Chesapeake Gold Corp.

Consolidated Financial Statements
December 31, 2014 and 2013
(expressed in thousands of Canadian dollars, except where indicated)

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Independent Auditor's Report

To the Shareholders of
Chesapeake Gold Corp.

We have audited the accompanying consolidated financial statements of Chesapeake Gold Corp., which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and deficit, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Chesapeake Gold Corp. as at December 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

(Signed) Deloitte LLP

Chartered Accountants
April 30, 2015
Vancouver, British Columbia

Chesapeake Gold Corp.

Consolidated Statements of Financial Position

(expressed in thousands of Canadian dollars, except where indicated)

	Note	December 31, 2014	December 31, 2013
Assets			
Current assets			
Cash and cash equivalents	6	$ 28,992.0	$ 35,005.4
Other receivables and prepaid expenses	5	546.3	717.1
Marketable securities	6,7	2,475.0	2,862.9
		32,013.3	38,585.4
Investment in associate	8	-	174.0
Investment in mineral properties	9	66,118.5	62,788.2
Equipment	10	153.5	224.3
Reclamation bond		195.4	181.2
Total assets		$ 98,480.7	$ 101,953.1
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	$ 1,669.3	$ 1,774.7
Convertible debt	13	750.0	742.9
		2,419.3	2,517.6
Deferred income tax liabilities	16	6,381.6	6,381.6
Decommissioning obligation	12	259.5	244.9
Total liabilities		9,060.4	9,144.1
Shareholders' equity			
Share capital	14	147,594.4	147,594.4
Reserves		16,207.6	14,969.6
Deficit		(76,730.6)	(72,296.0)
		87,071.4	90,268.0
Non-controlling interest		2,348.9	2,541.0
Total shareholders' equity		89,420.3	92,809.0
Total liabilities and shareholders' equity		$ 98,480.7	$ 101,953.1

Nature of operations (note 1)
Commitments (note 18)

Approved by the Board of Directors

"P. Randy Reifel" Director "Gerald L. Sneddon" Director

Chesapeake Gold Corp.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31,

(expressed in thousands of Canadian dollars, except where indicated)

	Note	2014	2013
General and administration expenses			
Depreciation	10	$ (70.8)	$ (95.3)
Exploration		(708.4)	(746.4)
General and administrative		(1,251.6)	(1,869.4)
Management fees	17	(250.0)	(250.0)
Professional fees		(499.7)	(417.6)
Share-based compensation	15	(2,040.1)	(2,222.1)
		(4,820.6)	(5,600.8)
Other (expenses) income, net			
Finance income		521.0	703.5
Finance cost		(81.8)	(75.7)
Foreign exchange gain (loss)		194.8	(88.1)
Loss from investment in associates	8	(17.8)	(26.0)
Impairment on investment in associates	8	(64.3)	-
Impairment on marketable securities	7	(102.5)	(61.9)
Gain (Loss) on available for sale of investments		69.0	-
Impairment of mineral properties	9	(403.7)	(1,155.7)
Gain from disposal of royalty investment		24.3	-
Loss before income taxes		(4,681.6)	(6,304.7)
Income taxes (expense) recovery – deferred	16	-	(823.1)
Net loss		(4,681.6)	(7,127.8)
Other comprehensive loss (income) ("OCI")			
Items that may be reclassified subsequently to net loss			
Cumulative translation adjustment		(639.5)	22.0
Unrealized (loss) gain on available for sale investments		(141.2)	(91.8)
Net loss and comprehensive loss		$ (5,462.3)	$ (7,197.6)
Net loss attributable to			
Owners of the Company		$ (4,434.6)	$ (7,003.4)
Non-controlling interest		(247.0)	(124.4)
		$ (4,681.6)	$ (7,127.8)
Other comprehensive income (loss) ("OCI") attributable to			
Owners of the Company		$ (786.0)	$ (69.8)
Non-controlling interest		5.3	-
		$ (780.7)	$ (69.8)
Loss per share			
Basic and diluted		$ (0.11)	$ (0.16)
Weighted average shares outstanding (000's)			
Basic and diluted		44,416	44,240
Total shares issued and outstanding (000's)		44,416	44,416

Chesapeake Gold Corp.

Consolidated Statements of Changes in Shareholders' Equity and Deficit

(expressed in thousands of Canadian dollars, except where indicated)

			Attributable to owners of the Company							
	Notes	**Shares ('000)**	**Share capital**	**Share based compensation reserves**	**Foreign currency translation reserves**	**Investment revaluation reserves**	**Deficit**	**Total for owners**	**NCI**	**Total equity**
Balance at December 31, 2012		44,216	$ 146,590.8	$ 11,980.8	$ 393.5	$ 779.9	$ (65,292.6)	$ 94,452.4	$ 2,594.3	$ 97,046.7
Net loss for the year		-	-	-	-	-	(7,003.4)	(7,003.4)	(124.4)	(7,127.8)
Cumulative translation adjustment		-	-	-	22.0	-	-	22.0	-	22.0
Unrealized gain in available for sale investments		-	-	-	-	(91.8)	-	(91.8)	-	(91.8)
Impairment on marketable securities		-	-	-	-	61.9	-	61.9	-	61.9
Escorpion sales transaction to Gunpoint		-	-	-	-	-	-	-	15.9	15.9
Issue of share capital from option exercised		200	1,003.6	(343.6)	-	-	-	660.0	-	660.0
Share-based compensation charges		-	-	2,166.9	-	-	-	2,166.9	55.2	2,222.1
Balance at December 31, 2013		44,416	$ 147,594.4	$ 13,804.1	$ 415.5	$ 750.0	$ (72,296.0)	$ 90,268.0	$ 2,541.0	$ 92,809.0
Net loss for the year		-	-	-	-	-	(4,434.6)	(4,434.6)	(247.0)	(4,681.6)
Cumulative translation adjustment		-	-	-	(639.5)	-	-	(639.5)	-	(639.5)
Unrealized gain on available for sale investments		-	-	-	-	(146.5)	-	(146.5)	5.3	(141.2)
Realized gain on available for sale investments		-	-	-	-	(69.0)	-	(69.0)	-	(69.0)
Impairment of marketable securities		-	-	-	-	102.5	-	102.5	-	102.5
Share-based compensation charges		-	-	1,990.5	-	-	-	1,990.5	49.6	2,040.1
Balance at December 31, 2014		44,416	$ 147,594.4	$ 15,794.6	$ (224.0)	$ 637.0	$ (76,730.6)	$ 87,071.4	$ 2,348.9	$ 89,420.3

