

Calibre Mining's Sustainability Report



The Right Way,
The Safe Way, Every Day.

20

21





« Telica volcano,
Leon, Nicaragua

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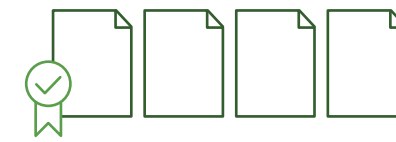
01 Overview



1.1 2021 PERFORMANCE HIGHLIGHTS

We report on our progress toward the 2021 targets that were set in our 2020 Sustainability Report.

At the end of 2021, the Board of Directors approved our first-ever 5-year sustainability strategy. Through our new strategy, we established new goals and set 2022 targets [↗](#) that reflect our key milestones.



No significant instances of non-compliance with laws and regulations or no fines were paid during the reporting period.



Zero Whistleblower Policy complaints.

705

Entities assessed under due diligence process.



100% of contracts signed included precautionary clauses on human rights.



RGMPs Year-One Implementation Progress Report published and externally assured.



Gap assessment against Cyanide Code conducted, and action to correct deficiencies underway.

626 Metric tonnes

of non-mineral waste recycled.



46% of water recycled for operational use.



Zero high-risk reportable environmental incidents.



GHG emissions inventory conducted.



No significant fines, violations, or incidents related to employment practices, health and safety, workplace disruptions, or community disputes during the reporting period.



2021 LTIFR of 0.51, a reduction of ~22% over 2020.

US\$285.9M

in economic value distributed.



96% of our employees are Nicaraguan, and 81% of those are from local communities.



100% of three public consultations conducted resulted in community consent to develop the proposed projects.

1.2 ABOUT THIS REPORT

We are proud to present Calibre's second annual Sustainability Report, covering the period from 1 January 2021 to 31 December 2021. Report content has been reviewed and approved by our Board of Directors. We welcome feedback on this report or any other aspect of our sustainability performance.

Please send comments to calibre@calibremining.com

1.2.1 Scope of the Report

This report covers the significant impacts of our activities on the economy, environment, and people. The corporate chart of Calibre's material subsidiaries, together with the jurisdiction of incorporation of each company and the percentage of voting securities beneficially owned, controlled or directed, are listed in the Company's Annual Information Form for the year ended 31 December 2021 available in our website. [📄](#)

ENTITIES INCLUDED IN THE ORGANIZATION'S SUSTAINABILITY REPORTING

(GRI 2-2)

ENTITY /SITE	Limon Complex	Libertad Complex	Eastern Borosi Gold-Silver Project (EBP)	Rio Tinto Exploration JV
PROJECTS	El Limon Mill Limon Central OP Mine Santa Pancha UG Mine Panteon UG Mine Veta Nueva UG Mine Nearmine Exploration GENEX Exploration	La Libertad Mill Jabali UG Mine Pavon Norte OP Mine Nearmine Exploration GENEX Exploration	Riscos de Oro Developing Spoke GENEX Exploration	GENEX Exploration
LOCATION	Mina El Limon, Larreynaga, Leon El Sauce, Leon Villanueva, Chinandega	La Libertad, Chontales Santo Domingo, Chontales Rancho Grande, Matagalpa	Rosita, RACCN	BOROSI District (Bonanza, Rosita, Siuna), RACCN Waslala, RACCN

NOTE: In some cases, corporate offices (Managua, NIC) staff may be included in the data reported, based on the disclosure requirements. These exceptions are noted where appropriate.

1.2.2 Basis of Preparation

Calibre Mining has reported in accordance with the Global Reporting Initiative (GRI) Standards and the related GRI G4 Mining and Metals Supplement; the Value Reporting Foundation’s Sustainability Accounting Standards Board (SASB) 2021 Metals & Mining Industry Standards; and the Mining Local Procurement Reporting Mechanism (LPRM), for the period January 1 to December 31, 2021. This report has not been externally assured.

1.2.3 Forward-Looking Statements

This document includes forward-looking statements. For information regarding forward-looking statements, please refer to the inside back cover of this document.

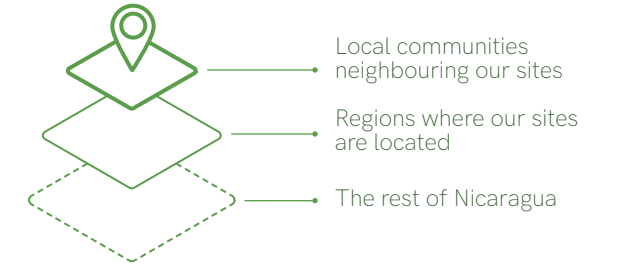
1.2.4 Units Used in this Report

This document includes forward-looking statements. For information regarding forward-looking statements, please refer to the inside back cover of this document.

Metric Units		Metric Units	
COR C\$	Nicaraguan Cordobas	Kt	Thousand Tonnes
Dollars/\$/US\$	US Dollars	M	Million
g/t	Grams per Tonne	ML	Megaliters
GJ	Gigajoules	Mt	Million Tonnes
ha	Hectares	tCO2e	Tonnes CO2 equivalent
km ²	Square Kilometres	Tonnes/t	Metric Tonnes
koz	Thousand Ounces	tpd	Tonnes Per Day

1.2.5 Definition of Local

Throughout this report, we use the term “local” to refer to communities, suppliers, and workers. We have defined our geographic scope using an inside-out approach that relate to the administrative boundaries surrounding our operations.



1.2.6 Our Reporting Suite

This publication is part of our sustainability-reporting suite. For more information and data, please see:

- Performance Data Tables
- GRI/SASB/LPRM Index
- 2020 Sustainability Report
- World Gold Council’s Responsible Gold Mining Principles Year-One Implementation Progress Report
- For a complete picture of our business activities, this report should be read in combination with our Annual Information Form (AIF), Management’s Discussion and Analysis (MDA), Extractive Sector Transparency Measures Act (ESTMA) reports, and Financial Statements available on our website at and , and our SEDAR profile at www.sedar.com

1.2.7 Social Channels

calibremining.com

[@calibreminingCo](https://twitter.com/calibreminingCo)

[Calibre Mining Corp](https://www.linkedin.com/company/calibre-mining-corp)

1.3 MESSAGE FROM OUR CEO

Continued integration of our sustainability programs across the business enabled Calibre to exceed the high end of our 2021 production guidance.




Darren Hall
CEO

2021 was a transformational year for Calibre. I am extremely proud of what the team has accomplished in the two years since we acquired our Nicaraguan assets, becoming a growing gold producer that continues to deliver positive and sustainable benefits to all our stakeholders. I would like to thank all of our employees and business partners for their constant focus which, among other positive achievements, resulted in a 22% reduction in our lost time injury frequency rate over the year.

Continued integration of our sustainability programs across the business enabled Calibre to exceed the high end of our 2021 production guidance. This performance allowed the company to contribute to Nicaragua's sustainable development, distributing US\$286 million in the country through wages, payments to suppliers, taxes and royalties, and direct investments into community development projects. Calibre's 2021 Sustainability Report provides a comprehensive account of our environmental, social and governance (ESG) performance in Nicaragua.

We launched our Five-Year Sustainability Strategy (2022-2026), a pivotal step toward integrating robust ESG performance as Calibre's business edge.

As a natural resource-based business, Calibre is aware of our environmental responsibility and is progressing initiatives to help stop climate change. In 2021, we commissioned an initial greenhouse gas (GHG) emissions inventory to identify where we must focus our efforts to improve resource use efficiencies and sustainability. Additionally, we committed to reporting our position and progress on climate-related risks, in line with recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD). During 2021, Calibre responsibly operated all exploration, development and production assets following national laws and international codes of conduct, with no incidents of significant environmental impact.

With respect to social performance, Calibre maintained transparent and effective engagement with government authorities, community representatives, employees, and other strategic stakeholders at local and national levels. In the application process for new concessions, we respectfully conducted approximately 100 pre-consultation meetings with representatives of Indigenous Peoples. We obtained permission from more than 900 property owners to perform exploration activities on their land. We saw no significant workplace disruptions and no incidents related to land use or the rights of local communities or Indigenous Peoples. Additionally, 100% of our public consultations, averaging 200 participants, resulted in community consent. This strong social performance ensured that Calibre obtained all critical permits on, or ahead of, schedule.

On the governance side, we concentrated on strengthening our ethics and compliance processes. Calibre carefully screened all new sup-

pliers with respect to human rights, corruption, and environmental practices. We strengthened our organizational structure and governance framework to improve due diligence in our engagement with unions and workforce, and in our ore purchase program for artisanal miners. We continued training our security forces on the Voluntary Principles on Security and Human Rights. As a result, we saw no significant instances of non-compliance with laws and regulations, and no cases of violence or conflict related to our sites or activities in 2021.

Perhaps most significantly, we launched our Five-Year Sustainability Strategy (2022-2026), a pivotal step toward integrating robust ESG performance as Calibre's business edge. The strategy forges a connection between Calibre and its partners' internal responsible business practices, their contributions to the sustainability of our host communities, and global efforts to safeguard the future of our planet. In 2021, we also published our Year-One Implementation Report on our conformance with the World Gold Council's (WGC) Responsible Gold Mining Principles (RGMPs). As we progress in our evolution toward sustainability, we remain dedicated to full conformance with the RGMPs within the WGC's three-year timeframe.

With our recent acquisition of Fiore Gold in the United States, Calibre has become a diversified, Americas-focused, growing mid-tier gold producer. This allows us to extend our ESG commitment beyond Nicaragua, and to advance on our journey toward becoming a front-runner among our peers in sustainability. We will continue executing our business **The Right Way, The Safe Way, Every Day.**

1.4 COMPANY PROFILE

Calibre is focused on delivering sustainable value for shareholders, local communities and all stakeholders through responsible operations and a disciplined approach to growth. With a strong balance sheet, no debt, a proven management team, strong operating cash flow, accretive development projects and district-scale exploration opportunities Calibre will unlock significant value.

Calibre Mining Corp. (Calibre) is a Canadian-listed, Americas-focused, growing mid-tier gold producer with a strong pipeline of development and exploration opportunities across Nicaragua and, beginning in 2022, Nevada and Washington in the US. Calibre is focused on delivering sustainable value for shareholders, local communities, and all stakeholders through responsible operations and a disciplined approach to growth. The Company's common shares are listed on the Toronto Stock Exchange (TSX) in Canada under the ticker symbol CXB, and in the United States on the OTCQX Best Market under the ticker symbol CXBMF.

2021 DATA



Gold produced
182,755 ounces



Revenue (\$'000s)
USD \$328,132



Employees
1,193





Net income (\$'000s)
USD \$58,199



AISC (\$/oz)
USD \$1,136

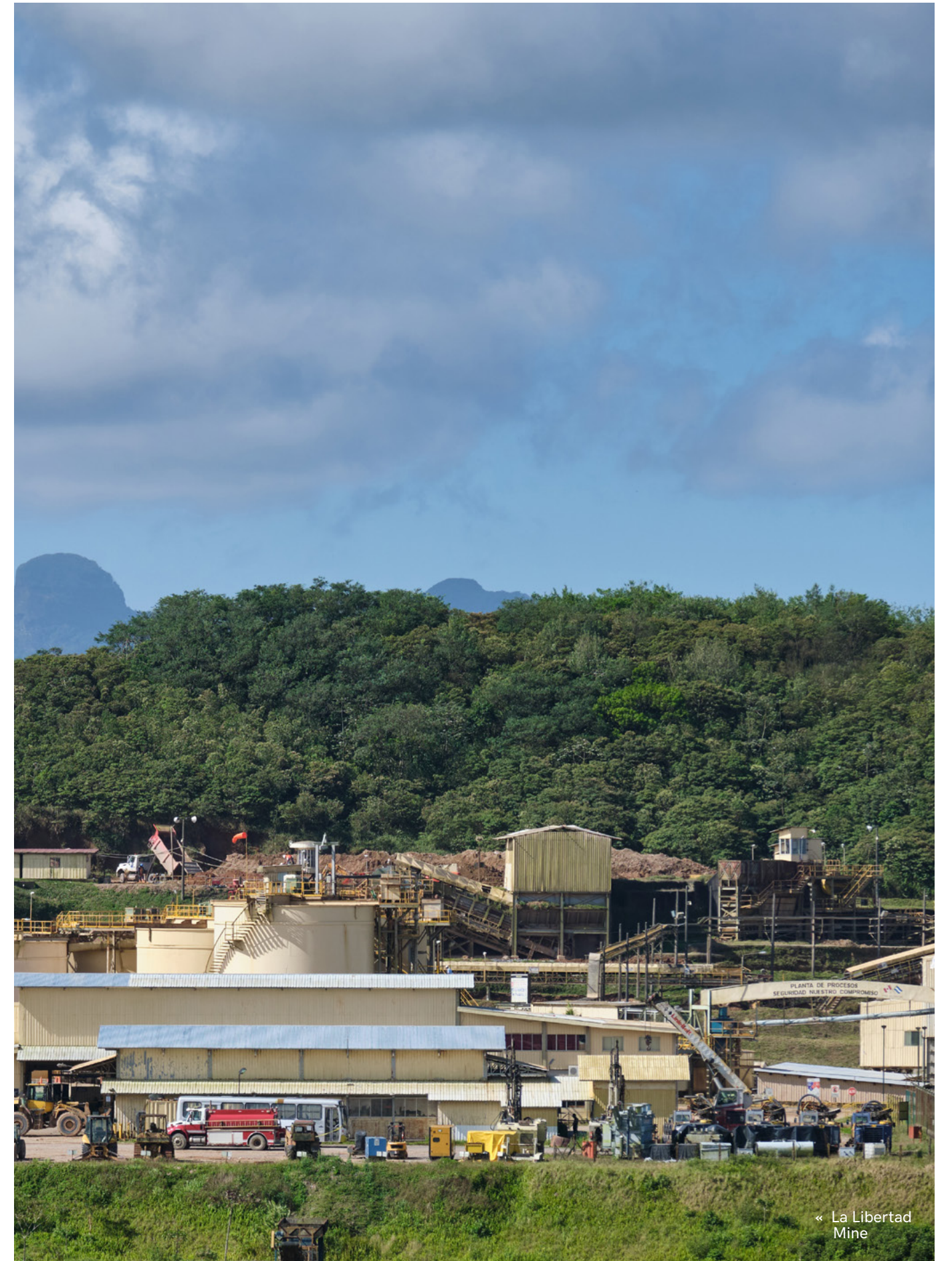
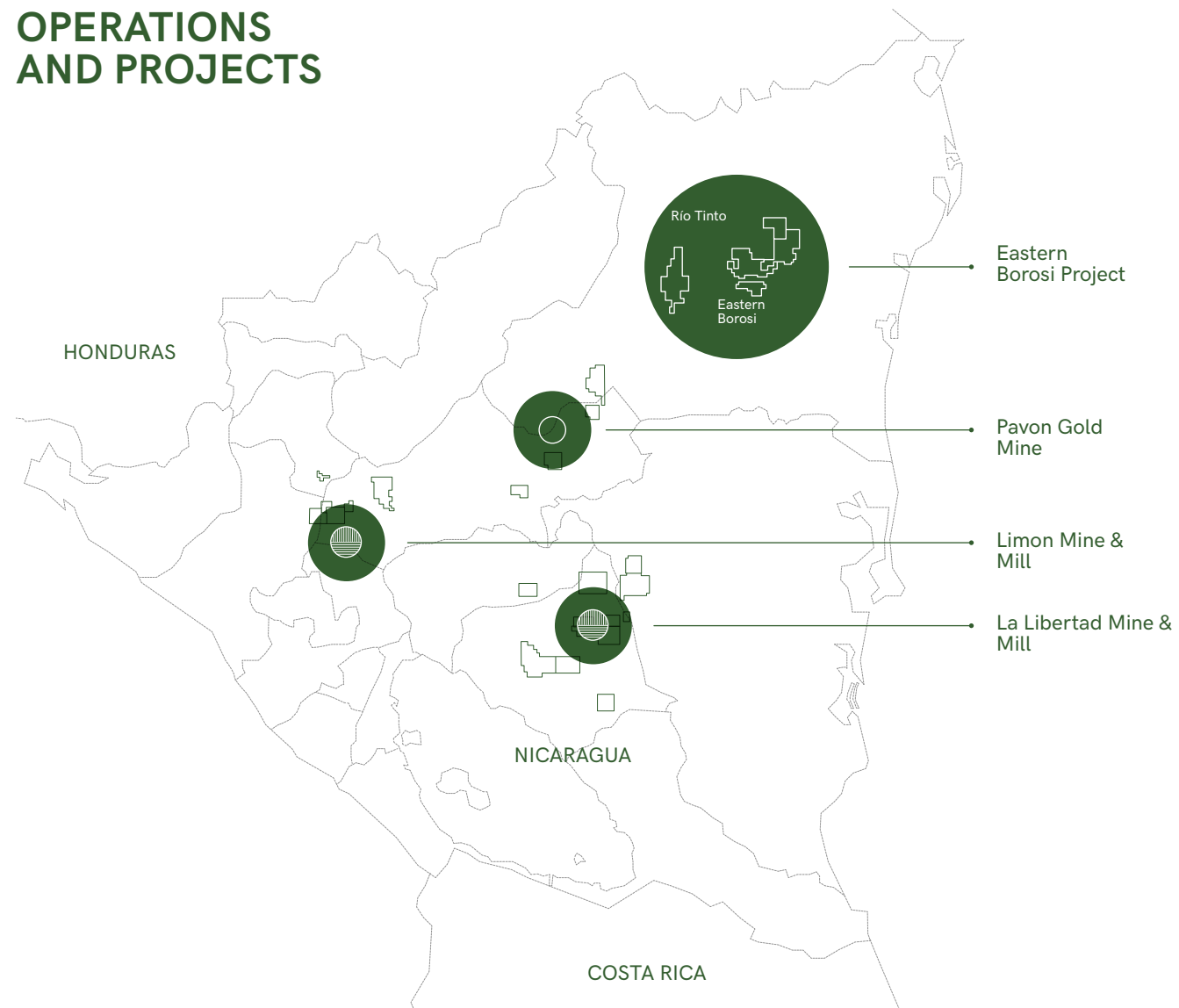
2021 BENEFIT FOOTPRINT

Taxes and royalties	USD \$32M
Payments to suppliers in host country	USD \$51.9M
Employee wages and benefits	USD \$47.4M
Value of community investments	USD \$3M
Total direct economic value distributed	USD \$285.9M

For information on Calibre's 2021 financial performance, please refer to the company's Annual Information Form  and Management Discussion and Analysis  for the year ended 31 December 2021.

Sole significant change in 2021 consists of commencement of open-pit mining at Pavon Norte.

MAP OF OPERATIONS AND PROJECTS



1.5

OUR APPROACH TO SUSTAINABILITY

Our Sustainability Statement  reflects our commitment to integrate sustainability into all aspects and phases of our operations, converting robust sustainability performance into Calibre's business edge.

1.5.1

The One Calibre Culture

Our vision is to responsibly deliver value for all our stakeholders.

Our core values of Safety, Social and Environmental Responsibility, Integrity, Teamwork, and Accountability are the essence of our identity. They support the Company's vision and assist in shaping our culture by defining those shared principles that we abide by no matter what.

Our One Calibre Culture is founded on three principles:



Trust and speaking up

We contribute and work together to achieve our full potential.



Inspirational leadership

We empower our people to develop through clear accountability and authority supported by honest feedback.




Deliver on commitments

We do what we say and challenge ourselves and each other to look for better ways to do our work and achieve our goals.

1.5.2

Our Sustainability Strategy

Our Sustainability Statement  reflects our commitment to integrate sustainability into all aspects and phases of our operations, converting robust sustainability performance into Calibre's business edge. Through our approach to sustainability, we incorporate environmental, social, and governance considerations into all decision-making.

In implementing our sustainability strategy, our goal is to meet the needs of the present without compromising the future, in line with Calibre's vision of delivering value responsibly for all stakeholders.

Our strategy aligns with Brundtland's (1987) definition of sustainable development and is founded on our vision and core values. It is multi-dimensional, interdependent, and people-centred at its core, in that it aims at driving holistic transformations based on cross-functional, participatory processes and systemic changes.

IN FOCUS

SUSTAINABILITY IN THE MAKING BUILDING OUR PATH TOGETHER

Employees from across the Company in Nicaragua had the opportunity to actively participate in the development of Calibre's first-ever sustainability strategy for the five-year period of 2022 through 2026.

Through an online survey and targeted interviews, our executive team and employees collectively created Calibre's new sustainability strategy. Community representatives and other key stakeholders were also consulted as part of the process.

"Our strategic planning was driven by a process of broad participation and active involvement by all relevant parties, ensuring a sense of ownership over the sustainability strategy from the very beginning," says Vice President of Sustainability, Petri Salopera.

Calibre's sustainability strategy is aligned with the United Nations Sustainable Development Goals (SDGs) and has three fundamental pillars: Responsible Practices to ensure a culture aligned with international standards; Contributions to Sustainability with the aim of creating positive impacts beyond mining; and Global Challenges focused on connecting with international efforts to safeguard the future.

"Calibre's sustainability strategy aims to expand the positive impacts of our work on people, the environment, and the economic well-being of communities and the country overall. A focus on environmental stewardship, a solid social performance, and transparent and accountable business ethics are at the heart of the Company's vision and commitment to generate long-term, sustainable value, contributing positively and constructively to improving people's living conditions," says Calibre's Social Performance and Sustainability Planning Manager, Luz Habed.

Applied Methodology

The strategic planning process was divided into two main phases: assessment and strategic development.

The assessment phase established the foundation of the sustainability strategy, where material issues, risks, and the internal and external context were identified, systematized, and analyzed, from a human rights perspective. The strategic development phase resulted in the design of a three-pronged strategy, including a strategic framework, a roadmap, and an action plan.

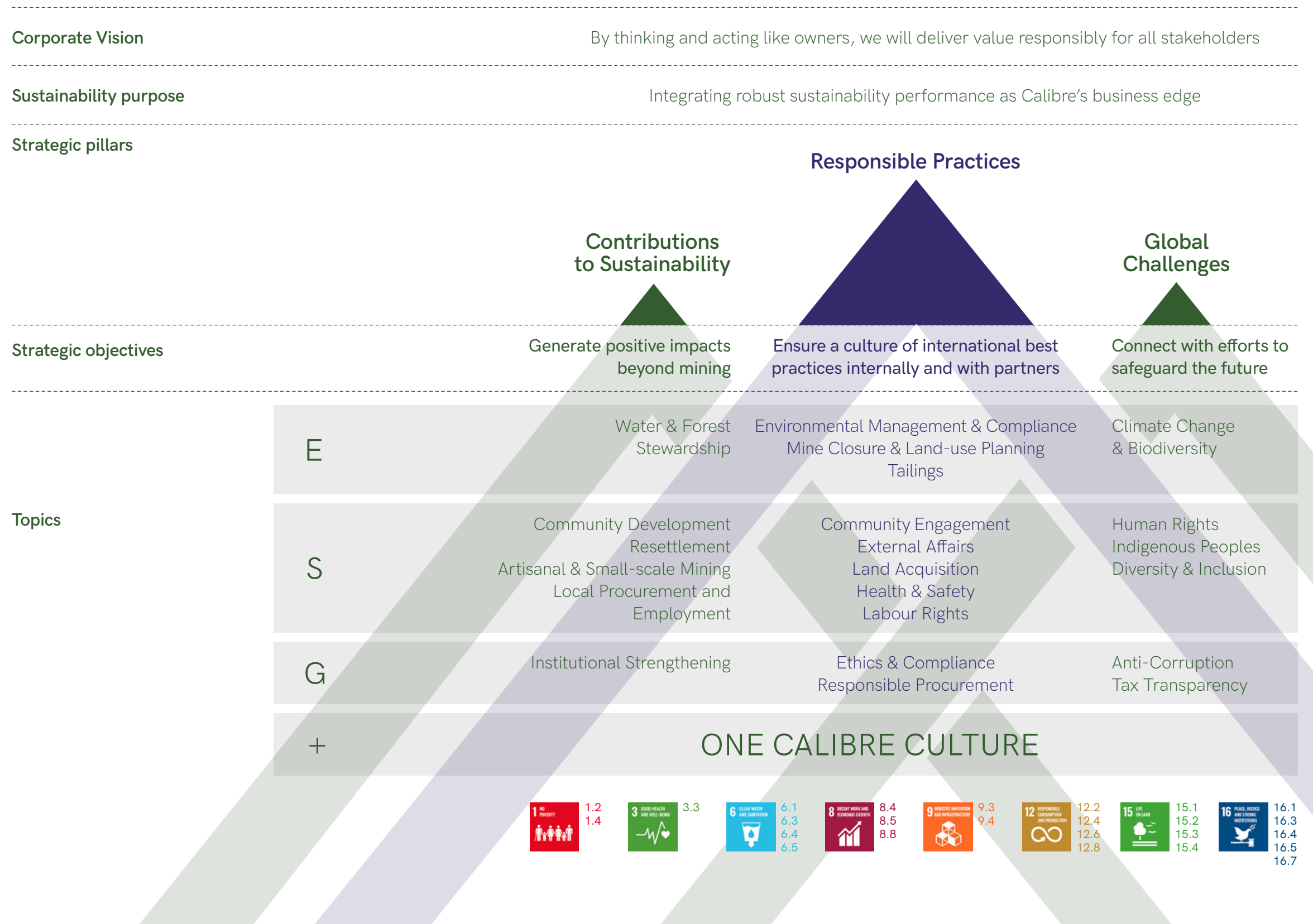
Two high-level workshops, 31 interviews, and 165 online surveys with internal and external stakeholders were our main inputs to develop Calibre's sustainability strategy.



