CALIBRE
MINING CORP.

TSX.V-CXB

(An Exploration Stage Company)

FORM 51-102F1:
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2013 and 2012

(Expressed in Canadian Dollars)

Introduction and Date

This Management Discussion and Analysis ("MD&A") provides a detailed analysis of the business of Calibre Mining Corp. ("Calibre" or the "Company") and compares its financial results for the year ended December 31, 2013 to prior years. This MD&A should be read in conjunction with the Company's audited consolidated financial statements (the "Financial Statements") for the years ended December 31, 2013 and 2012.

These Financial Statements include the accounts of the Company and its wholly-owned subsidiaries, Cybele Resources Inc. ("Cybele"), which was incorporated under the laws of British Columbia in 2005. The Financial Statements also include the accounts of the Company's wholly owned 100% interest in Yamana Nicaragua Ltd. Yamana Nicaragua Ltd. is a holding company incorporated in 2006, in Belize, which owns 100% of CXB Nicaragua S.A. (formerly known as Yamana Nicaragua S.A. – 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 8, 2014.

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 presently in Nicaragua and Canada. 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 a commanding 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 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.

Going Concern

The Financial Statements and the MD&A have been prepared using IFRS applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business. For the year ended December 31, 2013, the Company reported a loss of $768,922 and as at that date had a net working capital balance of $1,414,702 and an accumulated deficit of $30,256,434. The Company is committed to further advance the exploration and development of the Borosi Project. Subsequent to December 31, 2013, the Company reduced staffing levels, salaries, and consulting fees, in addition, the Company sold certain marketable securities for gross proceeds of $260,060.

The Company's ability to continue as a going concern is dependent upon its ability to obtain additional funding from loans, equity financings or through other arrangements. The success of such initiatives cannot be assured. These conditions and events cast significant doubt on the validity of the going concern assumption. The financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

The success of its exploration programs in Nicaragua, the advancement of its development projects, the availability of financing, and the level of funding by its partners and prospective partners, will determine the Company's working capital requirements for the next twelve months.

Overall performance

During the year ended December 31, 2013, the Company recorded a net loss of $768,922 or $0.00 per share, as compared to a net loss of $2,679,483 or $0.01 per share for the same period in 2012.

As at December 31, 2013, the Company had total assets of $17,061,457 compared to $16,905,018 as at December 31, 2012. The majority of these assets for both periods are the carrying values of the Company's cash and its exploration and evaluation assets.

As at December 31, 2013, the Company had working capital of $1,414,702 compared to working capital of $3,601,426 as at December 31, 2012. The Company's working capital as at December 31, 2013 includes cash of $1,111,846 (December 31, 2012 - $3,583,868). The decrease in cash and cash equivalents is attributed to the expenditures on the Borosi Project and general and administrative expenditures (discussed below).

As at December 31, 2013, the total carrying value of the Company's exploration and evaluation assets was $15,208,774 compared to $12,791,037 as at December 31, 2012. The net increase reflects the Company's expenditures on the Borosi Project, net of recovery on expenditures pursuant to the Company's joint venture agreement with B2Gold Corp. and Alder Resources Ltd. (discussed below).

(Expressed in Canadian Dollars)

Borosi, Nicaragua, Central America

The following provides a breakdown of the costs incurred at Borosi during the years ended December 31, 2013 and 2012:

	Year Ended December 31, 2013	Year Ended December 31, 2012
Borosi, Nicaragua		
Cost, beginning of year	$ 12,791,037	$ 9,739,305
Administration and maintenance	176,070	298,870
Amortization	24,864	21,333
Assaying	136,479	369,886
Camp and field supplies	59,735	140,068
Drilling and related	23,229	346,510
Foreign currency translation	511,087	-
Geological consulting	15,038	253,464
Logistics and communications	204,241	305,448
Professional fees	20,693	23,594
Property maintenance	718,403	778,511
Salary and wages	862,442	1,197,264
Stock-based compensation	21,690	971,680
Travel	79,150	119,758
Recovery of costs	(435,384)	(1,774,654)
Total expenses during the year	2,417,737	3,051,732
Cost, end of year	15,208,774	12,791,037

In July 2009, the Company completed the acquisition of a 100% interest in the Borosi Gold – Silver - Copper Project (the "Borosi Project"), consisting of a number of contiguous mining and exploration concessions located in the North Atlantic Autonomous Region of Nicaragua, Central America and totalling over 785 km^2. The Company has entered into two separate option agreements over a portion of the Borosi Project as summarized below:

1) Since July 2009, the Company has partnered with B2Gold Corp. ("B2Gold") (TSX: BTO) to explore the Borosi Project, as outlined in our 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 (approximately 322 km^2) (the "B2Gold Option Property"). Pursuant to the agreement, B2Gold has completed $8 million of expenditures on the Borosi Project and has earned a 51% interest in the B2Gold Option Property, with Calibre retaining a 49% interest over these concessions. B2Gold continues to be 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 over a 3 year period. The JV Agreement supersedes and replaces the original Option Agreement between Calibre and B2Gold (entered into in June 2009 and amended in July 2010 and October 2010), which has now been terminated.

