MANAGEMENT DISCUSSION & ANALYSIS

YEAR ENDED DECEMBER 31, 2020 AND 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of Calibre Mining Corp. (the "Company" or "Calibre", and as described in the section entitled *Company Overview*) contains information that management believes is relevant to an assessment and understanding of the Company's consolidated financial position and the results of its consolidated operations for the years ended December 31, 2020 and 2019. This MD&A should be read in conjunction with the financial statements for the years ended December 31, 2020 and 2019, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A has been prepared as at February 24, 2021.

Additional information including this MD&A, the audited consolidated financial statements for the year ended December 31, 2020, press releases, and other corporate filings are available on the SEDAR website, www.sedar.com, and the Company's website, www.calibremining.com.

This MD&A contains certain non-IFRS measures. The Company believes that these measures, in addition to information prepared in accordance with IFRS, provides investors with useful information to assist in their evaluation of the Company's performance and ability to generate cash flow from its operations. While these measures are intended to provide additional information, they should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS, as they do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers. For further information, refer to the section *Non-IFRS Measures* within this MD&A.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors outlined in the *Risk Factors* and *Forward-Looking Statements* sections. This MD&A provides management's analysis of historical financial and operating results and provides estimates of the Company's future financial and operating performance based on information currently available. Actual results will vary from estimates and variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

All amounts are in U.S. dollars ("$") unless otherwise stated. References to "CAD" are to the Canadian dollar.

The following additional abbreviations may be used within this MD&A: General and Administrative Expenses ("G&A"); Property, Plant, and Equipment ("PPE"); Asset Retirement Obligation ("ARO"); Gold ("Au"); Silver ("Ag"); Troy Ounces ("oz"); All-in-Sustaining Costs per ounce sold ("AISC"); Grams per Tonne ("g/t"); Tonnes ("t"); Tonnes per Annum ("tpa"); Hectares ("ha"); Square Kilometre ("km^2"); Estimated True Width ("ETW"); and Metres ("m"). In addition, throughout this MD&A, the reporting periods for the three months ended December 31, 2020 and 2019 are condensed to be Q4 2020 and Q4 2019, respectively, and for the year end December 31, 2020 and 2019 are abbreviated as 2020 and 2019, respectively.

COMPANY OVERVIEW

Calibre is a Canadian-listed gold producer and explorer with two 100%-owned operating gold mines in Nicaragua. The Company is incorporated under the laws of British Columbia, Canada and maintains its corporate head office at Suite 413 – 595 Burrard Street, Vancouver, British Columbia, Canada. As at December 31, 2020, the Company's common shares were listed on the Toronto Stock Exchange ("TSX") in Canada under the ticker symbol *CXB*. Effective November 22, 2019, Calibre also began trading in the United States on the premium OTCQX Best Market, under the ticker symbol *CXBMF*.

The Company is focused on sustainable operating performance and a disciplined approach to growth. Since the acquisition of the Limon and Libertad gold mines, and the Pavon Gold Project, Calibre has proceeded to integrate its operations into a "hub-and-spoke" operating philosophy, whereby the Company can take advantage of reliable infrastructure, favorable transportation costs, and multiple high-grade mill feed sources that can be processed at either the Limon or Libertad mill, which have a combined 2.7 million tonnes of annual mill throughput capacity.

CONSOLIDATED RESULTS SUMMARY AND HIGHLIGHTS

The following is a summary of the consolidated financial and operational results for Q4 2020, Q4 2019, 2020 and 2019 and includes the results from the Nicaragua Assets acquired from B2Gold Corp ("B2Gold") in October 2019, as described in the section *Corporate Developments* below. Additional information including operational and financial information for each mine is provided throughout this MD&A.

Until the effective date of the acquisition of the Nicaragua Assets, October 15, 2019, Calibre was an exploration stage company with no production.

Consolidated Financial Results [2]

(in $'000s - except per share and per ounce amounts)	Q4 2020	Q4 2019	2020	2019
Revenue	**$ 79,677**	$ 57,763	**$ 242,748**	$ 57,763
Cost of sales, including depreciation and amortization [3]	**$ (45,086)**	$ (44,419)	**$ (133,135)**	$ (44,419)
Mine operating income	**$ 34,591**	$ 13,344	**$ 109,613**	$ 13,344
Net income	**$ 23,255**	$ 3,130	**$ 63,413**	$ 920
Net income per share - basic	**$ 0.07**	$ 0.01	**$ 0.19**	$ 0.01
Net income per share - fully diluted	**$ 0.06**	$ 0.01	**$ 0.18**	$ 0.01
Cash provided by operating activities	**$ 28,736**	$ 20,675	**$ 81,261**	$ 19,167
Capital investment in mine development and PPE	**$ 12,352**	$ 9,997	**$ 35,576**	$ 10,013
Capital investment in exploration	**$ 5,886**	$ 1,670	**$ 15,472**	$ 3,796
Capital investment on acquisition of EBP	**$ -**	$ -	**$ 4,000**	$ -
Average realized gold price ($/oz) [1]	**$ 1,882**	$ 1,481	**$ 1,793**	$ 1,481
Total Cash Costs [1]	**$ 940**	$ 866	**$ 878**	$ 866
AISC [1]	**$ 1,051**	$ 959	**$ 1,043**	$ 959

Consolidated Operational Results [2]

	Q4 2020	Q4 2019	2020	2019
Ore Mined *(t)*	**528,213**	457,843	**1,773,971**	457,843
Ore Milled *(t)*	**501,228**	453,475	**1,729,157**	453,475
Grade *(g/t Au)*	**2.81**	2.62	**2.71**	2.62
Recovery (%)	**90.9**	94.0	**91.4**	94.0
Gold Ounces Produced	**42,573**	33,506	**136,009**	33,506
Gold Ounces Sold	**42,335**	38,993	**135,357**	38,993

Q4 2020 Highlights [2]

- Gold production of 42,573 ounces:
  - Limon produced 19,006 ounces from 120,109 tonnes of ore with an average grade of 5.48 g/t Au and an 89.5% recovery rate.
  - Libertad produced 23,567 ounces from 381,118 tonnes of ore with an average grade of 1.97 g/t Au and a 92.2% recovery rate.

(1) This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

(2) Consolidated financial and operational results for Q4 2019 and 2019 includes the results from the Nicaragua Assets acquired from B2Gold and discussed in the section Corporate Development, since their acquisition, from the period of October 15, 2019 to December 31, 2019 only. Prior to October 15, 2019, Calibre was an exploration stage company with no operations in production.

(3) Included in cost of sales is a purchase allocation fair value adjustment of $8.4 million, and consequently a reduction of mine operating income of the same amount, related to the metal inventory acquired on the purchase of the Nicaragua Assets on October 15, 2019, which was expensed during the period ended December 31, 2019.

- Gold sales of 42,335 ounces generating $79.7 million in revenue, with an average realized gold price [1] of $1,882/oz (Q4 2019 – gold sales of 33,993 ounces generating $57.8 million in revenue, with an average realized gold price [1] of $1,481/oz).
- Net income of $23.3 million (Q4 2019 – $3.1 million) & basic net income per share of $0.07 (Q4 2019 – $0.01).
- AISC [1] at Limon, Libertad and on a consolidated basis of $1,025, $1,003 and $1,051, respectively (Q4 2019 - $928, $889, and $959, respectively).
- Completed the final payment on the Nicaragua Asset acquisition of $15.5 million to B2Gold.
- Completed the Company's 2020 infill and near-mine exploration diamond drill program, while announcing a number of drilling results in Q4 2020 (*see news release dated November 12, 2020*), including:
  - Panteon Underground – 62.67 g/t Au over 4.0 metres ETW from 164.6 to 170.2 metres in LIM-20-4476
  - Panteon Underground – 28.41 g/t Au over 6.8 metres ETW from 207.2 to 216.0 metres in LIM-20-4468
  - Limon Open Pit – 11.89 g/t Au over 23.6 metres ETW from 234.5 to 262.0 metres in LIM-20-4489
  - Pozo Bono Open Pit – 16.97 g/t Au over 12.2 metres ETW from 87.8 to 102.9 metres in LIM-20-4457

2020 Highlights [2]

- Gold production of 136,009 ounces:
  - Limon produced 64,558 ounces from 428,081 tonnes of ore processed with an average grade of 5.25 g/t Au and an 89.8% recovery rate.
  - Libertad produced 71,451 ounces from 1,301,076 tonnes of ore processed with an average grade of 1.88 g/t Au and a 92.9% recovery rate.
- Gold sales of 135,357 ounces generating $242.7 million in revenue, with an average realized gold price [1] of $1,793/oz (2019 – gold sales of 33,993 ounces generating $57.8 million in revenue, with an average realized gold price [1] of $1,481/oz).
- Net income of $63.4 million (2019 – $0.9 million) & basic net income per share of $0.19 (2019 – $0.01).
- AISC [1] at Limon, Libertad and on a consolidated basis of $995, $977 and $1,043, respectively (2019 - $928, $889, and $959, respectively).
- Cash generated from operating activities of $81.3 million (2019 – $19.2 million).
- Cash investment of $46.6 million in capital, including $13.4 million on exploration and related expenditures.
- Improved working capital as at December 31, 2020 to $70.0 million (December 31, 2019 – $30.9 million).
- Advanced Pavon development, with initial ore deliveries to Libertad in January 2021.
- Acquired the remaining 70% interest in the Eastern Borosi Project ("EBP") from IAMGOLD Corporation and executed option and alliance agreements with Rio Tinto (see *Recent Corporate Developments* section).
- Completed a planned 80,000 metre infill, resource expansion and discovery drilling program (see *Growth and Discovery* section for expanded details).
- Advanced our "hub-and-spoke" operating philosophy, leading to a reimagined multi-year production and cost outlook for Libertad and Limon which extend the life of both gold mines (see *Company Outlook* section).

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[1] This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

[2] Consolidated financial and operational results for Q4 2019 and 2019 includes the results from the Nicaragua Assets acquired from B2Gold and discussed in the section Corporate Development, since their acquisition, from the period of October 15, 2019 to December 31, 2019 only. Prior to October 15, 2019, Calibre was an exploration stage company with no operations in production.

RECENT CORPORATE DEVELOPMENTS

Acquisition of Nicaragua Assets

On October 15, 2019, the Company acquired a 100%-interest in the Limon and Libertad gold mines, the Pavon gold project ("Pavon") and additional mineral concessions in Nicaragua (collectively, the "Nicaragua Assets") from B2Gold, (the "Transaction"), while also continuing to maintain a portfolio of exploration projects in Nicaragua. The purchase price for the Transaction was paid in a combination of cash, common shares, a convertible debenture, and a deferred cash payment component, summarized as follows:

(i) $40 million in cash (paid);

(ii) Issuance of 88 million common shares with a fair value of $40 million (issued);

(iii) Issuance of a $10 million convertible debenture (the "Debenture"). During the year ended December 31, 2019, Calibre converted the Debenture paying all interest incurred and eliminating the outstanding principal through the issuance of 17.6 million common shares;

(iv) Working capital adjustment cash payment of $12.8 million (paid); and

(v) A deferred cash payment to B2Gold totalling $15.5 million, payable no later than April 15, 2021 (see below – paid on October 15, 2020).

Following the closing of the Transaction and the conversion of the Debenture, B2Gold owns approximately 33% of Calibre as at December 31, 2020.

On April 1, 2020, the Company and B2Gold agreed to defer the payment of $15.5 million (above) to no later than April 15, 2021. Pursuant to the terms of the amendment, Calibre would pay B2Gold interest on the deferred payment at a per annum rate based on the London interbank offered rate plus an additional 2.5% from the date of the original payment date (October 15, 2020) until the deferred payment was paid. Despite the actions taken by the Company and B2Gold to extend this final cash payment deadline, Calibre elected to pay the remaining deferred payment, in full, on October 15, 2020, thereby avoiding any interest charges.

As at December 31, 2020, the Company has fulfilled all the payment terms of the acquisition agreement for the Nicaragua Assets.

Additional details on the Transaction, including fair value analysis, preliminary purchase price allocation and accounting treatment on the business acquisition is provided in the consolidated financial statements for the year ended December 31, 2020 and 2019.

COVID-19 and Impact on Operations

On March 25, 2020, the Company announced a temporary suspension of operations as a result of the novel coronavirus ("COVID-19") pandemic. During the suspension period, the Company worked to enhance its health and safety protocols for the expected re-start of operations, added key senior management, advanced permitting and technical studies, progressed a supply chain management review, and evaluated the overall scope of its exploration programs.

As a result of the temporary suspension, the Company incurred $7,313 of care and maintenance costs during the year ended December 31, 2020, which included staff salaries, wages, and benefits, standby charges for consultants, and various fixed costs normally associated with mining operations. During the period of temporary suspension, the Company took significant steps to manage its liquidity and optimize capital management, including stopping all mining and processing activities, reducing on-site workforce and related site costs, eliminating non-essential travel, delaying non-essential capital expenditures and exploration activities, and deferring senior management salaries by 20% during the suspension period (deferred amounts were paid following the restart of operations).

On June 10, 2020, Calibre announced a phased restart of operations, which followed government regulations and World Health Organization guidelines with regards to appropriate operating protocols. The phased-in restart lasted approximately one month to re-establish steady-state production levels, which continued uninterrupted for the remainder of 2020.

Following the restart of operations, the Company has had no significant impact to its operations from COVID-19. The Company has continued its enhanced COVID-19 health and safety protocols including monitoring of potential COVID-19 cases, the implementation of daily health checks, sanitization, and social distancing procedures at the workplace, in addition to routine government regulations and other safety protocols. In the community, the Company also continues preventative communication campaigns while working closely with the Nicaraguan Ministry of Health, employees and contractors to minimize the spread of the pandemic in the areas where we operate. The Company will continue to monitor the COVID-19 pandemic in Nicaragua and will further adapt our operations, as required, to minimize any potential negative impact.

Despite the Company's best efforts, Calibre's financial and/or operating performance could be materially and adversely affected by the COVID-19 global health crises, other epidemics, pandemics or outbreaks of new infection diseases or viruses in the future. Such public health crises can result in volatility and disruption to global supply chains, trade and market sentiment, mobility of people, and global financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, and results of operations, gold price, and other factors relevant to the Company. The risks also include risks to employee health and safety, potential future suspension or slowdown of operations, additional non-compensable costs, or could result in the cancellation of contracts, as well as supply chain disruptions that could negatively impact Calibre's business, financial condition and results of operations. The Company cannot estimate the impact the COVID-19 pandemic may have on future operations at this time.

Purchase of Eastern Borosi Project ("EBP")

On August 20, 2020, the Company acquired IAMGOLD Corporation's ("IAMGOLD") 70% interest in the EBP located in northeastern Nicaragua. On closing, Calibre now owns a 100%-interest in the EBP, which is host to gold-silver mineral resources delineated within six epithermal style vein systems, as well as multiple earlier stage exploration targets and emerging prospects. EBP highlights include:

- National Instrument ("NI") 43-101 Inferred Mineral Resources (prepared by Roscoe Postle Associates Inc. dated May 11, 2018) totaling 4.4 million tonnes averaging 4.93 g/t Au and 80 g/t Ag, containing 700,500 ounces of gold and 11.3 million ounces of silver, including the high-grade Guapinol resource totaling 0.6 million tonnes averaging 12.7 g/t Au and 12 g/t Ag containing 250,500 ounces of gold and 243,000 ounces of silver.

- Consideration for IAMGOLD's 70% interest in the EBP includes (i) 2,253,961 common shares of Calibre, with a fair value of $3.0 million, (ii) $1.0 million in cash payable 12 months after the date of the acquisition, and (iii) a 2.0% Net Smelter Return royalty (the "NSR Royalty") on future production from the Property. Calibre has the right to purchase 1.0% of the NSR Royalty for $2.0 million and a right of first refusal on the remaining 1.0% NSR Royalty.

- The EBP is located approximately 400 km by road from the Libertad Complex, which has surplus processing capacity of approximately 1.5 million tonnes per annum.

The significant surplus processing capacity at the Libertad Complex allows the Company to consider the EBP as a potential new spoke in our "hub-and-spoke" operating philosophy. Technical studies to better understand how and when ore from the EBP could be processed at our Libertad Complex commenced in Q4 2020 and will continue throughout 2021.

Agreements with Rio Tinto Exploration ("Rio Tinto")

During 2020, Calibre entered into an option earn-in agreement with Rio Tinto, whereby Rio Tinto can earn an initial 55% interest (and potentially up to a 75% interest) in Calibre's 100%-owned Borosi Project (the "Borosi Project") in Northeast Nicaragua. In addition, the Company and Rio Tinto also entered into a separate exploration alliance ("Alliance Agreement") to acquire and earn-in to various exploration concessions in Nicaragua, with a focus on copper and copper-gold porphyry and skarn style targets (the "Alliance"). Details of the terms of each of these agreements is discussed in this MD&A under the section *Growth and Discovery*.

COMPANY OUTLOOK

2021 Guidance

	Consolidated
Gold Production *(oz)*	**170,000 - 180,000**
Total Cash Costs *($/oz)* [(1)]	**$950 - $1,050**
AISC *($/oz)* [(1)]	**$1,040 - $1,140**
Effective Tax Rate *(%)*	**30% - 35%**
Growth Capital *($ millions)*	**$35 - $40**
Exploration *($ millions)*	**$14 - $17**
G&A *($ millions)*	**$7 - $8**

* The above guidance table assumes $1,800/oz gold.

The Company's initial guidance for 2021 represents an increase of approximately 30% to its consolidated annual gold production of 2020, while yielding a marginally higher AISC [(1)] (an increase of approximately 5% when using the midpoint of the above guidance).

The increases in gold production, production and capital costs are the result of the Company achieving its objective in bringing new sources of ore into production, including the Pavon Norte open-pit mine, which began processing gold at the Libertad mill in January 2021, Veta Neuva which reached commercial production in January 2021 and the Panteon underground mine, which is expected to commence ore deliveries before the end of the third quarter of 2021. In the third quarter of 2022, the Company is expected to commence ore deliveries from the Atravesada underground mine, which will be developed and advanced during 2021.

