Calibre Mining Corp.

(An Exploration Stage Company)
Interim Management's Discussion and Analysis – Quarterly Highlights
Period Ended June 30, 2019
(Expressed in thousands of Canadian Dollars - Unaudited)

Introduction

Calibre Mining Corp. ("Calibre" or the "Company") is incorporated under the laws of British Columbia, Canada and maintains its corporate head office in Vancouver, British Columbia, Canada. The Company engages principally in the acquisition, advancement and development of precious and base metals assets and mineral properties in Nicaragua. The Company's common shares are listed in Canada on the TSX Venture Exchange under the trading symbol CXB. The Company is currently focusing on the exploration of strategic land position in a highly prospective, but underexplored region of the historic "Mining Triangle" in northeast Nicaragua, named the Borosi Concessions. The Borosi Concessions are named for the three historical producing regions of Bonanza, Rosita, and Siuna. The area is highly prospective for gold, silver and copper mineralization.

This interim Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the period ended June 30, 2019. The Company reports its condensed interim consolidated balance sheets, condensed interim consolidated statements of loss and comprehensive income (loss), condensed interim consolidated statements of changes in equity, and cash flows in accordance with International Financial Reporting Standards ("IRFS") applicable to the preparation of interim financial statements, including International Accounting Standards 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board. Additional information relating to the Company, including the most recent Company filings, can be located on the Company's website, www.calibremining.com, or on the SEDAR website, www.sedar.com.

This MD&A reflects information available as at July 15, 2019.

Update on Exploration Activities

Calibre's 100% Owned Concessions

Calibre owns a 100% interest in over 518 km^2 of mineral concessions in the Mining Triangle of Northeast Nicaragua including the Primavera Gold-Copper Project and Santa Maria Gold Project. During the period ended June 30, 2019, the Company wrote-off exploration costs associated with a concession that it relinquished during the period. The write-down during the period amounted to $80.

IAMGOLD Option Agreement

The 2019 exploration and drilling program includes plans to complete an estimated 6,000 metres of diamond drilling, concurrent with target generative and advancement work. The drilling metres are projected to be evenly split between follow-up drilling and first pass discovery drilling. In addition to the drilling, generative exploration is underway, including targeted soil sampling and surface rock sampling, over areas where previous work outlined anomalous gold and silver often associated with base metals. The results of the first six months will be reviewed and priority targets tested with first pass, discovery oriented, drilling in the second half of 2019.

The drilling program which commenced in March 2019 and the first set of drill holes consisted of follow-up drilling on two successful high-grade discoveries from Q4 2018 (San Cristobal and La Luna). These are discussed in the Calibre press releases dated March 13, 2019 and May 13, 2019.

During the period ended June 30, 2019, the Company received an option payment of US$150 (equivalent to $200) from Iamgold Corporation, which represents the final option payment in accordance with the option agreement.

Centerra Option Agreement

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 $1,240 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 $2,000; and (ii) being granted a right of first refusal on the remaining 1.0% NSR Royalty. Including transaction costs, the total acquisition costs associated with the transaction amounted to $1,249.

(Expressed in thousands of Canadian Dollars - Unaudited)

Santa Rita Mining Joint Venture

Nothing to report.

The following table outlines the expenditures at the Borosi concessions during the period ended June 30, 2019:

	Joint Venture Santa Rita	Option Property to IAMGOLD	Option Property to Centerra	Calibre 100% Owned Property	Total
Cost, December 31, 2018	$ 594	$ 7,233	$ 667	$ 21,396	$ 29,890
Acquisition of Centerra interest	-	-	-	1,249	1,249
Administration and maintenance	-	94	-	83	178
Amortization	-	5	-	10	15
Assaying	-	35	-	9	44
Camp, supplies and logistics	-	93	-	3	96
Drilling and related	-	369	-	-	369
Foreign exchange	(22)	(274)	-	(836)	(1,133)
Geological consulting	-	-	-	40	40
Professional fees	-	-	-	5	5
Property maintenance	18	97	-	389	505
Salary and wages	-	264	-	191	454
Share-based compensation	-	4	-	8	12
Travel	-	14	-	77	91
Recovery of value-added taxes	-	(125)	(98)	-	(222)
Recovery of costs and option payment	-	(1,050)	-	-	(1,050)
Total expenditures during the year	(4)	(472)	(98)	1,228	653
Reclassification of Centerra costs	-	-	(568)	569	-
Write-down of property	-	-	-	(80)	(80)
Cost, June 30, 2019	$ 590	$ 6,760	$ -	$ 23,113	$ 30,463

