

Return	NTA cps May 2022	Month (%)	Quarter (%)	FYTD (%)	1 Year (% pa)	2 Years (% pa)	Since Inception <sup>3</sup> (% pa)
Precision Opportunities Fund Ltd <sup>1</sup>	36.78	-8.4	-3.1	10.6	9.9	29.9	15.0
Benchmark <sup>2</sup>	-	0.3	0.7	2.2	2.4	2.2	3.1
Outperformance	-	-8.7	-3.8	8.4	7.5	27.7	11.9

## Overview

The fund returned -8.4% for the month compared to the ASX Small Ord and Small Resources index both down 7.1% and 6.1% respectively. Three of our four largest holdings were down between 15-20% contributing to >4% of this fall. Global volatility remained, this time from an increasingly hawkish Fed and the COVID driven lockdowns in China impacting sentiment and flows. Commodities were not spared this volatility with Nickel falling 10% for the month to fall below US\$30,000/t. We exited our MCR position but still have a Nickel portfolio weighting of 10%. Copper fell 4% for the month with Shanghai lockdowns weighing on sentiment, however, supply remains an issue with Chile production in April down 8.9% on a year earlier and 8.3% down month on month. Whilst the lithium price, both hydroxide and carbonate, was relatively stable during the month, equities took a beating on a research note by Goldmans declaring the market will go into surplus in CY'23 due to increased Chinese Lepidolite production. Despite this sentiment, Pilbara Minerals auctioned its 5<sup>th</sup> cargo achieving a price of US\$5,955/t for a SC5.5% - a record. Gold traded in a US\$80/oz range from US\$1,800-1,880/oz as the impact of a stronger USD and higher bond yields were felt. Gold equities suffered and we are cautious on the upcoming quarterly reports with cost pressures/margin compression likely to be a feature. The spot uranium price fell 10% for the month, after briefly spiking to above US\$60/lb after Russia's invasion of the Ukraine, it fell below US\$50/lb with the absence of Sprott Physical Uranium Trust ('SPUT') who bought only 400klb in the past month.

Our top three stocks for the month were A1M, GMD and GEN

A1C Mines Ltd ('A1M') was up 6% for the month, defying the lower copper price. An upbeat AGM presentation highlighted operating cashflow and net mine cashflow of \$35.8m and \$18.7m respectively after only 5 months of operation. It remains on track to achieve annual guidance of 12.5kt of Cu and 6.5koz of Au at a C1 operating cost of A\$3.30/lb. Despite a modest reserve of ~ 2.5yrs A1M has a current life of mine plan to June'30 as its target extensions to known resource areas and new lodes. Management and the team have done an excellent job thus far and the fund is up 1.7x on its original investment.

Genesis Minerals Ltd ('GMD') was up 5% for the month with no specific news but in April announced its new strategic plan to become a +300koz pa gold producer over the next five years with a target mkt cap of >\$2bn. This team is predominantly ex Saracen Mineral Holdings which grew into a mid cap >500koz gold producer before merging with Northern Star Resources.

Genmin Mining Group ('GEN') was up 10% for the month after announcing a 168% increase in the Baniaka resource to 700mt @ 40% Fe. It is on track to release a PFS in the next few months which should demonstrate a highly robust project with initial production of 5mtpa increasing to 10mtpa. We forecast an NPV of >\$0.5bn.

Our biggest detractor for the month was Develop Global Ltd ('DVP') which fell 15% on light volume. Despite the fall it had plenty of news flow. It announced further high-grade assays from Sulphur Springs which augers well for a significant resource upgrade due in the Sept'Q. The Woodlawn acquisition also closed during the month and an exploration decline and underground drilling are planned to commence in the 2<sup>nd</sup> H CY'22. Work started at the \$400m Bellevue Mining Contract and DVP also agreed to acquire Premium Mining and Civil Pty Ltd for \$7.46m.

