



ANNUAL REPORT 2023

Precision Opportunities Fund Ltd

1202 Hay Street
West Perth WA 6005

www.precisionfm.com.au

PRECISION | OPPORTUNITIES
FUND

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CHAIRMAN'S LETTER

On behalf of the board of Precision Opportunities Fund Ltd (“Fund” or the “Company”), it is with pleasure I present to you the Fund’s Annual Report for the financial year ending 30 June 2023.

Significant results for the year are:

- The Fund recorded a pre-tax profit of \$13,901,114 (\$1,652,168 loss for 2022) and a net profit after tax of \$9,508,303 (\$1,100,844 loss for 2022).
- Total assets of the Company at 30 June 2023 are \$83,485,320 (\$61,510,410 for 2022).
- Net assets of the Company at 30 June 2023 are \$76,160,373 (\$54,255,225 for 2022), this figure includes deferred tax liabilities of \$4,935,790 for 30 June 2023.
- The Company’s net assets per share at 30 June 2023 is \$0.3627 (\$0.3263 for 2022), the Company’s net assets per share before tax at 30 June 2023 is \$0.3964 (\$0.370 for 2022).

The Fund saw a 14% total return (inclusive of dividend) in net assets per share after tax for the financial year ending 30 June 2023, driven by the portfolio returning 15.6% year on year after all fees and expenses.

The fund paid its inaugural fully franked dividend during the year. This dividend had an associated dividend reinvestment plan so shareholders could partake in the wonder of compounding returns. We were delighted by the very high participation in this scheme by shareholders. It should be noted that the Company has realised significant profits over the last year which has led to a significant growth in the Company’s franking credit reserves. This has placed the fund in a strong financial position and should enable the continuation of fully franked dividend payments.

We welcomed Dermot Woods on board as an Executive Director in August 2022. Dermot has over 20 years’ experience in funds management.

Importantly, the majority of Dermot’s experience is associated with successfully running the investment process for investment companies with a very similar structure, focus and investment philosophy to the Fund.

The Fund’s assets also increased this year via a capital raising, and we thank all new and existing shareholders who supported this process. I would note that the Board and Management team made significant further investments alongside shareholders.

Global stock markets experienced a strong relief rally from the lows experienced around the start of the FY2023. The market has, however, been volatile with a notable decline in liquidity experienced since Central Banks began the process of normalising monetary policy. With global inflationary forces subsiding it now appears this process is reaching maturity and there should be a more stable monetary policy backdrop going forward.

The Company is focused on generating returns from the area of the world we know best. We are very fortunate this is Western Australia, a jurisdiction which remains uniquely well-placed to meet the world’s ever-growing natural resource demand. In our Investment Manager Report overleaf we highlight how this factor combined with recent market conditions is currently offering an environment with no shortage of investment opportunities.

Personally, I would like to thank the executives of Precision Funds Management for the way they have managed the Fund during the past 12 months and 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 October 2023.

