ANNUAL REPORT 2021

PRECISION | OPPORTUNITIES FUND

1202 Hay Street
West Perth WA 6005

www.precisionfm.com.au

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Dear Investor,

PRECISION OPPORTUNITIES FUND LTD – CHAIRMAN'S LETTER

On behalf of the board of Precision Opportunities Fund Ltd ("**Fund**" or the "**Company**"), it is with great pleasure I present to you the Fund's Annual Report for the financial year ending 30 June 2021.

Significant results for the year are:

- The Fund recorded a pre-tax profit of $21,223,482 ($1,227,543 for 2020) and a net profit after tax of $14,872,234 ($1,136,444 for 2020).
- Total assets of the Company at 30 June 2021 are $65,221,069 ($35,076,519 for 2020). This includes equity of $6,893,590 that was raised through the year via a capital raising in the Company, at an issue price of 25c.
- Net assets of the Company at 30 June 2021 are $55,356,070 ($33,523,602 for 2020), this figure includes deferred tax liabilities of $7,746,528 for 30 June 2021.
- The Company's net assets per share at 30 June 2021 is $0.3330 ($0.2399 for 2020).

As always, the year presented the usual unforeseen challenges that dictate the path of financial markets; the global pandemic continues to take this to a whole new level. However, with this comes opportunity and we have used this period of uncertainty to invest in what we consider are undervalued companies and to actively manage many of our investments as the opportunities arose throughout the year.

The performance of the fund was based directly on our exposure to a diverse range of companies with material contributions from the base metals, gold, and uranium stocks we held. A core part of our strategy remains identifying quality management teams who have the capability and the skills to efficiently execute their business plans. Further to this, we remain positive on the overall resource market, based on:

- Continued supply deficits in several commodities with under investment a significant factor resulting in long lead times and significant cost pressures to bring new projects into production;
- The increased focus on decarbonisation, which in essence is forcing a structural change in both demand and supply of commodities to meet ambitious global targets, coupled with the ongoing EV thematic which continues to grow strongly; and

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- Ongoing corporate M&A activity in the resources sector driven by the lack of organic growth options for the cashed up larger miners.

As per previous years, we continue to focus our investment approach on identifying undervalued listed companies outside the ASX Top 100, and we remain confident our investment objective to generate superior returns for investors will be met. I am pleased to report that the fund has now built several solid core positions that we have been able to grow and increase our position in to meet the respective companies' capital requirements.

We welcomed the appointment of Andy Clayton to the board of Precision in December 2020. Andy joined the board following 15 years as an Executive Director, and 20 years as a resource analyst at Euroz Securities Ltd.

On behalf of my fellow board members, we thank you for your continued support and look forward to welcoming you to our Annual General Meeting scheduled for December 2021.

I also take the opportunity to publicly thank our committed team of "TK", "Weiry", "Clayts" and "Jess" who have been largely responsible for the Fund achieving this wonderful financial result.

