



Management's Discussion and Analysis

Third Quarter Ended – September 30, 2023

(Expressed in Canadian dollars, unless otherwise noted)

This Management's Discussion and Analysis for the third quarter ended September 30, 2023 has been refiled to correct minor errors and provide minor disclosure updates following review by the Company's auditor of the financial statements for the third quarter ended September 30, 2023.

December 8, 2023

For further information on the Company, including the Company's Annual Information Form ("AIF"), reference should be made to its public filings on SEDAR at www.sedar.com. Information is also available on the Company's website at www.chesapeakegold.com. This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2023, and audited consolidated financial statements for the year ended December 31, 2022, and related notes thereto which have been prepared in accordance with International Financial Reporting Standards. The MD&A contains certain forward looking statements, please review the disclaimers that are provided on the last page of the report.

CORPORATE OVERVIEW

Chesapeake Gold Corp. (the "Company") is a exploration and evaluation stage company focusing on the discovery, acquisition and development of major gold-silver deposits in North and South America. The Company trades on the TSX Venture Exchange under the symbol "CKG" and on the OTCQX market in the United States under the symbol CHPGF. The Company has its head office located at 201 – 1512 Yew Street, Vancouver, B.C.

The Company's primary asset is the Metates project ("Metates") located in Durango State, Mexico. Metates hosts one of the largest in-situ undeveloped gold-silver deposits in the Americas. On July 26, 2021, the results of the Preliminary Economic Assessment (the "PEA") were published. The PEA focuses on the application of the sulphide heap leach technology as applied to the Metates project. The PEA has been superseded by the technical report titled "Metates Sulphide Heap Leach Project Phase 1 – Amended NI 43-101 Technical Report Preliminary Economic Assessment" dated January 13, 2023 with an effective date of December 15, 2022 (the "2023 Amended PEA"). The 2023 Amended PEA is available on SEDAR and the Company's website.

The Company also has a portfolio of exploration properties in Mexico comprising 115,484 hectares in the states of Durango, Oaxaca and Veracruz. As at the date of this report, the Company owns 67% of Gunpoint Exploration Ltd. ("Gunpoint") which owns the Talapoosa gold project in Nevada ("Talapoosa"). Gunpoint is publicly traded on the TSX Venture with a ticker symbol of "GUN".

HIGHLIGHTS – THIRD QUARTER ENDED SEPTEMBER 30, 2023

- Cash position of \$21.8 million as at September 30, 2023.
- On August 2, 2023 the Company announced that the president and chief executive officer, Alan Pangbourne, will be stepping down from his role at the company effective Nov. 1, 2023, for personal reasons. The press release is available for review on SEDAR (www.sedar.com) and the Company's website (www.chesapeakegold.com).
- On September 6, 2023 the Company provided a metallurgical and mineralogical update for its world-class Metates gold-silver project located in Durango state, Mexico. Since the company's last update in September, 2022 (NR04-2022), its metallurgical work has continued to investigate various parameters to improve the oxidation rates of its sulphide leach technology. The focus has included investigating several ways to accelerate the oxidation kinetics and to understand how to improve and optimize the oxidation rate. The press

release is available for review on SEDAR (www.sedar.com) and the Company's website (www.chesapeakegold.com).

CORPORATE STRATEGY

On January 20, 2021, the Company closed the acquisition Alderley Gold Corp (“Alderley Gold”) pursuant to a definitive agreement dated December 9, 2020 (the “Agreement”) in order to gain access to an innovative precious metals oxidation processing technology (the “Technology”).

The Company intends to investigate and develop the Technology’s commercial application to Metates. The Company is undertaking extensive metallurgical test work to determine the economic viability of Metates as a heap leach mine operation. If successful, a new potential development approach could be financeable and deliverable by the Company and once operational, expandable as a sulphide heap leach.

During the second quarter of 2021, the Company completed a 2300 metre diamond drilling program to recover large diameter core samples for a comprehensive metallurgical test program. Also, the Company contracted M3 Engineering and Technology to compile a Preliminary Economic Assessment study (the “PEA”) that evaluates the sulphide heap leach option for Metates using the Technology. The results of the PEA were published on July 26, 2021. The PEA has been superseded by the 2023 Amended PEA.

Going forward the Company will continue the focus on using the Technology to de-risk and unlock value at Metates. An 18 hole in-fill drill program was completed in 2022 which improved the geological structural controls, drilling density and provided composite metallurgical samples for variability testing. With new drill core, an extensive metallurgical test program is being undertaken.

METATES (Durango State, Mexico)

Overview

Metates is one of the largest, undeveloped disseminated in-situ gold, silver deposits in Mexico. The Metates property is comprised of fourteen mineral concessions totalling 14,727 hectares. The Metates deposit is hosted by Mesozoic sedimentary rocks that have been intruded by a quartz latite body up to 300 metres thick and 1,500 metre long. Mineralization occurs in two zones: the Main Zone which is centered around the intrusive and the North Zone, within the sediments including conglomerate, sandstone and shale. The gold-silver mineralization occurs as sulphide veinlets and disseminations in both the intrusive and sedimentary host rocks.

Updated Mineral Resource Estimate - 2023

The updated mineral resource estimate for the Metates Project replaces the mineral reserve estimate contained in the Company’s 2023 Amended PEA. The measured and indicated mineral resource is 921.2 million tonnes at 0.57 g/t gold and 14.3 g/t silver for 16.8 million ounces of contained gold and 423.0 million ounces of contained silver. Inferred mineral resource is an additional 139.5 million tonnes at 0.47 g/t gold and 13.2 g/t silver for 2.13 million ounces contained gold and 59.0 million ounces of contained silver. Table 1 below shows the new resource statement for the Metates project.