Our sustainability strategy will evolve through three phases, reflecting constructive and continuous improvement over the next five years:

- 2022** In the short term, we will seek to standardize our environmental, social, and governance (ESG) practices across our operations, to prevent or mitigate negative impacts and amplify positive impacts on the economy, the environment, and people.
- 2023-2025** In the medium term, we aim to improve our overall implementation of leading practices and optimize our operational processes.
- 2026 and onward** In the long term, we strive to become a peer group front-runner in sustainability, standing out as a first-class operator in all areas.

Our strategic framework consists of three pillars, each with a strategic objective and a set of related priority topics that will focus our efforts on contributing to sustainable development.



These priorities conform to the Responsible Gold Mining Principles (RGMPs), and we aligned performance metrics to specific United Nations Sustainable Development Goals (SDGs) at target level where relevant. Our key short-term milestones can be found in the 2022 Scorecard section [↗](#) of this report. To learn more about our strategic framework and roadmap, visit our website [🌐](#).






1.6 COMMITMENTS AND MEMBERSHIPS

As member of the WGC, we share a unified vision of ensuring a sustainable gold mining industry, based on a deep understanding of gold’s role in society, now and in the future.

MEMBERSHIPS AND ASSOCIATIONS

(GRI 2-28)

ASSOCIATION	MISSION/OBJECTIVE	OUR ROLE
	<p>The WGC is the market development organization for the gold industry. Its purpose is to stimulate and sustain demand for gold, provide industry leadership, and be the global authority on the gold market.</p>	<p>As member of the WGC, we share a unified vision of ensuring a sustainable gold mining industry, based on a deep understanding of gold’s role in society, now and in the future. We adhere to the Responsible Gold Mining Principles (RGMPs), a framework that sets out clear expectations for consumers, investors, and the downstream gold supply chain as to what constitutes responsible gold mining. In 2021, we published our Responsible Gold Mining Principles Year-One Implementation Progress Report, which was externally assured  and we are well underway to achieve full conformance within the three-year timeframe set by the Council.</p>
	<p>CAMINIC is a civil, autonomous, and non-profit association established in 1995. It comprises 49 metallic, non-metallic, and cooperative partners in the business of extracting gold, silver, sand, limestone, tuff, crushed stone, and quarry stone.</p>	<p>Calibre holds the vice-presidency position in CAMINIC’s governing body and fully participates in the Chamber’s core activities.</p>

Voluntary Commitments

Calibre is committed to high standards of governance, social, and environmental performance. We are guided by the following authoritative intergovernmental instruments.

ASSOCIATION	MISSION/OBJECTIVE
 <p>UNITED NATIONS HUMAN RIGHTS OFFICE OF THE HIGH COMMISSIONER</p>	<p>The United Nations Guiding Principles on Business and Human Rights (Guiding Principles) seek to provide an authoritative global standard for preventing and addressing the risk of adverse human rights impacts linked to business activity. Calibre's Social Responsibility Policy and Human Rights Standard refers to the Guiding Principles as guidance.</p>
 <p>VOLUNTARY PRINCIPLES ON SECURITY & HUMAN RIGHTS</p>	<p>The Voluntary Principles on Security and Human Rights (VPSHR) is a collaborative effort by governments, major multinational extractive companies, and NGOs to provide guidance to companies on how to conduct security operations while respecting human rights. Calibre's Human Rights Standard refers to the Voluntary Principles as guidance.</p>
 <p>ICMM</p>	<p>The International Council on Mining & Metals (ICMM) Mining Principles define good practice environmental, social, and governance requirements for the mining and metals industry through a comprehensive set of performance expectations. Calibre's Social Performance Standards align with ICMM's Mining Principles expectations.</p>
 <p>IFC International Finance Corporation WORLD BANK GROUP</p>	<p>The International Finance Corporation (IFC)'s Performance Standards on Environmental and Social Sustainability are an international benchmark for identifying and managing environmental and social risks. Calibre's Social Performance Standards align with IFC's requirements.</p>
 <p>ICCN</p>	<p>The International Cyanide Management Code (Cyanide Code) is a voluntary certification program for companies that manufacture, transport, and use cyanide in the production of gold and silver, to help them improve their safe management of cyanide in order to limit the risks to human health and the environment. Our Cyanide Management Standard is aligned with the Cyanide Code.</p>
 <p>IFRS</p>	<p>The International Financial Reporting Standards Foundation (IFRS Foundation) is a not-for-profit international organization responsible for developing a single set of high-quality global accounting standards, known as IFRS Standards. Calibre's financial reports adhere to the IFRS Standards.</p>
 <p>SUSTAINABLE DEVELOPMENT GOALS</p>	<p>The United Nations Sustainable Development Goals (SDGs) provide a framework for collective action to end poverty and other deprivations, tackle climate change, and preserve the environment. Our sustainability strategy's goals and commitments are aligned to specific SDGs at target level.</p>




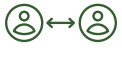




1.7 OUR APPROACH TO STAKEHOLDER ENGAGEMENT

At Calibre we are committed to engaging openly and respectfully with Stakeholders in order to build strong, constructive and responsive relationships.

Stakeholders are identified through annual internal stakeholder mapping and analysis processes both at corporate and site levels. We determine which stakeholders to engage as per their relevance to and interest in our business, including, amongst others: their relevant rights and claims, attitudes toward the business (support), their ability to influence (power), and by how much they can be affected by the business (impact), as well as relationships with other stakeholders (network) and potential drivers and triggers of tension or conflict. This analysis is an input into our materiality and risk assessment.

Having characterized our stakeholders, we determine which groups and individual representatives are most important to engage with and the nature of those relationships, which more often take place at more than one level. Methods of engagement are selected according to the needs, capacity, and expectations of relevant stakeholders and the purpose and scope of engagement of operations.



STAKEHOLDER CATEGORY	PURPOSE OF ENGAGEMENT	TYPE OF ENGAGEMENT	EXAMPLES	FREQUENCY
 At-risk or vulnerable groups	To identify, assess, and manage actual and potential impacts.	Consultation	Direct engagement at site level	Quarterly
 Business partners (e.g., joint ventures, strategic business partners)	To inform/consult/collaborate on issues such as financial and operating performance, reserves, and resources, ESG performance, and government regulations and permits.	Information, consultation, collaboration	Direct engagement at corporate level, such as: <ul style="list-style-type: none"> • Terms of agreements • Annual and quarterly reports • Regulatory filings • Regular meetings and communications via telephone, email, conference calls, and website 	Quarterly
 CSOs, NGOs, and academia	To conduct research, establish partnerships, request advice, listen, and/or provide with relevant information.	Information, consultation	Direct engagement at corporate level	Annually
 Employees and unions	Right to form or join unions and bargain collectively. To identify, assess, and manage actual and potential impacts on issues such as health and safety, collective agreements, remuneration and incentives, operational performance, and responsible business practices.	Information, participation	Direct and indirect engagement at site level, such as: <ul style="list-style-type: none"> • Mixed Commission • Negotiations with unions • Daily pre-start and town hall meetings • Training programs • Management walkabouts • Bulletins, public boards, newsletters 	Ongoing
 Government and regulatory bodies	To report, consult, or collaborate on issues such as regulatory and legal compliance, government regulation and permitting, taxes and royalties, employment, infrastructure and contribution to socioeconomic development priorities, environmental stewardship, and enforcement of the rule of law.	Information, consultation, collaboration	Direct engagement at corporate level, such as: <ul style="list-style-type: none"> • Regulatory filings • Responses to requests for information • Site visits and inspections • Meetings and personal communications 	Ongoing
 Media	To provide information of interest, such as financial, operating, and ESG performance, government regulations and permits, and mergers, acquisitions, and divestments.	Information	Direct and indirect engagement at corporate level, such as: <ul style="list-style-type: none"> • Press releases • Interviews • Regulatory filings • Presentations and publications • Website and social media channels, communication via email/telephone 	Ongoing

STAKEHOLDER CATEGORY	PURPOSE OF ENGAGEMENT	TYPE OF ENGAGEMENT	EXAMPLES	FREQUENCY
 Indigenous Peoples	Right to free, prior, informed consultation for new concessions.	Information, consultation	Direct and indirect (through territorial representatives) engagement at site level, using local language	Ongoing
 Host communities	Right to prior, informed consultation for new projects. To inform, identify, assess, and manage actual and potential risks, opportunities and impacts, such as: employment and local business opportunities, community investment, environmental stewardship, noise/dust/vibration generation, land access/resettlement, fair and transparent distribution of economic contributions, etc.	Information, consultation	Direct and indirect engagement at site level, such as: <ul style="list-style-type: none"> • Public consultations, environmental, social impact assessments • Grievance mechanism • Artisanal and small-scale mining territorial commissions • Face-to-face meetings • Regular meetings with authorities and community leaders • Local cultural and sporting events • Socioeconomic programs • Newspapers, radio, TV, newsletters 	Ongoing
 Peers and industry associations	To inform/discuss/collaborate issues of common interest such as policy positions, industry targets, reporting on-site performance, responsible business practice, and ESG performance.	Information, consultation, collaboration	Direct engagement at corporate level, such as: <ul style="list-style-type: none"> • Active participation as members and on boards or other leadership assignments • Industry-wide initiatives • Meetings and personal communications 	Quarterly
 Shareholders, investors, and analysts	To inform/consult on issues such as share price performance, financial and operating performance, balance sheet strength, reserves and resources, ESG performance, company growth, government regulations and permits, and mergers, acquisitions, and divestments.	Information, consultation	Direct and indirect engagement at corporate level, such as: <ul style="list-style-type: none"> • Annual General Meeting and conference calls • Annual and quarterly reports • Regulatory filings • Press releases and TSX regulatory documents • Website and social media channels, email/telephone inquiries 	Quarterly
 Suppliers and Contractors	To inform on issues such as contract terms and conditions, workers' rights and working conditions, and business opportunities.	Information	Direct and indirect engagement at corporate and site level, such as: <ul style="list-style-type: none"> • Contract negotiations • General terms and conditions for suppliers • Policies and standards • Participation in training programs • Meetings and personal communications 	Ongoing

1.8 UNDERSTANDING OUR IMPACTS

ESG risk management is embedded in our organizational structure and responsibilities, and focuses on proactively avoiding, or minimizing and managing, impacts resulting from our activities from a human rights approach.

1.8.1 Risk Assessment and Management

We recognize that mining activities pose certain risks and can have negative impacts on the well-being of society and the environment. At the same time, under the right conditions and with responsible, sustainable management, mining can be a force for local and national development. Embracing our responsibility to minimize the negative impacts and optimize the positive outcomes of our operations on communities and the environment, requires us to identify, understand, and address our significant impacts, which we call “material topics.”

ESG risk management is embedded in our organizational structure and responsibilities, and focuses on proactively avoiding, or minimizing and managing, impacts resulting from our activities from a human rights approach. Controlling and overseeing risks and impacts involves all areas, including Operations, Safety and Health, Sustainability (Legal, Corporate Affairs, Government Relations, Community Relations, Resettlement, Artisanal and Small-Scale Mining, Environment), Finance, Human Capital, and Supply Chain Management and Commercial (SCMC), among others. Assessments take place both at the corporate level, as well as at each site, and action plans are developed accordingly.



1.8.2 Materiality Process and Results

Because we acknowledge the direct connection between the positive or negative impacts we generate and our long-term sustainability and success, in 2021 we conducted a comprehensive assessment that aimed at identifying our most material issues, defined as those that could pose a significant risk or have an impact on the economy, the environment, and the people, including their human rights. Results determined the material topics reported in this document and were the main input into the development of our sustainability strategy.



PROCESS TO DETERMINE MATERIAL TOPICS - 2021

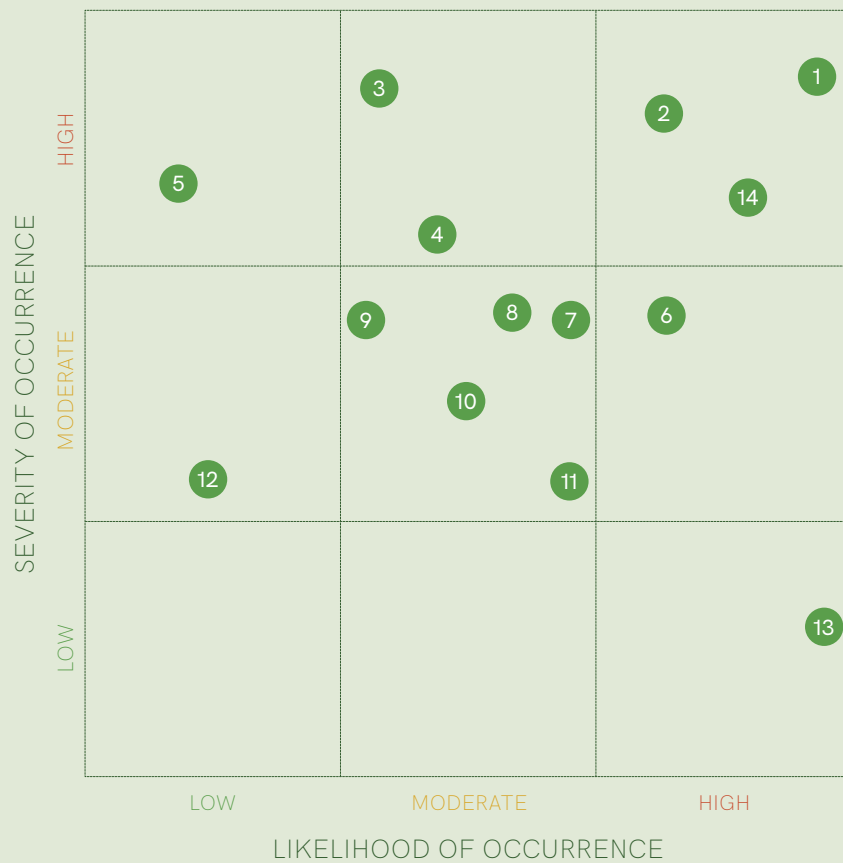
(GRI 3-1)

- 1 We identified actual and potential, negative and positive, short- and long-term impacts across our activities and relationships, considering findings from previous risk and impact assessments, high-risk complaints registered in our grievance mechanism, main issues discussed within the Chamber of Mines, and key concerns raised by external stakeholders.
- 2 An independent third party assessed the significance of impacts identified through a broad consultation process, including an employee survey, internal and external interviews with key stakeholders, and high-level workshops involving all members of the executive leadership team. External stakeholders engaged included representatives from unions, mining and private sector, and environmental organizations.
- 3 We determined the significance of impacts based on severity and likelihood. Significance of impact is also referred to as "risk."
- 4 In the case of a topic's potential for negative human rights impacts, we prioritized severity of impact over likelihood.
- 5 We set the threshold of topics material for reporting as all topics within the "moderate" to "high" severity of occurrence, and "moderate" to "high" likelihood of occurrence. Results were validated and approved by the Board.

Stakeholder engagement process:

31 interviews	430 employees surveyed	38% response rate achieved	2 high-level workshops
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A visualization of the prioritization of material topics identified is provided in the risk map below.



Material topics

In order of most to least significant impact on the economy, environment, and people, including impacts on their human rights:

1. Health and safety
2. Rights of communities and indigenous peoples
3. Water & effluents
4. Land acquisition & resettlement
5. Waste & hazardous materials
6. Artisanal Mining
7. Due diligence in the supply chain
8. Corporate governance and business ethics
9. Security practices
10. Labor rights
11. Environmental compliance
12. Biodiversity
13. Climate change
14. Socio-economic contributions

LIST OF MATERIAL TOPICS

(GRI 3-2)

MATERIAL TOPICS AS PER ITS SIGNIFICANCE	RELEVANT SUBTOPICS	KNOW MORE
Health and Safety	<ul style="list-style-type: none"> Occupational health and safety Transport and traffic accidents Emergency preparedness COVID-19 management 	P. 144
Rights of Communities and Indigenous Peoples	<ul style="list-style-type: none"> Impacts on local communities Rights of Indigenous Peoples Community engagement 	P. 160
Water and Effluents	<ul style="list-style-type: none"> Water quality and use Discharges 	P. 92
Land Acquisition and Resettlement	<ul style="list-style-type: none"> Land acquisition Resettlement 	P. 177
Waste and Materials	<ul style="list-style-type: none"> Waste management Hazardous and non-hazardous materials (including cyanide and tailings) 	P. 100
Artisanal and Small-Scale Mining	<ul style="list-style-type: none"> Artisanal and small-scale mining 	P. 186
Responsible Procurement	<ul style="list-style-type: none"> Procurement practices Supplier risk and due diligence 	P. 62
Corporate Governance and Business Ethics	<ul style="list-style-type: none"> Corporate governance Business ethics and compliance Bribery and corruption 	P. 50
Security Practices	<ul style="list-style-type: none"> Human rights and security practices 	P. 74
Labour Rights	<ul style="list-style-type: none"> Employment and labour practices Freedom of association Training and education Non-discrimination, diversity, and inclusion Child labour and forced or compulsory labour 	P. 130
Environmental Management	<ul style="list-style-type: none"> Environmental management and compliance 	P. 84
Biodiversity	<ul style="list-style-type: none"> Biodiversity management Forest stewardship Mine closure and land-use planning 	P. 112
Climate Change	<ul style="list-style-type: none"> Energy use Greenhouse gas emissions 	P. 120
Socio-Economic Contributions	<ul style="list-style-type: none"> Local content (e.g., local employment and local procurement) Investments for community development Indirect economic impacts 	P. 194

« La Libertad Mine



Changes from 2020 include



We have grouped significant impacts into material topics that relate to our business activity and align with the GRI Topic Standards and the Sector Standards for Mining and Metals.



Within our material topics, we have included certain relevant topics as subtopics. Although these topics are not material to Calibre, they are relevant to us through our industry commitments.



Human rights is no longer a standalone material topic. As human rights issues are present across material topics, specific human rights issues and/or risks are covered within each material topic disclosure.



Security practices is now a standalone material topic.

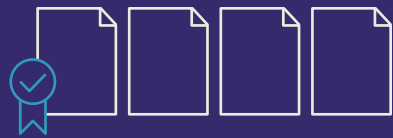
Topics including Tax Transparency, Institutional Strengthening, and External Affairs have been identified as material topics in our sustainability strategy but are not included in this document, as they do not meet the threshold established for reporting.



02

Governance

2021 HIGHLIGHTS



No significant instances of non-compliance with laws and regulations or no fines were paid during the reporting period.



Zero Whistleblower Policy complaints.

705

Entities assessed under due diligence process.



100% of contracts signed included precautionary clauses on human rights.



RGMPs Year-One Implementation Progress Report published and externally assured.

MATERIAL TOPICS INCLUDED IN THIS SECTION

- » Corporate Governance and Business Ethics
 - Corporate governance
 - Business ethics and compliance
 - Bribery and corruption
- » Responsible Procurement
 - Procurement practices
 - Supplier risk and due diligence
- » Security Practices
 - Human rights and security practices



« Limon Mine


2.1

CORPORATE GOVERNANCE AND BUSINESS ETHICS

WHY IT MATTERS

Ethics and governance in the extractive industry require clear accountabilities and greater transparency given its transformative qualities in landscape and socioeconomic dynamics around the world. Calibre is committed to maintaining a high standard of corporate governance that fosters integrity, accountability, ethical behaviour, and transparent disclosure, with an absolute opposition to corruption.

ANALYST CENTRE

Material topics covered in this section	<ul style="list-style-type: none"> · Corporate Governance and Business Ethics · Corporate governance · Business ethics and compliance · Bribery and corruption
GRI indicator(s)	2-9, 2-12, 2-13, 2-14, 2-16, 2-23, 2-24, 2-25, 2-26, 2-27, 205-1, 205-2, 205-3, 405-1
SASB indicator(s)	EM-MM-510.a.2
Prioritized SDG targets	16.4.1, 16.5.2
Potential risks	<ul style="list-style-type: none"> · Breach of bribery and corruption laws and regulations and/or international sanctions by authoritative supra-national bodies as defined by the Conflict-Free Gold Standard. · Corruption practices (extortion, payment of commissions, etc.), derived from political decisions to regulate the activity. · Corporate lobbying practices that affect the design and development of natural resources exploitation and related regulations, such as: environmental, prior consultation, community relations, payment and collection of royalties, tax exemptions, transparency, and access to information, etc.
Potential impacts to human rights	<ul style="list-style-type: none"> · Rights to equality and non-discrimination. · Rights to a fair trial and an effective remedy. · Rights to an adequate standard of living. · Rights to a clean environment.
See these data tables for additional information 	7, 8, 9, 10, 11

2.1.1

Our Approach

POLICY COMMITMENTS

- An explicit commitment toward supporting and respecting all internationally recognized human rights is stipulated in our Code of Business Conduct and Ethics, our CSR Policy, our Human Rights Standard, and our Indigenous Peoples Standard.
- Our Sustainability Statement [\[link\]](#) and our Social Performance Standard are guided by global standards, such as the Universal Declaration of Human Rights [\[link\]](#), the United Nations (UN) Guiding Principles on Business and Human Rights [\[link\]](#), the UN Declaration on the Rights of Indigenous Peoples [\[link\]](#), the World Gold Council (WGC) Responsible Gold Mining Principles [\[link\]](#), the Sustainable Development Goals [\[link\]](#), and the Voluntary Principles on Security and Human Rights [\[link\]](#).
- Our Code of Business Conduct and Ethics provides guidance for ethical behaviour, with which all Calibre employees, suppliers, and contractors are expected to conduct themselves in dealing with all stakeholders. This ensures that the Company complies with applicable host- and home-country laws and relevant international law.



- We take a zero-tolerance approach to any form of bribery and corruption. As a public company listed on the Toronto Stock Exchange, Calibre is subject to various US, Canadian, and foreign anti-corruption laws and regulations, such as the Canadian Foreign Corrupt Practices Act (FCPA) and the Canadian Corruption of Foreign Public Officials Act (CFPOA).
- Our Whistleblower Policy provides a company-wide protocol for reporting, without fear of reprisal, any apparent fraudulent, unethical, or illegal activity or behaviour related to financial matters.
- Supplementing our Corporate Policies, our Sustainability Statement is supported by systems, standards, procedures, and guidelines that drive our and our partners' ESG performance and behaviour:
 - » Environmental and Biodiversity Policies and Standards
 - » Health and Safety Policy and Performance Standards
 - » Corporate Social Responsibility (CSR) Policy and Social Performance Standards
 - » Human Resources and Labour Relations Manifest and Policies
- In terms of financial transparency and accountability, the Company is committed to providing timely, consistent, and credible dissemination of information, consistent with disclosure requirements under applicable securities laws, as per our Disclosure Policy.