Yours sincerely

Michael Blakiston

Chairman

Precision Opportunities Fund Ltd

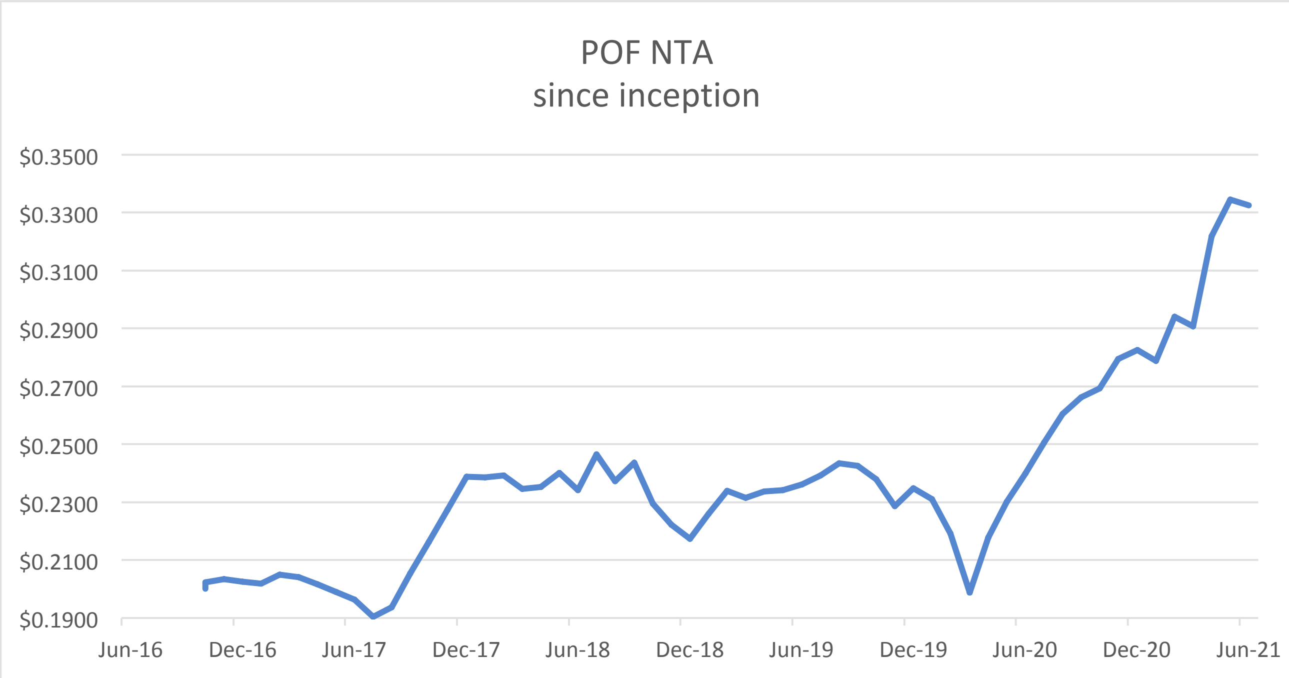
ABOUT PRECISION

- Precision Opportunities Fund Ltd ("POF") is an unlisted investment vehicle that identifies emerging opportunities and undervalued companies listed on the ASX and other recognised exchanges.
- POF was established in August 2016 and at time of writing (November 2021) currently has 166,250,812 shares on issue, total net assets of $60,264,653 (Oct'21) and raised a total of $34,871,590 since inception.
- In FY'21 a total of $6,893,590 of new equity was raised at a unit price of 25 cps with a 1 for 2 free option expiring at $0.35 cps in Dec'22. At the end of the Oct'31 NTA was 36.25 cps
- Precision Funds Management Pty Ltd ("PFM") has been engaged as the Investment Manager to generate and filter opportunities on behalf of POF and make all investment and divestment decisions.
- The investment focus of POF is predominantly in the small-mid market capital 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.

INVESTMENT MANAGERS REPORT

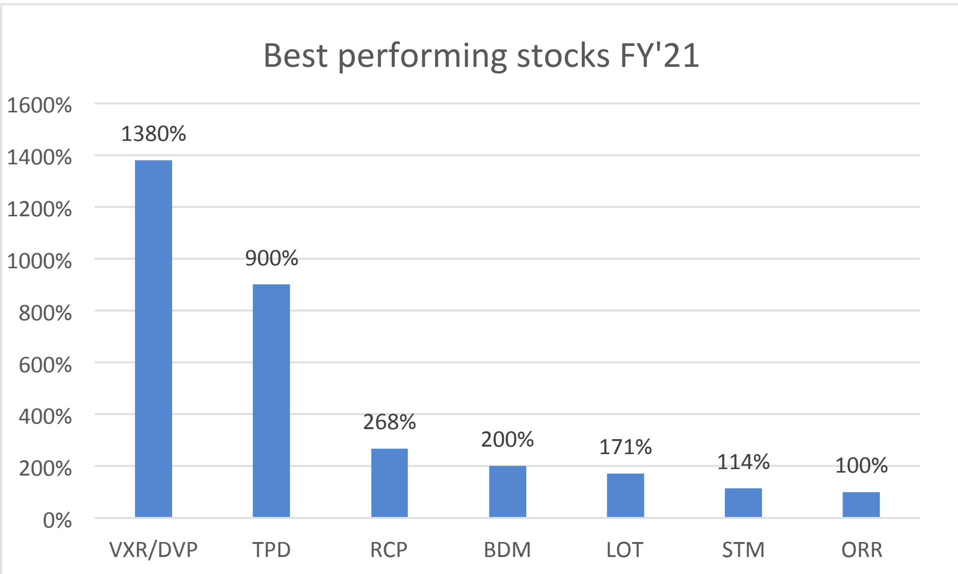
PORTFOLIO PERFORMANCE

As the world continued to adjust to a Covid restricted environment we have seen unprecedented demand for commodities across the resources sector. As a result the Fund achieved a net return of 38.6% for the 2020/2021 financial year, and a net return of 66.3% since inception. At the time of writing (November 2021) the Fund's latest NTA was 36.25 cents, representing an 81.3% increase since inception. The environment for commodity prices across the board has been buoyant with the re-emergence of electric vehicle sector and the impact of a serious focus on carbon reduction and ESG focussed investment. Base metals play a significant role in the battery sector and this was somewhat at the expense of gold which has been fairly stagnant compared to the previous year. Therefore, we have seen and continue to see a great deal of capital being raised for exploration ventures and development capital. The Small Resources Index enjoyed a stellar year finishing up 32%. The share market as whole has tested record levels and continues to attract surplus funds as Central Banks reluctance to raise interest rates continues. Initially record stimulus was the driver however corporate profitability has also recovered extremely strongly from its covid lows so a combination of liquidity, low interest rates and profitability has driven share prices to record levels.



As we gained confidence in the sustained medium-term strength of the current resources thematic and the rising demand for all EV associated commodities, we have deployed our additional cash reserves, however, still retain sufficient funds to take advantage of a market pullback or new opportunities.

