



ANNUAL REPORT 2024

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", "POF" or the "Company"), it is with pleasure I present to you the Fund's Annual Report for the financial year ending 30 June 2024.

Significant results for the year are:

- The Fund recorded a pre-tax profit of \$23.9m (\$13.9m for 2023) and a net profit after tax of \$16.1m (\$9.5m for 2023).
- POF paid a fully franked dividend of 1.25c per redeemable preference "share", representing a 25% increase on the previous year.
- Total assets of the Company at 30 June 2024 are \$107.2m (\$83.5m for 2023). Net assets of the Company at 30 June 2024 are \$92.8m (\$76.2m for 2023).
- The Company's net assets per share before tax at 30 June 2024 is 47.5c (39.6c for 2023), and the net assets per share after tax at 30 June 2024 is 42.2c (36.2 for 2023).

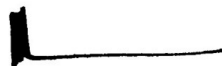
The Fund Investment portfolio generated a return (after fees & expenses) of 25.2% for FY2024, this resulted in a 20.8% total return (inclusive of dividends) in net assets per share after tax.

The Fund paid a fully franked dividend of 1.25c per share during the year, which represented a 25% increase year on year. This dividend had an associated dividend reinvestment plan so shareholders could efficiently access compound returns. We were once again delighted by the very high participation in this scheme by shareholders. In a similar fashion to FY2023, POF realised significant profits over the last year, leading to further growth in profit and

franking credit reserves. With the above in mind, the Board has decided to pay a fully franked dividend in respect of the FY2024 of 1.4c per share, representing a 12% growth in payout to shareholders.

Our investment manager's report overleaf details the main drivers of returns for our Fund and for the wider market. Clearly, whilst financial year 2024 market returns were positive, there was a great deal of associated volatility, and returns in the resources sector were particularly anemic. In this context, the Board was very pleased with the well above market returns generated by our investment manager.

Personally, I would like to thank the executives of PFM for the way in which they have managed the Fund during the past 12 months. 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 2024.

