

Return	NTA cps Sept 2021	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Years (%)	Since Inception (%)
Precision Opportunities Fund Ltd <sup>1</sup>	33.93	-1.6	2.0	2.0	27.5	39.9	69.7
Benchmark <sup>2</sup>	-	0.2	0.5	0.7	2.2	4.7	16.0
Outperformance	-	-1.8	1.5	1.3	25.3	35.1	53.7

## Overview

Despite September being the worst month on the market since March 2020, the portfolio fell only 1.6% outperforming the Small Resources Index (XSR) by 5.7% which fell by 7.3%. Volatility in the global equity markets resulted in swings of >1% on the Dow Jones as the Evergrande property situation in China threatened to spill into the broader market. The VIX (which measures markets expectation on volatility) hit a three month high. By month end, fears of the Evergrande situation reduced but the spectre of rising inflation and interest rates took centre stage. The ten year bond yields in the US and Australia both hit 1.5%. Iron ore bore the brunt of the Evergrande situation with the price falling below US\$100/t, before bouncing back to finish the month at ~\$115/t, a fall of 25% for the month. The big three domestic producers (RIO, BHP, FMG) all fell between 12-23%.

Gold remained volatile falling 5.5% from its monthly peak of US\$1,830/oz to a low of US\$1,720/oz as the stronger USD and higher 10yr bond yields impacted. Gold equities were soft with many mid cap producers falling to multi year lows (RRL, SBM), however M&A continued with a US\$24bn merger of equals between Kirkland Lake and Agnico Eagle. Uranium was the stand out commodity for the month hitting an 8 yr high of ~US\$52/lb before some profit taking/weakening to close the month at US\$44/lb, still up 25% for the month. The newly formed Sprott Physical Uranium Trust (SPUT) has now bought >10mlbs in the spot market. Lithium prices continued their near vertical rise and are approaching all time highs with Chinese Li carbonate and hydroxide prices up 54% and 47% respectively in the last month. Equity raisings continued at a pace with SFR raising \$1.2bn to acquire producing assets of Trafigura in Spain the largest.

Our top three stocks for the month all returned greater than 1% attribution.

Higher oil prices, commencement of site works at Waylaring -5 Well and the granting of the Exploration license in Mongolia saw Talon Energy Ltd ('TPD') appreciate 22% for the month. We took some profits at ~1cps to convert options at 0.4cps to maintain our 2.5% portfolio position. The recent success of Norwest Energy NL ('NWE') from 1c to 3cps on the Lockyer Deep 1 Gas discovery, shows the upside on discovery and with Waylaring slated to spud in mid Oct TPD is well positioned for further price appreciation.

Higher spot uranium prices contributed to Lotus Resources Ltd ('LOT') adding 20% for the month but at its peak was up 80% (\$0.35/sh). We took the opportunity to lock in some profits (>\$0.30/sh). This has been a stellar investment and is up 10x since our initial investment in mid July'19 when LOT acquired a 65% interest in the Kayelekera Uranium project from Paladin Resources.

Nexus Minerals Ltd ('NXM') was up >100% on the month as it continued to produce some excellent results from its Crusader/Templar discovery including 10m @ 5.64 g/t Au, 28m @ 3.64 g/t Au and 24m @ 1.08 g/t Au. Drilling is on going and assay results from some of the deep holes are due in Oct'21. We are nicely positioned with an average entry price of \$0.14/sh on our holding.

Venturex Resources Ltd ('VXR') was again our largest detractor for the month, falling 18% and a negative 4% detractor for the portfolio. Greater market volatility and softer Copper prices all contributed along with likely profit taking and lack of news in the short term.

The falling gold price impacted two of our largest gold positions: Capricorn Metals Ltd ('CMM') down 14% and OreCorp Ltd ('ORR') down 8% respectively. CMM gave back what it added in the prior month despite reporting very positive progress at Karlawinda where it produced 9.8koz in August and is on track for steady state operations in Sept.

OreCorp fell on low volume with the softer gold price and no new news. A DFS is slated to be delivered in Q1 Cy'22.

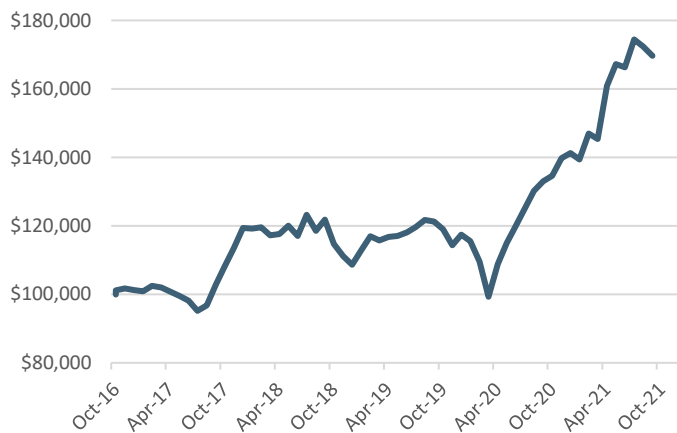
## Portfolio Performance

Top 3 Contributors		Bottom 3 Detractors	
Company	Sector	Company	Sector
Talon Petroleum	Oil & Gas	Venturex Resources	Copper
Lotus Resources	Uranium	Capricorn Metals	Gold
Nexus Minerals	Gold	Ore Corp	Gold

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

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

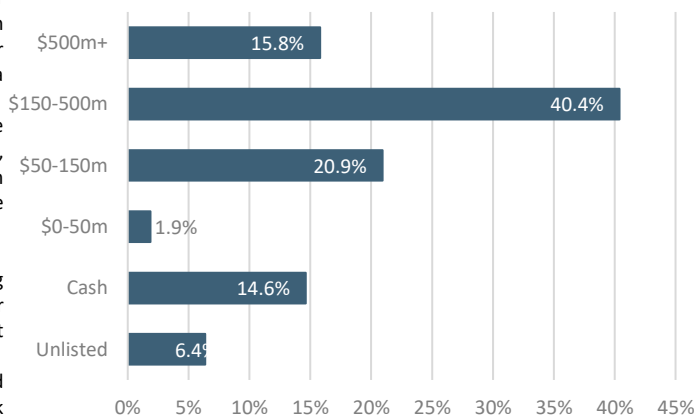
## Growth of \$100,000 Since Inception



## Top 5 Portfolio Holdings

Company	Sector	Portfolio %
Venturex Resources	Copper	17.4
OreCorp Ltd	Gold	6.1
Capricorn Metals Ltd	Gold	5.3
Mincor Resources	Nickel	4.1
Centaurus Metals	Nickel	4.1

## Market Capitalisation Exposure



## Portfolio Composition

