CALIBRE MINING CORP.

TSX.V-CXB

(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended December 31, 2016 and 2015

(Expressed in Canadian Dollars)

Introduction and Date

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of Calibre Mining Corp. ("Calibre" or the "Company") for the year ended December 31, 2016. The Company reports its balance sheet, results of operations, statement of changes in equity, and cash flows in accordance with International Financial Reporting Standards ("IRFS"). 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.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Yamana Nicaragua Ltd. ("Yamana"), a holding company incorporated in 2006 in Belize. Yamana owns 100% of CXB Nicaragua S.A. (formerly known as Yamana Nicaragua S.A.), a company incorporated in Nicaragua in 2006.

The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars (unless otherwise indicated). 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 April 26, 2017.

This discussion includes certain statements that may be deemed "forward-looking statements." All statements in this discussion, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. 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. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

Business Overview and Overall Performance

Business overview

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 an impressive and 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.

As discussed in the notes to the consolidated financial statements, 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.

Overall Performance

During 2016, the Company recorded a net loss of $775,537 or $0.00 per share, as compared to a net loss of $1,129,064 or $0.01 per share during 2015.

As at December 31, 2016, the Company had total assets of $28,018,087 compared to $22,062,521 as at December 31, 2015. The majority of these assets for both periods are the carrying values of the Company's cash and cash equivalents and its exploration and evaluation assets.

As at December 31, 2016, the Company had working capital of $3,128,142 compared to working capital of $783,005 as at December 31, 2015. The increase in cash and cash equivalents is primarily attributed to the financing completed by the Company during the year.

As at December 31, 2016, the total carrying value of the Company's exploration and evaluation assets was $24,003,509 compared to $20,592,925 as at December 31, 2015. The net increase reflects the Company's expenditures on the Borosi Project, net of cost recoveries from its partners and its acquisition of B2Gold Corp.'s interest in the Borosi concessions.

On April 21, 2016, the Company completed a private placement for 30,000,000 units ("Units") at a price of $0.10 per Unit for gross proceeds of $3,000,000. Each Unit consisted of one common share and one common share purchase warrant with each warrant entitling the holder to acquire an additional common share for $0.16 until April 21, 2018. Calibre paid finder's fees totalling $119,400 in cash and issued 1,194,000 finder's warrants ("Finder's Warrants") in connection with the private placement. Each Finder's Warrant entitles the holder to acquire a common share of the Company for $0.16 until April 21, 2018.

During 2016, the Company received gross proceeds of $1,250,000 from the exercise of 12,500,000 share purchase warrants. The warrants had an exercise price of $0.10 and were held by Pierre Lassonde.

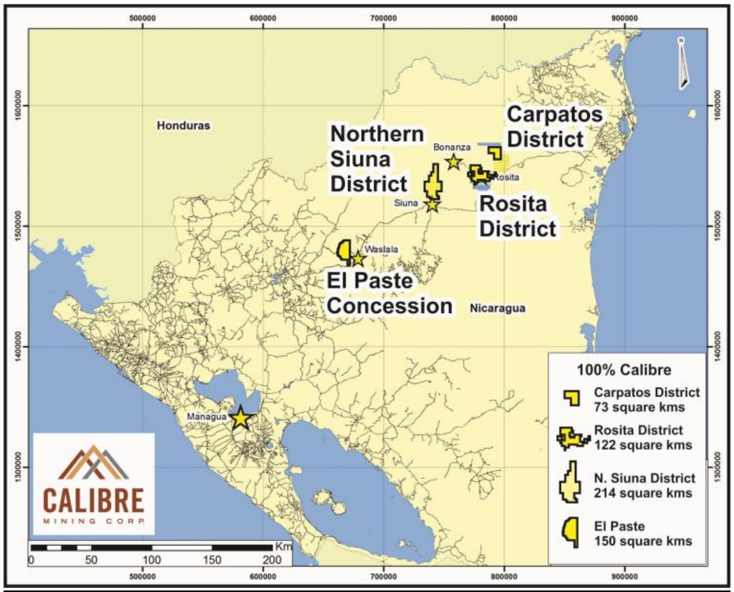
(Expressed in Canadian Dollars)

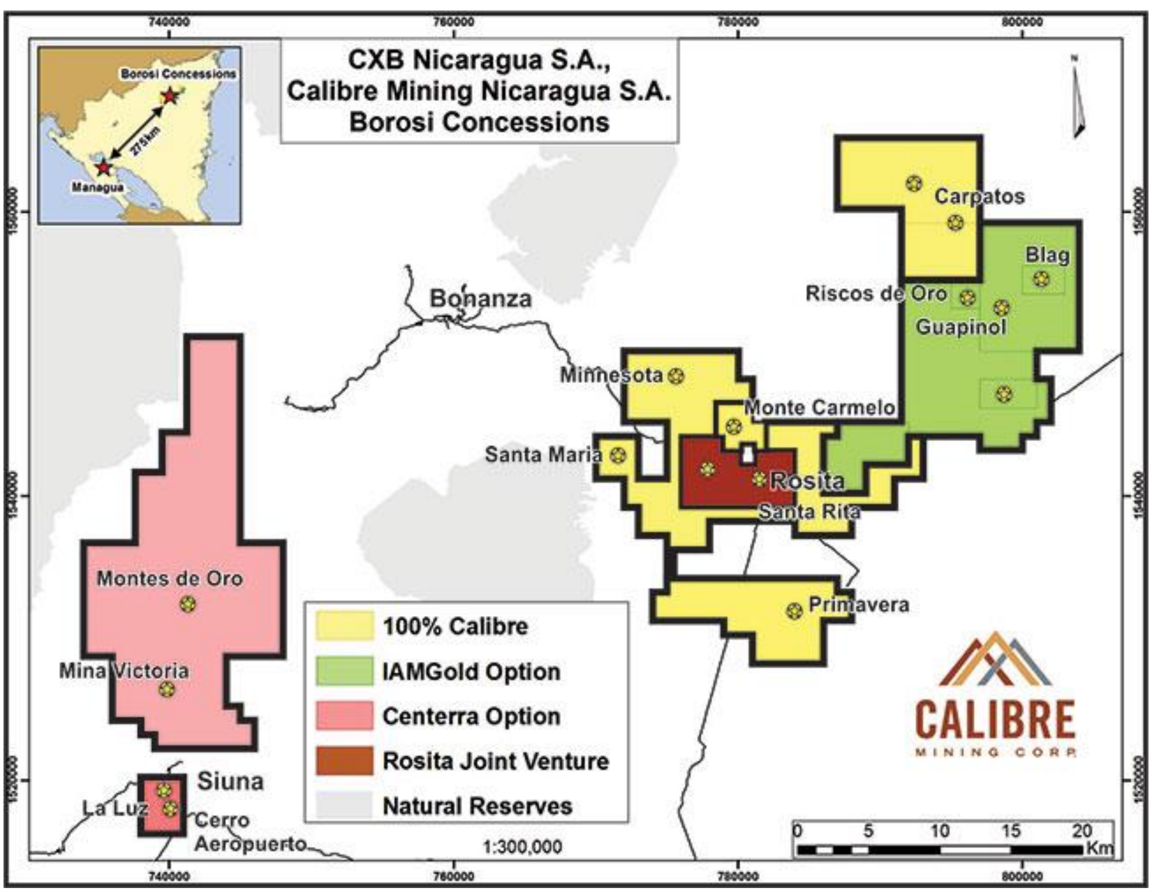
Borosi, Nicaragua, Central America

The following provides a breakdown of the costs incurred at Borosi during the year ended December 31, 2016:

	Option Property to B2Gold	Option Property to Rosita	Option Property to IAMGOLD	Option Property to Centerra	Calibre 100% Owned Property	Total
Cost, December 31, 2015	$ 5,085,709	$ 516,688	$ 6,838,467	$ 4,392	$ 8,147,670	$ 20,592,925
Acquisition of B2Gold interest	-	-	-	-	2,837,426	2,837,426
Administration and maintenance	-	-	206,094	183,195	68,698	457,986
Amortization	-	-	11,116	9,881	3,705	24,702
Assaying	-	-	105,423	151,713	-	257,136
Camp, supplies and logistics	-	-	156,367	114,132	-	270,499
Drilling and related	-	-	1,009,214	888,860	13,402	1,911,476
Foreign exchange	(166,622)	(16,928)	(224,047)	(144)	(266,940)	(674,680)
Geological consulting	-	-	27,183	180,648	9,558	217,389
Professional fees	-	-	-	-	23,601	23,601
Property maintenance	231,968	35,379	237,706	111,337	266,500	882,890
Resource estimates	-	6,000	-	-	42,970	48,970
Salary and wages	-	-	342,813	433,461	280,856	1,057,131
Stock-based compensation	-	-	3,292	2,926	1,097	7,316
Travel	-	-	17,196	9,276	76,350	102,822
Recovery of costs	(231,968)	(35,379)	(2,020,680)	(1,726,053)	-	(4,014,080)
Total expenditures during the year	(166,622)	(10,928)	(128,323)	359,232	3,357,225	3,410,584
Reclassification of acquisition costs	(4,042,689)	-	-	-	4,042,689	-
Reclassification of B2Gold costs	(876,398)	-	-	-	876,398	-
Cost, December 31, 2016	$ -	$ 505,760	$ 6,710,144	$ 363,624	$ 16,423,982	$ 24,003,509