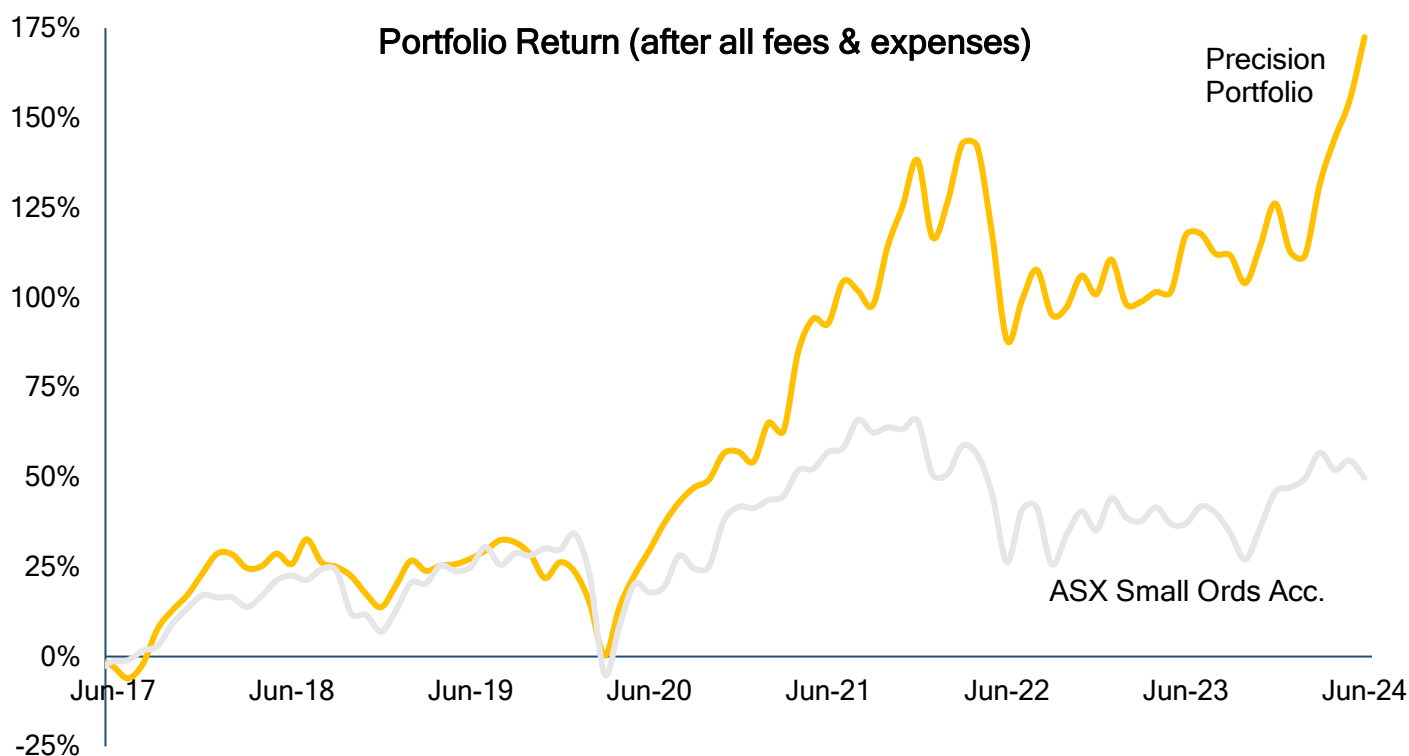


Michael Blakiston
Chairman



INVESTMENT MANAGERS REPORT

The Precision portfolio generated a return (after all fees and expenses) of 25.2% over FY2024. On a comparable basis the ASX Small Ordinaries Accumulation Index rose 9.3%, whilst the Small Resources Accumulation Index gained just 0.7%. The larger capitalisation dominated ASX All Ordinaries increased 12.5%.

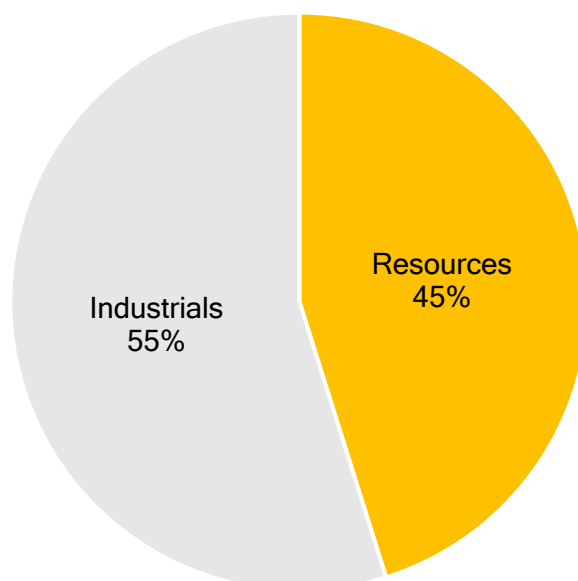


Over financial year 2024 equity markets generated healthy, above average investment returns. The investing environment was not, however, as plain sailing as the end scorecard suggests. Two main themes influenced market returns. Firstly, was the on-again/off-again collective market thought process with regards to interest rates. Worries of persistent inflation in the first part of the year saw bond and equity markets fall sharply as 'stronger for longer' interest rates were priced in. The ASX 200 and Dow Jones both fell 7% over the August to October period and US long bond rates peaked at over 5%. The second theme the market in FY2024 was the relative narrowness of sectors driving market returns. This well publicised phenomenon saw the US market led by large technology companies, with the NASDAQ returning 40% versus a 13.7% return for the Dow Jones. In Australia, a 28.5% return from the banking sector dominated returns, with this impact exaggerated due to a negative return (-3.5%) from the resources sector.

