



2020 SUSTAINABILITY REPORT

Overview
June 23, 2021

TSX: **CXB**



Cautionary statement

The Calibre Mining Corp. 2020 Sustainability Report has been finalized as of June, 2021 and contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to: the Company’s expected production from, and further potential of, the Company’s properties; the future price of minerals, particularly gold; the estimation of mineral reserves and mineral resources; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; government regulation of mining operations; and environmental risks. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates. Capital and operating cost estimates are based on extensive research of the Company, purchase orders placed by the Company to date, recent estimates of construction and mining costs and other factors. Statements regarding our plans, programs and anticipated future achievements relating to audits, sustainable development (including the United Nations Sustainable Development Goals), climate change, the environment (including potential refinements to the Company’s classification system for environmental incidents), the ecosystem, conservation and biodiversity strategies and measures, reclamation, mine rehabilitation and closure planning, water and waste management, waste and tailings management (including the implementation of a third-party review requirement), human rights, gender diversity, human and worker health and safety (including grievance management mechanisms, the development of employee engagement plans and measures to reduce incidents in high-risk areas of injury and illnesses), hiring, training and performance management systems, social and community development, planned policies, planned measures to address security risks at each of the Company’s mines, artisanal and small-scale mining, reporting practices and systems and internal systems and practices.

Forward-looking information is often characterized by words such as “plan”, “expect”, “budget”, “target”, “schedule”, “estimate”, “forecast”, “project”, “intend”, “believe”, “anticipate”, “seek”, and other similar words or statements that certain events or conditions “may”, “could”, “would”, “might”, or “will” occur or be achieved. Forward-looking information is based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include: political, economic and other risks; the duration and extent of the COVID-19 pandemic, the effectiveness of preventative measures and contingency plans put in place by the Company to respond to the COVID-19 pandemic, including, but not limited to, social distancing, a non-essential travel ban, business continuity plans, and efforts to mitigate supply chain disruptions; fluctuations in foreign currency; operating risks caused by social unrest; risks related to artisanal mining on the Company’s properties; risks related to government regulation, laws, sanctions and measures; fluctuations in gold prices; uncertainty in the estimation of mineral reserves and mineral resources; replacement of depleted mineral reserves; uncertainty relating to mineral resources; risks related to production estimates and cost estimates; obligations as a public company; risks related to acquisitions and integration; the impact of Nicaraguan laws regarding foreign investment; access to additional capital; volatility in the market price of the Company’s securities; liquidity risk; risks related to community relations; risks relating to equity investments; the availability of infrastructure, energy and other commodities; nature and climactic conditions; risks related to information technology and cybersecurity; permitting and licensing; the prevalence of competition within the mining industry; availability of sufficient power and water for operations; risks associated with tax matters and foreign mining tax regimes; risks relating to potential litigation; risks associated with title to the Company’s mining claims and leases; the ability to maintain adequate internal controls over financial reporting as required by law; compliance with anti-corruption laws, and sanctions or other similar measures; risks relating to the dependence of the Company on outside parties and key management personnel; risks associated with dilution; labour and employment matters; as well as those risk factors discussed or referred to herein and in the Company’s Annual Information Form and Management’s Discussion and Analysis as at and for the years ended December 31, 2020 and 2019 available under the Company’s SEDAR profile at www.sedar.com.

Although the Company has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The Company undertakes no obligation to update forward-looking information if circumstances or management’s estimates, assumptions or opinions should change, except as required by applicable law. The reader is cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company’s expected financial and operational performance and results as at and for the periods ended on the dates presented in the Company’s plans and objectives and may not be appropriate for other purposes.

Non-IFRS Measures

The Company believes that these measures, in addition to conventional measures prepared in accordance with International Financial Reporting Standards (“IFRS”), provides investors with an improved ability to evaluate the underlying performance of the Company. These non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

Total Cash Costs per Ounce of Gold Sold (“Total Cash Costs”)

Total Cash Costs include mine site operating costs such as mining, processing, and local administrative costs (including stock-based compensation related to mine operations), royalties, production taxes, mine standby costs and current inventory write-downs, if any. Production costs are exclusive of depreciation and depletion, reclamation, capital, and exploration costs. Total Cash Costs are net of by-product silver sales and are divided by gold ounces sold to arrive at a per ounce figure.