We had seven stocks that gained greater than 100% over the year with the standout being Develop Global Ltd (previously Venturex Ltd).



As the cycle matures, we have chosen to deploy funds into stocks that offer greater liquidity and a production profile. Well researched core positions within the portfolio which have proven to continue to provide outperformance over the medium term.

MARKET/ECONOMIC OUTLOOK

As vaccine rates continue to grow to levels where domestic and international borders are relaxed, we are optimistic that markets will continue to experience above average returns, however, there are some clear warning signs that we are at the mature end of the cycle and a healthy market correction would not surprise at the time of writing this report.

So, the question on everyone's lips is how long can this last? Not only do we have a strong commodity price environment across the board, but the US market continues to be driven by the large tech stocks, namely, Facebook (now Meta), Amazon, Apple, Netflix Alphabet (formerly Google) have seriously benefited from the impact of Covid, and all have reported exceptional profit numbers almost beyond belief. When you add Tesla's now 1 trillion market capitalisation to the equation you can see where the concentrated share market performance has been driven from globally.

The key risk for markets globally appears to be escalating inflation which has been fuelled by Covid supply shortages and the cautionary approach particularly by the US Federal Reserve to respond by utilising higher interest rates as a tool. However, the Federal Reserve has indicated their intention to begin tapering stimulus with monthly reductions of US$15 billion which will see stimulus conclude in mid 2022. The case for equities has also been fuelled by historically low interest rates still making other asset classes less desirable.

US inflation is continuing to surprise on the upside despite the Fed continuing to use the word "transitory" as the world emerges out of covid restrictions hence the expectation supply chains will loosen. In October this year US CPI rose to a 30 year high of 6.2% from 5.4% in September. The energy sector in the US has contributed to much of this rise, however, the core inflation number which excludes food and energy was also up 0.6% month on month. It's important to note much of the contribution to core inflation was pandemic lead as the world reopens and such contributors as admission to events, used, new and rental car prices. The bottom line is this number cannot be continued to be ignored despite the Covid recovery/transitory thematic.

Inflation remains the biggest risk to the economy as a wages spiral will ultimately strangle economic growth but hopefully this impact will be eased as supply side loosening up and labour participation in the US recovers.

Obviously, the Australian share market has not experienced the same level of performance as the US due to our market being more focussed on Resources, Financials & Industrial companies rather than tech heavy weight companies. Nonetheless, our market still tested record levels as the global recovery gathered pace, and confidence restored with the vaccine. We would expect this trend to continue as target vaccine rates are achieved, supply lines return to normal along with investor confidence.

The question remains, how will we recover from the cost of stimulus and the debt that has been incurred? It is a question that remains unanswered as the inflation that is creeping into the economy increases. However, without such fiscal stimulus the impact would have been catastrophic, and the impact softened somewhat in the wake of low global interest rates.

Australian GDP growth continued its quarter by quarter recovery, helped by the unexpected surge in housing investment and very strong growth in public demand, however, the greatest risk still remains trade impositions imposed by China as tensions mount.

COMMODITIES OUTLOOK

The funds investments have been a significant beneficiary of increased commodity prices across the board and our core exposures to base metals have experience standout performance especially where there is a link to the EV sector. Underlying global stimulus has been a major contributor to this performance in the wake of continued Covid impacts across the board and resultingly commodity prices have experienced unprecedented levels of growth.

The re-emergence of demand for metals and clean energy sources meant gold did not have the appeal that it experienced in the previous financial year. Since the emergence of inflation particularly in the US we have seen the gold price recover and gold stocks back in the limelight.

The key still remains Chinese demand and a synchronized global recovery and although Chinese demand has remained relatively robust we have seen the impact on the iron ore price when their economy winds back.

So, we believe the case for gold remains strong when you take into account uncertainty created by Chinese slowdown and Evergrande Property Groups uncertain future. Gold is not only seen as a safe haven in times of uncertainty, but a hedge against US dollar weakness and inflation.

The bottom line is that COVID-19 has had serious supply impacts across many commodities.

Labour and equipment supply constraints has seen a decline in copper, nickel and zinc production and several development projects delayed. This has seen a contraction of stored inventories and a spike in the underlying commodity prices which should be further fuelled by the recovery in demand outside of China and the EV sector continues to evolve.

Energy markets and oil prices in particular have experienced a resurgence in price due to a combination of OPEC supply constraints, lack of investment into exploration and development. Combined with a massive reduction in US shale activity we are seeing inventories decline in the wake of increasing demand. Oil production globally is now at a year low, and the general view is that US activity will reignite with the price currently north of US$80/bbl. Improved vaccination rates and the recommencement of aviation travel should underpin a strong oil price.

Environment Social & Governance (ESG) considerations are playing a significant and meaningful role in the operations of resource companies. Financiers are now demanding projects satisfy stringent criteria as part of the funding process. As a result, existing and new projects are required to minimise and reduce their footprint as the carbon emission targets loom live and it’s an area we monitor before making an investment.

