CALIBRE

MINING CORP

MANAGEMENT DISCUSSION & ANALYSIS

THREE AND SIX MONTHS ENDED JUNE 30, 2020

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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 three and six months ended June 30, 2020 and 2019. This MD&A should be read in conjunction with the unaudited interim consolidated financial statements for the three and six months ended June 30, 2020 and 2019, which are prepared in condensed format in accordance with International Financial Reporting Standards ("IFRS") as applicable to the preparation of interim financial statements, including International Accounting Standard IAS 34, *Interim Reporting*. The unaudited condensed interim consolidated financial statements should also be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2019, which have also been prepared in accordance with IFRS. This MD&A was prepared and reflects information as of August 7, 2020.

Additional information including this MD&A, the unaudited interim consolidated financial statements for the three and six months ended June 30, 2020 and 2019, the audited consolidated financial statements and MD&A for the year ended December 31, 2019, 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 Kilometer ("km^2"); and Meters ("m"). In addition, throughout this MD&A, the reporting periods for the three months ended June 30, 2020 and 2019 are condensed to be Q2 2020 and Q2 2019, respectively, and the six months ended June 30, 2020 and 2019 are condensed to be YTD 2020 and YTD 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 focused on sustainable operating performance and a disciplined approach to growth. 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 June 30, 2020, the Company's common shares were listed on the Toronto Stock Exchange ("TSX") in Canada under the ticker symbol *CXB* (prior to October 21, 2019, the Company's common shares were listed on the TSX Venture Exchange in Canada under the same symbol). Effective November 22, 2019, Calibre also began trading in the United States on the premium OTCQX Best Market, under the ticker symbol *CXBMF*.

CONSOLIDATED RESULTS SUMMARY AND HIGHLIGHTS

The following is a summary of consolidated financial and operational results for Q2 2020 and YTD 2020 and includes the results from the Nicaraguan Assets acquired from B2Gold in October 2019, as discussed in the section *Corporate Developments* below. Additional information including operational and financial information for each mine is provided throughout this MD&A.

During Q2 2019 and YTD 2019, Calibre was an exploration stage company with no production.

The consolidated financial and operational results discussed below and throughout this MD&A reflect the adjustments from the early adoption of "Amendments to International Accounting Standards 16, Property, Plant & Equipment, Proceeds before Intended Use" as discussed in detail in the section *Accounting Policies and Changes* in this MD&A.

Consolidated Financial Results

(in $'000s - except per share and per ounce amounts)	Q2 2020	Q2 2019	YTD 2020	YTD 2019
Revenue	**$ 15,910**	$ -	**$ 77,280**	$ -
Cost of sales, including depreciation and amortization	**$ (10,117)**	$ -	**$ 48,134**	$ -
Mine operating income	**$ 5,793**	$ -	**$ 29,146**	$ -
Net (loss) income	**$ (5,412)**	$ (469)	**$ 7,228**	$ (825)
Net (loss) income per share - basic and diluted	**$ (0.02)**	$ (0.01)	**$ 0.02**	$ (0.02)
Cash (used in) generated from operating activities	**$ (13,421)**	$ (314)	**$ 6,933**	$ (597)
Capital investment in mine development and PPE	**$ 3,522**	$ -	**$ 10,440**	$ -
Capital investment in exploration	**$ 1,964**	$ 480	**$ 4,747**	$ 1,344
Average realized gold price per ounce (1)	**$ 1,688**	$ -	**$ 1,604**	$ -
Total Cash Costs (1)	**$ 955**	$ -	**$ 909**	$ -
AISC (1)	**$ 1,426**	$ -	**$ 1,114**	$ -

Consolidated Operational Results

	Q2 2020	YTD 2020
Ore Mined *(t)*	**191,347**	**778,931**
Ore Milled *(t)*	**197,082**	**721,182**
Grade *(g/t Au)*	**2.13**	**2.43**
Recovery (%)	**91.2**	**91.7**
Gold Ounces Produced *(oz)*	**6,010**	**48,095**
Gold Ounces Sold *(oz)*	**9,426**	**48,181**

Q2 2020 Highlights

- Successfully completed phased restart of operations following a 10-week suspension related to the global pandemic
    - Production of 6,010 ounces of gold
    - Sale of 9,426 ounces of gold

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

- Issued revised 2020 guidance:
  - 110,000 to 125,000 ounces of gold production
  - Total Cash Costs [(1)] of between \$880 and \$920 per ounce
  - AISC [(1)] of between \$1,070 and \$1,100 per ounce
- Net loss of \$5.4 million (Q2 2019 – net loss of \$0.5 million) on \$15.9 million of revenue (Q2 2019 : NIL)
- Net loss per share of \$0.02 (Q2 2019 – net loss of \$0.01 per share)
- AISC [(1)] at Limon, Libertad and on a consolidated basis of \$1,186, \$1,314, and \$1,426 respectively
- High-grade drill results reported from Panteon, including 17.96 g/t Au over 4.4m and 17.77 g/t Au over 10.8m
- High-grade drill results from Jabali underground, including 23.46 g/t Au over 3.3m and 10.27 g/t Au over 3.9m
- Announced a 30% increase in exploration drilling from 47,000m to 60,000m. Initiated an unbudgeted 20,000m infill drilling program with the goal of significantly increasing indicated resources reported as at December 31, 2020
- Arranged with B2Gold to defer a cash payment of \$15.5 million by up to six months to April 15, 2021

YTD 2020 Highlights

- Total production of 48,095 ounces of gold
  - Limon produced 23,473 ounces from 181,289 tonnes of ore with an average grade of 4.76 g/t Au and average recoveries of 89.7%
  - Libertad produced 24,622 ounces from 539,892 tonnes of ore with an average grade of 1.65 g/t Au and average recoveries of 93.6%
- Net income of \$7.2 million (YTD 2019 net loss of \$0.8 million) on \$77.3 million of revenue (YTD 2019 : \$NIL)
- AISC [(1)] at Limon, Libertad and on a consolidated basis of \$1,033, \$1,027, and \$1,114 respectively
- Capital investments of \$15.2 million, including \$4.7 million of exploration expenditures
- Executed the Borosi earn-in agreement and exploration alliance agreement with Rio Tinto

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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.

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 Corp (“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 on April 15, 2021.

Following the closing of the Transaction and the conversion of the Debenture, B2Gold owns approximately 34% of Calibre as of June 30, 2020.

On April 1, 2020, the Company and B2Gold agreed to defer the payment of $15.5 million (above) to April 15, 2021. Pursuant to the terms of the amendment, Calibre will 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 is repaid.

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, 2019 and 2018.

Resumption of 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 enhanced its health and safety protocols, added key senior management, advanced permitting and technical studies, progressed a supply chain management review, and reviewed the overall scope of its exploration programs.