Acquisition of Nicaraguan Assets from B2Gold

Subsequent to the period ending June 30, 2019, the Company signed a binding agreement with B2Gold Corp. ("**B2Gold**") to acquire B2Gold's interests in the El Limon and La Libertad Gold Mines, the Pavon Gold Project and additional mineral concessions in Nicaragua (collectively, the "**Nicaragua Assets**") for aggregate consideration of US$100 million (the "**Purchase Price**"), which Purchase Price will be paid with a combination of cash, common shares and a convertible debenture (the "**Transaction**"). Following the completion of the Transaction, B2Gold will own an approximate 31% direct equity interest in Calibre.

El Limon

B2Gold owns a 100% interest in El Limon, which is an open pit and underground gold mine located approximately 100 km northwest of Managua, the capital of Nicaragua. A major new high-grade gold discovery at El Limon was announced by B2Gold in February 2018 at Limon Central where open-pit mining has commenced with an initial Inferred Resource of 5.1Mt grading 4.92 g/t Au containing 812,000 ounces of gold. With the deposit open along strike and at depth, significant exploration potential remains across the property.

In 2018, El Limon processed 447,961 tonnes grading 3.64 g/t gold with a recovery rate of 94.9% and produced 49,629 ounces.

In 2019, B2Gold's production guidance for El Limon is 55,000 to 60,000 ounces with cash operating cost guidance of between US$720 and US$760 per ounce and All-In Sustaining Costs ("**AISC**") guidance of US$1,005 to US$1,045 per ounce, with the second half anticipated to benefit from increased production and lower costs.

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La Libertad

B2Gold owns a 100% interest in La Libertad, which is an open pit and underground gold mine located in the La Libertad-Santa Domingo Region of the Department of Chontales in Central Nicaragua, approximately 110 km east of Managua. The annual mill throughput is approximately 2,250,000 tonnes and current gold recoveries are approximately 94% to 95%.

In 2018, La Libertad mine processed 2,250,687 tonnes grading 1.19 g/t gold with a recovery rate of 94.4% and produced 80,963 ounces of gold.

Most recently, and significantly, the environmental permit for the Jabali Antena Open Pit was received in June 2019, and as of June 28, 2019, all resettlement, artisanal miner and land possession issues have been resolved and development of the Jabali Antena Open Pit has commenced.

B2Gold's 2019 guidance for La Libertad is 95,000 to 100,000 ounces at cash operating costs of between US$840 and US$880 per ounce and AISC of US$1,150 to US$1,190 per ounce. The La Libertad project including the surrounding exploration concessions has numerous excellent exploration targets that can expand the current resource base on the 155.37 km^2 property.

Table 1: El Limon and La Libertad Reserve and Resource Estimates

Description			
	Tonnes	**Gold Grade (g/t)**	**Contained Gold Ounces**
La Libertad – Probable	1,100,000	2.01	70,000
El Limon – Probable	600,000	3.97	70,000
Total Probable Mineral Reserves			***140,000***
La Libertad – Indicated	2,000,000	2.61	170,000
El Limon – Indicated	11,700,000	2.40	910,000
Total Indicated Mineral Resources			***1,080,000***
La Libertad – Inferred	3,200,000	4.37	450,000
El Limon – Inferred	5,600,000	5.53	1,000,000
Total Inferred Resources			***1,450,000***

The information concerning El Limon and La Libertad is derived from for period ended March 31, 2019 and filed on B2Gold's SEDAR profile on May 7, 2019, MD&A for the period ended March 31, 2018 and filed on B2Gold's SEDAR profile on May 9, 2018, B2Gold's press release dated February 23, 2018, and technical report entitled NI 43-101 Technical Report, La Libertad Mine, La Libertad Region, Nicaragua dated March 27, 2015 and filed on B2Gold's SEDAR profile on March 30, 2015. To the best knowledge, information and belief of Calibre, there is no new material scientific or technical information that would make the disclosure of the mineral resource or reserves inaccurate or misleading. Mineral Resources are not mineral reserves and do not have demonstrated economic viability.

