

### About Chesapeake Capital

Chesapeake Capital Limited (“**Chesapeake**” or the “**Company**”) commenced as a Pooled Development Fund (“**PDF**”) investing in a concentrated portfolio of generally listed companies. It was renamed and recapitalised with a new Board at the end of FY2015, commencing with circa \$1.5m of investable capital. PDF status was relinquished in December 2020.

### Performance Update

As At 30 September 2022	Sep '22 Quarter	Jun '22 Quarter	Mar '22 Quarter	Dec '21 Quarter
Chesapeake Capital NTA (unaudited @ cost)	\$2.45m	\$2.58m Audit	\$2.59m	\$2.61m
Chesapeake Capital NTA (unaudited @ market)	\$2.28m	\$3.49m	\$6.20m	\$4.76m
Chesapeake Capital NTA @ market change (excl. div)	-34.6%	-43.7%	+29.4%	-11.7%
Small Ordinaries Accumulation Index	-0.4%	-20.4%	-4.2%	+1.4%
All Ordinaries Accumulation Index	+0.8%	-12.9%	+1.6%	+2.7%
Emerging Companies Index	+4.1%	-28.2%	-0.1%	+8.1%

### Overview

As was well documented in our last quarterly report the market’s capitulation and our concentration of our portfolio in our high conviction investment Podium Minerals Limited (“**POD**”) did us no favours. A couple of large sellers across the September Quarter into much thinner volumes weighed materially upon POD’s share price into 30 September when it closed at 13¢, half a cent above the year’s low.

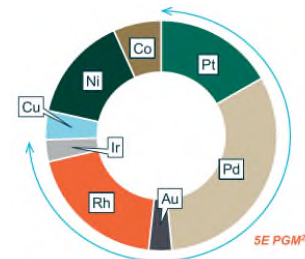


As a consequence the portfolio fell 34.6% to \$2.28 million being 15.1¢ per share based on mark-to-market. No hiding that but as we volunteered last quarter our conviction has not wavered. In the recent audit process the auditors confirmed that the accounting treatment for shares must follow the new tax treatment, where Chesapeake transitioned from an investor to a share trader, as disclosed in the Annual Report. As a consequence, investments are now recorded at cost creating, an audited at cost NTA where we have chosen to disclose a mark-to-market unaudited NTA.

POD completed a \$4.6m entitlement offer on 12 August, announced itself as Australia’s first 5E (5 element) PGM (Platinum Group Metals) resource with 3m ozs and subsequently upgraded the resource to 6m ozs of 5E PGM. The 6m oz inferred resource is along a 15km strike to 250m below the surface. The orebody remains open below this depth along the full 15km strike. The high grade zones host 15.7mt for 1.17m oz at 2.32 gpt 5E PGM (ASX 31 October 2022).

The updated PGM horizon contains 0.64 gpt Platinum (Pt), 0.52 gpt Palladium (Pd), 0.07 gpt Gold (Au), 0.05 gpt Rhodium (Rh) and 0.02 gpt Iridium (Ir) including 94 kt of Copper (Cu), 127 kt Nickel (Ni) and 24 ko Cobalt (Co). Inclusive of base metals credits POD describes the indicative weighted price as A\$4,276 per ounce (ASX 20 October 2022).

### WEIGHTED PRICE PER OUNCE



With 336.5m shares on issue, the implied market capitalisation at a 15.5¢ share price 31 October 2022 was circa \$52m implying an Enterprise Value of circa \$47m, which in turn equates to circa \$7.83 per indicated oz.

We continue to see considerable value where progress on the pathway to mining, the addition of further ounces and lifting the company’s profile will likely assist.

Of course rising metal prices would help and the platinum price is up off its September 2-year lows.



Our shareholding of 12.3m shares has an average cost of 3.3¢ per share, and whilst we have seen it rise and retreat, we have conviction in both the Parks Reef project and the team Sam Rodda is leading and see no reason to waiver now with so much progress being made.

