

**Calibre Mining Corp (2023 Q2 Earnings)**  
**August 9, 2023**

Corporate Speakers

- Ryan King; Calibre Mining Corp.; SVP of Corporate Development & IR
- Darren Hall; Calibre Mining Corp.; President, CEO & Director

Participants

- Justin Stevens; PI Financial Corp.; Precious Metals Analyst

**PRESENTATION**

Operator^ Hello, and thank you for standing by. Welcome to Calibre Mining Corp. Q2 2023 Financial Earnings Results and Conference Call. (Operator Instructions) I would now like to turn the conference over to Ryan King, Senior Vice President, Corporate Development and Investor Relations. Sir, you may begin.

Ryan King^ Thank you, operator. Good morning, everyone, and thank you for taking the time to join the call this morning. Before we commence, I'd like to direct everyone to the forward-looking statements on Slide 2. Our remarks and answers to your questions today may contain forward-looking information about the company's future performance. Although management believes that our forward-looking statements are based on fair and reasonable assumptions, actual results may turn out to be different from these forward-looking statements. For a complete discussion of the risks, uncertainties and factors, which may lead to actual operating and financial results being different from the estimates contained in our forward-looking statements, please refer to the Q2 2023 MD&A and consolidated financial statements available on our website as well as on SEDAR+.

And finally, all figures are in U.S. dollars, unless otherwise stated.

Present today with me on the call are Darren Hall, President and Chief Executive Officer; David Splett, Senior Vice President and Chief Financial Officer; and Tom Gallo, Senior Vice President of Growth.

We will be providing comments on our second quarter and year-to-date 2023 results, after which we'll be happy to take questions. The slide deck we'll be referencing is available on our website at [calibremining.com](http://calibremining.com), under the Events section. You can also click on the webcast to join the live presentation.

With that, I'll turn the call over to Darren.

Darren Hall^ Thanks, Ryan. Moving to Slide 3. Good morning, and thank you for taking the time to join us today. I would like to start by thanking all Calibre employees and

business partners for their continued support, which resulted in our third consecutive record-breaking quarter. I'm very pleased with the team's performance, delivering a record 69,000 ounces at a total cash cost of \$977 per ounce, and an all-in sustaining cost of \$1,178 per ounce.

Operating cash flow increased to \$59.8 million, a 38% increase over Q2 2022, generating free cash flow of \$15.9 million.

We delivered our highest quarterly net income, which drove earnings per share to \$0.07, a 133% increase over Q2 2022. With the year-to-date performance being ahead of budget, we're well positioned to deliver our full year production and cost guidance, self-fund all investments and continue building cash well beyond where we sit today at \$77 million.

During the first half of 2023, the team developed both the Pavon Central and Guapinol open pits. As ore deliveries from Guapinol ramp up from the 200 tonnes per day in Q2, we continue to strengthen our position to deliver our full year production commitments.

During the quarter, we announced a number of favorable exploration results across our assets, which continues to demonstrate our ability to discover new and expand existing resources.

Turning to Slide 4. In early 2022, we completed the acquisition of Fiore Gold, establishing a Nevada base of operations with an underexplored 222 square kilometer land package, with potential to support mineral reserve and mine life expansion. A year on, we've increased reserves 23% net of depletion, discovered Coyote located 3 kilometers to the south of the current open pit and defined several priority targets.

During the quarter, we announced new shallow high-grade drill results at Palomino, which is adjacent to the south pit. With Palomino results averaging between 0.5 and 1 grams per tonne, it will positively impact resources at year-end, and more importantly, will positively impact mine grades within the year. I look forward to additional results as we continue to advance the drill programs across our mineral concessions.

Moving to Slide 5. Since acquisition of the Limon and Libertad operations in late 2019, our exploration programs have made economic discoveries and grown reserves across our assets. I'm particularly excited about the significant success we have seen and the potential along the Panteon VTEM Gold Corridor at Limon. In 2020, we discovered and developed the Panteon deposit, bringing it into production in 2021. In May of 2022, we discovered the high-grade Panteon North deposit. At the end of the same year published the maiden mineral reserve of 244,000 ounces at 9.45 grams per tonne gold.

2023 drilling continues to demonstrate the potential along strike of the multi-kilometer VTEM Gold Corridor, which we expect will have a positive impact on our year-end Mineral Resources.

This year, we announced drill results from the past producing Talavera mine located just 3 kilometers from the Limon processing plant, which yielded high-grade results, which again demonstrates the overall resource expansion and discovery potential of the enduring Limon district, which has produced more than 4 million ounces since the 1940s. With 9 drill rigs active across all assets, I'm excited about the future.

Investment into exploration and property development has yielded significant return as evidenced by a 20% year-on-year production growth and 280% reserve growth in Nicaragua.