2) Calibre continues to control a 100% interest in 463 km^2 of mineral concessions within the Borosi Project and includes NI 43-101 Compliant Inferred Resources totaling 1,057,750 oz. Gold and 8,430,070 oz. Silver over three Gold-Silver Deposits at Riscos de Oro, Cerro Aeropuerto, and La Luna. The area also covers the Company's high priority targets at Montes de Oro and Guapinol and the past producing La Luz Gold Mine.

(Expressed in Canadian Dollars)

3) The Company is party to an option agreement with Alder Resources Ltd. ("Alder") (TSX.V: ALR), whereby Alder can earn a 65% interest in approximately 34 km^2. The area, known as the Rosita D concession, is located within the Company's 100%-owned Borosi Project. Under the terms of the option agreement, Alder 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 1,000,000 common shares of Alder over a 4 year period (of which 600,000 shares of Alder has been received by the Company). Alder will be acting as the project operator for all work conducted on the Rosita D concession during the option period. Upon Alder earning a 65% interest in the Property a joint venture will be formed with the Company and Alder being responsible for their pro-rata share of all subsequent project expenditures.

During the year ended December 31, 2013, through to the date of this report, the Company carried out the following exploration activities:

Exploration Activities and Outlook for Significant Areas of Interest to Date:

Since July 2009, the Company (along with its partners) have focused its exploration over a number of targets within the Borosi Project. Significant exploration details are outlined below:

- *Montes de Oro Target – 100% Calibre Owned*

The Siuna District is located in the south-west portion of the Borosi Concessions and contains the past producing La Luz Mine that produced 17.1 million tonnes of ore grading 4.14 g/t gold (2.3 million ounces gold). Approximately one kilometre south of the La Luz Mine, Calibre had defined an NI 43-101 Inferred Mineral Resource, at the Cerro Aeropuerto gold-silver deposit at a 0.6 g/t Gold Equivalents ("AuEq") cut-off of 6.0 million tonnes grading 3.64 g/t gold and 16.16 g/t silver, containing 707,750 ounces of gold and 3.1 million ounces of silver.

At the Montes de Oro gold project, located 10 kilometres north of the La Luz Mine, Calibre has outlined a 400 metre by 650 metre gold in soil anomaly with trenching results to date including 52.3 metres grading 7.1 g/t gold, 27.5 metres grading 4.92 g/t gold and 19.3 metres grading 2.71 g/t gold. Significant trench results at Montes de Oro to date include the following:

Trench ID	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	Zn (%)
MTR13-008	4.0	9.5	5.5	3.65	0.03	0.15
MTR13-009	**0.0**	**52.3**	**52.3**	**7.07**	**0.06**	**1.23**
MTR13-017	0.0	27.5	27.5	4.92	0.05	0.34
MTR13-018	20.0	29.0	9.0	3.11	0.02	0.41
MTR13-019	4.8	21.0	16.2	4.68	0.05	0.22
MTR13-022	0.0	6.0	6.0	4.73	0.03	0.07
MTR13-025	1.5	5.0	3.5	5.51	0.11	0.32
MTR13-026	0.0	33.5	33.5	2.07	0.06	0.10
MTR13-027	0.0	40.00	40.00	0.34	0.02	0.21
MTR13-029	0.0	19.7	19.7	0.24	0.04	0.11

The Company's additional trenching and pitting programs at the Montes de Oro gold project has significantly extended the defined gold mineralization by 250 metres to the north and additional portions of the large 400 metre by 650 metre gold in soil anomaly remain untested.

(Expressed in Canadian Dollars)

Recent work at Montes de Oro has focused on the northern extension of the main soil anomaly. Trench MTR13-029 and recent Pit #26 were excavated approximately 500 metres north of Trench MTR13-009 (52.3m grading 7.1 g/t Au) and 250 metres north of previous trenching on the system. MTR13-029 returned anomalous gold, silver, copper and zinc hosted within argillic altered diorite and gossan. The diorite had minor quartz stockwork veining.

