

To our Shareholders

Our cost savings initiatives have now run their course with a Corporations Code compliant buy back of share parcels of less than \$500 in value, reducing the number of shareholders to 49. There are no Directors' fees so structurally it has emerged as cost efficient as we can make it.

The market value of the portfolio stood at \$1.68m at 31 December 2024, up modestly from 30 June 2024. As events were occurring at one of our investments in WA Kaolin, as we held the pen until it had closed its \$7m Accelerated Right Issue, which was strongly supported by key shareholders. The company's difficulties in getting its plant running smoothly so as to deliver both nameplate capacity and product specifications are well documented. But pleasingly, the journey to a solution has been successful with the installation of a set of classifiers that are now producing at the rates capable of delivering nameplate (200,000t pa = 16,666t pm) +20% of purer product.

The upshot of this has been sales of 2,061t in February, orders in hand for 4,472t in March and the company is looking to ramp up to 8,000t pa as soon as possible. It feels like the company is turning the corner and capable of a share price recovery from current levels.

The exercise of the "well in the money" New Murchison Gold options has modestly added to that emerging gold producers holding against the backdrop of a rising gold price and equity research with a 3¢ target share price (Vs 1.2 current). We see lots of leverage in the transition to gold production by way of mining and selling ore at the gate rather than taking on the production capital and operating costs.

We were also pleased with the way Babylon Pump & Power reported stronger profitability and cash generation for the first half with revenue expected to improve in H2 based on high demand for test pumping services, multiple new rental projects expected to mobilise and maintenance/rebuild enquiries stepping up.

The portfolio as at 31 December 2024 was:

Security	Value
Alibaba Group Holdings	\$76,311
BCI Minerals	\$208,000
Babylon Pump & Power	\$276,475
Cauldron Energy	\$41,977
Cauldron Energy (Listed Options)	\$8,668
CleanSubSea	\$178,571
New Murchison Gold	\$188,534
Podium Minerals	\$345,283
Podium Minerals (Listed Options)	\$1,610
WA Kaolin	\$83,333
Woodside Energy	\$86,100
Whitehaven Coal	\$144,460
Cash (Macquarie)	\$42,625
Total	\$1,681,947

At the end of February, the market value of the portfolio stood at \$1.80m (= 7.1¢ps). We feel like the ship is turning, with our overhead structure as lean as could be.

Cash at 27 February 2025 stood at \$0.85m (4.5% of the portfolio).

Closing

Thank you for your continued support of Chesapeake Capital. Please feel free to contact us should you have any questions.

Aaron, Jamie, Greg and Steve