We have seen the emergence of many ESG focussed investment funds who have an extremely strict set of guidelines before investing and many other existing non ESG funds are not increasing or investing in any fossil fuel projects. Despite this we believe the transition to the new energy world will still require significant investment and contribution from traditional fuel sources before they are phased out.

Another fuel source which has been a beneficiary of carbon reduction has been the uranium price and Sprott SPUT investment trust soaking up physical U3O8 in the spot market has seen the price surge from under US$30/lb to US$ 47/lb currently. Planned reactors across the globe but particularly in China should see the demand and hence contract price for yellow cake continue to remain buoyant.

STRATEGY

As discussed we have continued to build core positions in companies we believe provide us with sufficient liquidity and real earnings via the adoption of some simple but disciplined techniques including but not limited to:

- Independent technical analysis
- Benchmarking
- Regular company visits
- Management assessment
- Assessment of relevant project, country and political risks
- Commodity diversification
- Consensus valuation
- ESG considerations

We will continue to leverage off the vast network we have at our reach to explore new investment opportunities and the technical capabilities that exist within the network to evaluate them.

Finally, on behalf of the board of PFM, we would like to sincerely thank our loyal shareholders for their continued support, it is greatly appreciated.

Tim Weir
Director
Precision Opportunities Fund Ltd

Tony Kenny
Director
Precision Opportunities Fund Ltd

Andrew Clayton
Director
Precision Opportunities Fund Ltd

Financial Report for the Year Ended 30 June 2021

DIRECTORS' REPORT

Directors present their report on Precision Opportunities Fund Ltd, the company, and its controlled entity for the financial year ended 30 June 2021.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Michael Blakiston (appointed Chairman 29 July 2016)	Timothy Weir
Anthony Kenny	Andrew Clayton (appointed 23 December 2020)
Bill Beament	Shane McLeay

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the company and the Group during the financial period were to provide specialist investment services and management.

No significant change in the nature of these activities occurred during the year.

Review of Operations

The company recorded a net profit after-tax of $14,938,877 for the financial year, which is a 1214% increase as compared with that of the previous year (2020: $1,136,444).

A review of the operations of the Group during the financial year and the results of those operations found that ongoing growth of the investment portfolio has had had a significant and positive impact on revenue. These factors, together with noticeable improvements in the level of volatility in global financial markets over the past few years, have facilitated revenue growth that has been proportionally greater than the growth in operational costs. The increase in revenue has contributed directly to an increase in the Group's profit before tax.

Significant Changes in the State of Affairs

No significant changes in the company's or Group's state of affairs occurred during the financial year.

Events Subsequent to the End of the Reporting Period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Dividends

No dividends were declared or paid during the financial year.

Environmental Regulation

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Shares and Options

A total of 27,574,360 redeemable preference shares (REDP or Offer Shares), together with 13,787,182 Options were issued during the financial year, with a total issuing value of $6,893,590. The Offer Shares were issued at an issue price of $0.25 per Offer Share, and the Options were issued as free attaching Options with an exercise price of $0.35 and expiry date of 31 December 2022.

Indemnification of Officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where this is a lack of good faith. During the financial period, the company paid a premium in respect of a contract to insure the directors and executives of company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and Insurance of Auditor

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Information on Directors

Name:	**Anthony Kenny**
Title:	Executive Director
Experience and expertise:	Tony is a finance industry executive with in excess of 20 years' experience in both a stockbroking and investment advisory capacity. Tony began his career with Porter Western in Perth in 1997 prior to its acquisition by Macquarie Bank. Tony has since co-founded a number of boutique corporate advisory and wealth management businesses in Perth and held executive and non-executive directorship roles across companies in related industries, most recently as an Executive Director of Euroz Securities post the acquisition by Euroz of Blackswan Equities. Tony is currently an executive director of Precision Funds Management Pty Ltd and Chieftain Securities Pty Ltd. Tony specialises in advising and assisting growth companies to achieve their outcomes, his executive management expertise covers capital markets and equity funding requirements, business strategy, restructuring and pathways to listing specifically in the small to mid-cap space.

Name:	**Timothy Weir**
Title:	Executive Director
Experience and expertise:	Tim has had in excess of 20 years' experience in the Finance industry holding senior roles in Investment Advisory, Management and Corporate Finance. Mr Weir holds a Bachelor of Business from Curtin University majoring in Economics and Finance. He was a founding director of Blackswan Equities which was subsequently acquired by Euroz Ltd in 2015. Prior to this he was a Director of Perth based Stockbroking firm Porter Western Ltd which was Acquired by Macquarie Bank in 2006. Tim is currently an executive director of Precision Funds Management Pty Ltd and Chieftain Securities Pty Ltd. These roles encompass the day-to-day management of an active portfolio on behalf of investors and origination and completion of equity capital market transactions in the public and private sectors.