Trench MTR13-029 is interpreted to have intersected the alteration halo adjacent to the targeted gossan zone. Previous samples of gossanous block on surface in the area returned high grade gold values including; 7.87 g/t Au, 27.6 g/t Au, and 5.87 g/t Au with elevated Ag (to 7.40g/t Ag), copper (to 1067 ppm Cu), and zinc (to 3059 ppm Zn).

Montes de Oro Pit #26 was completed 150 metres southwest of Trench MTR13-029 and exposed silicified and argillic altered diorite with quartz veining and manganese oxide and hematite in fractures. Sampling returned highly anomalous gold values with four samples greater than 1.0 g/t Au; including a high of 14.5 g/t Au and three others returning 5.37 g/t Au, 4.25 g/t Au and 1.49 g/t Au. The pit is located along strike of the inferred NE-SW mineralized horizon (north zone) and the zone remains open.

The next step would be to extend the pit through trenching with a goal of exposing the complete width of the mineralized structure.

- *Inferred Resources – 100% Calibre Owned*

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 (Aueq g/t)	Contained Au (ounces)	Contained Ag (ounces)	Contained Aueq (ounces)
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. Aeropurto 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.

(Expressed in Canadian Dollars)

- *Eastern Epithermal Gold-Silver District – 100% Calibre Owned*

The Eastern Epithermal District hosts the Riscos de Oro gold-silver deposit where a small amount of past gold and silver production was documented from open pit and limited underground development. Riscos de Oro has a defined NI 43-101 Inferred Mineral Resource estimate at a cut-off grade of 0.6 g/t AuEq of 2,159,000 tonnes grading 3.20 g/t gold and 59.67 g/t silver (4.14 g/t AuEq) containing 222,300 ounces gold and 4,142,000 ounces silver (287,100 ounces AuEq). At Riscos de Oro the majority of the 7 kilometre long gold-silver trend remains open in all directions and largely untested by diamond drilling. Calibre continues to advance the over 10 kilometre long Guapinol and La Sorpresa Gold trend located east of the Riscos de Oro gold deposit with mapping and rock and soil sampling programs underway.

Results have been received for six channel samples collected in the new Guapinol pit extension located along strike of the historic pit. The samples were collected from the leftover "pillars" that divide the pit currently being worked by small miners and the samples were collected over a strike-length of approximately 55 metres. The principal structure was visible in the pillars along with strong argillic and iron oxide alteration. The results returned from the Guapinol zone are:

Sample ID	Length (m)	Au (g/t)	Ag (g/t)
B13R5317	0.8	6.71	4.2
B13R5318	0.5	43.90	27.9
B13R5319	0.6	2.69	7.5
B13R5320	0.5	0.22	6.1
B13R5321	0.4	7.88	224
B13R5322	0.5	10.90	15.6

The 43.9 g/t gold sample collected within the NE Guapinol pit (B13R5318) is the highest gold value returned to date for the entire Guapinol Trend. The overall composite result for the channel sampling (samples B12R5317 and B13R5318) was 1.3m grading 21.0 g/t gold and 13.3 g/t silver. The small miners have been recovering gold from the hanging wall approximately 3 metres away from the principal structure which shows the potential for greater mineralized widths.

- *Minnesota Gold-Copper Project – Under Option with B2Gold*

The Minnesota Gold-Copper Project is located 20 kilometres northwest of the Primavera Gold-Copper Project where a B2Gold/Calibre drill program intersected significant porphyry-style gold-copper mineralization including: 261.70 metres grading 0.78 g/t gold, 0.30% copper (PR-11-002) and 172.35 metres grading 0.48 g/t gold and 0.24% copper (PR-12-008). The Minnesota area was selected as a high priority target during regional evaluation of the entire Borosi Joint Venture area.

Recent Minnesota Project channel sampling assay results include:

Channel ID	From (m)	From (m)	Interval (m)	Au (g/t)
MNTR13-001	0.00	7.50	7.50	3.93
MNTR13-002	0.00	2.00	2.00	1.01
MNTR13-002	4.00	14.50	10.50	3.70
MNTR13-003	0.00	7.00	7.00	1.45

1. Weighted averages calculated using uncut assays. Channel sampling intercepts are sample lengths and further work is required to determine true widths.

(Expressed in Canadian Dollars)

Previous channel sampling assay results along the Minnesota trend include: 6.40 metres grading 5.56 g/t gold (BRTR11-044), 8.00 metres grading 6.35 g/t gold (BRTR11-047), 12.80 metres grading 1.27 g/t gold (BRTR11-057), 6.00 metres grading 2.12 g/t gold (BRTR11-054), and 4.65 metres grading 1.51 g/t gold (BRTR11-053).