The Company interest in the Borosi Gold-Silver-Copper Concessions (the "Borosi Concessions"), consisting of a number of mining and exploration concessions located in the North Coastal Caribbean Autonomous Region of Nicaragua, Central America. The Company has entered into separate partnership agreements over portions of the Borosi Concessions as summarized below:





(Expressed in Canadian Dollars)

Details of the Areas Previously in Joint Venture with B2Gold

B2Gold Joint Venture

The Company partnered with B2Gold Corp. ("B2Gold") to explore the Borosi Project, as outlined in the option agreement dated July 21, 2009 (as amended on June 18, 2010 and October 19, 2010). The option agreement covers only a portion of the Borosi Project (the "B2Gold Option Property"). Pursuant to the agreement, in 2013, B2Gold completed $8 million of expenditures on the B2Gold Option Property and earned a 51% interest, with Calibre retaining a 49% interest over the concessions. B2Gold was the operator on the B2Gold Option Property. In September 2013, the Company signed a definitive joint venture agreement (the "JV Agreement") with B2Gold which granted B2Gold a further option to acquire an additional 19% interest in the B2Gold Option Property, for a total interest of 70%, by spending $6 million in additional project expenditures by April 2016. During the year ending December 31, 2015, the term of the further earn-in agreement was extended an additional 24 months to April 24, 2018.

On December 8, 2016, the Company acquired (the "Transaction") all of the interest held by B2Gold in the Borosi concessions in consideration for 23,450,000 common shares of the Company and a 1.5% net smelter returns royalty ("NSR") on production from the property. The common shares issued by the Company were valued at $2,814,000 which is based on the closing stock price on the transaction date. Upon closing of the Transaction, Calibre owns an undivided 100% interest in the property (subject to the NSR) and B2Gold owns 18.5% of the total issued and outstanding common shares of Calibre. Including transaction costs, the total acquisition costs associated with the Transaction amounted to $2,837,426.

In recent years, the Company and B2Gold have focused exploration on two main areas within the joint venture area consisting of Primavera Gold-Copper Porphyry and the Monte Carmelo Gold-Silver Skarn with the most recent exploration work being done at Monte Carmelo.

Primavera

A total of 32 holes totaling 13,400 meters have been drilled at the Primavera Project. The target was identified in regional sampling and mapping and defined by detailed soil sampling and trenching, with the discovery drill holes including 261.70m grading 0.78g/t gold and 0.30% copper, and 247.35m grading 0.43g/t gold and 0.21% copper.

The Primavera Project zone consists of classic porphyry style gold-copper mineralization. Porphyry style mineralization is hosted within the volcanic and intrusive rocks and associated with both potassic and propylitic alteration. The chalcopyrite +/- bornite copper mineralization is primarily hosted by a quartz veinlet stockwork and overall sulphide content is quite low. Drilling encountered intense zone of potassic alteration dominated by potassium feldspar, biotite, and magnetite. In additional the presence of sheeted and banded quartz-magnetite veins along with the alteration and mineralization textures further confirmed the potential for a gold-copper porphyry system.

An airborne geophysical survey outlined a five kilometre by four kilometre area interpreted to outline an intrusive/volcanic complex and which highlights the potential for additional gold-copper porphyry discoveries. Additional ground surveys were completed in 2015 and 2016 and additional targets have been outlined but not tested by drilling.

No compliant resource has been estimated on the Primavera Project. Drilling has outlined a higher-grade core to the gold-copper porphyry mineralization over an area 400 metres long, 250 metres wide and to a depth of 300 metres with mineralized intervals averaging 0.4 -- 0.6 g/t Au and 0.2 -- 0.3 %Cu. Drilling to date has tested less than 5% of the anomalous area.

Primavera Drill Highlights:

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)
PR-11-001	0.00	262.00	262.00	0.40	0.22
PR-11-002	1.50	263.20	261.70	0.73	0.29

(Expressed in Canadian Dollars)

PR-11-003	4.00	327.20	323.20	0.41	0.18
PR-12-005	207.00	380.85	173.85	0.31	0.16
PR-12-008	107.00	355.00	248.00	0.43	0.21
PR-12-011	6.95	164.00	157.05	0.47	0.20
PR-12-016	0.00	201.35	201.35	0.77	0.36

Notes:
- Intervals are core lengths / true width is estimated to be 70-90% of lengths
- Length weighted averages from uncut assays.

Primavera was the first porphyry gold-copper project discovered in Nicaragua and the mineralization remains open for expansion.

In December 2016, the Company announced a maiden National Instrument 43-101 ("NI 43-101") Inferred Resource Estimate for the 100% owned Primavera Gold-Copper Porphyry Project, Nicaragua of 45.0 million tonnes grading 0.54 g/t Au, 1.15 g/t Ag and 0.22 % Cu (0.84 g/t AuEq) containing 782,000 ounces of gold, 1.7 million ounces of silver and 219 million pounds of copper (1.2 million AuEq ounces).

Key Highlights:

- The Primavera Gold-Copper Porphyry Deposit contains a maiden Inferred Resource at a 0.5 g/t Au cutoff of 45.0 million tonnes grading 0.54 g/t Au, 1.15 g/t Ag and 0.22 % Cu (0.84 g/t AuEq) containing 782,000 ounces of gold, 1.7 million ounces of silver and 219 million pounds of copper (1.2 million AuEq ounces);

- The gold-copper deposit resource is open to depth and to further expansion with additional targets in immediate proximity to the existing drilled deposit;

- WSP also completed a Whittle analysis to estimate an initial open pit-constrained Inferred Resource at a 0.5 g/t Au cutoff of 27.8 million tonnes grading 0.60 g/t Au, 1.23 g/t Ag and 0.23% Cu (0.91 g/t AuEq) containing 535,000 ounces of gold, 1.1 million ounces of silver and 140 million pounds copper (811,000 AuEq ounces). The open pit has a strip ratio of 1.2/1.0; and

- Numerous high priority drill targets prospective for further gold-copper porphyry mineralization exist within the 5.0 kilometre by 4.0 kilometre Primavera target area as defined by anomalous gold and copper in rock and soil samples, magnetic and radiometric geophysical anomalies, and targets where geological mapping has identified porphyry style mineralization or alteration

Inferred Resource at a cutoff of 0.5 g/t Au for the Primavera Au-Cu Porphyry Deposit

tonnes	Au g/t	Ag g/t	Cu %	Au Eq	Au ozs	Ag ozs	Cu Lbs.	Au Eq ozs
44,974,000	0.54	1.15	0.22	0.84	782,000	1,661,000	218,670,000	1,200,000

Notes:
1. CIM definition standards were followed for the resource estimate.
2. The 2016 resource models used Ordinary Krig grade estimation within a three-dimensional block model with mineralized zones defined by wireframed solids (HG=high grade, LG= low grade, sap=saprolite).
3. A base cutoff grade of 0.5 % g/t Au was used for reporting resources.
4. Densities varied by material type and ranged from 2.4 for saprolite to 2.71 for diorite and the volcanics have variable estimated densities using inverse distance.
5. Numbers may not add exactly due to rounding.
6. Gold Equivalent (AuEq) calculated using $1300/oz Au for gold, $2.40/lb. for Copper, and $20.00/oz Ag for silver and metallurgical recoveries are assumed to be 90% for both gold and copper.
7. Mineral Resources that are not mineral reserves do not have economic viability
8. The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

Calibre continues to advance the Primavera Gold-Copper Porphyry Project. The Company is actively completing data compilation and interpretations designed to finalize target prioritization for the 2017 Reverse Circulation ("RC") and diamond drilling programs. In February 2017, a site visit was completed by one of the world's foremost porphyry experts Dr. Richard Sillitoe. Dr. Sillitoe's extensive experience and insights have advanced the understanding of the Primavera Gold-Copper deposit and additional follow-up work is on-going. Several of Dr. Sillitoe's conclusions will have a significant positive impact on the exploration programs going forward and have been incorporated into the planned drill program including;

The (Primavera) prospect has many similarities to other gold-rich porphyry deposits, including a good Au/Cu correlation, presence of abundant hydrothermal magnetite and a molybdenum-rich halo to the gold-copper zone.