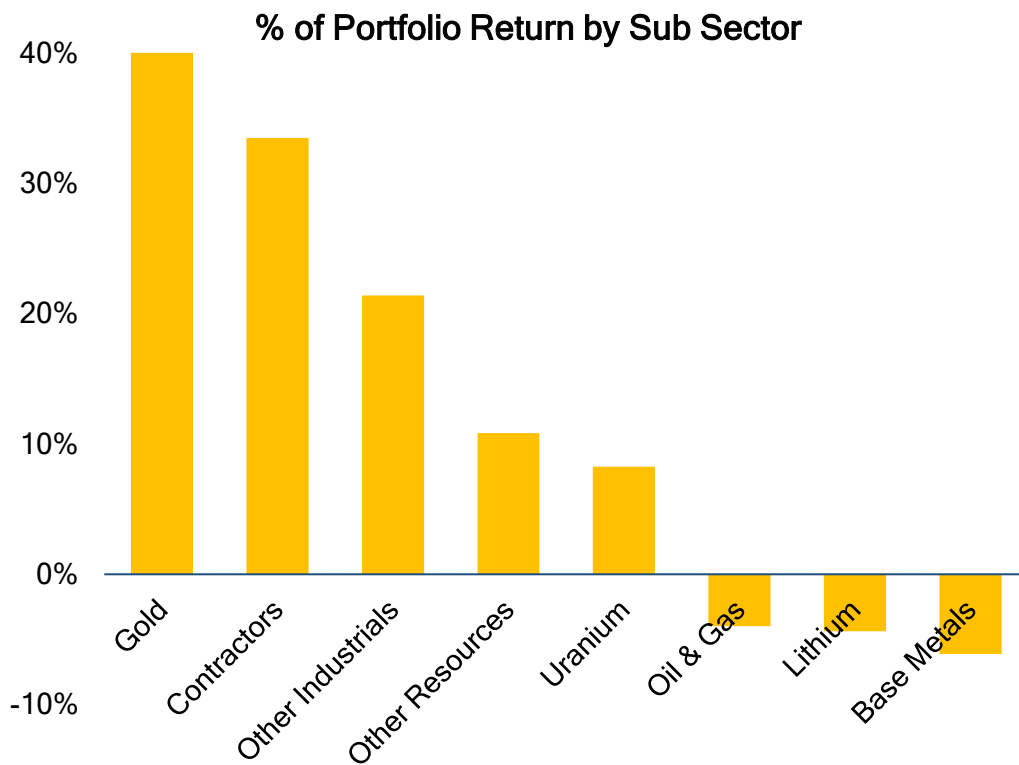
Commodity price returns were varied. Continued gold price strength (+22%) was evident throughout the year, energy prices were also strong with oil bouncing 15%. There was also a significant move in uranium

prices (approx. +50%) towards incentive prices required for new projects. The negative side of the ledger was dominated by commodities where demand 18-24 months ago was considered insatiable. Lithium (-70%), rare earth products (-25%) and nickel (-16%) all traded down sharply, with associated stocks often faring considerably worse. The exception in the 'battery metal' space was copper, which increased in price by 15% over the year.

% of Portfolio Return Resources versus Industrials



In the context of the above market conditions, we were happy with the returns generated by the investment portfolio over the period. The charts above & below highlight the areas of the market our returns were generated from. Whilst most of the portfolio returns came from outside the resources sector, mining related stocks still greatly contributed to performance. In fact, the two biggest contributions to portfolio performance came from **Spartan Resources (+493%)** and **Encounter Resources (+63%)**. In both cases, positive returns were a reward for committed and well considered exploration programs. Other significant contributions from the resources area included **Lotus Resources (+84%)**, which benefited from the step-change in the uranium price, and **Firefly Metals (+99%)** courtesy of positive explorations results and an increasing copper price. Our returns in the resources sector were also helped by the areas we avoided, with our wariness towards over-hyped battery minerals stories proving well-founded. As ever, and evident from sub sector bar chart below, we did not escape unscathed from the volatility in the resources space. The biggest detractors to portfolio performance over financial year were Centaurus Metals and Develop Global, where negative movements in associated commodity prices of these mine developers outweighed progress on prospective mining projects.