Chesapeake Gold Corp.

Consolidated Statement of Cash Flows

For the years ended December 31,

(amounts expressed in thousands of Canadian dollars, except where indicated)

	Note	2014	2013
Cash used from operating activities			
Net loss for the year		$ (4,681.6)	$ (7,127.8)
Items not affecting cash			
Depreciation	10	70.8	95.3
Unrealized foreign exchange (gain) loss		(194.8)	88.1
Deferred income tax recovery	16	-	823.1
Loss from investment in associates	8	64.3	26.0
Impairment on investment in associates	8	17.8	
Impairment on investment	7	102.5	61.9
Impairment of mineral properties	9	403.7	1,155.7
Share-based compensation charges	15	2,040.1	2,222.1
(Gain) on sales of royalty investment		(24.3)	-
(Gain) loss on available for sale investment		(69.0)	-
Other		7.1	33.4
		(2,263.4)	(2,622.2)
Change in non-cash operating working capital			
(Increase) decrease in accounts receivable and prepaid expense		170.8	764.5
Increase (decrease) in accounts payable and accrued liabilities		(108.3)	23.5
Net cash used in operating activities		(2,200.9)	(1,992.4)
Cash flows from financing activities			
Proceeds from exercise of options and warrants	15	-	660.0
Net cash received in financing activities		-	660.0
Cash flows used in investing activities			
Proceeds from sale of investments	7	338.6	630.0
Purchase of royalty interest	9	(9,859.5)	
Proceeds from sale of royalty interest	9	9,883.8	-
Mineral property expenditures	9	(4,373.4)	(4,977.8)
Purchase of equipment	10	-	(41.8)
Net cash used in investing activities		(4,010.5)	(4,389.6)
(Decrease) increase in cash and cash equivalents		(6,211.4)	(5,721.9)
Foreign exchange impact on cash and cash equivalents		198.0	(72.9)
Cash and cash equivalents - beginning of year		35,005.4	40,800.3
Cash and cash equivalents - end of year		$ 28,992.0	$ 35,005.4

	Note	2014	2013
Cash		$ 49.0	$ 1,118.6
Cash equivalents		28,943.0	33,886.8
		$ 28,992.0	$ 35,005.4

1 Nature of operations

Chesapeake Gold Corp. ("Chesapeake" or the "Company") is a Canadian mining company focused on the exploration, development and recovery of precious metals. The Company is in the development stage and does not generate mining revenues from operations. The Company's operations are principally directed towards the development of the Company's Metates project in Durango State, Mexico and generating a pipeline of exploration projects in north western Mexico.

The Company is domiciled in Vancouver, Canada and its common shares are listed on the TSX Venture Exchange under the trading symbol "CKG.V". The Company's registered office is at Suite 201 – 1512 Yew Street, Vancouver BC, V6K 3E4, Canada.

On November 26, 2010, the Company acquired an 81.93% interest in Gunpoint Exploration Ltd. ("Gunpoint") through an acquisition of Gunpoint's shares. As a result of this transaction the Company acquired control of Gunpoint. Subsequent to Gunpoint's financing in October 26, 2012, the revised ownership decreased from 81.93% to 74.46%.

These consolidated financial statements have been prepared on the basis that the Company is a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company had a consolidated net loss of $4,681.6 for the year ended December 31, 2014, and an accumulated deficit of $76,730.6 as at December 31, 2014 To date, the Company has not generated operating revenue from its mineral properties. The ability of the Company to continue as a going concern is dependent upon obtaining additional equity and/or debt financing to complete the exploration and development of its mineral property interests and to commence profitable operations. Despite the general economic slow-down and significant uncertainty to key economic variables, the Company currently has sufficient resources to fund its exploration and development operations for more than a year.

2 Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The policies set out below were consistently applied to all periods presented.

The Board of Directors approved this set of financial statements on April 30, 2015.

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value.

Changes in accounting standards

IFRS 10 "Consolidated Financial Statements" (IFRS 10)

IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" (IAS 27) and SIC 12 "Consolidation-Special Purpose Entities". IFRS 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Company's investees are considered to be subsidiaries and therefore change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

There was no significant impact on these consolidated financial statements as a result of adopting these amendments.

IFRS 11 "Joint Arrangements" (IFRS 11)

IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" (IAS 31) and SIC 13 "Jointly Controlled Entities – Non-Monetary-Contributions by Venturers". It aligns more closely the accounting by investors with their rights and obligations relating to the joint arrangement. In addition, IAS 31's option of using proportionate consolidation for joint ventures has been eliminated. IFRS 11 now requires the use of the equity accounting method, which is currently used for investments in associates.

There was no significant impact on these consolidated financial statements as a result of adopting these amendments.

