

### 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 31 December 2021	Dec '21 Quarter	Sep '21 Quarter	Jun '21 Quarter	Mar '21 Quarter	Dec '20 Quarter
Chesapeake Capital Limited	-11.7%	-19.4%	+49.8%	+2.1%	+25.1%
Small Ordinaries Accumulation Index	+1.4%	+3.4%	+8.5%	+2.1%	+13.8%
All Ordinaries Accumulation Index	+2.7%	+2.0%	+8.7%	+3.6%	+14.4%
Emerging Companies Index	+8.1%	+18.2%	+8.2%	+2.7%	+17.3%
Chesapeake Capital Limited NTA (unaudited)	\$4.76m	\$5.39m	\$7.27m	\$4.45m	\$4.38m

### Overview

Our fortunes remain inextricably linked to those of Podium Minerals Limited (“POD”) whose share price drifted across the December quarter during which time the company appointed a skilled and motivated executive team to drive the company’s development programme. A significant step forward. Independent Breakaway research published a November report with a share price target of \$1.50 (compared to the 31 December 2021 share price of 32.5¢) reflecting the value of where POD is at, which gave us great confidence reinforcing our conviction.

Our observation is that the company continues to make excellent progress as articulated at its AGM, and it was not until the New Year that the story began to recapture some market interest with the share price rallying from a December close of 32.5¢ to a January high of 49.5¢ before the whole market slumped late in January. The share price high followed the completion of 2 diamond drill holes that POD advised had intercepted Parks Reef at a depth of 500m, providing further confidence of mineralisation continuing to significant depth (ASX Announcement 4 January 2022).

In an ASX Announcement on 16 January 2022 POD advised that the third deep diamond drill hole was circa halfway to its depth of 750m. Rig availability has improved and a resumption of drilling at the 200m depth level across the remaining circa 12.6km of the 15km reef would be just as exciting as what the assays of the deep holes might show. Labs are very slow with results, but it is apparent that intersecting the reef is quite visual. There is a lot of territory to drill on a 15km to 500m+ grid. POD has communicated significant activity in terms of drilling and resource growth and has an exciting year ahead, where the value of metal in ground can grow with more drilling. Based on the current 2.2m oz resource grading 1.54gpt 3E PGM plus 79,000t of copper it appears that the future drilling of the “Johnnie Cash Pit” and the whole of the reef at 200m depth might increase the resource towards the upper end of the company’s Exploration Target of 3.1m to 5.8m ozs down to 200m. The company’s ASX language is gravitating to 5E PGM (which would include Rhodium and Iridium) making the ozs potentially more valuable. We have likened the drilling to a game of “battleships”, slowly revealing the 15km reef to depth with each drill hole. Our investment thesis and conviction remains intact and as such POD’s share price will heavily influence return outcomes for the foreseeable future.

So, we limped to a 31 December closing NTA of \$4.76m (34.0¢ per share) down -11.7% for the quarter. Across January, benchmark indices have fallen with the Small Ordinaries Accumulation Index down circa -10.1% whilst POD’s share price at 42¢ implies Chesapeake’s NTA is up +16.8% to circa \$5.56m = 39.7¢ per share as at 31 January 2022.

During the December quarter, we participated in BCI Mineral’s \$360m capital raising to drive the development of the world class Mardie Salt and Potash project in the north-west of Australia. With significant support from Kerry Stokes’ Wroxby (\$103m) and Australian Super the discounted share issue offered the opportunity to back an excellent team with a very long-term project. We were attracted by the sustainable, renewable nature of solar salt and phosphate and its scale as one of the largest solar salt projects in the world. We note Bell Potter’s 12 month price target of 66¢ per share and a Canaccord Genuity valuation of 77¢ per share.

We also recently visited WA Kaolin’s project at Wickepin in the Western Australian wheatbelt. All seems on time and on budget (ASX Announcement 19 January 2022) with the Stage 1 200,000 tpa project and commissioning is due to commence shortly, with a full ramp-up into the middle of the year as disclosed in the ASX announcement.