All-In Sustaining Costs per Ounce of Gold Sold (“AISC”)

AISC is a performance measure that reflects all of the expenditures that are required to produce an ounce of gold from current operations. While there is no standardized meaning of the measure across the industry, the Company’s definition is derived from the definition, as set out by the World Gold Council in its guidance dated June 27, 2013 and November 16, 2018. The World Gold Council is a non-regulatory, non-profit organization established in 1987 whose members include global senior mining companies. The Company believes that this measure is useful to external users in assessing operating performance and the ability to generate free cash flow from operations.

Calibre defines AISC as the sum of Total Cash Costs, sustaining capital (capital required to maintain current operations at existing production levels), capital lease repayments, corporate general and administrative expenses, exploration expenses designed to increase resource confidence at producing mines, amortization of asset retirement costs and rehabilitation accretion related to current operations. AISC excludes capital expenditures for significant improvements at existing operations deemed to be expansionary in nature, exploration and evaluation related to resource growth, rehabilitation accretion and amortization not related to current operations, financing costs, debt repayments, and taxes. Total AISC is divided by gold ounces sold to arrive at a per ounce figure.



SUSTAINABILITY

REPORT

DOING WHAT WE SAY

2020



A black and white photograph of a CAT excavator loading a truck at a quarry. The excavator's arm, with 'CAT' written on it, is positioned over the truck's bed. The background is a dark blue field with a repeating pattern of small triangles. In the bottom right corner, there are large, stylized geometric shapes in shades of blue and green.

GENERAL OVERVIEW

2020 HIGHLIGHTS



ECONOMIC VALUE ADDED

- Spent 65% of total procurement in-country
- Distributed \$198.4 million total economic value to host country



OUR GOVERNANCE

- Updated Corporate Governance Policies and Procedures Manual
- Zero reported cases of bribery or malpractice



OUR WORKPLACE

- 25% female representation in management roles
- 2,754 employees and contractors, 98% nationals, out of which 68% are local

ORGANIZATIONAL HEALTH AND SAFETY

- Developed a ONE CALIBRE Organizational Safety Culture Program
- Developed an 18-month OH&S improvement plan



SOCIAL ACCEPTANCE

- Conducted four public consultations, all resulting in project approval
- Designed and launched pre-consultation process for approval of new mining concessions



OUR ENVIRONMENT

- Zero significant environmental incidents, including no notices of violations, fines or sanctions
- Established multi-stakeholder partnership for water conservation

COVID-19 RESPONSE



MATERIALITY ASSESSMENT

THESE REPRESENT OUR MOST MATERIAL TOPICS FOR 2020:



