

President's Letter



So far this year the precious metals have traded in a narrow bandwidth. The market sentiment has been bearish with gold and silver down 8% and 5% respectively. Alternatively, the major indices continue to score record new highs along with cryptocurrencies dominating market attention. Global growth expectations and a higher U.S. dollar have weighed on gold. It has been a challenging headwind to attract general capital to rotate into precious metals despite massive government stimulus and currency debasement.

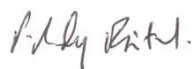
Overall, investors debate whether gold's movement is a continued bearish trend or forming a bottom base for an upward cyclical move. Personally, I believe there is a bullish gold market ahead. With few global discoveries, the mining industry has limited options to increase supply. Every day miners are facing a shrinking business reality. Central banks are emerging again as net buyers. Rising inflation is inevitable. The fundamentals of stronger physical demand and declining supply underpin a much brighter future for gold.

Looking forward, Chesapeake announced the acquisition of a mining technology company ("Alderley Gold") that has an innovative oxidation process for treating and recovering precious metals from sulfide ores. The acquisition was based on metallurgical test work undertaken last year to determine if an alternative oxidation technology could simplify the process flowsheet resulting in lower capital and operating costs and improved project economics. We believe Alderley Gold has a leading-edge process technology ("Technology") that is a potential "game changer" for Metates and the gold mining industry at large.

As such, Chesapeake is currently drilling Metates to provide bulk samples for extensive testwork to evaluate the economic viability of building Metates as sulfide heap leach operation. Contingent on success, Chesapeake would pioneer a Technology to develop Metates as a low cost, long life intermediate gold and silver producer. Moreover, we plan to seek M&A opportunities where the Technology employed would strategically be accretive to shareholder value.

As part of the Alderley Gold transaction, Alan Pangbourne and Randy Buffington have joined Chesapeake bringing 60 years of experience in building and operating large scale mining projects throughout the Americas. Randy initiated development of the Technology and guided the development to a commercial scale. Alan is our new Chief Executive Officer. I encourage you to visit the Company's website for additional information. I firmly believe Alan and the technical team will build Chesapeake into an innovative, successful gold producer in the coming years.

CHESAPEAKE GOLD CORP.



P. Randy Reifel

President

April 12, 2021