In view of the widespread occurrence of porphyry copper deposits in district-scale clusters and alignments, exploration needs to be focused on assessment of nearby, untested areas.

The proposed programme of scout drilling of geochemical targets is considered the best means of further appraising the district potential.

The drilling program will be finalized over the next 45 days and exploration drilling targeted at the discovery of additional gold-copper porphyry deposits is schedule to commence in Q2 2017.

Monte Carmelo

The Monte Carmelo Project was discovered in 2015 through prospecting and rock sampling. Previous work was further defining the zone by detailed soil sampling, auger drilling and ground magnetics over the area of the previously defined gold in soil anomaly. The anomalies defined by exploration at the Monte Carmelo Project in 2015 and 2016 include 295 auger samples and 117 surface rock samples.

Detailed work on the most advanced target includes 110 auger samples in four lines have testing the main mineralized trend, showing a consistent >0.5 g/t Au gold anomaly extending 500 m long and 50 to 100 m wide. Close-spaced auger samples were collected every 5 to 20 m along lines to test the consistency of the gold anomaly and to identify controls to gold mineralization. Collectively these have outlined zones of magnetite skarn with massive, semi-massive, bands (lamina) of magnetite in irregular NW-trending bodies that alternate with zones of garnet skarn. The arithmetic average of the auger rock-soils along NE-orientated Line TR1 located in the upper part of the hill was 105 metres grading 5.47 g/t Au. The western part of NW-orientated Line NW01 (Western edge) averaged 47 metres grading 3.82 g/t Au. The mineralized zone along Line TR02 returned 25 metres grading 1.38 g/t Au. Auger sampling was also completed on the Los Chontalenos garnet skarn to the east where local samples with gold anomalies were reported from previous sampling.

A detailed ground magnetic survey completed in 2016 and consisting of 148.75 line kilometres has identified up to 12 additional targets with signatures similar to the currently defined gold zone at the Monte Carmelo Project. The Monte Carmelo Project is fully permitted for drilling.

The maiden drilling program at the Monte Carmelo Gold Skarn Project commenced in 2017. The program consisted of a minimum of 2,500 metres of diamond drilling targeting high-grade gold skarn mineralization exposed on surface and tested by an extensive program of auger drilling. Geological mapping and geochemical sampling has outlined skarn and structurally-related gold mineralization. The overall size of the main skarn body is >700 m long and 200-300 m wide. Additional exploration consisting of auger sampling of the mineralized zone along NE‐orientated Line TR1 located in the upper part of the hill, returned an average of 105 metres grading 5.47 g/t Au. In the same area in the western part of NW‐ orientated Line NW1 the average is 47 metres grading 3.82 g/t Au. The mineralized zone along Line TR2 returned 25 metres grading 1.38 g/t Au. Note the average grades are the arithmetic averages of the auger rock samples along the lines.

The maiden drilling program at Monte Carmelo continues with the first 3 of a planned 7 drill holes completed.

(Expressed in Canadian Dollars)

Details of the Areas Currently in Joint Venture with Rosita Mining

Rosita Mining Option Agreement
The Company is a party to an option agreement with Rosita Mining Corporation ("Rosita") whereby Rosita can earn a 65% interest in an area known as the Rosita D concession, located within the Company's 100%-owned Borosi Project. Under the terms of the option agreement, Rosita can earn a 65% interest in the Rosita D concession by expending a total of $4 million on exploration and other work on the Rosita D concession and by issuing to the Company a total of 181,000 common shares of Rosita over a 4 year period ending in October 2015 (both completed). Rosita acted as the project operator for all work conducted on the Rosita D concession during the option period.

During 2016, the Company and Rosita signed a joint venture agreement on the Rosita D Concession. The Company and Rosita hold a 35% and 65% interest respectively in the joint venture with each party being responsible for their pro-rata share of all project expenditures. Rosita acts as the manager of the joint venture. The Company elected to not participate in the 2016 program of the joint venture and as a result, its interest in the joint venture decreased from 35% to 33%.

Rosita D Concession Project

The Rosita D Concession is the location of the historic open pit Santa Rita copper-gold mine, with total historic production from skarn mineralization estimated at 305M pounds of copper, 177,747 ounces of gold and 2.6M ounces of silver from 5.9M tons of ore (*Arengi, 2002)*. The Rosita D concession totals 3,356 hectares, accounting for only 5% of Calibre's concessions in the Mining Triangle.

In May 2012, Calibre announced a copper, gold and silver resource for the stockpiles at Rosita in conjunction with option partner Rosita Mining Corporation. The resource estimate was prepared by Yungang We, Resource Geologist of Toronto-based consulting firm Coffey Mining Pty. Ltd. and an independent Qualified Person under NI 43-101 and is based on 17 vertical channel samples and 55 reverse circulation drill holes completed by Alder over the stockpiles during late 2011 and the first quarter of 2012. A summary of the total resource is outlined below:

Deposit	Tonnes	Grade (Au g/t)	Grade (Ag g/t)	Grade (Cu %)	Contained Au (oz)	Contained Ag (oz)	Contained Cu (lbs.)
Rosita Stock Piles	7,950,000	0.46	9.20	0.62	118,000	2.35M	108M

1. Base case is reported at a 0.15% copper equivalent cut-off grade which incorporates consideration of mining and processing cost, recoveries, commodity prices and selling cost.
2. Estimate assumes a long term copper price of US $2.90/lb, a gold price of US $1,200/oz. and a silver price of US $24/oz.
3. Rounding as required by NI 43-101 reporting guidelines may result in apparent summation differences.
4. Tonnage and grade measurements are in metric units. Contained gold and silver ounces are reported as troy ounces, contained copper pounds as imperial pounds.
5. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may by materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
6. The quantity and grade of reported inferred mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred mineral resources as indicated or measured mineral resources and it is uncertain if further exploration will result in upgrading them to indicated or measured mineral resources.
7. part of the Rosita D Project (65% Rosita Mining / 35% Calibre Mining)

On March 9, 2017, Rosita announced the completion of a Preliminary Economic Assessment ("PEA") including a Financial, Economic and Planning Model ("Model") at its 67% owned Santa Rita Project, in Nicaragua. The PEA is preliminary in nature and it includes Indicated and Inferred resources in the Stockpiles and Tailings Resources as disclosed by the Company's February 8, 2016 NI 43-101 Technical Report (filed on SEDAR March 22 2016). The Resources estimated and the results of the test work and engineering previously disclosed, allowed the following Project to be defined for the PEA:

- Anticipated Life of Mine of 10 years, utilizing 4.67 million tonnes of the material included in the resource tabulation categorized as Indicated Mineral Resources grading at 0.51 grams per tonne gold, 8.2 grams per tonne silver and 0.59% copper and 1.53 million tonnes categorized as Inferred Mineral Resources grading at

0.61 grams per tonne gold, 11.3 grams per tonne silver and 0.65% copper; and
- Anticipated capacity of the Treatment plant (milling plus heap leach) of 1,000 tonnes per day for the first 3 years, expanding to 2,000 tonnes per day for the subsequent 7 years.

The metal prices assumed for the economic Model are:-

- Gold: USD$1,250 per ounce;
- Silver: USD$18 per ounce; and
- Copper: USD$2.50 per pound.

Other criteria, assumptions and conclusions from the PEA may be summarized:

- Pre-production capital costs including 30% contingencies, $11.4 Million;
- Total capital over life of mine including 30% contingencies, $26.1 Million;
- Operating costs over the life of mine per tonne of throughput, $ 18.5 per tonne;
- The Nicaraguan royalty rate of 3% NSR and 0.5% to an independent 3rd party applied to all saleable products;
- The Nicaraguan income tax rate of 30% after depreciation of fixed assets at 10%;
- IRR after all government taxes 41%;
- NPV at 7%, after all government taxes $33.9 million; and
- Pay back of initial pre-production capital after all taxes 2.6 years.

Rosita has commenced environmental base line work to prepare the project for Mine Permit Application. Social Responsibility work has been undertaken positively with the Municipality.