The geochemically anomalous gold trend and associated alteration and mineralization at Minnesota has been delineated over a 1.75 kilometre by 1.25 kilometre area. The strongest gold and copper soil anomaly occurs in the area surrounding the recent channel sampling and measures 500 metres by 250 metres. The trend is also variably anomalous in molybdenum, lead and zinc. The target consists of a favourable multi-phase intrusive centre with peripheral epithermal vein sets and widespread alteration. Abundant small-scale artisanal gold miners are active in the Minnesota region and the channel sampling reported in this news release was from newly exposed artisanal miner workings.

- *Primavera Gold-Copper Project – Under Option with B2Gold*

The Primavera Gold-Copper Porphyry Project is within the option agreement with B2Gold and is located ten kilometres south of the historic Santa Rita Copper-Gold Skarn Mine in the Borosi Concessions of Northeast Nicaragua.

Since 2011, the Company, along with B2Gold, has been systematically exploring the Primavera area including surveying and mapping, air magnetic and radiometric surveys, reconnaissance rock sampling, soil sampling, trenching and diamond drilling. The main zone covers a gold-copper soil anomaly of over 800 metres in length by 300 metres wide. To date, a total overall drilling program of 13,414 metres (over 32 drill holes) has confirmed the presence of wide spread gold and copper values. The results received are consistent with porphyry style mineralization within volcanic and intrusive rocks and exploration to date continues to suggest the drilling has tested only a small portion of a much larger porphyry system.

Significant diamond drill results at Primavera to date include the following:

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)
PR-11-001	0.00	276.80	276.80	0.50	0.2146
PR-11-002	1.50	263.20	261.70	0.78	0.2966
PR-11-003	4.00	327.20	323.20	0.41	0.1843
PR-12-008	107.65	280.00	172.35	0.48	0.2401
PR-12-011	6.95	166.48	159.53	0.46	0.2008
PR-12-012	6.00	103.00	97.00	0.34	0.1646
PR-12-016	0.00	201.35	201.35	0.77	0.3567
PR-12-019	2.05	181.50	179.45	0.17	0.1050
PR-12-023	0.00	346.00	346.00	0.23	0.1269

Additional drilling has also tested nearby soil geochemical anomalies at Copper Hill and a prominent structural target to the south of the main Primavera zone, as well as expanding the main zone with large step-out drilling. Several drill holes south and west of the main zone show anomalous gold-copper values associated with porphyry style mineralization at depths exceeding 500 metres. Most importantly the drilling indicates that the porphyry system continues to the north beneath alluvial cover. Drilling in the outlying areas of Copper Hill, several drill holes intersected low grade gold and copper mineralization within skarn and hornfels horizons, suggesting widespread intrusive activity throughout the area and has potential to host additional significant mineralized zones.

The 2013 exploration program has focused on detailed surface exploration north and west of the main Primavera gold-copper porphyry zone which is designed to identify potentially faulted/offset mineralization within the Primavera gold-copper system. In addition, soil geochemistry, pit sampling and a ground magnetics survey has been completed on the San Isidro gold-copper target located 5 kilometres west of Primavera. San Isidro has a similar geological, geochemical, and geophysical signature to the main Primavera target.

- *Rosita D Concession – Option Agreement with Alder*

  The Rosita D concession is located within Calibre's 100% owned Borosi concessions. The project is located 10 kilometres north of the Primavera project. The concession is 3,356 hectares and hosted historic open pit production of 5.9 million tons at 2.06% copper and 0.925 g/t gold producing 305 million pounds of copper, 177,737 ounces of gold and 2,629,720 ounces of silver from 5,924,572 tons of ore. The mine closed in 1975 due to low copper prices. The concession is subject to the terms of a joint venture agreement with Alder. Alder is operator on the exploration work at the Rosita D concession.

  In May 2012, Calibre announced a new copper, gold and silver resource for the stockpiles at Rosita in conjunction with option partner Alder. 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. The NI 43-101 compliant inferred resource estimate for the stockpiles totals 108.5 million pounds Copper, 118,500 ounces Gold, and 2.35 million ounces Silver contained within 7.95 million tonnes. This resource is based on a cut-off of 0.15% copper equivalent, and averages 0.62% Copper, 0.46 g/t Gold, and 9.21 g/t Silver. 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.

  Exploration to date (from late 2011 to present) has included rock and soil sampling, trenching, and both reverse circulation and diamond drilling. The Phase 1 diamond drilling program included 20 holes totalling 5,908 metre. Eighteen of the holes were collared in the Santa Rita to R-13 corridor and two holes were drilled at Bambana to test high grade copper oxide mineralization below a trench and two benches. All of the holes intersected varying levels of copper, gold and silver mineralization.