Yours sincerely,

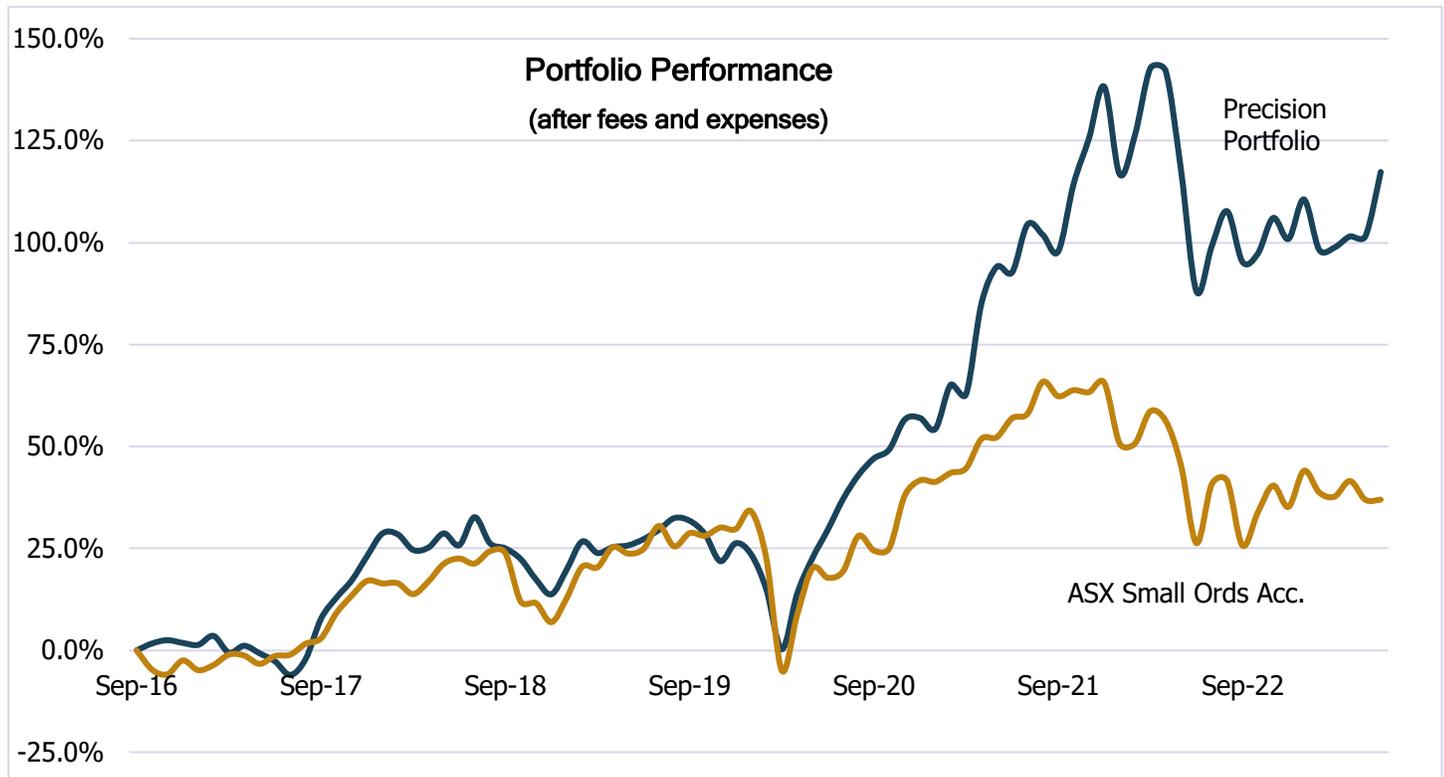


Michael Blakiston
Chairman
Precision Opportunities
Fund Ltd



INVESTMENT MANAGERS REPORT

The Precision portfolio generated a return of 15.6% over FY2023. On a comparable basis the ASX Small Ordinaries Accumulation Index rose 8.4%, whilst the Small Resources Accumulation Index gained 6%. The larger capitalisation dominated ASX All Ordinaries increased 14.8%.



At first flush these returns appear very healthy, but the underlying reality is the market has gone sideways since the RBA started hiking rates in May 2022, and there have been plenty of pockets of pain. For example, the Small Ordinaries Index ended the year 12% below the level it closed at before the first RBA rate move, whilst the Small Resources Index is down 22% over the same period. So, the attractive looking market returns was all driven by the starting denominator rather than anything substantive. The real story of FY2023 is that, following a bounce back from market lows at the start of year, liquidity was mercilessly sucked out of the market as cash became a viable investment option again.

In general, commodity prices trended down over the year as global growth decelerated and supply chains recovered fully from any COVID disruption. Of note, were very steep falls back to earth for many energy feedstocks. Uranium, a market that has been long overdue some incentive pricing, was the exception here, trading up 10%. The real story may be yet to come for this nuclear feedstock as the folly of most Western Governments' rush to embrace unimplementable renewable energy projects becomes more apparent. Gold

(+7%) and copper (flat) price were the better performing metals over the year. Nickel declined 13% and zinc finished the year 27% lower.

In the context of all the above we were relatively content with the performance of the portfolio. Below we highlight the key contributors to performance over the period.

Somewhat in keeping with the market theme above, two of the largest contributions to FY23's portfolio return were from **Develop Global (DVP)** and **Capricorn Metals (CMM)**, whose shares prices regained all of the ground lost in the weak June quarter of FY22. Both these companies continued to operate efficiently and profitably, whilst executing coherent growth strategies, in an environment where many peers struggled.

Delta Lithium (DLI) (previously known as Red Dirt Minerals) was another large contributor for the year. The Delta share price gained over 100% with catalysts including resource definition, exciting exploration drilling and a significant investment from strategic investor - Japanese conglomerate, Idemitsu.

Encounter Resources (ENR) was the bolter for the year, with the share price increasing 230% over the period. Anyone who has been in markets long enough, to have acquired the requisite humility, will appreciate that you never know quite where your performance is going to come from or why it is going to occur. ENR is a perfect exemplar of this, with the share price appreciation almost entirely driven by the discovery of Niobium mineralisation immediately adjacent to the company's significant West Arunta landholding. It's safe to say that this time last year we were not overly familiar with the niobium exploration potential of the 'back-of-beyond' WA/Northern territory border region.