HEALTH & SAFETY



EMPLOYMENT & LABOUR PRACTICES



FREEDOM OF ASSOCIATION



WATER STEWARDSHIP



ENVIRONMENTAL MANAGEMENT



TAILINGS & WASTE MANAGEMENT



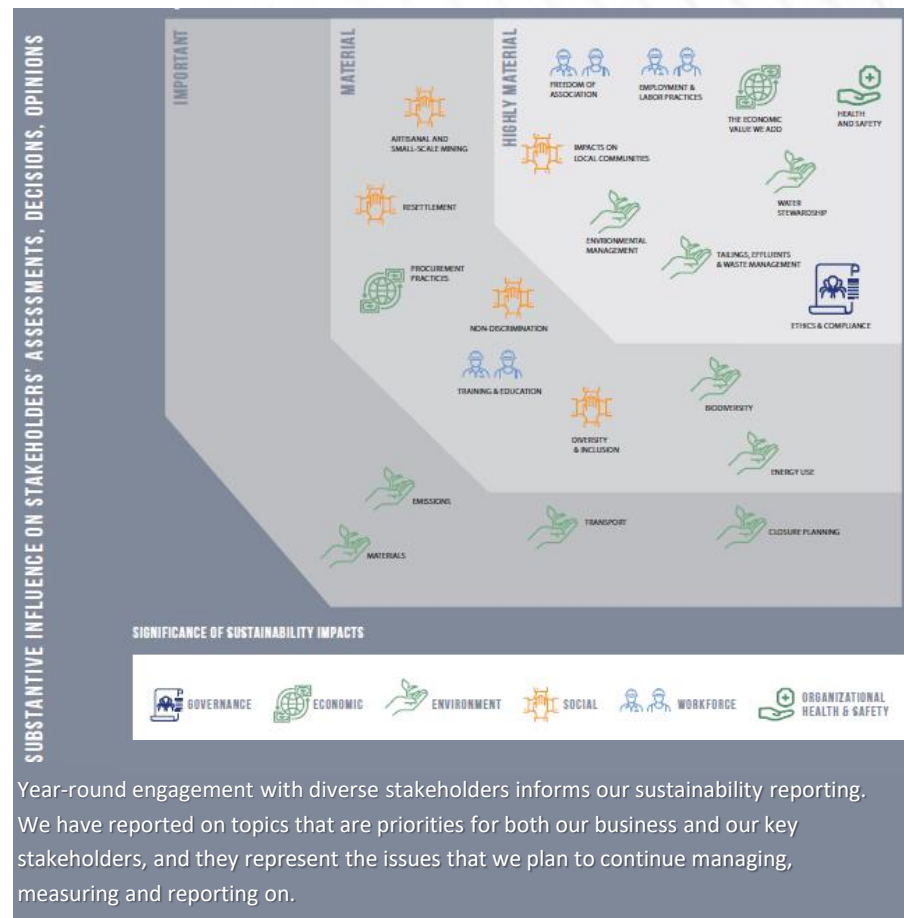
THE ECONOMIC VALUE WE ADD



IMPACTS ON LOCAL COMMUNITIES



ETHICS AND COMPLIANCE



OUR APPROACH TO SUSTAINABILITY

Impact Valuation

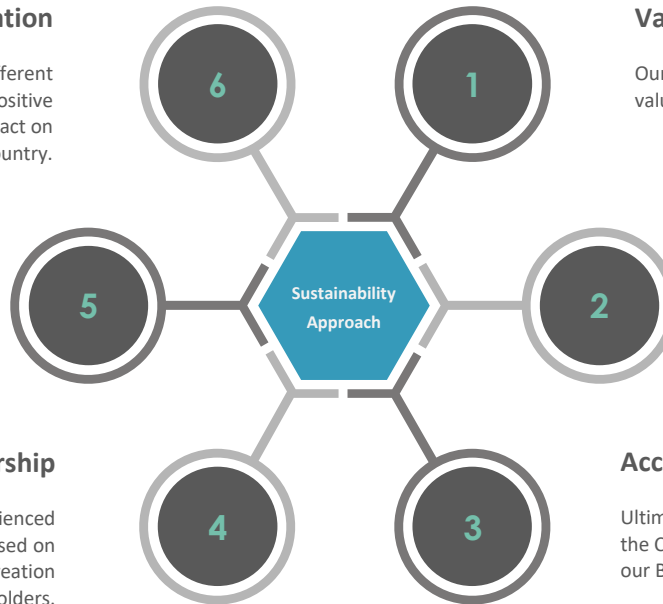
We analyse our performance using different techniques, so not only driven by positive financial growth but also positive impact on the community and the country.

Stakeholder Engagement

We are committed to engaging openly and respectfully with stakeholders and integrating that knowledge into our decision-making process.

Integrated Leadership

We have a diverse group of experienced and creative professionals focused on responsible business and value creation for its shareholders.



Value to all Stakeholders

Our commitment is towards delivering value responsibly for all stakeholders

Business Strategy

Our business strategy relies on a commitment toward responsible mining that incorporates sustainable development principles.