  Upcoming exploration will also be directed at further definition of the recently discovered high grade copper-gold-silver supergene enriched blanket at Tipispan that includes 7.48% Cu, 2.36 g/t Au and 316.13 g/t Ag over 6.5m and 5.21% Cu, 4.4 g/t Au and 144.01 g/t Ag over 12.1m in trenches. Further exploration will also include following up on a new priority target at Naranjal which is defined by coincident soil geochemical anomalies over an area 500 metres by 400 metres located 2 kilometres northeast of Tipispan porphyry prospect. Alder is also reviewing ways to advance the development of the tailings and stockpile mineral resource at Rosita.

Mr. Gregory Smith, P. Geo., CEO, President, and Director of the Company and a Qualified Person as defined by NI 43-101, has prepared and approved the technical data and information within this Management Discussion and Analysis for the year ended December 31, 2013.

<u>Point Leamington, Newfoundland, Canada</u>

During much of 2013, the Company owned a 100% interest in the Point Leamington mining lease in Newfoundland, Canada. The mining lease is subject to a 2% net smelter return royalty, which is held by a third party.

On June 20, 2013, Calibre entered into a Purchase and Sale Agreement (the "Transaction") with Newmarket Gold Inc. *(formerly Raystar Capital Inc.)* ("Newmarket") which outlines the proposed terms by which Calibre will sell a 100% interest in the Point Leamington Project including the 263 hectare mining lease. As consideration, Newmarket has agreed to issue 1,000,000 common shares and pay Calibre $250,000 on closing of the Transaction. Calibre will retain a 0.5% net smelter return royalty on production from the Point Leamington Project, which can be purchased by Newmarket at any time after closing for $1,000,000. Newmarket is considered a related party to the Company as there is an officer and directors in common.

In October 2013, the Company and Newmarket received final regulatory approval for the completion of the sale of the Point Leamington Project. As a result, in October 2013, Calibre received the full cash payment of $250,000 and 1,000,000 common shares of Newmarket (with a fair market value of $430,000 at the time of receipt) and the title of Point Leamington was transferred to Newmarket. With the exception of maintaining a 0.5% net smelter return royalty (discussed above), Calibre no longer retains any ownership interest in the Point Leamington Project.

(Expressed in Canadian Dollars)

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. For example, the price of gold has been increasing for more than five years and remains at historically high levels. The following table highlights the average price of gold in each of the last five calendar years:

	Average Prices for the Period Shown
	Gold (US$/per oz.) [1]
Year Ended December 31, 2013	$1,411
Year Ended December 31, 2012	$1,669
Year Ended December 31, 2011	$1,572
Year Ended December 31, 2010	$1,225
Year Ended December 31, 2009	$972

[1] *Estimates of average gold prices were obtained from information posted on www.kitco.com.*

In addition, the Company incurs costs in Canadian and U.S. dollars and the Nicaraguan Cordoba in exchange rates could result in additional 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. The following table denotes the average market value of CDN $1 against the US and Nicaraguan currencies for each of the periods presented:

	Average Prices for the Period Shown [2]	
	US Dollar	**Nicaraguan Cordoba**
Year Ended December 31, 2013	$0.9711	C$23.5593
Year Ended December 31, 2012	$1.0002	C$23.1532
Year Ended December 31, 2011	$1.0115	C$22.3100
Year Ended December 31, 2010	$0.9686	C$20.3581
Year Ended December 31, 2009	$0.8798	C$17.3520

[2] *Estimates of average foreign exchange rates for the US Dollar and Nicaraguan Cordoba were obtained from information posted on www.oanda.com.*

Segmented information

The Company currently operates in one reportable operating segment, being the acquisition, exploration, and development of natural resource properties, which is conducted principally in Canada and 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 Financial Statements. For further information regarding geographical data including assets based on location, please refer to Note 13 of the consolidated financial statements for the year ended December 31, 2013 and 2012.

Selected Annual Information

The 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 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 Financial Statements and related notes and disclosures in this MD&A for the years ended December 31, 2013, 2012 and 2011:

	December 31, 2013	December 31, 2012	December 31, 2011
Total revenues	$Nil	$Nil	$Nil
Loss for the year	$768,922	$2,679,483	$2,866,694
Basic and diluted loss per share for the year	$0.00	$0.01	$0.02
Total assets	$17,061,457	$16,905,018	$12,254,374
Total long-term financial liabilities	$Nil	$Nil	$Nil
Cash dividends declared	$Nil	$Nil	$Nil

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 audited consolidated financial statements for the year ended December 31, 2013 and 2012.

