

**COMPANY INFORMATION**

Last NTA (30-04-17) \$0.2017  
 Shares on issue 122,434,413  
 Total Net Assets \$24,690,928.06

Precision Opportunities Fund Ltd ("POF") is a boutique investment vehicle that identifies emerging opportunities and undervalued companies listed on the ASX and other recognised exchanges.

The investment focus of POF is predominantly in the small-mid cap sectors which are companies typically capitalised outside the ASX100. The Investment Manager may invest from time to time in unlisted opportunities that have a clear path to market or exit. Through its exposure to the Investment Manager's network and skill-set, POF intends to provide its Shareholders with access to opportunities not generally available to investors using traditional methods of equity investment.

For more information please refer to our website

[www.precisionfm.com.au](http://www.precisionfm.com.au)

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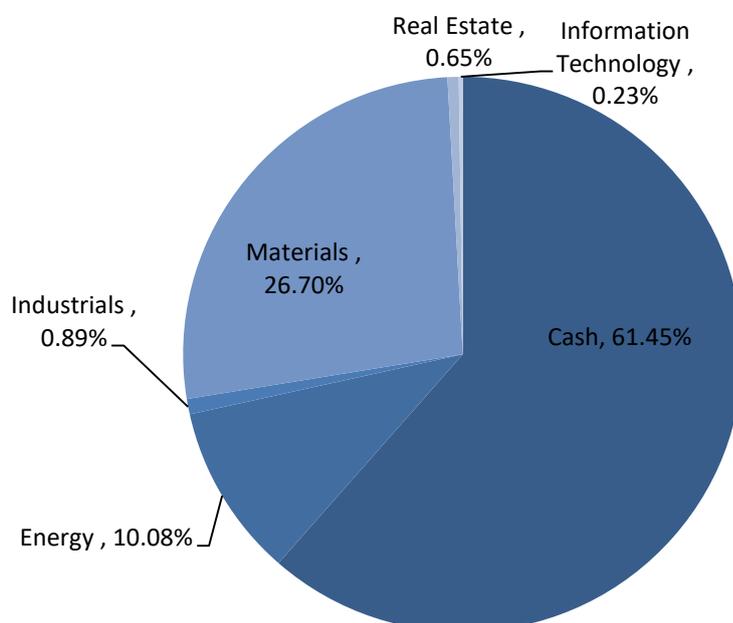
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**Net Tangible Assets**

Cents	April 2017	March 2017
NTA per share	20.17c	20.41c

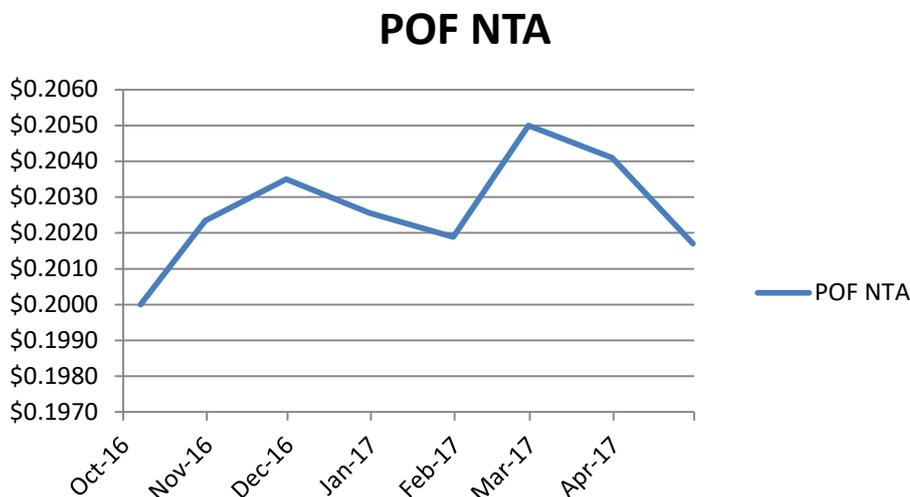
Net tangible assets of the company include allowance for tax assets and liabilities that may rise from both realised and unrealised gains and/or losses.

**Portfolio Holdings**

Cash	61.4%
Australis Oil & Gas	7.6%
Independence Group	6.6%
Orecorp Ltd	6.2%
Venturex Resources	2.4%
Orion Gold NL	2.0%
Capricorn Metals	2.0%
Sandfire Resources	1.8%
Trek Metals Ltd	1.2%
Other	8.8%
<b>TOTAL</b>	<b>100%</b>

Based on Fund valuation as at 30<sup>th</sup> April 2017

**Portfolio Performance**



**Market Performance**

Global markets consolidated during April as investors took caution following the considerable geopolitical risks in Syria and North Korea. The net result saw stocks and commodities sell-off, as investor switched into safe-haven bond exposures.

**Market Outlook & Investment Themes**

With the bulk of Q1 company earnings reports now completed, there is now a lack of fundamental drivers to push markets higher in the short term. Thus given the strong rally in stock markets since the US elections, the markets remain vulnerable to a pullback given the continued geo political events.

Whilst the potential outcome of the Syria and North Korea affairs remain a day-by-day proposition given the volatile nature of the parties involved, the near term focus of the market is on the result of the French elections. Thankfully the polls show a strong lead to the pro-Eurozone party led by Emmanuel Macron who wants to maintain the status-quo if elected. However given the shock result of the Brexit vote, nothing can be ruled out at this stage, as a win by Marine Le Pen would push France towards an exit of the Eurozone resulting in extreme market volatility.