The mineral resource is broadly divided into intrusive hosted and sediment hosted mineralization. In terms of measured and indicated mineral resource tonnes, about 80% of the resources are sediment hosted and 20% intrusive hosted. The mineral resources are based on a block model developed by Mr Marc Jutras P.Eng., M.A.Sc, Principal, Mineral Resources of Ginto Consulting Inc. . All drill results including the recent metallurgical core drilling programs reported in the news releases dated June 28, 2021, February 15, 2022 and most recently April 27, 2022, have been included in this block model.

The measured, indicated, and inferred mineral resources reported are contained within a floating cone pit shell, and are compliant with the “reasonable prospects for economic extraction” requirements of National Instrument 43-101

Standards of Disclosure for Mineral Projects (“NI 43-101”). The mineral resource cone shell is based on a gold price of US\$1,600 per ounce and silver at US\$20 per ounce.

Table 1: Metates Mineral Resource Statement

Resource Category	Mt tonnes	Gold Eq. (g/t)	Gold (g/t)	Silver (g/t)	Gold (moz)	Silver (moz)
Measured Mineral Resource	31.1	1.10	0.86	18.1	0.86	18.1
<i>Intrusive</i>	19.8	1.27	1.02	18.7	0.65	12.0
<i>Sediment</i>	11.3	0.79	0.57	17.1	0.20	6.2
Indicated Mineral Resource	890.1	0.75	0.56	14.2	15.91	405.1
<i>Intrusive</i>	175.9	0.91	0.74	12.7	4.16	71.9
<i>Sediment</i>	714.20	0.71	0.51	14.5	11.76	333.2
Measured/Indicated Resource	921.2	0.76	0.57	14.3	16.77	423.2
<i>Intrusive</i>	195.7	0.94	0.76	13.3	4.81	83.8
<i>Sediment</i>	725.4	0.71	0.51	14.6	11.96	339.4
Inferred Mineral Resource	139.5	0.65	0.47	13.2	2.13	59.0
<i>Intrusive</i>	22.6	0.80	0.67	9.9	0.47	7.2
<i>Sediment</i>	116.9	0.62	0.44	13.8	1.64	51.8

Notes:

1. The Mineral Resources have an effective date of January 28, 2023 and the estimate was prepared using the definitions in CIM Definition Standards (May 10, 2014).
2. All figures are rounded to reflect the relative accuracy of the estimate and therefore numbers may not appear to add precisely.
3. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
4. Mineral Resources are based on prices of US\$1600/oz gold and US\$20/oz silver.
5. Mineral Resources are based on a gold equivalent cut off grade of 0.26 g/t.
6. The gold equivalent value is calculated as follows:
Gold Equivalent (g/t) = Gold (g/t) + Silver (g/t) / 74.67, based on gold recovery of 70% and silver recovery of 75%.
7. “Mt tonnes” = million metric tonnes; “g/t” = grams per metric tonne; “moz” = million troy ounces contained

The 2023 Amended PEA has not incorporated this new mineral resource estimate.

The following summary information about the metates project is all sourced from the 2023 Amended PEA.

The Company cautions that the results of the 2023 Amended PEA are preliminary in nature and include inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them to be classified as mineral reserves. There is no certainty that the results of the 2023 Amended PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Mining and Processing

The Metates mine will be a conventional open pit operation. The mining is planned to be conducted by contractors. Mine operations will consist of conventional drilling, blasting, loading and hauling with large off-road trucks, hydraulic shovels and wheel loaders. Plant feed will be delivered to the primary crusher and waste to various waste storage facilities. The mine plan for this study only considered the higher grade intrusive hosted mineralization as potential plant feed. There will be a stockpile for sedimentary hosted resource that is not considered plant feed for the first phase of the operation. A low-grade stockpile facility has been sited to store marginal grade intrusive material for processing at the end of commercial pit operations. A support fleet of track dozers, rubber-tired dozers, motor graders, and water trucks is budgeted to maintain the working areas of the pit, waste storage areas, and haul roads.

The site layout features a very compact layout with all the major infrastructure located at or near site. A water diversion tunnel is required upstream of the mine and a water reservoir will be constructed below the site to supply water for the operations. Power will come to site via a connection to a nearby substation and allow power to be supplied from the national grid. All the major mining, waste dumps, stockpiles and leach pads are located in one watershed. The mine plan consumes significantly less power and water than a conventional sulphide flow sheet with a very low environmental footprint.

A mine plan was developed to supply plant feed to a conventional three stage crushing plant with the capacity to process 15,000 tpd. After crushing to 80% minus ½ inch the material is agglomerated in alkaline solution and placed on a “on-off” pad to allow it to oxidize for up to 180 days. Oxidation solutions are continuously regenerated to maintain the alkalinity and remove sulphate build up.

The oxidized material is then transferred to a permanent pad for conventional cyanide leaching in multiple lifts resulting in gold and silver recoveries of 70% and 75% respectively.

Gold and silver bearing solutions from the permanent pad will be collected and processed in a conventional Merrill Crowe plant to recover the gold and silver.

Precipitate from the Merrill Crowe plant will be smelted on-site into Dore and shipped off site for final refining. The barren solution will be recharged with cyanide and returned to the gold and silver permanent leach pads.

Selected operating and production statistics from the 2023 Amended PEA are presented in Table 2.