2021 gold production is forecast to be relatively constant quarter over quarter; however, the Company expects lower Total Cash Costs[1] and AISC[1] during the second half of the year by approximately 8%. Growth Capital is also expected to be lower during the second half of the year by approximately 30%.

In addition, Calibre has started the technical work and expects to commence drilling later this quarter at our now 100% - owned EBP. While not part of the August 2020 multi-year outlook (discussed below), EBP, which includes the high grade Guapinol deposit represents another opportunity to execute on our "hub-and-spoke" operating philosophy and generate significant value for our shareholders.

The Company expects to spend between $35 and $40 million in growth capital in 2021 including:

- Development and infrastructure on new mines: $14 - $15 million;
- Pavon mine development and Limon stripping: $10 - $12 million;
- Land acquisition and resettlements: $9 - $10 million; and
- Equipment and other growth capital expenditures: $2 - $3 million.

(1) This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

The Company intends to spend between $14 and $17 million in discovery, infill, and expansion drilling in 2021 including:

- $2 - $3 million in the EBP district;
- $4 - $5 million at the Libertad and Pavon concession district;
- $3 million at Limon and surrounding areas; and
- $5 - $6 million in other regional exploration targets.

The exploration program is designed to include step-out exploration drilling to expand known resources, infill and geotechnical drilling, and first-pass reconnaissance drilling. The program will also include systematic reconnaissance mapping, geochemical sampling and airborne geophysics research.

Advancement of the Pavon Norte Open-Pit Mine

During the Q4 2019, Calibre announced an updated mineral resource estimate for the Pavon Gold Project, which defined indicated resources totaling 1.39 million tonnes at 5.16 g/t Au containing 230,000 ounces of gold, and inferred resources totaling 0.57 million tonnes at 3.38 g/t Au containing 62,000 ounces of gold. The independent Technical Report (written in accordance with National Instrument 43-101 standards), entitled "Pavon Gold Project, Resource Estimation, Nicaragua" dated January 9, 2020 and effective November 12, 2019, prepared by WSP Canada Inc. is available at www.sedar.com under Calibre's profile or on the Company's website.

Since the beginning of 2020, Calibre has continued to progress development at Pavon Norte, working closely with SLR Consulting (Canada) Ltd. (formerly Roscoe Postle Associates Inc.), WSP Canada Inc. and the Centre for an Understanding with Nature in Nicaragua, to ensure quality engineering designs with minimal impacts to the environment. Calibre has advanced engineering studies, mine plans, road construction designs, and socio-environmental initiatives focusing on water conservation and sustainable forestry and ranching.

On January 24, 2021, Calibre announced the commencement of open-pit ore production from Pavon Norte, providing an additional source of ore feed which will be processed at the Libertad mill. The Company expects to gradually ramp-up mill feed haulage to approximately 1,000 tonnes per day by the end of 2021. Bringing Pavon Norte into production, ahead of schedule, is a significant milestone which exemplifies the Company's efforts to increase production and extend the life of the Libertad Complex by processing ores mined from satellite deposits, in line with the Company's "hub-and-spoke" operating philosophy.

Multi-Year Production and Outlook

On August 11, 2020, the Company announced its initial multi-year outlook (the "Plan"), which includes the initial Libertad Complex Preliminary Economic Assessment ("PEA"). The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. The full PEA report was filed on www.sedar.com on September 16, 2020 and is available on the Company's website. The following provides a summary of highlights on the PEA:

- 2021 to 2023 annual average gold production estimated at 120,000 ounces, AISC [1] of $906/oz, and after-tax free cash flow of $69 million (at $1,800/oz gold).
- 2021 to 2025 estimated cumulative after-tax free cash flow estimated at $319 million (at $1,800/oz gold).
- 2021 to 2025 includes 1.5 million average annual tonnes of surplus mill capacity (installed, permitted and paid for), which underpins the potential for significant organic production growth in the near-term.
- No exploration drilling results or data acquired after December 31, 2018 are included in the PEA analysis, other than Jabali and Panteon Underground information, which have more current results and a mid-2020 effective date.

(1) This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

Of the mineral resources reviewed in the Plan, approximately 60% of the indicated mineral resources and 40% of the inferred mineral resources were included in the PEA. Mineral resources that are not mineral reserves have yet to demonstrate economic viability. Additional technical studies (drilling, engineering, and mine design) are required to better understand the mineral resources excluded from the PEA.

The PEA is based on indicated and inferred mineral resources from the following locations:

- Libertad: Jabali Antena open pit, Jabali underground mine, and the San Antonio open pit;
- Limon (trucked to Libertad Complex): Veta Nueva underground, Santa Pancha Complex and Panteon; and
- Pavon Norte and Pavon Central open pits.

The Company also provided a 10-year outlook for the Limon Complex, including the following highlights:

- Annual average gold production estimated between 50,000 to 70,000 ounces with AISC [(1)] of between $900/oz and $1,100/oz.
- Gold production considered in the outlook includes ore from the following sources:
  - Open pit probable mineral reserves (as at December 31, 2019) totaling 1.4 million tonnes grading 4.25 g/t gold containing 195,000 ounces mined between 2020 to 2023; and
  - Additional open pit mineral resources (as at December 31, 2019) that have the potential to extend mine life through 2031. These include open pit indicated mineral resources exclusive of mineral reserves totaling 0.5 million tonnes grading 4.29 g/t gold containing 62,000 ounces and open pit inferred mineral resources of 3.8 million tonnes grading 5.49 g/t gold containing 679,000 ounces.

As a result of the Company's 2020 infill drilling program at the Limon open pits, Calibre anticipates the new results will upgrade a majority of the inferred mineral resources to indicated mineral resources when the year end mineral reserves and resources are announced, expected to be released late in the first quarter of 2021.

The implementation of our "hub-and-spoke" operating philosophy has been a key driver in advancing opportunities to positively impact the mine life and net asset value at the Libertad and Limon complexes. Integrating Limon's 0.5 million and Libertad's 2.2 million tonnes per annum milling capacity, allows us to maximize value by transporting and processing ore from multiple satellite deposits.

EXTERNAL PERFORMANCE DRIVERS AND TRENDS

Price of Gold

The price of gold continues to be a significant factor in determining the Company's profitability, financial performance and cash flow from operations. The price of gold is subject to volatile price fluctuations and can be affected by numerous macroeconomic conditions, including supply and demand, value of the US dollar, interest rates, and global economic and geopolitical issues. Despite the volatility, management considers the outlook for 2021 gold prices to remain favourable and at historically high levels.

Over the short-term, key drivers of the price of gold remain the possibility for rising yields, the US Federal government's support of potential higher inflation, US dollar weakness, low interest rates, President Biden's stimulus agenda, and continuing COVID pandemic related issues, including discovery of new variants and vaccine rollout progress to be the main factors affecting gold and silver prices. The Company continues to be an unhedged producer of gold.

As at December 31, 2020, the price of gold closed at $1,888/oz, up 25% from the price on December 31, 2019. The average spot gold price for Q4 2020 was $1,874 (Q4 2019: $1,481) and for the year ended December 31, 2020 the average was $1,770 (2019: $1,393), up 27% from the prior year and quarter average.

(1) This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

Foreign Exchange Volatility

The Company's reporting currency is the U.S. dollar. The Company's functional currency for its parent company with its head office in Vancouver is the Canadian dollar and the U.S. dollar is the functional currency for the subsidiaries in Nicaragua, although some costs in Nicaragua are paid in Nicaraguan Córdoba.

The exchange rate between the Córdoba and the U.S. dollar has historically been managed by the Nicaraguan Central Bank. The Córdoba has been annually devalued against the U.S. dollar by means of a "crawling peg" mechanism currently set at 2% per year. As such, the Company holds most of its cash and cash equivalents in either U.S. or Canadian dollars and holds minimal balances in Córdoba.

As at December 31, 2020, the Canadian dollar closed at $1.27 (December 31, 2019: $1.30) and the Nicaraguan Córdoba closed at $34.82 (December 31, 2019: $33.84) for each U.S. dollar, respectively. The average rates in Q4 2020 for the Canadian dollar and the Nicaraguan Córdoba were $1.30 and $34.72, respectively (Q4 2019: $1.32 and $33.70, respectively). For the year ended December 31, 2020, the average rates for the Canadian dollar and the Nicaragua Córdoba were $1.34 and $34.34, respectively (2019: $1.33 and $33.13, respectively). The Canadian dollar was volatile in 2020, with a sudden decline in the Canadian dollar during March 2020 attributed to a number of factors including the significant slide in oil prices and economic impacts of the COVID – 19 pandemic. The Canadian dollar closed at $1.42 on March 31, 2020 and since that time, it has steadily strengthened to $1.27 at December 31, 2020. The Company's exposure to fluctuations in the Canadian dollar is limited to its corporate general and administrative costs in Canada (2020: $7.7 million) and cash balances held in Canadian dollars, which as at December 31, 2020 totalled $3.3 million.

HEALTH, SAFETY, COMMUNITY RELATIONS, AND THE ENVIRONMENT

Calibre aspires for zero harm to employees, the environment and local communities. The Company strives to minimize and mitigate risks inherent in its business in a sustainable manner and recognizes that community engagement is critical to sustainability. Ultimately, the success and sustainability of the Company's business will be earned by minimizing risks, mitigating negative impacts and with the support of, and collaboration with, our neighbours.

Calibre's vision is to integrate and promote sustainability into all facets of the business through implementation of environmentally responsible practices and believes that effective environmental management is paramount to its success. There were no material breaches of permits or licenses at any of the Company's locations during the year. All incidents were reported to regulators in a timely manner and impacts, if any, were appropriately mitigated to the extent possible.

While the Company continues to promote workplace health and safety and strives for a zero-harm environment, the Company has also taken additional measures during this time of the COVID-19 pandemic to keep our employees and our local communities safe. During 2020, Calibre commenced a communication campaign (local radio and tv ads, as well as various print and social media disseminations) designed to communicate key information including the promotion of mental health through the reduction of stress and anxiety, reinforce preventative health measures, and maintain a presence in the communities where we operate.

The Company has implemented robust COVID-19 protocols and procedures throughout the suspension period and subsequent restart of operations, including pre-screening of all staff returning to work, additional access to onsite or external medical professionals, temperature and health screening testing, mandatory use of face masks on Company property/transport, enhanced social distancing or work from home measures, installation of hand washing stations, vehicle sprays and more frequent sanitation and cleaning of key areas have all been implemented. The Company continues to monitor the situation and will endeavor to modify and adapt as needed to combat the spread of the virus.

LIMON

The following operational and financial results for Q4 2020, Q4 2019, 2020 and 2019 includes the results from the Nicaragua Assets acquired from B2Gold in October 2019, as discussed in the section *Corporate Developments*. Calibre was an exploration stage company with no operations in production until October 15, 2019, as such, the 2019 information includes only operational results from the period of October 15, 2019 to December 31, 2019.

	Q4 2020	Q4 2019	2020	2019
Operating Information				
Ore Mined - open pit *(t)*	173,651	65,985	522,962	65,985
Ore Mined - open pit - average grade *(g/t Au)*	4.51	5.39	4.63	5.39
Waste Mined - open pit *(t)*	3,578,915	3,180,721	11,001,548	3,180,721
Ore Mined - underground *(t)*	45,777	37,291	121,530	37,291
Ore Mined - underground - average grade *(g/t Au)*	3.41	6.23	3.72	6.23
Total Ore Mined *(t)*	219,428	103,276	644,492	103,276
Total Ore Mined - average grade *(g/t Au)*	4.28	5.70	4.46	5.70
Ore Milled *(t)*	120,109	100,221	428,081	100,221
Grade *(g/t Au)*	5.48	5.74	5.25	5.74
Recovery *(%)*	89.5	91.3	89.8	91.3
Gold Ounces Produced	19,006	15,440	64,558	15,440
Gold Ounces Sold	18,872	18,412	64,255	18,412
Financial Information *(in $'000s - except per ounce amounts)*				
Revenue	$ 35,493	$ 27,288	$ 114,971	$ 27,288
Operating income	$ 13,699	$ 3,696	$ 48,656	$ 3,696
Cash flow from operations	$ 15,247	$ 13,151	$ 48,844	$ 13,151
Mine development and PPE expenditures	$ 8,907	$ 8,762	$ 26,838	$ 8,762
Exploration expenditures	$ 1,461	$ 495	$ 4,322	$ 495
Total Cash Costs ($/oz) [(1)]	$ 922	$ 887	$ 861	$ 887
AISC ($/oz) [(1)]	$ 1,025	$ 928	$ 995	$ 928

Limon - Operating and Financial Information – Q4 2020

Total mine production consisted of 219,428 ore tonnes at an average grade of 4.28 g/t gold. The majority of the mine production originated from Limon Central ("LC") (173,651 tonnes at an average grade of 4.51 g/t gold), the Santa Pancha underground mine (29,559 tonnes at an average grade of 3.11 g/t gold), with the remaining tonnes mined from Veta Nueva. Effective June 1, 2020, the Company considers LC Phase 2 to be in commercial production and began to defer stripping waste material above the average life of mine waste : ore strip ratio.

Limon generated revenue of $35.5 million on sales of 18,872 ounces of gold, resulting in an average realized gold price [(1)] of $1,881/oz, slightly higher than the average spot gold price [(1)] of $1,874/oz for the same period (as previously discussed under the section *External Performance Drivers and Trends)*.

Cost of sales (including depreciation and amortization) was $21.8 million. Total Cash Costs [(1)] and AISC [(1)] were $922 and $1,025 per ounce, respectively. Mine operating income was $13.7 million. Cash flows from operations was $15.2 million.

Limon produced 19,006 ounces driven by an average mill grade of 5.48 g/t gold and recovery of 89.5% from 120,109 tonnes of ore milled. Gold production in Q4 2019 was 15,440 ounces, slightly lower when compared to Q4 2020, as a result of higher tonnes processed from operating for 3 months (in Q4 2020) compared to 2½ months in Q4 2019. AISC [(1)] was $1,025 in the Q4 2020 period compared to $928 in Q4 2019, due to lower grade ore mined from Limon Central open pit related to the mine sequence.

(1) This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

Capital expenditures were $8.9 million, including $1.7 million of capitalized stripping of LC Phase 2, $1.6 million for the advancement of the Veta Nueva underground mine, and $3.2 million for development of the Panteon underground mine. In addition, the Company incurred $1.5 million of exploration costs on exploration and in-fill drilling. In Q4 2020, in-fill drilling was completed at Limon Central, Limon Norte and Veta Nueva. Exploration drilling occurred at Panteon, Tigra-Chaparral and Atravesada.

Limon - Operating and Financial Information – 2020

As Calibre was only in the business of gold production effective October 15, 2019 (and therefore only in Q4 2019, as noted above), the Company does not believe a comparison to the annual 2019 operating and financial information is relevant.

Total mine production consisted of 644,492 ore tonnes at an average grade of 4.46 g/t gold. The majority of the mine production originated from the Limon Central ("LC") open-pit, totalling 522,962 tonnes at an average grade of 4.63 g/t gold, the Santa Pancha underground mine totalling 90,489 tonnes at an average grade of 3.59 g/t gold, with the remaining tonnes mined from Veta Nueva.

Limon produced 64,558 ounces driven by an average mill grade of 5.25 g/t gold and recovery of 89.8% from 428,081 tonnes of ore milled.

Limon generated revenue of $115.0 million on sales of 64,255 ounces of gold, resulting in an average realized gold price [(1)] of $1,789/oz, slightly higher than the average spot gold price for the same year of $1,770/oz (as previously discussed under the section *External Performance Drivers and Trends)*.

Cost of sales (including depreciation and amortization) was $66.3 million. Total Cash Costs [(1)] and AISC [(1)] were $861 and $995 per ounce, respectively. Mine operating income was $48.7 million. Cash flow from operations was $48.8 million.

Capital expenditures were $26.8 million, including $13.2 million of capitalized stripping of LC Phase 2, $3.3 million for the development of the Veta Nueva mine, $3.2 million for development of Panteon and $1.7 million of sustaining capital for the San Jose Tailings storage facility expansion. In addition, the Company incurred $4.3 million of exploration costs for resource infill and exploration drilling (2020 exploration activities are discussed further in the section *Growth and Discovery* below).

On November 10, 2020, the Company renewed with the union the Collective Bargaining Agreement (CBA) at Limon for a new two-years period, effectively valid from October 22, 2020, without any material changes.

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(1) This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

LIBERTAD

The following summary operational and financial results for Q4 2020, Q4 2019, 2020 and 2019 include the results from the Nicaragua Assets acquired from B2Gold in October 2019, as discussed in the section *Corporate Developments*. Calibre was an exploration stage company with no operations in production through October 15, 2019. The 2019 numbers reflect the period October 15 through December 31.

	Q4 2020	Q4 2019	2020	2019
Operating Information				
Ore Mined - open pit *(t)*	283,532	351,222	1,101,579	351,222
Ore Mined - open pit - average grade *(g/t Au)*	2.22	1.72	2.09	1.72
Waste Mined - open pit *(t)*	188,212	1,637,781	4,670,923	1,637,781
Ore Mined - underground *(t)*	25,252	3,346	27,900	3,346
Ore Mined - underground - average grade *(g/t Au)*	3.85	4.24	3.75	4.24
Total Ore Mined *(t)*	308,785	354,567	1,129,479	354,567
Total Ore Mined - average grade *(g/t Au)*	2.36	1.75	2.13	1.75
Ore Milled *(t)*	381,118	353,254	1,301,076	353,254
Grade *(g/t Au)*	1.97	1.74	1.88	1.74
Recovery *(%)*	92.2	96.4	92.9	96.4
Gold Ounces Produced	23,567	18,066	71,451	18,066
Gold Ounces Sold [2]	23,462	20,581	71,102	20,581
Financial Information *(in $'000s - except per ounce amounts)*				
Revenue	$ 44,184	$ 30,475	$ 127,777	$ 30,475
Operating income	$ 20,892	$ 9,648	$ 60,957	$ 9,648
Cash flow from operations	$ 13,751	$ 11,302	$ 39,709	$ 11,302
Mine development and PPE expenditures	$ 3,445	$ 1,224	$ 8,723	$ 1,224
Exploration expenditures	$ 2,847	$ 1,186	$ 8,709	$ 1,186
Total Cash Costs ($/oz) [1]	$ 954	$ 847	$ 893	$ 847
AISC ($/oz) [1]	$ 1,003	$ 889	$ 977	$ 889

Libertad - Operating and Financial Information – Q4 2020

The majority of Libertad's mine production consisted of 100,434 tonnes of ore from the Jabali Antena open-pit grading 3.31 g/t and 172,159 tonnes grading 0.68 g/t from previously processed "spent ore". Mined production includes 8,534 tonnes of ore purchased from artisanal small miners at Pavon at a grade of 20.41 g/t.