IFRS 12 Disclosure of Involvement with Other Entities

IFRS 12 requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cashflows.

IFRS 13 "Fair Value Measurement" (IFRS 13)

IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. IFRS 13 applies prospectively for annual periods beginning or after January 1, 2013. IAS requires particular IFRS 13's disclosures in the financial statements which are provided in Note 6.

Financial instruments

In November 2009, the IASB issued IFRS 9, "Financial Instruments" ("IFRS 9") as the first phase in its project to replace IAS 39 (classification and measurement) and required that all financial assets be classified as subsequently measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Requirements for financial liabilities were added to IFRS 9 in October 2010 with most of the requirements for financial liabilities carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. In July 2013, the IASB decided that a mandatory date of January 1, 2015 would not allow for sufficient time for entities to prepare to apply the standard because phase 2 of the IFRS 9 project (impairment methodology) has not yet been completed. Accordingly, the IASB decided that a new date should be decided upon when the entire IFRS 9 project is closer to completion. In November 2013, IFRS 9 was amended to include guidance on hedge accounting (phase 3) and to allow entities to apply IFRS 9 immediately. The Company is currently assessing the impact of adopting IFRS 9 on the consolidated financial statements.

3 Estimates, risks and uncertainties

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Measurement of the Company's assets and liabilities is subject to risks and uncertainties, including ones related to reserve and resource estimates; title to mineral properties; future gold prices; future costs of decommissioning obligations; changes in government legislation and regulations; estimated deferred income tax amounts; the availability of financing and various operational factors. Significant areas where management's judgment is applied are resource property costs, amortization, share-based compensation, and income taxes. Actual results may differ from those estimates.

4 Significant accounting policies

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Minerales El Prado S.A. de C.V. (Mexico) and American Gold Capital Corporation (British Columbia). The accounts of American Gold Capital Corporation's wholly-owned subsidiaries, Metates Mining Enterprises LLC (Delaware) and its wholly-owned subsidiary American Gold Metates S. de R.L. de C.V. (Mexico) are also included in these consolidated financial statements. During 2010, the Company acquired an 81.93% interest in Gunpoint Exploration Ltd. (British Columbia) (formerly Christopher James Gold Corp.) ("Gunpoint") in exchange for transferring all of its interest in American Gold Capital US Inc. (Nevada) ("American Gold US") to Gunpoint. These consolidated financial statements include the accounts of American Gold US for 2010 and 2011. From March 26, 2010 onwards, they also include the accounts of Gunpoint as well as the recognition of an 18.07% non-controlling interest (increased to 25.54% in October 2012) in Gunpoint and its wholly owned subsidiaries stated above. All significant inter-company balances and transactions have been eliminated upon consolidation.

Business combination

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method in accordance with IFRS 3, Business Combinations. The cost of an acquisition is measured as the sum of the consideration transferred, measured at the acquisition date fair value and the amount of any non controlling interest in the acquiree. Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the Corporation's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction by transaction basis. The excess of (i) total consideration transferred by the Company, measured at fair value, including contingent consideration, and (ii) the non controlling interests in the acquiree, over the acquisition date fair value of net assets acquired, is recorded as goodwill. Acquisition costs incurred are expensed.

Goodwill arising on an acquisition is recognized as an asset and initially measured at cost. Goodwill is not amortized; rather it is tested annually for impairment or at any time during the year that an indicator of impairment is identified.

Cash and cash equivalents

Cash and cash equivalents include cash on deposit, highly liquid short term deposits and guaranteed investment certificates with major financial institutions, and fixed income securities with a term to maturity of three months or less at the date of acquisition that are readily convertible into known amounts of cash.

Reclamation bond

The Company maintains cash deposits that are restricted to the funding of reclamation costs. For the Talapoosa property in Nevada State, USA, the Company has placed cash on deposit to fund future reclamation costs anticipated under a reclamation plan approved by the State of Nevada. Reclamation deposits are designated as fair value through profit or loss, are recorded at fair value, and are classified as a non-current asset.

Comprehensive income or loss

Comprehensive income or loss is the change in equity (net assets) of an enterprise during a period from transactions, events and circumstances other than those under the control of management and the owners. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. In accordance with this standard, the Company reports comprehensive income or loss in its statement of operations and accumulated other comprehensive income or loss in its statement of changes in equity. The components of other comprehensive income or loss include unrealized gains and losses on financial assets classified as available-for-sale.

Foreign currency translation

The functional currency of the reporting entity and each of its foreign operations must be assessed independently giving consideration to the primary economic environment in which each operates. Management has determined that the functional currencies of Minerales el Prado, its Mexican subsidiary is the Mexican Peso as this is the currency of the primary economic environment in which the Company operates. The Company and its other subsidiaries have the Canadian Dollar as their functional currency.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities in foreign currencies are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

Exploration and evaluation assets

The Company capitalizes exploration and evaluation expenses at cost for expenditures incurred after it has obtained legal rights to explore a specific area and before technical feasibility and commercial viability of extracting mineral resources are demonstrable.

All direct and indirect costs relating to the exploration of specific properties with the objective of locating, defining and delineating mineral reserves on specific properties are capitalized as exploration and evaluation assets. Government assistance, mining duty credits and optionee commitments are applied against exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefit either from future exploration or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Management makes certain estimates and assumptions about future events or circumstances, in particular when an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available. Exploration and evaluation expenditures are evaluated annually and then reclassified as mineral properties upon completion of technical feasibility and commercial viability.

