Chesapeake Commences Drilling on Yarely Project

Chesapeake Gold Corp (“Chesapeake” or the “Company”) has commenced a 5,000 metre diamond drill program at its wholly owned Yarely project (“Yarely”) located near the proposed El Paso (Metates) plant site in Sinaloa State, Mexico. Chesapeake controls a 68,000 contiguous hectare land position favorably situated near a paved highway, civil infrastructure and labour.

Yarely Highlights

- Several different deposit types have been defined in six prospects and include skarns, epithermal and mesothermal veins, disseminated zones, stockworks and breccias.
- At the Central and Loretos prospects, 186 kilometres of IP-Resistivity geophysical surveys outlined a “V” shaped chargeability anomaly 6 kilometres long, up to 600 metres wide and over 300 metres deep.
- The “V” shaped IP anomaly is coincident with northwest and northeast trending regional deep seated faults and two mineralized structural corridors.

The Phase I drill program at Yarely will focus on the Central and Loretos prospects. Drilling will determine the geological characteristics and potential mineralization of the diverse deposit types at depth. Drill results should begin to be released in November.

Central Prospect

Initial drill holes will test the four subparallel north-northwest trending stockwork structures up to one kilometre in length and associated extensive breccia bodies (see news release dated September 7, 2017). Holes will be drilled to over 200 metres depth targeting these mineralized structural corridors and underlying IP chargeability anomaly that suggests a significant deep sulphide body. The rig will then be moved north to test a swarm of high grade oxide veins exploited during the Spanish Colonial period. Drilling will target sulphide ore shoots below the oxidized zone and to depths of more than 100 metres where the veins intercept the IP geophysical anomaly.

Loretos Prospect

Three widely spaced exploratory holes are planned to test the west side of the “V” shaped IP anomaly which is over 3 kilometres long and 1 kilometre wide. At Loretos, quartz-carbonate veins and stockworks are hosted in sandstone, conglomerate and limestone. Geophysics has outlined the presence of sulfides possibly related to intrusive hosted mineralization up to 500 metres in depth.
Regional

District scale exploration continues at the Yarely project through detailed geologic mapping, soil and rock geochemistry, trenching and IP-Resistivity geophysical surveys. Yasmin, Lucy, Sundae and Los Mimbres prospects are being systematically advanced to the drill stage. A Phase II drill program is planned in 2018 to begin testing these prospects.

Alberto Galicia, P. Geo, Vice President Exploration for Chesapeake and a Qualified Person as defined by NI43-101, has reviewed the technical information in this release.

For more information on Chesapeake and its Metates and Yarely projects, please visit our website at www.chesapeakegold.com or contact investor relations at 604-731-1094.

CHESAPEAKE GOLD CORP.

“P. Randy Reifel”

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President

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