On June 10, 2020, Calibre announced a phased restart of operations. The phased restart of operations followed government regulations and World Health Organization guidelines with regards to appropriate operating protocols and lasted approximately one month to reach steady-state production levels. To ensure the continued health and safety of our workforce, Calibre implemented additional daily health procedures to monitor and respond quickly to changing circumstances with respect to health requirements, government regulations, and safety protocols. The Company also continues preventative communication campaigns while working closely with communities, the Ministry of Health, employees and contractors to minimize the spread of the pandemic.

Calibre's financial and/or operating performance could continue to be materially and adversely affected by the COVID-19 global health crises, other epidemics, pandemics or outbreaks of new infection diseases or viruses. 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.

As at June 30, 2020, the Company had $25.1 million in cash (December 31, 2019 - $32.9 million). The Company took significant steps to manage its liquidity and optimize capital management during the temporary suspension, 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 addition, the Company and B2Gold agreed to defer the remaining purchase price payment and working capital adjustment of $15.5 million by up to six months to April 15, 2021.

Agreements with Rio Tinto Exploration ("Rio Tinto")

During the six months ended June 30, 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 skarn, copper and copper-gold porphyry 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*.

Subsequent Events

Subsequent to June 30, 2020, the Company was granted the key environmental permit for the development and production of Pavon Norte from the Ministry of Environment and Natural Resources in Nicaragua. The approval of the Pavon Norte marks a significant milestone in the Company's efforts to increase production and extend the life of the Libertad mill by processing ores mined from satellite deposits, in line with the Company's "Hub-and-Spoke" operating philosophy.

During the fourth quarter of 2019, Calibre announced an updated 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 at www.calibremining.com.

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. With road construction to the project currently underway, Calibre is well-positioned to commence open-pit ore production from Pavon Norte in the first quarter of 2021.

Calibre also received the required permits to commence drilling on the Natividad mineral concession, the 1,300-hectare land parcel on which the Pavon Norte Gold Project is located. During the third quarter of 2020, a resource infill, geotechnical and waste dump condemnation drilling program will commence in support of the Pre-Feasibility Study, which is scheduled to be completed during the fourth quarter of 2020.

Calibre has identified the potential for resource expansion along strike at depth at the Pavon Gold Project and expects exploration drilling to commence during the fourth quarter of 2020.

On August 5, 2020, the Company announced that blasting and mining activities have recommenced at its Jabali underground mine, part of the Libertad complex. Jabali underground represents an important long-term source of high-grade ore for the Libertad mill and is a key focus on our expanded drilling program. The Company currently maintains three drill rigs completing 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 along strike and down plunge.

COMPANY OUTLOOK

On June 24, 2020 the Company announced its revised 2020 production and cost guidance following the temporary suspension of operations, summarized as follows:

	Limon	Libertad	Consolidated	Original 2020 Guidance [(2)]
Gold Production *(oz)*	55,000 - 62,500	55,000 - 62,500	**110,000 - 125,000**	*140,000 - 150,000*
Total Cash Costs *($/oz)* [(1)]	$800 - $840	$950 - $990	**$880 - $920**	*$840 - $890*
AISC *($/oz)* [(1)]	$980 - $1,020	$1,050 - $1,090	**$1,070 - $1,100**	*$1,020 - $1,060*
Growth Capital *($ millions)*	$19 - $20	$8 - $9	**$27 - $29**	*$24 - $28*
Exploration *($ millions)*	$5 - $6	$9 - $10	**$14 - $16**	*$12 - $14*
G&A *($ millions)*	N/A	N/A	**$7 - $8**	*$6 - $7*

Following a 10-week suspension of operations, Calibre now expects 2020 gold production of between 110,000 and 125,000 ounces at Total Cash Costs [(1)] of between $880 and $920 and AISC [(1)] of between $1,070 and $1,100 an ounce, respectively. The increase in $40 per ounce in AISC [(1)] guidance (or 4%) arose from the unbudgeted increase in the Company's exploration and infill drilling programs.

The Company has resumed exploration drilling with an expanded 60,000-meter program (increased from 47,000 meter). In addition, an unbudgeted 20,000-meter infill drilling program is underway targeting a significant upgrade in inferred to indicated resources for inclusion in the end of 2020 Mineral Reserve and Resource estimate.

In addition, Calibre continues to advance the preliminary economic assessment (multi-year outlook for the Libertad complex). The technical studies are expected to be completed and filed on SEDAR during the third and fourth quarters, respectively. The Company expects to ultimately begin mining at Pavon Norte in early 2021.

Calibre's asset base includes multiple ore sources, 2.7 million tonnes per annum of installed mill capacity from two processing facilities, reliable in-country infrastructure and favourable transportation costs. The Company will continue to optimize its mine and process plans as it progresses the "hub-and-spoke" approach to maximizing value and allow us to quickly translate exploration success into production and cash flow.

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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) The Company's original 2020 guidance was announced on December 4, 2019 and was withdrawn on March 25, 2020, when the Company announced the temporary suspension of operations. The original 2020 guidance is provided for information and comparative purposes only.

EXTERNAL PERFORMANCE DRIVERS AND TRENDS

Price of Gold

The price of gold is 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 the remainder of 2020 and longer-term to be favourable for gold prices. Key drivers of the price of gold continue to be historically low global interest rates, rising geopolitical tensions, and the uncertainties surrounding the recent global COVID – 19 pandemic. The Company continues to be an unhedged producer of gold.

As at June 30, 2020, the price of gold closed at $1,768/oz (based on the London Bullion Market Association final posted rate), up 16.7% from the price on December 31, 2019. The average gold price for Q2 2020 was $1,711 (Q2 2019: $1,309) and YTD 2020 was $1,646 (YTD 2019: $1,305). The price of gold has steadily increased over the course of YTD 2020 closing at $2,031 per ounce on August 7, 2020.

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 set at 3% 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 June 30, 2020, the Canadian dollar closed at $1.36 (December 31, 2019: $1.30) and the Nicaraguan Córdoba closed at $34.34 (December 31, 2019: $33.84) for each U.S. dollar, respectively. The average rates in Q2 2020 for the Canadian dollar and the Nicaraguan Córdoba were $1.39 and $34.21, respectively (Q2 2019: $1.34 and $33.11 respectively). The sudden decline in the Canadian dollar during March 2020 was 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 during Q2 2020, the Canadian dollar has steadily strengthened. The Company's exposure to fluctuations in the Canadian dollar is limited to its corporate general and administrative costs in Canada (YTD 2020: $4.1 million) and cash balances held in Canadian dollars, which as at June 30, 2020 totalled $11.5 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 Q2 2020, Calibre commenced a communication campaign (local radio and tv ads, as well as various print and social media disseminations) designed to disseminate key information including the promotion of mental health through the reduction of stress and anxiety, reinforce preventative health measures, and maintain company presence around our employees.

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 in Nicaragua and Canada.