In cricketing parlance, our resource runs were probably dominated by boundaries, with several sixes admittedly coming towards the end of the innings. The industrial side of the portfolio was more a case of gradually accumulating singles, with several stocks gradually appreciating in value over the period. Returns from the mining services side of the portfolio generally increased as companies delivered outcomes that were ahead of those implied by previously lowly valued equity. **Macmahon Holdings (+93%)** and **Austin Engineering (+112%)** both made significant contributions to performance. We also made some good returns from the biotechnology sector. Here, we considered that either market fashion or previous capital management mishaps, created a mispricing of risk versus return in a sector we have historically been very wary of, and so were willing to take part in wholesale raisings which we considered attractively priced. We do not expect this are to be a major source of portfolio returns going forward.

We are conscious as we enter FY2025, it is after two years of very volatile commodity and resources markets. This has lowered equity valuations in many associated areas, and there is now greater return on offer for each unit of risk. We therefore believe it is likely that an increasing proportion of the fund's capital will be deployed in the resources sector over the short to medium term.

Thank you to all our fellow shareholders for your ongoing support and, as always, please contact us if you would like any more information on the Fund.

The Precision Team

DIRECTOR'S REPORT

PRECISION OPPORTUNITIES FUND LIMITED ABN 11 613 479 262

Financial Report for the Year Ended 30 June 2024

The Directors present their report on Precision Opportunities Fund Ltd, the company, and its controlled entity for the financial year ended 30 June 2024.

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	

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 \$16,051,381 for the financial year, as compared with that of the previous year (2023: \$9,508,303).

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

No matters or circumstances have arisen since the end of the financial year that 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

A fully franked dividend of 1.25c per redeemable preference share was declared and paid on the 26 September 2023. The total gross dividend paid by the Company was \$2,639,256.85 (2023: \$1,677,868.68).

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 9,730,021 redeemable preference shares (REDP or Offer Shares) were issued during the financial year, with a total, with a total issuing value of \$3,161,700.70 Changes to the Company's share structure during the year are further detailed below:

OFFER	DATE	SHARES ISSUED	ISSUE PRICE	CONSIDERATION
Share Issue - Placement June 2023	06-Jul-23	435,793	\$0.3442	\$150,000.00
Share Issue - Placement Aug 2023	13-Sep-23	741,481	\$0.3375	\$250,249.84
Shares Issued from DRP Sept 2023	26-Sep-23	5,849,446	\$0.3257	\$1,905,176.33
Share Issue - Placement Oct 2023	02-Nov-23	1,585,792	\$0.3153	\$500,000.22
Share Issue - Placement Nov 2023	07-Dec-23	926,864	\$0.3153	\$292,240.22
Share Issue - Placement Nov 2023	11-Jan-24	152,300	\$0.3283	\$50,000.09
Share Issue - Placement May 2024	11-Jun-24	38,345	\$0.3660	\$14,304.27
TOTAL		9,730,021		\$3,161,700.70

The Company has a total of 219,693,283 redeemable preference shares on issue as at 30 June 2024.

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 2024

Directors Entity	ORD Shares	Options	REDP	REDP %
Anthony Kenny and associated entities	1	Nil	7,977,292	3.6%
Timothy Weir and associated entities	2	Nil	7,727,076	3.5%
Andrew Clayton and associated entities	1	Nil	6,348,088	2.9%
Dermot Woods and associated entities	Nil	Nil	3,513,946	1.6%
Michael Blakiston and associated entities	Nil	Nil	3,163,638	1.4%
William Beament and associated entities	Nil	Nil	8,140,088	3.7%
Shane McLeay and associated entities	Nil	Nil	4,302,548	2.0%

Directors' Meetings

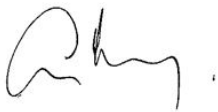
During the financial year, five meetings of directors (including committees of directors and AGM/GM) were held. Attendances by each director during the year were as follows:

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	2
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
19 September 2024

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

As lead auditor of Precision Opportunities Funds Ltd for the year ended 30 June 2024, 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 Pty Ltd