DIG DEEPER ONLINE! [\[PDF icon\]](#)

Our Corporate policies are core mandatory operating rules that state our commitments for responsible business conduct:

- » Code of Business Conduct and Ethics
- » Whistleblower Policy
- » Disclosure Policy
- » Insider Trading Policy
- » Diversity Policy
- » Advance Notice Policy
- » Majority Voting Policy
- » Share Ownership and Clawback Policy

TOPIC AND RISK MANAGEMENT

- All our policy commitments, either directly or through standards, stipulate conducting a due diligence process and addressing the application of precautionary principle measures for all ESG material topics relevant to the industry through a proactive risk-based management approach. In all cases, both employees and contractors are considered the same within the One Calibre approach and must meet the same standards and requirements.
- We distribute a digital copy and request a signed acknowledgement of the Code of Conduct during the orientation process for all new employees. Adherence to the Code is a mandatory condition of employment. Individuals who fail to comply with the Code and any applicable laws are subject to disciplinary measures, up to and including discharge from the Company or termination of the business relationship. Every year, training refreshers are conducted on the Code and corporate policies to reinforce our workplace standards and expected behaviours.
- Corruption-related risks are evaluated by the Legal Department at the management level as part of the Company risk assessment process, supplemented by our internal financial controls, which monitor aspects of operations that could be affected by bribery or corruption. These are reviewed and evaluated annually by the Executive and when deemed necessary, the Board.
- We have controls in place to combat bribery and corruption in all their forms, as well as conflicts of interest and anti-competitive behaviour. Integral Profile Forms and risk matrix/classifications are completed for all employees, business partners, and suppliers.
- We conduct regular audits to assess and ensure compliance with policies and procedures and have developed rigorous processes around preventing nonconformances and implementing corrective actions. As a publicly traded company, we comply with the governance guidelines of the Canadian Securities Administrators.
- As a company listed on the Toronto Stock Exchange (TSX), we comply with a number of regulatory requirements, including internal control certifications to ensure transparency and quality in information published for investors and other interested third parties.
- The Audit Committee reviews the interim and annual consolidated audited financial statements, the auditors' report therein, and the related management's discussion and analysis (MD&A) of the Company's financial condition and operating results.

- We record and publicly report all financial records in compliance with the International Financial Reporting Standards (IFRS), as well as with WGC principles for reporting to third parties about economic performance.
- We pay taxes and royalties required by host country codes, and these and other payments to governments are routinely reviewed and audited by tax authorities and external parties and are disclosed annually under the Extractive Sector Transparency Measures Act (ESTMA).
- Transfer pricing is a mandatory requirement established by tax regulations in Nicaragua. We report the respective transfer pricing studies for all transactions between related companies in accordance with Nicaraguan regulations.
- Critical concerns¹ and management of the organization's impacts on the economy, environment, and people are communicated to the Board through quarterly meetings of the Safety, Health, Environment, Social and Technical (SHEST) and Audit Committees.

¹ Calibre's definition of critical concerns is provided in our Whistleblower Policy [\[link\]](#) as any illegal, unethical matter, contrary to the policies of the Company or in some other manner not right or proper. These concerns can be raised by internal or external complainants' through any of the mechanisms defined in Table 8.

ACCOUNTABILITY

- The Board of Directors' SHEST Committee is the most senior level responsible for overseeing the organization's due diligence and other processes to identify and manage risks and impacts on the economy, environment, and people, holding quarterly meetings to discuss all relevant ESG topics. It is also responsible for formally reviewing our Sustainability Report to ensure it effectively discloses all material topics.
- The executive team, directly reporting to the CEO, is responsible for risk and impact management.
 - » The Vice President Sustainability is responsible for implementing the sustainability strategy.
 - » The Vice President Human Capital is responsible for ensuring labour and worker rights.
 - » The Vice President Operations is responsible for health and safety.
 - » The Senior Vice President and Chief Financial Officer is responsible for overseeing the Company's financial statements and financial disclosures.
- At the operational level, ESG impact management is the responsibility of each business unit.

ENGAGEMENT

- We promote our Code and other policy commitments to employees and business partners in several ways and on a regular basis. For example, requiring annual signed acknowledgment of agreement to policies, which are issued in the relevant language, including clauses in contractual agreements, conducting training programs, and posting on public notice boards.
- We train relevant staff on prevention of money laundering, financing of terrorism, and financing of weapons of mass destruction proliferation.
- We provide various mechanisms for individuals to seek advice or raise concerns about the organization's business conduct. Concerns can be raised on a confidential and anonymous basis. (See Table below for a list of mechanisms).

2.1.2 2021 Performance

METRICS

GOVERNANCE STRUCTURE AND COMPOSITION, DIVERSITY OF GOVERNANCE BODIES

(GRI 2-9, 405-1)

Number of members	10
Number of independent members	9
Number of women members	1
Average tenure (years) of members	8 years
Code of conduct for directors	Yes
Board oversight of sustainability	Yes
% Board members under 30 years old	0%
% Board members 30–50 years old	11%
% Board members over 50 years old	89%
Number of Black, Indigenous, Person of Colour (BIPOC) members	0


NOTE: Information on our Board's composition, skills, and experience as well as other public directorships can be found in our Notice of Annual General Meeting and Information Circular of 5 January, 2022, available in our website [EN](#), or under the Company's SEDAR profile at www.sedar.com.

MECHANISMS FOR SEEKING ADVICE AND RAISING CONCERNS

(GRI 2-26)

	WHISTLEBLOWER HOTLINE	ESCALATION PROCESSES THROUGH MANAGEMENT LEVELS	SITE-LEVEL EMPLOYEE GRIEVANCE SUPPORT MECHANISMS	SITE-LEVEL COMMUNITY GRIEVANCE MECHANISMS
RESPONSIBILITY	Audit Committee (Board)	Human Resources	Unions	Community Relations
HOW ARE STAKEHOLDERS INFORMED OF THE MECHANISM?	Periodic training and written acknowledgment request	Town halls	Unions	Community engagement
INTENDED USERS	Employees	Employees	Employees	Local communities, including contractors' local workforce
AVAILABILITY AND ACCESSIBILITY	24/7	Business hours	Business hours	Business hours
AVAILABLE IN DIFFERENT LANGUAGES?	English and Spanish	English and Spanish	Spanish	Spanish
INDEPENDENT?	Yes	No	No	No
CONFIDENTIAL?	Yes	Yes	Yes	Yes
ANONYMOUS?	Yes	Yes	Yes	Yes
NON-RETALIATION ENSURED?	Yes	Yes	Yes	Yes

KEY RESULTS

- Three of our four operations were assessed for risks related to corruption. Identified risks included those linked to commercial relations, community members, and/or artisanal mining. Risks related to money laundering, fraud, and visa restrictions by US departments were also identified through screening potential suppliers and/or relatives of potential suppliers.
- Zero significant instances of non-compliance with laws and regulations and no fines were paid during the reporting period.
- Zero concerns registered through our whistleblower mechanism.
- One reported incident of supplier corruption, resulting in contract termination.
- 78% of employees received training on corporate policies during the reporting period, ensuring 99% of our employees trained between 2020 and 2021, including our Code of Conduct and Whistleblower Policy.
- 48 staff members responsible for prevention of money-laundering, terrorist financing, and financing of the proliferation of weapons of mass destruction were trained on relevant regulations.
- Overall performance and compliance processes were improved through hiring of staff with extensive experience in the mining sector, including the creation of senior manager positions for Labour Relations, Artisanal Mining, and Land Transportation.
- Our corporate policies have been communicated to 100% of all our potential and actual suppliers (705) during tendering processes.
- Our 2021 ESTMA can be found in our website .

IN FOCUS

RGMPs YEAR-ONE IMPLEMENTATION PROGRESS REPORT

On November 30, 2021, we announced the completion of our year-one self-assessment to determine Calibre's initial status of conformance with the World Gold Council's Responsible Gold Mining Principles (RGMPs).

Calibre joined the World Gold Council (WGC) in August 2020 and made a public commitment to align with the Responsible Gold Mining Principles in our inaugural Sustainability Report [📄](#), published in June 2021.

Calibre also obtained third-party independent assurance on our conformance with the RGMPs. The Independent Assurance Report determined that, for the reporting period ending in September 2021, Calibre complied with the World Gold Council's year-one requirements as established in the RGMPs Assurance Framework.

Both Calibre's Year-One Implementation Progress Report and Independent Assurance Report are available on our website [📄](#).

2.1.3 2022: Next Steps



Conduct a human rights impact assessment for all Calibre operations in Nicaragua.



Design of a corruption risk mitigation plan.



Develop a risk register and reporting tracker to capture legal risks, track issues, and inform regular progress by entity.



Improve internal controls and regulatory framework against illicit influence and conflicts of interests.



Require suppliers to provide signed acknowledgement of Calibre's corporate policies.

2.2

RESPONSIBLE PROCUREMENT

WHY IT MATTERS We understand the many risks the extractive sector faces in its supply chain, because of potential adverse impacts associated with the conditions of mineral extraction and relationships with multiple suppliers. As such, we firmly believe due diligence is a proactive and necessary process to ensure we are not complicit in human rights abuses committed by others.

ANALYST CENTRE

Material topics covered in this section	Responsible Procurement <ul style="list-style-type: none"> · Supplier risk and due diligence · Procurement practices
GRI indicator(s)	308-1, 308-2, 407-1, 414-1, 414-2
SASB indicator(s)	EM-MM-510a.1
LPRM indicator(s)	204, 401, 402
Potential risks	<ul style="list-style-type: none"> · Partners failing to respect human rights across several dimensions, for example, high levels of unprotected workers' rights, such as fair wages, rest, contract terms, freedom of association, job security, safety at work, child or forced labour, etc. · Risk that the Company could be involved in any such human rights abuses.
Potential impacts to human rights	<ul style="list-style-type: none"> · Labour rights · Child or forced labour.
See these data tables for additional information 📄	12

2.2.1

Our Approach

POLICY COMMITMENTS

- Our Supply Chain Policy requires that our suppliers and contractors conduct their own business ethically and responsibly as a condition of doing business with us.

TOPIC AND RISK MANAGEMENT

- Our internal procedures and conditions are developed and implemented in alignment with our corporate governance framework and are included in all contracts signed with third parties.
- Our compliance team regularly and systematically conducts due diligence to identify human rights, corruption, and conflict risks in our potential suppliers by ensuring a thorough screening process before establishing any business partnership.
- Our Supply Chain Policy and other key legal obligations are incorporated into all commercial contracts with suppliers. These obligations include compliance with fundamental and international labour standards; compliance with corporate standards and management systems on health and safety, environment, and social responsibility; compliance and respect for environmental legislation; and compliance with legal obligations to prevent crimes of child or forced labour, human rights abuses, corruption, money laundering, and financing of terrorism.
- At site level, management ensures that all contractors comply with the respective labour laws, for instance, verifying minimum age requirements, and providing monthly reports and evidence of salary and social security deposits.
- Suppliers and contractors have autonomy in the management of their internal labour relations and associations. The Company does not regulate, promote, or intervene in the internal labour relations of the contractor's personnel. However, it does require and verify that suppliers comply with national laws, company standards, and corporate governance policies in relation to its workers, including freedom of association as mandated by Nicaraguan legislation.
- We conduct annual internal and external audits to ensure due diligence compliance in our procurement processes, as well as annual compliance reviews for all our suppliers.

ACCOUNTABILITY

- The Vice President Sustainability is accountable for compliance processes.
- The General Counsel oversees the supply chain due diligence process, in close coordination with the Vice President for Supply Chain Management and Commercial (SCMC) in general, and the Senior Manager for ASM for our Artisanal Mining ore purchase program specifically.
- Each operation is responsible for the implementation of procedures and protocols that comply with Calibre's policies and standards.

ENGAGEMENT

- We provide annual training to relevant corporate and site-level staff on supplier due diligence compliance guidelines and procedures
- Our SCMC team communicates to suppliers about our expectations on responsible supply chains and requires all new suppliers to provide a signed acknowledgment of our corporate policies.
- Our ASM team communicates to artisanal miners about our expectation on responsible ore sourcing and ensures due process at sites.

2.2.2 2021 Performance

METRICS

NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL AND SOCIAL CRITERIA

(GRI 308-1, 414-1)



NOTE: (1) Suppliers were screened for negative impacts on the environment, and abuses associated with human rights, such as child labour, forced labour, degrading treatment, torture, sexual violence, support to armed groups, money extortion, corruption, bribery, money laundering, and tax evasion.

KEY RESULTS

- 705 suppliers (actual and potential, old and new) completed our supplier profile and were screened using environmental, social, and governance criteria.
- All 329 contracts and 46 grants signed by the Company included precautionary clauses on human rights, child and forced labour, anti-corruption, terrorism and money-laundering, safety rules, and environmental protection standards.
- 44 staff members received training on due diligence compliance procedures for suppliers.



IN FOCUS

Nicaragua is a country with a long-standing mining tradition. Artisanal and small-scale mining (ASM) was in existence before the arrival of industrial mining in the 1800s and recognized as a legitimate source of employment. Over the years, however, industrial mining has grown to become one of the key economic sectors driving Nicaragua's growth.

ASM ORE TRACEABILITY THROUGH OUR COMMITMENT MODEL

More than 4,400 artisanal miners are present in our mining concessions. This poses significant challenges for the Company, including risks of environmental degradation, human rights abuses, and lack of worker health and safety systems. In response, in 2021, we launched our updated ASM engagement strategy.

"At Calibre we know that artisanal mining provides significant economic activity for communities. That is why we are working together to establish guidelines that promote safe, responsible, and orderly artisanal mining in our concessions," says Calibre's Vice President Sustainability, Petri Salopera.

Calibre manages our relationship with artisanal miners within the framework of our social performance standards, aligned with international leading practices. Our strategy includes the following elements:

1. Creating and strengthening Territorial ASM Commissions² at all Calibre operations to promote compliance with the national regulatory framework. A Commission functions as the main guarantor of legality, legitimacy, and peacekeeping in that area.
2. Empowering landowners. Artisanal miners maintain order and control of access to resources.
3. Respecting artisanal mining as manual labour. The artisanal miners are accountable for good practices at worksites.
4. Clearly establishing the legal concession owner as the beneficiary of the mineral resource, with social and environmental responsibility.
5. Focusing on responsible purchasing of ore of artisanal origin.

². Chaired by the Ministry of Mines, the Commission includes the municipal mayor, representatives from the Ministry of the Environment and the National Forestry Institute, artisanal miners and company representatives, and has worked as a multi-stakeholder collaborative space to deal with ASM issues at site level.



WHAT ABOUT TRACEABILITY?

“Nicaraguan legislation requires us to coexist harmoniously with artisanal mining, which is recognizing it as a legitimate source of employment for the population. Calibre is building and implementing responsible and sustainable mechanisms to respectfully engage with a traditional sector that has both presence and strong roots at these sites where we operate. One of the mechanisms for building positive relationships is the purchase of artisanally mined ore in a manner aligned with our operational and sustainability objectives” says Alvaro Ledesma, Senior Manager for Artisanal Mining.

In the purchase of artisanal ore, we track and trace the mineral from its extraction point to its export. This is governed by the following principles:

1. Calibre only purchases and processes ore that comes from verified sites that comply with responsible practices.
2. Calibre tracks the artisanal miners who operate in the Company’s concessions through censuses and geo-references that reflect quantity, dates, and methods of extraction. These are reported periodically to the Ministry of Energy and Mines.
3. The Company signs purchase contracts with artisanal miners and collaboration agreements with landowners.
4. These contracts specify the extraction site, the conditions for the development of works, and the prohibition of heavy machinery and child labour, among other requirements.
5. The purchase agreements are based on international market prices, which are generally higher than those paid by artisanal mills, contributing to the formalization of the sector and household economic well-being.

“By processing artisanal ore in industrial mills, we contribute to reducing mercury emissions and improve ore recovery to more than 80%, as opposed to the average 40% recovered in artisanal mills,” Ledesma added.

Between 2020 and 2021, approximately 5.12 metric tonnes of mercury have not been used and therefore have not been re-released into the environment as a result of our purchase program. Consequently, 221,795 m³ of wastewater has been safely treated, contributing to good environmental water quality in the local watersheds in Rancho Grande and Rosita.



The objective of Calibre’s commitment to artisanal mining is to facilitate and promote the harmonious coexistence of artisanal and industrial mining for the benefit of the country and the people of Nicaragua.





2.2.3 2022: Next Steps



Conduct a human rights risk assessment that includes identifying areas of improvement in our supply chain due diligence processes.



Strengthen cross-functional participation in designing terms of reference for new contracts to ensure inclusion of requirements related to local content opportunities when deemed appropriate.



Strengthen ASM purchase procedures to improve due diligence.



Improve oversight and documentation of our verification of responsible and sustainable artisanal mining at production sites.

2.3

SECURITY PRACTICES

WHY IT MATTERS At Calibre we aim to provide a safe and secure working environment for our employees and contractors, and to protect our assets. This is achieved partly through the use of private security forces where local conditions make this necessary. As respect for human rights is core to Calibre's ethics and work standards, we work with our security providers to take all necessary steps to ensure that business security arrangements respect both the rule of law and human rights.


ANALYST CENTRE

Material topics covered in this section	Security Practices · Human rights and security practices
GRI indicator(s)	410-1
SASB indicator(s)	EMM-210a.2, EM-MM-210a.3
LPRM indicator(s)	4.7.1, 16.1.2, 16.3.1
Potential risks	<ul style="list-style-type: none"> · Community opposition to mine operations or development, resulting in legal proceedings, production delays, revocation of permits, and/or loss of social acceptance. · Infringement of human rights. · Security risks and the lack of protection of people and assets. · Lack of protection for communities in environments related to armed conflict, where extractive activities sometimes fuel the conflicts themselves. · Abuse of force, violence and/or authorities by security guards.
Potential impacts to human rights	<ul style="list-style-type: none"> · Right to life, liberty, and security of person. · Right not to be subjected to torture, cruel, inhumane, and/or degrading treatment or punishment. · Right to freedom from arbitrary arrest and exile. · Right of detained persons to humane treatment. · Right to freedom of assembly. · Right to effective remedy. · Right to a fair trial.
See these data tables for additional information 📄	13

2.3.1

Our Approach

POLICY COMMITMENTS

- As stated in our Code of Business Conduct and Ethics, p. 29 , we will seek to ensure that we do not cause nor are we complicit in human rights abuses, either directly or through our business relationships.
- As per our Human Rights Standard, this means managing our security forces with an approach consistent with the Voluntary Principles on Security and Human Rights (VPSHR) and in compliance with all laws in the jurisdiction of operation.

TOPIC AND RISK MANAGEMENT

- Our internal security processes and protocols aim at embedding security and human rights into our everyday work, including periodic analysis of security and human rights risks at the site level with a focus on prevention.
- We report, investigate, and keep adequate records of all allegations or incidents of human rights abuse, including incidents related to illegal miners pit intrusions, and use of force during encounters with external hostile elements.
- Background checks (due diligence) are conducted on a periodic basis on all private security companies to ensure performance is held to the highest standards.
- We conduct regular inspections of private security provider training records to ensure compliance with Calibre requirements and national legislation.

ACCOUNTABILITY

- The Vice President Operations directs and is responsible for strategy, programs, and performance related to security.
- The Mine Managers are in charge of overseeing security practices at the site level.
- Each operation is responsible for the development and implementation of procedures and programs that comply with our Human Rights Standard and its requirements on security-related human rights practices.

ENGAGEMENT

- We work with our private security providers at sites to ensure transparent security arrangements and to maintain proper training on security and human rights, use of force, weapons, and firearms controls.

2.3.2 2021 Performance

KEY RESULTS

- Changes made in contract clauses with private security providers at all sites, include a contractual obligation to respect human rights and comply with the VPSHR provisions.



73%

of private security personnel received formal training in specific procedures

145

security guards at Limon Complex trained on handling and use of firearms.

92

security guards at Libertad Complex trained on VPSHRs, use of force, and handling and use of firearms.

2.2.3 2022: Next Steps



Train all Calibre security workforce on Voluntary Principles on Security and Human Rights.



« Jabali Pit / Water Reservoir,
Santo Domingo, Chontales,
Nicaragua

03 Environment



2021 HIGHLIGHTS



Zero high-risk reportable environmental incidents.



GHG emissions inventory conducted.



Gap assessment against Cyanide Code conducted, and action to correct deficiencies underway.



46% of water recycled for operational use.

626

Metric tonnes of non-mineral waste recycled.

MATERIAL TOPICS INCLUDED IN THIS SECTION

- » Environmental Management and Compliance
- » Water and Effluents
- » Waste and Materials
 - Hazardous and non-hazardous materials
 - Tailings and cyanide management
- » Climate Change
 - Energy use
 - Greenhouse gas emissions
- » Biodiversity
 - Forest stewardship
 - Mine closure and land-use planning



3.1 ENVIRONMENTAL MANAGEMENT

WHY IT MATTERS

As a resource-based operation in a world of increasing pressure over natural resources, we put our efforts into managing potential adverse impacts on these shared resources. Environmental responsibility is a core value, and we are committed to the responsible stewardship of the environment through continual improvements in our environmental performance across all sites.

ANALYST CENTRE

Material topics covered in this section	Environmental Management · Environmental management and compliance
GRI indicator(s)	Mining and Metal Sector Disclosure MM10
SASB indicator(s)	EM-MM-160a.1
Prioritized SDG targets	15.3.1, 15.2.1, 15.a.1
Potential risks	<ul style="list-style-type: none"> · Lack of transparency regarding environmental impact studies. · Non-compliance with environmental regulations and precautionary standards. · Environmental incidents/impacts (e.g., water, soil, or air pollution, lost of biodiversity or alteration in drainage patterns) causing harm to people and the ecosystem, resulting from exploration and extraction activities, including preparation of the necessary facilities.
Potential impacts to human rights	<ul style="list-style-type: none"> · Right to health. · Right to an adequate standard of living. · Right to effective remedy. · Right to hold opinions, freedom of information and expression.
See these data tables for additional information 📄	14

3.1.1

Our Approach

POLICY COMMITMENTS

- Our Environmental Policy establishes our commitment to complying with all environmental laws, regulations, and permit requirements of the jurisdictions where we operate.

TOPIC AND RISK MANAGEMENT

- We use an environmental management system to monitor and manage our impacts on the environment. It is intended to identify and eliminate, or minimize, mitigate, or compensate for significant adverse impacts on the environment relating to our activities through a risk-based approach, and focusing on these key areas: hazardous materials and dangerous goods, cyanide, tailings, waste rock, non-process waste, water, air quality, topsoil, closure and reclamation, noise and vibration, and biodiversity.
- Our standards are based on ISO 14001 and align with the IFC Standards' focus on good environmental performance, including the identification and evaluation of impacts and the establishment of management systems for their prevention, mitigation, or compensation.
- All our operations have control measures in place to minimize the likelihood of environmental incidents and to mitigate potential effects on the environment for incidents that do occur. These include facility design considerations, spill containment measures, meters, alarms, standard operating procedures, training, permanent monitoring, regular inspections, and the identification of potential issues through internal risk assessments. Significant environmental incidents³ are investigated to identify root causes, and remedial measures and corrective actions are implemented to avoid recurrence.

³ Calibre defines significant risk/incident as that which has been assessed as being "extreme" or "high" by an individual site using a process that is based on the International Standard for Risk Management (ISO31000:2009), as per our Management System Standards.

- We consider our projects' potential environmental impacts long before mining starts. During feasibility stages, we conduct environmental impact assessments (EIAs) to identify and understand the impacts and risks of the project and develop proper environmental management plans (EMPs) to address them.
- We have mechanisms in place to avoid or mitigate impacts on local communities and the environment arising from our activities. Sites that are located close to communities are required to develop and implement air quality and noise and vibration management plans.

ACCOUNTABILITY

- The Vice Presidents for Operations and Sustainability provide oversight to the Company's environmental performance.
- The Mine Managers lead environmental programs and initiatives at the site level.
- Each operation is responsible for environmental management and performance.

ENGAGEMENT

- We train our local teams on guidelines and procedures to continually improve our environmental management performance.
- Public consultations are conducted for every new project requested. More detailed information on our community consultation, engagement, and redress processes, including for environment-related issues, can be found in our Rights of Communities and Indigenous Peoples section [↗](#).
- Environmental reports are sent periodically to the corresponding authorities, and inspections and site visits are frequent to provide evidence of compliance.