Name:	**Andrew Clayton**
Title:	Executive Director
Experience and expertise:	Andy holds a Bachelor of Science (Hons) in Geology from Melbourne University and a Diploma in Finance from FINSIA. Andy was a geologist for 5 years working in the WA Goldfields, South Australia and Victoria before becoming a research analyst specialising in resources. Andy joined the board of Precision in January 2021 following 15yrs as an Executive Director of Euroz Securities Ltd and 20yrs as a resource analyst at Euroz Securities. Andy is an Executive Director of Precision Funds Management Pty Ltd and Chieftain Securities Pty Ltd.

Name:	**Bill Beament**
Title:	Non-Executive Director
Experience and expertise:	Mr Beament is a mining engineer with more than 25 years' experience in the resource sector. Previously he held several senior management positions, including General Manager of Operations for Barminco Limited with overall responsibility for 12 mine sites across Western Australia, and General Manager of the Eloise Copper Mine in Queensland. Mr Beament led the growth of Northern Star Resources from a 1¢ shell to an ASX50 company with a market cap of over A$15 billion. At the time of his resignation as Northern Star Resources Executive Chair, the Company was the second-biggest ASX-listed gold producer. This growth stemmed from a combination of highly successful exploration and operating excellence as well as project acquisitions. Mr Beament is Managing Director of Develop Global Limited.

Name:	**Michael Blakiston**
Title:	Non-Executive Director
Experience and	Michael is a specialist in mining and resources law and a partner in Gilbert +

expertise:	Tobin's Corporate Advisory group. Michael joined Gilbert + Tobin in July 2011, after the firm's integration with Blakiston & Crabb which he founded and led since 1985. Michael advises clients in the resources sector covering all aspects of exploration, development and operation. He has extensive experience across a range of commodities. Michael also has a very active corporate practice. Michael is Chairman of DEVELOP Global Limited and a Non-Executive Director of BCI Minerals Limited. An internationally renowned leader in resources law, Michael has been recognized in various legal publications including Who's Who Legal, the Australian Financial Review's Best Lawyers listing of Australia's top mining lawyers and Chambers International.
Name:	**Shane McLeay**
Title:	Non-Executive Director
Experience and expertise:	Shane is a Mining Engineer possessing over 20 years of industry experience with a strong history of start-up and project management of numerous mines throughout Australia from planning and early works stages. He has extensive experience in senior operational site management, predominantly in gold and base metal hard rock mines. Shane founded mining consultancy firm Entech in 2010, he has since been involved in a diverse range of projects, both national and international, over a broad range of commodities, providing services including mining due diligence assessments, mining scoping studies, mining pre-feasibility and definitive feasibility studies.

Directors Interests at 30 June 2021

Directors Entity	ORD Shares	Options	REDP	REDP %
Anthony Kenny and associated entities	1	Nil	6,250,000	3.76%
Timothy Weir and associated entities	2	Nil	6,250,000	3.76%
Andrew Clayton and associated entities	1	1,500,000	3,000,000	1.80%
Michael Blakiston and associated entities	Nil	Nil	2,500,000	1.50%
William Beament and associated entities	Nil	450,690	7,151,379	4.30%
Shane McLeay and associated entities	Nil	275,000	3,400,000	2.05%

Directors' Meetings

During the financial year, 2 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
Directors	**Eligible to Attend**	**Meetings Attended**
Michael Blakiston (Chair)	Yes	2

Anthony Kenny	Yes	2
Timothy Weir	Yes	2
Andrew Clayton *(appointed 23 Dec 2020)*	Yes	1
Bill Beament	Yes	2
Shane McLeay	Yes	2

Company Secretary

Jessica Ridley held the position of company secretary at the end of the financial year. Irene Chin resigned as joint company Secretary on 16 December 2020.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out immediately after this Directors Report.

No officer of the company/Group is or has been a partner/director of any auditor of the Group.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director ………………………………………………………………………………………

Anthony Kenny

Dated this 29 day of November 2021

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF PRECISION OPPORTUNITIES FUND LIMITED

As lead auditor of Precision Opportunities Fund Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 29 November 2021

Statement of Profit or Loss and Other Comprehensive Income

PRECISION OPPORTUNITIES FUND LTD

For the year ended 30 June 2021

	NOTES	2021	2020
Income			
Revenue			
Gain on financial assets held at fair value through profit or loss	3	1,965,300	165,449
Revaluation of financial assets held at fair value through profit or loss	3	23,339,387	1,324,202
Other Income			
Other Revenue	4	94,031	281,358
Total Income		**25,398,719**	**1,771,008**
Total Income		**25,398,719**	**1,771,008**
Expenses			
Interest expenses	5	(1,466)	(2,290)
Administration Expenses		(4,145,764)	(512,881)
Other Expenses	5	(28,007)	(28,294)
Total Expenses		**(4,175,237)**	**(543,466)**
Profit/(Loss) before Income Tax		**21,223,482**	**1,227,543**
Income Tax Expense			
Income Tax Expense		(6,284,604)	(91,099)
Total Income Tax Expense		**(6,284,604)**	**(91,099)**
Net Profit / (Loss) After Tax		**14,938,877**	**1,136,443**
Total Comprehensive Income for the year		**14,938,877**	**1,136,443**