Largely as a result of Podium’s share price gaining ground to 42¢, Chesapeake’s NTA increased to 39.7¢ at 31 January 2022. The Board has resolved to set this price as the basis for applying the Dividend Reinvestment Plan (“DRP”) discount, in which some 62% of Chesapeake’s 14m shares will participate following responses to our invitation to participate. The Board has now resolved to pay a 3¢ per share dividend franked to 26%. To maintain cash, the Directors have arranged for the cash component of the dividend to be underwritten by associates of certain Directors for no fee.

**Should any Shareholders wish to change or lodge their DRP election, please do so by 14 February 2022.**

## Key Investments



## Corporate Snapshot

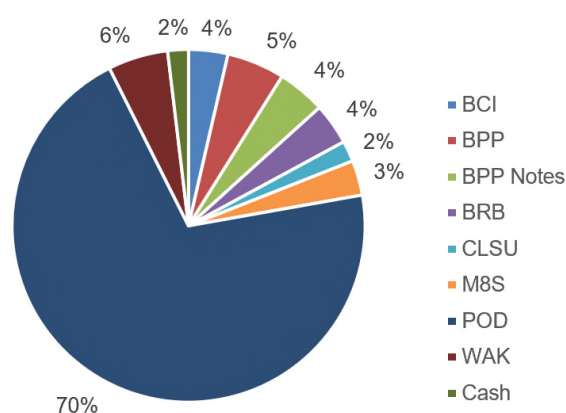
The bottom table presents Chesapeake's evolution since its inception. The make-up of its asset base and P&L at 31 December 2021 is provided below, reflecting unaudited NTA of \$4.76m (34.0¢ per share),

As At 31 December 2021	\$'m
1 Jul 2021 Opening Net Tangible Assets	6.70
New Capital	0.00
Investment Gains (Losses)	(2.48)
Operating Costs	(0.14)
Income Tax (Expense) Benefit	0.68
Net Tangible Assets	4.76

Shares on Issue (m)	14.00
Number of Shareholders	465

Directors	Position	Related Shareholding
Aaron Constantine	Non Executive Chairman	19.9%
James Cullen	Non Executive Director	14.9%
Ian Macliver	Non Executive Director	4.8%
Bernard Romanin	Non Executive Director	0.3%

## Indicative Distribution of Investment Assets



	30 Jun 2015	30 Jun 2016	30 Jun 2017	30 Jun 2018	30 Jun 2019	30 Jun 2020	31 Dec 2020	31 Mar 2021	30 Jun 2021	30 Sep 2021	31 Dec 2021
Net Tangible Assets (\$'m)	1.51*	2.20	3.19	3.26	2.79	2.69	4.38	4.45	6.70	5.39	4.76
Shares on Issue (m)	8.72	8.92	11.92	13.11	14.0	14.0	14.0	14.0	14.0	14.0	14.0
NTA per Share (¢)	17.0	24.6	26.8	24.7	20.0	19.2	31.2	31.9	47.8	38.5	34.0
Change in NTA per Share (%) from PCP	N/A	+ 44.7	+ 8.9	- 8.8	- 19.0	- 4.00	+ 25.1	+ 2.1	+ 49.8	-19.4	-11.7
S&P/ASX Small Ords Accum Index (XSOAI)	5,352	6,122	6,552	8,140	8,296	7,826	9,413	9,610	10,427	10,785	11,005
S&P/ASX All Ords Accum Index (XAOAI)	47,575	48,530	54,897	62,434	69,326	64,231	74,424	77,109	83,786	85,502	87,626
S&P/ASX Emerging Companies Index (XEC)	1,003	1,277	1,221	1,479	1,411	1,365	1,931	1,982	2,144	2,535	2,741

\* Initial net investment capital available post resurrection and recapitalisation

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