Equipment

Equipment is recorded at cost. Amortization is provided at annual rates on a declining balance basis over the estimated useful lives of the equipment as follows:

Asset	Rate
Office, furniture and computer equipment	10%
Vehicles	25%
Exploration equipment	10%

Estimates of residual values and useful lives are reassessed annually and any change in estimate is taken into account in the determination of remaining depreciation charges. The cost of maintenance and repairs is charged to expense as incurred. The cost of significant renewals and improvements is added to the carrying amount of the respective asset. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statement of operations.

Impairment

The Company reviews the carrying value of long-lived assets for impairment when circumstances indicate an asset's value may not be recoverable. The evaluation is based on the higher of the asset's fair value less costs to sell and its value in use, which is present value of future cash flows expected to be derived from the asset in its current state. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds its recoverable amount.

Decommissioning obligation

The Company recognizes statutory, contractual and other legal obligations related to the retirement of tangible long-lived assets. These obligations are initially measured at fair value and subsequently adjusted for the accretion of any discount and changes in the underlying future cash flows and discount rate. The asset retirement cost is capitalized to the related asset and amortized to operations over time.

The Company recognizes the fair value of the liability for a decommissioning obligation in the period in which it is incurred and records a corresponding increase in the carrying value of the related long-lived asset. Fair value is estimated using the present value of the estimated future cash outflows to retire the obligation. The liability is subsequently adjusted for the passage of time, and is recognized as an accretion expense in the statement of operations. The increase in the carrying value of the asset is amortized on the same basis as the resource properties.

Share-based compensation

The Company's share option plan provides for the granting of stock options to directors, officers, consultants and employees, which allow them to purchase common shares of the Company. The fair value of all stock based awards is estimated using the Black Scholes option pricing model at the grant date and expensed to operations over each award's vesting period. Stock options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. Changes to the estimated number of awards that will eventually vest are accounted for prospectively. None of the Company's awards call for settlement in cash or other assets. Upon the exercise of the stock options, consideration paid together with the amount previously recognized in the share based payment reserve is recorded as an increase in issued capital. In the event that the options expire or are cancelled, previously recognized compensation expense associated with such stock option is not reversed.

When the Company issues Units that are comprised of a combination of common shares and warrants, the value is assigned to common shares and warrants based on their relative fair values. The fair value of the warrants is estimated using the Black Sholes option pricing model at the issuance dates.

Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax losses and other deductions carried forward.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply when the asset is realized or the liability settled. A reduction in respect of the benefit of a deferred tax asset is recorded against any deferred tax asset if it is probable that there will be future taxable income to offset. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period in which the change is substantively enacted.

Recognition of interest income

Interest from cash and cash equivalents and fixed income marketable securities were recorded on an accrual basis when collection is reasonably assured.

Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the reporting period. The Company uses the treasury stock method for computing diluted loss per share. This method assumes that any proceeds obtained upon exercise of outstanding options or warrants would be used to purchase common shares at the average market price during the period. As the Company has recorded a net loss for each of the periods presented, basic and diluted net loss per share are the same as the exercise of stock options or share purchase warrants are anti-dilutive.

Share issuance cost

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to expenses.

Financial Instruments – recognition and measurement

All financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods depends on whether the financial instrument has been classified as fair value through profit or loss, available-for-sale, held-to-maturity, loans and receivables, or other liabilities.

- Financial assets and liabilities classified as fair value through profit or loss are required to be measured at fair value, with gains and losses recognized in net earnings.
- Financial assets classified as held-to-maturity, loans and receivables and other liabilities are required to be measured at amortized cost using the effective interest method of amortization.
- Available-for-sale financial assets are required to be measured at fair value, with unrealized gains and losses recognized in Other Comprehensive Income (loss).

The Company has implemented the following classification:

- Cash and cash equivalents and loans and other receivables are classified as fair value through profit or loss.
- Marketable securities, ABCP and reclamation bonds are classified as available-for-sale.

(amounts expressed in thousands of Canadian dollars, except where indicated)

- Accounts payable and accrued liabilities, margin balance payable and convertible debt are classified as other financial liabilities.

Transaction costs related to financial instruments classified as fair value through profit or loss are recognized immediately into income. For financial instruments classified as other than fair value through profit or loss, transaction costs are added to the financial instrument.

Investment in associate

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decision of the investee, but is not control or joint control.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investment in associate are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Company's share of the profit or loss of the associate, less any impairment in the value of the investment or dilution of the shareholding in the investment.

5 Other receivables and prepaid expenses

	December 31, 2014	December 31, 2013
Other receivable	$ 431.6	$ 591.4
Prepaid expenses	114.7	125.7
	$ 546.3	$ 717.1

6 Financial instruments

Fair values of financial instruments

The fair values of financial instruments are summarized as follows:

	December 31, 2014		December 31, 2013	
	Carrying value $	Fair value $	Carrying value $	Fair value $
Financial assets				
Fair value to profit and loss ("FVTPL")				
Cash and cash equivalents	28,992.0	28,992.0	35,005.4	35,005.4
Other receivables	431.6	431.6	591.4	591.4
Reclamation bond	195.4	195.4	181.2	181.2
Available-for-sale				
Marketable securities	2,475.0	2,475.0	2,862.9	2,862.9
Financial liabilities				
Other financial liabilities				
Accounts payable & accrued liabilities	1,669.3	1,669.3	1,774.7	1,774.7

Fair value measurements

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.

(amounts expressed in thousands of Canadian dollars, except where indicated)

	Level 1	Level 2	Level 3	Total December 31, 2014
Cash and cash equivalents	$ 28,992.0	$ -	$ -	$ 28,992.0
Marketable securities	2,475.0	-	-	2,475.0

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, and marketable securities. The Company's cash and cash equivalents are held through large Canadian financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as described in Note 20. The accounts payable and income taxes payable are 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. Some of these investments have been acquired as a result of property transactions and, to a large extent, represent strategic investments in related mining companies and their properties. 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 and cash equivalents or fixed income securities. 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.