Accountability

Ultimate responsibility and accountability for the Company's sustainability strategy rests with our Board of Directors.

Mapping our contribution to the SDGs



	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE-BELOW-WATER	15 LIFE-ON-LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	
Our Corporate Governance								●									●	
Ethics and Compliance																	●	
Our Workplace	●			●				●									●	
Health & Safety			●					●										
Social Acceptance	●					●											●	
Our Environment		●				●								●				
The Economic Value We Add	●		●	●		●					●							●
TOTAL SGD CONTRIBUTION	●	●	●	●		●		●			●			●		●	●	●



OUR GOVERNANCE



Ethics and Compliance

Acting honestly and transparently always

CASE STUDY

Due Diligence in our Supply Chain

In April, Calibre announced to all suppliers that for any further contracts, adherence to our core values, policies, and principles regarding human rights, ethics and compliance, intellectual property, money laundering, and corruption was a requirement.

All 268 suppliers signed a statement against bribery, corruption, money laundering, and the funding of terrorist organizations.

An Anti-Money Laundering Compliance Team was set up to apply a due diligence process to all suppliers.

At the end of the reporting period, 195 suppliers had been reviewed, and 6 of these were identified as high risk from a corruption perspective. To minimize risks, contracts with all 6 suppliers were terminated.



212 employees trained on Calibre's updated **Corporate Governance Policies and Procedures Manual**



Manual of Policies and Procedures for **Prevention of Risk of Asset Laundering, Financing of Terrorism, and Proliferation of Weapons** of Mass Destruction developed and put into practice



Safety, Health, Environment, Sustainability, and Technical (SHEST) Committee established



Anti-Money Laundering Compliance Team established



Non-compliance tracking system for legal, H&S, environmental and social non-compliances developed



Zero reported cases of **corruption, bribery or malpractice** on our Whistleblower hotline.



OUR WORKFORCE



Our Workforce

Challenging ourselves and each other to look for better ways to do our work and achieve high performance

- ✓ Improved organization with a focus on **ONE CALIBRE** philosophy
- ✓ **Collective agreements** negotiated and updated successfully
- ✓ **Zero** strikes or lockouts exceeding one week's duration in 2020