The Company's operating philosophy of "hub-and-spoke" resulted in 100,898 tonnes of ore grading 2.86 g/t being shipped from Limon and included in Libertad's mill production (an increase of 26% in tonnes when compared to Q3 2020). Libertad achieved gold production of 23,567 ounces from an average mill grade of 1.97 g/t and recovery of 92.2% from 381,118 tonnes of ore milled.

Libertad generated revenue of $44.2 million from sales of 23,462 ounces of gold, resulting in an average realized gold price of $1,883/oz, slightly higher than the average spot gold price [1] of $1,874/oz for the same period (as previously discussed under the section *External Performance Drivers and Trends)*.

Cost of sales (including depreciation and amortization) was $23.3 million. Total Cash Costs [1] and AISC [1] were $954 and $1,003, respectively. Mine operating income was $20.9 million. Cash flows from mining operations was $13.8 million.

[1] This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

Gold production in Q4 2020 was 23,567 ounces compared to 18,066 in Q4 2019 as a result of higher grade ore being processed. AISC [1] in Q4 2020 was $1,003 compared to $889 in Q4 2019 from higher underground mining costs incurred as a result of the restart of operations at the Jabali underground.

Capital expenditures totaled $3.4 million, including $2.5 million for advancement at Pavon, which included road construction. Exploration drilling of $2.8 million was spent at Jabali, Rosario, Socorro, Pavon and El Carmen.

Libertad - Operating and Financial Information – 2020

As Calibre was only in the business of gold production effective October 15, 2019 (and therefore only in Q4 2019, as noted above), the Company does not believe a comparison to the annual 2019 operating and financial information is relevant.

The Libertad mine had limited operations during Q2 2020 as a result of the temporary suspension in April 2020 related to COVID-19 and the phased in restart during June 2020. The mine reached steady-state operations in early July 2020.

The majority of Libertad's mine production consisted of 367,543 tonnes of ore from the Jabali open-pit grading 3.27 g/t and 697,169 tonnes grading 0.75 g/t from previously processed "spent ore". Mined production includes 31,932 tonnes of ore purchased from artisanal small miners at Pavon at a grade of 17.74 g/t. The mill feed included 220,623 tonnes of ore grading 2.80 g/t shipped from Limon, in accordance with our "hub-and-spoke" operating philosophy. Libertad achieved gold production of 71,451 ounces from an average mill grade of 1.88 g/t and recovery of 92.9% from 1,301,076 tonnes of ore milled.

On August 5, 2020, the Company announced that blasting and mining activities had recommenced at the Jabali underground mine, below the Jabali Antena open pit. Jabali underground represents an important long-term source of high-grade ore feed for the Libertad mill and is a key focus of our expanded drilling program. The Company currently maintains three drill rigs completing resource infill and step-out drilling at Jabali, which as at December 31, 2019 hosted an inferred mineral resource of 1.24 million tonnes at an average grade of 7.87 g/t Au containing 315,000 ounces of gold. Through our expanded drilling program, Calibre sees excellent potential to upgrade inferred to indicated resources while expanding the resource inventory along strike and down plunge to the west. During Q3 and Q4 2020, the Jabali underground mine was being reconditioned, with steadily increasing production from the restart of operations, mining 2,648 and 25,252 tonnes of ore, respectively over each quarter.

During Q4 2020, mining the current phase of the Jabali Antena open-pit was completed and Libertad will transition to ore processed mainly from Jabali underground, from the commencement of mining from Pavon Norte which occurred in January 2021 and from ore delivered from Limon.

Libertad generated revenue of $127.8 million from sales of 71,102 ounces of gold, resulting in an average realized gold price [1] of $1,797/oz (higher than the average spot gold price for 2020 of $1,770/oz).

Cost of sales (including depreciation and amortization) was $66.8 million. Total Cash Costs [1] and AISC [1] were $893 and $977, respectively. Mine operating income was $61.0 million. Cash flows from mining operations were $39.7 million.

Capital expenditures totaled $8.7 million, including $4.7 million for advancement at Pavon, sustaining capital of $1.0 million for the resettlement of households that enabled the Jabali underground operation to recommence and sustaining capital of $0.9 million for Jabali underground development. Expenditures of $8.7 million for combined infill and exploration drilling programs were incurred at Jabali, Tranca, Rosario, Amalia, Socorro, Nancite, Pavon, El Carmen and San Antonio (year-to-date exploration activities are discussed further in the section *Growth and Discovery* below).

(1) This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

EXPLORATION - GROWTH AND DISCOVERY

Calibre completed an 80,000-metre drill program in 2020 for the purposes of exploration and resource expansion (50,000 metres), upgrading resource classification (21,000 metres) and geotechnical drilling to support open pit and underground mine design (9,000 metres). On February 23,2021, Calibre announced the final tranche of results from its 2020 drilling programs. These, in combination with previously reported results from 2020 and Q4 2019, will be integrated into the Company's 2020 year-end mineral reserve and resource updated, to be reported in Q1 2021.

Q4 2020 Update

During Q4 2020, Calibre completed its planned resource expansion and infill drilling programs at Limon, Libertad and Pavon. Most recently, encouraging results were received from Limon, where first pass drilling at the Atravesada deposit intercepted high grade mineralization that includes 7.98 g/t Au over 6.8 metres ETW from 232 metres in hole LIM-20-4497 and 8.92 g/t Au over 9.8 metres ETW from 201 metres in hole LIM-20-4515. The Company continues exploration drilling and underground development at Atravesada with the goal of bringing the mine into production in 2022. Exploration drilling at the Veta Nueva deposit located 600 metres to the west of Atravesada has likewise returned favorable results including 4.78 g/t Au over 13.6 metres ETW from 209.9 metres in hole LIM-20-4524, and 10.94 g/t Au over 3.1 metres ETW from 299.2 metres in hole LIM-20-4528 (see February 23, 2021 news release). Exploration drilling continues to test the potential to expand the Veta Nueva resource further down dip along the main structure. The current Veta Nueva mineral resource of 0.6 million tonnes grading 3.96 g/t Au includes mineral reserves of 0.3 million tonnes grading 5.66 g/t Au as at December 31, 2019.

At Libertad, exploration infill drilling to test the potential to expand and upgrade resource classification was completed at the Jabali underground and Socorro (Chamarro) open pit deposits. Results returned from drilling at Jabali include 6.00 g/t Au over 11.5 metres ETW from 113.4 metres in hole JB-20-511. At Socorro drill hole CH-20-043 intercepted 21.90 g/t Au over 1.1 metres ETW (see February 23, 2021 news release). The Socorro deposit, located approximately 2 kilometres from the Libertad mill facility had previous results of 29.35 g/t Au over 5.15 metres ETW, 7.01 g/t Au over 7.10 metres ETW, and 5.85 g/t Au over 5.25 metres ETW (see press release dated November 12, 2019).

Infill drilling at Limon (including Panteon, Limon Central, Norte, Tigra and Chapparal) continues to return results in line with expectations, confirming the continuity of underground open pit gold grades within three ore shoots at Panteon vein structure and along the 2-kilometre Limon vein system. The combination of the above, along with previously reported results from the Limon Norte deposit, Limon Sur further underscore the robust character of near-surface gold mineralization along the Limon vein trend.

Drilling at Pavon intercepted near surface mineralization in line with expectations as the Company continues its effort to convert Pavon's 1.4 million tonnes grading 5.16 g/t Au indicated resource into reserves.

Summary information of the Company's drilling program conducted during the first nine months of 2020 are discussed below.

Additional Exploration During 2020

Panteon Underground Deposit

The Panteon deposit, which has been an area of exploration interest throughout 2020, is located approximately 150 metres west of the Santa Pancha underground mine. During the first half of 2020, Calibre drilled a total of 2,625 metres in 12 holes, focusing on a 75 by 150-metre section of thickening along the vein and its potential extension at depth. The work completed tested this section over a strike length of 125 metres and a vertical depth of 200 metres from surface. On April 9, 2020 and May 20, 2020, Calibre announced initial high-grade drill results from Panteon, which included 17.96 g/t Au over 4.4 metres ETW (LIM-20-4422) and 10.64 g/t Au over 4.7 metres (LIM-20-4423) (see related press releases for further details).

As a result of the exploration work, Calibre announced its maiden Mineral Resource estimate for the Panteon deposit. Roscoe Postle Associates Inc. (now part of SLR Consulting Ltd.) estimates that the Panteon deposit currently contains an Indicated Mineral Resource of 90,000 tonnes at an average grade of 9.88 g/t Au for 29,000 contained ounces, with an additional Inferred Mineral Resource of 303,000 tonnes at an average grade of 6.79 g/t Au for 66,000 contained ounces (see news release dated June 3, 2020 for further details).

During Q3 2020 and following up on earlier 2020 drill results, which confirmed the relative positions of two parallel high-grade shoots along the southern extension of the Panteon vein system, the Company completed infill drilling on the two zones returning strong gold grades over broad, mineable widths, including 62.67 g/t Au over 4.0 metres ETW (LIM-20-4476). Following the completion of infill drilling, the focus shifted to resource expansion drilling to test the potential for mineralization down-plunge and along strike to the southeast. The initial step out hole (LIM-20-4485) intercepted 8.19 g/t Au over 3.7 metres extending the southern shoot approximately 40 metres to the southeast (see details in news releases dated April 9, 2020 and September 15, 2020).

Calibre is continuing to explore the Panteon vein system to extend resources in both directions along strike and don plunge along the known ore shoots. Over the course of 2020, Calibre has advanced underground development of the Panteon vein system and expects to begin mining ore in the third quarter of 2021.

Limon Deposits (Limon Central, Limon Norte, and Tigra-Chaparral)

As at December 31, 2019, the Limon Mine Complex included open-pit Probable Reserves of 1.4 million tonnes grading 4.25 g/t Au containing 195,000 ounces of gold. Additional open-pit mineral resources include Indicated resources totaling 0.5 million tonnes grading 4.29 g/t Au containing 62,000 ounces of gold (exclusive of mineral reserves), and Inferred resources totaling 3.8 million tonnes grading 5.49 g/t Au containing 679,000 ounces. Results of the combined infill and step-out exploration drilling will be integrated into an updated mineral resource estimate prepared as of December 31, 2020 anticipated to be released in Q1 2021.

During Q3 2020, at Limon Norte, Calibre intercepted strong gold mineralization peripheral to a historic underground mine stope in the central portion of the inferred resource. These holes include LIM20-4439 which returned 3.3 metres ETW averaging 14.78 g/t Au and LIM20-4447 which returned 7.6 metres ETW averaging 7.21 g/t Au (see news release September 15, 2020 for further details).

Additionally, infill drilling continues to confirm the continuity of gold grades along the Limon vein system, which hosts a series of open-pit mineral resources along a northwesterly trend in excess of two kilometres. Infill drilling to upgrade resources from Inferred to Indicated classification in each of the deposits has returned results above expectations, including the following examples:

- Drilling below the active Limon Central open-pit reserve intercepted 7.9 metres ETW grading 3.24 g/t Au (LIM-20-4478) and 23.6 metres ETW grading 11.89 g/t Au (LIM-20-4489);
- Approximately 750 metres to the south, drilling at the Pozo Bono deposit returned 16.97 g/t Au over 12.2 metres ETW (LIM-20-4457) and 20.77 g/t Au over 1.2 metres ETW (LIM-20-4474);
- Approximately one kilometre to the north, drilling at the Tigra-Chaparral deposit returned 10.1 metres ETW grading 5.28 g/t Au (LIM-20-4462) and 12.9 metres ETW grading 5.09 g/t Au (LIM-20-4471).

The combination of the above, along with previously reported results from the Limon Norte deposit, further underscore the robust character of near-surface gold mineralization along the Limon vein trend. With infill drilling along the trend completed, the focus of drilling has transitioned to testing resource expansion opportunities along strike and down-dip of the principal zones of high-grade mineralization.

Jabali Underground Deposit at Libertad

The Jabali West Underground Deposit is located directly below the Jabali Antena open pit and contains an inferred mineral resource hosting an estimated 1.2 million tonnes averaging 7.87 g/t Au for 315,000 ounces of contained gold (see *Amended Technical Report filed on SEDAR titled, "The Libertad Mine, Chontales Department, Nicaragua and dated January 31, 2020"*).

During the first half of 2020, Calibre completed eight holes for a total of 1,320 metres of infill and step-out drilling at the Jabali West underground mine. Of the eight holes drilled, seven were infill holes drilled to increase resource estimation confidence. All these holes intercepted moderate to strong gold mineralization over ETW's ranging from one to four metres in a section of the vein approximately 45 to 60 metres below the base of the Jabali Antena open pit. One step out hole (JB20-476) intercepted 23.46 g/t Au over 3.3 metres ETW, 200 vertical metres below the current Jabali Antena open pit resource and 25 metres down plunge from a previously drilled B2Gold drill (JB11-254), which intercepted 2.18 g/t Au over 7.7 metres.

During Q3 2020, Calibre completed an additional 17 holes totaling 2,600 metres of infill drilling, with results announced in the news releases dated September 15, 2020 and November 12, 2000. Highlights from the drilling program include 7.3 metres ETW averaging 5.46 g/t Au (JB20-492) and 8.80 g/t Au over 5.6 metres ETW (JB20-499). During Q4 2020, Calibre advanced step-out drilling to test the potential to extend the resource as discussed in the previous section. Results of the combined infill and step-out exploration drilling will be integrated into an updated mineral resource estimate prepared as of December 31, 2020, anticipated to be released in Q1 2021.

Other Prospects

The Nancite prospect follows a four kilometre east-west trending structure located approximately five hundred metres south, and parallel to, the Jabali vein trend. Since July 2020, Calibre has drilled 11 holes (2,402 metres) of first pass exploration drilling focused on the upper 125 metres of a one-kilometre section of the four-kilometre east-west trending structure. Drill hole NA-20-010 intercepted 17.26g/t over 1.5m, the highest-grade intercept on the multi-kilometre trend to date. The Company plans to follow up on these results with continued exploration drilling during 2021.

The Tranca prospect is located approximately five hundred metres south of the Jabali underground mine, along a parallel east-west striking vein system that has been traced by surface mapping over a four-kilometre trend. Gold mineralization in the area occurs in multiple vein sets that had not previously been drill tested prior to Calibre's acquisition of Libertad in October 2019. Calibre holds an option to acquire an 85% interest in the Tranca property, subject to meeting certain terms and conditions as set forth in the option agreement with a third-party. The terms of the option agreement provide that the Company can earn its 85% interest in the Tranca property by spending $2.0 million in exploration by Q1 2022.

Early drilling at Tranca, focused on locating higher grade ore shoots along the structure within 125 metres from surface. All nine holes intercepted mineralization ranging from 1.2 to 3.9 g/t gold over ETW's ranging from 1.0 to 8.3 metres. During Q3 2020, Calibre drilled an additional 19 holes totaling 5,584 metres of exploration drilling focused on the upper 125 metres of a one-kilometre section of the Tranca structure. The drilling results reported in the Company's news release dated September 15, 2020, in combination with previously reported results (see Calibre news release dated May 20, 2020), will be evaluated to determine whether additional exploration work at Tranca is warranted.

The Rosario deposit is located approximately six kilometres southwest of the Libertad mill. It currently hosts an inferred resource of 0.3 million tonnes grading 2.08 g/t Au containing 17,000 ounces of Au. Infill and step-out drilling to upgrade and expand the resource has been completed with the results being incorporated into an updated mineral resource estimate to be reported in Q1 2021.

In the Cerro Volcan area to the south of Rosario, Calibre's exploration team has identified multiple partially exposed high grade vein systems that offer the potential for the discovery of more extensive bonanza grade gold mineralization at depth. The company plans to conduct first pass drill testing of the Volcan

Other areas of interest include:

- The Amalia prospect is located 35 kilometres northeast of the Libertad mill and the concession encompasses an area of approximately 84 km^2 of near-surface gold mineralization exposed along a steeply dipping north-easterly vein trend. Calibre reported results from the first pass reconnaissance drilling in 2020 (see news releases dated February 11, 2020 and May 20, 2020). In addition, results have been received for 133 surface rock samples, with 68 of these (~50%) returning anomalous gold values (> 0.1 g/t Au), including a maximum value of 31 g/t Au.

- The Nispero concession is located approximately 25 kilometres from the Libertad mill, adjoining the Amalia concession along its northern margin. During Q3 2020, (following up on a cluster of legacy stream sediment gold anomalies), two north-easterly trending zones of epithermal style veining were discovered, ranging in area from 200 metres wide by 1.2 kilometres along strike and 750 metres wide by 2.5 kilometres along strike. Results have been received for 121 surface rock samples, with 33 of these (~26%) returning anomalous gold values (> 0.1 g/t Au), including a maximum value of 57 g/t Au.