Perth

18 September 2024

Statement of Profit or Loss and Other Comprehensive Income

PRECISION OPPORTUNITIES FUND LTD For the year ended 30 June 2024

	NOTES	2024	2023
Income			
Revenue			
Gain on financial assets held at fair value through profit or loss	3	7,827,536	7,625,420
Revaluation of financial assets held at fair value through profit or loss	3	18,536,545	6,388,646
Other Income			
Other Revenue	4	1,487,814	941,634
Total Income		27,851,895	14,955,700
Total Income		27,851,895	14,955,700
Expenses			
Interest expenses	5	(42,447)	(2,165)
Other Expenses	5	(65,764)	(53,456)
Administration Expenses	6	(3,794,129)	(998,965)
Total Expenses		(3,902,341)	(1,054,586)
Profit/(Loss) before Income Tax		23,949,554	13,901,114
Income Tax Benefits/(Expense)			
Income Tax Benefit/(Expense)	7	(7,184,866)	(4,170,334)
Total Income Tax Benefits/(Expense)		(7,184,866)	(4,170,334)
Net Profit / (Loss) After Tax		16,764,688	9,730,780
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	(713,307)	(222,476)
Total Items that will not be reclassified subsequently to profit or loss:		(713,307)	(222,476)
Total Other Comprehensive Income		(713,307)	(222,476)
Total Comprehensive Income/(Loss) for the year		16,051,381	9,508,303

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 2024

	NOTES	30 JUNE 2024	30 JUNE 2023
Assets			
Current Assets			
Cash and Cash Equivalents	8	7,257,818	11,924,433
Trade and other receivables	9	226,423	22,954
Financial assets held at fair value through profit or loss	10	98,038,900	68,639,315
Total Current Assets		105,523,141	80,586,702
Non-Current Assets			
Financial assets held at fair value through other comprehensive income	10	1,679,611	2,898,619
Total Non-Current Assets		1,679,611	2,898,619
Total Assets		107,202,752	83,485,320
Liabilities			
Current Liabilities			
Trade and Other Payables			
Accounts Payable		13,123	392
Provisions	11	2,893,994	254,662
Total Trade and Other Payables		2,907,117	255,054
Current tax liabilities	7	2,095,398	2,134,103
Total Current Liabilities		5,002,515	2,389,157
Non-Current Liabilities			
Deferred tax liabilities	7	9,413,447	4,935,790
Total Non-Current Liabilities		9,413,447	4,935,790
Total Liabilities		14,415,962	7,324,947
Net Assets		92,786,790	76,160,373
Equity			
Ordinary Class Shares	12	4	4
Preference Shares	12	52,108,004	48,946,304
Retained Earnings/(Accumulated Losses)	13	27,579,835	21,901,812
Reserves	14	13,098,947	5,312,253
Total Equity		92,786,790	76,160,373

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 2024

	Note	Issued Capital	Reserve	Retained Earnings	Total Equity
		\$	\$	\$	\$
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
Profit after income tax expense for the year		-	-	16,764,688	16,764,688
Other comprehensive income for the year, net of tax	15B	-	(713,307)	-	(713,307)
Exploration Credits 2023				52,592	52,592
Transactions with owners in their capacity as owners:					
Capital raising – Issue of Preference Shares	13	3,161,700	-	-	3,161,700
Dividend paid or provided for	16	-	-	(2,639,257)	(2,639,257)

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

Transfer to Profit Reserve		-	8,500,000	(8,500,000)	-
Balance at 30 June 2024		52,108,008	13,098,947	27,579,835	92,786,790

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 2024

	NOTES	2024	2023
Operating Activities			
Net proceeds (payments) to financial assets held at fair value through the profit and loss		(2,552,828)	(10,591,835)
Dividends received		1,089,802	602,221
Interest received		340,605	309,754
Receipts from Other Income		58,395	32,626
Payments to suppliers and employees		(3,975,033)	(5,318,712)
Fines & Penalties		-	-
Fines & Penalties		-	-
Net Cash Flows from Operating Activities		(5,039,058)	(14,965,946)
Financing Activities			
Proceeds from issue of Redeemable Preference Shares			
Issued Capital- Other		3,161,701	14,074,714
Provision for Share Issue		(150,000)	150,000
Total Proceeds from issue of Redeemable Preference Shares		3,011,701	14,224,714
Dividends paid			
Dividend Declared or Paid		(2,639,257)	(1,677,869)
Total Dividends paid		(2,639,257)	(1,677,869)
Net Cash Flows from Financing Activities		372,444	12,546,845
Net Cash Flows		(4,666,615)	(2,419,101)
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period		11,924,433	14,343,534
Net change in cash for period		(4,666,615)	(2,419,101)
Cash and cash equivalents at end of period		7,257,818	11,924,433

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 2024

1. Material accounting policies

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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.