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

PRECISION OPPORTUNITIES FUND LTD

As at 30 June 2021

	NOTES	30 JUN 2021	30 JUN 2020
Assets			
Current Assets			
Cash and Cash Equivalents	8	9,622,994	11,904,535
Trade and other receivables	9	171,783	44,466
Financial assets held at fair value through profit or loss		52,684,746	22,097,518
Total Current Assets		**62,479,522**	**34,046,519**
Non-Current Assets			
Financial assets held at fair value through profit or loss		2,741,546	1,030,000
Total Non-Current Assets		**2,741,546**	**1,030,000**
Total Assets		**65,221,068**	**35,076,519**
Liabilities			
Current Liabilities			
Trade and Other Payables	11	2,118,471	90,993
Total Current Liabilities		**2,118,471**	**90,993**
Non-Current Liabilities			
Deferred tax liabilities		7,746,528	1,461,924
Total Non-Current Liabilities		**7,746,528**	**1,461,924**
Total Liabilities		**9,864,998**	**1,552,917**
Net Assets		**55,356,070**	**33,523,602**
Equity			
Ordinary Class Shares	13	4	4
Preference Shares	13	34,871,590	27,978,000
Retained Earnings/(Accumulated Losses)	14	15,192,938	5,545,598
Reserves	15	5,291,538	-
Total Equity		**55,356,070**	**33,523,602**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

PRECISION OPPORTUNITIES FUND LTD

For the year ended 30 June 2021

	Note	Issued Capital	Profit Reserve	Retained Earnings	Total Equity
		$		$	$
Balance at 30 June 2019		**26,038,004**	-	-	**30,447,159**
Profit after income tax expense for the year			-	1,136,443	1,136,443
Total comprehensive income for the year			-	1,136,443	1,136,443
Transactions with owners in their capacity as owners:					
Capital raising – Issue of Preference Shares	13	1,940,000	-	-	1,940,000
Balance at 30 June 2020		**27,978,004**	-	**5,545,598**	**33,523,602**
Profit after income tax expense for the year				14,938,877	14,938,877
Total comprehensive loss for the year				14,938,877	14,938,877
Transactions with owners in their capacity as owners:					
Capital raising – Issue of Preference Shares	13	6,893,590	-	-	6,893,590
Transfer to Profit Reserve		-	5,291,538	(5,291,538)	-
Balance at 30 June 2021		**34,871,594**	**5,291,538**	**15,192,937**	**55,356,070**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

PRECISION OPPORTUNITIES FUND LTD
For the year ended 30 June 2021

	2021	2020
Operating Activities		
Net proceeds (payments) to financial assets held at fair value through the profit and loss	(6,994,111)	(1,271,875)
Dividends received	63,934	99,173
Interest received	9,969	78,199
Receipts from Other Income	27,378	40,101
Payments to suppliers and employees	(2,282,301)	(582,895)
Net Cash Flows from Operating Activities	**(9,175,131)**	**(1,637,296)**
Financing Activities		
Proceeds from issue of Redeemable Preference Shares	6,893,590	1,940,000
Net Cash Flows from Financing Activities	**6,893,590**	**1,940,000**
Net Cash Flows	**(2,281,541)**	**302,704**
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	11,904,535	11,601,831
Net change in cash for period	(2,281,541)	302,704
Cash and cash equivalents at end of period	9,622,994	11,904,535

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

PRECISION OPPORTUNITIES FUND LTD

For the year ended 30 June 2021

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

The following Accounting Standards and Interpretations are most relevant to the entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the entity's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The entity has adopted AASB 1060 from 1 July 2020. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The entity recognises revenue as follows:
Gain (Loss) on Financial Assets

The realised gain or loss on the sale of financial assets are recognised as income when the investments are sold.

The revaluation of financial assets is also recognised as income, in accordance with the specific policies relating to investments which are referred to in this Note 1.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

	When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
	When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares and Redeemable Preference Shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and when they are no longer at the discretion of the Company.

Reserves

Reserves provide for various items in equity for the benefit of shareholders. A profit reserve may be used from time to time to allow the Company to issue dividends from the profit reserve.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Fair value of financial assets

Fair value reflects the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date.

Quoted prices or rates are used to determine the fair value where an active market exists. If the market for a financial instrument is not active or the instruments is unlisted, then fair value are estimated using present value or other valuation techniques, using inputs based on market conditions prevailing on the measurement date, including recent capital raisings.

The values derived from applying these techniques are affected by the choice of valuation model used and the underlying assumptions made regarding inputs such as timing and amounts of future cash flows, discount rates, credit risk, volatility and correlation.