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Pavon Gold Project

B2Gold owns 100% of the Pavon Gold Project, which is located approximately 150 km north of La Libertad. Gold mineralization is characterized as a low-sulphidation, quartz epithermal vein system. Gold mineralization is hosted in quartz vein and quartz vein breccia units with locally high grade in stockwork zones. Gold Mineralization is currently hosted in two zones, El Pavon Norte and El Pavon Central. Calibre believes that there remains significant exploration potential at the Pavon Gold Project.

Table 2: Pavon Gold Resource Estimate

Description			
	Tonnes	**Gold Grade (g/t)**	**Contained Gold Ounces**
Indicated Resources	**290,000**	**5.82**	**55,000**
Inferred Resources	**130,000**	**5.50**	**23,000**

All technical information related to the Pavon Gold Project is based on the B2Gold Annual Information Form dated March 27, 2015, a copy of which is available under B2Gold's profile on SEDAR.

The Purchase Price under the Transaction will be payable as follows:

- On closing of the Transaction: US$40 million in cash; US$40 million in common shares of Calibre ("**Calibre Shares**") priced at CDN$0.60 per Calibre Share (such shares being the "**Upfront Consideration Shares**"), provided that if the Concurrent Private Placement (as defined below) or any other financing completed by Calibre concurrently with or prior to closing raises funds at an offering price of less than CDN$0.60 per subscription receipt or Calibre Share, then such Upfront Consideration Shares to be issued to B2Gold shall be at such lower price); and (iii); and a US$10 million convertible debenture (the **"Debenture"**); and

- 12 months from the closing of the Transaction: US$10 million in cash.

The principal amount owing under the Debenture will bear interest at 2% and will be payable in cash on that date which is two years from closing of the Transaction (the "**Maturity Date**") provided that (i) at any time prior to the close of business on the last business day immediately preceding the Maturity Date, the Debenture will be convertible at the option of B2Gold at a conversion price equal to a price that is 25% above the price of the Upfront Consideration Shares to be issued to B2Gold; and (ii) in the event that prior to the Maturity Date the volume weighted average price of the Calibre Shares is equal to or greater than a 35% premium to the price per share of the Concurrent Private Placement (as defined below) for 10 consecutive trading days on a recognized North American stock exchange on which the majority of Calibre's trading occurs, Calibre can force conversion of the Debenture. The Debenture will be a direct, unsecured obligation of Calibre, ranking equally with all other existing and future unsecured indebtedness of Calibre and will be a non-voting security.

In connection with the Transaction, Calibre has entered into an agreement with Canaccord Genuity Corp. and Sprott Capital Partners LP (together, the "**Lead Agents**") in respect of a private placement of up to 167,000,000 subscription receipts for gross proceeds of up to CDN$100 million (the "**Concurrent Private Placement**"). In connection with the Concurrent Private Placement, Calibre may pay finders fees equal to 3% of the gross proceeds of any orders solicited by certain finders (the "**Finder's Fees**"). As consideration for their services, the Lead Agents will be paid a cash commission of 5% of the gross proceeds of the proceeds from the Concurrent Private Placement, except for that portion of the gross proceeds which is subject to Finder's Fees, where the commission payable to the Agents will be 2% of the gross proceeds.

The closing of the Transaction will be subject to certain conditions including majority of minority shareholder approval, the successful negotiation and execution of a definitive agreement by B2Gold and Calibre, the closing of the Concurrent Private Placement by Calibre and satisfactory due diligence by Calibre. In connection with the closing of the Transaction, Calibre intends to apply to graduate to the Toronto Stock Exchange (subject to Toronto Stock Exchange approval and meeting the initial listing requirements of the Toronto Stock Exchange).