3.1.2 2021 Performance

METRICS

DESCRIPTION OF ENVIRONMENTAL MANAGEMENT POLICIES AND PRACTICES (EMPS) FOR ACTIVE SITES

(EM-MM-160A.1)

SITE	EMPS IMPLEMENTED	LIFECYCLE STAGE	TOPICS ADDRESSED BY EMPS
Limon Complex	Yes	Production	Waste generation, noise impacts, air emissions, discharges to water, natural resource consumption, hazardous chemical usage, biodiversity impacts, and environmental monitoring.
Libertad Complex	Yes	Production	Waste generation, noise impacts, air emissions, discharges to water, natural resource consumption, hazardous chemical usage, biodiversity impacts, and environmental monitoring.
Eastern Borosi Project (EBP)	Yes	Exploration	Waste generation, noise impacts, air emissions, natural resource consumption, biodiversity impacts, and environmental monitoring.
Rio Tinto Exploration JV	Yes	Exploration	Waste generation, noise impacts, air emissions, natural resource consumption, biodiversity impacts, and environmental monitoring.

KEY RESULTS



During the year, Calibre’s operations did not receive any notice of violations, fines, or sanctions, nor did we experience any high-risk reportable environmental incident. All environmental incidents have been fully investigated and recorded in our information management system (CSAFE), and corrective measures were implemented with no anticipated long-term adverse impacts to the environment.



100% of our sites have implemented environmental management policies and practices.

Our annual training plan resulted in 861 people (25% of our workforce) trained on topics such as environmental stewardship, hydrocarbon management, solid waste, and biodiversity.



3.1.3 2022: Next Steps



Establish an Environmental Manager position to oversee all Nicaraguan operations and re-view and update our environmental management system.



Design a five-year environmental strategy.



Design site-level environmental management plans.



Implement an environmental legal compliance monitoring system.

3.2 WATER AND EFFLUENTS

WHY IT MATTERS

We fully understand water is a most valuable shared resource with high environmental, social, cultural, and economic importance. As such, we are committed to implementing robust water stewardship practices to use water efficiently and responsibly and seek to develop collective solutions that allow for sustainable water management at catchment level.

ANALYST CENTRE

Material topics covered in this section	Water and Effluents <ul style="list-style-type: none"> · Water quality and use · Discharges
GRI indicator(s)	303-1, 303-2, 303-4, 303-5
SASB indicator(s)	EM-MM-140a.1, EM-MM-140a.2
Potential risks	<ul style="list-style-type: none"> · Water scarcity and impacts to water access for local communities. · Water contamination. · Accidental discharges or spills potentially affecting water quality. · Alteration in drainage patterns.
Potential impacts to human rights	<ul style="list-style-type: none"> · Right to life. · Right to health. · Right to an adequate standard of living.
See these data tables for additional information 📄	15, 16, 17, 18

3.2.1

Our Approach

POLICY COMMITMENTS

- In adherence to the RGMPs and recognizing that access to water is a human right and fundamental ecosystem requirement, we manage our operations so as to ensure that they do not adversely affect the overall quality of catchment water resources available to other users, but rather, maximize efficiencies.
- Our Water Management Standard establishes our commitment to ensure no loss of beneficial use of water and that human health and the environment are protected.
- Our Environment Policy sets out our duty to contribute to environmental initiatives that benefit the local communities in the areas where we operate, and to implement effective and transparent engagement, communication, and independently verified environmental reporting arrangements with our stakeholders.



« Rancho Grande,
Matagalpa,
Nicaragua

TOPIC AND RISK MANAGEMENT

- Our Water Management Standard defines the requirements for effectively managing water at sites, including site water balances, process water, stormwater, discharges, and mine dewatering activities, to ensure no loss of beneficial use and that human health and the environment are protected. Additional water management requirements related to mining infrastructure are included in our Tailings Management and Non-Process Waste Management Standards.
- Baseline surface water, groundwater hydrology (including identification of site water users and uses), and geochemical characterization of waste rock is conducted for any new site by independent third parties. Appropriate hazard identification, risk assessment, and risk control planning are conducted to ensure that water-related risks and impacts are identified and controlled.
- All Calibre sites maintain a water management plan that defines all applicable strategies, operational controls, and management practices relating to on-site water management. This usually means annual flow measurements for water bodies, well-level measurements, and water quality monitoring every six months by external laboratories, including analysis of sources of contamination.
- To effectively manage water resources and on-site use, a site-specific water balance is maintained and updated on at least a monthly basis in conjunction with the site water management plan. The water balance considers both present and future water management. Monitoring programs also evaluate local water resources, point-source and non-point-source discharges, and any receiving waters potentially impacted by off-site discharges. Water monitoring is conducted by trained and competent personnel and water quality analyses are performed by accredited third-party external laboratories.
- Tailings dams have been designed and operated in a manner that precludes releases to the receiving environment. Discharges from tailings dams are occasionally made in cases when there is excess rainfall and in accordance with permits issued by the National Water Authority (ANA). Water is treated and tested prior to discharge to verify that its quality meets the permissible limits⁴ established in the national legislation, and in alignment with international frameworks, including those of the World Health Organization (WHO). The following section provides further information on our tailings management.

⁴ Decree 21-2017. Regulation establishing the provisions for the discharge of wastewater 

- We have established procedures for stormwater, erosion, and sediment control. Our water management strategy includes diversion of clean “non-contact” water around our facilities. Permanent stormwater structures are designed to withstand the 100-year, 24-hour storm event⁵. Structures are designed and constructed to limit the amount of erosion from disturbed areas. Progressive reclamation is also implemented to minimize the amount of erosion from waste rock storage facilities. If stormwater does come into contact with waste rock storage facilities, it is diverted to a sediment control structure in order to limit the amount of sediment and total suspended solids that are discharged to natural watercourses. Erosion and sediment control facilities are installed prior to major ground disturbance.
- Wastewater is treated using sewage treatment plants or septic systems; effluent meets regulatory quality requirements.
- For a detailed description of how and where water is withdrawn, consumed, and discharged, visit our 2020 Sustainability Report, p. 139 [📄](#).
- Transparent performance reporting is done annually through this report and annual monitoring reports provided to the National Water Authority in accordance with Nicaraguan legislation.

ACCOUNTABILITY

- See details in the Environmental Management Section [🔗](#).

ENGAGEMENT

- As a water-dependent company, we recognize our role in supporting collective solutions to shared water challenges, including contributing to improved water security for the communities that host us. To know more about our efforts on collective action toward water stewardship, visit our 2020 Sustainability Report [📄](#) or watch the following video [🎥](#).

⁵ The term “100-year storm” is used to define a rainfall event that statistically has this same 1-percent probability of occurring at that location in that year. Encountering a 100-year storm on one day does not decrease the chance of a second 100-year storm occurring in that same year or any year to follow. In other words, there is a 1 in 100 or 1% chance that a storm will reach this intensity in any given year—also known as a 1% annual exceedance probability (AEP).



« Rosita, RACCN,
Nicaragua

3.2.2 2021 Performance

METRICS

POTENTIAL RISKS TO WATER SOURCES

SITE	PROJECTS	CLIMATE CONDITIONS (1)	WATER SOURCES (2)	POTENTIAL RISKS			
				WATER STRESS	WATER QUALITY	EXCESS WATER	WATERSHED CHALLENGES
Libertad Complex	Libertad Mine and Mill	Moderate precipitation with a distinct dry season	GW, SW, MW	No	Yes. Potential contamination if TSF dam collapses.	No	Yes. Potential contamination if TSF dam collapses.
	Pavon Mine	Moderate precipitation with a distinct dry season	GW, SW, MW	No	No	No	No
Limon Complex	Limon Mine and Mill	Moderate precipitation	GW, SW, MW	No	Yes. Potential contamination if TSF dam collapses.	No	Yes. Potential contamination if TSF dam collapses.

NOTES:

- 1. Humid, Semi-arid, Arid, Moderate precipitation, Low to Moderate precipitation, Moderate precipitation with a distinct dry season.
- 2. Groundwater (GW), Surface Water (SW), Municipal/Third-Party Water (MW).
- 3. Nicaragua does not have water stress areas.

WATER BALANCE (ML)

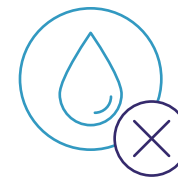
2020

Water withdrawn	3,565	Water discharged	997
Surface water	3,202	Water consumed	2,568
Groundwater	338	Water used (consumed + recycled)	4,976
Third-party water	25	% Recycled	48%

2021

Water withdrawn	4,458	Water discharged	2,093
Surface water	4,046	Water consumed	2,374
Groundwater	389	Water used (consumed + recycled)	4,382
Third-party water	23	% Recycled	46%

KEY RESULTS



Zero incidents of non-compliance associated with water quality permits, standards, or regulations registered during the reporting period.

- 25% increase in water withdrawn due to full non-stop production in 2021 versus our temporary suspension of operations at the El Limon and La Libertad Mines for almost two months in 2020 as a measure against the COVID-19 pandemic.
- 110% increase in water discharge, as in 2021 we saw an increase in rainfall and therefore more water was released at both operations to meet our TSF dams' operating balance. No accidental discharges were registered during the reporting period. All discharges made have been externally tested and results validate compliance with permissible limits established in the national legislation.
- Our mines operate as much as possible in a closed-circuit configuration. All our operations recycle process water to minimize the use of fresh water to the greatest practical extent. In 2021, 46% of water withdrawn was reused within the site for operational use.

3.2.3

2022: Next Steps



Conduct a calculation of water footprint and develop a management strategy.



Complete assessments and baseline studies to identify feasible areas for development, potential partners, and design pilot project(s) to address key local watershed and forest issues.


3.3

WASTE AND MATERIALS

WHY IT MATTERS

Extracting and processing gold from ore requires the use of chemical agents. Mining waste can contain large quantities of dangerous substances. It includes materials such as topsoil overburden (removed to gain access to mineral resources), and waste rock and tailings (after mineral extraction). Properly managing mining waste is therefore highly material to prevent or minimize adverse impacts to the environment.

ANALYST CENTRE

Material topics covered in this section	Waste and Materials <ul style="list-style-type: none"> · Waste management · Hazardous and non-hazardous materials (including cyanide and tailings)
GRI indicator(s)	306-1, 306-2, 306-3, 306-4, 306-5, MM3
SASB indicator(s)	EM-MM-150.4, EM-MM-150.5, EM-MM-150.6, EM-MM-150.7, EM-MM-150.8, EM-MM-150.9, EM-MM-150.10, EM-MM-160a.2, EM-MM-540a.1, EM-MM-540a.2, EM-MM-540a.3
Prioritized SDG targets	6.3.1, 6.3.2, 12.4.2
Potential risks	Soil and water pollution from gas emissions, waste, or failure/leakages of process or tailings facilities.
Potential impacts to human rights	<ul style="list-style-type: none"> · Right to health. · Right to an adequate standard of living.
See these data tables for additional information 	19, 20, 21, 22, 23, 24, 25, 26

3.3.1

Our Approach

POLICY COMMITMENTS

- Our Hazardous Materials and Dangerous Goods Management Standard commits us to ensuring that employee and public risk associated with hazardous materials and dangerous goods is managed and reduced to the lowest possible level—to minimize the occurrences of spills, releases, leaks, and uncontrolled overflows of hazardous materials or dangerous goods, and to ensure that any potential or actual adverse environmental impacts of hazardous materials and dangerous goods are avoided or minimized.
- Our Cyanide Management Standard establishes our commitment to protect human health and the environment and is aligned with the nine principles of the International Cyanide Management Code (Cyanide Code).
- Our Tailings Management Standard defines the requirements for the characterization of tailings, protection of groundwater and surface water, prevention of uncontrolled releases to the environment, and the management of process water.
- Our Waste Rock Management Standard sets the requirements for the management of waste rock (i.e., mineral waste) to prevent any adverse environmental impacts, and the re-handling of mineral wastes, to promote beneficial post-mining land uses and to reduce post-mining reclamation and closure liabilities.
- Our Non-Process Waste Management Standard defines the requirements for the management of hazardous wastes, non-hazardous wastes, and wastewater generated at sites to ensure that human health and the environment are protected.

TOPIC AND RISK MANAGEMENT

Hazardous Materials

- Our Hazardous Materials and Dangerous Goods Management Standard establishes our expectations and requirements for the purchase, selection, introduction, transportation, transfer, distribution, storage, use, collection, disposal, and training associated with hazardous materials and dangerous goods.

- Each site complies with and maintains a register of hazardous materials and dangerous goods including the types, quantities, location of products, and current Material Safety Data Sheets (MSDSs). The classification of hazardous materials and dangerous goods is based on these MSDSs and informs site storage, usage, disposal practices, determination of suitable personal protective equipment (PPE), etc.
- Prior to the purchase of new bulk hazardous materials or dangerous goods, a technical review and risk assessment is completed.
- Procedures and controls for hazardous materials and dangerous goods transportation, unloading, transfer, storage, handling, use, containment, and disposal are implemented at all sites and all relevant employees and contractors are trained accordingly.
- All Calibre sites have established emergency response protocols in the event of hazardous substance spills.
- When relevant, contractual clauses set out contractor requirements for compliance with responsible hazardous and non-hazardous waste management obligations, including emergency response and spill clean-up.

Cyanide Management

- Our Cyanide Management Standard establishes our requirements for on-site storage, handling, and use of cyanide.
- We use cyanide destruction processes at our operations prior to disposal of tailings slurries at our tailings storage facilities (TSFs). Slurries are treated chemically with sodium hypochlorite to neutralize the cyanide. This is done in a plant using activated carbon to lower cyanide concentrations to the levels permitted in national environmental legislation.
- To know more about our cyanide protocols and practices please visit our 2020 Sustainability Report, p. 156 [📄](#).



La Libertad Mill TSF

Tailings Management

- Our two active tailings storage facilities have been designed and constructed according to international best practices:
 - With solution recovery systems to prevent adverse impacts to water resources.
 - To be geotechnically stable according to safety engineering construction standards.
 - To protect of wildlife.
 - To minimize the loss of fugitive dust from dried tailings.
 - To prevent uncontrolled releases resulting from a 100-year 24-hour storm event.
 - To withstand the surface runoff from a 100-year 24-hour storm event.
- Each TSF has a Tailings Operating Manual that is periodically reviewed/updated to ensure that tailings management practices at each site are conducted in accordance with national regulations and Calibre requirements, and to minimize short- and long-term risks.
- TSFs are inspected annually for geotechnical stability by a qualified engineer of record. When required, corrective actions are completed by the site operations teams.
- In order to control and monitor the stability of the tailings dams, instrumentation (piezometers, inclinometers, and cairns) is frequently monitored. Water quality of the sub-basin is monitored. Bathymetry is carried out once a year, and the water level of the water mirror is surveyed on a weekly basis. Results inform our water discharge plans to keep the area stable. Monitoring data is sent monthly to our engineer of record, and they perform an annual inspection (site hazard assessment and TSF breach analyses) to verify the proper functioning of the TSFs, to predict the consequence of failure and to inform emergency management plans.

- TSFs have emergency response plans (ERPs), which establish a monitoring system to detect unusual conditions or emergencies in the tailings dams. They also identify the officers, officials, organizations, agencies (both internal and external), and their respective responsibilities for the implementation of a response procedure, as well as the areas, residences, facilities, and roads/highways that could be affected by a TSF failure.

Waste Rock Management

- Our Waste Rock Management Standard covers waste rock disposal facilities and other infrastructure utilizing waste rock for construction (e.g., haul roads, dams, etc.), as well as ore stockpiles (relating to their potential to generate acid), site quarries, and borrow material from excavations. It addresses the characterization of waste rock, design and construction of waste rock disposal facilities, management of potential acid generation from waste rock, stormwater controls, monitoring, reclamation, and closure.
- Sites with known net acid-generating ore and waste rock are required to develop waste rock management plans.

Non-Process Waste Management

- Our Non-Process Waste Management Standard covers the generation, segregation, collection, storage, transportation, disposal, and/or recycling of hazardous and non-hazardous wastes.
- All sites maintain a waste management plan that defines on-site and relevant off-site strategies, operational controls, and management practices relating to site wastes, based on identified risks to both human health and the environment.

ACCOUNTABILITY AND ENGAGEMENT

- See details in the Environmental Management Section [↗](#).

3.3.2

2021 Performance

METRICS

TOTAL AMOUNTS OF OVERBURDEN, ROCK, TAILINGS, AND SLUDGES AND THEIR ASSOCIATED RISKS, IN METRIC TONNES (T)

(GRI MM3; SASB EM-MM-150A.1; EM-MM-150A.2; EM-MM-150A.5; EM-MM-150A.6)

Tailings and waste rock generated	2021	Tailings 1,937,071	Waste rock 11,513,037	Total waste 13,450,108
	2020	Tailings 1,709,675	Waste rock 12,498,985	Total waste 14,208,660

WASTE GENERATED, IN METRIC TONNES (T)

(GRI 306-3; SASB EM-MM-150A.7; & SDG 12.4.2)

Waste composition	Hazardous	Waste generated 620	Waste diverted from disposal 95	Waste directed to disposal 525
	Non-hazardous	Waste generated 635	Waste diverted from disposal 370	Waste directed to disposal 265
	Total	Waste generated 1255	Waste diverted from disposal 465	Waste directed to disposal 789

TAILINGS STORAGE FACILITY INVENTORY TABLE

(SASB EM-MM-540A.1)

FACILITY NAME	La Esperanza	San Jose
LOCATION	La Libertad, Chontales, Nicaragua	Mina El Limon, Larreynaga, Nicaragua
OWNERSHIP STATUS	Operator	Operator
OPERATIONAL STATUS	Active	Active
CONSTRUCTION METHOD	Downstream	Downstream
MAXIMUM PERMITTED STORAGE CAPACITY (t)	20,000,000	4,500,000
CURRENT AMOUNT OF TAILINGS STORED	18,000,000	3,408,245
CONSEQUENCE CLASSIFICATION	Low	Low
DATE OF MOST RECENT INDEPENDENT TECHNICAL REVIEW	Nov-21	Jan-22
MATERIAL FINDINGS	No	No
MITIGATION MEASURES	No	No
SITE-SPECIFIC EPRP	Yes	Yes

NOTE: All our TSFs are classified by MSHA as having low hazard potential.

KEY RESULTS



100% of all wastewater produced by Calibre operations is safely treated.



No significant reportable incidents associated with hazardous materials and waste management during the reporting period.

- None of our sites have potential for acid rock drainage.
- 8% reduction in waste rock due to deepening of open pits, which generate less waste rock.
- 20% increase in cyanide use and 13% increase in tailings due to full non-stop production in 2021 versus month-and-a-half suspension of operations in 2020 as measure against the COVID-19 pandemic.
- No TSF audits conducted due to COVID-19 restrictions (scheduled for Q1 2022). However, monthly monitoring reports were reviewed by engineer of record, with no significant issues identified.
- As part of our commitment toward responsible mining and continuous improvement, an independent third party conducted a Cyanide Code gap assessment at our operations handling cyanide, Limon and Libertad Complex. Findings indicated that our operations had the necessary foundations to generate a “culture of good cyanide management” and to comply with the Code’s requirements. Opportunities for improvements were identified and a detailed action plan to correct deficiencies is underway based on the pre-audit recommendation. We expect to conduct a one-year follow-up assessment to evaluate progress and define a clear path forward.

3.3.3 2022: Next Steps



Implement an action plan for improvement areas found on our Cyanide Code gap assessment including a progress report and compliance assurance.



Assess our Tailings Management Standard against the Global Industry Standard on Tailings Management.




3.4

BIODIVERSITY

WHY IT MATTERS

Mining, if not conducted responsibly, can have a detrimental impact on biodiversity and the ecosystem. At Calibre we are dedicated to managing biodiversity in a manner that is respectful of the habitats in which we operate. This is of particular relevance to our host country, which holds 7% of the world's biodiversity in just 0.13% of territory worldwide⁶, so we focus on addressing the risks and impacts of our operations by applying the mitigation hierarchy, which remains the primary means of contributing to global efforts to halt biodiversity loss.

ANALYST CENTRE

Material topics covered in this section	Biodiversity <ul style="list-style-type: none"> • Biodiversity management • Forest stewardship • Mine closure and land-use planning
GRI indicator(s)	MM1, MM2, 304-1, 304-2, 304-3
SASB indicator(s)	EM-MM-160a.3
Prioritized SDG targets	15.1.2
Potential risks	<ul style="list-style-type: none"> • Transformation of natural areas into areas of extractive exploitation without prior consent or negotiation with communities sharing ecosystem services. • Potential damage to ecosystem health and loss of biodiversity, wildlife, deforestation.
Potential impacts to human rights	<ul style="list-style-type: none"> • Right to life and health. • Right to adequate living conditions.
See these data tables for additional information 	27, 28, 29, 30, 31

⁶. Ministry of Environment and National Resources 

3.4.1

Our Approach

POLICY COMMITMENTS

- Our Biodiversity Policy establishes our commitment to biodiversity conservation and an integrated approach to land-use planning. This commitment includes respecting legally protected species and areas, understanding the interconnection between mining and biodiversity, identifying those areas of our operations that could have a negative impact on biodiversity, and implementing mitigation measures on biodiversity impact and the rehabilitation of affected areas.
- Our Biodiversity Management Standard sets our commitment to and defines our requirements for protecting and managing biodiversity to minimize any adverse acute or cumulative impacts on flora and fauna.
- Our Topsoil and Reclamation Management Standard defines Calibre's commitment to minimizing the disturbance footprint across sites.
- Our Closure and Reclamation Planning Standard establishes our commitment to responsible mine closure, requiring consultation of relevant stakeholders on planned closure and post-closure commitments, including rehabilitation and future use of land.

TOPIC AND RISK MANAGEMENT

- All sites maintain a vegetation clearing permit and retain records of completion. We work diligently to meet all environmental monitoring and protection requirements under such permits. To that end, all our sites must demonstrate protection of aquatic (including groundwater-dependent ecosystems), terrestrial, and marine environments.
- At sites where biodiversity management and protection has been identified as a potential or actual environmental risk, sites develop and implement biodiversity management plans establishing key management strategies and controls to identify and address risks and to protect flora and fauna. Plans also define how rare and endangered species, as well as priority conservation listed species, are to be protected.
- Biodiversity monitoring programs are implemented and periodically reviewed, to identify any potential or actual adverse biodiversity impacts (e.g., on sensitive or protected areas) and evaluate the effectiveness of control measures.

- We aim to minimize deforestation arising from our activities. We prevent unnecessary ground disturbance and protect areas of known high biodiversity using control measures that minimize access. Vegetation clearance is conducted only in strictly necessary areas. Prior to intervention, we collect seeds and pods to ensure areas are rehabilitated with native species. For remediation, we plant ten trees for every one cleared in order to guarantee a minimum survival rate of 70% and we promote conservation of adjacent areas.
- We provide periodic training to relevant employees and contractors to create a culture of respect for existing wildlife and vegetation.
- We incorporate mine closure into technical and financial evaluations of new sites. A mine closure plan must be developed during the design phase of all new sites. This plan defines relevant regulatory/license requirements, relevant closure and post-closure monitoring programs, and bond release/lease relinquishment requirements. However, even before closure, stabilization and/or progressive reclamation activities are scheduled and completed as soon as practical after designated areas of the waste disposal facility become available.
- We recognize the importance of integrated land-use planning. In creating our project and closure plans, we work to ensure that ecosystems, habitats, and species are protected from damage, which helps preserve biodiversity. Site reclamation plans define all relevant strategies, operational controls, and management practices relating to the progressive and final reclamation of the site, including the definition of suitable post-mining land uses, incorporating relevant values associated with conservation, forestry, water catchment, and any other requirements formally agreed upon with local communities.

ACCOUNTABILITY

- See details in the Environmental Management Section [↗](#).

ENGAGEMENT

- Public consultations are conducted for every new project proposed. More detailed information on our community consultation, engagement, and redress processes, including those related to environmental issues, can be found in our Rights of Communities and Indigenous Peoples section [↗](#).