Agreements with Rio Tinto Exploration ("Rio Tinto")

On February 24, 2020 Calibre announced it had entered into an option earn-in agreement with Rio Tinto, whereby Rio Tinto can earn an initial 55% interest (and potentially up to a 75% interest) in Calibre's 100%-owned Borosi Project (the "Borosi Project") in Northeast Nicaragua. The Borosi Projects host both gold-silver and copper-gold resources in two areas, as well as multiple lesser explored prospects that include copper-gold porphyries, low an intermediate sulphidation epithermal gold-silver vein systems and bulk tonnage copper-gold porphyry skarns. A summary of the significant terms of the earn-in agreement follows:

- *First Option:* Rio Tinto shall have a five-year option to acquire a 55% interest in the Borosi Project by incurring $10 million in qualifying expenditures, of which $3 million is committed to be incurred within two years of obtaining the necessary permits and approvals.
- *Second Option:* If Rio Tinto exercises the First Option and earns a 55% interest in the Borosi Project, it will have the right to earn an additional 10% interest by incurring an additional $15 million over a three-year period.
- *Third Option:* If Rio Tinto exercises the Second Option and earns a 65% interest in the Borosi Project, it has the right to earn an additional 10% interest by incurring an additional $20 million over a three-year period.

Calibre has been designated as the initial operator of the field work being completed under the above option agreement and will receive a fee equal to 10% of the qualifying expenditures.

In addition, the Company and Rio Tinto have entered into a separate exploration alliance ("Alliance Agreement") to acquire and earn-in to selected exploration concessions in Nicaragua, with a focus on skarn, copper and copper-gold porphyry and skarn style targets (the "Alliance"). This exploration alliance is a five-year generative exploration and concession acquisition partnership under which Rio Tinto will fund 100% of the costs incurred under the Alliance Agreement.

Rio Tinto has the right to instruct Calibre to acquire selected alliance properties and will fund the acquisition of those properties. Rio Tinto shall also have the right to designate one or more blocks of the Alliance properties (each such block not to exceed 40,000 hectares in the aggregate) and shall have the exclusive option to earn up to an 80% interest in each such block, on the following terms and conditions:

- *First Option:* Rio Tinto shall have a five-year option to acquire a 55% interest in the Alliance by incurring $5 million in qualifying expenditures.
- *Second Option:* If Rio Tinto exercises the First Option and earns a 55% interest in the Alliance, it shall have the right to earn an additional 10% by incurring an additional $5 million in qualifying expenditures over a five-year period.
- *Third Option:* If Rio Tinto exercises the Second Option and earns 65% interest in the Alliance, it shall have the right to earn an additional 15% by incurring an additional $15 million over a five-year period.

Calibre will receive a fee of 10% of qualifying expenditures for acting as the operator under the Alliance Agreement.

During 2020, Rio Tinto conducted an exhaustive review of exploration data collected from Calibre's in-house information archives, Rio Tinto's internal global information network and various external sources. A key deliverable of this effort was the identification of six porphyry copper and copper/gold porphyry exploration prospects that have been prioritized for further surface targeting and first pass drill testing in 2021. Additionally, we are working with Rio Tinto to finalize the scope of a district-scale, regional reconnaissance survey to identify additional prospective target areas as part of the Exploration Alliance.

Eastern Borosi Project ("EBP")

As previously discussed, on August 20, 2020, the Company agreed to acquire IAMGOLD's 70% interest in the EBP located in northeastern Nicaragua. On closing, Calibre once again owns a 100%-interest in the EBP that hosts a NI 43-101 Inferred Mineral Resources (prepared by Roscoe Postle Associates Inc. dated May 11, 2018) totaling 4.4 million tonnes averaging 4.93 g/t Au and 80 g/t Ag, containing 700,500 ounces of gold and 11.3 million ounces of silver, including the high-grade Guapinol resource totaling 0.6 million tonnes averaging 12.7 g/t Au and 12 g/t Ag and containing 250,500 ounces of gold and 243,000 ounces of silver.

Since acquiring IAMGOLD's 70% interest in August, the Company assembled a team of technical subject matter experts to complete an independent review of the potential to (i) grow the existing mineral resource inventory, and (ii) to identify new discovery opportunities on the EBP block. The conclusions of this work indicate significant untested discovery potential around and along trend of all six of the currently defined resources. Additionally, two lesser-explored trends of prospective gold-silver mineralization have been identified within the EBP block. More detailed geological and technical information for each of these projects can be found on the Company's website.

The Company expects the EBP to be a key exploration focus and the subject of a significant drilling program in 2021 as discussed in the *Company's Outlook* section.

CONSOLIDATED FINANCIAL RESULTS

(in thousands)	Q4 2020	Q4 2019	2020	2019
Revenue	**$ 79,677**	$ 57,763	**$ 242,748**	$ 57,763
Cost of Sales				
Production costs	**(35,973)**	(39,205)	**(107,896)**	(39,205)
Royalty, production taxes, refinery and transport	**(3,811)**	(2,947)	**(10,916)**	(2,947)
Depreciation and amortization	**(5,302)**	(2,267)	**(14,323)**	(2,267)
Total Cost of Sales	**(45,086)**	(44,419)	**(133,135)**	(44,419)
Operating Income	**34,591**	13,344	**109,613**	13,344
Expenses, Taxes and Other Items				
General and administrative	**(1,601)**	(1,405)	**(7,707)**	(3,511)
Share-based compensation	**(1,073)**	(1,105)	**(5,534)**	(1,258)
Business combination and other costs	**(471)**	(3,445)	**(471)**	(3,445)
Care and maintenance	**(29)**	-	**(7,313)**	-
Finance expense	**(938)**	(660)	**(3,003)**	(687)
Other (expenses) income	**(1,260)**	(351)	**586**	(275)
Current and deferred income tax expense	**(5,964)**	(3,248)	**(22,758)**	(3,248)
Net Income	**$ 23,255**	$ 3,130	**$ 63,413**	$ 920
Income per share - basic	**$ 0.07**	$ 0.01	**$ 0.19**	$ 0.01
Income per share - diluted	**$ 0.06**	$ 0.01	**$ 0.18**	$ 0.01

Mining Operations

The Company transitioned to a gold producer on October 15, 2019 with the purchase of the Nicaragua Assets from B2Gold. The following discussion on the consolidated financial results related to the mining operations are for Q4 2020 and 2020.

During Q4 2020, the Company sold 42,335 ounces of gold, at an average realized price [(1)] of $1,882/oz, for revenue of $79.7 million. This compares to Q4 2019 revenue of $57.8 million from selling 38,993 ounces at an average realized price [(1)] of $1,481/oz. The $21.9 million increase in revenue is the result of a rise of $4.9 million related to a higher number of ounces sold and $17.0 million from higher realized gold prices.

Gold sold of 42,335 ounces in Q4 2020 was 3,342 ounces higher than Q4 2019 as a result of higher tonnes processed (3 months of operation in Q4 2020 vs 2½ months in Q4 2019 and higher-grade ore processed at Libertad which resulted from expanded ore deliveries from Limon to Libertad (which did not occur during 2019).

During 2020, the Company sold 135,357 ounces of gold, at an average realized price [(1)] of $1,793/oz, for revenue of $242.7 million. The average spot gold price for the year was $1,770/oz.

Total cost of sales for Q4 2020 was $45.1 million which included production costs of $36.0 million, royalties and production taxes of $3.6 million, refinery and transportation of $0.3 million, and depreciation of $5.3 million.

For 2020, total cost of sales included $133.1 million which included $107.9 million of production costs, $10.1 million in royalties and production taxes, $0.8 million in refinery and transportation costs, and $14.3 million in depreciation. The expenditures for 2020 incurred for nearly a full quarter of operations in Q1 2020, very limited Q2 2020 operations (as a result of the previously discussed COVID-19 pandemic temporary suspension) and nearly a full quarter for Q3 2020 and a full quarter of operations in Q4 2020.

(1) This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

Total production costs were $36.0 million in Q4 2020 compared to $39.2 million in Q4 2019. Q4 2019 was negatively impacted by a purchase price adjustment of $8.4 million related to the valuation of metal inventory acquired on the purchase of the Nicaragua Assets on October 15, 2019.

Depreciation in Q4 2020 was $5.3 million compared to $2.3 million for Q4 2019. The higher depreciation in Q4 2020 relates to higher mining rates at Limon to enable ore deliveries to Libertad.

Mine operating income for Q4 2020 was $34.6 million, with $13.7 million from Limon and $20.9 million from Libertad. For Q4 2019 mine operating income was $13,3 million, with $3.7 million from Limon and $9.6 million from Libertad. The increase of operating income of $21.2 million was primarily related to higher gold sales (discussed above). For 2020, mine operating income was $109.6 million, with $48.7 million from Limon and $61.0 million from Libertad.

Total Cash Costs [(1)] for Q4 2020 were $940 per ounce and AISC [(1)] were $1,051 per ounce. For 2020, Total Cash Costs [(1)] were $878 and AISC [(1)] were $1,043 per ounce. For the period October 15, 2019 through December 31, 2019, Total Cash Costs [(1)] were $866 and AISC [(1)] were $959 per ounce. The higher costs in 2020 relates to lower-grade ore mined from Limon Central in 2020 related to mine sequencing and the restart costs of Jabali underground.

Total Cash Costs [(1)] of $878 and AISC [(1)] of $1,043 per ounce for 2020 are in line with guidance issued on November 4, 2020 of Total Cash Costs [(1)] of between $870 to $890 and AISC of between $1,050 to $1,070 per ounce.

Expenses and Net Income

G&A was $1.6 million in Q4 2020 compared to $1.4 million in Q4 2019 and relatively comparable for the same period. G&A expenses for 2020 was $7.7 million compared to $3.5 million for 2019. Total G&A costs for 2020 was slightly below the guidance issued on November 4, 2020 of between $8.0 to $9.0 million. The increase in G&A in each period is the result of increased salaries and wages associated with higher staffing levels including enhancements to the senior management team and compensation plans required for Calibre's transition from exploration to gold producer. Prior to this transition, the Company engaged consultants in various management responsibilities. The increase is also related to higher levels of overall corporate activity including regulatory costs associated with Calibre's transition from the TSX Venture Exchange to the TSX Stock Exchange and higher professional fees.

Share-based compensation for Q4 2020 and Q4 2019 was $1.1 million. For 2020, share-based compensation was $5.5 million compared to $1.3 million for 2019. The increase in the 2020 compared to 2019 relates to the granting of options and RSUs in Q4 2019 and Q1 2020 (and the amortization over their vesting period thereof), as the Company enhanced its management team in connection with the acquisition of the Nicaragua Assets from B2Gold.

During Q4 2020 and 2020, the Company incurred $Nil and $7.3 million, respectively in care and maintenance expenditures (Q4 2019 and 2019 for both periods was $Nil). The total reflects the costs to maintain the operations in a state of readiness during the time of the temporary suspension during the second quarter. The expense includes the costs of retaining non-essential and idle staffing, security, and contractor standby costs.

Total finance expense for Q4 2020 includes mine restoration provision ($0.2 million) and accretion of employee benefits obligations ($0.6 million). Total finance expense for 2020 includes mine restoration provision ($0.8 million), accretion on the deferred payment to B2Gold ($1.2 million) and accretion of employee benefits obligations ($0.9 million). In Q4 2019 and 2019 finance costs related to $0.3 million for accretion on the deferred payment to B2Gold, $0.1 million for accretion on the convertible debenture, $0.2 million related to accretion for reclamation and $0.1 million related to accretion for employee benefits.

(1) This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

Other income (expense) for Q4 2020 was a loss of $1.3 million compared to a loss of $0.3 million for Q4 2019. During the year ended December 31, 2020, other income (expense) was income of $0.6 million compared to a loss of $0.3 million for 2019. During the year ended December 31, 2020, pursuant to the terms of an inherited agreement with one of the Company's suppliers in Nicaragua, Calibre relinquished title to certain aged property and equipment with no carrying value assigned. Upon assignment, the Company was released from a total of $1.5 million of accounts payable owed to the supplier, resulting in a gain on disposal of property and equipment of the same amount. In addition to the above, an expense of $0.9 million was recorded in Q4 2020 as a result of an unfavorable court ruling from a prior year related to municipal tolls and levies (which includes penalties and interest charges) from a town near our Limon operation. Calibre is appealing the court ruling.

Current and deferred income tax expense was $6.0 million during Q4 2020 and $22.8 million for 2020 ($3.2 million for Q4 2019 and 2019). Current and deferred tax expense includes alternative minimum taxes and ad valorem taxes paid by the Company. The income tax rate in 2020 was 26% (total taxes divided by net income before taxes) compared to 78% in 2019. 2020 benefited from higher utilization of previously unrecognized tax assets (mainly utilization of loss carry-forwards). Additionally, 2019 was impacted by low pre-tax income which had one of the mines paying the alternative minimum tax.

As a result of the above, net income per share was $0.07 (basic) and $0.06 (diluted) for Q4 2020 (Q4 2019: $0.01 for both basic and diluted) and net income per share of $0.19 (basic) and $0.18 (diluted) for 2020 (2019 : $(0.01 basic and diluted)).

Growth and Sustaining Capital

A summary of the Company's significant additions to capital during the years ended December 31, 2020 and 2019 is presented below.

(in thousands)		2020		2019
Growth Capital				
Veta Neuva development	**$**	**3,329**	$	1,941
Limon Central deferred stripping		**13,190**		5,647
Panteon development		**3,152**		-
Limon Norte & Tigra development		**1,522**		-
Pavon development		**4,671**		-
Other growth capital projects		**724**		1,503
Total Growth Capital	**$**	**26,588**	$	9,091
Sustaining Capital				
Jabali development	**$**	**1,103**	$	518
Barrio Jabali - relocations		**954**		-
Santa Pancha tailings facility upgrade		**1,733**		68
Other sustaining capital		**5,198**		336
Total Sustaining Capital	**$**	**8,988**	$	922
Total Growth and Sustaining Capital	**$**	**35,576**	$	10,013

The above growth capital of $26.6 million is within the Company's guidance issued on November 4, 2020 of between $25 and $27 million. The summarized breakdown of growth and sustaining capital is provided below:

- Veta Neuva development is for an underground mine at Limon that achieved commercial production in January 2021.
- Limon Central deferred stripping relates to both a pre-strip and above normal waste tonnes removed from Phase 2 of the Limon Central pit.

- Panteon is a high-grade underground mine that commercial production is expected in Q3 2021.
- Limon Norte development relates to a pit where pre-stripping will start in the second half of 2021
- Pavon development relates to an open pit mine where commercial production is expected in first half of 2021; initial ore deliveries occurred in January 2021.
- Barrio Jabali – relocations occurred to enable Calibre to restart development and operations of the Jabali underground mine in Q3 2020.
- San Jose tailings storage facility – an additional lift is being added to the tailings facility at Limon.
- Other sustaining capital relates to a number of projects for the mine and processing facilities.

Exploration

Calibre spent $13.0 million on exploration in 2020 for Limon ($4.3 million) and Libertad ($8.7 million) compared to the guidance issued November 4, 2020 of $13 to $14 million. Calibre completed an 80,000-metre drill program in 2020 for in-fill, discovery and geotechnical drilling. The goal of the infill drilling was to upgrade resource material from inferred to indicated along with converting a significant number of resources to reserves. The geotechnical drilling was for engineering work at the Limon Norte project, where stripping should begin in the second half of 2021. The Company also spent an additional $2.4 million at the EBP (100% - owned project) related to maintaining the property in good standing (surface taxes), technical studies, salaries and wages, and exploration planning in advance of drilling campaign scheduled in 2021.

LIQUIDITY AND CAPITAL RESOURCES

Calibre is committed to managing liquidity by achieving positive cash flows from its operations to fund capital requirements and development projects. The Company monitors and expects settlement of financial assets and obligations on an ongoing basis; there are no significant accounts payable, capital lease obligations, or other payments that are outstanding past their due dates.

Factors that may affect the Company's liquidity are continuously monitored. These factors include any future operational impact arising from the on-going COVID-19 pandemic, the market price of gold, production levels, operating costs, capital costs, exploration expenditures, timing of value-added-tax and other tax refunds, and foreign currency fluctuations. In addition, the taxation laws in Nicaragua are complicated and subject to change. The Company may also be subject to review, audit and assessment in the ordinary course of business. Any such changes in taxation law or review and assessments could result in higher taxes being payable or require payment of taxes due from previous years, which could adversely affect the Company's profitability. Taxes may also adversely affect the Company's ability to repatriate earnings or otherwise deploy its assets as anticipated. In the event that the Company is adversely affected by any of these factors and, as a result, the operating cash flows are not sufficient to meet the Company's working capital requirements, there is no guarantee that the Company would be able to raise additional capital on acceptable terms to fund a potential cash shortfall.

(in thousands)	December 31, 2020	December 31, 2019
Current Assets		
Cash and cash equivalents	**$ 53,175**	$ 32,861
Receivables, prepaids and other	**5,873**	3,647
Inventories	**46,398**	29,236
Total Current Assets	**105,446**	65,744
Long Term Assets	**245,737**	199,440
Total Assets	**$ 351,183**	$ 265,184
Current Liabilities		
Accounts payable and accruals	**$ 24,272**	$ 15,131
Income and other taxes payable	**6,270**	1,367
Deferred payment to B2Gold	**-**	14,293
Other current provisions	**4,827**	3,910
Current portion of lease liabilities	**121**	116
Total Current Liabilities	**35,490**	34,817
Long Term Liabilities		
Long term provisions and lease liabilities	**55,362**	54,336
Deferred tax liability	**30,183**	21,377
Total Liabilities	**121,035**	110,530
Total Shareholders' Equity	**230,148**	154,654
Total Liabilities and Shareholders' Equity	**$ 351,183**	$ 265,184
Working Capital *(current assets less current liabilities)*	**$ 69,956**	$ 30,927

As at December 31, 2020, the Company had cash and cash equivalents of $53.2 million (December 31, 2019 - $32.9 million) and current liabilities of $35.5 million (December 31, 2019 - $34.8 million). Cash provided by operating activities totaled $81.3 million for the year ended December 31, 2020 (year ended December 31, 2019 - $19.2 million). Working capital (current assets minus current liabilities) increased by $39.0 million in 2020 from increased earnings. The improved cash position and working capital is due to cash generated from operating activities at Limon and Libertad.

Receivable and prepaids increased by $2.2 million during 2020 from higher contractor advances.

Inventories increased from $29.2 million at December 31, 2019 to $46.4 million at December 31, 2020 from higher ore stockpiles ($11.9 million) mainly high-grade ore at Libertad, $2.7 million higher in-circuit inventory and $1.8 million higher material and supplies inventories.