<u>Details of the Areas Currently Under Option with IAMGOLD</u>

<u>IAMGOLD Option Agreement</u>

During 2014, the Company executed an option agreement with IAMGOLD Corporation ("IAMGOLD") whereby IAMGOLD can earn a 51% interest ("First Option") and subsequently an additional 19% interest ("Second Option") (for a total of 70%) in the Eastern Borosi Project ("Eastern"). A summary of the terms are as follows:

- IAMGOLD can earn a 51% interest in the Eastern concessions by expending US $5 million in exploration on Eastern by May 26, 2017, with a minimum US $1.5 million year one commitment (first year expenditure commitment has been completed); and

- Make cash payments to Calibre totalling US $450,000, with US $150,000 due at signing (received) and US $150,000 on each of the next two anniversary dates, being May 2015 (received) and May 2016 (received);

- Calibre will act as project operator in the first year or a longer period should the parties agree, with IAMGOLD having the right to take over operatorship following the first anniversary;

- Once IAMGOLD earns its initial 51% interest, IAMGOLD will have the option to earn an additional 19% interest over the subsequent three year period by spending an additional US $5 million on Eastern and making staged cash payments of an additional US $450,000 in three annual payments; and

- Once IAMGOLD exercises its Second Option, or elects not to enter into the Second Option, the parties will formalize a joint venture to advance the project further. At such 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 Eastern.

The agreement with IAMGOLD is an option agreement and, with the exception of the initial payment to Calibre of US $150,000 and the initial commitment on project expenditures totalling US $1.5 million (both completed), all other future payments are at the discretion of IAMGOLD.

(Expressed in Canadian Dollars)

Eastern Borosi Gold-Silver Project

In February 2011, Calibre announced two new gold and silver National Instrument 43-101 ("NI 43-101") compliant inferred resources for the 100% owned Cerro Aeropuerto and La Luna deposits. The Company also announced its third gold and silver NI 43-101 inferred resource on the 100% owned Riscos de Oro deposit in September 2012. Calibre's three NI 43-101 compliant inferred resources total 1,057,750 ounces of gold and 8,430,070 ounces of silver. A summary of the total resources is outlined below:

Zone	Tonnes	Grade (Au g/t)	Grade (Ag g/t)	Grade (Au Eq g/t)	Contained Au (oz)	Contained Ag (oz)	Contained Au Eq (oz)
La Luna	2,539,000	1.56	14.01	1.78	127,700	1,143,570	146,000
C. Aeropuerto	6,052,000	3.64	16.16	3.89	707,750	3,144,500	757,000
Riscos de Oro	2,159,000	3.20	59.67	4.14	222,300	4,142,000	287,000
Total					1,057,750	8,430,070	1,190,000

1. Resource models used Inverse Distance grade estimation within a three-dimensional block model with mineralized zones defined by wireframed solids and a base cutoff grade of 0.6 g/t.
2. Resource Estimates for La Luna and Cerro Aeropuerto detailed in Technical Report titled NI 43-101 Technical Report and Resource Estimation of the Cerro Aeropuerto and La Luna Deposits, Borosi Concessions, Nicaragua by Todd McCracken, dated April 11, 2011.
3. Resource Estimate for Riscos de Oro detailed in Technical Report and Resource Estimation of the Riscos de Oro Deposit, Borosi Concessions, Nicaragua by Todd McCracken, dated October 9, 2012.
4. Numbers may not add exactly due to rounding.
5. Gold Equivalent (AuEq) for Riscos de Oro was calculated using $1264 /oz Au for gold and $19.78/oz Ag for silver, and metallurgical recoveries and net smelter returns are assumed to be 100%.
6. Gold Equivalent (AuEq) for La Luna and C. Aeropuerto was calculated using $1058/oz Au for gold and $16.75/oz Ag for silver, and metallurgical recoveries and net smelter returns are assumed to be 100%.
7. Mineral Resources that are not mineral reserves do not have economic viability.
8. The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.
9. La Luna and Riscos de Oro currently optioned to Iamgold and Cerro Aeropuerto currently optioned to Centerra Gold Inc.

Exploration to date on the Eastern Borosi Project has outlined several tens of kilometres of highly prospective mineralized structures located in an historic gold-silver mining district. Targets have been defined by surface soil and rock sampling, trenching and drilling. Low sulphidation epithermal gold-silver mineralization intersected on the Eastern Borosi Project is hosted within porphyritic andesite and consists of structurally controlled, high energy quartz-carbonate vein breccias, vein-stockworks and discrete smokey quartz veins containing fine grained sulphide minerals.

The Eastern Borosi Project includes the Riscos de Oro and La Luna NI 43-101 Inferred Mineral Resources which total 4.70 million tonnes grading 2.31 g/t Au and 34.99 g/t Ag containing 350,000 ounces of gold and 5.29 million ounces of silver. Both zones are open for potential expansion. See Calibre News Release dated May 27, 2014 for details.

In 2014-2015, a total of 11,423 metres in 81 drill holes (2015; 5917 metres in 41 drill holes) were completed resulting in several high grade gold-silver discoveries including; Guapinol, Vancouver, Main Blag, East Dome, Santos Trend, La Sorpresa (Cadillac Vein), and Riscos de Oro extension. Exploration and drilling has been highly successful in discovering and defining high grade gold-silver mineralization on the Eastern Borosi Project where all zones remain open and with numerous additional targets yet to be tested. The drilling in 2014-15 included 37 holes (5,899m) at Guapinol, 23 holes (3,383m) at Blag, 16 holes (1,623m) at La Sorpresa, and 5 holes (518m) at Riscos de Oro extension.

Drill holes completed to date in 2016 include: 30 drill holes with 8 at East Dome; 7 testing the Main Blag vein system, 3 on the Santos Trend; 3 at the BVS gold target, 5 on the Vancouver vein system; 2 at the California Vein, and 2 on the Veta Loca gold target Total meterage to date: 6,008.02 metres (1,651.39m East Dome; 1,497.00m Main Blag;

466.64m Santos; 621.26 BVS, 1,111.71m Vancouver; 362.94 California, and 297.08 Veta Loca). Results were previously reported for 22 holes (see News Releases June 8, 2016 and July 26, 2016). Additional results have been received and are being reported in this news release for the further eight (8) holes including two holes completed at Main Blag, two holes testing the East Dome, two holes testing the Vancouver Structure, and two holes at the Veta Loca Structure. On-going drilling continues to test the Main Blag and East Dome Systems.

Diamond drilling of the Main Blag Gold-Silver Vein System continues to extend the defined mineralization, with hole BL16-042 intercepting 6.23 metres grading 2.60 g/t gold and 10.5 g/t silver - the deepest intercept to date intersecting the structure between 307.8 and 314.0 metres down hole (approximately 260 metres below surface). A second hole targeting the structure was lost. Additional drilling is on-going at the Main Blag Structure.

Two step out holes on the East Dome Structure have intersected 15.35 metres grading 1.21 g/t gold and 120.9 g/t silver, including 3.00 metres grading 3.61 g/t gold and 348.7 g/t silver (BL16-043) and a second intercept of 16.50 metres grading 2.27 g/t gold and 127.9 g/t silver, including 3.38 metres grading 9.64 g/t gold and 404.4 g/t silver (BL16-044). The two holes have further extended the East Dome mineralization to the south under the topographic high and tested a vertical extent to the mineralization of 125 metres. The intercepts extend the mineralization 75 metres to the south, stepping out from drill hole BL16-040 which intersected 2.78 metres grading 2.69 g/t gold and 431.6 g/t silver.

The first drilling on the Veta Loca gold target, located 500 metres south of the Guapinol-Vancouver Structures, has intersected 6.31 metres grading 10.15 g/t gold and 6.9 g/t silver including 0.79 metres grading 46.20 g/t gold and 10.5 g/t silver with a second hole 150 metres north returning no significant values.

Two step-out drill holes were targeted at extending the Vancouver Vein Structure; however, GP16-043 did not intersect any significant values and GP16-044 was lost before reaching the structure.
The 2017 drilling program, fully funded by IAMGOLD, started on the Eastern Borosi Project in January 2017. The program will consist of a minimum of 6,000 metres of diamond drilling. Drilling will focus on step out drill holes which will test down plunge and on-strike extensions, with holes designed to expand open high-grade intercepts at Riscos de Oro, Guapinol, Main Blag, and East Dome.