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 de-recognised 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 of 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.

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.

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 raising.

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.

	2024	2023
3. Revenue		
Gain on financial assets held at fair value through profit or loss	7,827,536	7,625,420
Unrealised Net fair value gain on financial assets at fair value through profit or loss	18,536,545	6,388,646
Total Revenue	26,364,081	14,014,066
	2024	2023
4. Other Income		
Dividends	1,089,802	602,221
Corporate & Sub-underwriting fees	57,406	29,660
Interest Income	340,605	309,754
Total Other Income	1,487,814	941,634
	2024	2023
5. Expenses		
Interest Costs	42,447	2,165
Other Expenses	65,764	53,456
Total Expenses	108,212	55,622

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.

	2024	2023
Administration expenses		
Management Fee Paid	1,218,520	998,965
Performance Fee Paid	2,575,609	-
Total Administration expenses	3,794,129	998,965

7. Income Tax Calculation

	2024	2023
7A. Income Tax Expense		
Current tax	2,401,506	2,262,763
Deferred tax - origination and reversal of temporary differences	4,783,360	1,907,571
Aggregate income tax expense/(benefit)	7,184,866	4,170,334
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit/(Loss) before income tax expense	23,949,554	13,901,114
Total Profit/(Loss) before income tax	23,949,554	13,901,114
Tax at the statutory tax rate of 30%	7,184,866	4,170,334
Net Tax at the statutory tax rate of 30%	7,184,866	4,170,334
	2024	2023

7B. Current Tax Liability

Profit/(Loss) as per Financial Statement	23,949,554	13,901,114
Tax effect which are not deductible in calculating taxable income		
Revaluation of financial asset at fair value through profit and loss	(18,536,545)	(6,388,646)
Timing Adjustment	2,592,012	30,077
Taxable income	8,005,020	7,542,545
Net Taxable income	8,005,020	7,542,545
Tax at the statutory tax rate of 30%	2,401,506	2,262,763
Franking Credit	(253,516)	(128,660)
JMEI Exploration Credits	(52,592)	-
Current Tax Payable	2,095,398	2,134,102
	2024	2023

7C. Deferred Tax Liability

Amount recognised in Profit and Loss		
Financial Asset at fair value through profit and loss	5,560,964	1,916,594

	2024	2023
Tax effect of timing adjustment	(777,603)	(9,023)
Total Amount recognised in Profit and Loss	4,783,360	1,907,571
Amounts recognised in equity:		
Revaluation of financial asset at fair value through other comprehensive income	(305,703)	(95,347)
Total Amounts recognised in equity:	(305,703)	(95,347)
Movement in Deferred Tax Liability for Year	4,477,657	1,812,224
Deferred Tax Liability Reconciliation:		
Opening Balance	4,935,790	3,123,565
Charged/(credited) to profit or loss	4,783,360	1,907,571
Charged to equity	(305,703)	(95,347)
Total Deferred Tax Liability for the year	4,477,657	1,812,224
Closing Balance	9,413,447	4,935,790
	2024	2023

8. Current assets - cash and cash equivalents

	2024	2023
Cash On Hand	4	4
Cash at bank	7,257,814	11,924,429
Total Current assets - cash and cash equivalents	7,257,818	11,924,433
	2024	2023

9. Current assets - trade and other receivables

Current		
Other Receivables	226,423	22,954
Total Current	226,423	22,954
Total Current assets - trade and other receivables	226,423	22,954

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 2024	Level 1	Level 2	Level 3	Total
Financial assets classified at fair value	\$98,038,900	-	\$1,679,611	\$99,718,511

2024 2023

10A. Current assets - financial assets held at fair value through profit or loss**Designated at fair value through profit or loss**

Current	98,038,900	68,639,315
Total Designated at fair value through profit or loss	98,038,900	68,639,315

Comprising:

Listed Australian ordinary shares - designated at fair value through profit or loss	98,038,900	66,220,191
Listed International ordinary securities - designated at fair value through profit or loss	-	2,419,124
Total Comprising:	98,038,900	68,639,315

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.