2,754

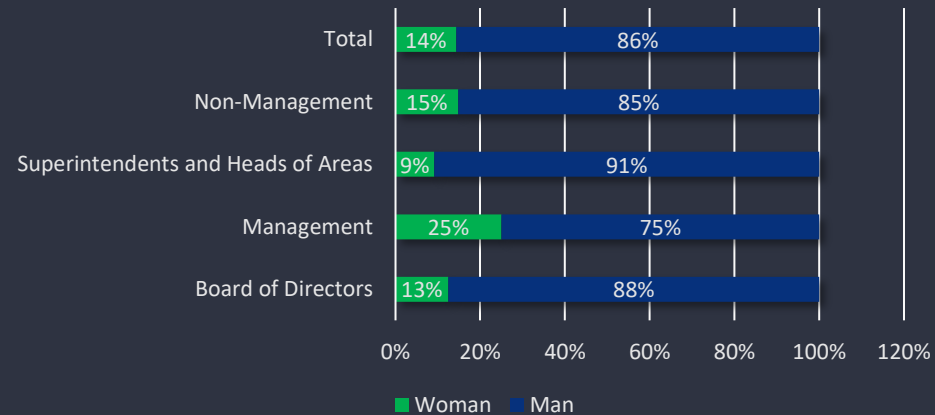
Total workforce, including contractors



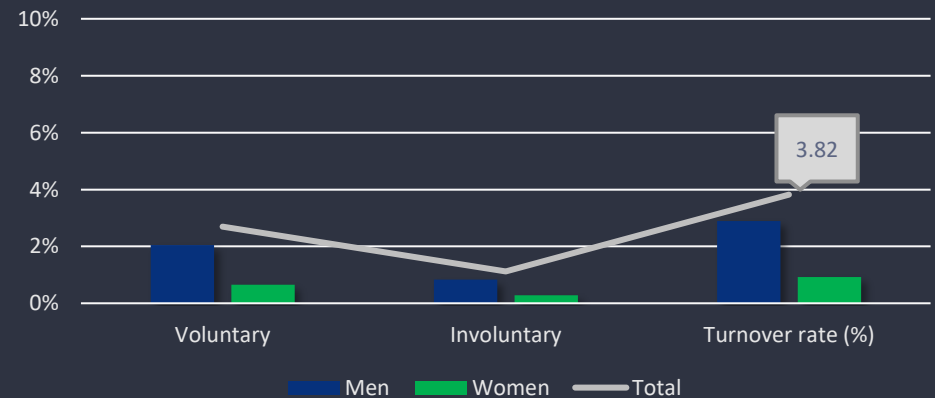
90%

of employees at operations represented by unions

WOMEN REPRESENTATION BY CATEGORY



EMPLOYEE TURNOVER RATE BY GENDER

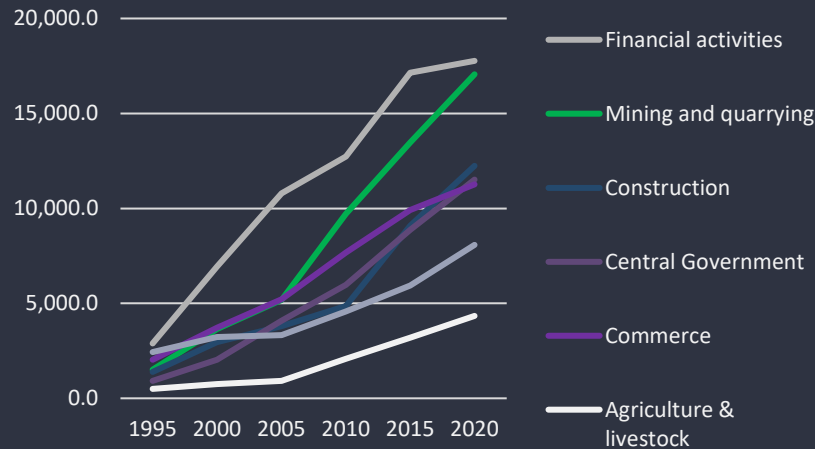


Our Living Wage

Challenging ourselves and each other to look for better ways to do our work and achieve high performance

AVERAGE SALARY BY ECONOMIC ACTIVITY (CÓRDOBAS)

Source: Central Bank of Nicaragua



✓ Mining workers' **family income** doubles the size of those from similar, non-mining households

✓ **Multi-dimensional poverty*** index in mining families is 10% vs. non-mining families (40% incidence)



Annual salary adjustment and bonus program based on common set of targets for all sites



Social Security, life insurance, retirement compensation and disability or injury compensation



Preventive health care for workers and their families



52

Scholarships awarded to employees or children (48% women)