Foreign Exchange 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 and Mexico. 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 and planning for the conversion of Canadian dollars into foreign currencies whenever exchange rates are favourable.

7 Investments

	December 31, 2013 Fair value (restated-note 2)	Reclassification from investment in associate (see note 8)	Proceeds received from redemption	Realized and unrealized loss	December 31, 2014 Fair value
Marketable securities	$ 2,862.9	$ 91.9	$ (338.6)	$ (141.2)	$ 2,475.0

As at December 31, 2014, the Company recognized an impairment on marketable securities of $102.5 (2013 - $61.9).

8 Investment in associate

The Company entered into an agreement with Jiulian Resources Inc. ("Jiulian") effective January 25, 2011 whereby Jiulian acquired 100% interest in the Big Kidd and Little Fort mineral claims ("BC Claims") for a $100.0 cash payment and 18,750,000 common shares of Jiulian with a market value of $0.15 per share.

The Company has been accounting for this investment using the equity method as the Company has determined that significant influence exists since the Company owns approximately 16% of Jiulian and an officer of Gunpoint was on the Board of Jiulian. During the year ended December 31, 2014, Gunpoint ceased to have significant influence over Jiulian as the Company no longer has an officer on Jiulian's Board of Directors. The remaining unimpaired balance of investment has been transferred to marketable securities and is recorded at the fair market value as of December 31, 2014.

(amounts expressed in thousands of Canadian dollars, except where indicated)

The value of the Company's investment in Jiulian was as follows:

	Number of shares ('000)	Carrying value
Balance as at December 31, 2012	**18,750**	**$ 200.0**
Loss from investment in associate	-	(26.0)
Balance as at December 31, 2013	**18,750**	**174.0**
Impairment loss from investment in associate	-	(64.3)
Loss from investment in associate	-	(17.8)
Transfer to available for sales investment (see note 7)	(18,750)	(91.9)
Balance as at December 31, 2014	**-**	**-**

The reporting date of Jiulian is November 30, 2014. For the purpose of applying the equity method of accounting, the financial statements of Jiulian for the year ended November 30, 2014 have been used and appropriate adjustments have been made for the effects of significant transactions between November 30, December 31, of 2013 and 2014.

The following represents the net assets and the results of operations for Jiulian for the year ended December 31, 2014 and 2013.

	December 31, 2014	December 31, 2013
Net asset value	1,067.1	187.0
Net loss – for year ended	130.9	160.7

(amounts expressed in thousands of Canadian dollars, except where indicated)

9 Mineral properties

	La Cecilia (d)	Talapoosa (f)	Metates (a)	Tatatila (e)	Regional	Escorpion (b)	Virmoa (c)	Total
December 31, 2012	$ 205.6	$ 7,672.4	$ 49,804.9	$ 207.4	$ 885.3	$ 175.5	$ -	$ 58,951.1
Concession acquisition	-	189.3	112.6	-	63.3	-	118.7	483.9
FX effects on translation from measurement to reporting currency	-	-	21.5	0.1	0.4	-	-	22.0
Deferred exploration costs								
Assays	-	55.5	100.4	-	-	-	-	155.9
Camp & supplies	-	15.6	373.4	-	89.2	-	-	478.2
Drilling	-	0.5	277.7	-	-	-	-	278.2
Environmental	-	-	1.7	-	-	-	-	1.7
Geological & engineering	-	173.2	3,177.0	-	50.1	87.8	-	3,488.1
Travel	-	3.5	59.5	-	67.4	-	-	130.4
Impairment	-	-	-	-	(1,155.7)	-	-	(1,155.7)
Other	(7.0)	(38.6)	-	-	-	-	-	(45.6)
December 31, 2013	$ 198.6	$ 8,071.4	$ 53,928.7	$ 207.5	$ -	$ 263.3	$ 118.7	$ 62,788.2
Concession acquisition	-	78.3	95.4	-	144.4	39.5	-	357.6
FX effects on translation from measurement to reporting currency	-	-	(635.7)	(2.4)	-	-	(1.4)	(639.5)
Deferred exploration costs								
Assays	-	116.7	89.4	-	-	-	-	206.1
Camp & supplies	-	0.1	317.3	-	41.8	2.3	-	361.5
Drilling	-	-	6.2	-	-	-	-	6.2
Environmental	-	88.6	7.1	-	-	-	-	95.7
Geological & engineering	-	148.6	3,021.9	-	40.5	-	-	3,211.0
Travel	-	2.5	57.3	-	66.7	8.8	-	135.3
Impairment	(198.6)	-	-	(205.1)	-	-	-	(403.7)
Other	-	114.2	-	-	(44.3)	(69.8)	-	0.1
December 31, 2014	$ -	$ 8,620.4	$ 56,887.6	$ -	$ 249.1	$ 244.1	$ 117.3	$ 66,118.5

a) Metates is one of the largest, undeveloped disseminated gold and silver deposits in Mexico. The property is comprised of fourteen mineral concessions totaling 14,727 hectares. The Metates deposit is hosted by Mesozoic sedimentary rocks that have been intruded by a quartz latite body up to 300 meters thick and 1,500 meters 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.

   On May 9, 2014 the Company acquired the 1.5% net smelter return royalty ("Metates NSR") on the Metates project. The royalty was purchased pursuant to a right of first refusal held by the Company's subsidiary, American Gold Metates S. de R.C. de C.V. ("AGM"), for a purchase price of $9,859.5 (US$9,000.0).