Table 2: Estimated PEA Operating and Production Parameters

Operating Metrics				
Material Mined	Life of Mine (“LOM”)			
Total Material Mined From Pit (K tonnes)	533,998			
Direct Feed To Process (K tonnes)	127,294			
Low Grade Stockpile (K tonnes)	38,797			
Waste Rock (K tonnes)	367,907			
Strip Ratio (Low Grade as Ore)	2.22			
Average Stacking Rate (K tonnes/yr)	5,358			
Average Processed Grades	Years 1-10	Years 11-20	Years 21-31	LOM Avg.
Gold (g/t)	0.859	0.931	0.511	0.756
Average Processed Grades	Years 1-10	Years 11-20	Years 21-31	LOM Avg.
Silver (g/t)	23.18	11.22	12.75	15.71
Average Annual Production	Years 1-10	Years 11-20	Years 21-31	LOM Avg.
Gold (K oz.)	104.8	114.7	57.1	91.1
Silver (K oz.)	3,004	1,467	1,598	2,030

Initial Capital Costs Summary

The initial capital costs, including contingency are estimated at \$359 million. A significant reduction from the 2016 PFS and reflects the smaller starter mine and compact site supported by nearby infrastructure including close proximity to the national grid and water source.

A summary of estimated initial capital costs is presented in Table 3.

Table 3: Summary of PEA Initial Capital Costs

Summary of Initial Capital Costs	
	Cost \$000
Metates Site	
Mining Equipment & Mine Development	\$18,713
Crushing & Conveying	\$36,104
Ponds & Pads	\$28,404
Reagent/Regeneration System	\$11,677
Merrill-Crowe & Refinery	\$9,124
Subtotal	\$104,022
Infrastructure	
General Site/Earthworks/Access Roads	\$106,069
Electric Power	\$7,851
Water Supply	\$7,380
Ancillaries & Buildings	\$11,121
Subtotal	\$132,421
Freight, Taxes & Duties	\$4,060
Total Direct Field Cost	\$240,503
Indirects-EPCM, Commissioning & Spares	\$32,047
Total On Site Constructed Cost	\$272,550
Contingency	\$63,459
First Fills	\$6,000
Owner's Cost	\$17,200
Total Initial Capital Cost	\$359,209

Operating Costs Summary

Cash costs and AISC per payable gold ounce are non-IFRS financial measures. Please see "Cautionary Note Regarding Non-IFRS Measures".

Total estimated operating costs in the 2023 Amended PEA are presented in Table 4.

Table 4: Summary of PEA Operating Costs

	LOM Average US\$/t processed	\$/Au Oz. Production
Metates Site		
Mining (including rehandle)	\$7.51	\$441.70
Processing (Crushing, Stacking, Oxidation, Leach, Merrill-Crowe)	\$8.05	\$473.65
Site Support	\$1.41	\$82.69
Profit Sharing	\$1.32	\$77.74
Total Operating Cost	\$18.29	\$1,075.78
Royalties (0.5% NSR & 7.5% Gov't EBITDA Royalty)	\$1.45	\$85.35
Doré Treatment Charges	\$0.17	\$10.15
By-Product Credit (Silver)	(\$8.25)	(\$485.31)
Total Cash Cost	\$11.66	\$685.97
Sustaining Capital, Reclamation & Closure	\$1.06	\$62.49
AISC	\$12.72	\$748.46

Financial Analysis

The financial analysis presented in Table 5 with the key financial assumptions.

Table 5: Key PEA Financial Values

Metal Price Assumptions	Low Case	Base Case	Spot
Gold (\$/oz.)	\$1,360	\$1,600	\$1,786
Silver (\$/oz.)	\$19	\$22	\$26
USD:CDN Exchange Rate \$	1:1.25		
USD:MEX Exchange Rate \$	1:20.05		
Unlevered Pre-Tax Economic Indicators			
NPV @ 5% (C\$M)	\$896	\$1,427	\$1,906
NPV @ 5% (US\$M)	\$717	\$1,142	\$1,525
IRR %	25.3	35.4	45.2
Payback (years)	3.4	2.5	2.0
Levered After-Tax Economic Indicators¹			
NPV @ 5% (C\$M)	\$506	\$850	\$1,160
NPV @ 5% (US\$M)	\$405	\$680	\$928
IRR %	26.9	41.2	56.1
Payback (years)	3.4	2.2	1.6

Notes:

The Company expects to debt finance a significant portion of development costs. The levered economics assume initial capital is 60% debt financed at an annual interest rate of 7%, an upfront financing fee of 3%, and a seven-year term post commencement of commercial production with a balloon payment of 30% of the principal at maturity.

The following table represents the project to date exploration expenditures on Metates:

<i>(table amounts are expressed in thousands of CAD dollars)</i>	Nine months ended September 30, 2023	Year ended December 31, 2022	Project to date
Acquisition from American Gold in 2006	\$ -	\$ -	\$ 20,213
Concession	-	316	1,362
Assay	66	77	1,647
Community, taxes, camp and supplies	123	409	6,339
Drilling	1	1,344	8,193
Environmental	36	120	213
Geological and engineering	443	1,133	28,928
Travel & other	63	86	1,484
License and evaluation of technical feasibility	-	-	45,128
Other	-	-	11,914
Total additions	\$ 732	\$ 3,485	\$ 125,421

During the nine months ended September 30, 2023, the Company incurred mineral exploration expenses of \$0.7 million on Metates. Most of the expenditure were related to infill drilling to confirm higher grade and metallurgical testwork.

Since acquisition, the Company has spent \$125.4 million exploring and advancing Metates.

