



**NEWS RELEASE**

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**CHESAPEAKE OUTLINES DEVELOPMENT WORK AT METATES**

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Chesapeake Gold Corp. (“Chesapeake”) is pleased to report that significant development progress is underway on its 100% owned Metates project located in Durango state, Mexico. Metates is one of the largest undeveloped, near surface, disseminated gold and silver deposits in the world which Cambior Inc. drilled in the early to mid 1990’s. In 1996 Independent Mining Consultants (“IMC”) of Tuscon, Arizona, using a 0.50 equivalent gold cut-off grade, calculated a mineral inventory of 786 million tonnes of 0.81 g/t gold, 15.06 g/t silver and 0.16% zinc. This is a historical estimate which predates NI 43-101 standards which the Company is not treating as current. The Company has not verified this historical estimate and it should not be relied upon.

Chesapeake is undertaking a comprehensive analysis of the exploitation potential of Metates including mineralogical analysis, metallurgical testing, mine planning, flow sheet development and project design. The Company has hired Jody Kelso, formerly the Chief Metallurgist for Cambior Inc. of the Metates project, to head the Metates development program. To date, several internationally recognised consultants and firms have been contracted including Dr. Corale Brierley, senior bio-oxidation consultant, Dr. Terry Mudder, geochemistry, acid rock drainage and cyanide recovery consultant, Golder and Associates, Arcadis, McClelland Laboratories and Independent Mining Consultants to provide investigations, designs and costs related to the project’s development.

Development work is underway in two phases. Phase I includes updating Cambior Inc.’s 1997 pre-feasibility study based on mining the upper portion of the intrusive mineralization in the Main Zone which estimated to host 122 million tonnes at a grade of 0.87 g/t gold, 15.32 g/t silver and 0.29% zinc and an additional 162 million tonnes at 0.21% zinc (previously classified as waste). This is a historical estimate which predates NI 43-101 standards which the Company is not treating as current. The Company has not verified this historical estimate and it should not be relied upon.

Phase I will include Cambior’s same pit geometry with technological improvements in mine engineering and mineralogical processing, current metal prices and costs and a revised flow sheet plan including a zinc recovery circuit. Chesapeake’s evaluation currently includes the following modifications.

- Inclusion of the new proven solvent extraction/electro-winning technology for the recovery of zinc concurrently leached during the oxidation of the sulfidic materials
- A valley-fill cyanide leach design approach which improves geotechnical containment
- Improved design for load/unload bio-oxidation pads
- Replacement of truck haulage and stacking with automated conveyor systems
- Inclusion of cyanide recovery

Engineering work to date suggests the modifications could have the following positive impact on Cambior’s 1997 estimated project economics as provided in Chesapeake’s NI 43-101 technical report dated January 15, 2007, filed on SEDAR.

- Substantial benefit from the inclusion of zinc at current prices
- Increase in gold and silver recovery
- Lower strip ratio

- Reduction in net cyanide consumption
- Simplified permitting process
- Elimination of long term treatment of acid produced from waste piles
- Lower operating costs

Chesapeake expects to complete the mine planning, mineralogical analysis, flow sheet development and economic analysis for a NI 43-101 pre-feasibility report on Phase I in the first quarter of 2008. The production schedule is based on supplying approximately 24 million tonnes of ore per year to the primary crusher at the rate of 70,000 tonnes per day.

During the past few months Chesapeake has also been meeting and negotiating with the local communities, municipality and state authorities to secure the work and environmental permits at Metates. The Company expects to receive the necessary approvals to permit road construction and advanced exploration including drilling within 60 days. Once received, Chesapeake is planning a 10,000 metre diamond drill program which will include infill-drilling, geotechnical drill core and testing of new highly prospective targets identified within the district.

The second phase of development will incorporate the results from the new drilling and detailed metallurgical test program into a thorough evaluation of treatment approaches for the remaining mineral inventory as determined by IMC (not included in Cambior's pre-feasibility study) that are hosted in sediments overlying a lower intrusive zone. Phase II metallurgical test work will largely focus on determining the most economic processing route for the sediment material. The sediment rock type will require an alternative treatment approach.

Phase II evaluations will include newly developed technologies in mineralogical and chemical analysis that can be utilized to identify treatment approaches that will improve the economics of metal recovery of the intrusive and sediment rock types. Heap bio-oxidation followed by heap cyanidation of both the upper and lower intrusive zones will be compared to all other viable treatment options with the appropriate updates of costs and technological advances. Further initiatives will include various applications of chemical binders, flotation and removal of preg-robbing components, application of carbon-in-leach systems and alternative lixivants. Pilot scale testing will follow to test all aspects of oxidation, acid neutralization, water treatment and zinc recovery.

Management is of the opinion that the potential exists to substantially increase the size and scalability of the mine plan at Metates. Early indications also suggest that the zinc recovery together with revised engineering, new technological advances and higher metal prices, could improve the project's economics materially.

Dr. Richard Jolk, P.E. supervised the preparation of this news release and is a qualified person under NI 43-101. For more information on Chesapeake, please contact P. Randy Reifel, President at (604)731-1094.

**CHESAPEAKE GOLD CORP.**

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