Income tax

The entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

3. Revenue

	2021	2020
Gain on financial assets held at fair value through profit or loss	1,965,300	165,449
Unrealised Net fair value gain on financial assets at fair value through profit or loss	23,339,387	1,324,202
Total Revenue	**25,304,687**	**1,489,651**

4. Other Income

	2021	2020
Dividends	57,684	105,423
Corporate & Sub-underwritting fees	26,378	39,712
Interest Income	9,969	78,199
Exploration Credit Income (Non-Taxable)	-	58,023
Total Other Income	**94,031**	**281,358**

5. Expenses

	2021	2020
Finance Costs	1,466	2,290
Other Expenses	28,007	28,294
Total Expenses	**29,473**	**30,585**

6. Administration Expenses

Administration expenses are made up of management fees and performance fees.

Management Fees are calculated on the net asset value of the Company after tax and calculated on a monthly basis, in accordance with the management agreement and information memorandum provided to shareholders.

Performance Fees are calculated based on the increase in the Net Asset Value per share six monthly and based upon the calculation of a rate of return which exceeds the benchmark return above the risk free interest rate. The high watermark is set for the Net Asset Value per share to exceed in order for a Performance Fee to be paid.

The Company recognises an accrual for the estimated performance fee at the end of each reporting period, which is also taken into account in calculating the management fees.

	2021	2020
Administration expenses		
Management Fee Paid	695,038	449,792
Performance Fee Paid	3,450,726	63,089
Total Administration expenses	**4,145,764**	**512,881**

7. Income Tax Expense

	2021	2020
Income Tax Expense		
Current tax	(38,437)	(28,998)
Deferred tax - origination and reversal of temporary differences	6,389,685	118,794
Adjustment recognised for prior periods	(66,644)	-
Aggregate income tax expense	6,284,604	89,796
Deferred tax included in income tax expense comprises:		
Increase/(decrease) in deferred tax liabilities		
Increase/(decrease) in deferred tax liabilities	6,284,604	89,796
Total Increase/(decrease) in deferred tax liabilities	**6,284,604**	**89,796**
Tax Expense Reconciliation	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	21,223,482	1,227,543
Tax at the statutory tax rate of 30%	6,367,045	368,263
Tax effect amounts which are not deductible (taxable) in calculating taxable income	(15,796)	(278,467)
Adjustment recognised for prior periods	(66,644)	-
Income tax expense	6,284,605	89,796

There was no charge to the Deferred Income Tax Liability through equity, as this is recognised through the profit and loss as set out in Note 1.

8. Current assets - cash and cash equivalents

	2021	2020
Cash On Hand	4	4
Cash at bank	9,622,990	11,904,531
Total Current assets - cash and cash equivalents	**9,622,994**	**11,904,535**

9. Current assets - trade and other receivables

	2021	2020
Current	171,783	44,466
Total Current assets - trade and other receivables	**171,783**	**44,466**

10. Financial Assets held at fair value through profit and loss

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 fair value measurement are those instruments valued based on quoted prices (unadjusted) in active markets for Identical assets or liabilities.
- Level 2 fair value measurements are those instruments valued based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e.derived from prices).
- Level 3 fair value measurements are those instruments valued based on techniques using significant unobservable inputs. This category includes all instruments for which the valuation techniques includes inputs not based on observable data and unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

30 June 2021	Level 1	Level 2	Level 3	Total
Financial assets classified as fair value through	$52,684,745	$824,826	$2,029,646	$55,503,217

	2021	2020
10A. Current assets - financial assets held at fair value through profit or loss		
Designated at fair value through profit or loss	52,684,746	22,097,518
Comprising:		
Listed Australian ordinary shares - designated at fair value through profit or loss	52,584,746	21,684,622
Listed International ordinary securities - designated at fair value through profit or loss	100,000	412,897
Unlisted Australian ordinary shares - designated at fair value through profit or loss	700,000	-
Total Comprising:	**53,384,746**	**22,097,518**

Listed ordinary shares and ordinary securities have been valued based on their quoted market prices in active markets. Unlisted ordinary shares are classified as current, as those investments are expected to be tradeable on an active market within the next 12 months, and have been valued based on the underlying quoted market prices in active markets.

	2021	2020
10B. Non-current assets - financial assets at fair value through other comprehensive income		
Unlisted Australian Shares and Securities	2,041,546	1,030,000
Total 10B. Non-current assets - financial assets at fair value through other comprehensive income	**2,041,546**	**1,030,000**

The unlisted Australian ordinary shares have been valued on one of the following ways:

- Where securities are unlisted and have an identifiable link to a security that is quoted market prices in active markets; or
- Where securities do not have an active market, then the value is based on observable data where possible, or after having regard to unobservable inputs which may have a significant effect on the valuation.

