CALIBRE
MINING CORP

# Condensed Interim Consolidated Financial Statements

## For the Three Months Ended March 31, 2020 and 2019

(Unaudited and stated in thousands of United States dollars)

| | Notes | Three Months Ended March 31, 2020 | 2019 |
|---|---|---|---|
| **Revenue** | | **$ 59,363** | $ - |
| **Cost of sales** | | | |
| Production costs | 3 | **(29,828)** | - |
| Royalty and production taxes | | **(2,370)** | - |
| Refinery, transportation and other | | **(963)** | - |
| Depreciation and amortization | | **(3,242)** | - |
| **Total cost of sales** | | **(36,403)** | - |
| **Mine operating income** | | **22,960** | - |
| **Expenses** | | | |
| General and administrative | 4 | **(2,370)** | (234) |
| Share-based compensation | | **(1,364)** | (71) |
| Foreign exchange gain (loss) | | **294** | (12) |
| **Total expenses** | | **(3,440)** | (317) |
| **Income (loss) before finance, other items, and taxes** | | **19,520** | (317) |
| Interest income | | **124** | 3 |
| Finance expense | 5 | **(692)** | (9) |
| Other expense | 6 | **(99)** | (33) |
| **Income (loss) before taxes** | | **18,853** | (356) |
| Current tax expense | | **(3,357)** | - |
| Deferred tax expense | | **(2,979)** | - |
| **Net income (loss)** | | **$ 12,517** | $ (356) |
| **Other comprehensive income (loss)** | | | |
| Items that may be reclassified subsequently to profit and loss: | | | |
| Change in available for sale securities | | **-** | 1 |
| Exchange differences on translating foreign operations | | **(1,607)** | 76 |
| **Comprehensive income (loss)** | | **$ 10,910** | $ (279) |
| **Income (loss) per share - basic and diluted** | | **$ 0.04** | $ (0.01) |
| **Weighted average number of shares outstanding *(in thousands)*** | | | |
| **- basic** (number) | | **328,021** | 43,888 |
| **- diluted** (number) | | **343,744** | 43,888 |

*The accompanying notes are an integral part of these unaudited, condensed interim consolidated financial statements.*

**Condensed Interim Consolidated Statement of Financial Position**

As at March 31, 2020 and December 31, 2019

*(Unaudited - Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)*

| | Notes | | March 31, 2020 | | December 31, 2019 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 7 | **$** | **43,052** | $ | 32,861 |
| Receivables, prepaids and other | 8 | | **4,773** | | 3,647 |
| Inventories | 9 | | **32,189** | | 29,236 |
| **Total current assets** | | | **80,014** | | 65,744 |
| **Non-current assets** | | | | | |
| Mineral interests, plant and equipment | 10 | | **204,610** | | 199,047 |
| Other assets | | | **17** | | 393 |
| **Total assets** | | **$** | **284,641** | $ | 265,184 |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Accounts payable and accrued liabilities | | **$** | **18,174** | $ | 15,131 |
| Income and other taxes payable | | | **1,803** | | 1,367 |
| Deferred payment to B2Gold | 12, 19 | | **14,681** | | 14,293 |
| Current portion of provisions | 11 | | **3,973** | | 3,910 |
| Current portion of lease liability | | | **108** | | 116 |
| **Total current liabilities** | | | **38,739** | | 34,817 |
| **Non-current liabilities** | | | | | |
| Provisions | 11 | | **54,401** | | 54,217 |
| Lease liability | | | **87** | | 119 |
| Deferred tax liability | | | **24,344** | | 21,377 |
| **Total liabilities** | | | **117,571** | | 110,530 |
| **SHAREHOLDERS' EQUITY** | | | | | |
| Share capital | 13 | | **165,134** | | 165,134 |
| Contributed surplus | | | **18,807** | | 17,301 |
| Foreign currency translation reserve | | | **475** | | 2,082 |
| Deficit | | | **(17,346)** | | (29,863) |
| **Total shareholders' equity** | | | **167,070** | | 154,654 |
| **Total liabilities and shareholders' equity** | | **$** | **284,641** | $ | 265,184 |

APPROVED ON BEHALF OF THE BOARD ON MAY 6, 2020:

Signed *"Russell Ball"*, DIRECTOR    Signed *"Edward Farrauto"*, DIRECTOR

*The accompanying notes are an integral part of these unaudited, condensed interim consolidated financial statements.*

*(Unaudited - Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)*

| | Notes | Three Months Ended March 31, 2020 | 2019 |
|---|---|---|---|
| **Cash provided by operations** | | | |
| Net income (loss) | | **$ 12,517** | $ (356) |
| Payments against rehabiliation liabilities | 11 | **(362)** | - |
| Non-cash adjustments | | | |
| Stock-based compensation | 13 | **1,487** | 71 |
| Depreciation and amortization | | **3,266** | 23 |
| Accretion expense | 5 | **682** | - |
| Write-down on impairment of assets | | **82** | 61 |
| Other | | **(3)** | 26 |
| Foreign exchange gain | | **(212)** | - |
| Deferred tax expense | | **2,979** | - |
| Working capital adjustments | 14 | **(323)** | (108) |
| **Net cash provided by (used in) operating activities** | | **20,113** | (283) |
| **Investing activities** | | | |
| Expenditure on mine development, net | | **(5,085)** | - |
| Expenditure on property, plant and equipment | | **(1,211)** | - |
| Expenditure on exploration assets, net | | **(2,139)** | (607) |
| Other investing activities | | **-** | 3 |
| **Net cash used in investing activities** | | **(8,435)** | (604) |
| **Financing activities** | | | |
| Other financing activities | | **(29)** | (28) |
| **Net cash used in financing activities** | | **(29)** | (28) |
| Effect of exchange rate changes on cash | | **(1,458)** | 67 |
| Change in cash and cash equivalents | | **10,191** | (848) |
| Cash and cash equivalents, beginning of period | | **32,861** | 3,493 |
| **Cash and cash equivalents, end of period** | | **$ 43,052** | $ 2,645 |
| **Other information** | | | |
| Interest paid - cash | | **$ 10** | $ - |
| Taxes paid - cash | | **$ 2,825** | $ - |

Supplemental Cashflow Information – Notes 7 and 14

*The accompanying notes are an integral part of these unaudited, condensed interim consolidated financial statements.*

