

CHESAPEAKE GOLD CORP.
(the “Company”)

Form 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS
for the fiscal year ended December 31, 2019
Dated June 26, 2020

Director and Named Executive Officer Compensation Excluding Compensation Securities

Named Executive Officers

Set out below are particulars of compensation paid to the following persons (the “Named Executive Officers” or “NEOs”):

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer (“CEO”);
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer (“CFO”);
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer (other than the CEO and CFO) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with applicable securities rules, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and not acting in a similar capacity, at the end of that financial year.

For the year ended December 31, 2019, the Company had two Named Executive Officers, namely P. Randy Reifel (President, acting as CEO) and Sam Wong (CFO).

Table of Compensation Excluding Compensation Securities

The following table sets out compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or a subsidiary of the Company, to each NEO and director, in any capacity, for each of the Company’s financial years ended December 31, 2019 and 2018.

Table of compensation excluding compensation securities							
Name and principal position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
P. RANDY REIFEL ⁽¹⁾ President (acting as CEO), Chairman and Director	2019	200,000	Nil	Nil	(5)	Nil	200,000
	2018	250,000	Nil	Nil	(5)	Nil	250,000
SAM WONG ⁽²⁾ CFO	2019	63,000	Nil	Nil	(6)	Nil	63,000
	2018	63,000	Nil	Nil	(6)	Nil	63,000

Table of compensation excluding compensation securities							
Name and principal position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
GERALD L. SNEDDON ⁽³⁾ Executive Vice-President, Operations and Director	2019	12,137 ⁽⁴⁾	Nil	Nil	(6)	Nil	12,137
	2018	38,905 ⁽⁴⁾	Nil	Nil	(6)	Nil	38,905
JOHN PERSTON Director	2019	Nil	Nil	Nil	(6)	Nil	Nil
	2018	Nil	Nil	Nil	(6)	Nil	Nil
DANIEL J. KUNZ ⁽⁷⁾ Former Director	2019	Nil	Nil	Nil	(6)	Nil	Nil
	2018	Nil	Nil	Nil	(6)	Nil	Nil
CHRISTIAN FALCK ⁽⁸⁾ Director	2019	Nil	Nil	Nil	(6)	Nil	Nil
LIAN LI Director	2019	Nil	Nil	Nil	(6)	Nil	Nil
	2018	Nil	Nil	Nil	(6)	Nil	Nil
GREG D. SMITH Director	2019	Nil	Nil	Nil	(6)	Nil	Nil
	2018	Nil	Nil	Nil	(6)	Nil	Nil

- (1) Amounts under “Salary” for Mr. Reifel pertain to compensation paid by the Company to Brant Investments Ltd., a company controlled by Mr. Reifel. Mr. Reifel was not paid any compensation for his role as a director of the Company.
- (2) Amount under “Salary” for Mr. Wong pertains to compensation paid by the Company to Samina Capital Ltd., a company controlled by Mr. Wong.
- (3) Mr. Sneddon was paid compensation for his role as a consultant to, not a director of, the Company.
- (4) Amount paid/earned in United States dollars (U.S.\$) and translated to Canadian dollars (Cdn.\$) at the yearly average exchange rate, which was U.S.\$1.00=Cdn.\$1.33 for 2019 and U.S.\$1.00=Cdn.\$1.30 for 2018.
- (5) Perquisites that are not generally available to all employees did not exceed 10% of the NEO’s total salary for the financial year.
- (6) Perquisites that are not generally available to all employees did not exceed \$15,000.
- (7) Mr. Kunz did not stand for re-election at the Company’s annual general meeting held on December 18, 2019 and, therefore, ceased to be a director on December 18, 2019.
- (8) Mr. Falck was elected a director of the Company on December 18, 2019.

External Management Companies

Except as disclosed herein, none of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly. See “Employment, Consulting and Management Agreements or Arrangements” for a description of the Company’s consulting agreement with Brant Investments Ltd. (a company controlled by Mr. Reifel).

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to any NEO or director by the Company or one of its subsidiaries in the financial year ended December 31, 2019 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

The following table discloses the total amount of compensation securities held by each NEO and director of the Company as at the Company’s financial year end of December 31, 2019.