3.4.2 2021 Performance

METRICS

SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY

(GRI 304-2)

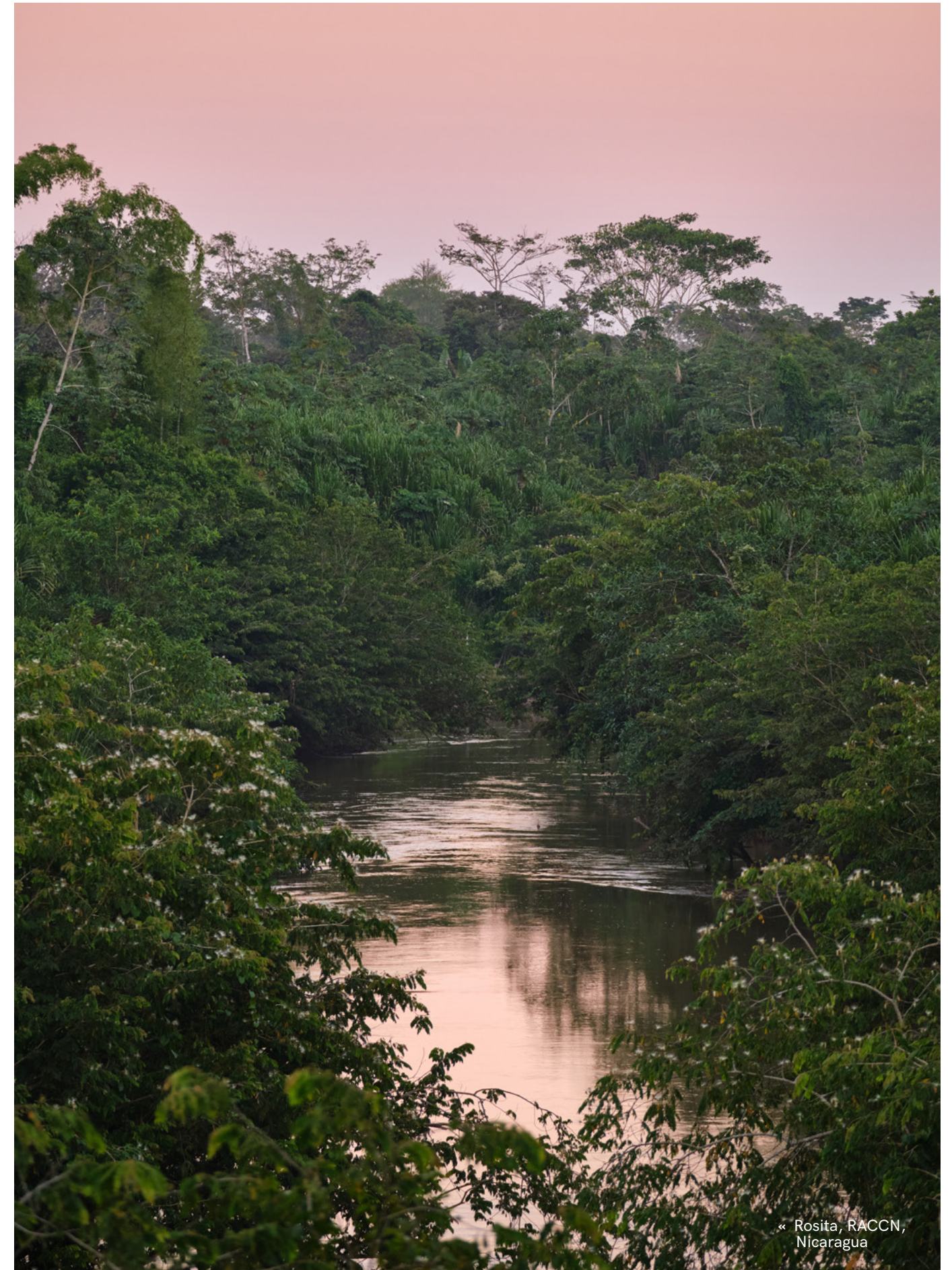
SITE	NATURE OF IMPACT	TYPE OF IMPACT	SIGNIFICANCE OF IMPACTS			
			SPECIES AFFECTED	SIZE OF AREA IN KM ²	DURATION	REVERSIBLE?
Limon Complex	Habitat conversion	Direct	Reptiles and birds	3.59	Medium term	Yes
Libertad Complex	Construction of mine Habitat conversion	Direct	Mammals, reptiles, and birds	2.87	Medium term	Yes
Eastern Borosi Project (EBP)	None	N/A	N/A	N/A	N/A	N/A
Rio Tinto Exploration JV	None	N/A	N/A	N/A	N/A	N/A

AMOUNT OF LAND OWNED OR LEASED, AND MANAGED FOR PRODUCTION ACTIVITIES OR EXTRACTIVE USE, DISTURBED OR REHABILITATED – KM²

(GRI MINING AND METALS SECTOR DISCLOSURE MM1)

SITE	TOTAL DISTURBANCE AT BEGINNING OF REPORTING PERIOD (OPENING BALANCE) - KM ²	NEW DISTURBANCE DURING 2021 - KM ²	ACHIEVED RECLAMATION (TO AGREED UPON END USE) DURING REPORTING PERIOD - KM ² (1)	TOTAL DISTURBANCE NOT YET RECLAIMED TO AGREED UPON END USE AT TEND OF REPORTING PERIOD (CLOSING BALANCE) - KM ²
Limon Complex	2.59	1.07	0.07	3.59
Libertad Complex	2.87	0.31	0.00	3.18
Eastern Borosi Project (EBP)	0.00	0.00	0.00	0.00
Rio Tinto Exploration JV	0.00	0.00	0.00	0.00
Total	5.46	1.38	0.07	6.77

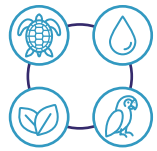
NOTES: (1) Refers to areas that are in the process of closure but are not considered fully restored to be classified as "restored habitat".



« Rosita, RACCN,
Nicaragua

KEY RESULTS

- The two sites identified as requiring biodiversity management plans⁷ (Limon and Libertad mining projects) have plans in place.
- Calibre does not have activities in or near sites with protected conservation status or endangered species habitat.
- We impacted 1.38 km² of land with new activities or developments.



1 km² of protected areas maintained for wildlife refuge in Santo Domingo and Rancho Grande.



We have no operational sites owned, leased, managed in, or adjacent to, protected areas and/or areas of high biodiversity value outside protected areas.

- Revegetation of approximately 6.74 ha of land for erosion control at our Limon Complex.
- Our Libertad Complex maintains an active flora and fauna rescue brigade with local people at Santo Domingo and Pavon. In 2021:
 - 219,753 native seeds were collected, in order to develop seedlings in our on-site nurseries for rehabilitation purposes.

⁷ If biodiversity management and protection was identified as a potential or actual environmental risk during original environmental impact or baseline studies or has since been identified as a risk during operations, then these sites are required to develop, implement, communicate, adhere to, and maintain a biodiversity management plan as per our Biodiversity Management Standard.

- 29 fauna rescues were conducted, and animals relocated either to the Peña Blanca wildlife refuge in Santo Domingo, Cerro Orosi in La Libertad, or the wildlife refuge in Pavon.
- Three biodiversity surveys were conducted in the Peña Blanca wildlife refuge and three in the direct restoration area of the Jabali Central pit lake, both in Santo Domingo, including monitoring of avifauna, butterflies, reptiles, and amphibians.

3.4.3 2022: Next Steps



Develop management plans for wildlife refuges.


3.5 CLIMATE CHANGE

WHY IT MATTERS

Climate change is a real and undeniable threat, with environmental and human consequences across the globe. As part of our commitment with responsible mining, we must work on more decisive actions toward reducing our emissions, optimizing our use of resources, and achieving greater transparency of our performance.

Climate change is a new area for Calibre. As such, we are beginning to conduct baseline studies to clearly understand our impacts and opportunities for improvement, and to develop corresponding strategies, processes, and controls.

ANALYST CENTRE

Material topics covered in this section	Climate Change <ul style="list-style-type: none"> · Energy use · Greenhouse gas emissions
GRI indicator(s)	305-1, 305-2, 305-4, 302-1, 302-3
SASB indicator(s)	EM-MM-110a.1, EM-MM-130a.1
Potential risks	Risks associated with GHG emissions and other significant air emissions related to physical or chemical processing, transportation, generation of electricity, and fugitive emissions (intentional or unintentional releases, such as leaks, emissions from mines and venting).
Potential impacts to human rights	<ul style="list-style-type: none"> · Right to health. · Right to adequate standard of living.
See these data tables for additional information 	32, 33, 34

3.5.1

Our Approach

POLICY COMMITMENTS

- Our Sustainability Statement commits us to ensuring the sustainable management and efficient use of all natural resources, and to promote innovation and adoption of clean processes to combat climate change.
- Aligned with the Responsible Gold Mining Principles:
 - We support the objectives of global climate accords through avoidance, reduction, or mitigation of carbon emissions. We will consider opportunities to reduce GHG emissions at our mine sites to contribute to our overall commitment under the RGMPs.
 - We will measure and report on our CO₂ equivalent emissions in line with accepted reporting standards.
 - Where relevant, we will work to enhance the ability of our operations and nearby communities to be resilient to the effects of climate change.
- For information on engagement and accountability processes, see details in the Environmental Management Section [↗](#).

3.5.2

2021 Performance

METRICS

ENERGY CONSUMPTION WITHIN THE ORGANIZATION IN GJ

(GRI 302-1, SASB EM-MM-103A.1)

	2020	2021	%
	Total	Total	
Direct energy consumed	730,220	1,003,015	73%
Diesel	730,212	998,429	73%
Propane	8	4,586	0%
Indirect energy consumed	281,746	369,279	27%
Grid electricity from renewable sources	169,048	221,567	16%
Grid electricity from non-renewable sources	112,698	147,712	11%
Total Energy Consumed (GJ)	1,011,966	1,372,294	

GHG EMISSIONS INTENSITY (SCOPES 1&2) – METRIC TONNES CO₂E PER TONNE OF ORE PROCESSED

(GRI 305-1; 305-2; 305-4; & SASB EM-MM-110A.1)

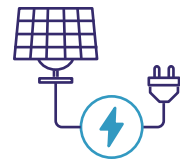
	SCOPE 1 (TCO ₂ E)	SCOPE 2 (TCO ₂ E)	TOTAL (TCO ₂ E)
Total (tCO₂e)	73,991	30,568	104,560
% of Total Annual CO ₂ e	0.71	0.29	1
Tonnes of Ore Milled (t)			1,958,580
GHG Emissions Intensity (tCO ₂ e/t ore milled)			0.05
Ounces of Gold Produced (oz)			182,755
GHG Emissions Intensity (tCO ₂ e/oz Au produced)			0.57

KEY RESULTS

- 35% increase in energy consumption due to rise in ore haulage.
- Along with other WGC members, Calibre committed to reporting our position and progress on climate-related risks in line with the recommendations of the Taskforce for Climate-Related Financial Disclosures (TCFD).



We conducted our first GHG inventory of scopes 1 and 2 emissions for our Limon and Libertad Complexes. Our baseline for energy intensity is 8.4 GJ/oz and 0.053 tCO₂e/ore processed



Approximately 60% of electricity sourced from the national electric grid (27% of our total consumption) came from renewable resources.

3.5.3 2022: Next Steps



Design an energy strategy to improve efficiency and sustainability of resource use.



Design a climate change strategy to reduce greenhouse gas emissions.



Launch an internal campaign to identify, propose, and select sustainability-related innovations at all sites.



We will begin reviewing the TCFD framework's four recommended areas for reporting and conduct an assessment to identify and understand climate-related risks and opportunities. Based on findings, we will establish corresponding climate-related targets and plans.



Social

4

2021 HIGHLIGHTS



No significant fines, violations, or incidents related to employment practices, health and safety, workplace disruptions, or community disputes during the reporting period.



2021 LTIFR of 0.51, a reduction of ~22% over 2020.



100% of three public consultations conducted resulted in community consent to develop the proposed projects.



96% of our employees are Nicaraguan, and 81% of those are from local communities.

US\$ 285.9M

in economic value distributed.

MATERIAL TOPICS INCLUDED IN THIS SECTION

- » Labour Rights
 - Employment and labour practices
 - Freedom of association
 - Training and education
 - Non-discrimination
 - Child labour and forced or compulsory labour
 - Diversity and inclusion
- » Health and Safety
 - Occupational health and safety
 - Transport and traffic accidents
 - Emergency preparedness
 - COVID-19 management
- » Rights of Communities and Indigenous Peoples
 - Impacts on local communities
 - Rights of Indigenous Peoples
 - Community engagement
- » Land Acquisition and Resettlement
- » Artisanal and Small-Scale Mining
- » Socio-Economic Contributions
- » Local content (e.g., local employment, local procurement)
- » Investments for community development
- » Indirect economic impacts



4.1 LABOUR RIGHTS

WHY IT MATTERS

At Calibre Mining, we are guided by the principles of decent work and abide by the rule of law. We believe that success is a direct product of our people and consider sound employment practices as paramount to building a workforce that enables the Company to fulfill our corporate and strategic goals in a safe and responsible manner.


ANALYST CENTRE

Material topics covered in this section	<p>Labour Rights</p> <ul style="list-style-type: none"> • Employment and labour practices • Freedom of association • Training and education • Non-discrimination, diversity, and inclusion • Child labour and forced or compulsory labour
GRI indicator(s)	2-7, 2-30, 401-1, 401-2, 402-1, 407-1, 404-1, 405-1, 405-2, 406-1
SASB indicator(s)	EM-MM-000.BN, EM-MM-310a.1, EM-MM-310a.2
Potential risks	<ul style="list-style-type: none"> • Failure to comply with appropriate institutional and legal frameworks could lead to labour complaints before regulators, workplace disruption, and increased turnover, directly affecting employees' income and communities' economic dynamics. • Unfair working conditions cause harm to people. • Non-inclusive workplace culture, resulting in exclusionary experiences and cases of discrimination and harassment. • Failure to ensure no use of forced, compulsory, or child labour.
Potential impacts to human rights	<ul style="list-style-type: none"> • Right to non-discrimination and equal recognition and protection under the law. • Right to safe, just, and favorable conditions of work. • Right to health. • Right to rest, leisure, and family life. • Right to freedom of association. • Right to organize and participate in collective bargaining. • Right to effective remedy. • Rights of protection for the child. • Right not to be subjected to slavery, servitude, or forced labour.
See these data tables for additional information 📄	35, 36, 37, 38, 39, 40, 41

4.1.1

Our Approach

POLICY COMMITMENTS

- Our Corporate Governance Policies and Procedures Manual  is the basis for our people management. This establishes the Company's ethical principles and commitment to respecting human rights and the country's regulatory framework. Our Code of Business Conduct and Ethics, p. 29–30, pledges us to promote a workplace that supports the dignity, well-being, and rights of workers, and reflects diversity and behaviour that is respectful, open, inclusive, and free of harassment or discrimination.
- We are committed to ensuring that our operations are places where employees have proper access to company information, have a voice in decisions that affect them, and are recognized for their performance. We respect the principles of freedom of association and strive to partner with all stakeholders with regard to employment matters.

TOPIC AND RISK MANAGEMENT

- Internal labour regulations and collective bargaining agreements in place at our Limon and Libertad Complexes guide our compliance with legal requirements for hiring, employment rights, labour-management conditions, and workplace conditions.
- We remunerate our workforce with competitive wages that exceed legal requirements, and we assign regular and overtime working hours within legally required limits.
- Standard benefits for full-time employees include life insurance, on-site health care, bonus provisions, food support, collective transportation and social security, extra paid holiday entitlements, and parental and other special leaves as per national legislation stipulations. Additional benefits provided to employees covered by collective agreements include annual salary adjustments, retirement indemnity, and compensation for disability or injury. Calibre also hires temporary, full-time employees, mostly for exploration projects with specific timeframes for execution. By year-end, Calibre had 48 temporary employees. Benefits for temporary employees are the same as for permanent full-time employees except for bonus provisions.

- Child, forced, and compulsory labour are not seen as a risk within the industrial mining sector in Nicaragua, however we maintain strict proof-of-age policies and hiring procedures at all sites, preventing anyone under the legal working age of 18 from obtaining employment. This proof-of-age requirement extends to our contractors through contract clauses.
- The Company respects and supports freedom of association and the fundamental right of our employees to create and/or join a union of their choice, to defend their labour rights, and to bargain collectively on the terms and conditions of work—rights that are set forth in our internal labour regulations and collective bargaining agreements. Collective bargaining agreements are reviewed and negotiated with site unions every two years and benefits are established for employees through the Nicaraguan legal procedures set for this purpose.
- Payment processes (payroll) are audited internally by the Finance Department and externally by our financial auditors on an annual basis.
- Compliance with labour laws is verified by Nicaragua's Ministry of Labour through periodic inspections of our assets. Based on findings, remediation plans are created and implemented.

ACCOUNTABILITY

- The Vice President Human Capital is responsible for human resources management.
- The Senior Labour Relations Manager is responsible for overseeing and managing union affairs, and the Human Resources Manager oversees the implementation of our people policies and practices.
- Each operation is responsible for the implementation of procedures, internal labour regulations, compliance with collective agreements, daily communication and handling of issues, and establishment of programs that comply with our commitments and corporate initiatives.

ENGAGEMENT

- We encourage our employees to speak up if a co-worker’s conduct makes them uncomfortable, and to report harassment or discrimination if it occurs, through one of our open communication channels (e.g., by reporting to management, through our whistleblower hotline, or through their union representative).
- We maintain ongoing communication with union organizations, labour authorities, and national union representation, which allows for a healthy dialogue on issues that arise from the management-labour relationship, always under the protection and supervision of the country’s labour authorities and in accordance with applicable labour legislation.
- Policies and procedures are communicated through internal memorandums and accessible via our internal website. Printed copies of updated collective agreements are provided to employees.



4.1.2 2021 Performance

METRICS

EMPLOYEES

(GRI 2-7, EM-MM-000.B)

By gender
at year end
2021



1,012
Men employees



181
Women employees

85%
of total

15%
of total

By region
at year end
2021



1,147
National

96%
of total

930 Local (1)
78% of total

217 National, Non-local (2)
18% of total



46
Foreign

4%
of total

NOTES:

- (1) Local is defined as people from communities adjacent or near to our operations.
- (2) National, non-local is defined as Nicaraguans not from communities adjacent or near our operations.
- (3) Nationals is defined as the sum of local plus non-local Nicaraguans.

WORKERS WHO ARE NOT EMPLOYEES

(GRI 2-8)

By gender at year end 2021



2,118
Men



91
Women

96%
of total

4%
of total

By region at year end 2021



2,077
National

94%
of total



132
Foreign

6%
of total

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

(GRI 404-1)

Employees
1,613

Training hours provided
5,325.75

Average training hours per employee
3.30

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN

(GRI 405-2)

EMPLOYEE BY CATEGORY	RATIO WOMEN/MEN AVERAGE SALARY
Vice Presidents	N/A
Senior Management	N/A
Management	0.73
Superintendents and Heads of Area	0.74
Non-Management	0.95

NOTE: No woman held a role within Vice Presidents and Senior Management employee categories. Calibre has salary scales by rank in which it considers level of experience, years in the industry and category of the position (e.g., administration or operation). Positions in operation categories, mostly occupied by men, have a higher level of compensation according to industry market.

KEY RESULTS



1,193
Total number of employees



100%
are full time

out of which 96%
are permanent



96%
are national



out of which 81%
are local



15%
are women



29%
of our management
are women



68%
of management
are in the 30-50
age group

55%
of senior management
are in the 30-50
age group

- Our total turnover rate was 6.5% in 2021, versus 3.8% in 2020. The main reason for increase in total turnover rate was the increase of 2% on involuntary turnover due to COVID-related deaths.
- 71% of our employees belong to a union.



Collective agreements in place at both Limon and La Libertad complexes.

- Employee of the Month recognition program developed.
- Health and safety indicator performance integrated into employee compensation framework metrics.
- Employees grievance policy and procedure designed.
- Training in soft skills provided to 32 staff members (3% of total employees) to improve leadership and teamwork.
- Internship program launched with 12 graduate students in partnership with national universities, to increase exposure to the mining industry, strengthen educational opportunities, and promote the specialization of mining-related education.
- Total number of contractors: 2209. The most common role for contractors are in exploration activities, mineral extraction, mineral haulage, and people and asset security.



No incidents or significant workplace disruptions, strikes, or lockouts.



IN FOCUS

INTERNAL REGULATIONS CONTRIBUTE TO A GOOD WORKING ENVIRONMENT

Calibre implemented internal labour regulations for its mining operations its Libertad and Limon operations in 2021. Complying with all legal requirements, these regulations are aimed at building a stronger work environment based on a foundation of harmony, dialogue, respect, and discipline.

Internal labour regulations comprise a set of agreed rules between employer and employees that establish the correct way to sustain labour-management relations, not by taking a reactive approach, but rather by establishing clear obligations and rights for both parties.

“Calibre has taken a big step with the creation and implementation of internal labour regulations. These regulations are a great tool for providing clarity on work rules, and, at the same time, promoting equity because they are applicable to all employees in the Company, without distinction,” explained Eloy Rubio, Senior Manager for Labour Relations.

The regulations comply with the Nicaraguan Labour Code and are governed by ethical work principles, such as mutual respect, teamwork, communication, and gender equality.

Regulations widely disseminated

Once the regulations were approved by the Nicaraguan Ministry of Labour, Calibre provided a copy to each worker and posted them at site offices.





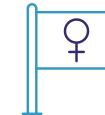
4.1.3 2022: Next Steps



Communicate and train employees on employee grievance policy and mechanism.



Design and launch training on harassment policy.



Improve representation of women within our workforce.

4.2

HEALTH AND SAFETY

WHY IT MATTERS

We acknowledge that mining presents various potential high-consequence hazards, but we are convinced that effective risk management strategies should prevent safety incidents and the onset of occupational diseases. To that end, health and safety is at the heart of our operations and processes.

ANALYST CENTRE

Material topics covered in this section	Health and Safety <ul style="list-style-type: none"> • Occupational health and safety • Transport and traffic accidents • Emergency preparedness • COVID-19 management
GRI indicator(s)	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10
SASB indicator(s)	EM-MM-320A.1
Prioritized SDG targets	3.6.1, 8.8.1
Potential risks	<ul style="list-style-type: none"> • Unsafe working conditions: injuries, accidents, fatal accidents, life-changing injuries, and long-term ill-health that reduce life expectancy or quality of life affecting people at our sites, or people affected by our operations. • Hazards related to mining activities and processes, such as ground instability and rockfall, mobile equipment, unsafe facilities and infrastructure, worker fatigue, exposure to toxic substances and heat stress, and handling of hazardous chemicals, such as cyanide. • Accidents on the road related to mineral haulage routes. • Effects on humans and damage to property due to accidental explosions during the transfer of explosive materials along public roads. • COVID-19 pandemic-related health risks.
Potential impacts to human rights	<ul style="list-style-type: none"> • Right to life. • Right to health. • Right to safe work environment. • Right to effective remedy.
See these data tables for additional information 📄	42, 43, 44, 45, 46, 47, 48, 49, 50

4.2.1

Our Approach

POLICY COMMITMENT

- Safety is one of our core values. We strongly believe all incidents are avoidable and safety must be at the forefront of everything we do. Our objective is zero harm.
- As per our Health and Safety Policy, we are committed to the health and safety of our workforce and strive to create and maintain a safe working environment by complying with all applicable health and safety laws, rules, and regulations.
- Our new Safe Transport of Ore Policy provides guidelines for the use of equipment to transport ore between mining units. Its key objectives are to establish minimum standards for the operation of ore transportation at sites and en route, and to lead an operating culture based on safety for the benefit of our workforce and the communities involved.

TOPIC AND RISK MANAGEMENT

- Our health and safety management system goes beyond national regulatory requirements—the organization applies high standards based on ISO 45001 for occupational health and safety, ISO 31000:2009 for risk management, international industry best practices, and national legal compliance.
- Health and safety metrics are included in the Company's corporate scorecard and integrated into the performance management program.
- Operations have Organizational Technical Regulations for Health and Safety⁸, valid for 2 years, in accordance with national labour laws. These are agreed upon with each mine's union(s) and approved by the Ministry of Labour. The regulations consist of 15 chapters that govern the Company's health and safety practice, including: a) mapping of occupational hazards; b) obligations of the employer; c) obligations of employees; d) prohibitions for employees; e) order, clean work areas, and signage; f) prevention and fire protection; g) first aid; h) statistics of industrial incidents and occupational diseases; i) Mixed Commission on Occupational Health and Safety; j) healthcare; and k) sanctions.

⁸ Law 618, General Law of Occupational Health and Safety, is a Nicaraguan regulation that governs health and safety aspects, and amongst others, mandates the establishment of an Organizational Technical Regulation, a normative technical instrument that establishes adequate working procedures and methods for different activities, as well as preventive measures that must be adopted in the workplace by employers and contractors.