LIMON

Limon Operating and Financial Information – Summary

The following summary consolidated operational and financial results for Q2 2020 and YTD 2020 includes the results from the Nicaraguan Assets acquired from B2Gold in October 2019, as discussed in the section *Corporate Developments*. During Q2 2019 and YTD 2019, Calibre was an exploration stage company with no operations in production and as such no operational or financial data is presented for 2019.

		Q2 2020		YTD 2020
Operating Information				
Ore Mined - open pit *(t)*		35,518		227,137
Ore Mined - open pit - average grade *(g/t Au)*		3.50		4.25
Waste Mined - open pit *(t)*		903,443		4,170,046
Ore Mined - underground *(t)*		12,057		41,977
Ore Mined - underground - average grade *(g/t Au)*		4.23		3.97
Total Ore Mined *(t)*		47,576		269,115
Total Ore Mined - average grade *(g/t Au)*		3.68		4.21
Ore Milled *(t)*		50,805		181,289
Grade *(g/t Au)*		3.85		4.76
Recovery *(%)*		90.4		89.7
Gold Ounces Produced		2,837		23,473
Gold Ounces Sold		5,003		23,528
Financial Information *(in $'000s - except per ounce amounts)*				
Revenue	$	8,435	$	37,718
Mine operating income	$	2,793	$	13,576
Cash flow from operations	$	(6,861)	$	3,256
Mine development and PPE expenditures	$	2,028	$	8,410
Exploration expenditures	$	530	$	1,198
Total Cash Costs [1]	$	949	$	899
AISC [1]	$	1,186	$	1,033

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

Limon - Operating Information – Q2 2020

The Limon mine had limited operation during Q2 2020 as a result of the initiation of the temporary suspension and the phased restart. The mine reached steady-state operations in July 2020.

Total mine production consisted of 47,576 ore tonnes at an average grade of 3.68 g/t gold. The majority of the mine production originated from the Limon Central ("LC") Phase 2 open-pit, totalling 26,236 tonnes at an average grade of 3.38 g/t gold, the LC Phase 1 open-pit totalling 9,282 tonnes at an average grade of 3.81 g/t gold, the Santa Pancha underground mine totalling 9,768 tonnes at an average grade of 4.23 g/t gold, with the remaining tonnes mined from Veta Nueva. Effective June 1, 2020, the Company considers LC Phase 2 to have commenced commercial production, but defers stripping waste material above the average LOM waste : ore ratio for the next year.

Limon produced 2,837 ounces driven by an average mill grade of 3.85 g/t gold and recovery of 90.4% from 50,805 tonnes of ore milled. The in-circuit inventory during the quarter increased by 2,500 ounces.

Limon - Financial Information – Q2 2020

Limon generated revenue of $8.4 million on sales of 5,003 ounces of gold, resulting in an average realized gold price [(1)] of $1,686/oz, in-line with average gold price for the same period (as previously discussed under the section *External Performance Drivers and Trends)*.

Cost of sales (including depreciation and amortization) was $5.6 million. Total Cash Costs [(1)] and AISC [(1)] were $949 and $1,186 per ounce, respectively. Mine operating income was $2.8 million. Cash flows from operations was an outflow of $6.9 million as a result of the shutdown of the operation for the majority of the quarter.

Total capital expenditures were $2.0 million, including $1.0 million of capitalized stripping of LC Phase 2, $0.5 million for the advancement of the Veta Nueva mine and $0.2 million of sustaining capital for the San Jose Tailings storage facility expansion. In addition, the Company incurred $0.5 million of exploration costs at Limon Norte and Panteon.

Limon - Operating Information – YTD 2020

Total mine production consisted of 269,115 ore tonnes at an average grade of 4.21 g/t gold. The majority of the mine production originated from the Limon Central ("LC") open-pit, totalling 227,137 tonnes at an average grade of 4.25 g/t gold, the Santa Pancha underground mine totalling 34,862 tonnes at an average grade of 3.88 g/t gold, with the remaining tonnes mined from Veta Nueva.

Limon produced 23,473 ounces driven by an average mill grade of 4.76 g/t gold and recovery of 89.7% from 181,289 tonnes of ore milled.

Limon - Financial Information – YTD 2020

Limon generated revenue of $37.7 million on sales of 23,528 ounces of gold, resulting in an average realized gold price [(1)] of $1,603/oz, in-line with average gold price for the same period (as previously discussed under the section *External Performance Drivers and Trends)*.

Cost of sales (including depreciation and amortization) was $24.1 million. Total Cash Costs [(1)] and AISC [(1)] were $899 and $1,033 per ounce, respectively. Mine operating income was $13.6 million. Cash flows from operations was $3.3 million which was a result of the shutdown of the operation during the majority of the second quarter.

The Company continues to look for areas of cost improvements and efficiencies that include optimizing underground water pumps, ventilation systems, monitoring electrical energy usage, and managing delays in development by prioritizing production of higher-grade zones.

Total capital expenditures were $8.4 million, including $5.9 million of capitalized stripping of LC Phase 2, $0.7 million for the development of the Veta Nueva mine and $1.1 million of sustaining capital for the San Jose Tailings storage facility expansion. In addition, the Company incurred $1.2 million of exploration costs at Limon Norte and Panteon.

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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

Libertad Operating and Financial Information - Summary

The following summary consolidated operational and financial results for Q2 2020 and YTD 2020 includes the results from the Nicaraguan Assets acquired from B2Gold in October 2019, as discussed in the section *Corporate Developments*. During Q2 2019 and YTD 2019, Calibre was an exploration stage company with no operations in production and as such no operational or financial data is presented for 2019.

		Q2 2020		YTD 2020
Operating Information				
Ore Mined - open pit *(t)*		143,771		509,816
Ore Mined - open pit - average grade *(g/t Au)*		1.97		1.71
Waste Mined - open pit *(t)*		997,714		3,269,643
Ore Mined - underground *(t)*		-		-
Ore Mined - underground - average grade *(g/t Au)*		-		-
Total Ore Mined *(t)*		143,771		509,816
Total Ore Mined - average grade *(g/t Au)*		1.97		1.71
Ore Milled *(t)*		146,277		539,892
Grade *(g/t Au)*		1.54		1.65
Recovery *(%)*		91.9		93.6
Gold Ounces Produced		3,173		24,622
Gold Ounces Sold (2)		4,423		24,653
Financial Information *(in $'000s - except per ounce amounts)*				
Revenue	$	7,475	$	39,562
Mine operating income	$	3,000	$	15,570
Cash flow from operations	$	(5,282)	$	7,011
Mine development and PPE expenditures	$	1,494	$	2,030
Exploration expenditures	$	913	$	2,560
Total Cash Costs (1)	$	962	$	918
AISC (1)	$	1,314	$	1,027

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

Libertad - Operating Information – Q2 2020

Libertad had limited operations during Q2 2020 as a result of the initiation of the temporary suspension and the phased restart. The mine reached steady-state operations in July 2020.