Accounts payable and accruals increased during 2020 by $9.1 million from increases to executive and senior management compensation ($3.0 million), the payable to IAMGOLD ($1.0 million), and an increase in overall mining and exploration activity as at December 31, 2020 compared to 2019.

Income and other taxes payable increased by $4.9 million in 2020 from increased earnings during the year.

The Company took significant steps to manage its liquidity and optimize capital management during the temporary suspension in the second quarter, including stopping all mining and processing activities, reducing on-site workforce and related site costs, eliminating non-essential travel, delaying non-essential capital expenditures and exploration activities, and deferring senior management salaries by 20% during the suspension period. In July 2020, the Company was able to re-establish a steady-state of its operations which resulted in the ability to generate significant cash flow and liquidity not available during the temporary suspension.

Cash flow Analysis

(in thousands)		2020		2019
Net Cash Provided by Operating Activities	**$**	**81,261**	$	19,167
Net Cash Used in Investing Activities		**(46,356)**		(65,578)
Net Cash (Used in) Provided by Financing Activities		**(14,485)**		75,214
Effect of Exchange Rate Changes on Cash		**(106)**		565
Change in Cash and Cash Equivalents		**20,314**		29,368
Cash and Cash Equivalents, Beginning of Year		**32,861**		3,493
Cash and Cash Equivalents, End of Year	**$**	**53,175**	$	32,861

For the year ended December 31, 2020, the Company generated cash flows from operations of $81.3 million compared to $19.2 million for the comparable period in 2019. The difference highlights the impact of the acquisition of the mines in Q4 2019 as 2020 had a full year of revenue (other than the suspension period) vs 2½ months in 2019.

The Company invested cash of $46.6 million in its exploration projects, property, plant and equipment ("PPE"), and mine development, during the year ended 2020 compared to $13.6 million in 2019. The breakdown of the expenditures in 2020 include the following: mine development of $21.7 million (2019 : $8.6 million), PPE of $11.4 million (2019 : $1.6 million), and exploration expenditures of $13.4 million (2019: $3.3 million). Further details of capital investments for each mining operation are outlined in the sections *Limon*, *Libertad*, Consolidated Financial Results and *Growth and Discovery*. Included in the year ended December 31, 2019 investing activities is $52.0 million paid for the acquisition of the Nicaragua Assets, net of cash acquired.

During 2020, the Company received a total of $1.2 million in proceeds from the exercise of options and warrants (2019 : less than $0.1 million). Also during 2020, and included in cash used in financing activities, the Company paid the deferred payment balance of $15.5 million to B2Gold. As a result of the obligation being satisfied, Calibre avoided any interest charges that would have been required if the deferred payment obligation were repaid after October 15, 2020. The Company elected to make this final payment on the heels of a strong third quarter which generated significant cash flow from operations ($45.6 million). During the year ended December 31, 2019, the Company received $75.3 million from the private placement used in the acquisition of the Nicaragua Assets and for initial working capital following the Transaction.

OFF-BALANCE SHEET ITEMS

As at December 31, 2020, the Company did not have any off-balance sheet items.

OUTSTANDING SHARE INFORMATION

The Company is authorized to issue an unlimited number of common shares. The following table outlines the outstanding common shares and convertible instruments of the Company as at December 31, 2020 and December 31, 2019. For further information and details concerning outstanding shares, options, restricted share units, and share purchase warrants, refer to the Consolidated Statements of Changes in Shareholders' Equity, and Note 19 in the consolidated financial statements for the year ended December 31, 2020 and 2019.

	Issued and Outstanding	
(In thousands)	As at December 31, 2020	As at December 31, 2019
Common shares	333,821	328,021
Options on common shares	30,943	30,250
Restricted share units	7,232	5,275
Share purchase warrants	11,178	13,764

QUARTERLY INFORMATION

(in thousands - except ounces and per share amounts)	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Gold Ounces Produced	42,573	45,341	6,010	42,085	33,506	-	-	-
Gold Ounces Sold	42,335	44,842	9,426	38,755	38,993	-	-	-
Average realized gold price *($/oz)* (1)	$ 1,882	$ 1,913	$ 1,688	$ 1,584	$ 1,481	$ -	$ -	$ -
Total Cash Costs *($/oz)* (1)	$ 940	$ 786	$ 955	$ 897	$ 866	$ -	$ -	$ -
AISC *($/oz)* (1)	$ 1,051	$ 963	$ 1,426	$ 1,038	$ 959	$ -	$ -	$ -
Revenue	$ 79,677	$ 85,791	$ 15,910	$ 61,370	$ 57,763	$ -	$ -	$ -
Mine operating income	$ 34,591	$ 45,876	$ 5,793	$ 23,353	$ 13,344	$ -	$ -	$ -
Net income (loss)	$ 23,255	$ 32,939	$ (5,412)	$ 12,640	$ 3,130	$ (1,381)	$ (468)	$ (356)
Net income (loss) per share - basic (2)	$ 0.07	$ 0.10	$ (0.02)	$ 0.04	$ 0.01	$ (0.03)	$ (0.01)	$ (0.01)

(1) This is a non-IFRS measure, for further information refer to Non-IFRS Measures section in this MD&A.

(2) In Q4 2020 EPS - diluted was $0.06 and Q3 2020 EPS - diluted was $0.09. All other periods, basic and diluted net income (loss) per share were the same.

The information for Q4 2019 and onward includes the financial and operational results of Limon and Libertad effective October 15, 2019 to December 31, 2019. This acquisition transformed Calibre from an exploration company into a multi-asset gold producer and explorer. As a result, the effect of the transaction had significant implications to the Company's operating and financial results, as noted in the above table.

Prior to Q4 2019, the variation seen over the above quarters was primarily dependent upon the success of the Company's ongoing property evaluations and acquisitions program and the timing and results of the Company's exploration activities on its current properties, none of which was possible to predict with certainty. The results for Q3 2019 were impacted by the due diligence and/or transaction costs incurred immediately prior to the acquisition of the Nicaragua Assets.

The results of operations for Q2 2020 were significantly impacted by the 10-week suspension of operations discussed throughout this MD&A as a result of the COVID-19 pandemic.

Following the acquisition of the Nicaragua Assets, the financial results have been most directly impacted by the level of gold production for that particular quarter and the average realized gold price. These are the main drivers in the volatility noted in the above quarterly information table. For Q4 2020, costs compared to Q3 2020 were higher as a result of lower grade ore produced at Limon Central and higher costs associated with the resumption of operations at the Jabali underground mine.

FOURTH QUARTER

Information concerning the operational, financial, and exploration activities experienced during Q4 2020 are considered in the various relevant sections throughout this MD&A.

NON-IFRS MEASURES

Calibre has included certain non-IFRS measures in this MD&A, as discussed below. The Company believes that these measures, in addition to conventional measures prepared in accordance with 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 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, respectively. 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 (per above), sustaining capital (capital required to maintain current operations at existing production levels), capital lease repayments, corporate general and administrative expenses, exploration expenditures 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 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.

Total Cash Costs and AISC per Ounce of Gold Sold Reconciliations

The table below shows a reconciliation of Total Cash Costs and AISC from the results of operations for the three months ended December 31, 2020:

	Q4 2020			
(in thousands - except per ounce amounts)	El Limon	La Libertad	G&A	Consolidated
Production costs	$ 14,447	$ 21,526	$ -	$ 35,973
Royalties and production taxes	2,897	663	-	3,560
Refinery, transportation and other	65	186	-	251
Total cash costs	17,409	22,375	-	39,784
Corporate administration	-	-	1,601	1,601
Reclamation accretion and amortization of ARO	296	242	-	538
Sustaining capital (1)	1,338	915	-	2,253
Sustaining exploration (1)	303	-	-	303
Total AISC	$ 19,346	$ 23,532	$ 1,601	$ 44,479
Gold ounces sold	18,872	23,463	-	42,335
Total Cash Costs	$ 922	$ 954		$ 940
AISC	$ 1,025	$ 1,003		$ 1,051

(1) Refer to sustaining capital expenditures and sustaining mine exploration reconciliations below.

The table below shows a reconciliation of sustaining capital expenditures to operating mine capital expenditures for the three months ended December 31, 2020:

	Q4 2020		
(in thousands)	El Limon	La Libertad	Consolidated
Operating mine capital expenditures on an accrual basis	$ 8,907	$ 3,445	$ 12,352
Less:			
Veta Nueva development	(1,639)	-	(1,639)
Pavon development	-	(2,478)	(2,478)
Deferred stripping at Limon Central	(1,732)	-	(1,732)
Panteon development	(3,152)	-	(3,152)
Other	(1,046)	(52)	(1,098)
Sustaining capital	$ 1,338	$ 915	$ 2,253

The table below shows a reconciliation of sustaining exploration expenditures to total exploration expenditures for the three months ended December 31, 2020:

	Q4 2020		
(in thousands)	El Limon	La Libertad	Consolidated
Total mine exploration expenditure on an accrual basis	$ 1,461	$ 2,847	$ 4,308
Less:			
Growth exploration	(1,158)	(2,847)	(4,005)
Sustaining exploration	$ 303	$ -	$ 303

The table below reconciles Total Cash Costs and AISC per ounce of gold sold for the year ended December 31, 2020:

	2020			
(in thousands - except per ounce amounts)	El Limon	La Libertad	G&A	Consolidated
Production costs	$ 47,033	$ 60,863	$ -	$ 107,896
Royalties and production taxes	8,073	2,051	-	10,124
Refinery, transportation and other	212	580	-	792
Total cash costs	55,318	63,494	-	118,812
Corporate administration	-	-	7,707	7,707
Reclamation accretion and amortization of ARO	475	483	-	958
Sustaining capital [(1)]	5,366	3,622	-	8,988
Sustaining exploration [(1)]	2,798	1,860	-	4,658
Total AISC	$ 63,957	$ 69,459	$ 7,707	$ 141,123
Gold ounces sold	64,255	71,102	-	135,357
Total Cash Costs	$ 861	$ 893		$ 878
AISC	$ 995	$ 977		$ 1,043

(1) Refer to sustaining capital expenditures and sustaining mine exploration reconciliations below.

The table below shows a reconciliation of sustaining capital expenditures to operating mine capital expenditures from the condensed interim consolidated financial statements for the year ended December 31, 2020:

	2020		
(in thousands)	El Limon	La Libertad	Consolidated
Operating mine capital expenditures on an accrual basis	$ 26,838	$ 8,723	$ 35,561
Less:			
Veta Nueva development	(3,329)	-	(3,329)
Pavon development	-	(4,671)	(4,671)
Deferred stripping at Limon Central	(13,190)	-	(13,190)
Panteon development	(3,152)	-	(3,152)
Other	(1,801)	(430)	(2,231)
Sustaining capital	$ 5,366	$ 3,622	$ 8,988

The table below shows a reconciliation of sustaining exploration expenditures to total exploration expenditures from the condensed interim consolidated financial statements for the year ended December 31, 2020:

	2020		
(in thousands)	El Limon	La Libertad	Consolidated
Total mine exploration expenditure on an accrual basis	$ 4,322	$ 8,709	$ 13,031
Less:			
Growth exploration	(1,524)	(6,849)	(8,373)
Sustaining exploration	$ 2,798	$ 1,860	$ 4,658

The table below reconciles Total Cash Costs and AISC for the period October 15, 2019 to December 31, 2019:

	October 15, 2019 to December 31, 2019			
(in thousands - except per ounce amounts)	El Limon	La Libertad	G&A	Consolidated
Production costs	$ 20,242	$ 18,963	$ -	$ 39,205
Royalties and production taxes	1,618	539	-	2,157
Refinery and transportion	327	463	-	790
Purchase price adjustment (2)	(5,865)	(2,536)	-	(8,401)
Total cash costs	16,322	17,429	-	33,751
Corporate administration (3)	-	-	2,015	2,015
Reclamation accretion and amortization of ARO	69	98	-	167
Sustaining capital (1)	195	727	-	922
Sustaining exploration (1)	495	41	-	536
Total AISC	$ 17,081	$ 18,295	$ 2,015	$ 37,391
Gold ounces sold	18,412	20,581	-	38,993
Total Cash Costs	$ 887	$ 847		$ 866
AISC	$ 928	$ 889		$ 959

(1) Refer to sustaining capital expenditures and sustaining mine exploration reconciliations below.

(2) For the period ended December 31, 2019, Total Cash Costs and AISC includes an adjustment for the purchase price allocation that represents the impact on production costs of the valuation of metal inventory acquired with the business combination on the purchase of the Nicaragua Assets.

(3) Corporate administration charges are pro-rated to adjust for the period in which the Company was in production, from October 15, 2019 to December 31, 2019.

The table below shows a reconciliation of sustaining capital expenditures to operating mine capital expenditures from the period October 15, 2019 to December 31, 2019:

	October 15, 2019 to December 31, 2019		
(in thousands)	El Limon	La Libertad	Consolidated
Operating mine capital expenditures on an accrual basis	$ 8,762	$ 1,224	$ 9,986
Less:			
Jabali development	-	(497)	(497)
Veta Nueva development	(1,941)	-	(1,941)
Plant upgrade	(281)	-	(281)
Deferred stripping at Limon Central	(5,647)	-	(5,647)
Limon projects	(630)	-	(630)
Santa Pancha - tailings facility engineering	(68)	-	(68)
Sustaining capital	$ 195	$ 727	$ 922

The table below shows a reconciliation of sustaining exploration expenditures to total exploration expenditures from the condensed interim consolidated financial statements for the period October 15, 2019 to December 31, 2019:

	October 15, 2019 to December 31, 2019		
(in thousands)	El Limon	La Libertad	Consolidated
Total mine exploration expenditure on an accrual basis	$ 495	$ 1,186	$ 1,681
Less:			
Regional exploration	-	(1,145)	(1,145)
Sustaining exploration	$ 495	$ 41	$ 536

Average Realized Price per Ounce Sold

Average realized price per ounce sold is a common performance measure that does not have any standardized meaning. The calculation of Average Realized Price per ounce Sold shown below divides Revenue by Ounces of gold sold. The most directly comparable measure prepared in accordance with IFRS is revenue from gold sales.

The measure is reconciled for the periods presented as follows:

	Q4 2020		
(in thousands - except per ounce amounts)	El Limon	La Libertad	Consolidated
Revenue	$ 35,493	$ 44,184	$ 79,677
Ounces of gold sold	18,872	23,462	42,334
Average realized price per ounce sold	$ 1,881	$ 1,883	$ 1,882

	2020		
(in thousands - except per ounce amounts)	El Limon	La Libertad	Consolidated
Revenue	$ 114,971	$ 127,777	$ 242,748
Ounces of gold sold	64,255	71,102	135,357
Average realized price per ounce sold	$ 1,789	$ 1,797	$ 1,793

	October 15, 2019 to December 31, 2019		
(in thousands - except per ounce amounts)	El Limon	La Libertad	Consolidated
Revenue	$ 27,288	$ 30,475	$ 57,763
Ounces of gold sold	18,412	20,581	38,993
Average realized price per ounce sold	$ 1,482	$ 1,481	$ 1,481

COMMITMENTS AND CONTINGENCIES

Commitments

The Company is committed to $7.4 million for obligations under normal course of operations including capital expenditure commitments and contractual commitments. The following table provides a summary of the upcoming commitments by year (not discussed elsewhere in the consolidated financial statements for the year ended December 31, 2020):

	2021	2022	2023	2024	2025	2026 and Later	Total
Payables and non-capital orders	$ 6,465	$ -	$ -	$ -	$ -	$ -	$ 6,465
Capital expenditure commitments	905	-	-	-	-	-	905
	$ 7,370	$ -	$ -	$ -	$ -	$ -	$ 7,370

Royalties

- International Royalty Corporation, a subsidiary of Royal Gold, Inc., holds a 3% net smelter return (“NSR”) royalty on gold production from Limon and certain other concessions;
- Centerra Gold Inc. holds a 2% NSR royalty on any future production from the La Luz Project in Eastern Borosi (not currently in production). Calibre has the right to (i) purchase 1.0% of the NSR Royalty for CAD $2 million; and (ii) has a right of first refusal on the remaining 1.0% NSR Royalty;
- Inversiones Mineras, Sociedad Anonima holds a 2% NSR royalty on gold and silver production from Libertad and Buenaventura Mining Concessions – currently only the Libertad concession is in production; and
- B2Gold retains a 1.5% NSR on production from certain concessions within the 100% Calibre-owned Borosi project (unrelated to Limon and Libertad).
- IAMGOLD holds a 2% NSR royalty on future production related to certain concessions in the EBP (not currently in production). Calibre has the right to purchase 1.0% of the NSR Royalty for $2.0 million and a right of first refusal on the remaining 1.0% NSR Royalty.

Contingencies

Various tax and legal matters are outstanding from time to time. Judgements and assumptions regarding these matters are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations. If management’s estimate of the future resolution of these matters changes, the Company will recognize the effects of these changes in the consolidated financial statements on the date such changes occur.

During the year ended December 31, 2020, a Nicaraguan subsidiary of Calibre Mining Corp., received an observation letter from the Nicaraguan Tax Authority for the fiscal year 2016 relating to certain matters associated with the Company’s operations in Nicaragua related to the tax deductibility of certain expenditures. The outcome of a potential reassessment for the Company’s Nicaraguan subsidiary for the fiscal year 2016 is approximately $1.2 million (including penalties and interest charges), however, the Company believes that its tax positions are valid and intends to vigorously defend its tax filing positions.

RELATED PARTY TRANSACTIONS

All related party transactions were incurred in the normal course of operations and are recorded at the amount agreed upon by the related parties.

Compensation of Key Management and Board of Directors

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Company has identified its members of the Board of Directors and certain senior officers as its key management personnel, including the Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer. The remuneration of directors and key management is determined by the compensation committee of the Board of Directors.