Turning to Slide 6. I believe Calibre presents a compelling investment opportunity as the company continues to sell funds, resource, reserve and production growth whilst concurrently building cash. We remain focused on sustainable mining practices, prioritizing environmental stewardship and transferring engagement with all stakeholders.

With that, we're happy to take any questions. Back to you, operator.

## QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) Our first question comes from the line of Justin Stevens with PI Financial Corp.

Justin Stevens^ Darren and team, congratulations on another strong quarter here. So good to see the costs, yielding pretty healthy margins, especially with the record gold prices. A few questions on my side. You previously indicated that the first half of the year was going to be a bit weaker than the second half of the year, obviously, just as the satellite operations ramp up in Nicaragua. Given the relatively strong performance we've seen in the first half here, and from my numbers at least, sort of a little bit less sustaining capital the number I have been looking for so far, should we expect maybe a bit of a catch-up in Q3, Q4 in terms of some of that capital spend? I don't think a drop off, but should we expect may be a bit more of a flat cost and production half 1 than half 2?

Darren Hall^ Yes. Thanks, Justin. Again, the Q1 -- or the H1 results speak for themselves. As we look forward for the balance of the year, we're pretty comfortable with where we've established guidance. And we expect the same trends to continue in the back half of the year as they have in the first half in terms of production and costs, delivering into those annualized guidance. We are a little ahead on the production end, and we've had positive results on the cash end. Some of those things will continue in the back half of the year. But as we're presented with opportunity for growth investment, we will look at those options as we get into the back half of the year as we get into advancing 2024 production as well.

So I think the trends will continue similar to what we've seen. And I would anticipate, end of year, we continue to see a significant build in cash, and I'd like to see us at that north of \$100 million pretty comfortably after the end of the year.

Justin Stevens^ For sure. No. And if metal prices stay where they are, that should be eminently achievable, I think. Another 1 just sort of on Pan. Maybe give us a bit of help in terms of how we should best think of this? I mean, obviously, you've had some decent exploration success here. So are you mostly thinking this is going to be looking to sort of build out the track in front of the train here in terms of the mine plan, giving you a solid few years mining sort of what you've defined in your pit? And then maybe, obviously, there's still going to be some evaluation of Gold Rock and the like. But should we expect that to sort of follow after the mine plan is well established?

Darren Hall^ Yes, Justin, I think that kind of nails it in summary. If you look at it, we've had the assets for just on a year, and we've had a (inaudible) of success replacing reserves or growing reserves net of depletion. And with some of the recent results we've seen from Palomino and Coyote, we see good opportunity to be able to put more track in front of the train as it were. And the Palomino results, particularly is that with the average reserve grade at Pan at 0.4 and these Palomino results between 0.5 gram and 1 gram, and being within the permanent envelope and things we can bring into production in a matter of quarters, that will positively impact that production profile as well.

So I think that really when we look to these assets originally, it was an underinvestment in the good exploration potential we saw. And we're starting to understand what that potential can look like. And then as we get -- as we roll through 2024, we'll bring some of these things in like Palomino, and we'll be in a better position to assess how Gold Rock and other opportunities fit into that longer-term investment portfolio.

Justin Stevens^ Sounds good. Last 1 for me. I think I've asked you guys this before, but just to make sure, obviously, the VTEM Corridor, the Panteon extension here looks pretty stellar. Is the plan still just to roll some of the resource reserve update with the regular year-end cadence here? Or are you looking essentially at anything outside of that regular timeframe?

Darren Hall^ As it relates to Panteon North, it's really about rolling it into the year-end. I mean -- and we'll see what we can roll in for the year-end. But more importantly, we're putting a team together to understand what that development opportunity looks like in that 2- to 3-year window as well as this is it given the excitement that it surrounds it, 1 of the issues you always have is keeping operators from wanting to develop [to it] tomorrow. So we've recently deployed a project manager, an experienced guy out of the industry to come in and kind of mental that program through reporting into David Hendriks there in Nicaragua. So we can make sure that we do what makes sense for the medium and longer term as opposed to a short term by bringing into production in 2025 or 2024, right? It's just like let's take a nice balanced approach and see how that fits into the 5- to 10-year strategy for Limon.

Justin Stevens^ No, that makes a lot of sense. And I think that the sustainable approach there is hopefully going to pay dividends for quite a while to come. And I'm looking forward to seeing what comes from the explorations over the next few kilometers along that trend, too, as well.

Operator^ (Operator Instructions) I am showing no further questions in the queue. I would now like to turn the call back over to Darren Hall, President and CEO, for closing remarks.

Darren Hall^ Thanks, operator. I'd like to finish by just saying, I'd like to thank all of our shareholders for their continued support and your participation on the call and questions this morning. It is appreciated. As always, Ryan and I, and the leadership team are available if you have any further questions after the call or any point during the quarter. So with that, take care, have a wonderful day, and back to you, operator.

Operator^ Ladies and gentlemen, this concludes today's conference call. Thank you for your participation. You may now disconnect.