The majority of Libertad's mine production consisted of 34,499 tonnes of ore from the Jabali open-pit grading 3.06 g/t and 102,197 tonnes grading 0.85 g/t from "spent ore", which was utilized to restart operations at the mill. Mined production includes 7,074 tonnes of ore purchased from Artisanal Small Miners at Pavon at a grade of 12.90 g/t.

The hub-and-spoke approach commenced late in the second quarter with 18,912 tonnes of ore grading 2.62 g/t from Limon that was included in Libertad mill production. Libertad achieved gold production of 3,173 ounces from an average mill grade of 1.54 g/t and recovery of 91.9% from 146,277 tonnes of ore milled. The in-circuit inventory during the quarter increased by 3,400 ounces. Spent ore was used in the mill to ramp up to normal levels by early in the third quarter and the ounces produced and lower ore grades processed in the second quarter reflected that.

Libertad - Financial Information – Q2 2020

Libertad generated revenue of $7.5 million from sales of 4,423 ounces of gold, resulting in an average realized gold price of $1,690/oz.

Cost of sales (including depreciation and amortization) was $4.5 million. Total Cash Costs (1) and AISC (1) were $962 and $1,314, respectively. The high AISC (1) for the quarter is not representative as the ounces sold was lower than normal affecting the denominator (less ounces spread against non-inventories costs including sustaining capital, sustaining exploration, community relations and costs in Managua) and higher than normal spent ore was processed. Mine operating income was $3.0 million. Cash flows from mining operations was an outflow of $5.3 million due to working capital adjustments.

Capital expenditures totaled $1.5 million, including $0.2 million for advancement at Pavon and $0.9 million for resettlement of households to enable the Jabali underground operation to recommence. Exploration drilling of $0.9 million was spent at Jabali, Tranca and Rosario.

Libertad - Operating Information – YTD 2020

The Libertad mine had limited operations during Q2 2020 as a result of the initiation of the temporary suspension in April 2020 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 155,195 tonnes of ore from the Jabali open-pit grading 2.80 g/t and 339,013 tonnes grading 0.77 g/t from "spent ore". Mined production includes 13,319 tonnes of ore purchased from Artisanal Small Miners at Pavon at a grade of 13.00 g/t.

The hub-and-spoke approach included 39,856 tonnes of ore grading 2.86 g/t from Limon and that ore was included in mill production. Libertad achieved gold production of 24,622 ounces from an average mill grade of 1.65 g/t and recovery of 93.6% from 539,892 tonnes of ore milled.

On August 5, 2020, the Company announced that blasting and mining activities have recommenced at its Jabali underground mine, part of the Libertad complex. Jabali underground represents an important long-term source of high-grade ore for the Libertad mill and is a key focus on our expanded drilling program. The Company currently maintains three drill rigs completing 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 along strike and down plunge.

Libertad - Financial Information – YTD 2020

Libertad generated revenue of $39.6 million from sales of 24,653 ounces of gold, resulting in an average realized gold price of $1,605/oz.

Cost of sales (including depreciation and amortization) was $24.0 million. Total Cash Costs (1) and AISC (1) were $918 and $1,027, respectively. Mine operating income was $15.6 million. Cash flows from mining operations were $7.0 million.

Capital expenditures totaled $2.0 million, including $0.5 million for advancement at Pavon and $0.9 million for the resettlement of households to enable the Jabali underground operation to recommence. Exploration drilling of $2.6 million was spent at Jabali, Tranca, Rosario, Amalia and San Antonio.

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

GROWTH AND DISCOVERY

Limon and Libertad Exploration – Q2 2020

In May 2020, Calibre provided a summary of its exploration results from the Company's diamond drilling programs. Similar to the Company's mining operations, Calibre's exploration programs were suspended in April 2020 and recommenced in late June 2020. The Company resumed exploration drilling with an expanded 60,000-meter program (increased from 47,000-meter). In addition, an unbudgeted 20,000-meter infill drilling program began targeting a significant upgrade of inferred to indicated resources for inclusion in the end of 2020 Mineral Reserve and Resource estimates.

Drilling prior to the temporary suspension confirmed resource expansion potential down plunge at the Panteon deposit at Limon and at the Jabali West underground mine at Libertad. Drilling has also demonstrated positive gold grades and continuity at the previously untested Tranca and Amalia prospects.

Drilling results at Limon continued at the Panteon and Limon Norte deposits following the release of initial results (see news releases dated February 4, 2020 and April 9, 2020). Drilling at Libertad focused on four targets: resource expansion and delineation drilling at Jabali West and Jabali Central, initial drill testing at Tranca, and follow up drilling at the Amalia prospect (see news release dated February 11, 2020).

Highlighted drilling results announced on May 20, 2020 were as follows:

Panteon Gold Deposit
- 4.25 g/t Au over 2.1 meters Estimated True Width ("ETW") in hole LIM-20-4429; and
- 2.08 g/t Au over 6.0 meters ETW in hole LIM-20-4433.

Jabali West Underground Deposit
- 23.46 g/t Au over 3.3 meters ETW in hole JB20-476;
- 10.27 g/t Au over 3.9 meters ETW in hole JB20-480; and
- 9.78 g/t Au over 2.1 meters ETW in hole JB20-489.

Tranca Gold Prospect
- 3.92 g/t Au over 4.5 meters ETW in hole TR20-009;
- 1.62 g/t Au over 4.6 meters ETW in hole TR20-002; and
- 2.09 g/t Au over 4.7 meters ETW in hole TR20-003.

Amalia Gold Prospect
- 19.99 g/t Au over 1.9 meters ETW in hole EZ20-007;
- 5.24 g/t Au over 6.7 meters ETW in hole EZ20-011; and
- 3.86 g/t Au over 3.1 meters ETW in hole EZ20-015.

An overview of the Company's exploration work to date by significant project is discussed below.

Jabali West Underground Mine

Calibre recently completed eight holes for a total of 1,320 meters of infill and step-out drilling at the Jabali West underground mine. The Jabali West inferred mineral resource currently hosts an estimated 1,243,000 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"). The Jabali West resource remains open along strike and down plunge to the west.

Of the eight holes drilled, seven were infill holes to increase resource estimation confidence. All of these holes intercepted moderate to strong gold mineralization over ETW's ranging from one to four meters in a section of the vein approximately 45 to 60 meters below the base of the Jabali Antenna open pit. One step out hole (JB20-476) intercepted 23.46 g/t Au over 3.3 meters ETW, 200 vertical meters below the current Jabali Antenna open pit resource and 25 meters down plunge from a B2Gold drill hole (JB11-254), which intercepted 2.18 g/t Au over 7.7 meters.

The combination of the infill drilling results along with the two high-grade step-out intercepts described above provides further confirmation of gold grade continuity and that the Jabali West resource remains open to further expansion at depth. In conjunction with resumption of exploration, Calibre has resumed drilling at Jabali West with a focus on upgrading resource classification and testing the potential to extend the resource along strike and down plunge toward the west.