**Condensed Interim Consolidated Statements of Changes in Equity**

Three Months Ended March 31, 2020 and 2019

*(Unaudited - Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)*

| | Number of Shares *(in thousands)* | Share Capital | Contributed Surplus | Foreign Currency Translation Reserve | Accumulated Other Comprehensive Loss | Deficit | Total |
|---|---|---|---|---|---|---|---|
| **Balances at December 31, 2018** | **42,822** | **$ 38,256** | **$ 15,919** | **$ 1,552** | **$ (5)** | **$ (30,783)** | **$ 24,939** |
| Shares issued on acquisition of La Luz Project (Note 13) | 2,000 | 933 | - | - | - | - | 933 |
| Share based compensation (Note 13) | - | - | 76 | - | - | - | 76 |
| Foreign exchange translation | - | - | - | 76 | - | - | 76 |
| Other comprehensive income | - | - | - | - | 1 | - | 1 |
| Net loss for the period | - | - | - | - | - | (356) | (356) |
| **Balances at March 31, 2019** | **44,822** | **$ 39,189** | **$ 15,995** | **$ 1,628** | **$ (4)** | **$ (31,139)** | **$ 25,669** |
| **Balances at December 31, 2019** | **328,021** | **$ 165,134** | **$ 17,301** | **$ 2,082** | **$ -** | **$ (29,863)** | **$ 154,654** |
| Share based compensation (Note 13) | - | - | 1,506 | - | - | - | 1,506 |
| Foreign exchange translation | - | - | - | (1,607) | - | - | (1,607) |
| Net income for the period | - | - | - | - | - | 12,517 | 12,517 |
| **Balances at March 31, 2020** | **328,021** | **$ 165,134** | **$ 18,807** | **$ 475** | **$ -** | **$ (17,346)** | **$ 167,070** |

*The accompanying notes are an integral part of the unaudited, condensed interim consolidated financial statements.*

## 1. NATURE OF OPERATIONS AND CORPORATE DEVELOPMENTS

### Nature of Operations

Calibre Mining Corp. (individually, or collectively with its subsidiaries, as applicable, "Calibre" or the "Company") is a multi-asset gold producer with a portfolio of exploration and development opportunities in Nicaragua. The Company is incorporated under the laws of British Columbia, Canada and maintains its corporate head office at Suite 413 – 595 Burrard Street, P.O. Box 49167, Vancouver, British Columbia, Canada, V7X 1J1. The Company's common shares are 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*.

### Acquisition of Nicaragua Assets

On October 15, 2019, the Company acquired a 100%-interest in the El Limon and La Libertad gold mines, the Pavon gold project 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;

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

(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. As at December 31, 2019 and March 31, 2020, there were no amounts owing and no obligations under the terms of this Debenture;

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

(v) Deferred cash payments totalling $15.5 million (Notes 12 and 19).

Following the completion of the acquisition and the conversion of the Debenture discussed above, B2Gold maintains an approximate 34% equity interest in Calibre as at March 31, 2020.

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.

## 1. NATURE OF OPERATIONS AND CORPORATE DEVELOPMENTS - *continued*

### Suspension of Operations

On March 25, 2020, the Company announced a temporary suspension of operations at its El Limon and La Libertad mines. While the Company had implemented numerous mitigation measures and had no confirmed cases of the novel coronavirus ("COVID-19") at its locations, Calibre took the proactive step to temporarily suspend operations due to the global pandemic and increasing logistical challenges of sourcing consumables and exporting its gold. The health and safety of Calibre's employees, contractors and surrounding communities continues to be the Company's highest priority.

Calibre's financial and operating performance could continue to be materially and adversely affected by the COVID-19 global health pandemic, other epidemics, or outbreaks of new infectious 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, on-going 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.

During the temporary suspension, the Company is focused on ensuring environmental compliance, progressing social, permitting and technical programs, while maintaining a state of readiness for an efficient restart of operations when deemed appropriate. The Company cannot estimate the duration nor the impact of the suspension at this time.

As at March 31, 2020, the Company had $43,052 in cash (December 31, 2019 - $32,861) and was debt free (other than the Deferred Payment obligations to B2Gold, discussed below). The Company has taken significant steps to manage its liquidity and optimize its capital management while operations remain in temporary suspension, including stopping all mining and processing activities, reducing on-site workforce and related site costs, eliminating non-essential travel, reducing general and administrative costs, delaying non-essential capital expenditures and exploration activities, and deferring senior management salaries by 20% during the suspension period. In addition, subsequent to March 31, 2020, the Company and B2Gold agreed to defer the remaining purchase price payment and working capital adjustment of $15.5 million to April 15, 2021 (Notes 12 and 19).

In light of the recent events, Calibre continues to closely monitor global conditions and their impacts on the Company. Calibre is well capitalized with sufficient cash-on-hand to cover care and maintenance activities over the course of the expected temporary suspension. The Company is committed to keeping all stakeholders informed as the COVID-19 pandemic continues to evolve and circumstances change.

### Agreements with Rio Tinto Exploration ("Rio Tinto")

On February 23, 2020, Calibre and Rio Tinto entered into an option earn-in agreement, pursuant to which Rio Tinto can earn up to a 75% interest in the Company's 100%-owned Borosi Projects 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.

The Company and Rio Tinto also entered into a strategic exploration alliance agreement under which Calibre will work with Rio Tinto to identify and acquire exploration concessions in Nicaragua, with a focus on copper-gold porphyry, skarn and epithermal precious metal systems. See Note 10 for detailed information on these agreements.

## 2. BASIS OF PRESENTATION

### Basis of Presentation and Statement of Compliance

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to interim financial reports including International Accounting Standard 34, *Interim Financial Reporting*. Therefore, these condensed interim consolidated financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and included in Part 1 of the Handbook of the Chartered Professional Accountants of Canada.

The accounting policies and basis of presentation applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited annual consolidated financial statements for the year ended December 31, 2019, unless otherwise noted.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors of the Company on May 6, 2020.

### Significant Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in Note 6 of the Company's audited annual consolidated financial statements for the year ended December 31, 2019 and discussed in Note 1 above under "Suspension of Operations".