Our general thesis going into this year was that markets would be somewhat rangebound and volatile as the necessary interest rate policy rectification occurred. This led to the conclusion that a lot of our buying could be conducted in a patient and niggardly fashion. In the main this strategy served us well but was not foolproof. **Emerald Resources (EMR)** and **Austal Ltd (ASB)** were two stocks that contributed handsomely to performance, but we unfortunately did not attain full positions before they raced away.

The biggest detractors from performance over the period were Cooper Energy, where we tried and failed to pick the turnaround in operating performance, and Evolution Energy, with the graphite sector largely ignored by the green energy investor brigade for now.

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 currently has 209,963,262 shares on issue and total net assets after fees and taxes of \$76,160,373 (June 2023).

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 capitalisation sectors which are companies typically capitalised outside the ASX100. Through its exposure to the Investment Manager's network and skill-set, POF is able to provide its shareholders with access to opportunities not generally available to investors using traditional methods of equity investment.

Yesteryear's fear and uncertainty over the path for inflation, and therefore interest rates, is clearly dissipating. However, the market has run straight into another wall of worry over the extent of economic growth deceleration resultant from the last 12-18 months of liquidity withdrawal. For financial markets, uncertainty equals higher perceived risk. Risk, of course, equals return. Thus, the current presence of healthy fear in the markets creates numerous opportunities for potential returns.

Over the financial year 2023 we started amassing holdings in a range of areas in which the value on offer was too good to ignore. For example, in the gold sector we have significant investments in West African Resources (WAF), Silver Lake Resources (SLR) and Genesis Minerals (GMD). The common theme amongst these companies was that FY23 represented a year of investment, either organically or through M&A. We would expect share prices of respective companies to increase as capex hurdles roll off and free cash flow generation potential becomes reality. Some evidence of this has already become apparent through the June quarterly reporting period.

Most markets and market sectors ended FY2023 at levels well beyond pre-covid highs. One area that has lagged significantly is Australian small capitalisation industrial companies. It is also an area in which the risk/return balance seems a lot more in favour of the buyer than we have historically observed. A host of the industrial positions in which we have built up holdings over the course of the last year have recently started to contribute to portfolio performance. These companies fall into two broad baskets: cheap but under-owned as cash flow generation has been poor so far this cycle (i.e. contractors); or, firmly out of favour as the cycle has turned against them (e.g. property). We believe as operating conditions change for the better these companies will attract more investor interest, and share prices have some way to run from what is currently a very low base.

Our investment hunting ground of Western Australia is currently in rude health with a State income account and balance sheet which must be the envy of the majority of the Western world. The reputation of our State as a reliable and stable jurisdiction to do business, whilst not unblemished, has only increased on a relative basis in the last year. It would be remiss not to also mention that, unlike the last period of plenty in WA, the hallmark of the current resource cycle has been capital discipline.

The upshot of all the above is that we are currently seeing no shortage of fundamental value opportunities in the market. However, given the evaporation of liquidity in many sectors, we are hesitant to fully deploy our cash balances for fear of missing out on extreme bargains if there is a real 'blood on the streets' period akin to the June quarter 2022. If this proves to be too conservative a stance we can, at the very least, rest assured that there will be plentiful wholesale opportunities over the next year.

There are always some frustrations with portfolio construction, but we enter financial year 2024 very happy with the shape of our investments. We are also optimistic we can continue to deploy a fundamental, bottom-up stock picking style that has served us well, in one guise or another, over the previous twenty plus years.

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

The Precision Team



DIRECTOR'S REPORT

PRECISION OPPORTUNITIES FUND LIMITED ABN 11 613 479 262

Financial Report for the Year Ended 30 June 2023

The Directors present their report on Precision Opportunities Fund Ltd, the company, and its controlled entity for the financial year ended 30 June 2023.

Directors

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
Bill Beament	Shane McLeay
Dermot Woods (appointed as Director on 15 August 2022)	

The 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 \$9,508,303 for the financial year, as compared with that of the previous year (2022: \$1,100,844 loss).

Significant Changes in the State of Affairs

There have been no significant changes to the company's or Group's state of affairs during the financial year.

Events Subsequent to the End of the Reporting Period

In pursuant to the Board July meeting minutes, the Directors approved and issued additional Redeemable Preference Shares at an issue price equal to a 5% discount to the June 2023 NTA. These shares are all issued fully paid with an issue date of 6 July 2023.

No other matter of circumstance has arisen since 30 June 2023 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 Group.

Dividends

The Company paid its maiden dividend during the financial year. A fully franked dividend of 1c per redeemable preference share was declared and paid on the 29 September 2022. The total gross dividend paid by the Company was \$1,677,868.68 (2022: nil).