   On August 9, 2014, the Company entered into an agreement (the "Agreement") whereby the Company has assigned its interest in the Metates NSR to Silver Wheaton Corp ("SLW") for US$9,000.0. As part of the Agreement, the Company will have the right at any time for a period of five years to repurchase two-thirds of the Metates NSR (that being a 1% net smelter returns royalty) from SLW for US$9,000.0 with SLW continuing to hold a 0.5% interest in the Metates NSR. Also as part of the transaction, Chesapeake through AGM, will hold a right of first refusal to purchase the Metates NSR in the event SLW elects to sell the Metates NSR to a third party, on the same terms and conditions as the third party offer. The Agreement also contains customary terms and conditions for a royalty transaction. The Company has also entered into a right of first refusal agreement with SLW whereby the Company has granted SLW a right of first refusal on any future silver stream or royalty for which the Company receives and accepts an offer to purchase, on the same terms and conditions as the third party offer. A $23.4 accounting gain on disposition of the royalty investment was recognized due to the increased strength of the US Dollar against the Canadian Dollars.

b) On June 14, 2013, the Company entered into an agreement with Gunpoint whereby Gunpoint will acquire a 100% interest in the Company's Escorpion project. Gunpoint has agreed to acquire a 100% interest in Escorpion by issuing and granting the following to Chesapeake.

   - 500.0 common shares of Gunpoint (NCI impact of $15.9)
   - 500.0 warrants exercisable at $1.50 per share for a term of five years
   - A 1.5% NSR royalty in the event Chesapeake purchases the existing 1.0% NSR
   - 1.0 million common shares of Gunpoint in the event a NI 43-101 measured and indicated resource estimate of 1.0 million gold equivalent ounces is achieved on the Escorpion property.

c) On October 3, 2013, the Company paid US$125.0 to purchase the Virimoa property in Mexico from Firesteel Resources Inc. ("Firesteel"). Firesteel will retain a 2.5% NSR royalty, payable on any future production from the Virimoa property. The Company has the right to purchase 60% of the NSR, which is the equivalent of 1.5% of the NSR, at a price of US$1,000.00 for as long as the royalty is in effect.

d) On October 24, 2013, Gunpoint entered into an agreement to sell a 100% interest in La Cecilia to Precipitate Gold Corp. ("Precipitate") for the total consideration of $400,000 and 525.0 common shares of Precipitate. The consideration to Gunpoint will be paid over two years scheduled as follows:

   - Upon execution of the agreement, Precipitate will deliver 58,000 common shares to Gunpoint (received, valued at $7.0).
   - Pay to Gunpoint $125.0 and deliver 233.0 common shares to Gunpoint on or before October 24, 2014, and
   - Pay to Gunpoint an additional $275.0 and issue 234.0 common shares on or before October 24, 2015.

In addition, Gunpoint retains a 1% NSR in the project.

During the year ended December 31, 2014, Precipitate discontinued the agreement. As a result, the Company impaired La Cecilia in full.

(amounts expressed in thousands of Canadian dollars, except where indicated)

e) MEP has acquired through purchase and staking the Tatatila project which collectively encompasses 28,290 hectares in Veracruz State. MEP acquired seven concessions totaling 2,767 hectares from the CRM, a mining division of the Mexican government, for the price of US$56.0. MEP staked one adjacent mineral concession comprising 25,523 hectares.

The Company has agreed to sell the Tatatila project to Quimicos Y Minerales de Mexico S.A. de C.V., a private Mexican company("Quimicos"). As at December 31, 2014, the agreement was terminated and the project was written down for accounting purpose.

f) Talapoosa is a low-sulphidation gold/silver property in the Walker Lane gold trend of western Nevada, approximately 45 kilometers east of Reno. The property consists of 535 unpatented lode mining claims and seven additional fee land sections which cover 10,780 hectares. Since 1977, eight mining companies have drilled 564 drill holes for 71,000 meters along with environmental and metallurgical work. By the late 1980s, four zones of mineralization had been identified – Main Zone, Bear Creek Zone, Dyke Adit, and East Hill.

On April 1, 2015, Gunpoint closed a transaction with Timberline Resources Corporation ("Timberline"), granting Timberline an option (the "Option") to acquire from Gunpoint's subsidiary, American Gold Capital US Inc. ("American Gold"), a 100% interest in the Talapoosa gold project located in Nevada. In consideration for the Option, Timberline has paid US$100.0 and issued 2.0 million shares of common stock of Timberline to American Gold. As a result of this transaction, American Gold owns 16.7% of the outstanding shares issued in Timberline. The Timberline shares are subject to staged vesting over 24 months from closing. Timberline has also agreed to pay an additional US$200.0 to American Gold within the next 180 days (subsequent to April 1, 2015). Timberline has within 30 months from March 12, 2015 to exercise the Option to acquire a 100% interest in Talapoosa. Timberline can exercise the Option by making a US$10.0 million cash payment to American Gold. For a period of five years after Timberline exercises the Option, Timberline would be required to pay American Gold an additional US$10.0 million (payable in cash and Timberline common shares) if the daily price of gold averages US$1,600 per ounce or greater for a period of ninety consecutive trading days. Timberline plans to complete a feasibility study on Talapoosa during the option period. American Gold retains a 1% net smelter royalty on Talapoosa which Timberline can purchase for US$3.0 million.