The director's fees, consulting fees and other compensation of directors and key management personnel were as follows for the years ended December 31, 2020 and 2019:

		2020		2019
Short-term salaries and benefits	**$**	**1,226**	$	401
Director fees		**545**		85
Share-based compensation		**3,545**		937
Severance payments		**-**		188
Consulting and advisory fees paid to key management	**$**	**-**	$	111

In addition to the above, the Company has accrued a total of $1.3 million to key management as performance bonuses for the year ended December 31, 2020, which will be paid in 2021. For the year ended December 31, 2019, bonuses were accrued totaling $0.6 million to key management that were paid (and included in the table above) during the year 2020.

Management Contracts

As at December 31, 2020, minimum commitments upon termination of the existing contracts was approximately $1,668 and minimum commitments due within one year under the terms of these contracts is $2,259. In addition, the Company is party to various executive and employee contracts that would require payments totalling $1,560 to be made upon the occurrence of a "change of control".

Other related party transactions

B2Gold is considered a related party by virtue of its equity interest in Calibre following the completion of the Nicaraguan Asset transaction. B2Gold owns approximately 33% of the Company as at December 31, 2020. Related party transactions with B2Gold are discussed in Notes 2 and 16 of the consolidated financial statements for the years ended December 31, 2020. Pursuant to an agreement with B2Gold in November 2016, B2Gold retains a 1.5% NSR on production from certain concessions within the 100% Calibre-owned Borosi project (unrelated to the acquisition of the Nicaragua Assets).

RISK FACTORS

The following list details existing and future risks to the business of the Company. The risks described below are not listed in any particular order and are not exhaustive. Additional risks and uncertainties not currently known to the Company, or those that it currently deems to be immaterial, may become material and adversely affect the Company's business. The realization of any of these risks may materially and adversely affect the Company's business, financial condition, results of operations and/or the market price of the Company's securities.

COVID-19

Calibre's financial and/or operating performance have been adversely affected by the outbreak of public health crises, epidemics, pandemics or outbreaks of new infection diseases or viruses, such as the recent global outbreak of a novel coronavirus (COVID-19). Such public health crises, including the ongoing COVID-19, can result in volatility and disruption to global supply chains, trade and market sentiment, mobility of people, and global financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions and results of operations, and other factors relevant to Calibre. The risks to the Company of such public health crises, including the ongoing COVID-19, also include risks to employee health and safety, a slowdown or suspension of operations, additional non-compensable costs, or could result in the cancellation of contracts, as well as supply chain disruptions that could negatively impact Calibre's business, financial condition and results of operations.

On March 25, 2020, Calibre announced that it had commenced the legal process with the Nicaraguan Ministry of Labour to obtain authorization for the temporary suspension of its Limon and Libertad mines. While the Company successfully restarted its operations in June 2020, there can be no assurances that operations and/or financial results will not be negatively impacted as a result of further outbreaks of COVID-19 that affect the Company's overall business as discussed above.

Integration of Recently Acquired Nicaragua Assets

Calibre entered into the agreement with B2Gold to acquire the Nicaragua Assets, which closed on October 15, 2019, with the expectation that the successful completion of the acquisition would result in enhanced growth opportunities for Calibre. The anticipated benefits will depend in part on whether the operations of El Limon and La Libertad can continue to be integrated in an efficient and effective manner. Most operational and strategic decisions and certain staffing decisions with respect to the integration of the newly acquired assets continue to be made. These decisions and the integration of the Nicaragua Assets will present challenges to management, including the integration of systems and personnel of the companies, and special risks, including possible unanticipated liabilities, unanticipated costs, and the loss of key employees. As a result, it is possible that the benefits expected from the acquisition of the Nicaragua Assets will not be realized.

As part of its strategy, the Company will continue its efforts to develop new precious metal projects and will have an expanded portfolio of such projects as a result of the acquisition. A number of risks and uncertainties are associated with the development of these types of projects, including political, regulatory, design, construction, labour, operating, technical and technological risks, uncertainties relating to capital and other costs and financing risks. The level of production and capital and operating cost estimates relating to the expanded portfolio of growth projects, which are used in establishing Mineral Reserve estimates for determining and obtaining financing and other purposes, are based on certain assumptions and are inherently subject to significant uncertainties. It is very likely that actual results for Calibre's projects will differ from its current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions which could reduce production below, or increase capital or operating costs above, Calibre's current estimates. If actual results are less favourable than Calibre currently estimates, the Company's business, results of operations, financial condition and liquidity could be materially adversely impacted.

Mining Industry

Calibre is subject to risks normally encountered in the mining and metals industry. Such risks can include, without limitation: environmental hazards; industrial accidents; labour disputes; changes in laws; taxation; technical difficulties or failures; late delivery of supplies or equipment; unusual or unexpected geological formations or pressures; cave-ins; pit-wall failures; rock falls; unanticipated ground, grade or water conditions; flooding; periodic or extended interruptions due to the unavailability of materials; and force majeure events. Such risks could result in damage to, or destruction of mineral properties or producing facilities; personal injury; environmental damage; delays in mining or processing; losses; and possible legal liability. Any prolonged downtime or shutdowns at

Calibre's mining or processing operations could materially adversely affect business, results of operations, financial condition and liquidity.

Mineral Resources and Reserves

The Company needs to continually replace and expand its mineral reserves and any necessary associated surface rights as the mines produce gold. The life of mine estimates for each of the operating mines are based on best estimates in respect of mineral reserves and mineral resources given the information available to Calibre and may not be correct.

Actual ore mined may vary from estimates of grade, tonnage, dilution and metallurgical and other characteristics and there is no assurance that the indicated level of recovery will be realized or that mineral reserves could be mined or processed profitably. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the control of Calibre. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

In addition, fluctuation in gold prices, results of drilling, metallurgical testing and production, increases in capital and operating costs, including the cost of labour, equipment, fuel and other required inputs and the evaluation of mine plans after the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral reserves and mineral resources, or of Calibre's ability to extract these mineral reserves, could have a material adverse effect on its results of operations and financial condition.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to uncertainty that may attach to inferred mineral resources, inferred mineral resources may not be upgraded to measured and indicated mineral resources or proven and probable reserves as a result of continued exploration. The projections regarding continuing operations and production at La Libertad beyond mineral reserves are based on the assumption that the Company will be able to mine certain mineral resources, including inferred resources, that have not been classified as mineral reserves. Inferred mineral resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that such projections will be realized. While historically, the El Limon and La Libertad mines have been successful in converting mineral resources to mineral reserves in the past, there is no certainty of converting mineral resources to mineral reserves in the future.

Gold Price Volatility

The profitability of the Company's operations can be significantly affected by changes in the market price of gold and other mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company, including interest rates; the rate and anticipated rate of inflation; world supply of mineral commodities; consumption patterns; purchases and sales of gold by central banks; forward sales by producers; production costs; demand from the jewelry industry; speculative activities; stability of exchange rates; the relative strength of the U.S. dollar and other currencies; changes in international investment patterns; monetary systems; and political and economic events.

Price declines could cause commercial production or the development of new mines to be impracticable or unpredictable. If gold prices decline significantly, or decline for an extended period of time, Calibre might not be able to continue its operations, develop its properties, or fulfill its obligations under its permits and licenses, or under its agreements with partners. This could result in the Company losing its interest in some or all of its properties or being forced to cease operations or development activities or to abandon or sell properties, which could have a negative effect on profitability and cash flow.

Calibre is committed to not hedging gold and wants to benefit from the potential increases in gold prices.

Mining Operations and Environment

Mining operations generally involve a high degree of risk. The Company's operations will be subject to all the hazards and risks normally encountered in the production of gold, including: unusual and unexpected geologic formations; seismic activity; rock bursts; cave-ins or slides; flooding; pit wall failure; periodic interruption due to inclement or hazardous weather conditions; and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, personal injury or death, damage to property, environmental damage and possible legal liability. Milling operations are subject to hazards such as fire, equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's operations are in remote areas and can be affected by adverse climate issues, resulting in technical challenges for conducting both geological exploration and mining operations. Although Calibre benefits from modern mining technology, it may sometimes be unable to overcome problems related to weather and climate either expeditiously or at a commercially reasonable cost, which could have a material adverse effect on its business, results of operations and financial condition.

Mineral Exploration and Development

The business plans and projections of the Company rely significantly on the planned development of its non-producing properties. The development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines and no assurance can be given that minerals will be discovered in sufficient quantities or having sufficient grade to justify commercial operations or that funds required for development can be obtained on a timely basis. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a specific site. It is impossible to ensure that the exploration or development programs Calibre or any of its joint venture partners plan will result in a profitable commercial mining operation.

Properties not yet in production, starting production or slated for expansion, are subject to higher risks as new mining operations often experience unexpected problems during the start-up phase, and production delays and cost adjustments can often occur. Further, feasibility studies, pre-feasibility studies, and preliminary economic assessments contain project-specific estimates of future production, which are based on a variety of factors and assumptions. There is no assurance that such estimates will be achieved and the failure to achieve production or cost estimates or material increases in costs could have a material adverse effect on its future cash flows, profitability, results of operations and financial condition and ultimately the Company's share price.

In addition, developments are prone to material cost overruns when compared to budgets. The capital expenditures and time required to develop new mines including, building mining and processing facilities for new properties are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to build the mine. The project development schedules are also dependent on obtaining the governmental approvals and permits necessary for the operation of a mine which is often beyond the Company's control. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase, resulting in delays and requiring more capital than anticipated. There is no assurance that there will be sufficient funds to finance construction and development activities, particularly if unexpected problems arise.

Other risks associated with mineral exploration and development include but are not limited to: the availability and costs of skilled labour and the ability of key contractors to perform services in the manner contracted for; unanticipated changes in grade and tonnage of ore to be mined and processed; unanticipated adverse geotechnical and geological conditions; incorrect data on which engineering assumptions are made; potential increases in construction and operating costs due to shortages of and/or changes in the cost of fuel, power, materials, security and supplies; adequate access to the site and unanticipated transportation costs or disruptions; potential opposition or obstruction from non-governmental organizations, environmental groups or local groups which may delay or prevent development activities; equipment failures; natural phenomena; exchange rate and commodity price fluctuations; high rates of inflation; civil disobedience, protests and acts of civil unrest or terrorism; applicable taxes and restrictions or regulations imposed by governmental or regulatory authorities or other changes in the regulatory environments; and other risks associated with mining described herein.

Any combination of these factors may result in the Company being unable to develop its non-producing properties, to achieve or maintain historical or estimated production, revenue or cost levels, or to receive an adequate return on invested capital, which could have a material adverse effect on its business results of operations and financial condition.

Political, Economic, and Other Risks

Calibre's operations, exploration, development and production activities are conducted in Nicaragua and, as such, are exposed to political, economic and other risks and uncertainties. These risks and uncertainties vary in nature and include, but are not limited to, the existence or possibility of political or economic instability; conflict; terrorism; hostage taking; military repression; high rates of inflation; labour unrest; war or civil unrest; expropriation and nationalization; changes in taxation laws or policies; uncertainty as to the outcome of any litigation in foreign jurisdictions; uncertainty as to enforcement of local laws; environmental controls and permitting; restrictions on the use of land and natural resources; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; restrictions on foreign exchange and repatriation; corruption; unstable legal systems; changing political conditions; changes in mining and social policies; social unrest on account of poverty or unequal income distribution; local ownership legislation; currency controls and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or require equity participation by local citizens; and other risks arising out of foreign sovereignty issues.

Nicaragua is currently experiencing some level of civil unrest and instability. Changes, if any, in mining or investment laws or policies, political attitude or the level of stability in Nicaragua may adversely affect Calibre's operations or profitability.

Moreover, governments throughout the world are continuing to target the mining and metals sector to raise government revenue. This trend is more common in the developing world. Numerous countries, including Nicaragua, have introduced changes to their respective mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of laws or governmental regulations affecting foreign ownership, mandatory state participation, taxation and royalties, exchange controls, permitting and licensing of exploration, development and production, land use restrictions, price controls, export controls, export and import duties, restrictions on repatriation of income or return of capital, requirements for local processing of mineral products, environmental protection, as well as requirements for employment of local staff or contractors, and requirements for contributions to infrastructure and social support systems. The impact of resource nationalization may have a material adverse effect on Calibre.

There can be no assurance that Nicaragua will not adopt a nationalization framework or regime. Furthermore, there can also be no assurance that the terms and obligations of potential resource nationalization regimes to which Calibre's operations are subject to will not increase or become more onerous. Government policy is beyond the control of the Company and as such may change without warning and could have the effect of discouraging further investment in Calibre's operations or limit the economic value Calibre may derive therefrom. Furthermore, there can also be no assurance that Calibre's assets will not be subject to specific nationalization or expropriation measures, whether legitimate or not, by any authority or body, whether state sanctioned or otherwise. While there are often frameworks and mechanisms to seek compensation and reimbursement for losses in these kinds of circumstances, there is no assurance that such measures will effectively or sufficiently compensate Calibre, and its investors, nor is there any assurance that such would occur in a timely fashion.

Foreign Exchange Risk

The principal assets of the Company are located in Nicaragua and Canada. As a result, Calibre has certain foreign currency exposure with respect to items not denominated in U.S. dollars. The three main types of foreign exchange risk the Company faces are as follows:

- *Transaction exposure:* The Company's operations will sell commodities and incur some costs in different currencies. This creates exposure at the operational level, which may affect the Company's profitability as exchange rates fluctuate;
- *Exposure to currency risk:* Calibre will be exposed to currency risk through a portion of the following assets and liabilities denominated in currencies other than the U.S. dollar: cash and cash equivalents, trade and other receivables, trade and other payables, reclamation and closure costs obligations; and
- *Translation exposure:* The functional currency of its operations in Nicaragua and the Company's reporting currency is the U.S. dollar. The Company's operations in Nicaragua may have some assets and liabilities denominated in currencies other than the U.S. dollar, with translation foreign exchange gains and losses included from these balances in the determination of profit or loss. Therefore, as the exchange rates between the Canadian dollar and the Nicaraguan Córdoba fluctuate against the U.S. dollar, the Company experiences foreign exchange gains and losses, which can have a significant impact on its consolidated operating results. As of December 31, 2019, the exchange rate between the Córdoba and the U.S. dollar varied according to a pattern set by the Nicaraguan Central Bank. The Córdoba has been annually devalued versus the U.S. dollar by means of a crawling peg mechanism, which was changed in the fourth quarterly of 2020 from approximately 3% to approximately 2%

As a result, fluctuations in currency exchange rates could significantly affect the business, financial condition, results of operations and liquidity of the Company.

Social Unrest

From April to July 2018, Nicaragua saw significant social unrest. This development resulted in significant protests by citizens and ultimately led to roadblocks being established near La Libertad, which temporarily restricted the supply of key consumables (fuel and lime) and affected gold production at the mine. As a result of the onset of these social conflicts, development of the Jabali underground project was temporarily suspended by B2Gold (operators of the mine at that time).

While regular operations at La Libertad (including the development of the Jabali underground project) and El Limon Mine resumed since the onset of social unrest, there is the risk that the operations could be materially impacted by further work stoppages due to illegal road blockades or social conflict in the future. The Company continues to seek permanent solutions to avoid further disruptions, there can be no assurance that a permanent solution will be found and that the Company will not have to suspend operations in the future. Suspension of operations at either mine could have a material adverse effect on the business, financial condition and results of operations.

Small-Scale and Artisanal Mining

La Libertad Mine, the Pavon gold prospect, and other areas in Nicaragua is subject to significant small scale and artisanal mining activity. The number of artisanal miners has increased as the price of gold has increased. There is a risk of conflict with the small-scale miners which could materially adversely affect the operations of the mine. Further development of mining activities may require the relocation and physical resettlement of artisanal miners and development plans may be impacted as a result. Any delays as a result of potential relocation or resettlement could negatively impact Calibre and may result in additional expenses or prevent further development.

Small scale artisanal miners may use sodium cyanide (“NaCN”) or mercury, which are toxic materials. Should an artisanal miner’s NaCN or mercury leak or otherwise be discharged into the mineral properties of the Company, Calibre may become subject to liability for clean-up work that may not be insured. Related clean-up work may have a material adverse effect on the Company’s operations.

In Nicaragua, there is a long history of small-scale miner activity throughout the country. Nicaraguan law provides that 1% of a mining concession be available for artisanal (non-mechanized) activity. At La Libertad Mine, there are several executed agreements with local cooperatives. At times in its history, the La Libertad Mine processed a portion of its output from areas that were mutually agreed upon. However, this scenario has changed due to the establishment of an unaffiliated small process facility that specializes in processing artisanal miner ore. Aside from work organized as cooperatives, there is also independent artisanal mining being carried out. Artisanal miner issues are managed by a specific specialized group at La Libertad Mine, and the focus has been to ensure that it and artisanal miners coexist within the concession.

Anti-Corruption Laws and Regulations

Calibre is subject to various U.S., Canadian and foreign anti-corruption laws and regulations such as the Canadian Corruption of Foreign Public Officials Act. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. According to Transparency International, Nicaragua is perceived as having fairly high levels of corruption relative to Canada. Calibre cannot predict the nature, scope or effect of future regulatory requirements to which the Company’s operations might be subject to or the manner in which existing laws might be administered or interpreted. Failure by Calibre to comply with the applicable legislation and other similar foreign laws could expose it and its senior management to civil or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect the business, financial condition and results of operations of Calibre. Likewise, any investigation of any alleged violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the business, financial condition and results of operations of Calibre.

Nicaragua is, or may become, subject to or certain of its citizens are, or may become, subject to, sanctions or other similar measures imposed by individual countries, such as the United States, or the general international community through mechanisms such as the United Nations. There is the risk that individuals or entities with which the Company will do business could be designated or identified under such sanctions or measures. Failure by the Company to comply with such sanctions or measures, whether inadvertent or otherwise, could expose it and its senior management to civil or criminal penalties, becoming implicated or designated under such sanctions, becoming subject to additional remedial processes (including limitations on the Company’s ability to carry on its business or operations in Nicaragua), legal expenses, or reputational damage, all of which could materially and adversely affect the Company’s business, financial condition and results of operations. Calibre is strongly committed to fully complying with any and all sanctions and other similar measures that affect the business of the Company and Nicaragua. Additional or expanded sanctions may have other impacts on Calibre and its operations.