The technical content in this MD&A was read and approved by Gregory Smith, P.Geo, President and CEO of Calibre, who is the Qualified Person as defined by NI 43-101.

Results of Operations

As at June 30, 2019, the Company had total assets of $33,999 compared to $35,052 as at December 31, 2018. The majority of these assets for both period ends are the carrying values of the Company's cash and cash equivalents and its exploration and evaluation assets.

As at June 30, 2019, the Company had working capital of $2,515 compared to working capital of $3,923 as at December 31, 2018.

3 months ended June 30, 2019 vs. 3 months ended June 30, 2018

During the three months ended June 30, 2019, the Company recorded a net loss of $626 or $0.01 per share, as compared to a net loss of $151 or $0.01 per share during the same period in the prior year.

Expenses during 2019 were $677 compared to $237 in 2018. The key items contributing to these expenses are as follows:

During the three months ended June 30, 2019, consulting fees were $424 compared to $47 during 2018. The increase in expense in 2019 is due to the transaction costs incurred by the Company in relation to the Company's acquisition of B2Gold's interest in the Nicaraguan Assets (see section, *"Acquisition of Nicaraguan Assets from B2Gold"*). During the three months ended June 30, 2019, the Company expensed and accrued $385 in transaction costs in relation to the acquisition of the Nicaragua Assets.

During the three months ended June 30, 2019, amortization was $34 compared to $1 in 2018. The increase in amortization in 2019 was due to the amortization of the right-of-use asset. IFRS 16, Leases, was recently adopted by the Company and it is discussed in detail under MD&A section, "*Critical Accounting Estimates and Change in Accounting Policies including Initial Adoption*." The absence of rent expense and increase in interest expense during the current period are also a direct result of the adoption of IFRS 16.

6 months ended June 30, 2019 vs. 6 months ended June 30, 2018

During the six months ended June 30, 2019, the Company recorded a net loss of $1,100 or $0.02 per share, as compared to a net loss of $366 or $0.01 per share during the same period in the prior year.

Expenses during 2019 were $1,095 compared to $548 in 2018. The key items contributing to these expenses are as follows:

During the six months ended June 30, 2019, consulting fees were $518 compared to $108 during 2018. The increase in expense in 2019 is due to the transaction costs incurred by the Company in relation to the Company's acquisition of B2Gold's interest in the Nicaraguan Assets (see section, *"Acquisition of Nicaraguan Assets from B2Gold"*). During the six months ended June 30, 2019, the Company expensed and accrued $385,376 in transaction costs in relation to the acquisition of the Nicaragua Assets.

During the six months ended June 30, 2019, amortization was $64 compared to $2 in 2018. The increase in amortization in 2019 was due to the amortization of the right-of-use asset. IFRS 16, Leases, was recently adopted by the Company and it is discussed in detail under MD&A section, "*Critical Accounting Estimates and Change in Accounting Policies including Initial Adoption*." The absence of rent expense and increase in interest expense during the current period are also a direct result of the adoption of IFRS 16.

During the six months ended June 30, 2019, investor relations expenses were $82 compared to $47 in 2018. The increase in investor relations in 2019 were due to costs associated with the PDAC in Toronto and BMO Capital Markets Global Metals & Mining Conference in Florida.

(Expressed in thousands of Canadian Dollars - Unaudited)

Summary of Quarterly Results

The following information is derived from the Company's unaudited quarterly condensed interim consolidated financial statements or results for the past eight quarters.

	June 2019*	March 2019	December 2018	September 2018
Total revenues	$Nil	$Nil	$Nil	$Nil
Net loss for the period	$(626)	$(474)	$(374)	$(473)
Basic and diluted loss per share for the period	($0.01)	($0.01)	($0.03)	($0.00)

	June 2018	March 2018	December 2017	September 2017
Total revenues	$Nil	$Nil	$Nil	$Nil
Net loss for the period	$(151)	$(214)	$(287)	$(532)
Basic and diluted loss per share for the period	($0.01)	($0.01)	($0.00)	($0.00)

*Refer to MD&A section, *Results of Operations*, for explanation on expenditures and fluctuations.

