



NEWS RELEASE

December 10, 2020

NR6-2020

CHESAPEAKE GOLD ANNOUNCES ACQUISITION OF ALDERLEY GOLD CORP. CREATING A PLATFORM FOR FUTURE GROWTH AND MINING INNOVATION; ALAN PANGBOURNE TO BE APPOINTED CHIEF EXECUTIVE OFFICER

Chesapeake Gold Corp. (“Chesapeake” or the “Company”) (TSXV:CKG, OTCQX:CHPGF), is pleased to announce that it has entered into a definitive agreement on December 9, 2020 (the “Agreement”) to acquire Alderley Gold Corp. (“Alderley”), a private British Columbia mining technology company. With the acquisition of Alderley, Chesapeake gains access to a proven and innovative precious metals processing technology (the “Technology”) together with certain asset rights and proprietary databases, creating the path towards a new growth oriented and innovative gold and silver producer. Chesapeake will now focus on progressing the Metates project towards production using the Technology in a heap leach operation.

Transaction Highlights

- **Establishes a well-capitalized, gold-silver development company:** Chesapeake has a strong balance sheet with C\$35 million in cash to advance its flagship Metates project. Metates is a major undeveloped gold, silver and zinc deposit located in Mexico.
- **Developing Metates as a low cost, scalable sulphide heap leach mine:** Preliminary test work using the Technology indicates the optimal path forward for Metates would be to develop a low capital cost, sulphide heap leach operation. Metallurgical test work confirms that the liberation of gold in the Metates sulphides by oxidation using certain chemistry to manage pH and alkalinity significantly improves metal recoveries during cyanide leaching.
- **Proven, skilled additions to Chesapeake Management Team and Board:** Alan Pangbourne and Randy Buffington bring over 60 years experience building and operating large scale projects throughout the Americas, as well as a proven history of developing and applying innovative processing technologies in the mining sector.
- **Growth through M&A:** The combined team has an extensive and highly successful track record of M&A and mine operational improvements.
- **Superior capital markets exposure:** The combined team provides further access and relationships across the global mining industry, key financial institutions, and a proven ability to raise capital throughout a commodity cycle; creating a strong precious metals company that can rapidly transact on value accretive opportunities.

Randy Reifel, Chesapeake’s President commented: “I am very excited for the Alderley team to join Chesapeake as they work to demonstrate the true potential of Metates as a low cost, sulphide heap leach operation with a 30 year plus mine life. We are very impressed by the Alderley team’s track record of

innovation in the mining space and experience with developing and applying leading edge processing technologies. This partnership is the first step towards building a truly innovative and successful multi-mine gold producer in the coming years.”

Alan Pangbourne, incoming Chief Executive Officer and Director commented: “Randy’s reputation as an innovative and forward-thinking entrepreneur in Canada is well documented, with his notable successes at Francisco Gold Corp., Glamis Gold Ltd. and Goldcorp Inc. We look forward to a long and successful partnership with the Chesapeake team in implementing proven and tested oxidation technologies on Metates, as well as other future portfolio projects”.

Technology

Through the acquisition of Alderley, Chesapeake gains access to Alderley’s sulphide leaching Technology. The Technology oxidizes sulphide and transition ores using certain chemistry to manage pH and alkalinity thereby increasing recovery and reducing potential to turn acidic during cyanide leaching. The rights to the Technology are held under licence by Alderley which requires Alderley to pay a 1% NSR on any future production using the Technology.

Chesapeake has conducted preliminary indicative testing on several samples from the Metates project. Metallurgical test results were positive and indicate the process will promote the oxidation of the sulphides to a level that will allow the subsequent leaching and recovery of gold and silver. With the Technology, the development of Metates as a heap leach operation will not envision autoclave circuits leading to significantly lower capital and processing costs, stronger overall project economics and a greatly reduced environmental footprint.

Management and Board of Directors Additions

At closing, Alan Pangbourne (former CEO of Guyana Goldfields Inc.) will become CEO and a director of Chesapeake, and Randy Buffington (former CEO of Hycroft Mining Holding Corporation) will join the Chesapeake Board. Randy Reifel will continue as President and Chairman of Chesapeake’s Board. Taje Dhatt will be joining Chesapeake to focus on the capital markets and advisory side of the business.