Title and Rights

Calibre's ability to carry out successful mineral exploration and development activities and mining operations will depend on many factors including compliance with its obligations with respect to acquiring and maintaining title to its interest in certain properties. The acquisition of title to mineral properties is a very detailed and time-consuming process. No guarantee can be given that the Company will be able to comply with all such conditions and obligations, or to require third parties to comply with their obligations with respect to such properties. Furthermore, while it is common practice that permits and licenses may be renewed, extended or transferred into other forms of licenses appropriate for ongoing operations, no guarantee can be given that a renewal, extension or a transfer will be granted to the Company or, if they are granted, that it will be in a position to comply with all conditions that are imposed. A number of the Company's interests are the subject of pending applications to register assignments, extend the term, and increase the area or to convert licenses to concession contracts and there is no assurance that such applications will be approved as submitted.

The interests in Calibre's properties may not be free from defects or the material contracts between it and the entities owned or controlled by a foreign government may be unilaterally altered or revoked. There can be no assurances that the Company's rights and title interests will not be revoked or significantly altered to its detriment. There can be no assurances that the Company's rights and title interests will not be challenged or impugned by third parties. Calibre's interests in properties may be subject to prior unregistered liens, agreements, claims or transfers and title may be affected by, among other things, undetected defects or governmental actions.

Licenses and Permits

The Company's mining operations in Nicaragua, and its exploration and development projects are subject to receiving and maintaining licenses, permits and approvals from appropriate governmental authorities. Although such mining operations currently have all required licenses, permits and approvals that Calibre believes are necessary for operations as currently conducted, no assurance can be provided that the Company will be able to maintain and renew such permits or obtain any other permits that may be required.

In the past, the operations at El Limon and La Libertad have experienced challenges to permits that were temporarily successful and delayed the renewal of certain permits. There is no assurance that delays will not occur in connection with obtaining necessary renewals of authorizations for existing operations, additional licenses, permits and approvals for future operations, or additional licenses, permits and approvals associated with new legislation. An inability to obtain or conduct mining operations pursuant to applicable authorizations would materially reduce production and cash flow and could undermine profitability of the Company.

Environmental Laws and Hazards

The Company's operations are subject to local laws and regulations in Nicaragua regarding environmental matters, including, without limitation, the renewal of environmental clearance certificates, the use or abstraction of water, land use and reclamation, air quality and the discharge of mining wastes and materials. Any changes in these laws could affect Calibre's operations and economics. Environmental laws and regulations change frequently, and the implementation of new, or the modification of existing, laws or regulations could harm the Company. Calibre cannot predict how agencies or courts in Nicaragua will interpret existing laws and regulations or the effect that these adoptions and interpretations may have on the Company's business or financial condition.

The Company may be required to make significant expenditures to comply with governmental laws and regulations. Any significant mining operations will have some environmental impact, including land and habitat impact, arising from the use of land for mining and related activities, and certain impact on water resources near the project sites, resulting from water use, rock disposal and drainage run-off. The Company may also acquire properties with known or undiscovered environmental risks. Any claim against or indemnification from the entity from whom it has acquired such properties may not be adequate to pay all the fines, penalties and costs (such as cleanup and restoration costs) incurred related to such properties.

Some of the Company's properties have been used for mining and related operations for many years before it acquired them and were acquired as is or with assumed environmental liabilities from previous owners or operators. Calibre may be required to address contamination, either for existing environmental conditions or for leaks or discharges that may arise from its ongoing operations or other contingencies. Contamination from hazardous substances, either at the Company's own properties or other locations for which it may be responsible, may subject it to liability for the investigation or remediation of contamination, as well as for claims seeking to recover for related property damage, personal injury or damage to natural resources. The occurrence of any of these adverse events could have a material adverse effect on the Company's future growth, results of operations and financial position.

Calibre's production involves the use of NaCN, which is a toxic material. Should NaCN leak or otherwise be discharged from the containment system, the Company may become subject to liability for cleanup work that may not be insured. While appropriate steps are taken to prevent discharge of pollutants into the groundwater and the environment, Calibre may become subject to liability for hazards that it may not be insured against and such liability could be material.

While Calibre believes there are currently no material unrecognized risks under environmental obligations, future exploration, development and mining activities may give rise to significant liabilities on the part of the operating mines to the government and third parties and may require the Company to incur substantial costs of remediation. Additionally, Calibre does not maintain insurance against certain environmental risks. As a result, any claims against the Company may result in liabilities that it will not be able to afford, resulting in the failure of the business.

In some jurisdictions, forms of financial assurance are required as security for reclamation activities. The cost of reclamation activities may materially exceed provisions for them, or regulatory developments or changes in the assessment of conditions at closed operations may cause these costs to vary substantially, from prior estimates of reclamation liabilities.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in exploration operations may be required to compensate those suffering loss or damage by reason of the exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. Amendments to current laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenditures and costs or require abandonment or delays in developing new mining properties.

The mining operations at El Limon and La Libertad are energy intensive and use large amounts of diesel fuel and electric power. The physical effects of climate change, which may include extreme weather events, resource shortages, changes in rainfall and storm patterns, water shortages, changing sea levels and temperatures, higher temperatures, and extreme weather events, may have an adverse effect on the Company's operations. Events or conditions such as flooding or inadequate water supplies could disrupt mining and transport operations, mineral processing and rehabilitation efforts, could create resource shortages and could damage the Company's property or equipment and increase health and safety risks on mining sites. Such events or conditions could also have other adverse effects on operations, the workforce and on the local communities surrounding the operating mines, such as an increased risk of food insecurity, water scarcity, civil unrest and the prevalence of disease.

Furthermore, Calibre's operations depend on consistent supplies of essential commodities and other essential inputs to operate efficiently. In the event that the effects of climate change, including extreme weather events, cause prolonged disruptions to the delivery of essential commodities and other essential inputs or affect the prices or availability thereof, production may be reduced, delayed or halted, and as a result the profitability of the Company may be materially affected.

The key sources for direct greenhouse gas (“GHG”) emissions at the Company’s mine operations are from electricity to operate the processing plants (from crushing and grinding to leaching, electrowinning and smelting) and the fuel for mobile equipment. The La Libertad and El Limon operations purchase their electricity from the grid with diesel powered back-up. The level of emissions of GHG certain operations emit fluctuates and varies from operation to operation. Furthermore, one-off projects or endeavours, such as the construction of a new mine, may also result in an acute increase in GHG emissions above those generally emitted during ongoing and regular operations.

Currently, a number of governments or governmental bodies throughout the globe have introduced or are contemplating regulatory changes in response to the potential impacts of climate change in an effort to curb GHG emissions. Additionally, ongoing international negotiations may result in the introduction of climate change regulations or frameworks on an international scale. These, and the costs associated with complying with such measures, may have an adverse impact on operations and the profitability of the business.

Overall, the Company views climate change as an increasingly important global challenge for businesses and communities alike. Accordingly, Calibre is committed to promoting responsible energy use through improved efficiencies and, where there is a business case, adopting fuel alternatives and renewables.

Communication and Customs

The business and operations of Calibre are situated in Nicaragua, a country in which the principal language of business is Spanish and which has different business customs than those of Canada. Calibre and its management team have operated continuously in Nicaragua since 2007 and have an established track record of successfully navigating the linguistic and cultural challenges that accompany operating in Nicaragua. To manage these risks Calibre has appointed individuals who are fluent in both Spanish and English to key positions. The continued success of Calibre will rely on their ability and the ability of management and employees to operate successfully in both Spanish and English and with regard to both Nicaraguan and Canadian business practices.

Community Relations

As a mining business, Calibre may come under pressure in the jurisdictions in which it operates or will operate in the future, demonstrate that other stakeholders (including employees, communities surrounding operations and the country in which it operates) benefit and will continue to benefit from its commercial activities, and that it operates in a manner that will minimize any potential damage or disruption to the interests of those stakeholders. The Company may face opposition with respect to its current and future development and exploration projects which could materially adversely affect its business, results of operations and financial condition.

Governments in many jurisdictions must consult with local communities with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of local communities frequently require accommodations, including undertakings regarding employment, royalty payments and other matters. This may affect the Company’s ability to acquire within a reasonable time frame effective mineral titles, permits or licenses in these jurisdictions and may affect the timetable and costs of development of mineral properties in these jurisdictions.

Further, certain non-governmental organizations, some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of hazardous substances in processing activities. Adverse publicity generated by such organizations or others related to extractive industries generally, or the Company’s operations specifically, could have an adverse effect on Calibre’s reputation and financial condition and may impact its relationship with the communities in which it operates. They may also attempt to disrupt the Company’s operations.

Production, Cost and Other Estimates

This MD&A contains guidance and estimates of future production, operating costs, capital costs and other economic and financial measures with respect to the Nicaraguan operations and certain of the Company's exploration and development stage projects. These estimates can change or Calibre may be unable to achieve them. Actual production, costs, returns and other economic and financial performance may vary from the estimates depending on a variety of factors, many of which will not be within the Calibre's control. These factors include, but are not limited to: actual ore mined varying from estimates of grade, tonnage, dilution, and metallurgical and other characteristics; short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades from those planned; mine failures, slope failures or equipment failures; accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; exchange rate and commodity price fluctuations; price changes or shortages of principal supplies needed for operations, including explosives, fuels, water and equipment parts; labour shortages or strikes; litigation; regional or national instability, imposition of sanctions, insurrection, civil war or acts of terrorism; suspensions or closures imposed by governmental authorities; civil disobedience and protests; failure to comply with applicable regulations or new restrictions or regulations imposed by governmental or regulatory authorities; permitting or licensing issues; and shipping interruptions or delays.

Competition

The mining industry is intensely competitive in all of its phases, and the Company will compete with many companies possessing greater financial resources and technical facilities than it has with respect to the discovery and acquisition of interests in mineral properties, and the recruitment and retention of qualified employees and other persons to carry out mineral production and exploration activities. Competition in the mining industry could adversely affect Calibre's prospects for mineral exploration and development in the future, which could have a material adverse effect on its revenues, operations and financial condition.

Capital Requirements

Calibre seeks to generate sufficient internal cash flows or be able to utilize available financing sources to finance its growth and sustaining capital requirements. If the Company does not realize satisfactory prices for the gold that the mining operations produce, it could be required to raise very significant additional capital through the capital markets or incur significant borrowings to meet its capital requirements. These financing requirements could adversely affect Calibre's credit ratings and its ability to access the capital markets in the future to meet any external financing requirements Calibre might have. If there are significant delays in when any projects are completed and are producing on a commercial and consistent scale, or their capital costs were to be significantly higher than estimated, these events could have a significant adverse effect on Calibre's results of operations, cash flow from operations and financial condition.

Labour Relations

Production at the mining operations has been dependent upon the efforts of the Company and their employees and their relations with unionized and non-unionized employees. Some of the employees at each of the mines are represented by labour unions under various collective labour agreements. The collective bargaining agreement covering the workers at El Limon was extended through October 22, 2022 during 2020 without any significant changes. The collective bargaining agreement covering the workers at La Libertad is effective until January 16, 2022. Any of the parties involved may present a draft of a new collective bargaining agreement with 60 days prior to expiration date, although the existing collective bargaining agreement will continue in effect until a new one has been approved. The Company may not be able to satisfactorily renegotiate these collective labour agreements when they expire and may face tougher negotiations or higher wage demands than would be the case for non-unionized labour. In addition, existing labour agreements may not prevent a strike or work stoppage at mine facilities in the future. In addition, relations between the Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by the governments in Nicaragua. Changes in such legislation or in the relationship between Calibre and its employees may have a material adverse effect on the business, financial condition and results of operations of the Company.

Share Price Volatility and Lack of Liquidity

Calibre's common shares are publicly traded and are subject to various factors that may make the share price volatile, which may result in losses to investors. The market price of the Company's common shares may increase or decrease in response to a number of events and factors, including as a result of the risk factors described herein. In addition, the global stock markets and prices for mining company shares have experienced volatility that often has been unrelated to the operating performance of such companies. These market and industry fluctuations may adversely affect the market price of the Company's shares, regardless of its operating performance.

There may be inadequate liquidity in Calibre's common shares for an investor to be able to acquire or dispose of their holdings in a manner that does not significantly impact the Company's share price.

Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. The Company will be, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. In addition, companies like ours that have experienced volatility in their share price have been subjected to class action securities litigation by shareholders. Defense and settlement costs can be substantial, even for claims that are without merit. Due to the inherent uncertainty of the litigation process, the litigation process could take away from management time and effort and the resolution of any particular legal proceeding to which Calibre may become subject, could have a material adverse effect on the business, results of operations and financial position.

Furthermore, in the event of a dispute arising from the activities of the Company, it may be subject to the exclusive jurisdiction of courts or arbitral proceedings outside of North America or may not be successful in subjecting persons to the jurisdiction of courts in North America, either of which could unexpectedly and adversely affect the outcome of a dispute.

Laws and Regulations

The operations of the Company are subject to stringent laws and regulations, which could significantly limit its ability to conduct its business. Calibre's activities are subject to stringent laws and regulations governing, among other things, prospecting; development and production; imports and exports; taxes; labour standards, occupational health and mine safety; mineral tenure, land title and land use; water and air quality regulations; protection of endangered and protected species; social legislation; and other matters.

Compliance with these laws may require significant expenditures. If the Company is unable to comply fully, it may be subject to enforcement actions or other liabilities (including orders issued by regulatory or judicial authorities causing operations to cease, be suspended or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions) or its image may be harmed, all of which could materially affect its operating costs, delay or curtail its operations or cause Calibre to be unable to obtain or maintain required permits. There can be no assurance that the Company will be at all times in compliance with all applicable laws and regulations, that compliance will not be challenged or that the costs of complying with current and future laws and regulations will not materially or adversely affect its business, operations or results.

New laws and regulations, amendments to existing laws and regulations or administrative interpretation, or more stringent enforcement of existing laws and regulations, whether in response to changes in the political or social environment the Company operates in or otherwise, could have a material and adverse effect on Calibre's future cash flow, results of operations and financial condition.

Additional Financing

Future exploration, development, mining, and processing of minerals from the Company's properties, or repayment of current or future indebtedness, could require substantial additional financing. No assurances can be given that Calibre will be able to raise the additional funding that may be required for such activities or repayment of indebtedness or deferred payments, should such funding not be fully generated from operations. To meet such funding requirements, the Company may be required to undertake additional equity financings, which would be dilutive to shareholders. Debt financing, if available, may involve certain restrictions on operating activities or other financings. There is no assurance that such equity or debt financing will be available to the Company or that it would be obtained on terms favourable, if at all, which may adversely affect the business and financial position of the Company. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development, or production on any or all of Calibre's properties, or even a loss of property interests.

Commodity and Supplies Pricing

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The inability to secure adequate water and power resources as well as other events outside of Calibre's control, such as unusual or infrequent weather phenomena, sabotage, terrorism, community, or government or other interference in the maintenance or provision of such infrastructure, or failure to maintain or extend such infrastructure, could adversely affect operations, financial condition and results of operations.

Profitability is affected by the market prices and availability of commodities that the Company uses or consume in operations and development projects. Prices for commodities like diesel fuel, electricity, steel, concrete, and chemicals (including cyanide) can be volatile, and changes can be material, occur over short periods of time and be affected by factors beyond the Calibre's control. Operations use a significant amount of energy and depend on suppliers to meet those needs. Higher costs for such required commodities and construction materials, including as a result of increased taxes on such commodities or construction materials or tighter supplies thereof, can affect the timing and cost of development projects, and the Company may decide that it is not economically feasible to continue some or all of its commercial production and development activities, which could have an adverse effect on profitability.

Higher worldwide demand for critical resources like input commodities, drilling equipment, tires and skilled labour could affect the Company's ability to acquire them and lead to delays in delivery and unanticipated cost increases, which could have an effect on operating costs, capital expenditures and production schedules.

Taxation

Calibre is subject to the taxation laws of a number of different jurisdictions. These taxation laws are complicated and subject to changes and are subject to review and assessment in the ordinary course. Any changes in taxation law or reviews and assessments could result in higher taxes being payable by the Company, which could adversely affect performance and profitability. Taxes may also adversely affect the ability to repatriate earnings and otherwise deploy the Calibre's assets. Governments have used new or increased taxes applicable to the mining industry, such as income taxes, excise taxes and royalties, to raise government revenue.

While Calibre has implemented initiatives to assess the impact of new and potential tax changes or reforms on its business and operations, it has no control over the adoption or implementation of any proposed legislative amendments, or the final form of any such tax changes which may or may not be as anticipated. Also, governments have proposed tax amendments in the past and ultimately not followed through with them or ultimately adopted amendments after significant modification. Accordingly, the timing and impact of any tax changes or reforms (including those described above), if adopted, and the extent to which they may affect the Company, which may be material and adverse, is not presently known. Further, there can be no assurance Calibre will be able to undertake steps to mitigate the effects of such tax changes in an effort to preserve or promote the economic performance of the Company.

The Company's Nicaraguan entities have also recently completed, and may complete in the future, corporate reorganizations and reorganizations of the entities holding its projects. In the event such reorganizations result in the imposition of an unanticipated tax or penalty, it may have a material adverse effect on the Company. Calibre may also be subject to ongoing tax audits from time to time. Adverse results of such tax audits may have a negative effect on the operations of the Company.

Uninsured Risks

Although the Company will maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, Calibre's insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as loss of title to mineral property, environmental pollution or other hazards as a result of exploration and production is not generally available to Calibre or to other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Key Personnel

Calibre is dependent upon the services of key officers, employees, outside contractors and consultants. Locating and developing mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration, development and production personnel involved. The loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations. Calibre has not purchased any "key-man" insurance with respect to any of its officers or key employees and has no current plans to do so.

Cyber Security

Calibre has entered into agreements with third parties for hardware, software, telecommunications and other information technology ("IT") services in connection with its operations. Operations will depend, in part, on how well the Company and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. Operations will also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses, which may adversely impact the Company's reputation and results of operations.