Jabali Central Prospect

Eight holes were completed for a total of 2,390 meters at the Jabali Central prospect, located approximately one kilometer east of the Jabali Antenna open pit. Five of the eight holes intercepted mineralization grading between 1.1 to 10.6 g/t Au over ETW's ranging from 0.9 to 6.1 meters. Drill hole JB20-490 intercepted 10.6 g/t Au over 0.9 meters in the western area of Jabali Central, approximately 130 meters below the currently inactive Jabali Central open pit.

Tranca Prospect

The Tranca prospect is located approximately five hundred meters south of the Jabali West underground mine. Gold mineralization in the area occurs in multiple vein sets exposed over a four-kilometer trend that had not previously been drill tested.

Calibre commenced Phase I exploration drilling in February and completed nine holes for a total of 1,056 meters along an 850-meter section of the four-kilometer vein trend. Drilling to date has focused on the upper 125 meters of the Tranca vein structure to determine where the structure may thicken and host higher grade ore shoots along its strike extent. 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 meters. The Tranca vein system remains open in both directions along strike.

Amalia Prospect

The Amalia prospect is located approximately 35 kilometers northeast of the Libertad mill. The concession encompasses approximately 84 km^2 of near-surface gold mineralization exposed along a steeply dipping north-easterly vein trend. Calibre reported results from the first seven holes drilled in Q4 2019 which included 17.84 g/t over 7.4 meters in hole EZ19-001 (see news release dated February 11, 2020).

Since resuming drilling in January 2020, an additional 15 holes were completed for a total of 2,471 meters. Results to date show that the Espinoza structure hosts one, and possibly two, shallow north-easterly plunging zones of gold mineralization warranting further follow-up drilling.

Limon Norte Deposit

Calibre reported results from the first four step-out holes drilled at Limon Norte during the fourth quarter of 2019 on February 4, 2020, which included 18.65g/t Au over 5.1m ETW (LIM-19-4418) and 11.65 g/t Au over 5.1m ETW (LIM-19-4417). Three additional holes were completed for a total of 880 meters, testing the potential to extend the Limon Norte gold resource another 100 meters down-dip of the currently defined resource. The Company plans to conduct infill drilling in the second half of 2020 to improve confidence and upgrade the classification of the Limon Norte mineral resource from Inferred to Indicated. Exploration drilling is scheduled to recommence following the completion of infill drilling at Limon Norte.

Panteon Deposit

The Panteon deposit is located approximately 150 meters west of the Santa Pancha underground mine and is a vein splay that extends north-northwest from Santa Pancha. Calibre drilled a total of 2,625 meters in 12 holes, focusing on a 75 by 150-meter section of thickening along the vein and its potential extension at depth. Drilling to date has tested this section over a strike length of 125 meters and a vertical depth of 200 meters from surface. On April 9, 2020 Calibre announced initial high-grade drill results from Panteon, which included 17.96 g/t Au over 4.4 meters ETW (LIM-20-4422) and 10.64 g/t Au over 4.7 meters (LIM-20-4423).

Four additional holes were drilled to further delineate the deposit and hole LIM-20-4429 intercepted 4.25 g/t Au over 2.1 meters ETW, 40 meters down plunge from previously reported LIM-20-4422 (which returned 17.96 g/t Au over 4.4 meters ETW), demonstrating that the ore shoot remains open down plunge to the southeast.

As a result of the exploration work completed, 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 June 3, 2020 for further details). Further exploration drilling at Panteon will focus on resource expansion along strike and at depth.

Agreements with Rio Tinto Exploration ("Rio Tinto")

During the six months ended June 30, 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. The Borosi Projects host both gold-silver and copper-gold resources in two areas, as well as multiple lesser explored copper-gold skarns, low-sulphidation epithermal gold-silver vein systems and bulk tonnage copper-gold porphyry targets. A summary of the significant terms of the 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 also entered into a separate exploration alliance ("Alliance Agreement") to acquire and earn-in to various exploration concessions in Nicaragua, with a focus on skarn, copper and copper-gold porphyry style targets (the "Alliance"). This exploration alliance is a five-year generative exploration and concession acquisition alliance 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.

As a result of the issues involving the COVID-19 pandemic, the Company and Rio Tinto have not yet commenced an initial joint exploration program on the Borosi Projects, however discussion, data analysis, and planning are on-going.

Other Exploration Projects

As previously discussed, Calibre has certain interests in three contiguous blocks of mineral concessions located within the prolific Mining Triangle in the North Atlantic Autonomous Region of Nicaragua. The Borosi concessions are host to a variety of mineral deposit styles including epithermal gold and silver, porphyry copper-gold and gold-silver-base metal skarns.

The Company's interests in the Mining Triangle region also include a joint venture agreement with IAMGOLD Corp. ("IAMGOLD") covering a 176 km^2 area of prospective gold-silver mineralization, and a three-way joint venture with Rosita Mining and Century Mining covering a 33.6 km^2 area centered around a historic copper skarn deposit. Both agreements remain in good standing.

Exploration work on its Borosi projects have remained suspended subject to improvements in the global economic environment and related logistical supply channels. The Company maintains active dialogs with IAMGOLD regarding the future of the project.

CONSOLIDATED FINANCIAL RESULTS

Mining Operations

The Company transitioned to a gold producer on October 15, 2019 with the purchase of the Nicaraguan Assets from B2Gold. The following discussion on the consolidated financial results related to the mining operations are for Q2 and YTD 2020. There were no comparable mining related figures for the prior year as the Company had not yet commenced gold production activities.

During Q2 2020, the Company sold 9,426 ounces of gold for revenue of $15.9 million at an average realized price of $1,688/oz. The average gold price for the same period was $1,711. The majority of the ounces sold were in April 2020 as the Company was beginning the process of suspending operations and removing in-circuit gold in the production process at that time. There was only a small amount of gold poured in June 2020 (and none in May 2020) as the Company started its phased resumption of operations and accumulating in-circuit inventory prior to the end of Q2 2020. The Company achieved successful steady-state production in July 2020. In the second half of 2020, the Company expects to realize the benefit from the significant rise in gold price to historic levels at the same time as Calibre was resuming operations.

During YTD 2020, the Company sold 48,181 ounces of gold for revenue of $77.3 million at an average realized price of $1,604/oz. The average gold price for the same period was $1,646/oz.

Total cost of sales for Q2 2020 included total production costs of $8.1 million, royalties and production taxes of $0.9 million, refinery and transportation totaling $0.1 million, and depreciation of $1.1 million. The significant reduction in overall cost of sales reflects the Company's pandemic-related suspension of operations during Q2 2020. During the month of June 2020, the majority of mining and production costs incurred during the restart were accumulated in in-circuit and stockpile inventory as there was minimal production during the restart phase prior to the end of Q2 2020.