Name and Position	Total amount of compensation securities held as at December 31, 2019 ⁽¹⁾
P. RANDY REIFEL President (acting as CEO), Chairman and Director	1,900,000 ⁽²⁾ 900,000 GUN ⁽³⁾
SAM WONG CFO	152,500 ⁽⁴⁾ 75,000 GUN ⁽³⁾
GERALD L. SNEDDON Executive Vice-President, Operations and Director	540,000 ⁽⁵⁾ 100,000 GUN ⁽³⁾
JOHN PERSTON Director	275,000 ⁽⁶⁾
DANIEL J. KUNZ Former Director	377,500 ⁽⁷⁾ 175,000 GUN ⁽³⁾
LIAN LI Director	275,000 ⁽⁸⁾
GREG D. SMITH Director	380,000 ⁽⁹⁾
CHRISTIAN FALCK Director	Nil

- (1) The numbers under this column represent the number of options and the same number of Common Shares underlying the related options.
- (2) Of these options, 1,575,000 options were fully vested as at December 31, 2019 and the balance of the options shall vest as follows: 225,000 options on March 21, 2020, 50,000 options on September 27, 2020 and 50,000 options on September 27, 2021.
- (3) These options were granted by Gunpoint Exploration Ltd. (“GUN”), the Company’s subsidiary. These options vest 25% annually, with the first 25% tranche vested on May 2, 2019.
- (4) Of these options, 113,750 options were fully vested as at December 31, 2019 and the balance of the options shall vest as follows: 18,750 options on March 21, 2020, 10,000 options on September 27, 2020 and 10,000 options on September 27, 2021.
- (5) Of these options, 457,500 options were fully vested as at December 31, 2019 and the balance of the options shall vest as follows: 50,000 options on March 21, 2020, 16,250 options on September 27, 2020 and 16,250 options on September 27, 2021.
- (6) Of these options, 237,500 options were fully vested as at December 31, 2019 and the balance of the options shall vest as follows: 25,000 options on March 21, 2020, 6,250 options on September 27, 2020 and 6,250 options on September 27, 2021.
- (7) These options were fully vested as at December 31, 2019.
- (8) Of these options, 237,500 options were fully vested as at December 31, 2019 and the balance of the options shall vest as follows: 25,000 options on March 21, 2020, 6,250 options on September 27, 2020 and 6,250 options on September 27, 2021.
- (9) Of these options, 321,250 options were fully vested as at December 31, 2019 and the balance of the options shall vest as follows: 43,750 options on March 21, 2020, 7,500 options on September 27, 2020 and 7,500 options on September 27, 2021.

No compensation security has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.

Except for the vesting schedules noted in the above table, there are no restrictions or conditions for converting, exercising or exchanging the compensation securities.

No NEO or director of the Company exercised any compensation securities during the financial year ended December 31, 2019.

Stock Option Plans and Other Incentive Plans

Stock Option Plan

The shareholders of the Company approved a stock option plan (the “**Plan**”) for the Company effective December 19, 2012. The Plan provides for equity participation in the Company by its directors, officers, employees, consultants and consultant companies through the acquisition of Common Shares pursuant to the grant of options to purchase shares. The Plan is administered by the Board of Directors or, subject to the terms of the Plan, the Compensation Committee. Options may be granted to purchase Common Shares on terms that the Board of Directors or Compensation Committee may determine, subject to the terms and limitations of the Plan and the requirements of applicable regulatory authorities.

The Plan includes the following provisions:

- The maximum aggregate number of Common Shares reserved for issuance for options granted under the Plan is 8,500,000 Common Shares.
- The total number of optioned Common Shares granted to any one optionee in any 12-month period must not exceed 5% of the issued and outstanding Common Shares at the date of option grant, unless disinterested shareholder approval is obtained.
- The total number of optioned Common Shares granted to any one consultant in a 12-month period must not exceed 2% of the issued and outstanding Common Shares at the date of option grant.
- The total number optioned Common Shares granted to all optionees who are employed to provide investor relations activities must not exceed 2% of the issued and outstanding Common Shares in any 12-month period (determined at the date of option grant).
- The number of Common Shares reserved for issuance pursuant to options granted to insiders of the Company under the Plan must not exceed 10% of the issued and outstanding Common Shares unless disinterested shareholder approval is obtained.
- The number of options granted to insiders of the Company within a 12-month period to acquire Common Shares reserved for issuance under the Plan must not exceed 10% of the issued and outstanding Common Shares unless disinterested shareholder approval is obtained.
- The exercise price for optioned Common Shares under the Plan will not be less than the closing price of the Common Shares on the day preceding the option grant date, less applicable discounts permitted by the TSX Venture Exchange (“**TSX-V**”).
- Options may be granted for a term of up to ten years (although options granted under the Plan have generally been for a term of five years), subject to earlier termination in the event of death or the optionee’s cessation of services to the Company.
- Options granted under the Plan may be subject to such vesting schedule as may be determined by the Board of Directors.
- An option granted to a consultant performing investor relations activities must vest in stages over 12 months with no more than 25% of the optioned Common Shares vesting in any three-month period (all options granted under the Plan have generally been subject to vesting as to 25% on each anniversary after the date of grant).