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 43,712,450 redeemable preference shares (REDP or Offer Shares) were issued during the financial year, with a total, with a total issuing value of \$14,074,714. Changes to the Company's share structure during the year are further detailed below:

OFFER	DATE	SHARES ISSUED	ISSUE PRICE	CONSIDERATION
Option Exercise Sept22	06-Sep-22	1,536,056	\$0.3500	\$537,619.60
Shares Issued from DRP Sept 2022	29-Sep-22	3,486,770	\$0.3264	\$1,138,093.88
Share Issue - Placement Dec 2022	22-Dec-22	37,500,000	\$0.3200	\$12,000,000.00
Share Issue - Placement Jan NTA	02-Feb-23	1,189,624	\$0.3354	\$399,000.00
TOTAL		43,712,450		\$14,074,714

The Company has a total of 209,963,262 redeemable preference shares on issue as at 30 June 2023.

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.

BOARD AND MANAGEMENT



Michael Blakiston

Chairman

Michael is a partner in Gilbert + Tobin's Energy & Resources group. He has over 30 years' experience gained across a range of jurisdictions. 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 was formerly a non-executive director of BCI Minerals Ltd.



Tim Weir

Executive Director

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.



Tony Kenny

Executive Director

Tony is a finance industry executive over 20 years' experience.

Tony has co-founded several 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.



Dermot Woods

Executive Director

Dermot is a highly experienced, well regarded fund manager with an excellent track record of strong investment outperformance. Dermot has over twenty years' experience in equity markets, including eighteen years in funds management.

Mr. Woods holds a Bachelor of Commerce in Accounting & Business Studies from Edinburgh University, and the Chartered Financial Analyst designation. Dermot is an Executive Director of Precision Funds Management Pty Ltd.



Andrew Clayton

Executive Director

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. Mr Clayton was an Executive Director of Euroz Securities Ltd for 15 years, and has over 20yrs experience as a resource analyst. Andy is an Executive Director of Precision Funds Management Pty Ltd.

BOARD AND MANAGEMENT



Bill Beament

Non - Executive Director

Bill is a mining engineer from the Western Australian School of Mines and has more than 25 years of operational and senior management experience in the resources sector.

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. This growth stemmed from a combination of highly successful exploration and operating excellence as well as extensive merger and acquisition activity. Bill is Managing Director of Develop Global Limited.



Shane McLeay

Non - Executive Director

Shane is a highly respected Mining Engineer and senior manager in the resource sector with over 25 years experience. 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 feasibility studies and decarbonisation strategy. Shane is also a non-executive director of ASX listed Lithium mining company Liontown Resources Ltd.



Jessica Ridley

Company Secretary

Jess has over 15 years' experience in the financial services industry having held various positions in stockbroking and corporate advisory firms, most recently at Euroz Securities Ltd. Jess' experience covers securities trading, corporate finance and equity capital market transactions, fund administration, operations, governance and risk and compliance. Jess is a Chartered Secretary with a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia and holds a Bachelor of Economics from the University of Western Australia.

Directors' Interests at 30 June 2023

Directors Entity	ORD Shares	Options	REDP	REDP %
Anthony Kenny and associated entities	1	Nil	7,682,448	3.7%
Timothy Weir and associated entities	2	Nil	7,441,481	3.5%
Andrew Clayton and associated entities	1	Nil	5,872,700	2.8%
Dermot Woods and associated entities	Nil	Nil	3,200,000	1.5%
Michael Blakiston and associated entities	Nil	Nil	3,046,708	1.5%
William Beament and associated entities	Nil	Nil	7,839,227	3.7%
Shane McLeay and associated entities	Nil	Nil	4,143,524	2.0%

Directors' Meetings

During the financial year, five meetings of directors (including committees of directors and AGM/GM) were held. Attendances by each director during the year were as follows:

Directors' Meetings		
Directors	Eligible to Attend	Meetings Attended
Michael Blakiston (Chair)	Yes	5
Timothy Weir	Yes	5
Anthony Kenny	Yes	5
Dermot Woods	Yes	5
Andrew Clayton	Yes	5
Bill Beament	Yes	5
Shane McLeay	Yes	5

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:



Anthony Kenny

26 July 2023

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

As lead auditor of Precision Opportunities Fund Ltd for the year ended 30 June 2023, 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