10 Equipment

	Cost December 31, 2012	Additions	Disposals	December 31, 2013	Additions	Disposals	December 31, 2014
Office and furniture	$ 66.3	$ 2.0	$ (32.8)	$ 35.5	$ -	$ -	$ 35.5
Computer equipment	5.0	-	(5.0)	-	-	-	-
Vehicles	381.6	36.6	(111.3)	306.9	-	-	306.9
Exploration equipment	367.0	3.2	-	370.2	-	(192.1)	178.1
	$ 819.9	$ 41.8	$ (149.1)	$ 712.6	$ -	$ (192.1)	$ 520.5

(amounts expressed in thousands of Canadian dollars, except where indicated)

	Acc. Depreciation December 31, 2012	Depreciation, depletion and amortization	Disposal	December 31, 2013	Depreciation, depletion and amortization	Disposals	December 31, 2014
Office and furniture	$ (53.7)	$ (3.6)	$ 32.8	$ (24.5)	$ (2.3)	$ -	$ (26.8)
Computer equipment	(5.0)	-	5.0	-	-	-	-
Vehicles	(249.4)	(76.7)	111.3	(214.8)	(31.5)	-	(246.3)
Exploration equipment	(234.0)	(15.0)	-	(249.0)	(37.0)	192.1	(93.9)
	$ (542.1)	$ (95.3)	$ 149.1	$ (488.3)	$ (70.8)	$ 192.1	$ (367.0)

Carrying amount	December 31, 2014	December 31, 2013
Office, furniture and equipment	$ 8.7	$ 11.0
Vehicles	60.6	92.1
Exploration equipment	84.2	121.2
	$ 153.5	$ 224.3

11 Accounts payable and accrued liabilities

	December 31, 2014	December 31, 2013
Trade payables	$ 1,494.9	$ 1,635.5
Accrued liabilities	174.4	139.2
	$ 1,669.3	$ 1,774.7

Trade payables are non-interest bearing and are normally settled on 30 day terms.

12 Decommissioning obligation

The Company has accrued reclamation obligations of $259.5 at December 31, 2014 (2013 - $244.9) for the estimated liability of undertaking all known and required future reclamation and site restoration costs on its current properties. Such estimated amounts may vary from the actual future amounts to be incurred.

13 Convertible debt

On March 15, 2012, Gunpoint issued a convertible debenture ("First Debenture") of $750.0. The First Debenture carries interest at the rate of 5% per annum, payable on the earlier of conversion or maturity. The First Debenture was unsecured. Each First Debenture is convertible at the holder's option any time prior to or on maturity into fully paid units ("First Units") of Gunpoint at a conversion price of $0.80 per First Unit. Each First Unit consisted of one fully paid common share in the capital of Gunpoint and one-half of one share purchase warrant ("First Warrant"). Each whole First Warrant was exercisable until March 14, 2014 to purchase an additional common share at $1.00. The Company could redeem all or any portion of the First Debenture at any time prior to or on March 14, 2014.

On March 14, 2014, Gunpoint extended the term of the First Debenture by 12 months to March 16, 2015. The terms are currently being renegotiated.

Based on the discount factor of 10% over the loan life of two years, the equity portion was valued at $65.1. Accreted interest for the debenture for fourteen months ended December 31, 2014 was $7.1 (2013 – $33.4). Interest accrued for the year ended December 31, 2014 was $43.9 (twelve month ended October 31, 2013 - $37.5). As at December 31, 2014, the total accrued interest related to the debenture was $104.7 (2013 - $71.3).

(amounts expressed in thousands of Canadian dollars, except where indicated)

14 Share Capital

a) The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of Series 1 Class A restricted voting shares without par value, convertible and redeemable at $0.01 per share and an unlimited number of preferred shares without par value.

b) As at December 31, 2014, 375,000 of the issued and outstanding common shares were held in escrow, subject to release upon approval of regulatory authorities.

15 Share based compensation

The Company has a share purchase option plan which 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 option plan is administered by the Board of Directors. Options may be granted on such terms as the Board may determine within the limitations of the option plan and subject to the rules and policies of applicable regulatory authorities. The maximum aggregate number of shares reserved for issuance for options granted under the option plan is 5,500,000 common shares. The exercise price for options granted may not be less than the market price of the shares on the day immediately preceding the date of the grant of the option.

The Company also has 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 200,000 common shares, representing approximately 0.52% of the current issued and outstanding 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.

	December 31, 2014		**December 31, 2013**	
	Number of shares (000's)	**Weighted average exercise price**	**Number of shares (000's)**	**Weighted average exercise price**
Outstanding - beginning of year	4,032	$ 6.53	4,232	$ 6.38
Granted	2,643	3.30	-	-
Expired	(2,092)	3.30	-	-
Forfeited	(175)	10.28	-	-
Exercised	-	-	(200)	3.30
Outstanding - end of year	4,408	$ 5.98	4,032	$ 6.53

On August 29, 2014 the Company granted 2,092 incentive stock options to certain directors, officers, and a consultant of the Company. The weighted average fair value of stock options granted was determined using the Black-Scholes option pricing model using the following assumptions: expected life of stock option of 10 years, volatility of 61%, annual rate of dividends of 0%, and a risk free rate of 2.21%.

The following table discloses the number of options and vested options outstanding as at December 31, 2014:

Number of options ('000s)	Number of options vested ('000s)	Price per share	Expiry Date
2,643	-	$ 3.30	29-Aug-24
810	645	9.10	11-May-15
955	270	10.75	05-Feb-17
4,408	915	5.98	

During the year ended December 31, 2014, the Company recognized compensation cost of $2,040.1 (2013 - $2,222.1) as share-based compensation expense, of which $196.6 (2013 - $218.5) relates to the Company and the remaining balance relates to Gunpoint.

