers, WAF and CMM both had strong June quarter results and we were particularly impressed with the Kiaka feasibility that WAF released at Diggers and Dealers. We maintained a high cash balance of 22% as we do not believe the global economies/markets are 'out of the woods' yet and sense there will be further volatility and hence opportunities.

Our top three stocks for the month were DVP, CMM and GEN.

Develop Global Ltd ('DVP') added 14% for the month with a general bounce back in resource stocks as described above. In early August DVP announced an updated Woodlawn resource with a greater portion of Indicated Resource plus the potential for remnant resource to be included. An 800m exploration decline is underway with drilling slated to commence in the Dec'Q. The \$400m Bellevue mining contract has started with record development rates achieved in the first month.

Capricorn Metals Ltd ('CMM') added 25% for the month after another strong qtrly production result with free cash generation of >\$20m capping off an excellent first year of production. FY'23 outlook is similar and with very low growth capital, we estimate CMM can generate free cash of >\$140m at current gold prices. Mt Gibson drilling continues to impress and this has all the hallmarks of another successful >100koz pa long life development.

Genmin Ltd ('GEN') added 53% for the month after announcing it had signed a 1% sales revenue royalty agreement with Anglo American to raise US\$10m. It also granted Anglo a 120-day exclusivity to negotiate for up to US\$75m in project funding for 100% of the offtake. This was an excellent non dilutionary deal and with the PFS due this Q we expect this positive momentum to continue. We increased our holding in GEN and it is now a 1.9% portfolio position.

Our biggest detractor for the month was A1C Mines ('A1M') which fell 29%. As a medium cost copper producer, the 20% fall in the copper price has negatively impacted on all copper producers. Whilst A1M quarterly report was solid generating operating cashflow of \$14.4m, higher growth capital resulted in negative net mine cashflow. A1M has an EV of <\$100m and it remains a well-run copper producer with excellent mine life and strategic upside.

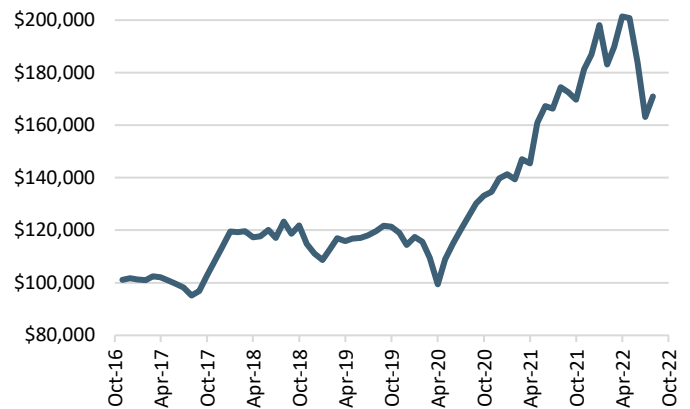
Panoramic Resources Ltd ('PAN') fell 10% for the month after its quarterly report and its FY'23 guidance was well below our estimates. C1 costs have increased considerably to A\$7.30-8.30/lb payable which combined with sustaining and capital growth of \$34-46m meant that PAN would make little free cash in FY'23.

GenusPlus fell 6% for the month on no specific news. The market will be eagerly anticipating the FY'22 results due in August and FY'23 guidance with particular focus on the integration of the recently acquired Pole Foundations Australia ('PFA').

Portfolio Performance

Top 3 Contributors		Bottom 3 Detractors	
Company	Sector	Company	Sector
Develop Global	Copper/Zinc	A1 Mines	Copper
Capricorn Metals	Gold	Panoramic Res	Nickel
Genmin Ltd	Iron Ore	Genus Plus Group	Mining Services

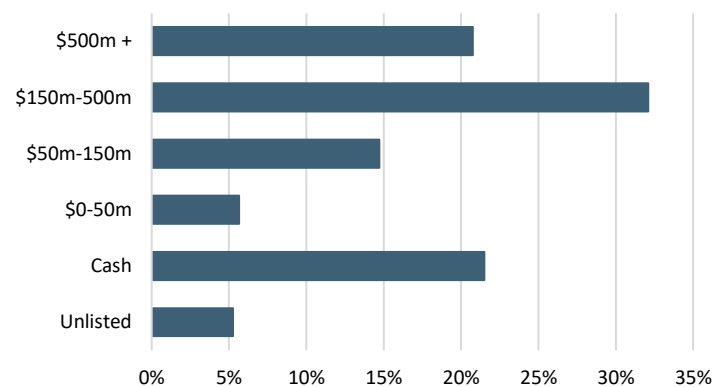
Growth of \$100,000 Since Inception



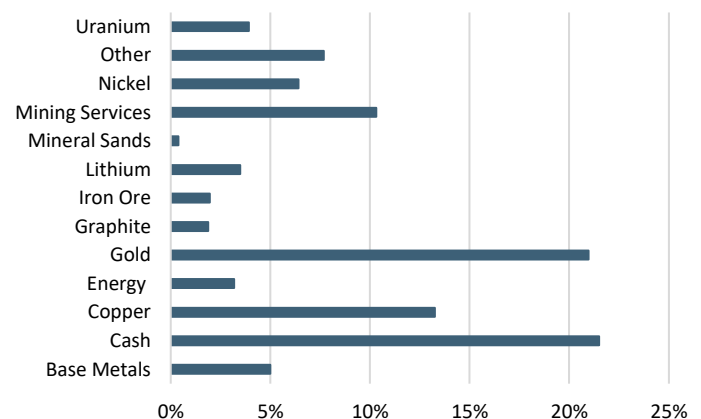
Top 5 Portfolio Holdings

Company	Sector	Portfolio %
Develop Global Ltd	Copper	10.4
Capricorn Metals Ltd	Gold	6.0
Centaurus Metals Ltd	Nickel	4.8
OreCorp Ltd	Gold	4.0
Genesis Minerals Ltd	Gold	3.9

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