16 August 2023

Statement of Profit or Loss and Other Comprehensive Income

PRECISION OPPORTUNITIES FUND LTD For the year ended 30 June 2023

	NOTES	2023	2022
Income			
Revenue			
Gain on financial assets held at fair value through profit or loss	3	7,625,420	19,207,888
Revaluation of financial assets held at fair value through profit or loss	3	6,388,646	(17,853,593)
Other Income			
Other Revenue	4	941,634	415,787
Total Income		14,955,700	1,770,082
Total Income		14,955,700	1,770,082
Expenses			
Interest expenses	5	(2,165)	(1,581)
Administration Expenses	6	(998,965)	(3,347,312)
Other Expenses	5	(53,456)	(73,357)
Total Expenses		(1,054,586)	(3,422,249)
Profit/(Loss) before Income Tax		13,901,114	(1,652,168)
Income Tax Benefits/(Expense)			
Income Tax Benefit/(Expense)	7	(4,170,334)	495,649
Total Income Tax Benefits/(Expense)		(4,170,334)	495,649
Net Profit / (Loss) After Tax		9,730,780	(1,156,519)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss:			
Gain/(Loss) on the revaluation of equity instruments at fair value through other comprehensive income	10	(222,476)	55,674
Total Items that will not be reclassified subsequently to profit or loss:		(222,476)	55,674
Total Other Comprehensive Income		(222,476)	55,674
Total Comprehensive Income/(Loss) for the year		9,508,303	(1,100,844)

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 2023

	NOTES	30 JUN 2023	30 JUN 2022
Assets			
Current Assets			
Cash and Cash Equivalents	8	11,924,433	14,343,534
Trade and other receivables	9	22,954	12,367
Financial assets held at fair value through profit or loss	10	68,639,315	43,938,067
Total Current Assets		80,586,702	58,293,968
Non-Current Assets			
Financial assets held at fair value through other comprehensive income	10	2,898,619	3,216,442
Total Non-Current Assets		2,898,619	3,216,442
Total Assets		83,485,320	61,510,410
Liabilities			
Current Liabilities			
Trade and Other Payables	11	255,054	74,585
Current tax liabilities	7	2,134,103	4,057,033
Total Current Liabilities		2,389,157	4,131,618
Non-Current Liabilities			
Deferred tax liabilities	7	4,935,790	3,123,566
Total Non-Current Liabilities		4,935,790	3,123,566
Total Liabilities		7,324,947	7,255,185
Net Assets		76,160,373	54,255,225
Equity			
Ordinary Class Shares	13	4	4
Preference Shares	13	48,946,304	34,871,590
Retained Earnings/(Accumulated Losses)	14	21,901,812	13,848,901
Reserves	15	5,312,253	5,534,730
Total Equity		76,160,373	54,255,225

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 2023

	Note	Issued Capital	Reserve	Retained Earnings	Total Equity
		\$	\$	\$	\$
Balance at 30 June 2021		34,871,594	5,479,056	15,005,420	55,356,070
Profit after income tax expense for the year		-	-	(1,156,519)	(1,156,519)
Other comprehensive income for the year, net of tax	15B	-	55,674	-	55,674
Transactions with owners in their capacity as owners:					
Transfer to Profit Reserve		-	-	-	-
Balance at 30 June 2022		34,871,594	5,534,730	13,848,901	54,255,225
Profit after income tax expense for the year		-	-	9,730,780	9,730,780
Other comprehensive income for the year, net of tax	15B	-	(222,476)	-	(222,476)
Transactions with owners in their capacity as owners:					
Capital raising – Issue of Preference Shares	13	14,074,714	-	-	14,074,714
Dividend paid or provided for	16	-	-	(1,677,869)	(1,677,869)
Transfer to Profit Reserve		-	-	-	-
Balance at 30 June 2023		48,946,308	5,312,253	21,901,812	76,160,373

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 2023

	NOTES	2023	2022
Operating Activities			
Net proceeds (payments) to financial assets held at fair value through the profit and loss		(10,591,835)	9,681,751
Dividends received		602,221	316,157
Interest received		309,754	12,630
Receipts from Other Income		32,626	94,700
Payments to suppliers and employees		(5,318,712)	(5,384,698)
Net Cash Flows from Operating Activities	17	(14,965,946)	4,720,540
Financing Activities			
Proceeds from issue of Redeemable Preference Shares			
Issued Capital- Other		14,074,714	-
Provision for Share Issue		150,000	-
Total Proceeds from issue of Redeemable Preference Shares		14,224,714	-
Dividends paid			
Dividend Declared or Paid		(1,677,869)	-
Total Dividends paid		(1,677,869)	-
Net Cash Flows from Financing Activities		12,546,845	-
Net Cash Flows		(2,419,101)	4,720,540
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period		14,343,534	9,622,994
Net change in cash for period		(2,419,101)	4,720,540
Cash and cash equivalents at end of period		11,924,433	14,343,534

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 2023

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, 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, its 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.