For YTD 2020, total cost of sales included $40.1 million of production costs, $3.3 million in royalties and production taxes, $0.3 million in refinery and transportation, and $4.4 million in depreciation. The expenditures for the six months ended June 30, 2020, represent the costs incurred for nearly a full quarter of operations in Q1 2020 and a limited Q2 2020 with minimal production resulting from the temporary suspension.

Mine operating income for Q2 2020 was $5.8 million, with $2.8 million driving from operations at Limon and $3.0 million from Libertad. For YTD 2020, mine operating income was $29.2 million, with $13.6 million from Limon operations and $15.6 million from Libertad.

Total Cash Costs (1) for Q2 2020 were $955 per ounce and AISC (1) were $1,426 per ounce. The higher per ounce costs for the second quarter of 2020 reflects the fixed-cost nature of the Company's business during a time when there was limited production and sale of gold, which impacted costs on a per ounce basis. AISC reflects the Company's Q2 2020 corporate G&A for this entire period of limited production. For the second half of 2020, Calibre expects to benefit from our "Hub-and-Spoke" operating philosophy and as we continue through normalized and steady-state production levels will begin to see the bottom-line impact of our increased focus on operating efficiencies and supply chain management practices. For the YTD 2020, Total Cash Costs (1) were $909 and AISC (1) were $1,114 per ounce.

A reconciliation of the Total Cash Costs (1) and AISC (1), which are non-IFRS measures, is provided in the *Non-IFRS Measures* section in the MD&A.

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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.

Expenses and Net Income

G&A expenses totalled $1.7 million in Q2 2020 compared to $0.5 million in Q2 2019. The increase is the result of increased salaries and wages associated with higher staffing levels including enhancements to the senior management team 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, higher professional fees, marketing and promotion of the launch in new business and operations, and greater corporate oversight costs related to mining operations. The decrease in G&A expenses from Q1 2020 (expenses of $2.4 million) reflects the decrease in overall activity resulting from the pandemic related suspension, including diminished marketing and trade show attendance, elimination of corporate level travel, and reduction of consulting engagements and professional fees. G&A expenses for YTD 2020 totaled $4.1 million compared to $0.7 million for YTD 2019 for the same reasons as those identified above.

Share-based compensation for Q2 2020 was $1.5 million compared to $0.1 million in Q2 2019. For the YTD 2020, stock-based compensation was $2.9 million compared to $0.1 million for the same period in 2019. The increase in all periods in 2020 compared to 2019 relates to the granting of options and RSUs in Q4 2019 and Q1 2020, as the Company enhanced its management team and increased staffing levels in connection with the acquisition of the assets from B2Gold.

During Q2 2020 and YTD 2020, the Company incurred a total of $7.1 million in care and maintenance expenditures (Q2 2019 and YTD 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. The costs include the costs of retaining non-essential and idle staffing, security, and contractor standby costs.

Total finance expense for Q2 2020 includes mine restoration provision ($0.2 million), accretion on the deferred payment to B2Gold ($0.4 million) and accretion of employee benefits obligations ($0.1 million). Total finance expense for YTD 2020 includes mine restoration provision ($0.4 million), accretion on the deferred payment to B2Gold ($0.8 million) and accretion of employee benefits obligations ($0.2 million). There were no such financing expenses for any of the periods in 2019.

Other income for Q2 2020 was $2.0 million and $1.9 million for YTD 2020 (other income for both periods in 2019 were nominal). During the three and six months ended June 30, 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. The Company also incurred a gain on a modification of the deferred payment to B2Gold totaling $0.5 million.

Current and deferred income tax expense was $2.0 million during Q2 2020 and $8.6 million for the YTD 2020 (there was no such expense during the periods for 2019). Current and deferred tax expense includes alternative minimum taxes and ad valorem taxes paid by the Company, which was significantly reduced during Q2 2020 because of the temporary suspension of operations due to the limited revenue and production of gold.

As a result of the above, net income (loss) per share (both basic and diluted) was a loss of $(0.02) for Q2 2020 (Q2 2019: $(0.01)) and income of $0.02 for the YTD 2020 (YTD 2019 : $(0.02)).

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. 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.

As at June 30, 2020, the Company had cash and cash equivalents of $25.1 million (December 31, 2019 - $32.9 million) and current liabilities of $32.4 million (December 31, 2019 - $34.8 million). Cash provided by operating activities totaled $6.9 million for the six months ended June 30, 2020 (cash used in operations - June 30, 2019 – $(0.6) million). The improved working capital was the result of increases to in-circuit inventory and ore stockpiles at June 30, 2020, accumulated as a result of the phased-in restart and a reduction of current accounts payable and taxes payable.

The Company took significant steps to manage its liquidity and optimize capital management during the temporary suspension, 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 addition, the Company and B2Gold agreed to defer the remaining purchase price payment and working capital adjustment of $15.5 million by six months to April 15, 2021. Subsequent to June 30, 2020, the Company was able to re-establish a steady-state of its operations which resulted in the ability to generate additional cashflow and liquidity not available during the temporary suspension.

Cashflow Analysis

For the six months ended June 30, 2020, the Company generated cash flows from operations of $6.9 million compared to the utilization of $0.6 million for the comparable period in 2019. The difference highlights the impact of the acquisition of the mines acquired in Q4 2019. Cashflow from operations during Q2 2020 was predominantly impacted by the effects of the temporary suspension of operations and the expenditures of $7.1 million in care and maintenance costs. As noted above, the Company took significant steps to manage its liquidity and optimize capital deployment during Q2 2020, including stopping all mining, processing, and exploratory operations, ensuring only essential employees remained at site, reducing overall corporate costs and deferring senior management salaries by 20% during the suspension period. During the month of June 2020, the Company increased cash outflows during the phased restart, which is reflected in the rise of gold in-circuit and stockpile inventory costs, in anticipation of achieving steady-state production in July 2020.

The Company invested cash of $14.1 million in its exploration projects, PPE, and mine development, over the six months ended June 30, 2020. The breakdown of the expenditures were as follows: mine development of $6.2 million (YTD 2019 : $Nil), PPE of $3.5 million (YTD 2019 : $Nil), and exploration expenditures of $4.3 million (YTD 2019: $0.8 million). Further details of capital investments for each mining operation is outlined in the sections *Limon*, *Libertad*, and *Growth and Discovery*.

During YTD 2020, the Company received $0.2 million in proceeds from the exercise of options and warrants (YTD 2019 : $Nil). As at June 30, 2020, the Company had a total of 185,000 options with an exercise price of CAD $1.00 and 164,000 warrants with an exercise price of CAD $0.55 that will expire before the end of 2020. The exercise of these options and warrants would generate an additional $0.2 million in proceeds for the Company.

OFF-BALANCE SHEET ITEMS

As at June 30, 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 June 30, 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 13 in the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2020.