Details of the Areas Currently Under Option with Centerra Gold

Centerra Option Agreement

On September 8, 2015, the Company signed an option agreement with Centerra Gold Inc. ("Centerra") whereby Centerra can earn a 51% interest and subsequently an additional 19% for a total of 70% interest in the La Luz Gold-Silver Project (the "La Luz Project") located within the Borosi Concessions, Northeast Nicaragua. The La Luz Project includes the past producing La Luz Gold-Silver Mine and the Cerro Aeropuerto Project. Additionally, Calibre has granted Centerra the Right of First Refusal ("ROFR") on the Company's 100% owned 24,134 hectare Montes de Oro Project, located approximately three kilometres from the La Luz Project.

A summary of the significant terms are as follows:

- La Luz First Option: To earn a 51% interest in the La Luz Project, Centerra must spend $3.0 million in exploration on the property from signing to December 31, 2017;
- A commitment to commence a drilling program in 2015 (completed);
- La Luz Second Option: Once vested at 51%, Centerra can elect to earn an additional 19% in the La Luz Project for a total of 70% by spending a further $4.0 million in exploration on the Project over a subsequent two year term; and
- Calibre has granted a ROFR to Centerra for an option/joint venture on Calibre's 100% owned Montes de Oro Project for so long as Centerra continues to fund the La Luz Project under the First Option or to such a time that Centerra earns a 70% interest of the La Luz Project.

During 2016, the Company recorded a total of $153,514 (2016 - $30,995) in management fees related to acting as operator on the La Luz Project.

(Expressed in Canadian Dollars)

La Luz Project

The La Luz Project is located in the south-west portion of the Borosi Concessions and contains the past producing open pit and underground La Luz Mine that produced 17.1 million tonnes of ore grading 4.14 g/t gold (2.3 million ozs gold) as well as, one kilometre south, the NI43-101 compliant Inferred Resource at the Cerro Aeropuerto gold-silver deposit which hosts 707,750 ozs gold and 3.1 million ozs silver in 6.05M tonnes grading 3.64 g/t Au and 16.16 g/t Ag at a cut off of 0.6 g/t.

In addition to the historic trend highlighted by the La Luz Deposit and the Cerro Aeropuerto resource, the results from the Project-wide La Luz soil grid shows two principal gold anomalous trends, the Cerro Coyol - El Tiburon Trend and the San Pablo Trend. The largest is the 3.8 km x 0.5 – 1.0 km northwest-southeast trending Cerro Coyol - El Tiburon trend which in addition to the multi-element soil anomaly contains several areas of artisanal workings as well as anomalous rock samples from float and bedrock

The 2015/2016 diamond drilling program on the Cerro Aeropuerto Project being funded by Centerra included 1,421 metres completed in 5 drill holes. Results include CA16-022 which returned a weighted average of 53.7 metres grading 10.47 g/t Au including 2.7 metres grading 120.58 g/t Au (uncut) and CA15-020 which returned 71.05 metres grading 2.89 g/t Au. Geologic interpretation of drill holes to date has identified a gold-bearing hornblende diorite porphyry body bounded by shear zones containing serpentinized basic to ultrabasic rock and calcareous metasediments. The strongest mineralization is located near the serpentinite-diorite contacts where sulphide bearing quartz-carbonate veins and silicified hydrothermal breccias correlate well with high grade gold values.

Hole_ID	Length (m)	Au (g/t)	from (m)	to (m)
CA16-023	**36.60**	**1.59**	**134.20**	**170.80**
CA16-022	**53.70**	**10.47**	**212.65**	**266.35**
Including	**2.70**	**120.60**	**212.65**	**215.35**
With	0.54	592.10	214.18	214.72
And	8.12	22.47	219.10	227.22
CA16-020*	**71.05**	**2.89**	**190.45**	**261.50**
Including	**26.03**	**6.39**	**211.97**	**238.00**

Notes: - Intervals are core lengths / true width are estimated to be 80-90% of lengths
- Length weighted averages from uncut assays.

Extensive exploration continues to further define the three high priority targets outlined to date including the 3.8 km long Cerro Coyol – El Tiburon gold trend. In-fill soil sampling was completed in March 2016 with results pending. During Q1 2016, Zonge Geophysics completed 25 line kilometres of Dipole-Dipole Induced Polarization ("D-D IP Survey") and 137 line kilometres of ground magnetic surveys. D-D IP Survey data for the Cerro El Coyol-Tiburon trend shows a number of chargeability and resistivity highs coincident with the gold anomalous soil samples. The D-D IP Survey data from the Cerro Aeropuerto and Cerro Potosi targets show a correlation between the gold zones and chargeability highs and "breaks" in resistivity where the contours are closely spaced (high rate of change).

The current exploration and fieldwork is concentrated on an extensive trenching program targeting geological, geochemical, and geophysical anomalies generated by the work to date. The results of the trenching program will be used to prioritize drill targets which will be tested by additional drilling.

The 2017 Calibre-Centerra exploration program is currently underway with an approved budget of US $1.35 million. Recent drilling on the Siuna Project in the Huracan area, south of the Cerro Aeropuerto Gold Deposit, has returned gold intercepts including: 1.52 m grading 48.8 g/t Au. Newly discovered, low grade, porphyry-style gold-copper mineralization has been intersected in a number of drill holes with intercepts including: 189.6 m grading 0.22 g/t Au and 537 ppm Cu.

Exploration continues on the Northern Suina Project where results to date from soil sampling on a 400 m by 400 m grid have defined kilometer-scale gold anomalies that remain open for expansion. 2017 exploration is on-going consisting of wide-spaced soil and rock sampling on the Northern Siuna Gold Project, Induced Polarization and

(Expressed in Canadian Dollars)

Ground Magnetic surveying of a series gold targets. Additional diamond drilling is scheduled for H2 2017.

Recent surface exploration and drilling has greatly enhanced the understanding of gold mineralization within the district. Conclusions include;

- Gold mineralization is potentially related to intrusive systems as indicated by mineralized diorites intersected in diamond drilling; and

- Low grade Cu-Au "porphyry" style mineralization intersected in diamond drilling in volcanics and diorites is promising for locating greater density, higher grade quartz -- sulphide -- copper - molybdenum veinlets and stockwork style mineralization.

Using the above characteristics as a guideline, gold mineralization in the Siuna district can grouped into at least two intrusive related trends (1) Huracan -- Aeropuerto -- La Luz trend and further north, (2) Mina Victoria -- Montes de Oro trend. Deeper Dipole -- Diploe Induced Polarization surveys are designed to strengthen the understanding of the main mineralized zones.

Recent exploration drilling on the Siuna Gold Project consisted of a total of 19 diamond drill holes (8 Huracan, 4 Coyol and 7 Tiburon) with a total meterage in 2016 of 4927 metres (2,439.8 m Huracan, 1,003.4 m Coyol and 1,483.8 m Tiburon). Results include:

Hole ID		From m	To m	Length (m)	Au (g/t)	Ag (g/t)	Cu (ppm)	Zn (ppm)
HU16-031		9.15	10.67	**1.52**	**48.80**	43.9	171	228
HU16-031	and	32.08	173.35	**141.27**	**0.19**	0.6	663	286
HU16-031	incl	99.12	173.35	**74.23**	**0.27**	0.3	881	185
HU16-037		109.27	298.90	**189.63**	**0.22**	0.2	537	50
HU16-037	incl	126.00	154.35	**28.35**	**0.40**	0.3	830	46
HU16-042		260.77	501.73	**240.96**	**0.15**	0.3	348	72
HU16-042	incl	316.30	356.85	**40.55**	**0.24**	0.4	614	106
CY16-041		6.10	185.00	**178.90**	**0.13**	0.2	79	56
HU16-027		56.80	165.17	**108.37**	**0.20**	1.0	481	88
HU16-027	and	197.60	269.70	**72.10**	**0.28**	0.9	525	192
HU16-027	incl	197.60	225.70	**28.10**	**0.41**	0.9	717	204
CY16-040		115.90	172.50	**56.60**	**0.18**	0.3	63	307
TB16-032		91.00	131.02	**40.02**	**0.21**	2.1	114	4,312
TB16-032	incl	127.90	131.02	**3.12**	**1.33**	22.7	308	53,330
TB16-032		15.25	32.55	**17.30**	**0.20**	10.8	222	11,560
TB16-025		3.67	77.60	**73.93**	**0.10**	0.3	89	67
CY16-041		143.35	170.80	**27.45**	**0.25**	0.2	121	60

Notes:
- Intervals are core lengths / true width is estimated to be 70-80% of lengths
- Length weighted averages from uncut assays.