In Chesapeake, the respective title positions will be as follows:

- **Alan Pangbourne, CEO & Director**
 - Mr. Pangbourne has over 35 years of experience in mining operations and was most recently President & CEO of Guyana Goldfields Inc. through to its sale to Zijin Mining Group Co., Ltd. in August 2020 at a 378% premium.
 - He was also previously Chief Operating Officer of SSR Mining Inc., where his efforts led to over a 400% increase in annual production over 5 years; Vice President Projects South America for Kinross Gold Corporation; and held a number of senior roles over 15 years at BHP Billiton Ltd
 - Mr. Pangbourne holds a Bachelor of Applied Science (Extractive Metallurgy) and a Graduate Diploma in Mineral Processing from the Western Australian School of Mines.
- **Randy Buffington, Director**
 - Mr. Buffington has more than 28 years’ experience in the mining industry and was most recently Chairman, President and Chief Executive Officer of Hycroft Mining Holding Corporation until July 2020.
 - He was previously Senior Vice President of Operations for Coeur d’Alene Mines Corp. and served in management roles for Barrick Gold Corporation including General Manager of the Goldstrike mine.
 - Mr. Buffington has a Masters degree in Civil Engineering.

- **Taje Dhatt, VP Strategy & Corporate Development**
 - Mr. Dhatt co-founded Alderley and has a decade of experience advising companies on mergers and acquisitions, stream/royalty transactions and other corporate finance matters.
 - Mr. Dhatt holds a B.B.A. from the Schulich School of Business at York University.

Transaction Agreement

Under the terms of the Agreement, Chesapeake will issue 10 million common shares (“**Common Shares**”) to the shareholders of Alderley (the “**Alderley Shareholders**”) resulting in the Alderley Shareholders holding approximately 14.2% of the outstanding common shares of the Company on a fully diluted basis. The Alderley Shares will be issued into escrow with release based on time and milestone conditions over 7 years as follows:

- (a) 5% released on each of the first four anniversaries of Closing;
- (b) 10% released on the earlier of (a) date of a positive feasibility study and (b) the fifth anniversary of Closing
- (c) 30% released on the earlier of (a) duly certified commencement of construction of a mine and (b) the sixth anniversary of Closing;
- (d) 40% released on the earlier of (a) duly certified commencement of commercial production and (b) the seventh anniversary of Closing.

This escrow release structure confirms the commitment of the Alderley Shareholders to the future development of Chesapeake and aligns their interest in creating long term value for all shareholders. The transaction is subject to approval of the TSX Venture Exchange

Upcoming Project Development & Catalysts

With over \$35 million in cash and marketable securities, Chesapeake is fully funded for its development programs contemplated through 2022. The Company plans to complete on Metates a revised technical report and economic assessment in 2021 based on the new process route and development strategy.

As well, the Company plans to conduct further metallurgical testing, update internal geo-metallurgical models, sample and confirmation drilling, rebuild its reserve and resource models for the Alderley Technology, as well as to update environmental and social baseline data for permitting purposes. This development work will form the basis for an updated prefeasibility study for Metates which would be targeted for release in early 2022.

Stock Option Grants:

The Board of Directors has also granted incentive stock options (“Options”) to the new directors and officer for 1,850,000 common shares at an exercise price of \$4.56 per share. The Options are exercisable for a term of five years from the date of the grant and will vest as to 25% annually on each anniversary of the date of grant.

About Chesapeake

Chesapeake Gold Corp. is focused on the discovery, acquisition and development of major gold-silver deposits in North and South America. Chesapeake’s flagship asset is the Metates project (“Metates”)

located in Durango State, Mexico. Metates is a major undeveloped gold, silver and zinc deposit located in Mexico.

Chesapeake also has developed an organic pipeline of satellite exploration properties strategically located near Metates. In addition, the Company owns 74% of Gunpoint Exploration Ltd. ("Gunpoint") which owns the Talapoosa gold project in Nevada.

About Alderley

Alderley Gold Corp. is a Canadian company, founded in 2018, and focused on the advancement and development of proprietary technologies that significantly reduce the cost of construction and processing for certain refractory sulphide precious metal ore bodies. With a team of highly successful mine builders and entrepreneurs, Alderley seeks to significantly improve the project economics of existing orebodies and greatly reduce their planned environmental footprints.

Mr. Gary Parkison, CPG, Vice President Development of Chesapeake, is the qualified person who has reviewed and approved the technical information contained in this news release.

For Further Information:

For more information on Chesapeake and its Metates Project, please visit our website at www.chesapeakegold.com or contact Randy Reifel at 604-731-1094 or Alan Pangbourne at Alan@alderleygold.com.

CHESAPEAKE GOLD CORP

"P. Randy Reifel"

President & Chairman

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Forward-looking Statements

This news release contains "forward-looking information" which may include, but is not limited to, statements with respect to completion of the Alderley transaction and use and application of Technology. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are based on various assumptions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the ability to complete the Alderley transaction, receipt of applicable regulatory approvals, the successful application of the Technology to the Metates project, general business, economic, competitive, political and social uncertainties; the actual results of exploration activities; changes in project parameters as plans continue to be refined; accidents, labour disputes and other risks of the mining

industry, and political instability. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements.