

FORM 62-103F1

REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

Item 1 – Security and Reporting Issuer

- 1.1 **State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

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

Designation of securities: Common shares (“Common Shares”), and stock options exercisable to purchase Common Shares.

- 1.2 **State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

This report relates to the acquisition from treasury of Common Shares and stock options.

Item 2 – Identity of the Acquiror

- 2.1 **State the name and address of the acquiror.**

Alderley Edge Investments Ltd. (“Alderley Edge”)
c/o Chesapeake Gold Corp.
#201 – 1512 Yew Street
Vancouver, British Columbia V6K 3E4

Alderley Edge is incorporated under the laws of the British Virgin Islands as a private investment company of which Alan Pangbourne (who is a joint actor for purposes of this report) is the sole director.

- 2.2 **State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On December 9, 2020 (the “Effective Date”), Alderley Edge and certain other vendors (collectively, the “Vendors”) entered into a share purchase agreement (the “Share Purchase Agreement”) with Chesapeake for the purchase by Chesapeake from the Vendors of all of the issued and outstanding shares (the “Alderley Gold Shares”) of Alderley Gold Corp. Upon the completion of the purchase and sale of the Alderley Gold Shares, Chesapeake will issue an aggregate of 10,000,000 Common Shares to the Vendors, of which 7,400,000 Common Shares (the “Consideration Shares”) will be issued to Alderley Edge. The transaction is expected to be completed on or about December 18, 2020 (the “Closing Date”). The Consideration Shares will be issued into escrow, with release based on time and milestone conditions over seven years as follows, as well as upon certain other events including a change of control of Chesapeake (collectively, the “Escrow Release Provisions”):

- (a) 5% released on each of the first four anniversaries of the Closing Date;

- (b) 10% released on the earlier of (i) date of a positive feasibility study prepared on a material property owned or operated by Chesapeake or any of its affiliates (a “**Material Property**”), and (ii) the fifth anniversary of the Closing Date;
- (c) 30% released on the earlier of (i) duly certified commencement of construction of a mine on a Material Property, and (ii) the sixth anniversary of the Closing Date; and
- (d) 40% released on the earlier of (i) duly certified commencement of commercial production on a Material Property, and (ii) the seventh anniversary of the Closing Date.

Chesapeake and Mr. Pangbourne have also entered into an employment agreement providing for him to become the Chief Executive Officer and a director of Chesapeake commencing as of the Closing Date. Chesapeake has granted Mr. Pangbourne 1,000,000 stock options (the “**Options**”) under its share purchase option plan in connection with his employment, at an exercise price of \$4.56 per Common Share.

2.3 State the names of any joint actors.

See Item 2.1 above.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror’s securityholding percentage in the class of securities.

See Item 2.2 above.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

On the Closing Date, Alderley Edge will acquire (subject to the Escrow Release Provisions) ownership and control over the Consideration Shares. Mr. Pangbourne also has the right to acquire the Common Shares subject to the Options upon exercise of such Options.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Pursuant to the Share Purchase Agreement, on the Closing Date, Alderley Edge will acquire (subject to the Escrow Release Provisions) 7,400,000 Common Shares, and Alan Pangbourne has the right (subject to vesting conditions) to acquire the 1,000,000 Common Shares subject to the Options. Based on the number of outstanding Common Shares as of the date of the Share Purchase Agreement, and taking into account the anticipated issuance to the other Vendors of an additional 2,600,000 Common Shares on the Closing Date (which are also subject to the Escrow Release Provisions), and assuming no further issuances of Common Shares by Chesapeake prior to such time, the Consideration Shares will, upon issuance, represent 11.3% of the outstanding Common Shares on an undiluted basis, and the Common Shares subject to the Options will

represent an additional 1.5% of the outstanding Common Shares on a partially-diluted basis (accounting for the exercise of the Options). Prior to the Effective Date, neither Alderley Edge nor Mr. Pangbourne owned or controlled any Common Shares or other securities of Chesapeake.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

- (a) **the acquiror, either alone or together with any joint actors, has ownership and control,**

See Item 3.4 above.

- (b) **the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

The Common Shares to be issued to the Vendors, including Alderley Edge, will be issued in consideration for all of the issued and outstanding shares of Alderley Gold Corp., a private company whose assets include certain sulphide leaching technology held under license. It is anticipated that Chesapeake will utilize this technology initially in the development of its Metates gold/silver/zinc project in Mexico as a heap leach operation.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See Item 4.1 above.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**

- (h) **a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) **the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) **a solicitation of proxies from securityholders;**
- (k) **an action similar to any of those enumerated above.**

Alderley Edge is acquiring (subject to the Escrow Release Provisions) its interest in the Consideration Shares for long term investment purposes and will continue to monitor the business, prospects, financial condition and potential capital requirements of Chesapeake. Mr. Pangbourne is acquiring his Options in connection with his employment by Chesapeake. Depending on their evaluation of these and other factors, Alderley Edge and Mr. Pangbourne may from time to time in the future increase or decrease their direct or indirect ownership, control or direction over the Common Shares or other securities of Chesapeake through market transactions, private agreements, dilution through third party subscriptions from treasury, further option grants or option exercises, or otherwise.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

While any of the Consideration Shares remain in escrow, Alderley Edge will be entitled to exercise all voting rights in respect thereof and to receive any dividends or other distributions on such shares, however they may not be transferred by Alderley Edge except in certain limited circumstances.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

The acquiror certifies that the statements made in this report are true and complete in every respect.

DATED: December 10, 2020

ALDERLEY EDGE INVESTMENTS LTD.

By: “Alan Pangbourne”
Name: Alan Pangbourne
Title: Director