Drilling in the Huracan area located south of Cerro Aeropuerto was successful in intersecting both narrow high grade gold mineralization and wider porphyry-style gold mineralization. The highest grade intercept was in drill hole HU16-

031 which intersected 1.52 metres grading 48.8 g/t Au. Several low grade porphyry-style gold zones including anomalous gold and copper are present in HU16-042, HU16-027, -031 and -037. The drill intercepts are located along a 1.3 km trend. HU16-042 includes 241.0m @ 0.15 g/t Au and 348 ppm Cu (260.8 - 501.7m). Porphyry-style mineralization within diorites includes quartz-pyrite-molybdenite-chalcopyrite veins, pyrite-tourmaline blebs/veinlets, and disseminated pyrite-chalcopyrite. Patchy and disseminated magnetite alteration and weak to moderate potassic alteration typical in gold-rich porphyry systems such as Calibre's Primavera gold-copper deposit was prevalent in the lower half of the hole. The closest drill hole 300 metres to the south (HU16-037) intersected 189.63m grading 0.22 g/t Au and 537 ppm Cu (109.27 - 298.9m). The closet hole to the north (700 metres away - HU16-031) intersected 74.23 m grading 0.28 g/t Au and 881 ppm Cu (99.12 - 173.35 m). A further 500 metres north the gold mineralization in HU16-027 included two intercepts of 108.37m grading 0.20 g/t Au and 481 ppm Cu (56.8 - 165.17m) and 72.1m grading 0.28 g/t Au and 525 ppm Cu (197.6 - 269.7m). Located 200 metres west of the trend drill hole HU16-031 intersected 6.55m @ 0.61 g/t Au related to semi-massive sulphide similar to Cerro Aeropuerto deposit mineralization.

Drilling along the Cerro Coyol-Tiburon trend was directed at a series of gold and base metal soil anomalies, geophysical (magnetic and IP) anomalies, and anomalous gold and base metal rock samples and trenches. Results from the Cerro Coyol area include: CY16-040 with 56.6 m grading 0.18 g/t Au and 63 ppm Cu and CY16-041 with 178.9 m grading 0.13 g/t Au and 79 ppm Cu. Results from the Tiburon area, two kilometres south of Coyol, include TB16-032 with 17.3 m grading 0.20 g/t Au and 222 ppm Cu including 2.25 m grading 0.803 g/t Au and 546 ppm Cu also with 2.3% Pb and 7.4% Zn, and a second intercept of 3.12m @ 1.3 g/t Au and 308 ppm Cu with 0.82% Pb and 5.33% Zn.

On the Siuna Project potential exploration parameters for intrusion hosted (porphyry-style) mineralization includes chalcopyrite / pyrite ratios, quartz-dominant vein density, magnetite alteration of the groundmass and proximity to shear zones.

Work during Q1 2017 has concentrated on a project-wide sampling program designed to extend existing anomalous zones and define new anomalous trends. Work to date has include;

- Exploration and sampling designed to cover the entire 241 sq. km Northern Siuna Area at 400 metre by 400 metre spacing. Sampling is 90% complete with 1,167 regional soil samples collected in 2017 and with results received to date for 50% of the samples collected. Results have outlined kilometre-scale anomalous areas which remain open.

- Additionally a total of 982 detailed soils have been collected in areas of previously outlined anomalous results including Mina Victoria, Roskilete, and Montes de Oro. Results have extended the existing anomalies and in some cases have outlined additional gold anomalous zones.

- Concurrent with the soil sampling a total of 254 grab rock samples have been collected.

- Further work consisting of ground magnetic and dipole-diploe IP geophysical surveying is on-going.

The Siuna Project is located in the south-west portion of the Borosi Concessions and contains the past producing open pit and underground La Luz Mine that produced 17.1 million tonnes of ore grading 4.14 g/t gold (2.3 million ozs gold) as well as, one kilometre to the south, the NI43-101 compliant Inferred Resource at the Cerro Aeropuerto gold-silver deposit which hosts 707,750 ozs gold and 3.1 million ozs silver in 6.05M tonnes grading 3.64 g/t Au and 16.16 g/t Ag at a cut off of 0.6 g/t (see Calibre News Release dated February 28, 2011).

Notes: - Mineral Resources that are not mineral reserves do not have economic viability.

- The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

- Resource Estimate for Cerro Aeropuerto detailed in Technical Report titled NI 43-101 Technical Report and Resource Estimation of the Cerro Aeropuerto and La Luna Deposits, Borosi Concessions, Nicaragua by Todd McCracken, dated April 11, 2011.

Within the Northern Siuna area are existing gold targets including; Montes de Oro, Mina Victoria, Cerro Aza, and

Roskilete.

Details of the Areas 100% Owned by Calibre

Calibre controls 100% of 413 km^2 of mineral concessions in the Mining Triangle of Northeast Nicaragua including the Primavera Gold-Copper Project, Santa Maria Project, and Monte Carmelo Gold Project.

Refer to section, "*Details of the Areas Currently in Joint Venture (with a further Option) with B2Gold*," for further discussion on the Primavera and Monte Carmelo Projects which were acquired by Calibre from B2Gold in Q4 2016.

Santa Maria Project

The 214 km^2 Rosita District is host to a series of advanced targets including the Santa Maria, high grade gold-silver low sulphidation epithermal vein system. Other advanced Targets include Minnesota, Terciopelo, Fruta de Pan and others previously within the B2Gold Joint Venture.

The Santa Maria Project consists of a well-defined low sulphidation epithermal mineralization. Previous work by Calibre includes 16.3 line kilometres of soil sampling (812 samples), 55 rock samples as well as geological mapping over 9 km^2. Low Sulphidation Epithermal vein mineralization is confirmed over 800 metres of strike length, and inferred over a total strike length of three kilometres. Soil results define a 1000m x 50-100m Au-Pb-Zn ± Cu soil anomaly. The central portion of the Santa Maria Project area has been subjected to intermittent artisanal mining activity along a strike length of 800m. Exposures are largely limited to shallow shafts and pits which have been excavated by artisanal groups; rare float material is located in some areas. Sampling by Calibre has consistently returned anomalous gold and silver.

The Rosita District also hosts the Minnesota Gold Project. In 2015, the Company, with B2Gold acting as operator, announced the completion of a trenching program and results from the Phase 1 diamond drilling program at Minnesota. Reconnaissance diamond drilling program at the Minnesota gold project consisted of seven widely spaced drill holes totaling 992 metres which tested three areas along the 3.5 km by 1.0 km trend of the defined by a strong auger and gold-in soil anomaly and surface rock sampling. Drilling results include: 31.35 metres grading 0.63 g/t Au including 12.40 metres grading 1.07 g/t Au and 47.0 metres grading 0.63 g/t Au including 4.50 metres grading 3.43 g/t Au. The geochemical signature for the portion of the Minnesota system drill tested to date is consistent with an intrusive association for the mineralization with gold and silver values being associated with elevated zinc, lead and molybdenum.

During 2016, Calibre completed the Environmental Impact Statement required to permit the proposed drilling program on the Santa Maria Project. The document has been accepted by the pertinent government agencies. Exploration and development will include a maiden drilling program on the high priority Santa Maria gold-silver Target within the Rosita District where previous work by Calibre has defined a high grade low sulphidation epithermal gold-silver vein system with a gold in soil anomaly extending 3 km and high grade surface rock samples including 64 g/t gold and 109 g/t silver.

During the first two months of 2017, Calibre completed the permitting process for the upcoming drilling program on the Santa Maria Epithermal Gold-Silver Vein Project. Additionally Calibre has signed community assistance and engagement agreements with the local villages adjacent to the Santa Maria Project. The maiden drilling program, consisting of 3,000 metres of diamond drilling, will begin upon completion of the remaining drill holes at Monte Carmelo which is anticipated to occur in Q2, 2017.

The Carpatos District**;** is located north of the Calibre/Iamgold Eastern Borosi Project. The 73 km^2 Carpatos District has been the subject of surface mapping and rock and soil sampling. The area includes the Hemco II concession, previously part of the B2Gold joint venture. Exploration in 2015 included soil and rock sampling. Existing target include a series of kilometre-scale anomalous zones with variable concentrations of precious and base metals. The largest anomaly is the Central Carpatos Target which is a circular topographic feature with a central diorite intrusion hosted within altered andesite volcanics. Mineralization consists of centimetre-scale massive bands of oxidized magnetite that are accompanied of thin banded veins and veinlets of granular quartz and magnetite with minor sphalerite and scarce veinlets of oxidized sulphides.