The variation seen over the above quarters is primarily dependent upon the success of the Company's ongoing property evaluations and acquisition program and the timing and results of the Company's exploration activities on its current properties, none of which is possible to predict with any accuracy. The Company will continue to incur losses until such time as the commercial development of a discovery or an acquisition results in positive earnings. The above losses are also impacted by options granted in any given period, which give rise to share-based compensation expenses.

Liquidity and Capital Resources

The recovery of the Company's investment in resource properties and the attainment of profitable operations are dependent upon the discovery and development of economic precious and base metal reserves and the ability to arrange sufficient financing to bring these reserves into production. The ultimate outcome of these matters cannot presently be determined.

As the Company is in the exploration stage, no mineral producing revenue has been generated to date. The ability of the Company to meet its obligations and continue the exploration and development of its mineral properties is dependent upon its ability to continue to raise adequate financing. Historically, operating capital and exploration requirements have been funded primarily from equity financing, joint ventures, disposition of mineral properties and investments. There can be no assurance that such financing will be available to the Company in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company. Based on the amount of funding raised, the Company's exploration program may be tailored accordingly.

Other than those obligations disclosed in the notes to its condensed interim consolidated financial statements and discussed in this MD&A, the Company has no other long-term debt, capital lease obligations, operating leases or any other long-term obligations. The Company had working capital of $2,515 as at June 30, 2019.

Historically, the Company's only source of funding has been the issuance of equity securities for cash. The Company has issued common share capital the past few years, pursuant to private placement financings, and the exercise of warrants and options. The Company's access to exploration financing when the financing is not transaction specific is always uncertain. There can be no assurance of continued access to significant equity funding. The Company's ability to raise additional funds may be impacted by future exploration results and changes in metal prices or market conditions. Management believes it will be able to raise equity capital as required in the long term, but recognize there will be risks involved that may be beyond their control. The Company intends to continue to use various strategies to minimize its dependence on equity capital, including the securing of joint venture partners where appropriate and maintenance of existing capital by means of cost saving measures. The Company has no outstanding debt facility upon which to draw.

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Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

Key management personnel of the Company are members of the Board of Directors, as well as the President and CEO, CFO and Corporate Secretary, and Vice President - Corporate Development. Key management compensation includes salaries and benefits and various consulting fees as follows:

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Short-term benefits (i)	$ 120	$ 120
Share-based payments (ii)	$ 122	$ 126
Consulting and advisory fees to key persons	$ 176	$ 89

(i) Short-term benefits include salaries and benefits paid to the Company's CEO and President.

(ii) Share-based payments are the fair value of options granted to key management personnel and consultants as at the grant date.

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

Proposed Transactions

Refer to MD&A section, *"Acquisition of Nicaraguan Assets from B2Gold"*.

Critical Accounting Estimates and Change in Accounting Policies and Accounting Estimates

The significant accounting policies applied in the preparation of the financial statements including critical accounting estimates are consistent with those applied and disclosed in the Note 3 of the Company's 2018 audited consolidated financial statements except for those discussed below.

<u>Depreciation Method</u>

Prior to January 1, 2019, the Company has depreciated its property and equipment using the declining balance method. Effective January 1, 2019, the Company elected to change its depreciation method for its property and equipment from declining balance to straight-line method. The change was made in order to have the Company's depreciation method align with the depreciation method of the Nicaraguan Mines (see section, *"Acquisition of Nicaraguan Assets from B2Gold"*). The Company has accounted for the change in depreciation method prospectively, as provided for under IAS 8 with no impact of this change on prior year comparative information.

<u>IFRS 16 – Leases</u>

The Company adopted IFRS 16, "Leases" using a modified retrospective approach from January 1, 2019. Under the modified approach, the Company is not required to restate comparatives for the 2018 reporting period and it applied the standard prospectively.

