



## NEWS RELEASE

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### CHESAPEAKE RECEIVES POSITIVE METALLURGICAL AND PROCESSING RESULTS

Chesapeake Gold Corp. (“Chesapeake”) is pleased to provide an update on the extensive metallurgical and processing related test work undertaken on its 100% owned Metates project located in Durango State, Mexico. Metates hosts one of the largest undeveloped gold-silver deposits in the Americas with a Measured and Indicated mineral resource containing 14.7 million ounces of gold, 396 million ounces of silver and 2.6 billion pounds of zinc. Inferred mineral resources total an additional 1.9 million ounces of gold, 38 million ounces of silver and 200 million pounds of zinc (see NR3-2009). A summary of the NI 43-101 resource estimate is shown below.

Mineral Resource Class	Tonnes	Gold	Gold	Silver	Silver	Eq. Gold	Eq. Gold	Zinc	Zinc
	Ktonnes	g/tonne	Oz. X 1,000	g/tonne	Oz. X 1,000	g/tonne	Oz. X 1,000	%	Lbs. X 1,000
Measured	181,317	0.74	4,314	17.9	104,349	0.98	5,713	0.19	757,905
Indicated	521,939	0.62	10,404	17.4	291,989	0.86	14,432	0.16	1,837,225
Measured + Indicated	703,256	0.65	14,697	17.5	395,685	0.90	20,349	0.17	2,630,177
Inferred	74,000	0.80	1,903	16.0	38,067	1.02	2,427	0.13	211,640

Notes: Resource is tabulated at a 0.5 g/t Equivalent Gold cutoff grade, Equivalent Gold = Gold+ Silver/72, Assumes 100% metal recovery

The gold-silver mineralization at Metates occurs in sulfide stockwork veinlets or disseminations in both intrusive and predominant sedimentary host rocks. Mineralogical and metallurgical testing at Resource Development Inc. (“RDI”), Hazen Research (“Hazen”) and other facilities has demonstrated that the gold-silver mineralization is variably refractory and primarily associated with pyrite. Metallurgical tests have been performed on core samples weighing over 6.2 tonnes and from which 48 individual composite samples and two master composite samples have been generated. Metallurgical tests to date include over 166 leach tests, 75 flotation tests, 21 roasting tests and 15 pressure oxidation tests. Chesapeake has focused its metallurgical efforts on the evaluation of commercially proven process alternatives that have low technical risk and provide the best combination of metal recovery and operating economics. Highlights from the test work are:

- **Gold and silver recoveries into a bulk rougher sulfide concentrate average greater than 90% can be achieved at a relatively coarse grind size**
- **Gold and silver recoveries average greater than 97% and 85%, respectively, from the concentrates following pressure oxidation using relatively low temperature, pressure and residence time with no re-grinding of the concentrate**
- **Overall gold recoveries in the range of 85% to 90% and silver recoveries in the range of 80% to 85% through both flotation and pressure oxidation are targeted**

Testing at RDI and Hazen have demonstrated that the generation of a bulk rougher sulfide flotation concentrate followed by oxidation of the concentrate would achieve high recoveries of gold and silver during subsequent cyanidation. Several different oxidation methods were evaluated. Roasting and pressure oxidation are the most well known and employed at numerous precious metal mining operations throughout the world. Oxidation of the concentrate by either method also allows for the recovery of an economically viable zinc by-product at prevailing zinc prices.

The roasting oxidation method produces concentrated sulfuric acid of a quality that is widely used in copper oxide mines, the production of chemical fertilizers and other industrial applications. Chesapeake has conducted several acid market studies and engaged in preliminary discussions with fertilizer companies concerning the potential long term supply of acid from Metates. Alternatively, pressure oxidation produces a low grade sulfuric acid and Chesapeake is evaluating the potential of producing elemental sulfur as a saleable by-product from this method. Marketable elemental sulfur and/or sulfuric acid could generate long term revenue that will lower precious metal cash costs and reduce environmental risks associated with acid neutralization and residue management.

Chesapeake continues to advance Metates towards the completion of a NI 43-101 Preliminary Economic Assessment (scoping study) technical report (“PEA”). M3 Engineering of Tucson, Arizona (“M3”) has been contracted to prepare the report with input from a number of other independent consulting groups. M3 has worldwide experience working on large precious and base metal projects including most recently the Penasquito mine in Mexico. Trade-off studies are currently underway at M3 evaluating the capital and operating costs of the pressure oxidation and roasting methods.

In support of the work at M3, Independent Mining Consultants has prepared a preliminary mine schedule based on the NI 43-101 resource estimate at an ore mining rate of 60,000 tonnes per day from a pit measuring 2.5 kilometers long, 1.7 kilometers wide and 600 meters deep. At this mining rate and assumed overall gold and silver metal recoveries of 85%, Metates could produce in excess of 550,000 ounces of gold equivalent (gold and silver) annually over a 35 year mine life. Precious metal production is the highest and the stripping ratio is the lowest in the first eight years of production which will enhance capital recovery and payback. A PEA, however, has not yet been completed and accordingly, there can be no assurance that the results will be positive. Also, mineral resources that are not yet mineral reserves do not have demonstrated economic viability.

In the PEA, M3 will be providing the estimated capital and operating costs of a fully integrated mining operation. To date, Chesapeake’s engineering team and consultants have completed the site design and plant processing layout options, the permanent transportation and pipeline corridors, power and water availability. Given the large resource base and metallurgical test results, M3 is evaluating production rates of 90,000 tonnes per day and higher. The PEA report is expected to be completed in early 2010.

Mr. Gary A. Parkison, Metates Project Manager and a Qualified Person as defined by NI 43-101 and M3, have reviewed the technical information contained in this release.

For more information on Chesapeake and its Metates Project, please visit our website at [www.chesapeakegold.com](http://www.chesapeakegold.com) or contact investor relations at 604-731-1094.

**CHESAPEAKE GOLD CORP**

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