The El Paste Concession; covers a 115 km^2 area of highly prospective geology 75 km SW of Siuna. An initial stream sediment sampling program in 2015 generated significant gold anomalies requiring follow-up work. A total of 81 samples were collected and analysed for gold and 31 elements. Two kilometre-scale anomalies were generated including; 1) a broad western area defined by 17 samples anomalous in gold and several pathfinder elements outlining a target area 6.0km by 1.0-1.5 km and 2) a second anomaly estimated to be approximately 4.0km by 3.0km on the eastern edge of the sampled area highlighted by the highest gold value (680 ppb Au) returned in the survey.

Market trends

The price of the Company's common shares, and the consolidated financial results and exploration, development and other activities of the Company, may in the future be significantly and adversely affected by declines in the prices of gold and other metals or minerals. The Company's business is directly impacted on the prices of gold, silver, copper, and other metals being adequate to continue to develop and explore the properties in which it has an interest.

In addition, the Company incurs costs in Canadian and U.S. dollars and the Nicaraguan Cordoba which could result in additional fluctuations in operational costs to the Company. Significant fluctuations in foreign exchanges rates in countries where the Company operates are difficult to predict and could have a significant variance on the operations of the Company.

Segmented information

The Company currently operates in one reportable operating segment, being the acquisition, exploration, and development of natural resource properties, which is conducted in Nicaragua. The Company is in the exploration stage and, accordingly, has no reportable segment revenues for any of the periods presented in the Company's consolidated financial statements. For further information regarding geographical data including assets based on location, please refer to Note 12 of the consolidated financial statements for the year ended December 31, 2016.

Selected Annual Information

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, and are expressed in Canadian dollars. The information below has been extracted from the Company's audited consolidated financial statements for the years noted. The accompanying discussion and analysis of financial conditions and results of operations should be read in conjunction with the Company's audited consolidated financial statements and related notes and disclosures in this MD&A for the years ended December 31, 2014 to 2016:

	December 31, 2016	December 31, 2015	December 31, 2014
Total revenues	$Nil	$Nil	$Nil
Loss for the year	$775,537	$1,129,064	$1,310,465
Basic and diluted loss per share for the year	$0.00	$0.01	$0.01
Total assets	$28,018,087	$22,062,521	$20,168,581
Total long-term financial liabilities	$Nil	$Nil	$Nil
Cash dividends declared	$Nil	$Nil	$Nil

(Expressed in Canadian Dollars)

Results of Operations

The following discussion and analysis of the Company's financial results of its operations should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2016:

The Company's general and administrative costs were lower in 2016 totalling $926,568 compared to $1,313,157 in 2015. The key factors contributing to this decrease are as follows:

- During 2016, audit and accounting fees increased to $73,839 compared to $54,167 in 2015. The increase in audit and accounting fees is due to the Company engaging its independent auditors to conduct an interim review of its June 30, 2016 interim financial statements. No interim reviews were performed in 2015.

- During 2016, share-based compensation was $147,303 compared to $567,364 during 2015. The decrease in expense is due to the less number of stock options that vested during 2016 when compared to 2015.

Summary of Quarterly Results

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

	December 2016	September 2016	June 2016	March 2016
Total revenues	$Nil	$Nil	$Nil	$Nil
Net loss for the period	$(49,757)	$(158,039)	$(201,847)	$(365,894)
Basic and diluted loss per share for the period	($0.00)	($0.00)	($0.00)	($0.00)

	December 2015	September 2015	June 2015	March 2015
Total revenues	$Nil	$Nil	$Nil	$Nil
Net loss for the period	$(187,659)	$(258,050)	$(240,428)	$(442,927)
Basic and diluted loss per share for the period	($0.00)	($0.00)	($0.00)	($0.01)

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

The Company currently has no operating revenues and relies primarily on equity financing as well as the exercise of warrants and options to fund its exploration and administrative costs. This situation is unlikely to change until such time as the Company can develop a bankable feasibility study on one of its properties.

Other than those obligations disclosed in the notes to its 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. As at December 31, 2016, the Company had working capital of $3,128,142 compared to working capital of $783,005 as at December 31, 2015.

(Expressed in Canadian Dollars)

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. Subsequent to 2016, the Company completed a non-brokered private placement offering of 19,575,000 units to raise $1,957,500.

The Company's cash is invested in business accounts with a major Canadian financial institution, and is available on demand for the Company's programs.

Capital Resources

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.

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, and the CFO and Corporate Secretary. Key management compensation includes salaries and benefits and various consulting fees as follows:

	December 31, 2016	December 31, 2015
Short-term benefits [(i)]	$ 216,000	$ 195,000
Share-based payments [(ii)]	$ 132,733	$ 513,771
Consulting and advisory fees to key persons	$ 148,000	$ 180,250

[(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 as at the grant date.

The Company has an employee agreement in place with provisions which would provide a lump sum payment to its CEO and President on a change of control. The total amount accruing on such a change of control would total $500,000. Management consulting and advisory agreements are on a month-to-month basis and can be terminated by either party with short notice.

During 2016, the Company paid or accrued $33,157 (2015 - $48,024) in office rent expense to companies with directors and officers in common. The sharing arrangement with related companies is on a month-to-month basis.

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. 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.

Fourth Quarter

- Other income during Q4 2016 was $91,797 (2015 - $41,912). Other income reflects management fees earned by the Company for managing its optioned projects. The higher income in Q4 2016 is due to the increased activity in 2016 when compared to 2015.

- Share-based compensation during Q4 2016 was $20,694 (2015 - $80,367). This expense relates to the options that vested during the quarter, which also includes previously granted in prior periods. The decrease in expense is due to the less number of stock options that vested during 2016 when compared to 2015.

Proposed Transactions

Although the Company may be investigating any number of potential properties or projects at any given time, there are no proposed transactions that the Board of Directors or senior management believe that confirmation of the decision to acquire any specific project by the Board is certain.

Critical Accounting Estimates

The Company's significant accounting policies are presented in Note 3 of the audited consolidated financial statements for the year ended December 31, 2016. The preparation of these consolidated financial statements in accordance with IFRS requires the Company to make assumptions, estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. The Company evaluates its estimates on an on-going basis. Such estimates are based on historical experience and on various other assumptions that the Company believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of revenues and expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements are as follows:

<u>Impairment of exploration and expenditure assets</u>

The Company is required to review the carrying value of its exploration and evaluation properties for potential impairment. Impairment is indicated if the carrying value of the Company's exploration and evaluation is not recoverable. If impairment is indicated, the amount by which the carrying value of exploration and evaluation assets exceeds their estimated fair value is changed to the statement of loss.

Evaluating for recoverability during the exploration and evaluation phase requires judgment in determining whether it is likely that future economic benefits from future exploitation, sale or otherwise are likely. Evaluations may be more complex where activities have not reached a stage which permits a reasonable assessment of the existence of reserves or resources. Management must make certain estimates and assumptions about future events or circumstances including, but not limited to, the interpretation of geological, geophysical and seismic data, the Company's financial ability to continue exploration and evaluation activities, contractual issues with joint venture partners, the impact of government legislation and political stability in the region, and the impact of current and expected future metal prices to potential reserves.

Resource estimates

The Company estimates its ore mineral resources based on information compiled by Qualified Persons as defined in accordance with Canadian Securities Administrators National Instrument 43-101 *"Standards for Disclosure of Mineral Projects"*. Resource estimates may be used in the calculation of depreciation and amortization, impairment assessment, assessment of life of mine stripping ratios and for forecasting the timing of payment of mine closure, reclamation and rehabilitation costs.

There are numerous uncertainties inherent in estimating ore resources, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of resources and may, ultimately, result in the resources being restated.

Change in Accounting Policies Including Initial Adoption

None.

Standards, amendments and interpretations not yet effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee and are mandatory for future periods only and as such have not been applied to these consolidated financial statements. The Company has no plans for early adoption of the following pronouncement.

- In May 2014, the IASB issued IRFS 15: *Revenue from Contracts with Customers*, which replaces IAS 18: *Revenues* and covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2017. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements.
- In May 2014, the IASB issued amendments to IAS 16: *Property, Plant, and Equipment* and IAS 38: *Intangibles*, prohibiting the use of revenue-based deprecation for property, plant and equipment and significantly limiting the use of revenue – based amortization for intangible assets. These amendments are effective for annual periods beginning on or after January 1, 2016. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements.

- In July 2014, the IASB issued IFRS 9, *Financial Instruments* ("IFRS 9"). The IASB has previously published versions of IFRS 9 that introduced new classification and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). The July 2014 publication represents the final version of the standard, replaces earlier versions of IFRS 9 and substantially completes the IASB's project to replace IAS 39 – *Financial Instruments: Recognition and Measurement*.