The failure of Donald Trump to implement any election promises within his first 100 days has also failed to instil confidence in markets, thus the 'Trump Rally' which pushed stocks, commodities, and bond yields higher has also started to unwind. Whilst it remains likely that the promises will eventuate (tax cuts, deregulation, infrastructure spending), they will likely now take place in the later part of 2017.

Whilst these events continue to play out, we see the current market thematic (Low domestic interest rates, recovering commodity prices) continuing to remain the driver of our markets.

## Investment Themes

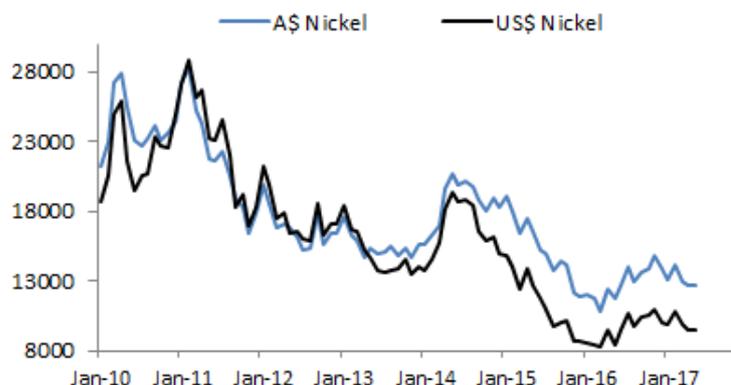
### Resource Market Volatility

- Following a strong recovery from the 2016 lows, the ASX Small Resource Index has been in a period of consolidation for the last 9 months.
- The driver of this has been the US election win and Federal Reserve rate rises causing a rally in the US dollar and subsequent weakness in commodity prices.



### A\$ Nickel Commodity

- Whilst Indonesian political uncertainty has created volatility, low prices has seen many projects halted and caused underinvestment in the sector.
- The commodity remains well positioned for a cyclical turn-around as the market moves into an eventual supply deficit.



## Whos shaking the tin?

**Cooper Energy (COE, \$0.34)** Cooper successfully raised \$151.5m at 31.5 cents to fund the development of the Sole gas field in the Gippsland Basin. Cooper has secured long term gas sales contacts with a number of customers plus leaving a significant share of annual output to meet the ever tightening east coast gas market.

**OreCorp Ltd (ORR, \$0.50)** OreCorp have raised \$20.6m at 48 cents to complete their DFS at their Tanzanian based Nyazanga gold project. It also puts the company in a strong position to potentially increase their ownership in the project.

**Agrimin (AMN, \$0.44)** Sulphate of Potash minor AMN has raised \$13.2m via a placement and entitlement issue at 42 and 40 cents respectively. The funding will assist with the ongoing pre-feasibility studies at their NT based lake Mackay SOP project.

**Capricorn Metals (CMM, \$0.11)** CMM have placed \$10m of new shares at 11.7 cents to UK based private equity firm Hawkes Point Holdings. Following a recent resource upgrade to 1.1m oz's at the Company's Karlawinda Gold Project they are now well funded to complete their DFS by mid-year.

**Paringa Resources (PNL, \$0.515)** PNL has raised \$53m at 52 cents to construct the company's Polar Grove Coal Mine in the Illinois Basin in the US.

## Stocks in the Spotlight

### Australis Oil & Gas (ATS)...TMS Acquisition

Following the successful \$100m capital raising ATS have now settled on their \$US68.3m acquisition of Encana's interests in the Tuscaloosa Marine Shale.

As part of the transaction ATS have acquired:

- 1,900 boepd production
- 5mmbbls of developed and producing reserves
- 62,000 net acres
- 80mmbbls of contingent resource

This is a transformational acquisition for ATS given that the purchase price is less than the independently assessed US\$95m NPV10 of the producing reserves.

The acquisition is contiguous with Australis' existing 19,000 net acres in the TMS

The 80mmbbls were effectively acquired at US\$0.14/bbl providing significant leverage to oil price upside.

Chairman Jonathan Stewart said: *"We were very pleased with the level of support we received from our existing shareholders and from new investors. The acquisition of this large acreage position within the TMS core, together with the associated production and cashflow, proven reserves and large undeveloped resource provides the platform for significant value creation for those shareholders. Through our two acquisitions in the TMS, Australis has been able to achieve a strategic acreage position within one of the few remaining undeveloped oil producing basins in the US. Pleasingly, we have retained significant flexibility with respect to the financing, timing and extent of future development as a result of:*

- *Our operator status which ensures direct control over the timing and amount of capital expenditure to be committed,*
- *Our existing cash balance and expected cash flows from our existing production,*
- *Our ability to leverage our unique acreage position to consider partnership opportunities at the appropriate time."*

<b>Capital Structure</b>	
Issued Shares	819m
Market Capitalisation	\$217m
Cash (31 Dec 2016)	\$29m
<b>Board</b>	
Chairman	Jon Stewart
Managing Director	Ian Lusted
Finance Director	Graham Dowland
Non-Executive Director	Alan Watson
Non-Executive Director	Steve Scudamore
<b>Key Shareholders</b>	
Jon Stewart	7.67%
JP Morgan Asset Mgmt	6.62%
Paradice Investment Mgmt	6.44%
Eley Griffiths Group	5.98