

Form 51-102F3
Material Change Report

Item 1. Name and Address of Company

Chesapeake Gold Corp. (the “Company”)
#201 – 1512 Yew Street
Vancouver, British Columbia
Canada V6K 3E4

Item 2. Date of Material Change

December 9, 2020

Item 3. News Release

News Release dated December 10, 2020 was disseminated through Newsfile Corp.

Item 4. Summary of Material Change

The Company announced that it entered into a definitive agreement on December 9, 2020 to acquire Alderley Gold Corp., a private British Columbia mining technology company.

Item 5.1 Full Description of Material Change

The Company announced that it entered into a definitive agreement (the “**Agreement**”) to acquire Alderley Gold Corp. (“**Alderley**”), a private British Columbia mining technology company. With the acquisition of Alderley, Chesapeake gains access to a proven and innovative precious metals processing technology (the “**Technology**”) together with certain asset rights and proprietary databases, creating the path towards a new growth oriented and innovative gold and silver producer. Chesapeake will now focus on progressing the Metates project towards production using the Technology in a heap leach operation.

Transaction Highlights

- **Establishes a well-capitalized, high-quality, gold-silver development company:** Chesapeake has a strong balance sheet with C\$35 million in cash to advance its flagship Metates project. Metates hosts one of the world’s largest undeveloped deposits with proven and probable reserves of 18.5 million ounces gold, 526 million ounces silver and 4.2 billion pounds of zinc.
- **Developing Metates as a low cost, scalable sulphide heap leach mine:** Preliminary test work using the Technology indicates the optimal path forward for Metates would be to develop a low capital cost, sulphide heap leach operation. Metallurgical test work confirms that the liberation of gold in the Metates sulphides by oxidation using certain chemistry to manage pH and alkalinity significantly improves metal recoveries during cyanide leaching.
- **Proven, skilled additions to Chesapeake Management Team and Board:** Alan Pangbourne and Randy Buffington bring over 60 years experience building and operating large scale projects throughout the Americas, as well as a proven history of developing and applying innovative processing technologies in the mining sector.
- **Growth through M&A:** The combined team has an extensive and highly successful track record of M&A and mine operational improvements.

- **Superior capital markets exposure:** The combined team provides further access and relationships across the global mining industry, key financial institutions, and a proven ability to raise capital throughout a commodity cycle; creating a strong precious metals company that can rapidly transact on value accretive opportunities.

Technology

Through the acquisition of Alderley, Chesapeake gains access to Alderley's sulphide leaching Technology. The Technology oxidizes sulphide and transition ores using certain chemistry to manage pH and alkalinity thereby increasing recovery and reducing potential to turn acidic during cyanide leaching. The rights to the Technology are held under licence by Alderley which requires Alderley to pay a 1% NSR on any future production using the Technology.

Chesapeake has conducted preliminary indicative testing on several samples from the Metates project. Metallurgical test results were positive and indicate the process will promote the oxidation of the sulphides to a level that will allow the subsequent leaching and recovery of gold and silver. With the Technology, the development of Metates as a heap leach operation will not envision autoclave circuits leading to significantly lower capital and processing costs, stronger overall project economics and a greatly reduced environmental footprint.

Management and Board of Directors Additions

At closing, Alan Pangbourne (former CEO of Guyana Goldfields Inc.) will become CEO and a director of Chesapeake, and Randy Buffington (former CEO of Hycroft Mining Holding Corporation) will join the Chesapeake Board. Randy Reifel will continue as President and Chairman of Chesapeake's Board. Taje Dhatt will be joining Chesapeake to focus on the capital markets and advisory side of the business.

In Chesapeake, the respective title positions will be as follows:

- **Alan Pangbourne, *CEO & Director***
 - Mr. Pangbourne has over 35 years of experience in mining operations and was most recently President & CEO of Guyana Goldfields Inc. through to its sale to Zijin Mining Group Co., Ltd. in August 2020 at a 378% premium.
 - He was also previously Chief Operating Officer of SSR Mining Inc., where his efforts led to over a 400% increase in annual production over 5 years; Vice President Projects South America for Kinross Gold Corporation; and held a number of senior roles over 15 years at BHP Billiton Ltd
 - Mr. Pangbourne holds a Bachelor of Applied Science (Extractive Metallurgy) and a Graduate Diploma in Mineral Processing from the Western Australian School of Mines.
- **Randy Buffington, *Director***
 - Mr. Buffington has more than 28 years' experience in the mining industry and was most recently Chairman, President and Chief Executive Officer of Hycroft Mining Holding Corporation until July 2020.
 - He was previously Senior Vice President of Operations for Coeur d'Alene Mines Corp. and served in management roles for Barrick Gold Corporation including General Manager of the Goldstrike mine.
 - Mr. Buffington has a Masters degree in Civil Engineering.

- **Taje Dhatt, VP Strategy & Corporate Development**
 - Mr. Dhatt co-founded Alderley and has a decade of experience advising companies on mergers and acquisitions, stream/royalty transactions and other corporate finance matters.
 - Mr. Dhatt holds a B.B.A. from the Schulich School of Business at York University.

Transaction Agreement

Under the terms of the Agreement, Chesapeake will issue 10 million common shares (“**Common Shares**”) to the shareholders of Alderley (the “**Alderley Shareholders**”) resulting in the Alderley Shareholders holding approximately 14.2% of the outstanding common shares of the Company on a fully diluted basis. The Alderley Shares will be issued into escrow with release based on time and milestone conditions over 7 years as follows:

- (a) 5% released on each of the first four anniversaries of Closing;
- (b) 10% released on the earlier of (a) date of a positive feasibility study and (b) the fifth anniversary of Closing
- (c) 30% released on the earlier of (a) duly certified commencement of construction of a mine and (b) the sixth anniversary of Closing;
- (d) 40% released on the earlier of (a) duly certified commencement of commercial production and (b) the seventh anniversary of Closing.

This escrow release structure confirms the commitment of the Alderley Shareholders to the future development of Chesapeake and aligns their interest in creating long term value for all shareholders.

Item 5.2 **Disclosure for Restructuring Transactions**

Not applicable.

Item 6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

Item 7. **Omitted Information**

Not applicable.

Item 8. **Executive Officer**

P. Randy Reifel, President
Telephone: (604) 731-1094

Item 9. **Date of Report**

December 21, 2020