- We maintain a positive safety culture, including safe behaviour and awareness programs.
- We have built a One Calibre Health and Safety Journey Framework using current health and safety standards, practices, tools, and skills development. It focuses on:
 - » Engaging leaders in safety journey facilitation and infield interactions that empower employees.
 - » Creating comfort in understanding standards and applying risk-based practices.
 - » Creating an organizational environment where individuals, teams, and sites self-assess progress along their safety journey.
 - » Cultivating an organizational work culture with a clearly shared purpose, trust and a willingness to speak up, inspirational leadership, and the ability to deliver on commitments.
- We provide personal protective equipment to our employees and ensure our contractors do the same for their workforce while working at our operations.
- We employ a two-pronged approach to emergency management in order to minimize the impact on employees, contractors, surrounding communities, the environment, and operations. Site emergency response teams respond to site or local emergency situations. Rapid response teams respond to potential emerging events that may escalate into something with the potential to impact the corporation. In both cases, the Incident Command Systems model is activated. This approach is based on recognized international leading practices and standards.

- Calibre has a robust COVID-19 Policy that has been developed following World Health Organization (WHO) and Centre for Disease Control (CDC) guidelines. The policy is continually reviewed and updated as the pandemic evolves. The fundamentals of the COVID-19 controls are:



All workers are encouraged to get vaccinated and get booster shots as required. Any new hires must be vaccinated as a requirement for employment.



Workers must use a mask in all common spaces and vehicles.



Workers must take their temperature, and wash and disinfect their hands upon entry to all Calibre sites and transport. Repeated hand washing is recommended.



Workers must complete the COVID-19 questionnaire, regarding symptoms and contacts, upon entry to all Calibre sites and transport.



Workers must maintain a minimum distance of at least 1.5 m from everyone at all times, where possible.



If a worker feels unwell, they must not go to work, and must notify their supervisor and the site medic immediately. If they develop symptoms during their time on-site, they must report to their supervisor immediately and visit the medic.

Workers cannot return to work after COVID-19 infection or exposure without sign-off by our medic.

ACCOUNTABILITY

- The Vice President Operations oversees health and safety management for the Company.
- The Health and Safety Manager leads and monitors compliance of our Health and Safety Management System.
- Each operation is responsible for the development and implementation of corporate policies, systems, and initiatives.

ENGAGEMENT

- We promote collaboration between senior management and employees for safety leadership through regular engagement on health and safety issues with our employees and their representatives. Sites hold pre-shift and pre-job-set-up health and safety meetings, as well as monthly meetings where information is shared about work-related incidents, known hazards, and performance measures taken to correct and prevent recurrences.
- In accordance with Nicaraguan law, our operations have Mixed Commissions on Occupational Health and Safety. These are joint bodies made up of representatives appointed by the Company and by our unions for the purpose of participating in occupational health and safety matters by promoting, monitoring, and establishing actions for the protection of our employees in the performance of their duties.
- We conduct regular safety training for our employees and our contractors to continually improve our performance. Safety talks are also given to all site visitors.

4.2.2 2021 Performance

METRICS

WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY

(GRI 403-5)

TYPE OF TRAINING	TOPICS	# PEOPLE TRAINED IN 2020	# PEOPLE TRAINED IN 2021	FREQUENCY OF TRAINING	DURATION (HOURS)	MANDATORY?
Basic training	General Inductions, Hazard Identification and Risk Assessment (HIRA), Job Safety Analysis (JSA), First Aid, Manual Handling, Five Point System, Solid Waste, Fire Prevention, Emergency, Biodiversity, COVID-19 Protocols.	17,299	11,668	At least annual	2 hrs	Yes. To all employees and contractors.
General training	Lockout Tagout (LOTO), Hot Works, Working at Height, Confined Space, HCNa, Amassing, Polishing and grinding, Oxy fuel cutting, Work Permits, Operation of light equipment, Hydrocarbon handling, Road education, Oxygen therapy, Use and handle of Ciano kit.	1,182	1,030	At least annual	2 hrs	Yes. To targeted audience according to area of work.
Specific work-related hazards training	Cyanide preparation, Use of Forklifts, Use of Boilers, Operation of Articulated Trucks, Use and Handling of Front Loaders, Hydro cyclones, Geomembrane Installation, Explosives	535	265	Annual	4-8 hrs	Yes. To targeted workers according to job specifications.

EMPLOYEE DATA ON WORK-RELATED INJURIES

(GRI 403-9; SDG TARGET 8.8.1 FATAL AND NON-FATAL OCCUPATIONAL INJURIES)

# FATALITIES	0
FATALITY RATE	0
# HIGH-CONSEQUENCE WORK-RELATED INJURIES	0
HIGH-CONSEQUENCE WORK-RELATED INJURIES RATE (1)	0.00
# RECORDABLE WORK-RELATED INJURIES	29
RECORDABLE WORK-RELATED INJURIES RATE (2)	12.38
MAIN TYPES OF WORK-RELATED INJURY	N/A
# HOURS WORKED	3,499,423.00

NOTE: (1) High consequence work-related injury rate is the number of high consequence work-related injuries x 200,000/total hours worked. (2) Recordable work-related injury rate is the number of recordable work-related injuries x 200,000/total hours worked. Main types of work-related injury include contusion, open wound, superficial injury, sprain and strain, and excoriation.

CONTRACTOR DATA ON WORK-RELATED INJURIES

(GRI 403-9; SDG TARGET 8.8.1 FATAL AND NON-FATAL OCCUPATIONAL INJURIES)

# FATALITIES	0
FATALITY RATE	1
# HIGH-CONSEQUENCE WORK-RELATED INJURIES	1
HIGH-CONSEQUENCE WORK-RELATED INJURIES RATE (1)	0.07
# RECORDABLE WORK-RELATED INJURIES	24
RECORDABLE WORK-RELATED INJURIES RATE (2)	3.07
MAIN TYPES OF WORK-RELATED INJURY	0
# HOURS WORKED	6,315,021.00

NOTE: (1) High consequence work-related injury rate is the number of high consequence work-related injuries x 200,000/total hours worked. (2) Recordable work-related injury rate is the number of recordable work-related injuries x 200,000/total hours worked. Main types of work-related injury include contusion, open wound, superficial injury, sprain and strain, and excoriation.



RECORDABLE WORK-RELATED INJURIES BY TYPE OF INCIDENT

(GRI 403-9; SDG TARGET 8.8.1 FATAL AND NON-FATAL OCCUPATIONAL INJURIES)

NUMBER	28
TYPE (S)	Falling object, fall to the same level, contact against, struck by, entrapment, caught by

OTHER RELEVANT DATA

(GRI 403-9; SDG TARGET 8.8.1 FATAL AND NON-FATAL OCCUPATIONAL INJURIES)

# HIGH-POTENTIAL WORK-RELATED INCIDENTS IDENTIFIED	83
# CLOSE CALLS IDENTIFIED	Rock fall, heavy equipment collision, loss of control of moving equipment

KEY RESULTS

- We had 4 fatalities related to road traffic incidents: 1 death as result of our haulage contractors' malpractice, 3 uncontrollable incidents.⁹ See In Focus (below) for lessons learned and actions taken.



100% of our employees and contractors are covered by our Health and Safety Management System, which is internally audited.

- 2021 Lost Time Injury Frequency Rate (LTIFR)¹⁰ of 0.51, a reduction of ~22% over 2020.
- 100% of Calibre's workforce (employees and contractors) are provided with social security as per national legislation, ensuring coverage of essential health services (such as reproductive, maternal, newborn and child health, infectious diseases, non-communicable diseases, and service capacity and access).
- The implementation of our 18-month health and safety plan has resulted in greater individual health and safety ownership, with employees making a personal commitment to safety, improvements in workplace inspections and corrections of unsafe conditions, and departmental ownership of incident investigations and corrective actions.
- Training actions have included hazard management and techniques for measuring potential risk and classifying them accordingly, such as hazard hunt exercises that improve worker ability to see the risk, understand the hazard, and manage controls.

⁹. Calibre defines "uncontrollable incidents" as collisions with haulage trucks caused by a third party.

¹⁰. Lost Time Injury Frequency Rate (LTIFR) refers to the number of lost time injuries occurring in a workplace per 200,000 hours worked.

- As part of our verification of control effectiveness process, we have (i) established verification of controls as follow-up to corrective actions taken, reviewed by subject-matter experts from across sites; (ii) established monthly health and safety alignment meetings and weekly calls; and (iii) implemented quarterly Time Out for Safety sessions, demonstrating a commitment to safety country-wide.
- We have continued to focus on incident investigation: (i) root cause analysis; (ii) corrective actions; and (iii) controls verification.
- As our Lost Time Injury (LTI)¹¹ events increased in number (25 in 2021 versus 22 in 2020), our area of focus, continues to be the underground mine and maintenance departments.
- We increased the health and safety team, adding 12 new supervision posts across operations.
- A new 700hp vent fan in Santa Pancha improved underground vent conditions by reducing water discharge temperatures (-4°C to -7 °C) and improved mechanical efficiency and safety.
- Seven emergency drills were conducted by our rapid response and emergency response teams.
- As the COVID-19 pandemic continued, our COVID-19 Committee remained in force, adjusting protocols to align with WHO and CDC guidance as required. By end of 2021, 86% of Calibre employees and 78% of contractors were partially or fully vaccinated, with 715 COVID-19 cases and 12 COVID-19-related deaths since the start of the pandemic.

¹¹. A Lost Time Injury (LTI) is defined as an injury resulting from an accident that prevents the injured person from reporting to work on the next (and any thereafter) calendar day (regardless of whether or not the injured person is scheduled to work on the next calendar day).

IN FOCUS

FATALITY ON THE ROADS: LESSONS LEARNED

On October 11, 2021, an ore haulage truck was travelling on the public road when the driver lost control and hit a house, resulting in the death of a 10-year-old child, and causing injuries to four other people.

According to internal investigations, the haulage truck operated by the contractor GRAMSA, was travelling loaded (approx. 30t) on the public road from our Pavon Mine to our Libertad Mill. On the descent of the Cuesta de Apetite (San Ramon-Matagalpa), the operator of the unit was speeding, which took the equipment to its braking capacity limit. While trying to evade another truck in the same lane, the GRAMSA unit left the main road at a speed of 101 km/h, hitting four children aged 10, 11, 12, and 15, who were playing in their yard. The truck continued its course and hit a house, trapping a 72-year-old woman between the debris and the ore the truck was carrying.

Tragically, the 10-year-old boy was pronounced dead at the scene. The other three children and the woman were transferred to the nearest health unit, received timely treatment, and recovered.

"This has been one of the most painful and sad moments for us at Calibre. We have failed in our commitment to ensure the well-being of the people who live in our area of influence. To prevent these situations from recurring, we have applied a series of actions based on an analysis of the root cause of the event," says Health and Safety Manager, Freddy Morales.

To prevent additional road accidents:

1. We implemented a GPS Monitoring System across 144 light vehicles and 201 heavy haulage fleet vehicles, ensuring 24/7 monitoring with in-cab coaching, and immediate reaction (call) on critical infractions. As testing is ongoing, results show a dramatic improvement in driving record with a 90% reduction in speeding events after 2 months of installation, and a reduction in average potentially fatal occurrences per month.
2. We hired a consultancy company expert (on optimization of transport processes) to optimize professional driving by providing 24/7 monitoring of all transport trucks and managing alerts in real time, with their respective escalation matrix.
3. We commissioned an external audit to assess risks and opportunities of our Road Haulage Program and educate our workforce on risk mitigation practices.
4. We created a new Policy for the Safe Transport of Ore.
5. We implemented a thorough safe-driving campaign at all Calibre operations, involving workers' families.

Safety is the Most Important Thing

Rigoberto Anaya, Land Transport Program Manager, explained that the Company's new Ore Transportation Policy aims to promote the safety of our workforce and the communities located near sites and along the ore transportation routes.

"Calibre's Transport Policy sets out a plan for the preventive, corrective, and predictive maintenance of transportation trucks, clear procedures for the management of driver fatigue, and the obligation for contractors to carry out a daily 360 inspection prior to the start of each shift," he says.

All drivers of ore transport units are now required to be trained on topics relevant to their work. In addition, we have demarcated safe areas along transport routes where operators can stop to rest and allow truck engines to cool. This will help to manage both operator fatigue and prevent truck engines from overheating.



4.2.3 2022: Next Steps



Every employee and contractor will be engaged in education sessions to improve understanding and promote personal ownership of risk-based safe practices. Training is intended to help workers self-assess where they, their teams, or their operations are within their safety journey, as we continue toward an injury-free workplace. Metrics include:

- Leading indicators: Health and Safety Education
 - » Organizational safety journey of leadership and commitment
 - » Risk management and control verification
 - » Incident investigation management
 - » Health and safety 2023 action planning
 - » Quarterly Time Out for Safety
- Leading indicators: Health and Safety Performance
 - » 90% of corrective actions completed and signed off for risk levels 3, 4, and 5
 - » 50% of risk levels 4 and 5 control verification reviews completed and signed off
 - » 90% of Safety Alerts submitted on time
 - » 90% of investigations completed and signed off on time
- Lagging indicators: Health and Safety Performance
 - » Zero fatalities
- 10% reduction from 2021 in Lost Time Incident Frequency Rate (LTIFR 0.46)
- 25% reduction from 2021 in Total Recordable Incident Frequency Rate (TRIFR 1.56)
- 10% reduction from 2021 in Injury Severity Rate (ISR 16.72)

4.3 RIGHTS OF COMMUNITIES AND INDIGENOUS PEOPLES

WHY IT MATTERS

We are committed to engaging and consulting regularly, respectfully, and in good faith with the communities associated with our operations on matters of interest to them and we consider their perspectives and concerns when identifying and managing risks and impacts resulting from our activities and those of our contractors.

ANALYST CENTRE

Material topics covered in this section	Rights of Communities and Indigenous Peoples <ul style="list-style-type: none"> • Impacts on local communities • Rights of Indigenous Peoples • Community engagement
GRI indicator(s)	411-1, 413-1, 413-2, MM5, MM6, MM7
SASB indicator(s)	EM-MM-210b.1, EM-MM-210b.2, EM-MM-210a.1
Prioritized SDG targets	16.3.3
Potential risks	<ul style="list-style-type: none"> • Harm to health and safety of communities due to industrial mining-related activities. • Transformation of natural areas into areas of extractive exploitation, without wide support from and/or adequate prior consent or negotiation with affected communities. • Risk of noncompliance with Free, Prior, Informed Consent principle. • Adverse effects (divisions, internal conflicts, etc.) on communities and Indigenous Peoples on their governance, ways of life, and customs.
Potential impacts to human rights	<ul style="list-style-type: none"> • Right to life, liberty, and security of person. • Right to hold opinions, freedom of information, and expression. • Right to self determination. • Right to equal recognition and protection under the law. • Rights of minorities. • Right to non-discrimination. • Right to effective remedy. • Right to participate in cultural life.
See these data tables for additional information 📄	51, 52, 53, 54, 55, 56, 57

4.3.1

Our Approach

POLICY COMMITMENT

- Our Social Responsibility Policy reflects Calibre's commitment to engage openly and respectfully with community stakeholders and work together to build enduring, productive, sustainable, and mutually advantageous alliances that create shared value.
- As per our Community Engagement Standard, we inform and consult regularly and in good faith with the communities associated with our operations on matters of interest to them and seek to obtain and sustain broad-based support.
- As per our Social Risk Management Standard, we conduct periodic assessments on potential risks and impacts on communities and other potentially vulnerable or marginalized groups and work toward integrating that knowledge into our decision-making processes.
- As per our Indigenous Peoples Standard, we are committed to respecting collective and customary rights, culture, and connection to the land of Indigenous Peoples and we work to obtain their free, prior, and informed consent for every project requested in their territories.

TOPIC AND RISK MANAGEMENT

- Our social management system and standards are developed and implemented in alignment with internationally recognized frameworks, which cover human rights, social risk assessment, stakeholder engagement, community grievance management, Indigenous Peoples, and social closure.
- We use baseline data collection and social impact assessment processes to help us plan our work and monitor the ongoing performance for every new project or when significant changes occur within our operations. Environmental and social impact assessments (ESIAs) and corresponding mitigation plans for every new project are accessible to affected communities, as per national legislation, for 5 working days prior to the public consultation at the Ministry of Environment's territorial delegation, its Central Documentation Center, and the Municipal Mayor's Office.

- We have established a grievance mechanism at all sites through which complaints related to our activities can be raised, resolved, and remedied. It is aligned with the UN Guiding Principles on Business and Human Rights' effectiveness criteria for non-judicial grievance mechanisms. The mechanism can be accessed by all members of the community, including the local workforce, contractors, artisanal miners, resettlement-affected people, and local organizations.

Key steps in our grievance mechanism procedure:

- a. Communicate or publicize the grievance mechanism to community stakeholders.
- b. Receive and register concerns and grievances.
- c. Acknowledge the registering of a concern or grievance to the complainant.
- d. Assess the concern or grievance for its legitimacy, severity, and risks.
- e. Assign appropriate staff to deal with the issue.
- f. Investigate the concern or grievance in a way appropriate to its legitimacy, severity, and risk.
- g. Respond to the complainant by proposing appropriate action for legitimate concerns or grievances.
- h. Implement and monitor the resolution, follow up with the complainant, and close out the concern or grievance.
- i. Allow for an appeal or recourse mechanism for unresolved grievances. Complainants must be free to pursue grievances through other avenues, such as the courts, and Calibre will not prejudice complainants against this option.

ACCOUNTABILITY

- The Vice President Sustainability is accountable for all social management processes with communities.
- The Senior Manager for Corporate Affairs leads programs and implementation.
- The Community Relations Manager, in close coordination with mine managers, ensures compliance with standards, monitors performance, and provides guidance to community relations teams at all sites.

ENGAGEMENT

- We abide by national laws in our community consultation processes for any new project requested, ensuring adequate disclosure and dissemination of information, and conducting public good-faith consultations to provide communities with opportunities to express their views and concerns on our activities. Results from ESIA's, as mandated by law, are made known to the general public through oral presentations in the corresponding municipality, which describe the project components and their possible effects, benefits, and environmental mitigation plans.
- We work to ensure that the free, prior, informed consent principle is respected in all our interactions with Indigenous Peoples, when requesting permits in areas in or around their territories.
- We maintain engagement plans at all sites, based on stakeholders and analysis, and feeding from the results of risk assessments.
- We train our local community relations teams on guidelines and procedures to continually improve our social management performance.



4.3.2 2021 Performance

METRICS

PUBLIC CONSULTATIONS HELD

DATE	PROJECT	LOCATION	# PARTICIPANTS	OUTCOME
30 April, 2021	Amalia - Nispero exploration project	La Libertad, Chontales	63	Permit granted
27 August, 2021	Las Brisas exploration project	Rancho Grande, Matagalpa	250	Permit granted
5 November, 2021	San Jose TSF expansion	Malpaisillo, Leon	175	Permit granted

OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES

(GRI 413-2)

TOPICS	LIMON COMPLEX	LIBERTAD COMPLEX	EASTERN BOROSI PROJECT	RIO TINTO EXPLORATION JV
LOCATION (MUNICIPALITY)	Larreynaga, El Sauce, Villanueva	La Libertad, Santo Domingo, Rancho Grande	Rosita	Bonanza, Rosita, Siuna, Waslala
TOP SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES	<ul style="list-style-type: none"> • Air pollution • Community fatalities and serious injuries • Community health problems • Damage to local livelihoods • Forced displacement • Loss of access to water • Loss of wildlife • Water pollution 	<ul style="list-style-type: none"> • Abuses by security forces • Air pollution • Community fatalities and serious injuries • Community health problems • Damage to local livelihoods • Forced displacement • Loss of wildlife • Water pollution 	<ul style="list-style-type: none"> • Abuses by security forces • Violations of Indigenous Peoples' rights • Water pollution 	<ul style="list-style-type: none"> • Violations of Indigenous Peoples' rights

PROPORTION OF THE POPULATION WHO HAVE EXPERIENCED A DISPUTE IN THE PAST TWO YEARS AND WHO ACCESSED A FORMAL OR INFORMAL DISPUTE RESOLUTION MECHANISM, BY TYPE OF MECHANISM

(SDG TARGET 16.3.3)

LOCATION	# EST. POPULATION FOR 2021(1)	# GRIEVANCES REGISTERED IN 2020	# GRIEVANCES REGISTERED IN 2021	GRIEVANCES REGISTERED IN 2020/2021	% OF POPULATION UTILIZING THE GRIEVANCE MECHANISM
La Libertad	14,599	0	9	9	0.06%
Mina El Limon	15,606	28	32	60	0.38%
Rancho Grande	41,432	1	1	2	0.00%
Rosita	37,748	0	10	9	0.03%
Santo Domingo	14,383	5	2	7	0.05%

NOTE: (1) As per the Ministry of Health estimates.

TWO SIGNIFICANT DISPUTES RELATING TO LAND USE AND CUSTOMARY RIGHTS OF LOCAL COMMUNITIES AND INDIGENOUS PEOPLES WERE BOTH MANAGED THROUGH THE GRIEVANCE MECHANISM AND RESOLUTION IS ONGOING.



43%

Contractor behavior

11%

Risk to community health & safety

9%

Affectations from blastings

9%

Non-fulfilment of agreements

7%

Property damage

4%

Illegal entry to private property

4%

Maintenance of community infrastructure

4%

Noise

2%

Land acquisition

2%

Access to water

2%

Speeding

2%

Disturbance to environment and landscape

2%

Dust

KEY RESULTS

- We had zero non-technical delays during the reporting period.



Three public consultations were conducted, with an average of 160 local participants at each event, to gain approvals for our projects. All consultations resulted in favourable opinion and permit approval by governing authorities.

- Permission obtained from 901 property owners (out of 905 permissions requested) to conduct exploration activities on their land.
- All our operations have a community engagement plan except for EBP, where development of the plan is underway.
- Three social impact assessments were conducted, as part of our early risk analysis for new mining projects, one for Limon's Pozo Bono Phase 1 project, one for Libertad's Jabali Antena Phase II project, and another for EBP's developing spoke.



All sites have community grievance mechanisms in place. 54 grievances were registered, and 81% of those were closed. The most common grievances related to contractor behaviour (mostly due to speeding resulting in dust or property damage), risks to community health and safety, and effects from blasting. 19% of these were of high-risk.

- Our Rio Tinto Exploration JV is adjacent to Indigenous Peoples' territories. It has an established Form of Consent for the execution of the project with the local Indigenous groups.
- 38 new staff members (3% total employees) were trained on the social management system.



94 presentations were held with Indigenous Peoples' representatives of 12 territories and 54 communities, to provide early information on Calibre's concession requests.



IN FOCUS

FREE, PRIOR, AND INFORMED CONSULTATIONS ON THE CARIBBEAN COAST OF NICARAGUA

Processes are conducted in the language used in Indigenous territories.

More than 400 kilometres from Managua, in the municipality of Rosita, flanked by rivers and forests, on the North Caribbean Coast of Nicaragua, Calibre's community relations team has been meeting with Indigenous communities.

"In these consultations we met with all the members of the territorial and communal governments, which are the authorities of each community, to ensure proper engagement at both the community and municipal government level," says Omar Mercado, a member of Calibre's community relations team.

The Company presented itself in good faith and provided transparent information, complying with International Labour Organization (ILO) Convention 169 and international standards, as well as with its Social Performance Standard on Indigenous Peoples, respecting their rights, culture, and connection to the land.

Consultations in Indigenous territories have been carried out in the municipalities of Prinzapolka, Puerto Cabezas, Waspam, Bonanza, Rosita, and la Cruz de Rio Grande, in the Nicaraguan Caribbean.

Indigenous peoples value Calibre's consultation process

Calibre does not currently extract ore in Indigenous territories. However, engagement between Indigenous Peoples and Calibre has been strengthened since 2020, as certain Indigenous territories hold some areas of interest for mining exploration.

Between 2020 and 2021, the Company conducted consultations with 66 Indigenous communities, with more than 1,000 people participating.

"Our consultations centre around potential exploration projects. Mining exploration is a geological research process. If findings are not of interest to the Company, the information we gather is delivered to the local and national governments, and exploration ceases. The most important thing, however, is that prior to initiating work, and parallel to the permit application procedure, we thoroughly consult with Indigenous Peoples," explains Mercado.