We read with interest early in October the WA Government’s granting of 220 hectares of land at Oakajee in the Mid-West region to BP and the green energy offshoot of Fortescue Metal Group for green hydrogen. Smaller land allocations to Copenhagen Infrastructure Partners, Green LOHC, Kinara Power and Blue Diamond Australia for hydrogen projects in an industrial area at Oakajee. POD’s Parks Reef project is in the Mid-West.

Green Hydrogen production commonly uses PEM electrolysis in the manufacture of green hydrogen (from renewable energies) and the creation and storage of energy (from splitting the Hydrogen atom). PEM stands for 'proton exchange membrane' and uses significant loading of PGMs (primarily Pt and Ir) to coat the anodes and cathodes within the electrolysis process. Platinum and Iridium are used due to catalytic characteristics and resistance to corrosion (important within the process). This form of hydrogen energy production is also used in Hydrogen fuel cell vehicles (FCEV) requiring PGM loading in excess of ICE vehicles, FCEV are expected to be commonly used in light-heavy transport globally (trucks, trains and long-haul) replacing diesel.

The world platinum council has indicated that 100,000ozs of PGMs were used in Hydrogen Energy Production (\$2B market), with some analysts indicating that this might increase by 2031 to a \$135B hydrogen market.

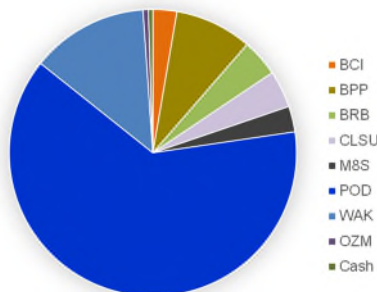
### Corporate Snapshot

As at 30 June 2022 the audited NTA at cost was \$2.58m versus a marked-to-market valuation of \$3.49m. The make-up of Chesapeake's asset base and P&L at 30 September 2022 is provided below, reflecting NTA (calculated as a share trader) of \$2.45m (16.2¢ per share) and noting that the marked-to-market unaudited valuation is \$2.28m (15.1¢ per share).

As At 30 September 2022	\$'m
1 Jul 2022 Opening Net Tangible Assets	2.58
New Capital	-
Investment Gains (Losses)	-0.04
Operating Costs	-0.12
Income Tax (Expense) Benefit	0.03
Dividends	-
Net Tangible Assets at 30 September 2022	2.45

Directors	Position	Related Shareholding
Aaron Constantine Group	Non Executive Chairman	20.6%
James Cullen Group	Non Executive Director	15.5%
Ian Macliver	Non Executive Director	5.4%
Bernard Romanin	Non Executive Director	0.5%
Shares on Issue (m)		15.12
Number of Shareholders		452

### Indicative Distribution of Investment Assets



### Podium Minerals versus Metals (1 Year)



	30 Jun 18	30 Jun 19	30 Jun 20	30 Jun 21	30 Sep 21	31 Dec 21	31 Mar 22	30 Jun 22	30 Sep 22
Net Tangible Assets (\$'m) (audited @ cost)	-	-	-	-	-	2.61	2.59	2.58	2.45
Net Tangible Assets (\$'m) (unaudited @ market)	3.26	2.79	2.69	6.70	5.39	4.76	6.20	3.49	2.28
Shares on Issue (m)	13.11	14.00	14.00	14.00	14.00	14.00	15.12	15.12	15.12
NTA per Share (¢) (market)	24.7	20.0	19.2	47.8	38.5	34.0	43.9	24.7	15.1
Dividend (¢ps)	-	-	-	-	-	-	3.0	-	-
Franking (%)	-	-	-	-	-	-	100.0	-	-
S&P/ASX Small Ords Accum Index (XSOAI)	8,140	8,296	7,826	10,427	10,785	11,005	10,540	8,391	8,352
S&P/ASX All Ords Accum Index (XAOAI)	62,434	69,326	64,231	83,786	85,502	87,626	89,045	77,551	78,174
S&P/ASX Emerging Companies Index (XEC)	1,479	1,411	1,365	2,144	2,535	2,741	2,733	1,962	2,043

\* Initial net investment capital available post-resurrection and recapitalisation

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