VANCOUVER, BRITISH COLUMBIA--(Marketwired - Dec 16, 2015) - Chesapeake Gold Corp. ("Chesapeake" or "Company") (TSX VENTURE:CKG) wishes to report on the current status of the updated pre-feasibility study ("updated PFS") on its 100% owned Metates project located in Durango State, Mexico. Chesapeake and M3 Engineering &Technology together with several industry leading international consultants have finished all of the engineering studies and are near completion of all capital and operating cost estimates related to the updated PFS. The Metates project hosts one of the largest undeveloped gold, silver and zinc reserves in the world not controlled by a major gold producer.

In 2013 Chesapeake released a pre-feasibility study that evaluated a large scale mining operation for Metates titled "Metates Gold-Silver Project NI 43-101 Technical Report Preliminary Feasibility Study" dated March 18, 2013 ("2013 PFS").The 2013 PFS examined a Phase 1 60,000 tonnes per day ("tpd") initial throughput rate with a rapid ramp up to Phase 2 full design capacity of 120,000 tpd. Initial capital for Phase 1 was estimated at US$3.08 billion including contingency, with expansion capital for Phase 2 at US$1.28 billion. Over the 25 year mine life, average annual production was estimated to be 659,000 ounces gold, 15.9 million ounces silver and 143.3 million pounds zinc.

The location of the Metates project in northwestern Mexico offers several strategic advantages by being proximal to key regional infrastructure, skilled labour, water resources and low cost natural gas for energy. In addition, Metates benefits from having the highest mined grades and lowest stripping ratios during the earliest years of production. The updated PFS will capitalize on these advantages together with other opportunities and demonstrate strong project economics starting with a smaller Phase 1 operation with cash flow funding Phase 2 expansion to full nameplate capacity.

The updated PFS will be based on an initial Phase 1 throughput rate of 30,000 tpd with a staged Phase 2 expansion to 90,000 tpd.Phase 1 production will operate for the first four years of the mine life with Phase 2 production starting in year five. Active pit mining is planned for a total of 27 years followed by 10 years of processing stockpiled low grade ore. The Company believes this phased approach will provide an attractive combination of lower initial capital cost while maintaining key operating efficiencies and economies of scale.

Detailed engineering and optimization work has identified significant changes and improvements from the 2013 PFS that will be incorporated into the updated PFS. Significant capital cost savings are associated with many of the following developments:

- The Ranchito processing facility has been re-located to an area with more favorable topography closer to the mine site resulting in a 35% reduction in site earthworks
- The Ranchito re-location reduced the length of the concentrate pipeline by 20% and eliminated 69 kilometres of access road improvements
- Desalinated seawater integrated with the water supply strategy
- Desalination facilitates the new siting of water storage reservoirs with a 90% reduction in dam construction with less environmental impacts
- New reservoir sites within larger drainage areas decrease water supply risks and eliminates137 kilometres of water supply and distribution pipelines
- More direct routing of power transmission lines reduced constructed length by 44 kilometres
- Leasing the mining equipment for the open pit operation
- Third party outsourcing of limestone mining and processing operations
- Optimized crushing and grinding circuit design based on new testwork results

While completing the updated PFS the Company is also reviewing the capital cost savings and scope changes which can be applied to the 2013 PFS development case. Chesapeake intends to release the results of the updated PFS in early Q1 2016 along with a summary of the economic impacts applicable to the 2013 PFS.

Randy Reifel, President, stated "The updated PFS will demonstrate that Metates can be constructed at a low capital cost with expansion funded largely by internally generated cash flow to become one of the largest gold and silver mines in the world. A reduction in identified capital costs when applied to the 2013 PFS would further improve the robust economic results of that development optionas well."

Metates is unique among other large scale, advanced stage projects by combining world class reserves with multiple development options in a politically favorable mining jurisdiction.

Gary Parkison, CPG, Chesapeake Vice President Development and a Qualified Person as defined by NI43-101, has reviewed the technical information presented in this release in regards to the Metates project.

For more information on Chesapeake, please visit our website at www.chesapeakegold.com.

CHESAPEAKE GOLD CORP.

P. Randy Reifel, President

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This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward looking statements and information herein include, but are not limited to, statements regarding prospective gold, silver and related metal production, timing and expenditures to explore and develop prospective mineral properties, gold, silver and related metal resources, grades and recoveries, cash costs per ounce, capital and operating expenditures and sustaining capital and the ability to fund mine development. The Company does not intend to, and does not assume any obligation to update such forward-looking statements or information, other than as required by applicable law. Forward-looking statements or information involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Chesapeake and its operations to be materially different from those expressed or implied by such statements. Such factors include, among others: ability to finance mine development, fluctuations in the prices of gold, silver and zinc, fluctuations in the currency markets (particularly the Mexican peso, Canadian dollar and U.S. dollar); changes in national and local governments, legislation, taxation, controls, regulations and political or economic developments in Canada and Mexico; operating or technical difficulties in mineral exploration, development and mining activities; risks and hazards of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected geological conditions, pressures, cave-ins and flooding);inadequate insurance, or inability to obtain insurance; availability of and costs associated with mining inputs and labour; the speculative nature of mineral exploration and development, diminishing quantities or grades of mineral reserves as properties are mined; risks in obtaining necessary licenses and permits, and challenges to the Company's title to properties. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or information, there may be other factors that cause results to be materially different from those anticipated, described, estimated, assessed or intended. There can be no assurance that any forward-looking statements or information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information.

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