Michel Fenli, Síndico¹² of the Fruta de Pan community, confirms that "Calibre respects the land of Indigenous Peoples. It is a reality that this is Indigenous land. We see their recognition of this as positive because they respect our laws."

Leandro Pekitle, an Indigenous Mayangna and member of Calibre's community relations team, affirms that, "As an Indigenous person myself, it seems very important to me that Calibre practices and complies with all regulations, with all due respect, talking directly, with witnesses; these things seem very good to me, not only for the Indigenous Peoples, but for the people of Nicaragua overall."

THE VALUE OF MOTHER EARTH

"God gave us the Earth as one of the greatest riches."

Saints Bleer
Síndico of Wasaking

"The land is very important to us and we think about it a lot."

Paladino Fenli Penn
Walangwas Communal Judge

"I feel that Calibre is a company that is interested in the community."

Santos Bleer
Síndico of Wasaking

¹² The Síndico is the representative of the municipality in all judicial or extrajudicial proceedings as per national legislation (Law 445 on Communal Property Regime of Indigenous Peoples and Law 262 on Municipalities).



« Rancho Grande,
Matagalpa, Nicaragua

4.3.3 2022: Next Steps



Update engagement, disclosure, and grievance mechanisms, including implementation in exploration sites.



Systematize and disseminate records of consultation activities with Indigenous Peoples to demonstrate due process.

4.4 LAND ACQUISITION AND RESETTLEMENT

WHY IT MATTERS

Mines are built in areas where mineral resources are sufficiently concentrated. When these resources are located under farmland or communities, it may be necessary to physically relocate people with due diligence as established in our internal and national legal framework and international instruments. If managed responsibly, we believe resettlements are an opportunity to improve families' standards of living and contribute to Nicaragua's National Plan for the Fight Against Poverty¹³ and therefore, to the accomplishment of the Sustainable Development Goals.

ANALYST CENTRE

Material topics covered in this section	Land Acquisition and Resettlement <ul style="list-style-type: none"> • Land acquisition • Resettlement
GRI indicator(s)	MM9
SASB indicator(s)	N/A
Prioritized SDG targets	1.4.1, 1.4.2, 6.1.1, 6.2.1, 11.1.1, 16.7.2
Potential risks	<ul style="list-style-type: none"> • Deprivation of access to basic rights and/or livelihoods due to eviction of communities and/or Indigenous Peoples. • Poor management of land acquisition activities and/or involuntary resettlement of local communities. • Inappropriate consultation with and compensation for resettled people.
Potential impacts to human rights	<ul style="list-style-type: none"> • Right to life, liberty, and security of person. • Right to freedom of movement. • Right to own property. • Right to an adequate housing and standard of living adequate for the health and well-being of the individual and family. • Right to effective remedy. • Right to participate freely in the cultural life of community.
See these data tables for additional information 📄	58, 59, 60, 61, 62, 63, 64

¹³. Plan Nacional de Lucha contra la Pobreza 2022-2026. [📄](#)

4.4.1 Our Approach

POLICY COMMITMENT

- As per our Social Responsibility Policy and Resettlement Standard, we seek to avoid involuntary resettlement. Where unavoidable, we proceed through meaningful consultation with affected communities, seeking to mitigate adverse impacts on displaced people by restoring or improving sustainable livelihoods and living standards.
- Our Resettlement Standard and processes align with the World Bank’s Environmental and Social Framework’s Performance Standard 5 on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement.

TOPIC AND RISK MANAGEMENT

- All resettlement follows an “Assess, Plan, Implement, Monitor, and Evaluate” method underpinned by stakeholder engagement throughout the process.
- All resettlement events include an initial impact assessment prior to any negotiated settlement, including amongst other legal contexts, land tenure and rights, and an assets and livelihoods survey.
- All sites are required to produce a resettlement action plan when physical relocation is required, including a compensation framework based on impacts and entitlements, to ensure displaced people are compensated fairly and promptly.

ACCOUNTABILITY

- The Vice President Sustainability is accountable for all land acquisition and resettlement activities.
- The General Counsel is responsible for all land acquisition processes, and the Corporate Affairs Senior Manager oversees resettlement management for the Company.
- The Resettlement Manager is in charge of designing and leading all resettlement action plans and ensuring their adherence to our standard and international leading practices.

ENGAGEMENT

- All resettlement processes and packages must demonstrate broad consultation and acceptance by affected people.

4.4.2 2021 Performance¹⁴

METRICS

SITES WHERE RESETTLEMENT TOOK PLACE, THE NUMBER OF HOUSEHOLDS RESETTLED IN EACH, AND HOW THEIR LIVELIHOODS WERE AFFECTED IN THE PROCESS

(GRI MINING AND METAL SECTOR DISCLOSURE MM9)

	LIMON COMPLEX	LIBERTAD COMPLEX
COMMUNITIES RESETTLED	Cebadilla and Pozo 7	Barrio Jabali
# HOUSEHOLDS INVOLVED	37	17
# INDIVIDUALS INVOLVED	189	72
CONSULTATION PROCESS CONDUCTED	All families were involved in all stages of the resettlement from early in the project.	
MEASURES IN PLACE TO RE-ESTABLISH AFFECTED COMMUNITY AND MITIGATE IMPACTS OF RELOCATION	<ul style="list-style-type: none"> • Compensation framework was developed for land areas, housing areas, external structures for non-housing use, trees, and crops, and transfer of salvage or replacement material. • A program was created to benefit vulnerable people. 	
OUTCOMES IN TERMS OF LIVELIHOODS, INCLUDING LAND USE	<ul style="list-style-type: none"> • Landowners who used the surrounding land for cattle grazing were financially compensated and able to purchase new plots of land for grazing. • Vulnerable families were identified, and seed capital was provided to help families start a small business that would allow them to adapt to urban living. 	<ul style="list-style-type: none"> • Vulnerable families were identified, and seed capital was provided to help families start small businesses that would allow them to adapt to urban living.
SIGNIFICANT DISPUTES RELATED TO RESETTLEMENT	No disputes arose during the process.	
PROCESS EMPLOYED TO RESOLVED OUTSTANDING ISSUES	No additional processes were required as no outstanding issues arose during the process.	

^{14.} Information on changes identified in this sub-section has been gathered through survey conducted by Calibre’s community relations and resettlement teams as part our due diligence process and assessed against socio-economic baseline.



KEY RESULTS

- As a result of our resettlement processes for Cebadilla (in Mina El Limon, Leon) and Barrio Jabali (in Santo Domingo Chontales), 261 individuals significantly improved their standard of living, with improved access to basic services, tenancy rights, and access to service centres for health, education, and transportation.

Resettlement action plan for Cebadilla was completed in conformance with Company Standard. As a result of the resettlement:

100%

of the households now have access to basic services (v.s 3% prior).

100%

have now secure tenure to land (vs. 0% prior).

0%

are living in inadequate housing (vs. 100% prior).

100%

are using safely managed drinking water services (vs. 25% prior).

100%

are using safely managed sanitation services (vs. 32% prior).

IN FOCUS

FROM CEBADILLA TO SAN GIL, FAMILIES ACHIEVE THEIR DREAM OF OWNING ADEQUATE, SAFE, RESILIENT HOUSING

At first, some families were reluctant to leave, but since the area lacked such vital services as clean water and electricity, Calibre proved them they could live better.

“First they asked us what we thought, whether we were willing to leave. Many of us refused, because we did not want to leave, despite the poor conditions in which we lived—lack of water and transport problems—because it is difficult to leave the place where one is born,” says Jeaneth Moradel Betanco, beneficiary of the resettlement in Cebadilla, an informal settlement on the perimeter of the development project of Calibre’s operations in Mina El Limon.

After much discussion, field visits to select lots and monitor construction, and coming to understand resettlement benefits—mainly access to basic services—the families of Cebadilla were convinced that Calibre’s proposed resettlement process reflected the Company’s motto: to be equitable, transparent, and operate with consent.

“The benefits of this project will be that the homes in the new residential development will have access to drinking water, sanitary sewerage, electricity connections, and paved streets, and most importantly, they will be integrated into centres of basic services, such as health, education, and transport. Each of the families will be given their property deed duly registered in the Public Registry of Property,” says Oscar Aguilar, Resettlement Manager for Calibre.

The new residential development with 31 homes is called San Gil and is located some 140 kilometres from Managua, within the mining district of El Limon, in Leon.

This project has been developed and implemented in compliance with the IFC’s Performance Standard 5 on Land Acquisition and Involuntary Resettlement.



A Space for the Spirit

The inauguration of La Hermosa Church is part of Calibre’s resettlement program and shows how the Company fulfills its commitments.

“Calibre has been responsible and they even built us a temple, a very beautiful church, well built, with good workers, and Calibre always looks for good quality iron, the best cement block, always all the best,” says Pastor Carmen Orozco, beneficiary of the resettlement.

POST-ASSESSMENT CONFIRMS RESPONSIBLE WORK IN THE JABALI ANTENA PROJECT

Between 2015 and 2018, the Libertad Mine carried out a fair, respectful, equitable, and transparent resettlement process in the Jabali Antena sector, located in the municipality of Santo Domingo, Chontales. In 2021, an assessment demonstrated improvements in the resettled families' quality of life.

In 2015, with the aim of maintaining operations and the benefits they generate, Calibre's Libertad Mine initiated the legal procedure to operate in what would become the Jabali Antena pit, in the municipality of Santo Domingo, Chontales.

In compliance with Decree 20-2017 of Nicaragua's Environmental Assessment System for Permits and Authorizations for the Sustainable Use of Natural Resources, the public consultation process for the Jabali Antena project was carried out in February 2018. This was done through a public consultation, with more than two hundred participants, along with the local and regulatory authorities of the mining activity. The environmental impact study document was also made available for public review.

Prior to mining, the Company carried out surveys and socio-economic and feasibility studies for the resettlement of the families that lived within a hundred metres of the proposed project, and together with those families, established a resettlement model.

"Compensation provided was for the market value or replacement value of the assets owned by the families," says Raul Novoa, Head of Community Relations of Calibre for the Libertad Mine, who participated in the resettlement process of Jabali Antena from the beginning.

A subsequent evaluation confirmed the success of the resettlement process: resettled families had better living conditions and a decreased poverty index in 2021. Resettlement reduced instances of inadequate housing, inadequate sanitation, and overcrowded households. In addition, families now have legal, secure tenure rights over their property.

"With the resettlement process of families from the Jabali Antena area to the Nuevo Jabali residential development, an integrated and sustainable urban planning model has been established for the municipality, initiated with the strict planning of the new settlement, and the provision of adequate social services", the study says.

As part of the resettlement action plan, a livelihoods restoration program has improved incomes for nine families. Additionally, a program was implemented to provide special assistance to vulnerable people to help mitigate any limitations they would experience.

Respect for Human Rights

Calibre's compensation framework is based on international best practices and national experience. However, two household owners have not yet reached agreements with Calibre. Faced with this situation, the Company has been clear, "We respect the rights of all owners; we are respectful of their opinion. As a responsible mining company, we have maintained open channels for negotiations and agreements have not yet been reached. Therefore, they can continue to live in their homes without any prejudice," clarifies Calibre's Head of Community Relations for the Libertad Mine.

Calibre has modified the operation's footprint so as not to affect the two families that to date have refused to sign agreements.



4.4.3 2022: Next Steps



Update Resettlement and Land Acquisition Standard, guidelines and procedures.



Develop resettlement, land acquisition, and/or artisanal and small-scale mining relocation plans for Limon, Libertad, and EBP operations.



Develop and start a resettlement action plan for the Pozo Bono community in our Limon operation.

4.5

ARTISANAL AND SMALL-SCALE MINING

WHY IT MATTERS

Artisanal and small-scale mining is a relevant development issue in many jurisdictions. In Nicaragua, it generates employment and income for over 40,000 workers and feeds around 180,000 people, representing an important economic driver for most mineral-endowed communities. Thus, at Calibre, we recognize artisanal mining as a reality we must manage, from a responsible and sustainable perspective, as it poses unacceptable risks related to human rights, the environment, and the security of our people and assets.

ANALYST CENTRE

Material topics covered in this section	Artisanal and Small-Scale Mining
GRI indicator(s)	MM8
SASB indicator(s)	N/A
Prioritized SDG targets	6.3.2
Potential risks	<ul style="list-style-type: none"> • Disputes with artisanal miners operating illegally in the mining concession area. • Undermining of legally allocated rights to artisanal miners in mining concessions. • Human rights abuses of artisanal miners by security forces or through forced eviction. • Pressure over small owners and communities for the use of resources. • Potential for child labour and underemployment/informal employment. • Environmental impacts from lack of sediment control, felling of trees, and harm to fauna due to artisanal mining activities in mining concessions. • Potential damages to road infrastructure.
Potential impacts to human rights	<ul style="list-style-type: none"> • Right to life, liberty, and security of person. • Right to not be subjected to torture, cruel, inhumane and/or degrading treatment or punishment. • Right to freedom of movement. • Right to work. • Right to safe work environment. • Right not to be arbitrarily deprived of property.
See these data tables for additional information 📄	65, 66

4.5.1

Our Approach

POLICY COMMITMENT

- Our Artisanal and Small-Scale Mining Standard sets out Calibre’s requirements for managing relations or interactions with artisanal and small-scale mining (ASM) activities such that Calibre can protect our people and property, maintain our license to operate, and support wider community benefits, including ASM access to legitimate markets for miners that respect applicable legal and regulatory frameworks.
- Committed to the RGMPs, we do not use mercury to extract gold in our processing facilities nor do we accept gold produced by third parties using mercury. Whenever possible, we support collective action toward implementing the Minamata Convention on Mercury’s objective of reducing mercury pollution for the protection of human health and the environment.

TOPIC AND RISK MANAGEMENT

- Key components of our ASM management approach, include:
 - » **Security:** Ensuring safe and secure access to Calibre’s concessions or land, avoiding conflicts, and using ongoing engagement and good-faith negotiations to resolve issues.
 - » **Monitoring and assessment:** Regular monitoring of ASM activities and environmental impacts within our concessions in close coordination with regulators, through permanent dialogue with key stakeholders, and when required, through the activation of ad-hoc municipal ASM commissions.
 - » **Partnership:** Establishing commercial bilateral agreements to purchase ore from artisanal miners, where feasible, to diminish mercury use, and to provide livelihood stability by ensuring certainty on price, market access, and security. To ensure due diligence, partnership agreements

are only established with formalized miners. Partners are obligated to present a basic environmental plan/permit, and we conduct periodic inspections to prevent illicit practices. Further details on our purchase program due diligence processes can be found in our Responsible Procurement section [↗](#) and in the WGC’s 2022 report “Lessons learned on managing the interface between large-scale and artisanal and small-scale gold mining” [↗](#).

- » **Livelihood development:** Avoiding or minimizing disruptive impacts from Calibre’s activities on ASM livelihoods and, where unavoidable, collaborating with relevant stakeholders to support alternative livelihood options for those miners associated with the local economy.

ACCOUNTABILITY

- The Vice President Sustainability oversees the ASM strategy and related program.
- The Senior Manager for Artisanal Mining is responsible for the design and implementation of the ASM strategy.
- Each relevant site has an ASM Coordinator in charge of liaising with key stakeholders and supervising tactical ASM actions.

ENGAGEMENT

- We collaborate with key stakeholders to establish local ASM committees consisting of company managers, artisanal miners, and local authorities and regulators, to ensure information exchange, and collective identification, monitoring, and management of all issues related to ASM activities within our concessions.

4.5.2 2021 Performance

METRICS

NUMBER (AND PERCENTAGE) OF COMPANY OPERATING SITES WHERE ASM TAKES PLACE ON, OR ADJACENT TO, THE SITE; THE ASSOCIATED RISKS AND THE ACTIONS TAKEN TO MANAGE AND MITIGATE THESE RISKS

(GRI MINING AND METALS SECTOR DISCLOSURE MM8)

SITE	ASM PRESENT?	LOCATION	# ASM WORKERS	ASSOCIATED RISKS	ACTIONS TAKEN
Limon Complex	Yes	Villanueva Somotillo	378	<ul style="list-style-type: none"> Mercury pollution Dumping of tailings into river systems Sediment control Occupational health and safety Underemployment/informal work Child labour 	<ul style="list-style-type: none"> Periodic monitoring and reporting to relevant government authorities
Libertad Complex	Yes	La Libertad Santo Domingo Rancho Grande San Ramon San Isidro	3259	<ul style="list-style-type: none"> Mercury pollution Dumping of tailings into river systems Sediment control Occupational health and safety Underemployment/informal work Child labour Land access Conflict with security teams Felling of trees and damage to local fauna Damage to road infrastructure 	<ul style="list-style-type: none"> Identification of exclusive zones for artisanal and small-scale mining practices. Promotion of technical assistance (training in exploration, safety, environmental protection, awareness of the eradication of child labour, among others). Promotion of harmonious relations and working relationships between artisanal miners, concessionaires, investors, property owners, etc. Municipal Commission on Artisanal Mining composed of Ministry of Mines, Ministry of Environment, Municipal Mayors, National Police, Nicaraguan Army, Political Secretaries, mining cooperatives and independent mining concessionaires, to discuss and resolve problems related to mining at the territorial level.

SITE	ASM PRESENT?	LOCATION	# ASM WORKERS	ASSOCIATED RISKS	ACTIONS TAKEN
Eastern Borosi Project (EBP)	Yes	Bonanza Rosita Siuna	103	<ul style="list-style-type: none"> Mercury pollution Dumping of tailings into river systems Sediment control Occupational health and safety Underemployment/informal work Child labour Land access Conflict with security teams Indigenous land tenure conflicts Felling of trees and damage to local fauna 	<ul style="list-style-type: none"> Periodic monitoring and reporting to relevant government authorities. Permanent engagement with ASM cooperatives. Security protocols for ASM trespassing in Calibre properties. Artisanal mining census.
Rio Tinto Exploration JV	Yes	Bonanza Rosita Siuna Waslala	686	<ul style="list-style-type: none"> Mercury pollution Dumping of tailings into river systems Sediment control Occupational health and safety Underemployment/informal work Child labour Land access Conflict with security teams Indigenous land tenure conflicts Felling of trees and damage to local fauna 	<ul style="list-style-type: none"> N/A, concessions under request.

PROPORTION OF BODIES OF WATER WITH GOOD AMBIENT WATER QUALITY

(SDG TARGET 6.3.2)

Through its artisanal mining ore purchase program, in which Calibre buys ore from formalized artisanal miners within our concessions and processes it in our Libertad Mill, we have contributed to water quality improvements by reducing pollution from traditional ASM ore processing-1.85 tonnes of mercury and over 80,000 cubic metres of untreated wastewater-to the Grande de Matagalpa river and Prinzapolka river basins.

ESTIMATED MERCURY (HG) AND UNTREATED WASTEWATER POLLUTION FROM ARTISANAL MILLS AVOIDED DUE TO CALIBRE ORE PROCESSING

SITE OF ORIGIN	ORE PURCHASED (T)	HG (OUNCES) / TONNE ORE (t)	TOTAL HG (OUNCES)	TOTAL HG (T)	ACTIONS TAKEN H2O (CUBIC METERS) / TONNE ORE (t)	TOTAL H2O (CUBIC METERS)
Pavon	17,204.22	3.519	60,541.64	1.72	4.32	74,322.22
Rosita	536.85	3.519	1,889.16	0.05	4.32	2,319.17
Siuna	842.37	3.519	2,964.31	0.08	4.32	3,639.05
TOTAL	18,583.44		65,395.11	1.85		80,280.44

NOTE: (1) A 2016 study from the Artisanal Gold Council on the Use and Release of Mercury by ASM in Nicaragua estimated that approximately 3.5 oz of mercury are used per metric tonne of ore processed in artisanal mills, and that a minimum average throughput of ~1 L/minute, or ~3600 L of water per day (4.32m3/metric ton) are used by rastras in Chontales, the district where La Libertad Mine is located.

KEY RESULTS

- Created a new department for Artisanal Mining Management lead by a Senior Manager to oversee the work of the political, corporate affairs, and legal/land purchase areas related to ASM.
- Developed an updated ASM management model. The new artisanal mining model seeks the participation of miners, owners, and concession holders to support responsible and sustainable artisanal mining in coordination with the relevant authorities within the framework of the Municipal ASM Commissions. For greater detail on the model and our ore purchase program traceability see our Responsible Procurement Section [🔗](#).

4.5.3
2022: Next Steps



Develop ASM model guidelines, processes, and mechanisms



Establish security protocols to handle illegal entries at company properties, aligned to VP-SHR principles.



4.6

SOCIO- ECONOMIC CONTRIBUTIONS

WHY IT MATTERS

We are aware of the significance of our operations to local and national economies and our impacts on overall social well-being. We strive to contribute to the socio-economic advancement of countries and communities associated with Calibre's operations, offering meaningful opportunities to benefit from our presence through access to jobs, procurement opportunities, and social investment.

ANALYST CENTRE

Material topics covered in this section	Socio-Economic Contributions <ul style="list-style-type: none"> Local content (e.g., local employment and local procurement) Investments for community development Indirect economic impacts
GRI indicator(s)	202-1, 204-1, 203-1, 203-2, 201-1
SASB indicator(s)	N/A
LPMR indicator(s)	201, 203, 301, 302, 501, 504, 505, 506, 507
Potential risks	<ul style="list-style-type: none"> Economic dependence or wealth disparity within local communities, changes to the social dynamics, pressures on infrastructure, housing and services, harm to vulnerable groups. Market disruption, inflation, and/or decrease in turnover in other economic activities. Discrimination in access to projects opportunities.
Potential impacts to human rights	<ul style="list-style-type: none"> Right to adequate standard of living. Right to just and favourable remuneration. Rights of minorities.
See these data tables for additional information 📄	67, 68, 69, 70, 71

4.6.1

Our Approach

POLICY COMMITMENTS

- Our Local Content Standard defines our commitments to ensure that communities associated with our operations are offered meaningful opportunities to benefit from our presence, including through the implementation of local content strategies to promote access to procurement and contracting opportunities across our projects' lifecycles, both directly and through our first-tier contractors and suppliers.
- Our Community Investment Standard defines our commitment to make meaningful, positive, and sustainable contributions to the socio-economic advancement of communities where we operate, prioritizing opportunities for improving wider long-term development of community health, education, livelihoods, and social infrastructure.

TOPIC AND RISK MANAGEMENT

- We work closely with unions to ensure that we employ a high percentage of local and national employees.
- We require major contractors at mine sites to prioritize local suppliers. All our contracts include obligatory clauses requiring 100% hiring of local workforce for unskilled positions.
- Links and portals to relevant Company information/policies are provided in all of our contracts.
- To be inclusive of local suppliers, our corporate supply chain management and commercial (SCMC) team: (i) engages community relations in procurement processes to ensure site has knowledge of available local businesses; (ii) provides support to assist sites in surveying local suppliers; and (iii) conducts direct, single-sourced negotiations with local suppliers for annual or biannual purchases.
- Special payment procedures are available at mine sites to assist local suppliers, including upfront payment, partial payment in advance, and/or provision of short-term credits.

- In all areas where we operate, we develop annual community investment plans, including activities, projects, budgets, responsibilities, and expected outcomes, drawing from the sites' impact assessments and community profiles. Refer to In Focus (below) to know more.

ACCOUNTABILITY

- The Vice Presidents of Human Capital and Supply Chain Management and Commercial are responsible for overseeing local employment and local procurement initiatives.
- The Vice President Sustainability provides oversight to community investments.
- The Managers for Human Resources, SCMC, and Community Development oversee the application of our local content and community investment standards and provide guidance at site level.
- Each operation is responsible for implementing programs and initiatives aligned with corporate standards.

ENGAGEMENT

- Periodic engagements, both through country management and site community relation teams, are held with key national and local stakeholders to inform on our performance related to community investment and services supported.
- Our SCMC Department, both at Corporate and site level, has established information channels to support suppliers to understand the tender process and communicate opportunities.

4.6.2 2021 Performance

METRICS

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED – MILLION US DOLLARS











(GRI 201-1)

YEAR REPORTED (1 JAN–31 DEC)	2020	2021
DIRECT ECONOMIC VALUE GENERATED	242.8	335.7
ECONOMIC VALUE DISTRIBUTED		
Operating costs	99.5	124.2
Employee wages and benefits	35.8	47.4
Capital expenditures	35.5	59.2
Payments to providers of capital	0.0	0.0
Taxes and royalties	16.7	32.0
Community investments (1)	1.7	3.0
Care and Maintenance Costs	3.1	2.0
Exploration costs	6.1	18.1
TOTAL	198.4	285.9
ECONOMIC VALUE RETAINED	44.4	49.8

NOTE: (1) Community investments refers to voluntary donations plus investment of funds in the broader community where the target beneficiaries are external to the organization. Community investments exclude legal and commercial activities or where the purpose of the investment is exclusively commercial. Community investments also exclude any infrastructure investment that is driven primarily by core business needs, or to facilitate the business operations of an organization.

INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED




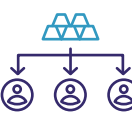

(GRI 203-1)

LOCATION	INFRASTRUCTURE INVESTMENTS	CURRENT OR EXPECTED IMPACTS ON COMMUNITIES AND LOCAL ECONOMIES
Larreynaga, Leon	 Improvement and expansion of local potable water system in El Limon Mining District	6,681 people (2,228 houses) from 7 communities
Larreynaga, Leon	 Expansion of local sewage system	770 people (131 houses)
Larreynaga, Leon	 Payment of electricity bill for El Limon Town	5,066 people (1,613 houses)
Larreynaga, Leon	 Improvements in electricity service for El Limon Town	5,066 people (1,613 houses)
Larreynaga, Leon	 San Gil residential development - Resettlement Project in El Limon Mining District	123 people (34 households)
Rancho Grande, Matagalpa	 Nuevo Santa Pancha residential development in El Limon Mining District	84 households
Rancho Grande, Matagalpa	 2km Community rural road improvement in Las Brisas	400–450 people
Rancho Grande, Matagalpa	 3km Community rural road maintenance in Yaosca Las Victorias	400 people
Rancho Grande, Matagalpa	 Infrastructure improvements for 3 local schools	586 students
Rosita, RAACN	 8km Community rural road improvement in Riscos de Oro	Approx. 567 people



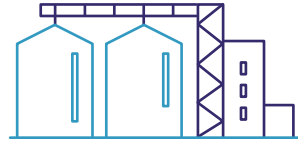
SIGNIFICANT INDIRECT ECONOMIC IMPACTS

(GRI 203-2)

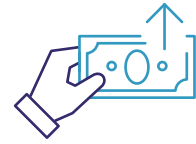
EXAMPLES	SIGNIFICANCE OF THE IMPACTS IN THE CONTEXT OF EXTERNAL BENCHMARK AND STAKEHOLDER PRIORITIES
 <p>Contribution to Nicaragua's macroeconomy</p>	<ul style="list-style-type: none"> In 2021, Calibre's direct economic value distributed (US\$ 286M), represented 2% of Nicaragua's GDP (USD\$ 14,013M according to Nicaragua's Central Bank). 511,182oz gold exported in 2021, Calibre responsible for 36% (182,755 oz), amounting for US\$867.6M in exports, ensuring gold's position as #1 export product for the second year in a row, and Calibre as one of the main exporting companies in the country, supporting the national economic transformation.
 <p>Stimulation of foreign direct investment</p>	<ul style="list-style-type: none"> According to Nicaragua's Central Bank, of the total gross inflows, net FDI inflows by Q3 2021 were US\$888.1M, i.e., 1.4 times more than the US\$375.5M captured as of Q3 2020. The economic sector with the highest inflow was Energy and Mines with US\$401.8M (US\$173.1M as of Q3 2020). Calibre contributed with US\$15M to the sector's FDI during that period.
 <p>Improved multi-dimensional poverty index in mining families</p>	<ul style="list-style-type: none"> As our operations occur in remote and impoverished areas with little infrastructure or alternative economic activity, gold mining supports local economies and provides associated social benefits. The mining sector in Nicaragua provides the second highest average salaries (COR C\$17,237) only after the financial sector (COR C\$18,009) (1). Ratio of average Calibre wage for 2021 (COR C\$38,800.65) to average wage in the mining sector in Nicaragua is 2.25. An independent study conducted by FUNIDES in 2016 established that Nicaraguan mining families almost doubled the household incomes of non-mining families, directly contributing to a significant reduction of the region's multi-dimensional poverty index.
 <p>Number of jobs supported in the supply chain as a result of the organization's growth</p>	<ul style="list-style-type: none"> Because we tend to work in remote areas, we are usually the locality's main source of employment. In 2021, we directly employed 1,193 people and supported a further 2,209 jobs through contracts. These jobs induced approximately 5,550 additional jobs in host country economy. In other words, every job in the gold mining industry supports two more. We have a strong focus on local hiring, leading to demonstrable results. Nicaraguans make up 96% of our employees, out of which 81% are local.
 <p>Economic impacts from the use of national and local services</p>	<ul style="list-style-type: none"> A large portion of value created through our activities stays in country: for every dollar of gold production, approximately 63 cents go to salaries, taxes, or income for local business owners in the host country. In 2021, over US\$50M were spent on national suppliers.

NOTE: (1) Nicaraguan Central Bank. Average formal employment salary by economic activity for year 2021.

KEY RESULTS



Approximately US\$5.5M were spent in infrastructure investments and services supported.



The ratio of average Calibre wage to average mining sector wages in Nicaragua is of 2.5.

- To incentivize local procurement and promote community development, the SCMC department identified areas for improvement regarding negotiations with local suppliers. 39 training sessions were held internally to inform the procurement teams’ policies and procedures regarding local content, and a Sole Source Supplier format was established to simplify negotiations with local suppliers.
- 43% of our procurement spend was on 290 national suppliers. Of this, 2% of our procurement spend went to 48 local suppliers. National, including local suppliers, make up 70% of our supplier base.
- Salient outcomes of our community investment projects include:
 - » **Technical training for alternative livelihoods:** 20 local women were trained on bamboo arts and crafts in partnership with the environmental organization CEN (Center for an Understanding with Nature), the La Libertad Municipality, and the Ministry for Family, Community, Cooperative and Associative Economy (MEFCCA).
 - » **Improved health services:** Over 42,500 people from Malpaisillo, Mina El Limon, Rosita, and Riscos de Oro, have benefited directly from improvements to quality of medical services and enhanced sustainability of their healthcare facilities through the donation of medical and non-medical supplies achieved in partnership with Project C.U.R.E. [▶](#)
 - » **Better living conditions:** 38 businesswomen benefitted from microloans, 144 families received improved cookstoves, and 12,779 households were protected from vector-borne diseases, such as dengue, zika, and chikungunya, through an anti-epidemic campaign in Rancho Grande and neighboring communities, all in partnership with CEN, as part of our community resilience program in our Pavon Project.



IN FOCUS

RURAL WOMEN EMERGE WITH ENTREPRENEURSHIP INITIATIVES

Calibre provided seed capital for an entrepreneurship program, which benefits women in Rancho Grande, Matagalpa.

There is no shortage of business ideas when it comes to this group of women from northern Nicaragua. From chicken breeding, to vegetable crops, canteens, and even sales of clothing and footwear—these ventures began thanks to initial capital provided by Calibre.

“That seed planted by Calibre has grown into a revolving fund where, today, 70 women have become beneficiaries,” says Gloria Ordoñez, facilitator for the Network of Pioneer Women of the Mountains, a community-based women’s association allied with the Center for an Understanding with Nature (CEN).

Calibre and CEN have been developing this entrepreneurship program, which promotes women’s equality and empowerment since 2020.

Opportunity for Families

The entrepreneurship program is being developed in communities near Calibre’s Pavon Mine in Rancho Grande, Matagalpa, and is intended to contribute to efforts aimed at poverty eradication, as per the UN Sustainable Development Goals.

Kareli Perez, one of the beneficiary entrepreneurs, explains, “The money is loaned to us, and, once the debt is cancelled, we use the payment as a revolving fund to support more women in obtaining their own loans, thereby integrating them into the network.”

Janiri Orozco adds that the loans’ interest rates are very low, and payment plans are tailored to each woman’s economic situation and type of business enterprise. “It’s not just about having access to a loan, but about devising a good business that will get me and my family ahead,” says Orozco.

Women’s Role is Key in their Family

Jeydis Zeledon, owner of a restaurant, relates, “I already received my first loan and invested it to improve my business, and now that is fully operational I am going strong; I already have more customers.”

“In any environment, no matter how challenging, women use their creativity, generate solutions, adapt faster, maintain a more positive attitude, and are more confident in what they do or feel they can do, compared to most men,” says Juan Manuel Sanchez, a specialist in labour market and entrepreneurship.

A study conducted in January 2021 by the firm CID-Gallup, cited Nicaragua as the Central American country with the greatest number of people deciding to start a business, even in the midst of the COVID-19 pandemic.

EMPOWERED WOMEN

“Us women in the countryside are intelligent and industrious, with a work strategy, but we often lack opportunities. Sometimes we just need someone to give us a little help to show the world what we can do,” says Meyling Martinez, beneficiary of Calibre’s entrepreneurship program.



IMPROVED COOKSTOVES PROVIDE RELIEF TO THE LUNGS OF RURAL WOMEN

Replacing traditional stoves with improved kitchens changes the lives and contributes to the health of women in northern Nicaragua.

Country food has a unique taste. People knowledgeable in the culinary arts agree that this characteristic flavour comes from cooking food with firewood. However, this flavour comes at a high cost to the health of the women who cook and their families.

In rural areas, men do not cook and are usually engaged in other tasks outside the home. Therefore, Calibre's improved cooking program in Rancho Grande, Matagalpa, is geared towards supporting women who are exposed to daily smoke from traditional stoves.

Victorina Aguilar narrates how she got very sick. She suffered from headaches and had blood pressure problems. One day as she was cooking, a door closed by accident, and suddenly she and her daughters were asphyxiating from the smoke contained inside her house.

"My husband's grandmother died of that, they say, from so much smoke in her lungs," says Ligia Castillo, who, like Victorina, lives in one of Rancho Grande's rural communities.

A study published in December 2021 reveals that 37% of lung cancer patients in Mexico became ill from inhaling wood smoke, mainly in rural areas with low resources. Nicaragua does not have a recent study on the subject, but the reality of Mexico is very similar to rural regions in Nicaragua, where 40% of the population still uses firewood for cooking.

"When my children were little, they could never go to class with their white uniform shirts because every day their clothes would be stained and stinking of smoke," Zunilda Garcia recalls.

Zunilda shows the soot accumulated on their ceiling and stuck to the wood of the kitchen and exclaims in fright, **"If those lifeless things get this black, imagine what happens to us who swallow it!"**

Reduced Diseases

"Replacing traditional stoves with improved ones, more friendly to people's health and the environment, is an excellent initiative. The goal in this first phase is intended to benefit 130 women from communities of La Dalia, Rancho Grande, and El Cua," explains Gloria Ordoñez, facilitator of the Network of Pioneer Women of the Mountains, and member of the Center for an Understanding with Nature (CEN), the strategic partner working with Calibre in Rancho Grande.

These improved cookstoves are made with cement, sand, bricks, ceramics, and a thick metal plate that has two circular holes in the centre, where pots and cooking pans are placed. At one end the firewood enters, and at the other, 98% of the smoke travels out of the house through a metal chimney.

"The metal pieces are made in a workshop; the rest is made and assembled by a local builder. Women participate in the construction of their cookstoves and learn proper use and maintenance. These have proven to improve families' health. They also reduce household expenditures and contribute to forest conservation, as they require less firewood," says Ordoñez.

The improved cookstove also has a very good combustion effect. It easily ignites firewood, better conserves heat, and has space below to store wood and keep it warm, without the risk of it catching fire.

"Now we see change, we have better conditions, and the smoke has an outlet that doesn't affect the family or our roof," says Zunilda.



4.6.3 2022: Next Steps



Design and launch a supplier development procedure to provide additional support to local suppliers.



Proactively encourage inclusion and support vulnerable local groups (e.g., women, youth, etc.), by negotiating with local suppliers for the provision of several non-core services, such as uniform and vest manufacturing, sale of basic food baskets, personnel transportation services, cleaning services, and catering services, among others.



Design a local content plan (local employment and procurement) for our EBP developing spoke.



Create a participatory community development model and initiate pilot project.



Appendix




5 Sustainability Scorecard

2021 SUSTAINABILITY SCORECARD

TARGETS	RESULTS	PERFORMANCE	LEARN MORE
Adopt the World Gold Council's RGMPs as our primary ESG-reporting framework	✔	2021 Sustainability Report aligned with RGMPs.	🔗 Corporate Governance and Business Ethics
Report our RGMP year-one self-assessment and external assurance results	✔	RGMPs Year-One Implementation Progress Report finalized, externally assured, and published.	📄 Calibre ESG website section
Design harassment prevention policy and launch training	⚠	Policy design completed. Launch scheduled for 2022.	🔗 Labor rights
Launch training in soft skills to improve leadership and teamwork	✔	Training conducted with 32 staff members.	🔗 Labor rights
Implement graduate and internship program	✔	Program launched in Q4 2021 with 12 interns.	🔗 Labor rights
HEALTH AND SAFETY			
Zero fatalities	✔	Zero fatalities in our workforce; an accident related to our activities resulted in the death of a community member. See Health and Safety section for details.	🔗 Health and Safety
10% reduction in LTIFR	✔	LTIFR of 0.51, a reduction of ~22% from 2020 (0.65).	🔗 Health and Safety
Continue 18-month health and safety improvement plan	⚠	75% progress met. Pending actions to be finalized in 2022.	🔗 Health and Safety
Improve risk and hazard identification	⚠	Target deferred to Q2 2022.	🔗 Health and Safety
COMMUNITIES			
Maintain social license to operate	✔	No disputes with communities.	🔗 Rights of Communities and Indigenous Peoples
Build constructive relationships with Indigenous Peoples at exploration sites	✔	94 consultations held for new concessions application.	🔗 Rights of Communities and Indigenous Peoples
Complete resettlement action plan (RAP) for the Cebadilla community	✔	RAP completed.	🔗 Land Acquisition and Resettlement
Close 90% of high-risk grievances within 60 days	⚠	Closed 60% of our high-risk grievances within 60 days.	🔗 Rights of Communities and Indigenous Peoples
Improve and expand potable water systems in El Limon and La Libertad	⚠	System improved in El Limon. La Libertad project deferred until 2022.	🔗 Socioeconomic contributions
Develop and implement a local content strategy	⚠	Local content activities implemented but no strategy developed.	🔗 Socioeconomic contributions
ENVIRONMENT			
Zero high-risk reportable environmental incidents	✔	No high-risk reportable incidents.	🔗 Environmental Management
Improve greenhouse gas inventories	✔	Inventory improvements completed.	🔗 Climate Change
Conduct cyanide code gap analysis	✔	Analysis executed and action plan to correct deficiencies underway.	🔗 Waste and Materials
Zero fatalities of animals listed on the National Red List of Threatened Species from our activities	✔	Zero fatalities.	🔗 Biodiversity

✔ MET ⚠ PARTIALLY MET

2022 SUSTAINABILITY SCORECARD

	ENVIRONMENT		SOCIAL		GOVERNANCE	
 RESPONSIBLE PRACTICE	Environmental management & Compliance	Mine Closure & Land-use Planning	Community Engagement	Land Acquisition	External Affairs	Ethic & Compliance and responsible procurement
	Environmental Management System reviewed and updated. Ensure environmental and regulatory compliance at all operations.	Consistent closure plans reviewed / developed for all projects.	Engagement, disclosure, and grievance mechanisms updated.	Land Acquisition Standard developed and under implementation.	Strategic stakeholder engagement plan developed and documented. Communications resource center created.	Ethics and compliance policy and system in place. ESG aspects included in supplier due diligence process to strengthen responsible procurement practices.
 CONTRIBUTIONS TO SUSTAINABILITY	Water & Forest stewardship		Community development and local content	Resettlement	Artisanal & Small-scale Mining	Institutional strengthening
	Inventory of local water and forest related issues prepared and participatory pilot projects developed.		Participatory community development model created and pilot project initiated at EBP. EBP Local Content Plan (local employment and procurement) designed.	Five tear land acedd requirements defined based on LOM planning. Resettlement / Land acquisition / ASM relocation plans developed.	ASM model implemented, conflicts avoided and production secured. Limits protection system established.	Dialogue on institutional strengthening and development planning initiated with local governments and institutions in areas of influence.
 GLOBAL CHALLENGES	Climate change	Biodiversity	Human rights and Diversity & Inclusion	Indigenous peoples		Anti-corruption and Tax transparency
	GHG inventories and wter footprints identified for all Calibre sites. Energy and climante change strategies designed.	Management plans developed for Calibre's wildlife refuges.	Corporate human rights due diligence executed. Situational assessment conducted on diversity and inclusion.	Free, prior and informed consent processes documented for all projects located in indigenous territories.		Internal controls improved and regulatory framework established against illicit influence and conflicts of interests. Corruption risk mitigation plan designed.

6 Acronyms

AGM	Annual General Meeting
AIF	Annual Information Form
AISC	All-In Sustaining Costs
ANA	Autoridad Nacional del Agua (National Water Authority)
ARD	Acid Rock Drainage
ASM	Artisanal and Small-scale Mining
BIPOC	Black, Indigenous, Person of Colour
CAMINIC	Camara Minera de Nicaragua (Nicaraguan Chamber of Mines)
CDC	Centre for Disease Control
CDP	Carbon Disclosure Project
CEN	Centro de Entendimiento con la Naturaleza (Center for an Understanding with Nature)
CEO	Chief Executive Officer
CFPOA	Canadian Corruption of Foreign Public Officials Act
CSAFE	Information Management System
CSO	Civil Society Organizations
CSR	Corporate Social Responsibility
EBP	Eastern Borosi Project
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
ERT	Emergency Response Team
ESG	Environmental, Social, and Governance
ESIA	Environmental and Social Impact Assessment
ESTMA	Extractive Sector Transparency Measures Act
FCPA	Canadian Foreign Corrupt Practices Act
FUNIDES	Fundacion Nicaraguense para el Desarrollo Economico y Social (Nicaraguan Foundation for Economic and Social Development)
GRI	Global Reporting Initiative
ICMM	International Council on Mining and Metals
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IMS	Integrated Management System

IP	Indigenous Peoples
JV	Joint Venture
LPRM	Local Procurement Reporting Mechanism
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate
MARENA	Ministerio de los Recursos Naturales y el Ambiente (Ministry of the Environment and National Resources)
MD&A	Management's Discussion and Analysis
MEFCCA	Ministerio de la Economia Familiar, Comunitaria, Cooperativa y Asociativa (Ministry for Family, Community, Cooperative and Associative Economy)
NGO	Non-Governmental Organization
OP	Open Pit
PPE	Personal Protective Equipment
RACCN	Region Autonoma de la Costa Caribe Norte (Autonomous Region of the North Caribbean Coast)
RAP	Resettlement Action Plan
RGMP	Responsible Gold Mining Principles
RRT	Rapid Response Team
SASB	Sustainability Accounting Standards Board
SCM&C	Supply Chain Management and Commercial
SDG	Sustainable Development Goals
SEDAR	System for Electronic Document Analysis and Retrieval
SHEST	Safety, Health, Environment, Sustainability and Technical Committee
TCFD	Taskforce for Climate-related Financial Disclosures
TSF	Tailings Storage Facility
TSX	Toronto Stock Exchange
UG	Underground
UN	United Nations
VP	Vice President
VPSHR	Voluntary Principles on Security and Human Rights
WGC	World Gold Council
WHO	World Health Organization

7 Cautionary Statement

This report has not been externally assured.

The Calibre Mining Corp. 2021 Sustainability Report has been finalized as of June, 2022 and contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to: the Company’s expected production from, and further potential of, the Company’s properties; the future price of minerals, particularly gold; the estimation of mineral reserves and mineral resources; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; government regulation of mining operations; and environmental risks. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates. Capital and operating cost estimates are based on extensive research of the Company, purchase orders placed by the Company to date, recent estimates of construction and mining costs and other factors. Statements regarding our plans, programs and anticipated future achievements relating to audits, sustainable development (including the United Nations Sustainable Development Goals), climate change, the environment (including potential refinements to the Company’s classification system for environmental incidents), the ecosystem, conservation and biodiversity strategies and measures, reclamation, mine rehabilitation and closure planning, water and water management, waste and tailings management (including the implementation of a third-party review requirement), human rights, gender diversity, human and worker health and safety (including grievance management mechanisms, the development of employee engagement plans and measures to reduce incidents in high-risk areas of injury and illnesses), hiring, training and performance management systems, social and community development, planned policies, planned measures to address security risks at each of the Company’s mines, artisanal and small-scale mining, reporting practices and systems and internal systems and practices.

Forward-looking information is often characterized by words such as “plan”, “expect”, “budget”, “target”, “schedule”, “estimate”, “forecast”, “project”, “intend”, “believe”, “anticipate”, “seek”, and other similar words or statements that certain events or conditions “may”, “could”, “would”, “might”, or “will” occur or be achieved. Forward-looking information is based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include: political, economic and other risks; volatility of global financial conditions including the impact of the COVID-19 virus pandemic and Russian invasion of Ukraine; fluctuations in foreign currency; operating risks caused by social unrest; risks related to artisanal mining on the Company’s properties; risks related to government regulation, laws, sanctions and measures; fluctuations in gold prices; uncertainty in the estimation of mineral reserves and mineral resources; replacement of depleted mineral reserves; uncertainty relating to mineral resources; risks related to production estimates and cost estimates; obligations as a public company; risks related to acquisitions and integration; the impact of Nicaraguan and United States laws regarding foreign investment; access to additional capital; volatility in the market price of the Company’s securities; liquidity risk; risks related to community relations; risks relating to equity investments; the availability of infrastructure, energy and other commodities; nature and climactic conditions; risks related to information technology and cybersecurity; permitting and licensing; the prevalence of competition within the mining industry; availability of sufficient power and water for operations; risks associated with tax matters and foreign mining tax regimes; risks relating to potential litigation; risks associated with title to the Company’s mining claims and leases; the ability to maintain adequate internal controls over financial reporting as required by law; compliance with anti-corruption laws, and sanctions or other similar measures; risks relating to the dependence of the Company on outside parties and key management personnel; risks associated with dilution; labour and employment matters; as well as those risk factors discussed or referred to herein and in the

Company’s Annual Information Form and Management’s Discussion and Analysis as at and for the years ended December 31, 2021 and 2020 available under the Company’s SEDAR profile at www.sedar.com.

Although the Company has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The Company undertakes no obligation to update forward-looking information if circumstances or management’s estimates, assumptions or opinions should change, except as required by applicable law. The reader is cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company’s expected financial and operational performance and results as at and for the periods ended on the dates presented in the Company’s plans and objectives and may not be appropriate for other purposes.

Non-IFRS Measures

The Company believes that these measures, in addition to conventional measures prepared in accordance with International Financial Reporting Standards (“IFRS”), provides investors with an improved ability to evaluate the underlying performance of the Company. These non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

Total Cash Costs per Ounce of Gold Sold (“Total Cash Costs”)

Total Cash Costs include mine site operating costs such as mining, processing, and local administrative costs (including stock-based compensation related to mine operations), royalties, production taxes, mine standby costs and current inventory write-downs, if any. Production costs are exclusive of depreciation and depletion, reclamation, capital, and exploration costs. Total Cash Costs are net of by-product silver sales and are divided by gold ounces sold to arrive at a per ounce figure.

All-In Sustaining Costs per Ounce of Gold Sold (“AISC”)

AISC is a performance measure that reflects all of the expenditures that are required to produce an ounce of gold from current operations. While there is no standardized meaning of the measure across the industry, the Company’s definition is derived from the definition, as set out by the World Gold Council in its guidance dated June 27, 2013 and November 16, 2018. The World Gold Council is a non-regulatory, non-profit organization established in 1987 whose members include global senior mining companies. The Company believes that this measure is useful to external users in assessing operating performance and the ability to generate free cash flow from operations.

Calibre defines AISC as the sum of Total Cash Costs, sustaining capital (capital required to maintain current operations at existing production levels), capital lease repayments, corporate general and administrative expenses, exploration expenses designed to increase resource confidence at producing mines, amortization of asset retirement costs and rehabilitation accretion related to current operations. AISC excludes capital expenditures for significant improvements at existing operations deemed to be expansionary in nature, exploration and evaluation related to resource growth, rehabilitation accretion and amortization not related to current operations, financing costs, debt repayments, and taxes. Total AISC is divided by gold ounces sold to arrive at a per ounce figure.



The Right Way,
The Safe Way, Every Day.