*(Unaudited - Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)*

## 3. PRODUCTION COSTS

| | Three months ended March 31, | |
|---|---|---|
| | **2020** | 2019 |
| Raw materials and consumables | **$ 9,041** | $ - |
| Salaries and employee benefits | **7,411** | - |
| Contractors | **8,908** | - |
| Electricity | **4,692** | - |
| General and administrative | **1,252** | - |
| Other | **2,123** | - |
| Silver by-product credit | **(2,174)** | - |
| Change in inventories | **(1,425)** | - |
| | **$ 29,828** | $ - |

Leasing activities and policies In our Nicaraguan operations, payments totaling $0.3 million relating to short-term leases (those with a term of 12 months or less for the three months ended March 31, 2020) and $6.3 million relating to variable lease payments (including both lease and non-lease components) have been expensed in the statement of operations during the three months ended March 31, 2020. An additional $4.3 million relating to variable lease payments (including both lease and non-lease components) was capitalized as part of plant and equipment during the three months ended March 31, 2020.

## 4. GENERAL AND ADMINISTRATIVE EXPENSES

| | Three months ended March 31, | |
|---|---|---|
| | **2020** | 2019 |
| Salaries, wages and benefits | **$ 1,283** | $ 52 |
| Professional fees | **229** | 28 |
| Consulting fees | **345** | 71 |
| Corporate administration and other | **513** | 83 |
| | **$ 2,370** | $ 234 |

## 5. FINANCE EXPENSES

| | Three months ended March 31, | |
|---|---|---|
| | **2020** | 2019 |
| Interest expense | **$ 10** | $ 9 |
| Accretion of mine restoration provision | **205** | - |
| Accretion of employee benefit obligations | **89** | - |
| Accretion on deferred payment to B2Gold | **388** | - |
| | **$ 692** | $ 9 |

*(Unaudited - Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)*

## 6. OTHER INCOME (EXPENSE)

| | Three months ended March 31, | |
|---|---|---|
| | **2020** | 2019 |
| Loss on disposal of assets | **$ (82)** | $ (61) |
| Other expenses | **(35)** | - |
| Other income | **18** | 28 |
| | **$ (99)** | $ (33) |

## 7. CASH AND CASH EQUIVALENTS

As at March 31, 2020, the Company had total cash and cash equivalents of $43,052 (December 31, 2019 - $32,861), of which $30,732 (December 31, 2019 - $17,988) was denominated in US dollars, $11,975 (December 31, 2019 - $14,633) denominated in Canadian dollars, and the remaining $345 (December 31, 2019 - $240) denominated in the Nicaraguan Cordoba.

## 8. RECEIVABLES, PREPAIDS AND OTHER CURRENT ASSETS

| | **March 31, 2020** | December 31, 2019 |
|---|---|---|
| Receivables | **$ 499** | $ 553 |
| Value added and other recoverable taxes | **1,679** | 1,271 |
| Prepaid expenses and deposits | **2,241** | 1,223 |
| Supplier and employee advances | **262** | 500 |
| Other current assets | **92** | 100 |
| | **$ 4,773** | $ 3,647 |

The Company has Nicaraguan value added tax (“VAT”) and other recoverable tax receivables from the Nicaraguan government totaling $1,679 (December 31, 2019 - $1,271). VAT receivable may be used to offset other taxes payable including income and payroll taxes. Historically, the operations have experienced delays in receiving payment or confirmation of offset against other taxes and on some occasions, VAT receivable claims have been denied.

## 9. INVENTORIES

| | **March 31, 2020** | December 31, 2019 |
|---|---|---|
| Finished goods - gold and silver doré | **$ 2,826** | $ 202 |
| In-circuit | **2,810** | 5,069 |
| Ore stockpiles | **3,152** | 1,445 |
| Materials and supplies | **23,401** | 22,520 |
| | **$ 32,189** | $ 29,236 |

The amount of depreciation included in inventory as at March 31, 2020 was $1,355 (December 31, 2019 - $804).

During the three months ended March 31, 2020 and for the year ended December 31, 2019, the Company did not record any net realizable value adjustments with respect to the carrying value of any inventory balances.

The amount of production costs that was inventoried in gold doré, gold-in-circuit, and ore stockpiles (“metal inventory”) was $37,139 for the three months ended March 31, 2020 (March 31, 2019 - $Nil).

*(Unaudited - Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)*

## 10. MINING INTERESTS, PLANT AND EQUIPMENT

| Cost | Mineral Interests | Exploration and Evaluation assets | Property, plant and equipment | Total |
|---|---|---|---|---|
| Balance as at December 31, 2018 | $ - | $ 21,838 | $ 497 | $ 22,335 |
| Nicaraguan assets acquired on October 15, 2019 | 102,529 | 10,818 | 51,807 | 165,154 |
| Additions | - | 5,598 | 10,318 | 15,916 |
| Disposals | - | - | (93) | (93) |
| Change in mine restoration provision | - | - | 972 | 972 |
| Write-downs | - | (61) | - | (61) |
| Recovery on costs and option payments | - | (1,802) | - | (1,802) |
| Balance as at December 31, 2019 | 102,529 | 36,391 | 63,501 | 202,421 |
| Additions | - | 3,083 | 6,676 | 9,759 |
| Disposals | - | - | (88) | (88) |
| Recovery on costs and option payments | - | (300) | - | (300) |
| Balance as at March 31, 2020 | $ 102,529 | $ 39,174 | $ 70,089 | $ 211,792 |
| **Accumulated depreciation and amortization** | | | | |
| Balance as at December 31, 2018 | $ - | $ - | $ 275 | $ 275 |
| Depreciation and amortization | 1,843 | - | 1,349 | 3,192 |
| Disposals | - | - | (93) | (93) |
| Balance as at December 31, 2019 | 1,843 | - | 1,531 | 3,374 |
| Depreciation and amortization | 2,261 | - | 1,560 | 3,821 |
| Disposals | - | - | (13) | (13) |
| Balance as at March 31, 2020 | $ 4,104 | $ - | $ 3,078 | $ 7,182 |
| **Net carrying amounts** | | | | |
| Balance as at December 31, 2019 | $ 100,686 | $ 36,391 | $ 61,970 | $ 199,047 |
| Balance as at March 31, 2020 | $ 98,425 | $ 39,174 | $ 67,011 | $ 204,610 |

Property, plant and equipment includes $305 (December 31, 2019 - $305) for right of use assets related to the Vancouver office with a net book value of $192 (December 31, 2019 - $214).

Proceeds from 1,261 ounces of gold net of costs for a mine not in commercial production reduced capital additions by $1.2 million.