	Issued and Outstanding	
(In thousands)	As at June 30, 2020	As at December 31, 2019
Common shares	328,399	328,021
Options	32,355	30,250
Restricted share units	8,085	5,275
Share purchase warrants	11,514	13,764

There were no changes to the Company's common shares and equity instruments noted above subsequent to June 30, 2020, up to the date of this report (August 7, 2020).

QUARTERLY INFORMATION

(in thousands - except ounces and per share amounts)	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Gold Ounces Produced	6,010	42,085	33,506	-	-	-	-	-
Gold Ounces Sold	9,426	38,755	38,993	-	-	-	-	-
Average realized gold price *($/oz)* (1)	$ 1,688	$ 1,584	$ 1,481	$ -	$ -	$ -	$ -	$ -
Total Cash Costs *($/oz)* (1)	$ 955	$ 897	$ 866	$ -	$ -	$ -	$ -	$ -
AISC *($/oz)* (1)	$ 1,426	$ 1,038	$ 959	$ -	$ -	$ -	$ -	$ -
Revenue	$ 15,910	$ 61,370	$ 57,763	$ -	$ -	$ -	$ -	$ -
Mine operating income	$ 5,793	$ 23,353	$ 13,344	$ -	$ -	$ -	$ -	$ -
Net (loss) income	$ (5,412)	$ 12,640	$ 3,130	$ (1,381)	$ (468)	$ (356)	$ (281)	$ (368)
Net (loss) income per share - basic & diluted ($/share)	$ (0.02)	$ 0.04	$ 0.01	$ (0.03)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)
Total assets	$277,205	$284,882	$265,184	$ 25,352	$ 25,728	$ 26,042	$ 25,625	$ 22,268
Non-current liabilities	$ 80,562	$ 78,950	$ 75,713	$ 137	$ 228	$ 224	$ -	$ -

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

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 of operations for Q2 2020 was significantly impacted by the 10-week suspension of operations discussed throughout this MD&A.

The above losses were also impacted by increases or decreases in corporate general and administrative expenditures, which can change from quarter to quarter depending on overall levels of corporate activity (for example, due diligence and/or transaction costs impacted losses in the second and third quarter of 2019), options granted in any given period, which will give rise to share-based compensation expenses, and impairment of assets, if any, in any given period.

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 reconciles Total Cash Costs and for the three months ended June 30, 2020:

	Q2 2020			
(in thousands - except per ounce amounts)	El Limon	La Libertad	G&A	Consolidated
Production costs	$ 3,933	$ 4,120	$ -	$ 8,053
Royalties and production taxes	802	83	-	885
Refinery, transportion and other	13	51	-	64
Total cash costs	4,748	4,254	-	9,002
Corporate administration	-	-	1,698	1,698
Reclamation accretion and amortization of ARO	92	120	-	212
Sustaining capital [(1)]	562	1,160	-	1,722
Sustaining exploration [(1)]	530	279	-	809
Total AISC	$ 5,932	$ 5,813	$ 1,698	$ 13,443
Gold ounces sold	5,003	4,423	-	9,426
Total Cash Costs	$ 949	$ 962		$ 955
AISC	$ 1,186	$ 1,314		$ 1,426

(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 three months ended June 30, 2020:

	Q2 2020		
(in thousands)	El Limon	La Libertad	Consolidated
Operating mine capital expenditures on an accrual basis	$ 2,029	$ 1,494	$ 3,523
Less:			
Veta Nueva development	(493)	-	(493)
Pavon development	-	(183)	(183)
Deferred stripping at Limon Central	(1,027)	-	(1,027)
Other	53	(151)	(98)
Sustaining capital	$ 562	$ 1,160	$ 1,722

The table below shows a reconciliation of sustaining exploration expenditures to total exploration expenditures from the condensed interim consolidated financial statements for the three months ended June 30, 2020:

	Q2 2020		
(in thousands)	El Limon	La Libertad	Consolidated
Total mine exploration expenditure on an accrual basis	$ 530	$ 913	$ 1,443
Less:			
Regional exploration	-	(634)	(634)
Sustaining exploration	$ 530	$ 279	$ 809

The table below reconciles Total Cash Costs and AISC per ounce of gold sold for the six months ended June 30, 2020:

	YTD 2020			
(in thousands - except per ounce amounts)	El Limon	La Libertad	G&A	Consolidated
Production costs	$ 18,390	$ 21,713	$ -	$ 40,103
Royalties and production taxes	2,665	675	-	3,340
Refinery, transportion and other	97	237	-	334
Total cash costs	21,152	22,625	-	43,777
Corporate administration	-	-	4,068	4,068
Reclamation accretion and amortization of ARO	179	241	-	420
Sustaining capital [(1)]	1,775	1,384	-	3,159
Sustaining exploration [(1)]	1,198	1,068	-	2,266
Total AISC	$ 24,304	$ 25,318	$ 4,068	$ 53,690
Gold ounces sold	23,528	24,653	-	48,181
Total Cash Costs	$ 899	$ 918		$ 909
AISC	$ 1,033	$ 1,027		$ 1,114

(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 six months ended June 30, 2020:

	YTD 2020		
(in thousands)	El Limon	La Libertad	Consolidated
Operating mine capital expenditures on an accrual basis	$ 8,410	$ 2,030	$ 10,440
Less:			
Veta Nueva development	(713)	-	(713)
Pavon development	-	(451)	(451)
Deferred stripping at Limon Central	(5,868)	-	(5,868)
Other	(54)	(195)	(249)
Sustaining capital	$ 1,775	$ 1,384	$ 3,159

The table below shows a reconciliation of sustaining exploration expenditures to total exploration expenditures from the condensed interim consolidated financial statements for the six months ended June 30, 2020:

	YTD 2020		
(in thousands)	El Limon	La Libertad	Consolidated
Total mine exploration expenditure on an accrual basis	$ 1,198	$ 2,560	$ 3,758
Less:			
Regional exploration	-	(1,492)	(1,492)
Sustaining exploration	$ 1,198	$ 1,068	$ 2,266

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 most directly comparable measure prepared in accordance with IFRS is revenue from gold sales. The measure is reconciled for the periods presented as follows:

	Q2 2020		
(in thousands - except per ounce amounts)	El Limon	La Libertad	Consolidated
Revenue	$ 8,435	$ 7,475	$ 15,910
Ounces of gold sold	5,003	4,423	9,426
Average realized price per ounce sold	$ 1,686	$ 1,690	$ 1,688

	YTD 2020		
(in thousands - except per ounce amounts)	El Limon	La Libertad	Consolidated
Revenue	$ 37,718	$ 39,562	$ 77,280
Ounces of gold sold	23,528	24,653	48,181
Average realized price per ounce sold	$ 1,603	$ 1,605	$ 1,604

COMMITMENTS AND CONTINGENCIES

Commitments

The Company is committed to $6.1 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 condensed interim consolidated financial statements for the three and six months ended June 30, 2020 and for the audited consolidated financial statements for the year ended December 31, 2019):

	Remaining 2020	2021	2022	2023	2024	2025 and later years	Total
Payables and non-capital orders	$ 4,387	$ -	$ -	$ -	$ -	$ -	$ 4,387
Capital expenditure commitments	1,761	-	-	-	-	-	1,761
	$ 6,148	$ -	$ -	$ -	$ -	$ -	$ 6,148

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) being granted 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.
- B2Gold retains a 1.5% NSR on production from certain concessions within the 100% Calibre-owned Borosi project (unrelated to the Limon and Libertad gold mines).