Cancellation of San Vicente 3 Mineral Concession

In 2023, the Company became aware that the Dirección General del Minas of Mexico (the “DGM”) cancelled the San Vicente 3 mineral concession. The San Vicente 3 mineral concession is one of 12 mineral concessions comprising the Metates property, representing 700 hectares of the 4,260 hectares in the Metates project, and encompasses a portion of the Metates mineral resource. On May 3, 2023, the Company initiated legal proceedings with the Federal Court of Administrative Justice in the state of Durango, Mexico against the DGM in response to the cancellation of the San Vicente 3 mineral concession by the DGM.

On January 26, 2023, the DGM cancelled the San Vicente 3 mineral concession on the basis that the Company did not provide adequate evidence to support the Company’s performance of the exploration work required to maintain the concession. The Company’s legal position, supported by external Mexican counsel, is that the work required to maintain the concession was conducted on the property and appropriate evidence was submitted to the DGM to substantiate the work. The Company’s Mexican legal counsel has initiated legal proceedings against the DGM with the Federal Court of Administrative Justice in the state of Durango to contest the legality of the cancellation of the San Vicente 3 mineral concession on the grounds that (1) the DGM failed to comply with mandated cancellation procedures in accordance with applicable legislation, and (2) the DGM determined, erroneously, that evidence submitted in support of the exploration work was insufficient.

While the Company is confident that it will be successful in reinstating its ownership of the concession, there can be no assurance of this. In the event the Company is unsuccessful, the current resource estimate and the mine development plan for Metates as proposed in the Company’s 2023 Amended PEA would be materially affected and the Company’s ability to develop the Metates project may be materially affected. Reliance on the 2023 Amended PEA is therefore contingent on the outcome of the litigation.

REGIONAL EXPLORATION

During 2020 – early 2021, the Company completed the regional exploration on the eastern flank of Metates. Three gold-silver prospects, Crisy, San Javier and Cerro Pelon, were explored within different regional structural settings

associated with intermediate composition intrusive rocks. San Javier and Cerro Pelon Projects were dropped due to exploration results.

In 2021, the Company carried out a follow-up mapping and channel sampling program on the Lucy gold skarn project in Sinaloa state.

During the nine months ended September 30, 2023, the Company spent \$0.82 million (2022 - \$0.20 million) on regional exploration. At the Sundae Project, geological mapping was finished, the environmental permit for drilling was received and a drilling rig was mobilized to core drilling during March 2023. Four drillholes totalling 1320 meters were drilled in Sundae ending at the end of April 2023. 68 core samples were sent to the laboratory. Unfortunately, the drilling did not find quartz veins with economic precious metals values at depth in the Sundae epithermal system. Remediation of the drilling sites was carried out in May 2023.

At the Lucy project, geological mapping, a second rock-saw channel sampling program was carried out over 170 meters of the previously hand channel sampled trenches. The assay results returned similar or better gold values in the gold skarn zone. The environmental permit for drilling was received in Q1. During June 2023 the landowners' permits were granted and the core drilling rig was mobilized to Lucy. A 1700 meter core drilling program began during the last week of June 2023. During the third quarter, 14 core drillholes totalling 1710 meters were drilled at Lucy which had resulted in the discovery of a high-grade gold mineralization zone.

On October 3, 2023, the Company announced that it had made a significant gold discovery at its Lucy project located in central Sinaloa, Mexico. In total, 14 holes were completed in the 2023 campaign, with approximately 1,710 metres drilled.

Assay Highlights from the 2023 Lucy Drilling Campaign:

Hole ID	From (m)	To (m)	Width (m)	Au (g/t)
LU23-06	0	24	24	6.11
LU23-08	3	45	42	0.88
LU23-09	0	30	30	2.57
Including	0	24	24	3.12
LU23-10	0	21	21	1.95
Including	0	9	9	3.30
LU23-13	3	27	24	3.95
Including	12	24	12	5.44

During the Q1 2023 a rock-soil sampling program was initiated at the Nicole Project. Several gold-silver anomalous zones were defined and will be followed up this year. During June 2023, a report to apply for a drilling environmental permit was received from an Environmental firm in Durango, Mexico. During the third quarter, the Nicole Environmental report was technically and legally revised to be presented to Mexican Environmental Agency (Semarnat).

OTHER EXPLORATION PROJECTS

EL DURAZNITO (Durango State, Mexico)

On March 3, 2020, the Company announced an option to acquire a 100% interest in the El Duraznito gold-silver project ("El Duraznito") located near the town of Tayoltita in Durango State, Mexico. El Duraznito is located about 18 kilometers east of First Majestic Silver Corp.'s San Dimas Mine ("San Dimas"). At present, Chesapeake has an option agreement over one of El Duraznito Claims ("Teresa"). The Company will provide US\$78,000 in staged payments over 3 years to earn 60% of the rights. After completion of the Feasibility Study, Chesapeake will pay to the Teresa Owners US\$100,000 to earn an additional 20% interest in the project. Upon commencement of the Mine Construction, the Company will have acquired 100% interest in the Teresa claim with a final US\$150,000 final payment. During 2022 the Teresa option agreement continued in good standing. However, the payment for 2023 is on standby pending of legal resolutions between the owner and the Mexican Mines Office (DGM).

The El Duraznito Project second claim agreement is still being finalized.