For the three months ended March 31, 2020 and the year ended December 31, 2019, the Company did not have any indicators of impairment.

*(Unaudited - Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)*

## 10. MINING INTERESTS, PLANT AND EQUIPMENT - *continued*

The following tables provide continuity schedules which outline changes to mineral interests for the three months ended March 31, 2020 and the year ended December 31, 2019.

| | Cost | | | Accumulated Amortization | | | |
|---|---|---|---|---|---|---|---|
| | December 31, 2019 | Additions | March 31, 2020 | December 31, 2019 | Amortization | March 31, 2020 | Net Book Value |
| El Limon | $ 76,414 | $ - | $ 76,414 | $ 1,185 | $ 1,752 | $ 2,937 | $ 73,477 |
| La Libertad | 26,115 | - | 26,115 | 658 | 509 | 1,167 | 24,948 |
| | $ 102,529 | $ - | $ 102,529 | $ 1,843 | $ 2,261 | $ 4,104 | $ 98,425 |

| | Cost | | | Accumulated Amortization | | | |
|---|---|---|---|---|---|---|---|
| | December 31, 2018 | Additions | December 31, 2019 | December 31, 2018 | Amortization | December 31, 2019 | Net Book Value |
| El Limon | $ - | $ 76,414 | $ 76,414 | $ - | $ 1,185 | $ 1,185 | $ 75,229 |
| La Libertad | - | 26,115 | 26,115 | - | 658 | 658 | 25,457 |
| | $ - | $ 102,529 | $ 102,529 | $ - | $ 1,843 | $ 1,843 | $ 100,686 |

The following table provides a continuity schedule which details exploration and evaluation assets for the three months ended March 31, 2020 and the year ended December 31, 2019.

| | December 31, 2019 | Assets acquired | Additions | Recoveries and option payments | Costs reclassified | Disposals | March 31, 2020 |
|---|---|---|---|---|---|---|---|
| Pavon and other regional | $ 11,068 | $ - | $ 368 | $ - | $ - | $ - | $ 11,436 |
| El Limon | 495 | - | 668 | - | - | - | 1,163 |
| La Libertad | 936 | - | 1,647 | - | - | - | 2,583 |
| Borosi - 100% Calibre owned | 18,344 | - | 186 | - | (18,530) | - | - |
| Borosi - Rio Tinto option | - | - | - | - | 18,530 | - | 18,530 |
| Eastern Borosi - IAMGOLD option | 5,087 | - | 214 | (300) | - | - | 5,001 |
| Other | 461 | - | - | - | - | - | 461 |
| | $ 36,391 | $ - | $ 3,083 | $ (300) | $ - | $ - | $ 39,174 |

| | December 31, 2018 | Assets acquired | Additions | Recoveries and option payments | Costs reclassified | Disposals | December 31, 2019 |
|---|---|---|---|---|---|---|---|
| Pavon and other regional | $ - | $ 10,818 | $ 250 | $ - | $ - | $ - | $ 11,068 |
| El Limon | - | - | 495 | - | | | 495 |
| La Libertad | - | - | 936 | - | | | 936 |
| Borosi - 100% Calibre owned | 15,644 | - | 2,335 | - | 426 | (61) | 18,344 |
| Eastern Borosi - IAMGOLD option | 5,263 | - | 1,555 | (1,731) | - | - | 5,087 |
| Eastern Borosi - Centerra option | 497 | - | - | (71) | (426) | - | - |
| Other | 434 | - | 27 | - | - | - | 461 |
| | $ 21,838 | $ 10,818 | $ 5,598 | $ (1,802) | $ - | $ (61) | $ 36,391 |

*(Unaudited - Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)*

## 10. MINING INTERESTS, PLANT AND EQUIPMENT - *continued*

The following table provides a continuity schedule which details property, plant and equipment for the three months ended March 31, 2020 and year ended December 31, 2019:

| Cost | El Limon | La Libertad | Borosi - Calibre 100%-owned | Corporate | Total |
|---|---|---|---|---|---|
| Balance as at December 31, 2018 | $ - | $ - | $ 393 | $ 104 | $ 497 |
| Assets acquired | 30,616 | 21,191 | - | - | 51,807 |
| Additions | 8,762 | 1,224 | - | 27 | 10,013 |
| Change in mine restoration provision | 948 | 24 | - | - | 972 |
| IFRS 16 addition | - | - | - | 305 | 305 |
| Write downs and disposals | - | - | - | (93) | (93) |
| Balance as at December 31, 2019 | 40,326 | 22,439 | 393 | 343 | 63,501 |
| Additions | 6,554 | 122 | - | - | 6,676 |
| Write downs and disposals | (88) | - | - | - | (88) |
| Balance as at March 31, 2020 | $ 46,792 | $ 22,561 | $ 393 | $ 343 | $ 70,089 |
| **Accumulated depreciation and amortization** | | | | | |
| Balance as at December 31, 2018 | $ - | $ - | $ 177 | $ 98 | $ 275 |
| Depreciation and amortization | 799 | 429 | 24 | 97 | 1,349 |
| Disposals | - | - | - | (93) | (93) |
| Balance as at December 31, 2019 | 799 | 429 | 201 | 102 | 1,531 |
| Depreciation and amortization | 859 | 672 | 5 | 24 | 1,560 |
| Disposals | (13) | - | - | - | (13) |
| Balance as at March 31, 2020 | $ 1,645 | $ 1,101 | $ 206 | $ 126 | $ 3,078 |
| **Net carrying amounts** | | | | | |
| Balance as at December 31, 2019 | $ 39,527 | $ 22,010 | $ 192 | $ 241 | $ 61,970 |
| Balance as at March 31, 2020 | $ 45,147 | $ 21,460 | $ 187 | $ 217 | $ 67,011 |

### Acquisitions and Option Agreements

In addition to the acquisition of Nicaragua Assets (discussed in Note 1), the Company has certain interests in the Borosi Gold-Silver-Copper Project (the “Borosi Project”), which consists of a number of contiguous mining and exploration concessions located in the North Atlantic Autonomous Region of Nicaragua. The Company has entered into option agreements over these concessions, as summarized below.

## 10. MINING INTERESTS, PLANT AND EQUIPMENT - *continued*

**Borosi – Rio Tinto option**

During the three months ended March 31, 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. Pursuant to the terms of the agreement:

- *First Option:* Rio Tinto shall have a five-year option to acquire a 55% interest in the Borosi Project by incurring $10 million in qualifying expenditures, of which $3 million is committed to be incurred within two years of obtaining the necessary permits and approvals.