Practical Expedients Applied

On adoption, the Company used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- account for lease payments as an expense and not recognize a right-of-use ("ROU") asset if the underlying asset is of low dollar value;
- account for leases with a remaining lease term of less than 12 months as at January 1, 2019, as short-term leases,
- account for lease and non-lease components as a single lease component for lease liabilities; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Leasing Activities and Policies

The Company only has one lease which relates to its Vancouver head office. The office lease has a 5-year term and is subject to expire on May 2022. Lease payments are comprised of two components – basic rent and operating costs. Basic rent for the term of the lease is fixed with only the operating portion subject to fluctuations. Prior to January 1, 2019, leases were accounted for under IAS 17, "Leases" and were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the term of the lease.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The ROU asset is depreciated over the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentives receivable;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

ROU assets are measured at cost comprising of the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Adjustments Recognized on Adoption of IFRS 16, "Leases"

On adoption of IFRS 16, "Leases" the Company recognized a lease liability in relation to its office lease which had previously been classified as 'operating leases' under the principles of IAS 17, "Leases". This liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate of 12%.
The change in accounting policy affected the following items in the Consolidated Balance Sheet on January 1, 2019:

- ROU asset – increased by $403 due to the adoption of IFRS 16, "Leases"; and
- Lease liability – increased by $403 due to the adoption of IFRS 16, "Leases."

(Expressed in thousands of Canadian Dollars - Unaudited)

Reconciliation of Commitments to Lease Liability

The following table provides a reconciliation of the commitments as at December 31, 2018 to the Company's lease liabilities as at January 1, 2019 and June 30, 2019.

Disclosed commitments as at December 31, 2018	$	512
Impact of discounting		(109)
Lease liability as at January 1, 2019	$	403
Lease payments		(66)
Amortization of discount		23
	$	360
Current portion of lease liability		(55)
Lease liability as at June 30, 2019	$	305

The table below analyzes the Company's lease liabilities into relevant contractual maturity groupings based on the remaining period at the Consolidated Balance Sheet date to the contractual maturity date of the lease. the amounts shown in the table below are the contractual undiscounted cash flows related to the liability.

	Less than 1 year	1 year to 2 years	More than 3 years	Total contractual cash flows	Carrying amount
Lease liability	$ 75	$ 301	$ 63	$ 439	$ 360

The difference between the total contractual undiscounted cash flows related to lease payments to lessors and the carrying amount of the lease liability is the amortization of the discount related to the lease liability.

Right-of-Use Asset

The ROU asset was measured as if the standard had been applied since the commencement date of the lease but discounted using the Company's incremental borrowing rate as at the date of initial application (January 1, 2019). There were no onerous lease contracts that would have required an adjustment to the ROU assets at the date of initial application.

Continuity of ROU Asset

	Balance at January 1, 2019	Amortization for the period	Balance at June 30, 2019
Office property	$ 403	($ 59)	$ 344

Financial Instruments and Other Instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive (loss) income ("FVTOCI") or at amortized cost. The Company's financial instruments consist of cash and cash equivalents, receivables, marketable securities, and trade and other payables. The Company determines the classification of financial assets at initial recognition. All of the Company's financial instruments are at amortized cost except for marketable securities. Marketable securities are classified as FVTOCI.

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. Financial assets and liabilities at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. The Company does not use derivative instruments or hedges to manage various risks because the Company's exposure to credit risk, liquidity risk, and market risks is relatively low. Cash and cash equivalents are held through a large national financial institution. Notes 3(l) and 5 of the Company's audited consolidated financial statements for the year ended December 31, 2018 contain additional disclosures on the Company's financial instruments.

Disclosure of Outstanding Share Data

The following describes the outstanding share data of the Company as at July 15, 2019. For further information and details concerning outstanding share data, options, and warrants, refer to the Condensed Interim Consolidated Statements of Changes in Shareholders' Equity, included in the condensed interim condensed interim consolidated financial statements as at and for the period ended June 30, 2019:

	Number Outstanding
Common shares	44,822
Options to purchase common shares	2,450
Warrants to purchase common shares	13,770

Outlook

Refer to MD&A section, *"Acquisition of Nicaraguan Assets from B2Gold"*.

Forward Looking Statements and Risk Factors

This interim MD&A includes certain statements that may be deemed "forward-looking statements." All statements in this discussion that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate" "plans", "estimates" or "intends" or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to materially differ from those reflected in the forward-looking statements.