TATATILA (Veracruz State, Mexico)

In 2007, the Company acquired through purchase and staking the Tatatila project (“Tatatila”) in Veracruz State. The Company acquired seven concessions comprising 2,767 hectares for US\$56,000 from the CRM, a mining division of the Mexican government. The Company also staked one concession comprising 13,902 hectares. The Tatatila concessions surround Mexican Gold Corp’s (“Mexican Gold”) Las Minas project (“Las Minas”). Mexican Gold reported a resource estimate of 304,000 gold equivalent ounces (gold-silver-copper) at a grade of 1.9 g/t gold equivalent and an inferred resource of 719,000 gold equivalent ounces at a grade of 2.17 g/t gold equivalent. Mexican Gold has commenced a 10,000 metre drill program to expand and upgrade the current resource for a preliminary economic assessment as well as to test other exploration targets.

The Company undertook a follow-up exploration program to determine the potential extension of the Las Minas skarn zones along regional limestone-intrusive contacts and associated structural trends. Rock chip sampling and a magnetic geophysical survey discovered four gold-copper-zinc mineralized skarn bodies along a three-kilometre southeast trending corridor from Las Minas. Generative exploration has discovered additional mineralized skarn zones along an irregular five-kilometre northeast trending intrusive-limestone corridor. During 2023 the Tatatila Project is in standby.

GUNPOINT EXPLORATION PROJECTS**TALAPOOSA (Nevada, USA)**

On November 26, 2010, Gunpoint acquired from the Company a 100% interest in Talapoosa located in Lyon County, Nevada. Talapoosa is a low-sulphidation gold/silver property in the Walker Lane gold trend of western Nevada, approximately 45 kilometres east of Reno. Talapoosa consists of 535 unpatented lode mining claims and seven additional fee land sections which cover 14,780 hectares.

Talapoosa has a NI 43-101 compliant resource estimate (April 2013) hosting a measured (0.6 million) and indicated resource (0.4 million) of 1.0 million ounces of gold (31.2 million tons at a grade of 0.032 oz/t AuEq) and an inferred resource of 233,532 ounces of gold (11.2 million tons at a grade of 0.021 oz/t AuEq) using a cut-off of 0.015 oz/t gold equivalent.

On September 28, 2022, Gunpoint signed an option and earn-in agreement (the "Newcrest Agreement") with Newcrest Resources Inc., a wholly-owned subsidiary of Newcrest Mining Limited, ("Newcrest") to explore Gunpoint's Appaloosa property ("Appaloosa"), located in Nevada, USA. Appaloosa is an underexplored 7 kilometer long mineralized structural zone situated within Talapoosa. Under the terms of the Newcrest Agreement, Newcrest has the right to acquire, in multiple stages, up to a 75% interest in Appaloosa for cumulative exploration and development expenditures of US\$35 million, cash payments totaling US\$5 million to Gunpoint and completing a minimum indicated resource estimate of 1.0 million gold ounces.

Stage	Payment (in '000)	Expenditure	Newcrest Interest %	Time Schedule
Investigation	\$321 (US\$250 received)	-	-	Until January 21, 2023
Option Phase	US\$750 (received)	US\$2,000,000*	-	18 months
Stage 1	US\$1,500	US\$10,000,000	51%	3 years
Stage 2**	US\$1,000	US\$23,000,000	65%	3 years
Stage 3	US\$1,500	Minimum mineral resource estimate of 1.0 million gold ounces	75%	2 years

*Minimum expenditure commitment required by Newcrest if it elects to enter into the Option Phase

**If Newcrest elects to terminate Stage 2 or does not earn the additional 14%, Newcrest's interest in Appaloosa will decrease to a 49% interest

SUMMARY OF CONSOLIDATED LOSS

<i>(table amounts are expressed in thousands of CAD dollars)</i>	Three Months ended September 30,		Nine months ended September 30	
	2023	2022	2023	2022
Depreciation	\$ (3)	\$ (3)	\$ (8)	\$ (6)
Exploration	(489)	(27)	(948)	(225)
General & administration ⁽¹⁾	(616)	(784)	(2,145)	(2,179)
Share based compensation expense	(214)	(382)	(789)	(753)
	(1,321)	(1,196)	(3,890)	(3,163)
Finance income, net	379	92	688	190
Foreign exchange loss	35	241	10	13
Unrealized gains (loss) on investments	(84)	(441)	(382)	(617)
Gain from debt settlement	-	-	-	52
Other income	10	2	19	2
Net loss	(981)	(1,302)	(3,557)	(3,523)
Other comprehensive gain (loss)	(63)	(648)	(1,753)	(935)
Net loss and comprehensive loss	(1,044)	(1,950)	(5,310)	(4,458)
Basic/Diluted loss per share	(0.01)	(0.02)	(0.05)	(0.05)
Non current financial liabilities	-	-	-	-
Total assets	160,192	170,954	160,192	170,954

(1) General and administration (“G&A”) consists of general and administrative expenses, professional fees and management fees for the Canadian, U.S. and Mexican offices.

The Company incurred a net loss of \$3.6 million (\$0.05 loss per share) for the nine months ended September 30, 2023, compared to a net loss of \$3.5 million (\$0.05 loss per share) in 2022. The increase in net loss primarily relates to market fluctuation which led to foreign exchange and unrealized marketable securities gains in the prior period which were a loss for the current period.

The Company’s general and administration expense was \$0.03 million in 2023. This was higher than the previous years due to an increase in corporate activities.

The Company had an unrealized loss on investments of \$0.4 million in 2023 compared to a loss of \$0.6 million in 2022. The difference in the unrealized loss on investment was due to the change in market conditions and fluctuation of the share prices for marketable securities and long-term investments.