Although, to date, the Company has not experienced any known material losses relating to cyberattacks or other information security breaches, there can be no assurance that they will not incur such losses in the future. As cyber threats continue to evolve, Calibre may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Significant Investor

Pursuant to the terms of the Investor Rights Agreement, B2Gold has Board representation rights. There can be no assurance that such rights will result in action or failure to take action by the Company's Board that prevents a material adverse effect on the business, financial condition and operating results of the Company from occurring.

Social Media

As a result of the increased usage and the speed and the global reach of social media and other web-based applications used to generate, publish and discuss user-generated content and to connect with others, the Company will be at a much greater risk of losing control over how it is perceived by the public.

Damage to Calibre's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether credible, factual, true or not. While the Company will plan to place a great emphasis on protecting and nurturing its strong reputation, it will not ultimately have direct control over how it is perceived by others, including how it is viewed on social media and other web-based applications.

Harm to Calibre's reputation (which could be promulgated through social media and other web-based applications) may lead to increased challenges in developing and maintaining investor confidence and stakeholder relations, and could act as an obstacle to the Company's overall ability to maintain its current operations, to advance its projects, and to procure capital from investors, which could have a material adverse effect on its business.

Corporate Development

As part of its business strategy, the Company has sought and will continue to seek new operating and development opportunities in the mining industry. In pursuit of such opportunities, Calibre may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the business. There can be no assurance that the Company can complete any acquisition or business arrangement that it pursues, or is pursuing, on favorable terms, if at all, or that any acquisitions or business arrangements completed will ultimately benefit the business. Acquisitions are accompanied by risks, such as a significant decline in the relevant metal price after a commitment to complete an acquisition on certain terms is made; mining operations not meeting production or cost estimates; the quality of the mineral deposit acquired proving to be lower than expected; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of ongoing business; the inability of management to realize anticipated synergies and maximize financial and strategic position; the failure to maintain uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; and the potential for unknown or unanticipated liabilities associated with acquired assets and businesses, including tax, environmental or other liabilities. There can be no assurance that acquired businesses or assets will be profitable, that Calibre will be able to integrate the acquired businesses or assets successfully or that Calibre will identify all potential liabilities during the due diligence process. Any of these factors could have a material adverse effect on the business, expansion, results of operations and financial condition of Calibre.

No Dividends

No dividends on Calibre's shares have been paid to date. Calibre currently plans to retain earnings in 2021 and other cash resources, if any, for the future operation and development of its business. Payment of future dividends, if any, will be at the discretion of the Company's Board of Directors after taking into account many factors, including Calibre's operating results, financial condition and current and anticipated cash needs.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, disclosure of commitments and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions. Actual results could differ from these estimates.

The significant judgements and estimates used in the preparation of the audited consolidated financial statements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities and earnings within the next financial year include:

Purchase Price Allocation

Applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition date fair value. The determination of the acquisition date fair values require management to make assumptions and estimates about future events. The assumptions and estimates relating to determining the fair value of property, plant and equipment, mineral interests, mine restoration provisions and other assets acquired and liabilities assumed generally requires a high degree of judgement, and include estimates of mineral reserves acquired, future metal prices, discount rates, collectability of receivables, and completeness of payables and other liabilities. The determination of fair value was determined based on third party appraisals, discounted cash flow models, quoted market prices, and other research data at the time of acquisition where available.

Impairment of Non-Current Assets

Non-current assets are tested for impairment at the end of each reporting period if, in management's judgement, there is an indicator of impairment. Management applies significant judgment in assessing whether indicators of impairment exist that would necessitate impairment testing. Internal and external factors, such as (i) changes in quantity of the recoverable resources and reserves; (ii) changes in metal prices, capital and operating costs and interest rates; and (ii) market capitalization of the Company compared to its net assets, are evaluated by management in determining whether there are any indicators of impairment. If there are indicators, management performs an impairment test on the major assets within this balance.

In the case of mineral property assets, recoverability is dependent on a number of factors common to the natural resource sector. These include the extent to which the Company can continue to renew its exploration and future development licenses with local or other authorities, establish economically recoverable reserves on its properties, the availability of the Company to obtain necessary financing to complete the development of such reserves and future profitable production or proceeds from the disposition thereof. The Company will use the evaluation work of professional geologists, geophysicists and engineers for estimates in determining whether to commence or continue mining and processing. These estimates generally rely on scientific and economic assumptions, which in some instances may not be correct, and could result in the expenditure of substantial amounts of money on a deposit before it can be determined whether or not the deposit contains economically recoverable mineralization. In addition, the application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is probable that future economic benefits are likely, either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable mine can be established. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

Mineral Reserves and Resources

The Company estimates its Mineral Reserves and Mineral Resources based on information compiled by qualified persons as defined in accordance with NI 43-101, *Standards of Disclosure for Mineral Projects*, issued by the Canadian Securities Administrators. Mineral Reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties.

There are numerous estimates in determining Mineral Reserves and Mineral Resources. Such estimation is a subjective process, and accuracy of any Mineral Reserve or Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgements used in engineering and geological interpretation. Changes to management's assumptions and judgements made in estimating the size and grade of the ore body, metallurgical assumptions made in estimating recovery of the ore body, including economic estimates of commodity prices, production costs, future capital requirements, and exchange rates, will impact Mineral Reserve and Mineral Resources estimates.

These estimates and assumptions valid at the time of estimation may change significantly when new information becomes available. This may result in a change of the economic status of the Mineral Reserve and may ultimately result in Mineral Reserves being revised.

Changes in the Mineral Reserve or Mineral Resource estimates may impact the carrying value of mineral properties, plant and equipment, the calculation of depreciation expense, asset retirement obligations, and the recognition of deferred tax amounts. In addition, mineral reserve and mineral resource estimates are used in depreciation and deferred stripping computations which requires judgement.

Value-Added Tax Receivables

The Company incurs indirect taxes, including value-added tax, on purchases of goods and services at its operating mines and development projects. Indirect tax balances are recorded at their estimated recoverable amounts within current or long-term assets, net of provisions, and reflect the Company's best estimate of their recoverability under existing tax rules in the respective jurisdictions in which they arise. Management's assessment of recoverability considers the probable outcomes of claimed deductions and/or disputes. The provisions and balance sheet classifications made to date may be subject to change and such change may be material.

Deferred Income Taxes and Valuation Allowances

The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur.

Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives. Levels of future taxable income are affected by, among other things, market gold prices, production costs, quantities of proven and probable gold reserves, interest rates and foreign currency exchange rates.

Inventory Valuation

Finished goods, in-circuit inventory and stockpile ore are valued at the lower of costs and net realizable value. The assumptions used in the valuation of inventories include estimates of the amount of gold in the mill circuit and in the stockpile and an assumption of the gold price expected to be realized when the gold is recovered. If these estimates or assumptions prove to be inaccurate, the Company could be required to write-down the recorded value of its work-in process inventories and finished gold inventory, which would reduce earnings and working capital.

Mine Restoration Provision

Management assesses the asset retirement obligations on an annual basis or when new information becomes available. This assessment includes the estimation of the future rehabilitation costs required based on the existing laws and regulations in the jurisdiction the Company operates in, the timing of these expenditures, and the impact of changes in the discount rate. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and / or regulatory requirements in the future.

Commercial Production

The determination of the date on which a mine enters the commercial production stage is a significant judgement since capitalization of certain costs ceases and the recording of revenues and expenses commences upon entering commercial production. This continues until the mine is available for use in the manner intended by management, which requires significant judgement.

Contingent Liabilities

On an ongoing basis, the Company is subject to various tax, legal and other disputes, the outcomes of which cannot be assessed with a high degree of certainty. A liability is recognized where, based on the Company's legal views and advice, it is considered probable that an outflow of resources will be required to settle a present obligation that can be measured reliably. By their nature, these provisions will only be resolved when one or more future events occur or fail to occur, which will bring resolution to their underlying cases. The assessment of such provisions inherently involves the exercise of significant judgment of the potential outcome of future events.

Employee Benefits Obligation

The Company provides benefits to employees, including severance and other post-retirement benefits. The cost of these post-retirement benefits received by employees is estimated based on actuarial valuation methods that require professional judgment. Estimates typically used in determining these amounts include, as applicable, rates of employee turnover, future claim costs, discount rates, future salary and benefit levels, mortality rates and future medical costs. Changes to these estimates may have a material impact on the amounts presented.

The following information provides additional details on other changes in 2020 and 2019.

Amendment to IAS 16, Property, Plant & Equipment, Proceeds Before Intended Use.

During the year ended December 31, 2020, Calibre early adopted Amendments to International Accounting Standards ("IAS") 16, Property, Plant & Equipment, *Proceeds Before Intended Use*. The Company adopted the accounting policy retrospectively. The amended standard prohibits the Company from deducting any proceeds from selling items produced from the cost of building an item of mineral interest, plant and equipment, while bringing that asset to be capable of operating in the manner intended by management. With the adoption of the amended standard, revenue from sales of gold ounces recovered and related costs while bringing a mine in a condition necessary for it to be capable of operating in the manner intended by management are recognized in profit or loss in accordance with applicable standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. There is no impact of this adoption on the comparative numbers presented for 2019.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial assets and liabilities consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, short and long-term receivables and long-term payables.

Fair Values

Calibre's financial assets and liabilities are classified based on the lowest level of input significant to the fair value measurement based on the fair value hierarchy:

Level 1 – quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data.

The carrying value amount of the Company's financial instruments that are measured at amortized cost approximates fair value due to their short-term nature and market conditions and amount involved.

Capital Risk Management

The Company's objectives when managing its capital is to ensure it will be able to continue as a going concern while maximizing the return to shareholders. The selling price of gold and minimizing production costs and capital expenditures are key factors in helping the Company reach its capital risk management objectives.

Credit Risk

Credit risk is the risk of financial loss to the Company if a third party to financial instrument fails to meet its contractual obligations. As at December 31, 2020, the Company's maximum exposure to credit risk was the book value of cash and cash equivalents, accounts receivable, value added and other taxes receivable, and current and long-term loan receivable. The Company limits its credit exposure on cash and cash equivalents by holding its deposits mainly with high credit quality financial institutions as determined by credit agencies in Canada.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and through its budgeting and forecasting process. Budgets are prepared annually, and forecasts are prepared and reviewed on a regular basis, to help determine the funding requirements to support the Company's current operations and expansion and development plans and by managing its capital structure as described above.

As at December 31, 2020, the Company had cash and cash equivalents of $53.2 million (December 31, 2019 : $32.9 million) and current liabilities of $35.5 million (December 31, 2019 : $34.8 million). Cash provided by operating activities totaled $81.3 million for the year ended December 31, 2020 (2019 : $19.2 million). The cash provided from activities related to the operating mines acquired by the Company on October 15, 2019. In addition, the Company's working capital improved from $30.9 million at December 31, 2019 to $70.0 million at December 31, 2020 from Limon and Libertad generating significant cashflow from operations.

The Company's operations and liquidity were adversely impacted by the temporary suspension in the second quarter and the resumption of operations. Following the successful phased in restart, the Company has achieved a normalized state of production in July 2020 and generated $45.6 million and $28.7 million from operating cashflow in Q3 and Q4 2020, respectively.

Currency Risk

Currency risk is the risk that the fair value of, or cash flow from, the Company's financial instruments will fluctuate because of changes in foreign currency rates. The Company's functional currency at the location of its operations is the U.S. dollar and the major purchases are transacted in the U.S. dollars as well. Details of various currencies held by the Company as of December 31, 2020 and December 31, 2019 are included in the Company's financial statements.

The Company is subject to gains and losses due to fluctuations in the Canadian dollar and Nicaraguan Córdoba against the U.S. dollar. Sensitivity to a plus or minus 5% change in all foreign currencies (Canadian dollar and Nicaraguan Córdoba) against the U.S. dollar with all over variables held constant at December 31, 2020, would affect the statements of operations and comprehensive income by approximately $3.2 million.

The Córdoba has been annually devalued against the U.S. dollar by means of a crawling peg mechanism which during Q4 2020 was changed from 3% to approximately 2%. All the Company's gold production is in Nicaragua.

Prior to the acquisition of the Nicaragua Assets, the Company funded its exploration activities in Nicaragua on a cash call basis using U.S. or Canadian dollars held in bank accounts located in Canada. Since the acquisitions of the Nicaragua Assets, the Company generates revenue in U.S. dollars, thereby mitigating currency risk for its Nicaraguan operations where expenditures are in U.S. dollars. The Company maintains Canadian and U.S. dollar bank accounts in Canada, and US dollar and Córdoba bank accounts in Nicaragua. The Company's foreign exchange exposure to fluctuations in the Córdoba is not significant as its annual expenditures in the local Nicaraguan currency and Córdoba denominated bank accounts are kept at a minimum at any given time. In addition, while a significant portion of the Company's corporate administrative costs are denominated in Canadian dollars, any fluctuation in the U.S. dollar against the Canadian dollar is not expected to have a material impact on the Company's cash flows given the relative stability of both currencies and the limited Canadian dollar expenditures in any given year.

CONTROLS AND PROCEDURES

In compliance with the Canadian Securities Administrators' Regulation, the Company has filed certificates signed by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") that, among other things, report on the design of disclosure controls and procedures and the design of internal controls over financial reporting.

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate and recorded, processed, summarized and reported to allow timely decisions with respect to required disclosure, including in its annual filings, interim filings or other reports filed or submitted by it under securities legislation. The Company's CEO and CFO have concluded, based on their evaluation of the design of the Company's disclosure controls and procedures, that as of December 31, 2020, the Company's disclosure controls and procedures have been effectively designed and operating effectively. The evaluation of controls includes the Nicaragua Assets acquired from B2Gold in October 2019.

The Company's management, including the CEO and CFO, are responsible for establishing adequate internal control over financial reporting and they have concluded, based on their evaluation, that the internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as at December 31, 2020.

There were no significant changes in the Company's internal control over financial reporting during Q4 2020. During the year ended December 31, 2020 the Company incorporated internal controls and procedures related to the financial and operational reporting of the Nicaragua Assets acquired in October 2019. As a result, for the year ended December 31, 2020, management has determined that there are no issues that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

The Company's management, including the CEO and CFO, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Therefore, even those systems determined to be effective can provide only reasonable (not absolute) assurance that the objectives of the control system are met and as such, misstatements due to error or fraud may occur and not be detected.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation. Except for statements of historical fact relating to Calibre, forward-looking information includes, but is not limited to, information with respect to the Company's expected production from, and the further potential of, the Company's properties; the Company's ability to raise additional funds, as required; the future price of minerals, particularly gold; the estimation of mineral resources and mineral reserves; conclusions of economic evaluations; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production, general and administrative and other costs; capital expenditures; success of exploration activities; mining or processing issues; currency rates; government regulation of mining operations; environmental risks; and outlook, guidance, and other forecasts.

Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as "expect", "plan", "anticipate", "project", "target", "potential", "schedule", "forecast", "budget", "estimate", "intend" or "believe" and similar expressions or their negative connotations, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made.

Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond Calibre's control, including risks associated with or related to: impacts related to the COVID-19 pandemic; the volatility of metal prices; changes in tax laws; the dangers inherent in exploration, development and mining activities; the uncertainty of reserve and resource estimates; cost or other estimates; actual production, development plans and costs differing materially from the Company's expectations; the ability to obtain and maintain any necessary permits, consents or authorizations required for mining activities; the current ongoing instability in Nicaragua and the ramifications thereof; environmental regulations or hazards and compliance with complex regulations associated with mining activities; the availability of financing and debt activities, including potential restrictions imposed on Calibre's operations as a result thereof and the ability to generate sufficient cash flows; remote operations and the availability of adequate infrastructure; fluctuations in price and availability of energy and other inputs necessary for mining operations; shortages or cost increases in necessary equipment, supplies and labour; the reliance upon contractors, third parties and joint venture partners; the dependence on key personnel and the ability to attract and retain skilled personnel; the risk of an uninsurable or uninsured loss; adverse climate and weather conditions; litigation risk; competition with other mining companies; community support for Calibre's operations, including risks related to strikes and the halting of such operations from time to time; conflicts with small scale miners; failures of information systems or information security threats; compliance with anti-corruption laws, and sanctions or other similar measures. The list is not exhaustive of the factors that may affect Calibre's forward-looking statements.

Calibre's forward-looking statements are based on the applicable assumptions and factors management considers reasonable as of the date hereof, based on the information available to management at such time. These assumptions and factors include, but are not limited to, assumptions and factors related to Calibre's ability to carry on current and future operations, including: development and exploration activities; the timing, extent, duration and economic viability of such operations, including any mineral resources or reserves identified thereby; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the availability and cost of inputs; the price and market for outputs, including gold; the timely receipt of necessary approvals or permits; the ability to meet current and future obligations; the ability to obtain timely financing on reasonable terms when required; the current and future social, economic and political conditions; and other assumptions and factors generally associated with the mining industry.

Calibre's forward-looking statements are based on the opinions and estimates of management and reflect their current expectations regarding future events and operating performance and speak only as of the date hereof. Calibre does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, and actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. Accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits or liabilities Calibre will derive therefrom. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.

NOTE TO U.S. INVESTORS

This document uses the terms "Measured", "Indicated" and "Inferred" Resources. U.S. investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resources will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred Mineral Resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. U.S. investors are also cautioned not to assume that all or any part of an inferred Mineral Resource exists or is economically or legally mineable.

TECHNICAL INFORMATION

Unless otherwise stated, all scientific and technical data contained in this MD&A that relates to geology, exploration and mineral resources has been reviewed and approved by Mr. Mark Petersen (P.Geo) who is a "Qualified Person" within NI 43-101 as a member of the Professional Geoscientists Ontario and a Registered Member of the Society for Mining, Metallurgy and Exploration. Mr. Petersen serves as the Company's Vice President, Exploration.

Unless otherwise stated, all technical information and data contained in this MD&A that relates to mineral reserves and the Company's operating mines has been reviewed and approved by Mr. Darren Hall MAusIMM, who is a "Qualified Person" within NI 43-101 as a Member of the Australasian Institute of Mining and Metallurgy and, Mr. Hall serves as the Company's Senior Vice President and Chief Operating Officer.