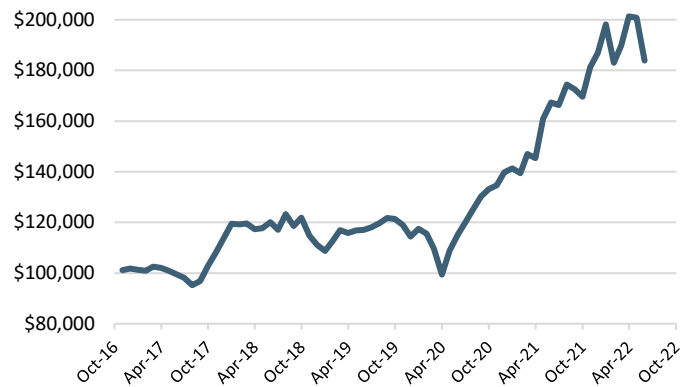
OreCorp Ltd ('ORR') fell 21% for the month on weaker gold prices and the news of a delay in the DFS from 2<sup>nd</sup> Q to 3<sup>rd</sup> Q CY'22. Concerns over cost inflation pressure impacting margins at both a capital and operating level no doubt contributed to the fall but there are few deposits globally that contain >3moz in a single deposit that can support >200koz pa for >10yrs.

Centaurus Metals Ltd ('CTM') fell 15% on weaker Nickel prices and some profit taking after a very strong six months with the stock up 50% YTD. With 15 rigs on site, CTM continues to report some excellent high-grade results including 46m @ 2.17% Ni. An updated resource estimate is slated for Q3 CY'22 followed by a DFS by year end.

## Portfolio Performance

Top 3 Contributors		Bottom 3 Detractors	
Company	Sector	Company	Sector
AIC Mines	Copper	Develop Global	Copper/Zinc
Genesis Minerals	Gold	OreCorp	Gold
Genmin Ltd	Iron Ore	Centaurus Metals	Nickel

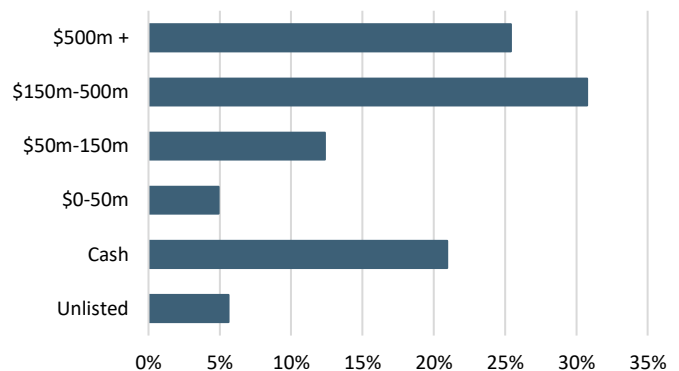
## Growth of \$100,000 Since Inception



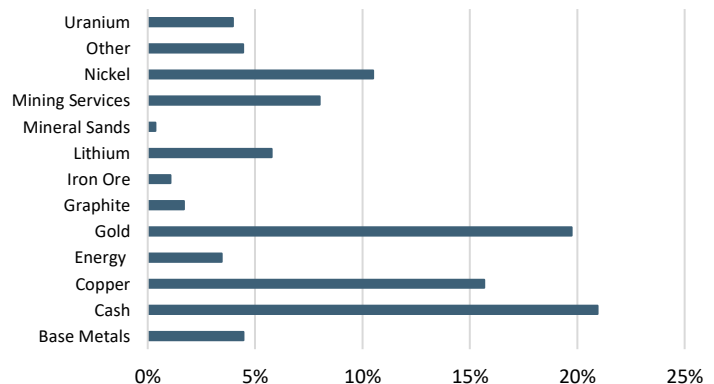
## Top 5 Portfolio Holdings

Company	Sector	Portfolio %
Develop Global Ltd	Copper	11.9
Capricorn Metals Ltd	Gold	5.3
Centaurus Metals Ltd	Nickel	5.2
OreCorp Ltd	Gold	4.6
Genesis Minerals Ltd	Gold	3.2

## 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