Year ended December 31, 2013 compared to year ended December 31, 2012

The Company's general and administrative costs were lower in 2013, totalling $1,347,667 compared to $2,607,960 in 2012. The key factors contributing to these expenses are as follows:

- Amortization expense decreased in 2013 to $11,828, from $15,502 in 2012. The decrease is a result of the Company not purchasing any significant corporate or administrative property and equipment in 2013 or 2012.

- Audit and accounting fees remained consistent at $61,560 from $60,105 in 2012. These charges are billed by the Company's external auditor for services provided in auditing (and auditing related services) as it pertains to our Company's annual financial statements for the subject year and for regulatory requirements as they occur.

- Consulting fees increased in 2013 to $357,018 from $270,750 in 2012. During 2013, the Company engaged consultants and reduced the level of employees engaged to run day-to-day operations.

- During 2013, the Company paid $5,000 (2012 - $20,000) in director's fees. The Company stopped payment of director's fees subsequent to the first quarter in 2013.

- Office and rent expenses decreased slightly to $116,335 in 2013 from $125,828 in 2012. The costs for each of the years reflect the Company's rental premises in Canada and associated office supplies, postage and printing costs incurred. The decrease is consistent with the decrease in staffing levels.

- Salaries and wages decreased in 2013 to $212,305 from $263,036 in 2012. The decrease was a result of a reduction in the level of employees from 2012 and also a reduction in overall salaries.

- Stock-based compensation was $453,363 in 2013 compared to $1,527,787 in 2012. The fair value of the options expensed was estimated at the date of grant using the Black-Scholes option pricing model (the assumptions used for the fair value calculation are discussed in the Financial Statements). During the year ended December 31, 2012, the Company issued a number of options to employees, directors and consultants of the Company, a portion of which vested immediately, and this resulted in an increase in 2012 stock based compensation expense. There were no new options granted in 2013.

  During 2013, the Company agreed to amend certain outstanding warrants, pursuant to the amendments, the warrants were amended by extending the term by one year and reducing the exercise price from $0.50 to $0.10. As a result of the warrant modification, the Company recognized a one-time expense to share-based compensation expense of $200,134, which was included in the stock-based compensation expense for the year ended December 31, 2013.

  In addition, during 2013, the Company re-priced 4,475,000 options of the Company from $0.49 to $0.15 per share, all other remaining terms of the options remain the same. The total additional fair value of the option modification was calculated to be $59,516 on the date of modification and is included in stock-based compensation expense for the year ended December 31, 2013.

- During the year ended December 31, 2013, marketing, trade shows and conferences decreased significantly to $24,751 from $229,490 in 2012. For the 2012 period, the Company looked to increase its marketing efforts through more extensive use of social media, advertising publications, third party website platforms and attendance in trade shows and conference.

The Company's other income (expenses) increased for the year ended December 31, 2013, totalling a gain of $578,745 compared to a loss of $71,523 for 2012.

- During 2013, the Company recorded a gain on sale of Point Leamington of $591,276. The total proceeds included a cash payment from Newmarket Gold Inc. to the Company totalling $250,000 and 1,000,000 common shares of Newmarket Gold Inc. with a total fair value of $430,000. The Company incurred expenses related to a review of the project in 2013 totalling $88,724 prior to the sale.

- During the year ended December 31, 2013, the Company accrued or earned a total of interest income of $20,004 compared to $39,237 from the prior year. The decrease is a result of a decrease in the bank balance throughout the year.

- Another key factor related to the change is a result of fluctuations in foreign exchange factors, with the Company recording a loss of $85,546 in 2012 and a gain of $5,465 in 2013. The operations of the Company are impacted by the fluctuations in the US Dollar and Nicaraguan Cordoba against the Canadian dollar. Significant fluctuations in foreign exchange rates in countries where the Company operates are difficult to predict and could have a significant variance on the Company's future operations.

(Expressed in Canadian Dollars)

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 2013	September 2013	June 2013	March 2013
Total revenues	$Nil	$Nil	$Nil	$Nil
Net gain (loss) for the period	$338,664	($426,951)	($364,120)	($316,515)
Basic and diluted gain (loss) per share for the period	$0.00	($0.00)	($0.00)	($0.00)

	December 2012	September 2012	June 2012	March 2012
Total revenues	$Nil	$Nil	$Nil	$Nil
Net gain (loss) for the period	($473,395)	($511,965)	($536,553)	($1,157,570)
Basic and diluted gain (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 on-going 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 the amount of stock options granted in any given period which can give rise to significant stock-based compensation expenses.