Subsequent measurement where the financial asset is an equity instrument

Where a financial asset is an equity instrument, the default measurement category is fair value through profit or loss; measurement at fair value through other comprehensive income only occurs if specified criteria are met:

If the instrument is:	It may be measured at:	If:
An equity instrument	Fair Value through other comprehensive income	1. It is not held for trading, and 2. An irrevocable election is made at initial acquisition

When an equity instrument is classified at fair value through other comprehensive income under IFRS 9, all the fair value changes are recognised in OCI (other than dividend income which is recognised in profit or loss). Upon sale of the equity instrument, the cumulative changes in OCI will never be recognised in profit or loss (i.e. there is no recycling of gain or losses). This is a significant difference to the available for sale category under IAS 39.

Revaluation of Financial Assets

Increases in the carrying amounts arising on revaluation of financial assets at fair value through other comprehensive income are credited in other comprehensive income through to the Financial Asset reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

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.

Details of the dividend have been set out in Note 16

Reserves

Reserves provide for various items in equity for the benefit of shareholders. During the financial year, and at the end of the financial year, the Company has two different reserves operating, being:

a) Profit Reserve

A profit reserve may be used from time to time to allow the Company to issue dividends from the profit reserve.

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.

b) Financial Asset Reserve

A financial assets reserve records fair value movements on financial assets at fair value through other comprehensive income.

The financial assets reserve records the revaluation of fair value on financial asset at fair value through other comprehensive income.

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.

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 instrument 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.

Preference Shares

Preference shares are classified as equity. Preference shares can only be redeemed at the consent of the company and are not entitled to dividends until such time that they are declared by directors. As the company has the ability to avoid any payments to holders of preference shares, the instruments are classified as equity. On conversion date, preference shares convert into a fixed number of ordinary shares.

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.

	2023	2022
3. Revenue		
Gain on financial assets held at fair value through profit or loss	7,625,420	19,207,888
Unrealised Net fair value gain on financial assets at fair value through profit or loss	6,388,646	(17,853,593)
Total Revenue	14,014,066	1,354,294

	2023	2022
4. Other Income		
Dividends	602,221	316,157
Corporate & Sub-underwriting fees	29,660	87,000
Interest Income	309,754	12,630
Total Other Income	941,634	415,787

	2023	2022
5. Expenses		
Finance Costs	2,165	1,581
Other Expenses	53,456	73,357
Total Expenses	55,622	74,938

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.

	2023	2022
Administration expenses		
Management Fee Paid	998,965	946,591
Performance Fee Paid	-	2,400,721
Total Administration expenses	998,965	3,347,312

7. Income Tax Calculation

	2023	2022
7A. Income Tax Expense		
Current tax	2,262,763	4,151,173
Deferred tax - origination and reversal of temporary differences	1,907,571	(4,541,733)
Adjustment recognised for prior periods	-	(105,089)
Aggregate income tax expense/(benefit)	4,170,334	(495,649)
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit/(Loss) before income tax expense	13,901,114	(1,652,164)
Total Profit/(Loss) before income tax	13,901,114	(1,652,164)
Tax at the statutory tax rate of 30%	4,170,334	(495,649)
Net Tax at the statutory tax rate of 30%	4,170,334	(495,649)

7B. Current Tax Liability

	2023	2022
Profit/(Loss) as per Financial Statement	13,901,114	(1,652,164)
Tax effect which are not deductible in calculating taxable income		
Revaluation of financial asset at fair value through profit and loss	(6,388,646)	17,853,590
Timing Adjustment	30,077	(2,013,886)
Taxable income	7,542,545	14,187,540
Tax Losses brought forward	-	(350,298)
Net Taxable income	7,542,545	13,837,242
Tax at the statutory tax rate of 30%	2,262,763	4,151,173
Franking Credit	(128,660)	(94,139)
Current Tax Payable	2,134,103	4,057,034

7C. Deferred Tax Liability

Amount recognised in Profit and Loss		
Financial Asset at fair value through profit and loss	1,916,594	(5,356,077)
Tax effect of timing adjustment	(9,023)	604,166
Prior Year tax loss benefits	-	105,089
Total Amount recognised in Profit and Loss	1,907,571	(4,646,822)
Amounts recognised in equity:		
Revaluation of financial asset at fair value through other comprehensive income	(95,347)	23,859
Total Amounts recognised in equity:	(95,347)	23,859
Movement in Deferred Tax Liability for Year	1,812,224	(4,622,963)
Deferred Tax Liability Reconciliation:		
Opening Balance	3,123,565	7,746,528
Charged/(credited) to profit or loss	1,907,571	(4,646,822)
Charged to equity	(95,347)	23,859