- *Second Option:* If Rio Tinto exercises the First Option and earns a 55% interest in the Borosi Project, it will have the right to earn an additional 10% interest by incurring an additional $15 million over a three-year period.

- *Third Option:* If Rio Tinto exercises the Second Option and earns a 65% interest in the Borosi Project, it has the right to earn an additional 10% interest by incurring an additional $20 million over a three-year period.

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

In addition, the Company and Rio Tinto have entered into a separate exploration alliance ("Alliance Agreement") to acquire and earn-in to 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 expenditures for acting as the operator under the Alliance Agreement.

As a result of the Rio Tinto option agreement being completed, the Company reclassified $18,530 from the Borosi – 100% Calibre owned category to the Borosi – Rio Tinto option category during the three months ended March 31, 2020.

## 10. MINING INTERESTS, PLANT AND EQUIPMENT - *continued*

**Eastern Borosi – IAMGOLD option**

Pursuant to a 2014 option agreement, IAMGOLD Corporation ("IAMGOLD") has earned a 51% interest in a portion of the Borosi Project, termed the Eastern Borosi Project, having spent $5,000 in exploration expenditures and making cash payments to Calibre of $450 by 2017. IAMGOLD can exercise a secondary option to earn an additional 19% interest in the Eastern Borosi Project, by spending an additional $5,000 and making staged cash payments of an additional $450 (which has been paid).

If/when IAMGOLD earns a 70% interest, a joint venture will be formalized to advance the project further. At the time of formalizing the joint venture, the parties agree to enter into an industry standard agreement to govern the joint venture. At any time subsequent to formalizing the joint venture, should either party elect not to participate in a future planned work program, a standard straight-line dilution formula will apply and should a party be diluted to 10%, the party's direct joint venture interest will be converted to a 10% net profits interest on the Eastern Borosi Project.

**Eastern Borosi – Centerra option**

On February 11, 2019, the Company purchased the 51% interest of Centerra Gold Inc. ("Centerra") in the La Luz Project by issuing 2,000,000 common shares of Calibre to Centerra and granting Centerra a 2.0% Net Smelter Return royalty ("NSR Royalty") on future production from the La Luz Project. The value of the common shares issued to Centerra was $933, which was based on the Company's share price on the date of the transaction. 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. This acquisition increased Calibre's ownership of the project to 100%.

## 11. PROVISIONS

### Employee Benefits Obligation

Employee benefits obligation includes severance accruals for employees at the Company's operations in Nicaragua. The following schedule details the changes in employee benefits obligation for the three months ended March 31, 2020 and the year ended December 31, 2019.

*(Unaudited - Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)*

## 11. PROVISIONS - *continued*

### Employee Benefits Obligation - *continued*

| | | El Limon | | La Libertad | | Total |
|---|---|---|---|---|---|---|
| Balance as at December 31, 2018 | $ | - | $ | - | $ | - |
| Value at acquisition | | 5,528 | | 3,417 | | 8,945 |
| Change in estimate, net of payments | | 239 | | (36) | | 203 |
| Accretion expense | | 45 | | 28 | | 73 |
| Balance as at December 31, 2019 | | 5,812 | | 3,409 | | 9,221 |
| Less: current portion at December 31, 2019 | | (505) | | (320) | | (825) |
| Long-term portion at December 31, 2019 | $ | 5,307 | $ | 3,089 | $ | 8,396 |

| | | El Limon | | La Libertad | | Total |
|---|---|---|---|---|---|---|
| Balance as at December 31, 2019 | $ | 5,812 | $ | 3,409 | $ | 9,221 |
| Change in estimate, net of payments | | 258 | | 57 | | 315 |
| Accretion expense | | 54 | | 35 | | 89 |
| Balance as at March 31, 2020 | | 6,124 | | 3,501 | | 9,625 |
| Less: current portion at March 31, 2020 | | (588) | | (300) | | (888) |
| Long-term portion at March 31, 2020 | $ | 5,536 | $ | 3,201 | $ | 8,737 |

### Mine Restoration Provision

The provision consists primarily of costs associated with mine reclamation and closure activities. These activities, which tend to be site specific, generally include costs for earthworks, including detoxification and recontouring, revegetation, water treatment, demolition, decommissioning the mill complex and related infrastructure, physical and chemical stability of the tailings area, post-closure site security and monitoring costs. The Company considers such factors as changes in laws and regulations, and requirements under existing permits in determining the estimated costs. Such analysis is performed on a regular basis.

In calculating the present value of the Company's mine restoration provisions as at March 31, 2020 and December 31, 2019, management used a risk-free rate application to each location's functional currency ranging from 1.63% to 1.74% and an inflation rate of 2.10%.

The undiscounted cash flows, before inflation adjustments, estimated to settle the mine restoration provisions was approximately $47,895 as at December 31, 2019. Due to the nature of mine closure plans, cash expenditures are expected to occur over a significant period of time. A reconciliation of the discounted provision is provided below for the three months ended March 31, 2020 and the year ended December 31, 2019:

*(Unaudited - Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)*

## 11. PROVISIONS - *continued*

### Mine Restoration Provision - *continued*

| | El Limon | La Libertad | Total |
|---|---|---|---|
| Balance as at December 31, 2018 | $ - | $ - | $ - |
| Fair value on acquisition of Nicaraguan assets on October 15, 2019 | 19,000 | 28,980 | 47,980 |
| Change in estimate | 948 | 25 | 973 |
| Accretion expense | 69 | 98 | 167 |
| Reclamation expenditures | - | (214) | (214) |
| Balance as at December 31, 2019 | 20,017 | 28,889 | 48,906 |
| Less: current portion at December 31, 2019 | (804) | (2,281) | (3,085) |
| Long-term portion at December 31, 2019 | $ 19,213 | $ 26,608 | $ 45,821 |

| | El Limon | La Libertad | Total |
|---|---|---|---|
| Balance as at December 31, 2019 | $ 20,017 | $ 28,889 | $ 48,906 |
| Accretion expense | 87 | 118 | 205 |
| Reclamation expenditures | - | (362) | (362) |
| Balance as at March 31, 2020 | 20,104 | 28,645 | 48,749 |
| Less: current portion at March 31, 2020 | (804) | (2,281) | (3,085) |
| Long-term portion at March 31, 2020 | $ 19,300 | $ 26,364 | $ 45,664 |

## 12. DEFERRED PAYMENT

| | |
|---|---|
| Balance as at December 31, 2018 | $ - |
| Fair value on acquisition of Nicaragua Assets on October 15, 2019 | 13,965 |
| Accretion expense | 328 |
| Balance as at December 31, 2019 | 14,293 |
| Accretion expense | 388 |
| Balance as at March 31, 2020 | $ 14,681 |

Pursuant to the terms of acquisition of the Nicaraguan Assets described in Note 1, the Company is required to make a total deferred payment of $15,525 (including a working capital adjustment).

