



August 19, 2020

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CHESAPEAKE GOLD CLOSSES \$20 MILLION PRIVATE PLACEMENT FINANCING

Vancouver, British Columbia - Chesapeake Gold Corp. (“**Chesapeake**” or the “**Company**”) (TSXV:CKG. OTCQX:CHPGF) is pleased to announce the closing of its previously announced non-brokered private placement of 4,000,000 common shares (“**Common Shares**”) at a price of \$5.00 per Common Share for gross proceeds to the Company of \$20,000,000 (the “**Private Placement**”).

Mr. Eric Sprott, through 2176423 Ontario Ltd., a corporation which is beneficially owned by him, acquired 2,500,000 Common Shares under the Private Placement for total consideration of \$12,500,000. Prior to the closing of the Private Placement, Mr. Sprott beneficially owned and controlled 6,089,099 Common Shares representing approximately 11.8% of the issued and outstanding Common Shares. As a result of the Private Placement, Mr. Sprott beneficially owns and controls 8,589,099 Common Shares representing approximately 15.5% of the issued and outstanding Common Shares.

Mr. Sprott has advised the Company that the Common Shares were acquired by him for investment purposes. Mr. Sprott has a long-term view of the investment and may acquire additional securities of the Company including on the open market or through private acquisitions or sell securities of the Company including on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other relevant factors. A copy of the applicable early warning report will appear on the Company's profile on SEDAR and may also be obtained by calling Mr. Sprott's office at (416) 945-3294 (200 Bay Street, Suite 2600, Royal Bank Plaza, South Tower, Toronto, Ontario M5J 2J1).

The Company also issued 1,000,000 Common Shares under the Private Placement to The Sun Valley Master Gold Fund, Ltd. for gross proceeds of \$5,000,000.

The net proceeds from the Private Placement will be used to undertake Metates metallurgical test work and ongoing regional exploration and for general working capital. The Common Shares issued under the Private Placement will have a hold period that expires on December 19, 2020.

The Private Placement involves a “related party transaction” within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 *-Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) adopted in the Policy. The Company has relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of related party participation in the placement as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction exceeded 25% of the Company's market capitalization (as determined under MI 61-101). Further details will be included in a material change report to be filed by the Company. The material change report will not be filed more than 21 days prior to closing of the Private Placement due to the timing of the announcement of the Private Placement and closing occurring in less than 21 days.

No finder's fees or other commissions were paid in connection with the Private Placement.

About Chesapeake

Chesapeake Gold Corp. is a development stage company focusing on the discovery, acquisition and development of major gold-silver deposits in North and Central America. The Company's primary asset is the Metates project ("Metates") located in Durango State, Mexico. Metates hosts one of the largest undeveloped gold-silver-zinc deposits in the Americas.

Chesapeake also has a portfolio of exploration properties in Mexico comprising 119,000 hectares in the states of Durango, Sinaloa, Oaxaca and Veracruz. In addition, the Company owns 74% of Gunpoint Exploration Ltd. which owns the Talapoosa gold project in Nevada.

For Further Information:

For more information on Chesapeake and its Metates Project, 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

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward Looking Statements

This news release contains "forward-looking information" which may include, but is not limited to, statements with respect to the use of proceeds of the Private Placement. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are based on various assumptions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the receipt of applicable regulatory approvals, general business, economic, competitive, political and social uncertainties; the actual results of exploration activities; changes in project parameters as plans continue to be refined; accidents, labour disputes and other risks of the mining industry, and political instability. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

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