The Company’s timing of stock option vesting schedule resulted in a lower share-based compensation expense in 2023 (\$0.8 million) compared to 2022 (\$0.8million).

Other comprehensive gain (loss) fluctuations over the years are due to changes in the macro-economic environment related to foreign exchange translation, marketable securities and stock-based compensation expense. This includes the translation gains and losses incurred when translating subsidiary financials with local currency and the IFRS non-cash adjustment related to the translation of measurement currency to reporting currency.

Consolidated quarterly loss – 8 quarters historic trend

<i>(table amounts are expressed in thousands of CAD dollars)</i>	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Amortization	(3)	(23)	(2)	(3)	(3)	(1)	(2)	(3)
Exploration	(489)	(425)	(34)	(58)	(27)	(137)	(61)	(106)
General & administration ⁽¹⁾	(616)	(824)	(703)	(762)	(784)	(707)	(688)	(623)
Share-based compensation	(214)	(292)	(284)	(359)	(382)	162	(533)	(585)
	(1,321)	(1,545)	(1,024)	(1,182)	(1,196)	(683)	(1,284)	(1,317)
Finance (cost) income, net	379	117	90	273	92	64	34	(29)
Foreign exchange (loss) gain	35	(62)	(37)	(35)	241	(384)	156	89
Unrealized gain(loss) on marketable securities and investments	(84)	(136)	(162)	97	(441)	(624)	448	375
Impairment - exploration and evaluation asset	-	-	-	(5,831)	-	-	-	-
Other income	10	9	-	66	2	-	52	56
Income tax provision	-	-	-	(855)	-	-	-	(1,364)
Net income (loss)	(981)	(1,617)	(959)	(7,467)	(1,302)	(1,627)	(594)	(2,190)
Other comprehensive (loss) income	(63)	(509)	(1,181)	(467)	(648)	(186)	(101)	7
Total comprehensive gain (loss)	(1,044)	(2,126)	(2,140)	(7,934)	(1,950)	(1,813)	(695)	(2,183)
Basic/Diluted earnings (loss) per share	(0.01)	(0.02)	(0.01)	(0.11)	(0.02)	(0.02)	(0.01)	(0.04)
Total assets	160,192	161,198	162,931	164,627	174,298	172,405	174,662	174,298

(1) General and administration (“G&A”) consists of general and administrative expenses, professional fees and management fees

Three months ended September 30, 2023 vs. all historic quarters in 2022 and 2021

The Company incurred a net loss of \$1.0million (\$0.01 loss per share) for the three months ended September 30, 2023. The net loss was comparable to prior quarters. Operating expenditures remain relatively consistent quarter over quarter, however fluctuation in other income due to prevailing interest rates on investments, market conditions on marketable securities and foreign exchange rates leads to period over period fluctuation in net loss.

Exploration expenditures and general and administrative expenses are consistent with the historic quarters with minor differences from timing differences of expenses between the prior quarters.

Unrealized gains and losses on investment are dependent on market conditions which fluctuate from quarter to quarter.

Foreign exchange gains and loss along with cumulative translation adjustment (other comprehensive income or loss) fluctuate from quarter-to-quarter dependent on the strength of the Canadian Dollar against the Mexico Pesos.

Change in total assets

The total assets declined since Q2 2022 primarily due to impairment of exploration and evaluation assets and use of cash.

LIQUIDITY AND CAPITAL RESOURCES

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
<i>(table amounts are expressed in thousands of CAD dollars)</i>				
Cash (outflow) inflow from operating activities	\$ (1,071)	\$ (365)	\$ (2,715)	\$ (1,840)
Cash inflows from financing activities	-	-	12	1,455
Cash inflows (outflows) from investing activities	(1,185)	(542)	(958)	(2,959)
Foreign exchange impact on cash	329	16	(169)	52
Net cash flows before foreign exchange on cash	(2,256)	(891)	(3,661)	(3,292)
Cash balance	\$ 21,843	\$ 28,525	\$ 21,843	\$ 28,525

<i>(table amounts are expressed in thousands of CAD dollars)</i>	2023	2022
Opening cash balance	\$ 25,673	\$ 31,817
Proceeds from option exercise, Gunpoint	12	1,455
Purchase of other investment	-	(5)
Proceeds from option agreement	1,005	-
Proceeds from sales of market securities	-	158
Proceeds from sale of mineral properties	-	321
Change in other receivables and prepaids	(233)	(257)
Investment income – cash received	688	192
Increase (decrease) in accounts payable	(94)	629
General & administration and other overhead	(2,145)	(2,179)
General exploration expense	(948)	(225)
Capitalized Exploration Expense	(1,959)	(3,433)
Foreign exchange impact on cash and others	(156)	52
Ending cash balance	\$ 21,843	\$ 28,525

As at September 30, 2023, the Company's net working capital was \$21.9 million, which was comparable to \$25.3 million as at December 31, 2022. This was driven by the use of cash for exploration and corporate activities.

Cash outflows from operating activities for the nine months ended September 30, 2023 were \$2.7 million compared to a cash outflow of \$1.8 million in 2022, this was mainly driven by movements in working capital items and exploration expenditures.

Cash inflow from financing activities for the nine months ended September 30, 2023 was \$12 thousand, compared to a cash inflow of \$1.5 million in 2022. Proceeds from financing activities of \$12 thousand were received from proceeds from the exercise of Gunpoint options during 2023 and during 2022 \$1.5 million were received from Gunpoint's private placements.