For accounting purposes, upon initial recognition, the deferred payment was accounted for at fair value (as noted in the above table) using a discount rate of 10.5%. The deferred payment is measured at amortized cost and will be accreted to maturity over the term.

Subsequent to March 31, 2020, the Company and B2Gold agreed to defer the payment of $15,525 to April 15, 2021.

## 13. SHARE CAPITAL

### Authorized and Issued Share Capital

As at March 31, 2020 and December 31, 2019, the Company had approximately 328 million common shares issued and outstanding. The authorized share capital consists of unlimited common shares without par value.

## 13. SHARE CAPITAL - *continued*

### Share Capital and Recent Issuances

During the year ended December 31, 2019, pursuant to the purchase of the La Luz Project from Centerra (Note 10), the Company issued 2.0 million common shares with a value of $933.

In connection with the acquisition of the Nicaragua Assets from B2Gold, the Company completed a brokered private placement of 175.3 million common shares at a price of CAD $0.60 per common share for gross proceeds of $79,029 (the "Private Placement"). In connection with the Private Placement, the Company paid certain finders commission equal to 3.0% of the gross proceeds of any orders solicited by certain finders (the "Finder's Fee"). In respect of these Finder's Fees, legal and regulatory fees, the Company paid $3,705 in cash and issued 0.9 million common shares. The fair value of the common shares issued totaled $395, which was based on the pricing of the Private Placement. The Private Placement was led by Canaccord Genuity Corp. and Sprott Capital Partners LP with a syndicate of agents (collectively, the "Agents"). The Agents received a commission of 5.0% of the gross proceeds from the Private Placement, except for that portion of the gross proceeds which is subject to Finder's Fees, where the commission payable to the Agents was 2.0% of the gross proceeds.

The Company also issued 1.4 million common shares at a price of CAD $0.60 per common share to a financial advisor for services rendered in connection with completion of the Transaction for fair value of $630, which was expensed as transaction costs during the year ended December 31, 2019.

During the year ended December 31, 2019, 75,000 options and 5,700 warrants were exercised for total gross proceeds of $28. In conjunction with these exercises, $18 was reclassified from contributed surplus to share capital.

### Warrants

A summary of the Company's warrant activities for the three months ended March 31, 2020 and the year ended December 31, 2019 is presented below:

| | Three months ended March 31, 2020 | | Year ended December 31, 2019 | |
|---|---|---|---|---|
| | Shares issuable on exercise of warrants (in thousands) | Weighted average exercise price (CAD$) | Shares issuable on exercise of warrants (in thousands) | Weighted average exercise price (CAD$) |
| Balance as at beginning of period | 13,764 | $ 1.02 | 16,430 | $ 1.11 |
| Exercised | - | - | (6) | 0.55 |
| Expired | (1,970) | 1.50 | (2,660) | 1.60 |
| Balance as at end of period | 11,794 | $ - | 13,764 | $ 1.02 |

As at March 31, 2020, the following share purchase warrants were outstanding and exercisable:

| Expiry date | Exercise price (CAD$) | Number of warrants (in thousands) | Remaining contractual life in years |
|---|---|---|---|
| October 30, 2020 | $0.55 | 373 | 0.58 |
| October 30, 2023 | $0.95 | 11,421 | 3.58 |
| | | 11,794 | |

## 13. SHARE CAPITAL - *continued*

### Stock options

A summary of the Company's stock option activities for the three months ended March 31, 2020 and the year ended December 31, 2019 is presented below:

| | **Three months ended March 31, 2020** | | **Year ended December 31, 2019** | |
|---|---|---|---|---|
| | Shares issuable on exercise of options | Weighted average exercise price (CAD$) | Shares issuable on exercise of options | Weighted average exercise price (CAD$) |
| Balance as at beginning of period | 30,250 | $ 0.62 | 2,692 | $ 0.87 |
| Granted | 2,225 | 0.98 | 28,550 | 0.62 |
| Exercised | - | - | (75) | 0.45 |
| Expired or Cancelled | - | - | (917) | 1.44 |
| Balance as at end of period | 32,475 | $ 0.59 | 30,250 | $ 0.62 |

As at March 31, 2020, the following stock options were outstanding and exercisable:

| Options Outstanding | | | Options Exercisable |
|---|---|---|---|
| Number of Options (in thousands) | Exercise price (CAD$) | Weighted average remaining contractual life in years | Number of Options (in thousands) |
| 1,400 | $0.45 | 3.45 | 1,050 |
| 26,575 | $0.60 | 7.52 | - |
| 1,975 | $0.90 | 7.68 | - |
| 525 | $0.97 | 7.80 | - |
| 1,700 | $0.98 | 7.91 | - |
| 230 | $1.00 | 0.40 | 230 |
| 50 | $1.55 | 1.44 | 50 |
| 20 | $2.70 | 1.89 | 20 |
| 32,475 | | | 1,350 |

During the year ended December 31, 2019, the Company granted a total of 28.6 million stock options. Of this amount 26.6 million options were granted at an exercise price of CAD $0.60 and 2.0 million options at an exercise price of CAD $0.90. The options have an expiry of 8 years from the date of grant, with 28.0 million of the options vesting equally over three years beginning one year from the date of grant and the remaining 0.6 million options vesting within 9 months from the date of grant.

During the three months ended March 31, 2020, the Company granted a 0.5 million stock options with an exercise price of CAD $0.97 and 1.7 million stock options with an exercise price of CAD $0.98. The options granted expire in 2028, with all the options vesting equally over three years beginning one year from the date of grant.