16 Income taxes

The income taxes shown in the consolidated statements of earnings differ from the amounts obtained by applying statutory rates to the earnings before provision for income taxes due to the following:

	Year ended December 31,	
	2014	**2013**
Loss before income taxes	$ (4,681.6)	$ (6,304.7)
Income tax recovery at statutory rates	1,217.2	1,623.5
Difference in foreign tax rates	61.3	24.4
Non-deductible expenses	(831.9)	(1,183.6)
Change in unrecognized deferred tax asset	193.5	(1,278.6)
Deferred taxes related to new Mexican Special Mining Duty	-	(1,244.1)
Provision to return adjustments	(278.8)	1,374.9
Tax losses expired	(286.7)	-
Foreign exchange and other	(74.6)	(139.6)
Income tax (expense) recovery	$ -	$ (823.1)

The components of deferred income taxes are as follows:

	2014	**2013**
Deferred tax asset		
Operating loss carry forward	$ 6,722.5	$ 7,002.3
Other	22.6	-
	$ 6,745.1	$ 7,002.3
Deferred tax liability		
Mineral properties	(13,126.7)	(13,066.0)
Other	-	(317.9)
	$ (13,126.7)	$ (13,383.9)
Net deferred tax liability	$ (6,381.6)	$ (6,381.6)

(amounts expressed in thousands of Canadian dollars, except where indicated)

Unrecognized deductible temporary differences, unused tax losses and unused tax credits are attributed to the following:

	2014	2013
Operating loss carry forwards	$ 18,034.7	$ 17,525.6
Equipment	250.7	232.4
Mineral Properties	3,854.5	3,704.8
Net Capital loss carry forwards	2,792.0	2,792.0
Marketable securities	595.5	493.2
Other	141.1	395.2
	25,668.5	25,143.2

The Company has non-capital losses carried forward for which no deferred tax asset is recognized. They expire in the years as follows:

	Canada	Mexico
2022-2024	375.8	4,839.8
2025-2032	13,822.0	-
	$ 14,197.8	$ 4,839.8

17 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 and are considered to be at arm's length.

The remuneration of the Company's directors and other key management personnel during the year ended December 31, are as follows:

	2014	2013
Short-term employee benefits	$ 645.8	$ 609.4
Share-based compensation	1,679.5	1,996.1

(amounts expressed in thousands of Canadian dollars, except where indicated)

Short-term employee benefits include salaries payable within twelve months of the balance sheet date and other annual employee benefits.

The Company incurred the following expenses with related parties:

	2014	2013
Consulting	$ 395.8	$ 359.4
Legal	150.0	114.6
Management fees	250.0	250.0
Rental	24.0	24.0

Legal fees were paid or accrued to a legal firm of which one of the partners has been the Corporate Secretary of the Company during 2014 and 2013. Management and rental fees were paid or accrued to a Company owned by an officer of the Company. Consulting and travel and promotion fees were paid or accrued to a director of the Company. These expenses were measured at the exchange amounts agreed upon by the parties. As at December 31, 2014 the Company had amounts payable of $161.7 (2013 - $188.3) to these parties. These amounts are unsecured and non-interest bearing.

18 Commitment

The Company is committed to spend $2,000.0 in technical and community expenses in 2015 to advance the development of the Metates project.

19 Segment disclosures

The Company operates in one operating segment (Note 1) in three countries. Details of the investments in mineral properties are disclosed in Note 8. The Company's assets by country are:

	Canada	Mexico	USA	Total
Cash and cash equivalent	$ 28,970.2	$ 21.8	$ -	$ 28,992.0
Accounts receivable and prepaid expense	299.2	247.1	-	546.3
Marketable securities	2,475.0	-	-	2,475.0
	31,744.4	268.9	-	32,013.3
Investment in mineral properties	-	57,498.1	8,620.4	66,118.5
Other long term assets	195.4	-	-	195.4
Fixed assets	9.4	144.1	-	153.5
December 31, 2014	$ 31,949.2	$ 57,911.1	$ 8,620.4	$ 98,480.7
Segment loss, 2014	$ 3,101.5	$ 601.8	$ 978.3	$ 4,681.6

(amounts expressed in thousands of Canadian dollars, except where indicated)

	Canada	Mexico	USA	Total
Cash and cash equivalent	$ 34,926.5	$ 78.9	$ -	$ 35,005.4
Accounts receivable and prepaid expense	340.1	377.0	-	717.1
Marketable securities	2,862.9	-	-	2,862.9
	38,129.5	455.9	-	38,585.4
Investment in associate	174.0	-	-	174.0
Investment in mineral properties	-	54,716.8	8,071.4	62,788.2
Other long term assets	181.2	-	-	181.2
Fixed assets	29.6	197.2	-	224.3
December 31, 2013	$ 38,514.3	$ 55,367.4	$ 8,071.4	$ 101,953.1
Segment loss, 2013	$ 3,787.7	$ 2,847.3	$ 492.8	$ 5,883.8

20 Capital management

The Company's objectives for capital management are to safeguard its ability to support the Company's normal operating requirement on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The capital of the Company consists of items included in shareholders' equity (excluding NCI), net of cash and cash equivalents as follows:

	December 31, 2014	December 31, 2013
Total equity for owners	$ 87,071.4	$ 90,268.0
Less: cash and cash equivalents	(28,992.0)	(35,005.4)
	$ 58,097.4	$ 56,506.6

The Company manages its capital structure and makes adjustments in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. As at December 31, 2014, the Company expects its capital resources will support its normal operating requirements, planned development and exploration of its mineral properties for the next twelve months. There are no externally imposed capital requirements to which the Company has not complied.

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