- Options granted under the Plan are non-assignable, except by will or the laws of descent and distribution.

Stock Bonus Plan

The shareholders of the Company have also approved a Stock Bonus Plan (“**Bonus Plan**”). The Bonus Plan enables bonus Common Shares to be issued to any full-time or part-time employee or independent contractor (whether or not a director) of the Company or any of its subsidiaries who has rendered services that contributed to the success of the Company or any of its subsidiaries. Grants of bonus Common Shares will be on terms that the Compensation Committee of the Board may determine, within the limitations of the Bonus Plan and subject to the rules and policies of applicable regulatory authorities. The maximum number of common shares issuable under the Bonus Plan is limited to 200,000 Common Shares. In addition, in any calendar year, the number of bonus Common Shares issuable to insiders of the Company, also taking options into account, is limited to 0.5% of the total number of Common Shares which were issued and outstanding at the end of the preceding calendar year, 10% of the issued and outstanding Common Shares, and no more than 5% of the issued and outstanding shares to any one person in a 12-month period.

Employment, Consulting and Management Agreements or Arrangements

P. Randy Reifel, President (acting as CEO)

Effective as of January 15, 2012, the Company and Brant Investments Ltd. (“**Brant**”) entered into a consulting agreement (the “**Brant Consulting Agreement**”) pursuant to which the Company agreed to pay Brant fees at the base rate of \$250,000 per year, subject to annual adjustment at the Board’s discretion, for the services of P. Randy Reifel to serve as President and a director of the Company. The initial term of the Brant Consulting Agreement was for a period of one year commencing on January 1, 2012 and is automatically renewed on each anniversary thereafter, until otherwise terminated in accordance with the terms of the Brant Consulting Agreement. For the 2019 financial year, the annual base rate was adjusted to \$200,000.

Under the Brant Consulting Agreement, if the Company terminates the services of Brant without cause, the Company shall pay to Brant upon termination an amount equal to 1.5 times the then applicable annual fee payable to Brant under the Brant Consulting Agreement, less all statutory deductions, but with the continuation of any benefits or payment of the Company’s cost of benefits in lieu thereof for an 18-month period following termination, all in lieu of notice, severance, damages or other payments of any kind whatsoever.

The Brant Consulting Agreement also provides that in the event that there is a change of control of the Company (as defined below) which has not been approved by the Board of Directors, Brant will have the option, exercisable for a period of six months following such event, to terminate the Brant Consulting Agreement. Upon such termination, the Company shall pay to Brant an amount equal to three times the then applicable base rate annual fee payable to Brant under the Brant Consulting Agreement, together with customary benefits or payment of the Company’s cost of benefits in lieu thereof and any bonuses which would accrue over the two-year period following such termination. If such termination were to occur as of December 31, 2019, Brant would have been paid the amount of \$600,000 pursuant to this provision.

For the purposes of the Brant Consulting Agreement, “change of control” means an occurrence (a) where less than 51% of the Board of Directors of the Company are composed of continuing directors; or (b) where any person or persons acting jointly or in concert acquires more than 50% of the total voting rights attached to all classes of shares then outstanding in the Company having under all circumstances the right to vote on any resolution concerning the election of directors. For the purposes of the Brant Consulting Agreement, a “continuing director” is an individual who becomes a member of the Board of Directors subsequent to the date of the Brant Consulting Agreement with the approval of at least a majority of the continuing directors who are members of the Board at the date that the individual became a member of the Board, provided always that any continuing director who abstained from voting in respect of or did not vote against the resolution of the Board appointing a member thereof subsequent to the date of the Brant Consulting Agreement, or who was not present at the meeting at which such resolution was considered, shall for the purposes of the definition of “continuing director” be deemed to have given his approval to the appointment to the Board of such member.

Commencing from the term of the Brant Consulting Agreement and ending one year following termination thereof, Brant shall not, and shall cause P. Randy Reifel to not, either individually or with any other person, whether as principal, agent, shareholder, officer, advisor, manager, employee or otherwise:

- (a) acquire, lease or otherwise obtain or control any beneficial, direct or indirect interest in mineral rights or other rights or lands necessary to develop any mineral property in which the Company and its affiliates at the time of termination holds or is actively seeking to acquire an interest or within a distance of five kilometres from any point on the outer perimeter of any such property,
- (b) conduct any exploration or production activities or otherwise work on or in respect of any mineral property within a distance of five kilometres from any point on the outer perimeter of any mineral property in which the Company and its affiliates then has a beneficial interest or is actively seeking to acquire,
- (c) solicit, divert or hire away, or attempt to solicit, divert, or hire away, any independent contractor or any person employed by any member of the Company and its affiliates or persuade or attempt to persuade any such individual to terminate his or her contract or employment with any member of the Company and its affiliates, or
- (d) impair or seek to impair the reputation of any member of the Company and its affiliates, or impair or seek to impair any relationships that any member of the Company and its affiliates has with its employees, customers, suppliers, agents or other parties with which any member of the Company and its affiliates does business or has contractual relations.