*(Unaudited - Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)*

## 13. SHARE CAPITAL - *continued*

### Restricted Stock Units ("RSU")

During the three months ended March 31, 2020, the Company granted a total of 1.96 million RSUs to eligible employees and directors. These RSUs vest equally over three years beginning in 2021 on their anniversary dates in February of every year. The RSUs will be settled within 10 business days of vesting. The fair value of the RSU is based on the share price at the time of grant and the total fair value is amortized over the RSU vesting period on a graded method. The total fair value for RSUs awarded in 2020 was $1.9 million, which is being amortized over the vesting period and included in stock-based compensation (discussed below).

During the year ended December 31, 2019, the Company granted a total of 5.27 million RSUs to eligible employees and directors. These RSUs vest equally over three years beginning in 2020 on their anniversary dates between October and December of every year. The RSUs will be settled within 10 business days of vesting. The fair value of the RSU is based on the share price at the time of grant and the total fair value is amortized over the RSU vesting period on a graded method. The total fair value for RSUs awarded in 2019 was $2.5 million, which is being amortized over the vesting period and included in stock-based compensation (discussed below).

As at March 31, 2020, the Company had a total of 7.23 million RSUs outstanding. A total of 1.76 million RSUs are scheduled to vest during the year ended December 31, 2020.

As payment for the granted RSUs at each of the vesting times, the Board may elect one or a combination of issuing the Company's common shares to the holder of the RSU, or paying cash to the holder, both options are to be settled in accordance with the terms of the Incentive Plan. The Company expects to settle the RSUs through the issuance of shares and as such has accounted for these awards as equity-settled instruments.

### Stock-based compensation

The weighted average fair value of the stock options granted during the three months ended March 31, 2020 was $0.37 per share (March 31, 2019 – $Nil per share). No options were granted during the three months ended March 31, 2019.

Options are priced using the Black-Scholes option pricing model. Since October 2019, expected volatility is based on the historical share price volatility of comparable peer companies within the Company's industry in which it operates (junior gold producer) at the time of granting the options.

The fair value of options granted during the three months ended March 31, 2020 and 2019 was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

| | **Three months ended March 31,** | |
|---|---|---|
| | **2020** | 2019 |
| Weighted average risk-free interest rate | **1.57%** | N/A |
| Weighted average expected option life | **5 years** | N/A |
| Weighted average expected stock volatility | **57%** | N/A |
| Weighted average expected dividend yield | **Nil** | N/A |

*(Unaudited - Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)*

## 13. SHARE CAPITAL - *continued*

### Stock-based compensation - *continued*

The Company amortizes the total fair value of options and RSUs granted over the graded vesting schedule. Consequently, the total compensation expense recognized for options that vested during the three months ended March 31, 2020 was $1,506 (March 31, 2019 - $76). For the period ended March 31, 2020, the total compensation charged to the statement of operations was $1,487 (March 31, 2019 - $71) and $19 (March 31, 2019 - $5) was capitalized to mineral interests.

## 14. SUPPLEMENTAL CASH FLOW INFORMATION

The following supplemental information to the statement of cash flows for the three months ended March 31, 2020 and 2019 is as follows:

| | Three months ended March 31, | |
|---|---|---|
| | **2020** | 2019 |
| **Change in non-cash working capital** | | |
| Change in receivables and prepaids | **$ (820)** | $ (121) |
| Change in inventories | **(2,401)** | - |
| Change in accounts payable, accrued liabilities and income tax | **2,583** | 13 |
| Change in provisions | **315** | - |
| | **$ (323)** | $ (108) |
| **Non-cash investing and financing activities** | | |
| Value of shares issued for acquisition of an exploration property | **$ -** | $ 933 |
| Amortization included in exploration and evaluation assets | **5** | 3 |
| Share-based compensation included in exploration and evaluation assets | **19** | 5 |
| Mineral interest costs included in accounts payable | **$ 1,176** | $ 107 |

## 15. 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

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.

*(Unaudited - Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)*

## 15. RELATED PARTY TRANSACTIONS - *continued*

### Compensation of Key Management - *continued*

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

| | Three months ended March 31, | |
|---|---|---|
| | **2020** | 2019 |
| Short-term salaries and benefits | **$ 224** | $ 45 |
| Director fees | **136** | - |
| Share-based compensation | **982** | 55 |
| Consulting and advisory fees paid to key management | **$ -** | $ 67 |

### Management contracts

As at March 31, 2020, minimum commitments upon termination of the existing contracts was approximately $1,468 and minimum commitments due within one year under the terms of these contracts is $1,887. In addition, the Company is party to various executive and employee contracts that would require payments totalling $1,400 to be made upon the occurrence of a "change of control".

### Other related party transactions

As disclosed in Note 1, 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 March 31, 2020. Related party transactions with B2Gold are discussed in Notes 1 and 12. 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).

## 16. SEGMENTED INFORMATION

Operating segments are those operations whose operating results are reviewed by the chief operating decision makers ("CODM") to make decisions about resources to be allocated to the segments and assess their performance, provided those operations pass certain quantitative thresholds. The CODM for the Company are the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer. In order to determine if operating segments shall be aggregated, management reviews various factors, including economic characteristics, nature of their products, production process, regulatory environment, geographical location and managerial structure. After aggregation criteria have been considered, operations whose revenues, earnings or assets exceed 10% of the total consolidated revenues, earnings or assets are considered to be reportable segments. The Company's reportable operating segments include its mining operations and development projects, namely the El Limon and La Libertad mines, which are both located in Nicaragua, where the vast majority of the Company's non-current assets are held.

The following table provides information on the operations of the Company as at and for the three months ended March 31, 2020.

