

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Mar 31, 2015) - [Chesapeake Gold Corp.](#) (TSX VENTURE:CKG) ("Chesapeake" or "Company") 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. M3 Engineering & Technology together with several industry leading international consultants are currently working towards the completion of the updated PFS. Several recent developments have caused the completion of the updated PFS to be delayed until the second quarter of 2015. The Metates project hosts one of the largest undeveloped gold, silver and zinc reserves in the world.

The updated PFS is based on a lower initial ore throughput rate of 30,000 tpd ("Phase 1") with a staged expansion up to 90,000 tpd ("Phase 2") to be funded primarily from internal cash flow. The Company believes this scalable approach will provide the most attractive combination of lower initial capital costs while maintaining key operating efficiencies. 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 the stockpiled low grade ore.

The Mexican national water agency (Conagua) recently published the payment schedule for consumptive water use for both surface and ground water (retro-active) for the 2015 calendar year. The new cost schedule has increased nearly 100% from the rates used in the original pre-feasibility study dated March 18, 2013. The updated PFS design of the Metates processing facilities employs best practices water conservation with almost 60% of the water use being recycled. However, operating at the 90,000 tpd throughput rate it is estimated that the project will still consume between 15 and 20 million cubic metres of water annually.

Chesapeake is critically aware of the need to ensure a cost effective and reliable long term water source, especially given Metates long mine life. As an alternative to conventional water sources, the Company has been evaluating the use of desalinated sea water as a viable option. Recent advances in desalination technology and low cost electricity from natural gas fired power plants in western Mexico provides potentially significant savings in both capital and operating costs in the updated PFS. The close proximity to the coast and to existing key civil infrastructure enables Metates to capitalize on the strategic advantage of the desalination option. Several desalination plants already operate in Mexico. Chesapeake would outsource the construction and operation of a desalination plant and plans to integrate this option into the water supply network.

A recently revised mine plan and analysis has optimized the mining of high value ore with a low sulfur content which will now require only one autoclave and related ancillary equipment to process the majority of Phase 1 ore production. The single autoclave will result in a further reduction in the initial capital cost versus the two autoclaves required with the earlier mine schedule. Incorporating the single autoclave option into the updated PFS has caused a delay in re-configuring the plant layout and modification to the capital cost estimates.

The Metates mine access road is a major component of the initial capital cost. Ongoing work and surveys to optimize the road alignment have reduced both the distance and the excavated material volumes leading to a lower capital cost.

Randy Reifel, President, stated, "The updated PFS will demonstrate that Metates can be constructed at a substantially lower capital cost with staged expansion funded largely from cash flow to become one of the largest gold and silver mines in the world. We also recognize that a reliable and sustainable water source is becoming a challenge for many mining projects. Desalination will avoid competing for existing water and will be politically and environmentally friendly for all stakeholders near Metates."

Metates is unique among other large scale development projects combining world-class reserves of gold, silver and zinc in a favourable mining jurisdiction that is situated near excellent regional infrastructure, low cost natural gas power, water and a skilled labour pool.

Gary Parkison, CPG, Chesapeake Vice President Development and a Qualified Person as defined by NI 43-101, 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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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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