During the three months ended December 31, 2013, the Company sold its interest in Point Leamington to Newmarket Gold Inc. for gross proceeds of $680,000 and a net gain of $591,276.

Liquidity

The Company currently has no operating revenues other than interest income 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 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, 2013, the Company had working capital of $1,414,702 compared to working capital of $3,601,426 as at December 31, 2012. The Company's working capital as at December 31, 2013 includes cash of $1,111,846 (December 31, 2012 - $3,583,868). The decrease in cash and cash equivalents is attributed to the expenditures on the Borosi Project and general and administrative expenditures. The Company did not complete any financings or private placements during 2013.

During the year ended December 31, 2012, the Company closed a non-brokered private placement with B2Gold Corp. for gross proceeds of $5,000,000 within the year ended December 31, 2012. The private placement consisted of the Company issuing 20 million units at a price of $0.25 per unit. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles B2Gold to acquire an additional common share at an exercise price of $0.50 until May 2, 2013. In 2013, the outstanding 10 million warrants were re-priced to an exercise price of $0.15 per share and extended to May 2, 2014.

The Company is committed to further advance the exploration and development of the Borosi Project. Subsequent to December 31, 2013, the Company reduced staffing levels, salaries, and consulting fees, in addition, the Company sold certain marketable securities for gross proceeds of $260,060.

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.

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 were appropriate and maintenance of existing capital by means of cost saving measures. The Company has no outstanding debt facility upon which to draw.

As at April 8, 2014, the Company has approximately 34,950,000 stock options and warrants outstanding which, if exercised, would bring a further $5.7 million to the Company's treasury upon exercise. At present, all outstanding options and warrants are out-of-the-money.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

(Expressed in Canadian Dollars)

Transactions with Related Parties

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

	Year Ended December 31, 2013	Year Ended December 31, 2012
Short-term benefits [(i)]	$ 212,305	$ 260,587
Share-based payments [(ii)]	$ 232,520	$ 1,305,225
Termination benefits [(iii)]	$ -	$ -
Director fees paid	$ 5,000	$ 20,000
Consulting and advisory fees to key management	$ 258,333	$ 198,750
Geological fees paid to an officer of the Company	$ -	$ 55,000

(i) Short-term benefits include salaries and benefits paid to key management personnel.

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

(III) Key management personnel received termination benefits related to an employee contract during the year ended December 31, 2013 or 2012.

The Company has employee and consulting agreements in place with provisions which would provide a lump sum payment to certain key management personnel. The total amount accruing to key management on such a change of control would total $850,000.

During the year ended December 31, 2013, the Company sold Point Leamington to Newmarket Gold Inc. for proceeds and terms discussed above. Newmarket Gold Inc. is considered a related party to the Company as there is an officer and directors in common.

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

- During the three months ended December 31, 2013, the Company completed the sale of its interest in Point Leamington to Newmarket Gold Inc. for gross proceeds of $680,000 and a net gain of $591,276.

- Consulting fees decreased during the fourth quarter of 2013 to $54,000 from $107,750 for the same time period in 2012. During 2012, the Company engaged more consultants and reduced the level of employees engaged to run day-to-day operations. During 2013, the Company's management and consultants agreed to certain salary and fee reductions.

- During the fourth quarter of 2013, the Company paid salaries and wages of $44,812 compared to $65,105 in the prior period of 2012. The decrease is a result of the Company's management agreeing to certain salary reductions during 2013.

- During the fourth quarter of 2013, stock based compensation was $3,497 compared to $191,114 in the fourth quarter of 2012. The decrease is a result of the Company not granting options during the fourth quarter of 2013.

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 Financial Statements for the year ended December 31, 2013. The preparation of these 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 financial statements are as follows:

Valuation of Amended Warrants

Management has made assumptions and estimates in determining the fair value of the warrants that were amended during the year ended December 31, 2013. This estimate had an effect on the stock based compensation expense recognized for the year and the contributed surplus on the Company's balance sheet. Management has made estimates of the life of the warrants, the expected volatility, and expected dividend yield and risk free interest rate that could materially affect the fair value of these types of securities. The estimates were chosen after reviewing the historical life of the Company's warrants and analyzing share price history to determine volatility.

Impairment of exploration and expenditure assets

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

The accounting policies followed by the Company are set out in Note 3 to the audited Financial Statements for the year ended December 31, 2013.

The following new accounting standards and/or amendments are effective and implemented as of January 1, 2013 and did not have a significant impact on the consolidated financial statements of the Company:

(i) IAS 1, "*Presentation of Financial Statements*", introduced a grouping of items presented in other comprehensive income ("OCI"). Items in OCI will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two statements of profit and loss and other comprehensive income remains unchanged.

