

# Gold In Focus: Chesapeake's Mammoth Motherlode at Metates

Chesapeake Gold Corp. (TSXV: CKG | OTCQX: CHPGF) ("Chesapeake") are well-known for holding 100% interest in the now world famous Metates project. The Mexican land package is one of the largest undeveloped gold, silver & zinc deposits in the world, boasting probable reserves of 18.5 million ounces of gold, 526 million ounces of silver and 4.2 billion pounds of zinc – all of which are currently experiencing significant price rises, meaning that Randy Reifel's latest play is now worth seriously more than first thought.

Reifel has a long history of making money for shareholders. He has been an independent director of Goldcorp since 2006, but more importantly, he has a strong history of successfully developing projects within Mexico. In fact, in 2002 Reifel sold a Mexican gold project for a cool \$400 million which not only went into production just three years later, but became the largest gold mine in the country. Now, with metals markets undergoing a resurgence, Chesapeake could very well attract the lustful eyes of a senior company since Metates is easily one of the top 5 gold, silver and zinc sites in the world.

As the Metates resource is so very large, the CAPEX required to launch the project in its entirety is not going to be easy to come by without senior money, but a starter project from one of their nearby regional sites (of which there are many) could provide the cash flow required to kickstart processing of the motherlode. Over the last year, the company has assembled a further 68,000 contiguous hectares surrounding a nearby regional target known as "Yarley". Exploration has identified six key targets in the area, which not only revealed some truly impressive gold and silver assays, but also the presence of a V-shaped geological formation that appears to be two intersecting deep-seated mineralized faults.

The anomaly measures 6 kilometres in length, up to 600 metres wide and over 300 metres deep, and represents the greatest chance that Yarley has of being the starter mine the company is looking for in order to fund the launch of their monster project. And Remember, the metals prices used in the resource estimate were from a few years ago (\$1,200/oz Au and \$25/oz Ag), before the precious metals markets began their latest uptrend, and as such, Metates and its surrounding regional areas are worth far, far more today than they were only a year ago.

The surge in precious metals prices and the discovery of new targets at Yarley smells to me of an impending runaway bull rush on Chesapeake. Seen as their projects have a combined mine life of several decades, a small spark is really all that's required to send Chesapeake into the financial stratosphere, wherefrom they shall rain down gold and silver as Mexico's largest players for the foreseeable future and most likely beyond. Chesapeake has always been strong on maintaining a decent cash balance and so continued exploration is not going to be an issue; the question is simply from which area to begin producing.

The V formation at Yarley's central prospect is extremely enticing because, when searching for metals such as gold and silver, they are almost always found in their greatest quantities within geological fractures, or veins, that have gradually been mineralized over millennia by hydrothermal activity. To discover an intersection of two such structures on your property, then, is like checking your bank balance and discovering twice what you had hoped for. Chesapeake have committed to fully exploring the formation as a matter of priority, and results should be available within the next couple of months.

But already, the area around the anomaly has returned significant grades. One particular sample taken from the central prospect over 2 meters returned values of 19.5 g/t

gold and 505 g/t silver, leading me to believe that this newly mapped area could indeed be the chosen one. I have waited a long time to see Mr Reifel and Chesapeake reveal their goods to the world, and once Metates gets the jump-start it deserves, it will be almost unstoppable