



NEWS RELEASE

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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”

P. Randy Reifel
President

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FORWARD-LOOKING STATEMENTS

This news release contains “forward-looking statements” within the meaning of Canadian securities legislation. These include, without limitation, statements with respect to: the strategic plans, timing and expectations for the Company’s exploration and drilling programs at the Yarely Project, including information with respect to existence of mineralization, high grade areas and size of veins projected from surveys and sampling results and drilling results; and the prospects of future mining at the Yarely Project. Such forward-looking statements or information are based on a number of assumptions, which have been made regarding, among other things: identification and presence of mineralization; the conditions in general economic and financial markets; availability of skilled labour; timing and amount of expenditures related to exploration and drilling programs; and effects of regulation by governmental agencies. The actual results could differ materially from those anticipated in these forward-looking statements as a result of risk factors including: the timing and content of work programs; results of exploration activities; the interpretation of drilling results and other geological data; receipt, maintenance and security of permits and mineral property titles; environmental and other regulatory risks; project cost overruns or unanticipated costs and expenses; fluctuations in precious metals prices and currency exchange rates and general market and industry conditions. Forward-looking statements are based on the expectations and opinions of the Company’s management on the date the statements are made. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, readers are cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements included in this news release if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.