Total Deferred Tax Liability for the year	1,812,224	(4,622,963)
Closing Balance	4,935,790	3,123,565
	2023	2022

8. Current assets - cash and cash equivalents

Cash On Hand	4	4
Cash at bank	11,924,429	14,343,530
Total Current assets - cash and cash equivalents	11,924,433	14,343,534
	2023	2022

9. Current assets - trade and other receivables

Current		
Other Receivables	22,954	12,367
Total Current	22,954	12,367
Total Current assets - trade and other receivables	22,954	12,367

10. Financial Assets held at fair value

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 2023	Level 1	Level 2	Level 3	Total
Financial assets classified at fair value	\$68,639,315	\$1,219,008	\$1,679,611	\$71,537,934

	2023	2022
10A. Current assets - financial assets held at fair value through profit or loss		
Designated at fair value through profit or loss	68,639,315	43,938,067
Comprising:		
Listed Australian ordinary shares - designated at fair value through profit or loss	66,220,191	43,672,222
Listed International ordinary securities - designated at fair value through profit or loss	2,419,124	265,844
Total Comprising:	68,639,315	43,938,067

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.

	2023	2022
10B. Non-current assets - financial assets at fair value through other comprehensive income		
Unlisted Australian Shares and Securities	2,898,619	3,216,442
Comprising		
Opening Balance of Unlisted Australian Share and Securities	3,216,442	2,741,546
Plus Addition of Shares	-	402,363
Less Disposal of Shares	-	(7,000)
Add Revaluation of financial asset through Other Comprehensive Income		
Net Revaluation	(222,476)	55,674
Tax effect	(95,347)	23,860
Total Add Revaluation of financial asset through Other Comprehensive Income	(317,823)	79,534
Closing Balance of Unlisted Australian Share and Securities	2,898,619	3,216,442
The revaluation of financials asset through Other Comprehensive Income is made up of:		
Net Revaluation	(222,476)	55,674
Tax effect of the revaluation	(95,347)	23,860
Total Revaluation of financial asset through Other Comprehensive Income	(317,823)	79,534

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 2023	Fair value as at 30 June 2022
				\$	\$
Blue Ocean Monitoring	Marine	Directors have taken the approach to value at cost based on available company data and in the absence of any capital raising	April 2021	249,998	249,998
HiSeis Pty Ltd	Energy	Directors have taken the approach to value at last capital raising price in December 2021	15 December 2021	850,003	850,003
Kalbar Resources Ltd	Energy	Directors have taken the approach to value as a discount to the last capital raising price (\$1.50 Dec 2020)	24 November 2021	249,883	249,883
LOT_Kayelekera Project	Mineral	Directors have taken the approach to value at 50% of the close price of LOT on ASX as at 30 June 2023	30 June 2023	1,019,088	1,217,243
Latitude 66 Cobalt Ltd	Mineral	Directors have taken the approach to downgrade the price back to the entry price	30 June 2023	199,920	396,950
Source Certain International Ltd	Science	Directors have taken the approach to value at cost based on available company data and in the absence of any capital raising	30 June 2023	327,368	250,000
Finroy Ltd	Mineral	Directors have taken the approach to value at cost based on available company data and in the absence of any capital raising	22 October 2021	2,359	2,359
Total				\$2,898,619	\$3,216,436

	2023	2022
11. Current liabilities - trade and other payables		
Current		
Accounts Payable	392	-
Other Payables	150,000	-
Provisions	104,662	74,585
Total Current	255,054	74,585
Total Current liabilities - trade and other payables	255,054	74,585

	2023	2022
12. Current liabilities - provisions		
Provision for Management Fee	104,662	74,585
Provision for Performance Fee	-	-
Total Current liabilities - provisions	104,662	74,585

	2023	2022
13. Equity - issued capital		
Ordinary Class Shares	4	4
Redeemable Preference Shares	48,946,304	34,871,590
Total Equity - issued capital	48,946,308	34,871,594

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 exercised 1,536,056 options at an exercise price of \$0.35 per Option, into Redeemable Preference Shares. The remaining options expired on 31 December 2022.

In September 2022, The Company declared maiden dividend of 1c per share, to which 78 shareholders have elected to full participation in the Dividend Reinvestment Plan (DRP). The Company resolved to issue a total of 3,486,770 Redeemable Preference Shares in pursuant to the DRP.