(ii) IAS 27, "*Separate Financial Statements*", has the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures, and associates when an entity elects, or is required by local regulations, to present separate financial statements.

(iii) IAS 28, "*Investments in Associated and Joint Ventures*", prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This standard applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture).

(iv) IFRS 10, "*Consolidated Financial Statements*" ("IFRS 10"), provides a single model to be applied in the control analysis for all investees, including entities that currently are special purpose entities in the scope of Standing Interpretations Committee Standards ("SICs") 12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27, "*Consolidated and Separate Financial Statements*".

(v) IFRS 11, "*Joint Arrangements*" ("IFRS 11"), replaces the guidance in IAS 31, "*Interests in Joint Ventures*" and SIC-13, "*Jointly Controlled Entities – Non-Monetary Contributions by Venturers*". Under IFRS 11, joint arrangements are classified as either joint operations or joint ventures. Under IFRS 11, joint ventures are stripped of the free choice of equity accounting or proportionately consolidated net asset value into a single investment balance at the beginning of the earliest period presented, instead jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. The investments, opening balance is tested for impairment in accordance with IAS 28, "*Investments in Associates*" and IAS 36, "*Impairments of Assets*". Any impairment losses are recognized as an adjustment to opening retained earnings at the beginning of the earliest period presented.

(vi) IFRS 12, "*Disclosure of Interest in Other Entities*" ("IFRS 12") requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in subsidiaries, joint ventures and structured entities and the effects of those interests on its financial position, financial performance and cash flows. The requirements in IFRS 12 are more comprehensive than the previously existing disclosure requirements for such investments.

(vii) IFRS 13, "*Fair Value Measurement*" converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS. IFRS 13 does not change when an entity is required to use fair value but rather it provides guidance on how it is measured.

Recent Accounting Pronouncements Not Yet Adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods after December 31, 2013 or later periods. Updates which are not applicable or are not consequential to the Company have been excluded thereof. The following have not yet been adopted by the Company and are being evaluated to determine their impact:

(i) IAS 32, "*Financial Instruments: Presentation*" ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014 with earlier adoption permitted.

(ii) IFRS 9 "*Financial Instruments*" ("IFRS 9") was issued November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard has no mandatory effective date.

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 accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full as they become due (see Note 1 of the financial statements). The Company manages liquidity risk through the management of its capital structure, as outlined in Note 4 of the financial statements. One of management's goals is to maintain an optimal level of liquidity through the active management of the Company's assets, liabilities, and cash flows. The Company's cash and cash equivalents are held as cash deposits which are available on demand to fund the Company's short-term financial obligations. Trade and other payables are due within the current operating period.

The Company has prepared this analysis on a going concern basis.

The Company has a history of losses and no operating revenue and reported an accumulated deficit of $30,256,434 as at December 31, 2013 (December 31, 2012 - $29,487,512). The ability of the Company to carry out its planned business objectives is dependent on the ability to raise adequate financing from lenders, shareholders, and other investors, realize marketable securities, and/or by optioning its mineral properties for cash and/or expenditure commitments. Subsequent to December 31, 2013, the Company reduced staffing levels, salaries, and consulting fees, in addition, the Company sold certain marketable securities as described in Note 14 of the financial statements. There can be no assurances that the Company will be successful in these initiatives. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations, exploration and development activities.

Credit risk

Credit risk arises from the possibility that customers 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 significant majority of receivables are from its joint venture partners and relate to project expenditures in Nicaragua incurred during 2013 and 2012 (described in Note 8 of the financial statements). 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.

The Company does not have financial assets that are invested in asset backed commercial paper.

Commodity price risk

Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian dollar and other foreign currencies, especially the United States dollar. The Company monitors commodity prices to determine the appropriate course of action to be taken. However, as the Company has not developed commercial mineral interests, it is not exposed to significant commodity price risk at this time.

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, 2013, 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, 2013 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 Financial Statements for the year ended December 31, 2013 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, 2013 and 2012.

Disclosure of Outstanding Share Data

The following describes the outstanding share data of the Company as at April 8, 2014. For further information and details concerning outstanding share data, options, and warrants, see Note 9 and the Consolidated Statements of Changes in Shareholders' Equity, included in the audited Financial Statements for the year ended December 31, 2013:

	Number Outstanding
Common shares	187,910,918
Options to purchase common shares	14,950,000
Warrants to purchase common shares	20,000,000

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 us 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, 2013. 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, 2013.