2024 2023

10B. Non-current assets - financial assets at fair value through other comprehensive income

Unlisted Australian Shares and Securities	1,679,611	2,898,619
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Comprising

Opening Balance of Unlisted Australian Share and Securities	2,898,619	3,216,442
Less Disposal of Shares	(199,998)	-

Add Revaluation of financial asset through Other Comprehensive Income

Net Revaluation	(713,307)	(222,476)
Tax effect	(305,703)	(95,347)
Total Add Revaluation of financial asset through Other Comprehensive Income	(1,019,009)	(317,823)

Closing Balance of Unlisted Australian Share and Securities	1,679,611	2,898,619
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The revaluation of financials asset through Other Comprehensive Income is made up of:

Net Revaluation	(713,307)	(222,476)
Tax effect of the revaluation	(305,703)	(95,347)
Total Revaluation of financial asset through Other Comprehensive Income	(1,019,010)	(317,824)

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 2024	Fair value as at 30 June 2023
				\$	\$
Blue Ocean Monitoring	Marine	Directors have taken the approach to value at cost based on available company data and in the	April 2021	249,998	249,998

		absence of any capital raising			
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	Moved from Unlisted to Listed for Settlement of Sale	21 March 2024	0	1,019,088
Latitude 66 Cobalt Ltd	Mineral	DCX Takeover	18 June 2024	0	199,920
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	327,368
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				\$1,679,611	\$2,898,619

2024 2023

11. Provisions

Provision for Management Fee	129,925	104,662
Provision for Performance Fee	2,764,069	-
Other Provisions	-	150,000
Total Provisions	2,893,994	254,662

2024 2023

12. Equity - issued capital

Ordinary Class Shares	4	4
Redeemable Preference Shares	52,108,004	48,946,304
Total Equity - issued capital	52,108,008	48,946,308

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.

In October 2023, The Company declared maiden dividend of 1.25c per share, to which 124 shareholders have elected to full participation in the Dividend Reinvestment Plan (DRP). The Company resolved to issue a total of 5,849,446 Redeemable Preference Shares in pursuant to the DRP.

Details are as follows:

Convertible redeemable preference shares	2024	2023
The Company has share capital amounting to 209,963,262 convertible redeemable preference shares	\$52,108,004	\$48,946,304
	Number	Number
Number of Shares at the beginning of the reporting period	209,963,262	166,250,812
Conversion of Options during the year		1,536,056
Shares issued during the year:		
- Shares Issue 6 July 2023, 435,793 at 34.42c per share	435,793	
- Share Issue 13 Sep 2023, 741,481 at 33.75c per share	741,481	
- DRP Scheme October 2023, 5,849,446 Shares	5,849,446	
- Share Issue 2 Nov 2023, 1,585,792 at 31.53c per share	1,585,792	
- Share Issue 7 Dec 2023, 926,864 at 31.53c per share	926,864	
- Share Issue 11 Jan 2024, 152,300 at 32.83c per share	152,300	
- Share Issue 6 June 2024, 38,345 at 36.60c per share	38,345	
- 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	219,693,283	209,963,262

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
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	-	-

2024 2023

13. Equity - Retained Earnings

Opening Balance	21,901,812	21,901,812
Current Year Earnings	16,764,688	9,730,780
JMEI Exploration Credits 2023	52,592	-
Dividend paid or provided for	(2,639,257)	(1,677,869)
Transferred from (to) Profit Reserve	(8,500,000)	-
Closing Balance	27,579,835	21,901,812

In December 2023, POF received JMEI Credits statements from Encounter Resources Limited and Hamelin Gold Limited.