	Industry Sector	Basis of valuation	Date of transaction	Fair value as at 30 June 2020 $	Fair value as at 30 June 2021 $
Blue Ocean Monitoring	Marine	Directors have taken the approach to value at last capital raising price	April 2021	0	249,998
HiSeis Pty Ltd	Energy	Directors have taken the approach to value at cost based on available company data and in the absence of any capital raising	30 June 2021	1,030,000	1,030,000
Kalbar Resources Ltd	Energy	Directors have taken the approach to value at last capital raising price	3 December 2020	849,999	749,648
Total				**$1,879,999**	**$2,029,646**

11. Current liabilities - trade and other payables

	2021	2020
Current		
Provisions	2,118,471	90,993
Total Current	**2,118,471**	**90,993**
Total Current liabilities - trade and other payables	**2,118,471**	**90,993**

12. Current liabilities - provisions

	2021	2020
Provision for Management Fee	78,033	27,904
Provision for Performance Fee	2,040,438	63,089
Total Current liabilities - provisions	**2,118,471**	**90,993**

13. Equity - issued capital

	2021	2020
Ordinary Class Shares	4	4
Redeemable Preference Shares	34,871,590	27,978,000
Total Equity - issued capital	**34,871,594**	**27,978,004**

The Company has authorised share capital amounting to ordinary shares of no par value. Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meeting each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

The Company has redeemable preference shares which participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. Redeemable preference shares have no voting rights at shareholder meetings.

The Company has issued 13,787,182 free options to acquire redeemable preference shares at an exercise price of 35c and expire on 31 December 2022.

Convertible redeemable preference shares	2021	2020
The Company has share capital amounting to 166,250,812 convertible redeemable preference shares	$34,871,590	$27,978,000
	Number	Number
Number of Shares at the beginning of the reporting period	138,676,452	128,979,981
Conversion of Options during the year	-	9,696,471
Shares issued during the year - December 2020, 27,574,360 at 25c per share	27,574,360	-
Number of Shares at the end of the reporting period	166,250,812	138,676,452

Options Expiry 31 December 2022	2021	2020
Options to acquire redeemable preference shares at exercise price of 35c per share	$ -	$ -
	Number	Number
Number of Options at the beginning of the reporting period	-	-
Conversion of Options during the year	-	-
Options issued during the year - December 2020, 13,787,182	13,787,182	-
Number of Options at the end of the reporting period	13,787,182	-

14. Equity - Retained Earnings

	2021	2020
Opening Balance	5,545,598	4,409,155
Current Year Earnings	14,938,877	1,136,443
Transferred from (to) Profit Reserve	(5,291,538)	-
Closing Balance	15,192,937	5,545,598

15. Equity - Profit Reserve

	2021	2020
Opening Balance	-	-
Profit Reserve	5,291,538	-
Closing Balance	5,291,538	-

The profit reserve is used to enable dividends to be paid from the profit reserve, rather than from retained earnings, providing flexibility for the Company for management of capital.

	2021	2020
16. Cashflow from Operating Actitvities		
Net Profit as per Profit and Loss	14,938,877	1,136,443
Change in Receivables	(127,317)	266,307
Change in Financial Investment Held via Profit and Loss	(32,298,773)	(3,061,526)
Change in Payables	2,027,477	(69,620)
Change in Provision for tax	6,284,604	91,099
Total Cashflow from Operating Actitvities	**(9,175,132)**	**(1,637,297)**

17. Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by BDO, the auditor of the Company:

Audit Services:		**2021**	**2020**
Audit or review of the financial statements		18,000	10,459
Total Audit Remuneration		**18,000**	**10,459**

18. Related Party Transactions

Related Party Transactions are those that relate to Precision Funds Management Pty Ltd, the Investment Manager and Chieftain Securities Pty Ltd due to common directors. There are no other related party transactions reflected in the accounts.

The Company earned fees of $10,000 from Chieftain Securities Pty Ltd for corporate fees relating to a placement made by the Company. This transaction was treated as income to the Company, and included in Other Income.

The following fees were paid or provisioned during the year with Precision Funds Management, which are in accordance with the management agreement:

- Management Fees
- Performance Fees

	2021	2020
Related party transactions		
Income Earned from Related Parties		
Corporate Fees Income	10,000	3,889
Total Income Earned from Related Parties	**10,000**	**3,889**
Fees paid or provisioned		
Management Fee Paid	695,038	449,792
Performance Fee Paid	3,450,726	63,089
Total Fees paid or provisioned	**4,145,764**	**512,881**
Payable to related parties		
Payables - management fee	(78,033)	(27,904)
Provision for Performance Fee	(2,040,438)	(63,089)
Total Payable to related parties	**(2,118,471)**	**(90,993)**

19. Contingent Assets and Contingent Liabilities

There are no contingent assets or contingent liabilities for the Company.

20. Commitments

There are no commitments for the Company, other than has been disclosed throughout this report.

21. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the company's state of affairs in future financial years.

Directors' Declaration

PRECISION OPPORTUNITIES FUND LTD
For the year ended 30 June 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Anthony Kenny
Director

29 November 2021
Perth, Western Australia

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INDEPENDENT AUDITOR'S REPORT

To the members of Precision Opportunities Fund Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Precision Opportunities Fund Ltd, which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Precision Opportunities Fund Ltd, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 29 November 2021