  This standard replaces the current multiple classification and measurement models for financial assets liabilities with a single mode that has only three classification categories: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flows characteristics of the financial asset or liability. The standard introduces a new, expected loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new standard requires entities to account for expected credit losses. The new standard also introduces a substantially – reformed model for hedge accounting with enhanced disclosures about risk management activity and aligns hedge accounting more closely with risk management. The new standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The extent of the impact of the adoption of IFRS 9 has not yet been determined.

Financial Instruments and Other Instruments

Fair Value and Hierarchy

The fair value of financial instruments that are measured subsequent to initial recognition at their fair value is measured within a "fair value hierarchy" which has the following levels:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Fair values of assets and liabilities approximate amounts at which these items could be exchanged in transactions between knowledgeable parties. Fair value is based on available public market information or, when such information is not available, estimated using present value techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate credit risk. The calculation of estimated fair value is based on market conditions at the specific point in time and in the respective geographic locations and may not be reflective of future fair values.

Marketable securities are recorded at fair value and are measured using Level 1. Receivables, deposits and advances and trade and other payables approximate their fair values due to their short term to maturity.

Credit risk

Credit risk arises from the possibility that a counterparty may experience financial difficulty and be unable to fulfill their commitments to the Company. The Company's credit risk is primarily attributable to its cash and cash equivalents and receivables. The carrying value of these instruments represents the Company's maximum exposure to credit risk. The Company limits exposure to credit risk by maintaining the significant majority of its cash with a large chartered Canadian banking institution. The remaining credit risk in receivables is considered low by management as they consist primarily of amounts owing from government authorities in relation to the refund of goods and services taxes in Canada applying to inputs for qualified expenditures.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's interest rate risk arises primarily from the interest received on its cash balances. The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Based on cash balances held at December 31, 2016, the effect of a one basis point increase or decrease in interest rates on net loss is not considered significant. The Company's other financial assets and liabilities are not subject to interest rate risk, as they do not bear interest.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. The Company incurs foreign currency risk on purchases that are denominated in a currency other than the functional currency of the Company, which will have an impact on the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company's main risks are associated with fluctuations in the Nicaraguan Cordoba ("COR") and the US dollar ("USD"). The Company does not enter into any foreign exchange contracts to mitigate these risks. Based on management's analysis, the effect on these instruments held at December 31, 2016 of a five percent increase or decrease in foreign exchange rates on net loss is not considered significant.

(Expressed in Canadian Dollars)

Other MD&A Requirements

Additional information relating to the Company, including the most recent Company filings, can be located on the Company's website at www.calibremining.com or on the SEDAR website at www.sedar.com.

Additional Disclosure for Venture Issuers Without Significant Revenue

For additional disclosures concerning the Calibre's general and administrative expenses and a breakdown of the exploration and evaluation assets, please refer to the Company's consolidated financial statements for the year ended December 31, 2016 that are available on the Company's website at www.calibremining.com or on the SEDAR website at www.sedar.com. The Company discusses the activities at each of the projects above in *Business Overview and Overall Performance*.

The Company does not have any capitalized or expensed research and development costs or any deferred development costs for the year ended December 31, 2016.

Disclosure of Outstanding Share Data

The following describes the outstanding share data of the Company as at April 26, 2017. For further information and details concerning outstanding share data, options, and warrants, refer to the Consolidated Statements of Changes in Shareholders' Equity, included in the consolidated financial statements as at and for the year ended December 31, 2016:

	Number Outstanding
Common shares	312,671,418
Options to purchase common shares	19,475,000
Warrants to purchase common shares	27,078,500

Additional Disclosure for Reporting Issuers with Significant Equity Investees

Not applicable.

Risk Factors

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties, in Central America. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral properties (which are primarily early stage exploration properties with no known resources or reserves), the following risk factors, among others, will apply:

Exploration, Development and Operating Risks

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon the Company's operations.

Mining operations generally involve a high degree of risk. The operations of the Company are subject to all the hazards and risks normally encountered in the exploration, development and production of precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

There is no certainty that the expenditures made by the Company toward the search and evaluation of precious metals and other minerals will result in discoveries of mineral resources, Mineral Reserves or any other mineral occurrences.

Political Stability and Government Regulation Risks

The operations of the Company are currently conducted in Nicaragua and Canada, as such, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; extreme fluctuations in currency exchange rates; and changing political conditions, currency controls and governmental regulations. Changes, if any, in mining or investment policies or shifts in political attitudes in any of these countries may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

Reliability of Resource Estimates

There is no certainty that any of the mineral resources identified at any of the Company's properties to date will be realized. Until a deposit is actually mined and processed the quantity of mineral resources and grades must be considered estimates only. In addition, the quantity of mineral resources may vary depending on, among other things, precious metal prices. Any material change in quantity of mineral resources, grade or stripping ratio may affect the economic viability of any project undertaken by the Company. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production. Fluctuations in the prices of gold and other precious or base metals, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources could have a material adverse effect on the Company's results of operations and financial condition.

Insurance and Uninsured Risks

The business of the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers being reasonable, its insurance may not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or require abandonment or delays in development of new mining properties.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage or, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of the Company.

Land Title

There may be undetected title defects affecting the Company's properties. Title insurance generally is not available, and the ability of the Company to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Furthermore, the Company has conducted only limited surveys of certain of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Company may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Company's operations. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Permits

The Company cannot be certain that it will receive, on acceptable terms, the necessary permits to conduct further exploration and to develop its properties. The failure to obtain such permits, or delays in obtaining such permits, could increase the Company's costs and delay its activities, and could adversely affect the operations of the Company.

Competition

The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the revenues, operations and financial condition of the Company could be materially adversely affected.

Hedging

The Company does not have a hedging policy and has no current intention of adopting such a policy. Accordingly, the Company has no protection from declines in mineral prices.

Additional Capital

The development and exploration of the properties in which the Company holds an interest will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all such properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. In addition, any future financing may be dilutive to existing shareholders of the Company.

Fluctuations in Metal Prices

The price of the common shares, and the consolidated financial results and exploration, development and mining activities of the Company, may in the future be significantly and adversely affected by declines in the prices of gold and other metals or minerals. The prices of gold and other metals or minerals fluctuate widely and are affected by numerous factors beyond the control of the Company such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the United States dollar and other foreign currencies, global and regional supply and demand, the political and economic conditions and production costs of major mineral-producing countries throughout the world, the cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market prices of gold or other metals or minerals could cause continued development of and commercial production from the properties in which the Company holds an interest to be impracticable. Depending on the prices of gold and other metals and minerals, cash flow from mining operations could not be sufficient and the Company may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's properties is dependent upon the prices of gold and other metals and minerals being adequate to make these properties economically viable.

In addition to adversely affecting the resource estimates of the Company and its financial condition, declining commodity prices can affect operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or interrupt operations until the reassessment can be completed.

Exchange Rate Fluctuations

Exchange rate fluctuations may affect the costs that the Company incurs in its operations. Precious metals and other minerals are generally priced in U.S. dollars and the costs of the Company are incurred in Canadian dollars, Nicaraguan Cordoba, or U.S. dollars. The appreciation of non-U.S. dollar currencies against the U.S. dollar can increase the cost of exploration and production in U.S. dollar terms, which could materially and adversely affect the Company's profitability, results of operations and financial condition.

Dividend Policy

No dividends on the Common Shares have been paid by the Company to date. The Company currently plans to retain all future earnings and other cash resources, if any, for the future operation and development of its business. Payment of any future dividends, if any, will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

Key Personnel

The Company is dependent upon the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

Changes to Exploration Programs

The Company may make changes to planned programs at anytime. This could be done due to a number of factors including results obtained to date changes in regulations, changes in metal prices, identification of new, more important, targets and a number of other possible causes.

Share Price Volatility and Liquidity

Publicly quoted securities are subject to a relatively high degree of price volatility. It may be anticipated that the quoted market for our shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating sales and revenues. In addition, our shareholders may be unable to sell significant quantities of shares into the public trading markets without a significant reduction in the price of their shares, if at all.

Internal Controls and Disclosure Controls over Financial Reporting

On November 23, 2007, the British Columbia Securities Commission in which the Company is registered exempted Venture Issuers from certifying disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. Since the Company is a Venture Issuer, it is now required to file basic certificates, which it has done for the year ended December 31, 2016. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under Multilateral Instrument 52-109 as at December 31, 2016.