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NEWS RELEASE

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CHESAPEAKE REPORTS SHORT TERM INVESTMENT STATUS

Chesapeake Gold Corp. (“Chesapeake”) reports that it currently has approximately C\$35 million in cash and cash equivalents and marketable securities (“investable funds”). Of this amount, approximately C\$9 million of these investable funds, or approximately 25%, is invested in a Canadian Asset-Backed Commercial Paper security (“ABCP”). National Bank Financial, a unit of the National Bank of Canada, is the financial services agent for this ABCP which is rated R1-high from the Dominion Bond Rating Service, the highest credit quality. The funds Chesapeake has in ABCP have a maturity date of August 31, 2007. Based upon the professional advice of the financial services agent, the Company does not consider its ABCP investment at risk despite the uncertainty in global credit markets.

Chesapeake’s remaining \$26 million of investable funds are invested in a variety of instruments, including Canadian Chartered bank term deposits and guaranteed investment certificates (\$18 million), corporate bonds (\$4.5 million) and equities (\$3.5 million), none of which are exposed to the potential repayment risks associated with the ABCP market. As a result, the Company’s exploration and development activities of its Metates project and other interests continue unaffected.

For more information on Chesapeake, please contact P. Randy Reifel, President at (604)731-1094.

CHESAPEAKE GOLD CORP.

“P. Randy Reifel”

P. Randy Reifel
President

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