The cash outflow from investing activities for the nine months ended September 30, 2023 was \$1.0 million compared to cash outflow of \$3.0 million in 2022. In the current period, the Company spent \$2.0 million in mineral property expenditures, which included the metallurgical sample testing and the continuation of the 2021-2022 drilling program.

The Company's ability to continue as a going concern is dependent on the Company's ability to raise funds. The Company has sufficient working capital to fund the planned development and corporate expenses through 2023 and beyond.

The following table reflects the Company's aggregate contractual commitments as of September 30, 2023:

Contractual Obligations (in '000)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Accounts payable and accrued liabilities	1,726	1,726	-	-	-
Decommissioning obligations	323	-	-	-	323
	\$ 2,049	\$ 1,726	\$ -	\$ -	\$ 323

On August 18, 2020, the Company closed a private placement with net proceeds of \$19.8 million. The net proceeds from the private placement were to be used for Metates metallurgical test work, ongoing regional exploration and for general working capital.

As at September 30, 2023, the use of proceeds was estimated as follows:

Category	In million \$
Total expenditures – year ended December 31, 2021	3.07
Metallurgical testing – Metates	1.13
Drilling - Metates	1.34
Regional exploration	0.37
Total expenditures – year ended December 31, 2022	2.84
Metallurgical testing – Metates	0.7
Drilling - Metates	-
Regional exploration	0.8
Total expenditures – nine months ended September 30, 2023	1.5
Net proceeds raised	19.85
Remaining proceeds	11.55

SHAREHOLDERS' EQUITY

As at September 30, 2023 and date of the report, the Company had the following common shares and stock options outstanding:

('000s)	Common shares	Stock options
September 30, 2023	67,366	3,825
Date of report	67,366	3,825

The following table discloses the number of options and vested options outstanding as at the date of this MD&A:

Number of options (('000s)	Vested ('000s)	Exercise price \$	Expiry Date
1,665	1,665	3.30	29-Aug-24
400	300	3.15	14-May-25
1,250	625	4.56	10-Dec-25
150	75	4.55	19-Jan-26
40	10	1.92	28-Sept-27
200	-	2.15	07-Feb-28
20	-	2.70	28-Apr-28
100	-	1.70	31-May-28
3,825	2,675	3.63	

SUBSEQUENT EVENTS

- On December 5, 2023, the Company has granted the option to purchase an aggregate of 200,000 common shares to the interim CEO of the company at an exercise price of \$2.20 per share for a five-year term expiring Dec. 4, 2028. The options will vest and be exercisable on the basis of 25 per cent annually, commencing Dec. 4, 2024, the first anniversary of the date of the grant.

REGULATORY DISCLOSURES

Off-Balance Sheet Arrangements

As at the date of this MD&A, the Company did not have any off-balance sheet arrangements.

Proposed transactions

As at the date of this MD&A, unless noted, the Company did not have any proposed transactions.

Related Party Transactions

The Company's related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel. Transactions with related parties for goods and services are made on normal commercial terms in the normal course of operations.

The Company incurred the following expenses with related parties during the nine months ended September 30, 2023:

Amounts in '000	Three Months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Consulting	\$ 50	\$ 62	\$ 150	\$ 188
General and administration – salary	156	88	336	267
General and administration – directors' fees	81	67	186	187
Legal	75	12	106	93
Management fees	62	63	187	188
Share-based compensation (recovery) expense	123	175	472	490

Management and rental fees were paid or accrued to a private company owned by the Executive Chairman of the Company. Consulting fees were paid or accrued to directors of the Company.

As at September 30, 2023, the Company had amounts payable of \$137 to related parties (December 31, 2022 - \$64), of which \$137 (December 31, 2022 - \$47) relates to Chesapeake and \$Nil (December 31, 2022 - \$17) relates to Gunpoint. These amounts are unsecured and non-interest bearing, due on demand and are included in accounts payable and accrued liabilities.

On January 19, 2021, the Company closed the acquisition of Alderley Gold, a private British Columbia mining technology company (that was previously controlled by the CEO of the Chesapeake Gold Corp.). Through the acquisition of Alderley Gold, the Company gained access to the mining technology ("Technology") that is currently being used to determine the technical and commercial feasibility of the Metates project. 7,400,000 shares were issued to a company controlled by the CEO. The remaining 2,600,000 shares were issued to non-related parties. As at September 30, 2023, 6,660,000 shares are still held in escrow.

As at September 30, 2023, the Company held \$Nil (December 31, 2022 - \$nil) of marketable securities and a corresponding payable of \$Nil (December 31, 2022 - \$107) in trust for one of its employees related to the exercise of stock options.

Financial Instruments

The following provides a comparison of carrying and fair values of each classification of financial instrument:

<i>(table amounts are expressed in thousands of CAD dollars)</i>	September 30, 2023		December 31, 2022	
	Carrying value \$	Fair value \$	Carrying value \$	Fair value \$
Financial assets				
Cash and cash equivalents	21,843	21,843	25,673	25,673
Marketable securities	-	-	-	-
Long term investment	508	508	890	890
Financial liabilities				
Accounts payable & accrued liabilities	1,726	1,726	1,705	1,705

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).