The forward-looking statements and information in this interim MD&A include information relating to production guidance, technical information, graduation to the Toronto Stock Exchange, the impact of the Transaction on the business of Calibre, the closing of the Concurrent Private Placement and the release of the funds escrowed in connection with the financing, and the closing of the Transaction. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause Calibre's actual results, performance or achievements or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: there is no assurance that the Concurrent Private Placement will be completed; there is no assurance that B2Gold and Calibre will obtain all requisite approvals for the Transaction, including the approval of the shareholders of Calibre or the approval of the TSXV for the Transaction (which may be conditional upon amendments to the terms of the Transaction); new laws or regulations could adversely affect the Company's business and results of operations; and stock markets have experienced volatility that often has been unrelated to the performance of companies. These fluctuations may adversely affect the price of the Company's securities, regardless of its operating performance.

Factors that could cause actual results to differ materially from those in forward-looking statements include: the ability to consummate the Transaction and the Concurrent Private Placement, the ability to obtain requisite shareholder and regulatory approvals, the satisfaction of other conditions to the consummation of the Transaction, the ability to satisfy the conditions to the consummation of the Concurrent Private Placement, the potential impact of the announcement or consummation of the Transaction on relationships, including with regulatory bodies, employees, suppliers customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation and the diversion of management time on the Transaction and the Concurrent Private Placement. Calibre cautions that the foregoing list of material factors is not exhaustive. For a detailed listing of the risk factors, please refer to the Company's annual MD&A for the year ended December 31, 2018.

When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Calibre has assumed that the material factors referred to in the previous paragraphs will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. The forward-looking information contained in this interim MD&A represents the expectations of Calibre as of the date of this interim MD&A release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While Calibre may elect to, it does not undertake to update this information at any particular time except as required in accordance with applicable laws.

Use of Non-IFRS Measures

Cash Operating Costs per gold ounce and Total Cash Costs per gold ounce

"Cash operating costs per gold ounce" and "total cash costs per gold ounce" are common financial performance measures in the gold mining industry but, as non-IFRS measures, they do not have a standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Management believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate our performance and ability to generate cash flow. Accordingly, these 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. The measures, along with sales, are considered to be a key indicator of the Company's ability to generate earnings and cash flow from its mining operations.

Cash cost figures are calculated on a production basis in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is the accepted standard of reporting cash cost of production in North America. Adoption of the standard is voluntary and the cost measures presented may not be comparable to other similarly titled measures of other companies. Other companies may calculate these measures differently. Cash operating costs and total cash costs per ounce are derived from amounts included in the statement of operations and include mine site operating costs such as mining, processing, smelting, refining, transportation costs, royalties and production taxes, less silver by-product credits.

All-In Sustaining Costs per gold ounce

In June 2013, the World Gold Council, a non-regulatory association of the world's leading gold mining companies established to promote the use of gold to industry, consumers and investors, provided guidance for the calculation of the measure "all-in sustaining costs per gold ounce", but as a non-IFRS measure, it does not have a standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The World Gold Council standard became effective January 1, 2014. Management believes that the all-in sustaining costs per gold ounce produced measure provides additional insight into the costs of producing gold by capturing all of the expenditures required for the discovery, development and sustaining of gold production and allows the Company to assess its ability to support capital expenditures to sustain future production from the generation of operating cash flows. Management believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is 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. Adoption of the standard is voluntary and the cost measures presented may not be comparable to other similarly titled measures of other companies. The Company has applied the principles of the World Gold Council recommendations and has reported all-in sustaining costs on a production basis. Other companies may calculate these measures differently.

Calibre defines all-in sustaining costs per ounce as the sum of cash operating costs, royalty and production taxes, capital expenditures and exploration costs that are sustaining in nature, corporate general and administrative costs, share-based payment expenses related to Restricted Share Units/Deferred Share Units, community relations expenditures, reclamation liability accretion and realized (gains) losses on fuel derivative contracts, all divided by the total gold ounces produced to arrive at a per ounce figure. The Company defines non-sustaining capital expenditures and exploration costs as those that do not contribute to current year production or provide access to new material levels of production.