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. In the event that 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.

In October 2019, a municipality near the Limon mine issued a demand payment letter to Triton Minera S.A. ("Triton") for annual municipal registration fees and penalties totaling approximately $1.0 million. Calibre believes Triton is not subject to these fees as established in its mining tax regime and the declaration is without merit and is vigorously contesting this claim.

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, Chief Operating Officer, and the VP, Exploration. 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 three and six months ended June 30, 2020 and 2019:

	Q2 2020	Q2 2019	**YTD 2020**	YTD 2019
Short-term salaries and benefits	**$ 201**	$ 45	**$ 425**	$ 90
Director fees	**130**	-	**266**	-
Share-based compensation	**1,067**	36	**2,049**	91
Consulting and advisory fees paid to key management	**$ -**	$ 65	**$ -**	$ 132

Management Contracts

As at June 30, 2020, minimum commitments upon termination of the existing contracts was approximately $1.5 million and minimum commitments due within one year under the terms of these contracts is $2.0 million. In addition, the Company is party to various executive and employee contracts that would require payments totalling $1.5 million 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 significant equity interest in Calibre following the completion of the Nicaraguan Asset transaction. B2Gold owns approximately 34% of the Company as at June 30, 2020. Related party transactions with B2Gold are discussed in Note 11 of those condensed interim consolidated financial statements for the three and six months ended June 30, 2020 and 2019. 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 Nicaraguan Assets).

RISK FACTORS

The exploration, development and mining of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Calibre is subject to several risks and uncertainties which could have a material adverse impact on its operations, its financial condition and the trading price of its shares. The most significant risks and uncertainties faced by the Company include: successful integration of the recently acquired Nicaraguan Assets; inherent mining industry risks; uncertainty of Mineral Resource and Mineral Reserve estimates; gold price volatility; mineral exploration, development, and operating risks; Nicaraguan political and economic risks; foreign exchange risks; social unrest in Nicaragua; artisanal mining; uncertainties and risks related to feasibility studies; liquidity risks; title, rights, licenses and permit risks; environmental risks and hazards; communication and customs risk associated with working in Nicaragua; community relations; competition; labour relations; share price volatility; litigation; commodity and supply pricing; taxation; uninsured risks; loss of key personnel; cyber security; dependence on key personnel; and safety and security, particularly associated with the global COVID-19 pandemic.

For a comprehensive discussion on the risks and uncertainties the reader is directed to the Company's annual MD&A for the year ended December 31, 2019 and 2018 and the latest Annual Information Form filed on SEDAR at www.sedar.com and the Company's website at www.calibremining.com. Careful attention should also be paid to the section in this MD&A entitled "Cautionary Note Regarding Forward Looking Statements"

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 has 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.

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.

Key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities applied in the preparation of the unaudited condensed interim consolidated financial statements with the addition of the COVID-19 pandemic issue discussed in this document are consistent with those applied and disclosed in the annual consolidated financial statements for the year ended December 31, 2019.

ACCOUNTING POLICIES AND CHANGES

The Company's accounting policies are outlined in the consolidated financial statements for the year ended December 31, 2019 and 2018 in Notes 4 and 5. The accounting policies and basis of presentation applied in the preparation of the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2020 are consistent with those applied and disclosed in the Company's audited annual consolidated financial statements for the year ended December 31, 2019, except as discussed below.

Adoption of New Accounting Policy and Restatement

During the second quarter of 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. However, previously in the first quarter of 2020, proceeds from the sale of 1,261 ounces of gold and related costs from the Veta Nueva mine that was in development was netted against mineral interest, plant and equipment. Accordingly, numbers for the three months ended March 31, 2020 are restated as follows:

	Amount previously disclosed for the three months ended March 31, 2020	Effect of early adoption of an amendment to IAS 16	Restated balance for the three months ended March 31, 2020 following the adotpion of IAS 16
Revenue	$ 59,363	$ 2,007	$ 61,370
Costs of sales	36,403	1,614	38,017
Income tax expense	6,336	270	6,606
Mineral interests, plant and equipment	204,610	241	204,851
Deferred income tax liability	24,344	118	24,462
Shareholders' equity	167,070	123	167,193
Net income	12,517	123	12,640
Net income per share	$ 0.04	$ -	$ 0.04

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 June 30, 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 June 30, 2020, the Company had cash and cash equivalents of $25.1 million (December 31, 2019 : $32.9 million) and current liabilities of $32.4 million (December 31, 2019 : $34.8 million). Cash provided by operating activities totaled $6.9 million for the six months ended June 30, 2020 (cash used in operations - YTD 2019 : $0.6 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 $35.9 million as a result of additions to in-circuit inventory and ore stockpiles at June 30, 2020, accumulated as a result of the phased-in restart coupled with a reduction of current accounts payable and taxes payable.
The Company's operations and liquidity were significantly impacted by the temporary suspension and the recent resumption of operations, see Note 1 in the condensed interim consolidated financial statements for the three and six months ended June 30, 2020 for details. Following the successful phased in restart, the Company has achieved a normalized state of production in early July 2020, which management expects will also normalize operating cashflow and improve liquidity.

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 June 30, 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 June 30, 2020, would affect the statements of operations and comprehensive income by approximately $1.4 million.

The Córdoba has been annually devalued against the U.S. dollar by means of a crawling peg mechanism which currently stands at approximately 3%. 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

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 Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the design of the Company's disclosure controls and procedures, that as of June 30, 2020, the Company's disclosure controls and procedures have been designed to provide reasonable assurance that material information relating to the Company is made known to them by others within the Company.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, are responsible for establishing adequate internal control over financial reporting. The Company's Chief Executive Officer and Chief Financial Officer 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. Except as noted below, for the three months ended March 31, 2020, there were no changes in the Company's internal control over financial reporting that materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

The Company assessed the disclosure controls and procedures and internal control over financial reporting for the Nicaraguan Assets acquired on October 15, 2019; however, in accordance with NI 52- 109 - *Certification of Disclosure in Issuer's Annual and Interim Filings*, because the Nicaraguan Assets were acquired less than 365 days before the end of December 31, 2019, the Company has limited the scope of the Company's design of disclosure controls and procedures and internal controls over financial reporting to exclude the controls, policies and procedures of the Nicaraguan Assets acquired on October 15, 2019, which the Company has elected to do.

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.