Details are as follows:

Convertible redeemable preference shares	2023	2022
The Company has share capital amounting to 209,963,262 convertible redeemable preference shares	\$48,946,304	\$34,871,590
	Number	Number
Number of Shares at the beginning of the reporting period	166,250,812	166,250,812
Conversion of Options during the year	1,536,056	-
Shares issued during the year:		
- DRP scheme September 2022, 3,486,770 at 42.64c per share	3,486,770	-
- Placement December 2022, 3,500,000 at 32c per share	37,500,000	-
- Placement January 2023, 1,189,624 at 33.54c per share	1,189,624	-
Number of Shares at the end of the reporting period	209,963,262	166,250,812

Options Expiry 31 December 2022	2023	2022
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	13,757,182	13,787,182
Conversion of Options during the year	(1,536,056)	-
Options issued during the year	-	-
Unexercised Options expired during the year	(12,221,126)	-
Number of Options at the end of the reporting period	-	13,787,182

2023 2022

14. Equity - Retained Earnings

Opening Balance	13,848,901	15,005,420
Current Year Earnings	9,730,780	(1,156,518)
Dividend paid or provided for	(1,677,869)	-
Transferred from (to) Profit Reserve	-	-
Closing Balance	21,901,812	13,848,901

15. Equity - Reserve

2023 2022

15A. Profit Reserve

Opening Balance	5,291,538	5,291,538
Transferred to (from) Profit Reserve	-	-

Closing Balance of Profit Reserve	5,291,538	5,291,538
	2023	2022

15B. Financial Assets Reserve

Opening Balance	243,192	187,518
Add/(Less) Revaluation for current year	(317,823)	79,534
Less Tax for current year	95,347	(23,860)
Net charge for current year	(222,476)	55,674
Closing Balance of Financial Assets Reserve	20,716	243,192
	2023	2022

Total Reserve

Total Reserve	5,312,253	5,534,730
	2023	2022

16. Dividends

Dividends recognised as distributions and paid during the period:

Declared fully franked dividend of 1 cent per share franked at tax rate of 30%	1,677,869	-
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The amount of franking credits available for subsequent distribution:

Opening balance of franking account

Opening balance of franking account	1,093,944	-
Total Opening balance of franking account	1,093,944	-

Adjusted for

Franking credits that will arise from the receipt of dividends at reporting date	128,660	-
Franking debits that will arise from the payment of dividends recognised as a liability at reporting date	(719,087)	-
Franking credits that arose from the payment of provision for income tax	4,057,032	-
Balance at the end of the reporting period	4,560,550	-

During the Financial year, the Company also established a Dividend Reinvestment Plan (DRP). A number of shareholders elected to fully participate in the DRP.

2023 2022

17. Cashflow from Operating Activities

Net Profit as per Profit and Loss	9,508,303	(1,100,844)
Change in Receivables	(10,587)	159,416
Change in Financial Investment Held via Other Comprehensive Income	(24,383,425)	8,271,783
Change in Payables	30,469	(2,043,885)
Change in Provision for tax	(110,706)	(565,930)
Total Cashflow from Operating Activities	(14,965,946)	4,720,540

18. 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:	2023	2022
Audit or review of the financial statements	\$20,000	\$18,000
Total Audit Remuneration	\$20,000	\$18,000

19. Related Party Transactions

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

The Company earned fees of \$29,660 from Chieftain Securities (WA) Pty Ltd for corporate fees relating to a placement made by the Company. These transactions were 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

2023 2022

Related party transactions

Income Earned from Related Parties

Corporate Fees Income	29,660	37,000
Total Income Earned from Related Parties	29,660	37,000

Fees paid or provisioned

Management Fee Paid	998,965	946,591
Performance Fee Paid	-	2,400,721
Total Fees paid or provisioned	998,965	3,347,312

Payable to related parties

Payables - management fee	(104,662)	(74,585)
Provision for Performance Fee	-	-
Total Payable to related parties	(104,662)	(74,585)

20. Contingent Assets and Contingent Liabilities

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

21. Commitments

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

22. Events after the reporting period

In pursuant to the Board July meeting minutes, the Directors approved and issued additional Redeemable Preference Shares at an issue price equal to a 5% discount to the June 2023 NTA. These shares are all issued fully paid with an issue date of 6 July 2023

No other matter of circumstance has arisen since 30 June 2023 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

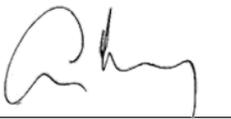
For the year ended 30 June 2023

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 entity's financial position as at 30 June 2023 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

Director:  _____

Anthony Kenny

Dated 16th of August 2023

Perth, Western Australia

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 (the Company), which comprises the statement of financial position as at 30 June 2023, 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 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards 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 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

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Director

Perth

16 August 2023