These credits have been recognised in the financial year 2024 and recorded under Retained Earnings, as they pertain to the previous Financial year. The summary of JMEI Credits is as below:

Company	Date	Total Amount
Encounter Resources Limited	08 Dec 2023	\$ 38,773
Hamelin Gold Limited	13 Dec 2023	\$ 13,819

14. Equity - Reserve

2024 2023

15A. Profit Reserve

Opening Balance	5,291,538	5,291,538
Transferred to (from) Profit Reserve	8,500,000	-
Closing Balance of Profit Reserve	13,791,538	5,291,538

	2024	2023
15B. Financial Assets Reserve		
Opening Balance	20,716	243,192
Add/(Less) Revaluation for current year	(1,019,009)	(317,823)
Less Tax for current year	305,703	95,347
Net charge for current year	(713,307)	(222,476)
Closing Balance of Financial Assets Reserve	(692,590)	20,716
	2024	2023
Total Reserve		
Total Reserve	13,098,947	5,534,730
	2024	2023

15. Dividends**Dividends recognised as distributions and paid during the period:**

Declared fully franked dividend, franked at tax rate of 30%	2,639,257	1,677,869
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The amount of franking credits available for subsequent distribution:

Opening balance of franking account	4,560,549	1,093,944
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Adjusted for

Franking credits that will arise from the receipt of dividends at reporting date	253,516	128,660
Franking credits due to JMEI Exploration Credits received	52,592	-
Franking debits that will arise from the payment of dividends recognised as a liability at reporting date	(1,131,110)	(719,087)
Franking credits that arose from the payment of provision for income tax	2,134,104	4,057,032
Balance at the end of the reporting period	5,869,650	4,560,549

During the Financial year, the Company also established a Dividend Reinvestment Plan (DRP). A total of 124 holders elected to fully participate in the DRP.

	2024	2023
16. Cashflow from Operating Activities		
Net Profit as per Profit and Loss	16,051,381	9,508,303
Change in Receivables	(203,469)	(10,587)
Change in Financial Investment Held via P&L	(29,399,585)	(24,701,248)
Change in Financial Investment Held via Other Comprehensive Income	1,219,008	317,823
Change in Payables	2,802,063	30,469
Change in Provision for tax	4,491,544	(110,706)
Total Cashflow from Operating Activities	(5,039,058)	(14,965,946)

17. Remuneration of Auditors

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

Audit Services:	2024	2023
Audit of the Financial Statements	\$23,500	\$22,000
Total Audit Remuneration	\$23,500	\$22,000

18. 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 \$9,888 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

	2024	2023
Related party transactions		
Income Earned from Related Parties		
Corporate Fees Income	9,888	37,000
Total Income Earned from Related Parties	9,888	37,000
Fees paid or provisioned		
Management Fee Paid	1,218,520	998,965
Performance Fee Paid	2,575,609	-
Total Fees paid or provisioned	3,794,129	998,965
Payable to related parties		
Payables - management fee	(129,925)	(104,662)
Provision for Performance Fee	(2,764,069)	-
Total Payable to related parties	(2,893,994)	(104,662)

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

No matter of any circumstances has arisen since 30 June 2024 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.

22. Consolidated Entity Disclosure Statement - 30 June 2024

Subsection 295(3A)(a) of the Corporations Act 2001 does not apply to the Company as the Company is not required to prepare consolidated Financial Statements by Australian Accounting Standards.

Directors' Declaration

PRECISION OPPORTUNITIES FUND LTD

For the year ended 30 June 2024

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 2024 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.
- the directors have received the declarations required by section 295A of the *Corporations Act 2001*; and
- the consolidated entity disclosure statement required by subsection 295(3A) of the *Corporations Act 2001* is true and correct.

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

Perth, Western Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Precision Opportunities Funds Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Precision Opportunities Funds Ltd (the Company), which comprises the statement of financial position as at 30 June 2024, 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 material accounting policy information, the consolidated entity disclosure statement 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 2024 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:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of 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 Pty Ltd

A handwritten signature in black ink, appearing to read 'Dean Just', written over the printed name.

Dean Just

Director

Perth, 18 September 2024