The following table sets forth the Company's assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

<i>(table amounts are expressed in thousands of CAD dollars)</i>	Level 1	Level 2	Level 3	Total September 30, 2023
Marketable securities	-	-	-	-
Long-term investments	508	-	-	508
	\$ 508	\$ -	\$ -	\$ 508

<i>(table amounts are expressed in thousands of CAD dollars)</i>	Level 1	Level 2	Level 3	Total December 31, 2022
Marketable securities	-	-	-	-
Long-term investments	890	-	-	890
	\$ 890	\$ -	\$ -	\$ 890

The fair value of other financial instruments, including cash and cash equivalents, accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments. The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the period ended September 30, 2023.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities, and long-term investments. The Company's cash and cash equivalents are held through large Canadian financial institutions. The Company's marketable securities and long-term investments are held in common shares of publicly traded companies. The carrying amount of the financial assets represents the maximum credit exposure.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company settles its financial liabilities using its cash. The Company manages liquidity risk through the management of its capital structure as described in Note 14 of the financial statements. The accounts payable and accrued liabilities is due within the current operating period.

Market Risk

The Company's financial instruments include investments which are publicly traded and therefore subject to the risks related to the fluctuation in market prices of publicly traded securities. The Company closely monitors market values to determine the most appropriate course of action.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company is exposed from time to time to interest rate risk as a result of holding fixed income cash equivalents and investments, of varying maturities. A 1% change in market interest rates would result in no significant change in value of cash. The risk that the Company will realize a loss as a result of a decline in

the fair value of these assets is limited as they are generally held to maturity and held with large Canadian financial institutions.

Foreign Exchange Rate Risk

Currency risk is the risk of a loss due to the fluctuation of foreign exchange rates and the effects of those fluctuations on the Company's foreign currency denominated monetary assets and liabilities. The Company currently operates in the United States, Mexico, and Guatemala. Certain costs and expenses are incurred in US dollars and Mexican pesos. The Company attempts to mitigate currency risk through the preparation of short and long-term expenditure budgets in the foreign currencies.

Price Risk

The Company is exposed to price risk with respect to its investments, which consists of common shares of publicly-traded companies and is dependent upon the market price or the fair value of the common shares of these companies. The market price or the fair value of the common shares of publicly-traded companies can fluctuate significantly, and there is no assurance that the future market price or the fair value of those companies will not decrease significantly.

Critical estimates, change in accounting policies, significant accounting policies, accounting policies not yet adopted

Please refer to the audited annual financial statements for the year ended December 31, 2022 and unaudited interim financial statements for the period ended September 30, 2023, which was filed on SEDAR.

Risk and uncertainties

This MD&A contains forward-looking statements. Readers are cautioned as to the risks and uncertainties related to the forward-looking statements and are directed to those risks and uncertainties discussed in the Annual Information Form ("AIF") dated August 2, 2023, which was filed on SEDAR. Also, please refer to the "Cautionary Statement on Forward-Looking Information" at the end of the MD&A.

Recent Mining Law Changes

Recent changes to mining laws in Mexico may affect the Company's ability to renew its concessions, explore and obtain new concessions, obtain permits to conduct mining operations or pledge its concessions as security for loan facilities to develop its mineral projects. These changes may have a material adverse effect on the Company's planned operations and development of the Metates project and future exploration in Mexico.

Cautionary Statement on Forward Looking Statements

This MD&A contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. Such forward-looking statements and information herein include, but are not limited to: statements regarding prospective gold and silver production and planned work programs; the timing and amount of estimated future production; costs and timing of the development of new deposits; timing of completion of exploration programs; the success of exploration and development activities and mining operations; the impact of the COVID-19 pandemic on the Company's operations; the future price of commodities; timing and expenditures to develop Metates; gold and silver resources, grades and recoveries; cash costs per ounce, capital and operating expenditures and sustaining capital; the Company's plans and intentions surrounding the technology acquired from the Alderley Transaction; completion of acquisitions and their potential impact on the Company and its operations; and the ability to fund mine development at Metates. 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 are made based upon certain assumptions and other important factors that, while considered reasonable by the Company, are inherently subject to significant business economic, competitive, political and social uncertainties and contingencies. The Company has made assumptions based on many of these factors which include, without limitation: present and future business strategies; the environment in which the Company will operate

in the future, including the future price of gold and silver; currency exchange rates; estimates of capital and operating costs; production estimates; estimates of mineral resources and metallurgical recoveries; mining operational and development risks; regulatory restrictions; activities by governmental authorities and changes in legislation; community relations; the speculative nature of mineral exploration; the global economic climate; loss of key employees; additional funding requirements; title to mineral claims or property; and the ultimate impact of the COVID-19 pandemic on operations. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made.

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 the Company 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 and silver, 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); risks of local violence; risks related to natural disasters, terrorism, civil unrest, public health concerns (including health epidemics or outbreaks of communicable diseases such as the COVID-19 pandemic) and other geopolitical uncertainties; 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.

This Management's Discussion and Analysis makes reference to certain non-IFRS measures. These measures are not recognized measures under International Financial Reporting Standards (IFRS), do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers.

Qualified Persons

Mr. Gary Parkison (VP Development) and Alberto Galicia (VP Exploration) are Qualified Persons as defined by NI 43-101 and responsible for the technical information on Metates in this MD&A.

The Metates 2022 PEA report (dated December 15, 2022) has been prepared by M3 to professional standards in the industry and is produced by Michael G. Hester, FAusIMM, Art S. Ibrado, PhD, PE, and Richard K. Zimmerman, MSc, RG, consultants, of M3 Engineering & Technology Corporation (M3).

Mr. Marc Jutras P.Eng., M.A.Sc, Principal, Mineral Resources of Ginto Consulting Inc, is the independent qualified person responsible for the MRE in this news release in accordance with NI 43-101. Mr. Carl Edmunds P.Geo., M.Sc. technical consultant to Chesapeake and is the qualified person who supervised the preparation of the technical information relating to the updated Mineral resource estimate.