*(Unaudited - Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)*

## 16. SEGMENTED INFORMATION - *continued*

| | El Limon | La Libertad | Other Projects in Nicaragua | Corporate | Total |
|---|---|---|---|---|---|
| **Gold Revenue** | $ 29,283 | $ 30,080 | $ - | $ - | $ 59,363 |
| **Cost of Sales** | | | | | |
| Production costs | (14,298) | (15,530) | - | - | (29,828) |
| Royalties and production taxes | (1,778) | (592) | - | - | (2,370) |
| Refinery, transportation and other | (182) | (781) | - | - | (963) |
| Depreciation and amortization | (2,096) | (1,146) | - | - | (3,242) |
| **Total Cost of Sales** | (18,354) | (18,049) | - | - | (36,403) |
| **Earnings from mine operations** | 10,929 | 12,031 | - | - | 22,960 |
| **Expenses** | | | | | |
| General and administrative | - | - | - | (2,370) | (2,370) |
| Share-based compensation | - | - | - | (1,364) | (1,364) |
| Foreign exchange gain (loss) | (9) | - | 4 | 299 | 294 |
| **Income before finance, other items, and taxes** | $ 10,920 | $ 12,031 | $ 4 | $ (3,435) | $ 19,520 |
| **Additions to:** | | | | | |
| Mine development | $ 5,234 | $ (414) | $ - | $ - | $ 4,820 |
| Plant and equipment | 1,320 | 536 | - | - | 1,856 |
| Exploration and evaluation | 668 | 1,647 | 468 | - | 2,783 |
| **Total capital additions** | $ 7,222 | $ 1,769 | $ 468 | $ - | $ 9,459 |
| **Total assets** | $ 146,474 | $ 96,916 | $ 25,240 | $ 16,011 | $ 284,641 |
| **Total liabilities** | $ 57,256 | $ 43,763 | $ 240 | $ 16,312 | $ 117,571 |

A total of $11,087 in costs related to Pavon is included with Libertad under total assets in the above table. Additions to mine development, plant and equipment and exploration and evaluation are shown on an accrual basis.

The Company has only one revenue stream, being the sale of refined gold from its operations in Nicaragua. All revenue derived from the sale of gold is to one customer, however, the Company is not economically dependent on this single customer for sale of its product as gold and other metals can be sold through numerous commodity traders worldwide.

Prior to the acquisition of the operating mines, the Company operated in one reportable operating segment as an exploration Company in Nicaragua and had no reportable segment revenues for any period prior to October 15, 2019.

The following geographic data includes assets based on their location as at March 31, 2020 and December 31, 2019.

*(Unaudited - Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)*

## 16. SEGMENTED INFORMATION - *continued*

| | March 31, 2020 | | | December 31, 2019 | | |
|---|---|---|---|---|---|---|
| | Canada | Nicaragua | Total | Canada | Nicaragua | Total |
| Cash and cash equivalents | $ 39,258 | $ 3,794 | $ 43,052 | $ 30,657 | $ 2,204 | $ 32,861 |
| Other current assets | 665 | 36,297 | 36,962 | 805 | 32,078 | 32,883 |
| Mining interest and property and equipment | 217 | 204,393 | 204,610 | 241 | 198,806 | 199,047 |
| Other long-term assets | - | 17 | 17 | - | 393 | 393 |
| Total assets | $ 40,140 | $ 244,501 | $ 284,641 | $ 31,703 | $ 233,481 | $ 265,184 |

## 17. COMMITMENTS AND CONTINGENCIES

### Commitments

The Company is committed to $104.2 million for obligations under normal course of operations including accounts payable, a deferred payment to B2Gold (Note 12), capital expenditure commitments, contractual commitments, leasing commitments, and mine restoration estimates and employee severance benefits (Note 11). The following table provides a summary of the upcoming commitments by year:

| | Remaining 2020 | 2021 | 2022 | 2023 | 2024 | 2025 and later years | Total |
|---|---|---|---|---|---|---|---|
| Payables and non-capital orders | $ 21,436 | $ - | $ - | $ - | $ - | $ - | $ 21,436 |
| Deferred payment to B2Gold | - | 15,836 | - | - | - | - | 15,836 |
| Capital expenditure commitments | 3,169 | - | - | - | - | - | 3,169 |
| Mine restoration provision | 2,723 | 2,669 | 3,626 | 12,849 | 11,942 | 19,155 | 52,964 |
| Employee future benefits | 1,004 | 195 | 188 | 89 | 360 | 8,613 | 10,449 |
| Leasing commitments | 173 | 115 | 48 | - | - | - | 336 |
| | $ 28,505 | $ 18,815 | $ 3,862 | $ 12,938 | $ 12,302 | $ 27,768 | $ 104,190 |

### 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 El 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 plans to vigorously contest this claim.

## 18. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's operations include the acquisition, operation, and exploration of mineral properties in Nicaragua. The Company's activities expose it to risks, including financial and operational risks of varying degrees of significance to achieve its strategic objectives for growth and shareholder returns. These principal risks related to financial instruments to which the Company is exposed are credit risk, liquidity risk, interest rate risk, and currency risk.

Fair values of cash and cash equivalents are based on quoted prices in active markets for identical assets, resulting in a level one valuation. 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.

### 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 March 31, 2020, the Company's maximum exposure to credit risk was the book value of cash and cash equivalents, accounts receivable, and value added and other taxes 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 March 31, 2020, the Company had cash and cash equivalents of $43,052 (December 31, 2019 - $32,861) and current liabilities of $38,739 (December 31, 2019 - $34,817). Cash provided by operating activities totaled $20,113 for the three months ended March 31, 2020 (cash used in operations - March 31, 2019 -$283). The cash provided from activities related to the operating mines acquired by the Company on October 15, 2019.

As at March 31, 2020, the Company's significant commitments are disclosed in Note 17.

### Interest rate risk

The Company has no interest-bearing debt at March 31, 2020. The Company's interest revenue earned on cash and cash equivalents is exposed to interest rate risk. A decrease in interest rates would result in lower interest income and an increase in interest rates would result in higher interest income.

## 18. FINANCIAL INSTRUMENTS AND RISK FACTORS - *continued*

### 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 at March 31, 2020 and December 31, 2019 is included in Note 7.

The Company is subject to gains and losses due to fluctuations in the Canadian dollar and Nicaraguan Cordoba against the U.S. dollar. Sensitivity to a plus or minus 5% change in all foreign currencies (Canadian dollar and Nicaraguan Cordoba) against the U.S. dollar with all over variables held constant at March 31, 2020, would affect the statements of operations and comprehensive income by approximately $603.

The Cordoba 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 mainly in U.S. dollars. The Company maintains Canadian and U.S. dollar bank accounts in Canada, and US dollar and Cordoba bank accounts in Nicaragua. The Company's foreign exchange exposure to fluctuations in the Cordoba is not significant as its annual expenditures in the local Nicaraguan currency and Cordoba 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.

## 19. SUBSEQUENT EVENTS

Subsequent to March 31, 2020, the Company and B2Gold agreed to defer the payment of $15,525 related to the acquisition of the Nicaragua Assets to April 15, 2021 (Note 12). Pursuant to the terms of the amendment, Calibre has agreed to pay B2Gold interest on the total 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.