

# OFFICIUM SPECIAL SITUATIONS FUND

The Officium Special Situations Fund returned 5.93% in July. Although the broader market also moved higher during the month, returns from gold equities were generally negative as investors moved resource exposure away from gold related investments to those commodity stocks with greater leverage to the perceived improvements in the global economy.

During the month:

- Oceania Capital Partners have withdrawn their appeal against the validity of the management agreement held by Allico Equity Partners Management. This follows the decision from ASIC to cancel the Australian Financial Services Licence held by Allico Equity Partners Management. The Oceania Capital Partners share price increased by 21.5% in July.
- Resolute Mining announced total gold production of 303,772 ounces of gold at a cash operating cost of A\$715 per ounce for the year to June. Both production and cash costs were up from the prior corresponding period. The Syama Mine has progressed into the plant ramp up and optimisation phase of development and has produced 17,973 ounces of gold in the calendar year to date. The company has stated that there may be some cash flow concerns if the Syama mine does not ramp up according to plan.
- Intrepid Mines has entered into a Heads of Agreement with Vale Exploration, the second largest mining company in the world. Under the terms of the agreement, Intrepid will maintain 100% of its existing rights to the gold-silver oxide project, while Vale will spend US\$40 million to earn a 60% interest in the Tujuh Bukit Sulphide Copper-Gold Project. The Intrepid share price responded favourably to the announcement and we took this opportunity to slightly reduce our exposure to this business.
- The quarterly activities report released by Paladin Energy showed uranium production for the 2009 financial year of 2.74Mlbs. This was below the 3Mlbs that management were targeting. Delays in the commissioning and ramp up process were responsible for the lower production levels.
- St Barbara, a small holding of the Fund, indicated in their strategic review that gold production should grow by over 40% in the next three years. Management also indicated that the low margin open pit mining at Southern Cross will cease by the end of July 2009.

*NOTE: Due to the high concentration of Resolute Mining Limited (RSG) and Oceania Capital Partners Limited (OCP) in this Fund, any purchase of new units in the Officium Special Situations Fund is effectively equivalent to investing circa 64% (cumulative) of your funds in RSG (including exposure to RSGG & RSGO) and OCP as at 31 July 2009 at \$0.62 and \$2.60, respectively. Please be mindful of this when considering a new investment into the Officium Special Situations Fund or purchasing additional units in the Fund.*

#### Important Information

This report is provided for investors in the Funds. While all care has been taken in the preparation of this report (using sources believed to be reliable and accurate), Officium Capital Ltd, its officers, employees, agents and associated entities accept no responsibility for and will not be liable in respect of any loss or damage suffered by any person in connection with this other than under law which cannot be excluded. You should seek your own financial and taxation advice before dealing with your investment. This report has been prepared without taking into account your investment objectives, financial situation or particular needs. Before investing, or retaining an investment, in any of the Funds you should read the relevant PDS and consider whether the Fund is appropriate having regard to those matters. A copy of the PDS is available at [www.officiumcapital.com.au](http://www.officiumcapital.com.au). Remember, past performance should not be taken as an indication of future performance.

## PERFORMANCE SUMMARY

Performance Summary as at 31 July 2009	Officium Special Situations Fund
Since Inception p.a. (6/9/04)	-1.88%
1 Year	-11.30%
2 Years p.a.	-13.40%
3 Years p.a.	-8.40%
1 Month	5.93%
Profitable Months	54.24%
Distribution for quarter	\$0.0000
Fund Assets (million)	\$38.52
Application Unit Price	0.7583
Withdrawal Unit Price	0.7541
Net Asset Value Unit Price	0.7562

## TOP TEN HOLDINGS

Top Ten Holdings	% of Portfolio
Oceania Capital Partners Limited	33.39%
Resolute Mining Limited	21.81%
Intrepid Mines Limited	8.17%
LinQ Resources Fund	7.27%
Resolute Convertible Notes	6.80%
Lion Selection Limited	2.35%
Ethane Pipeline Income Fund	1.81%
Resolute Options	1.73%
Daisy Holding Company	1.30%
Paladin Energy Limited	1.22%
<i>Remaining Holdings</i>	<i>0.78%</i>
<i>Cash</i>	<i>13.36%</i>
<b>TOTAL</b>	<b>100%</b>