If, notwithstanding the prohibition set forth in the preceding paragraphs, Brant or its affiliates or P. Randy Reifel shall acquire, lease or otherwise obtain or control any interest, directly or indirectly, in breach of any of the preceding paragraphs, Brant shall notify the Company of such acquisition within the 30 days immediately following the date of such acquisition and Brant shall, upon demand by the Company, convey or cause to be conveyed such interest to the Company as soon as practicable thereafter, in consideration of the payment by the Company to Brant of the cost of acquisition.

Compensation paid to Gerald Sneddon and Sam Wong (or their respective companies) during the Company's 2019 financial year and prior were respectively made pursuant to informal arrangements between the Company and these persons or their respective companies, as the case may be.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation Committee

The Compensation Committee in 2019 consisted of John Perston, Lian Li and Daniel Kunz (who was succeeded by Christian Falck on December 18, 2019), all of whom are considered independent directors. One of the primary functions of the Compensation Committee is to monitor and make recommendations to the Board of Directors in respect of the total compensation paid by the Company to its directors and executive officers.

The Compensation Committee reviews annually, and submits to the Board of Directors for its approval, the total compensation (including direct salary and annual bonus as well as long term stock-related incentive plans) paid to each executive officer of the Company and paid to members of the Board as directors after taking into account any director compensation guidelines established by the Board. In accordance with TSX-V policies, any compensation paid to a director or executive officer of the Company must be approved by the independent members of the Compensation Committee.

The Compensation Committee is responsible for reviewing and considering corporate goals and objectives relevant to compensation for all executive officers, evaluating the performance of each executive officer in light of those corporate goals and objectives, and determining (or making recommendations to the Board of Directors with respect to) the level of compensation for the executive officers based on this evaluation. In considering compensation for the executive officers other than the President, the Compensation Committee is to take into account the recommendation of the President.

The Compensation Committee administers the Company's Plan and makes decisions regarding option grants, including option terms and amendments, under the Plan, provided that, under the terms of the Plan, options for directors must be granted and approved by the Board of Directors.

There is no policy or target regarding cash and non-cash elements of the Company's compensation program. The directors are of the view that all elements should be considered rather than any single element. The Company does not currently provide the executive officers with personal benefits nor does the Company provide any additional compensation.

As an executive officer's level of responsibility increases, a greater percentage of total compensation is based on performance (as opposed to base salary and standard employee benefits) as the mix of total compensation shifts towards a greater emphasis on bonus and stock options, thereby increasing the mutual interest between executive officers and shareholders. The level of base salary for each employee within a specified range is determined by past performance, as well as by the level of responsibility and the importance of the position to the Company.

With respect to long-term incentives, each year an executive may be awarded stock options. The amount of the long-term incentive is reviewed by the Compensation Committee for recommendation to the Board of Directors based on the philosophy, objectives and criteria outlined above, taking into account previous stock option grants.

For the 2019 financial year, the Company's executive compensation consisted of a base salary. Salary compensation to the Named Executive Officers during the 2019 financial year and prior were provided for under informal consulting arrangements with the Named Executive Officers or their management companies, with the exception of P. Randy Reifel which the Company has engaged under the Brant Consulting Agreement. See "Employment, Consulting and Management Agreements or Arrangements" for a description of the 2019 employment arrangements for Messrs. Reifel, Sneddon and Wong.

The Company does not presently anticipate making any significant changes to its compensation policies and practices in respect of its financial year ending December 31, 2019.

Compensation Consultant

The Compensation Committee retained Coopers Consulting Ltd. ("**Coopers**") in November 2012 to provide the Compensation Committee and the Board of Directors with independent research to consider for evaluating the competitive positioning of the overall compensation package for the Company's executive officers and directors. Coopers prepared and delivered to the Company a report dated February 14, 2013 entitled "Executive and Independent Board Member Compensation Report-Selected Sample of Comparator Companies". Coopers has not provided any services to the Company, or to its affiliated or subsidiary entities, or to any of its directors or members of management, other than or in addition to compensation services provided for any of the Company's directors or executive officers.

Other than Coopers, the Company had not previously retained any compensation consultant or advisor and, accordingly, had no other related billings since 2013.

Pension Disclosure

The Company does not provide a pension to any director or NEO.