11,580

Free medical consultations provided

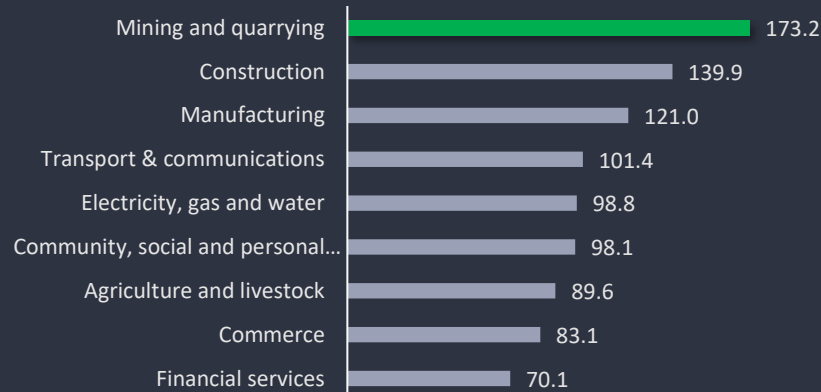
4,217

Hours of training provided to employees

+ \$405k

Spent in medicines for employees

AVERAGE REAL WAGE INDEX BY ECONOMIC ACTIVITY - 2020





OCCUPATIONAL
HEALTH AND SAFETY

Lessons Learned

We will stop work and speak out when health, safety, or well-being is at risk

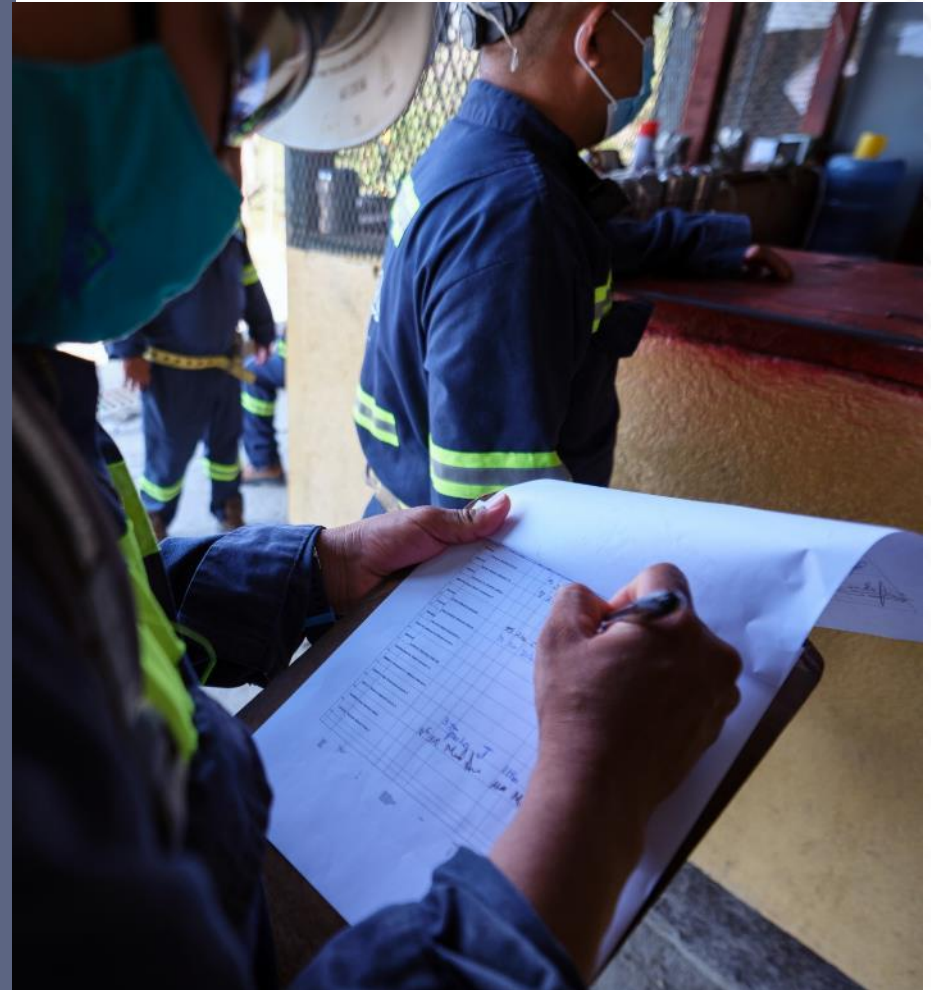
CASE STUDY

Focusing on a Risk-Based Safety Culture

Tragically, Jorge Luis Pavon, an employee of Grupo Santa Fe, the principal mining contractor at the Limon Central Open Pit, was fatally injured on July 31, 2020. Jorge worked as a Pit Marshall in the Limon Central Open Pit, directing haulage traffic. While working in his regular position, Jorge was accidentally struck and run over by a dump truck to which he had just finished giving instructions.

The findings from the investigation of the fatality event resulted in a significant review of our risk management system. The lessons learned from this tragic event were integrated across our operations to prevent this type of incident from ever happening again. Efforts in 2020 included:

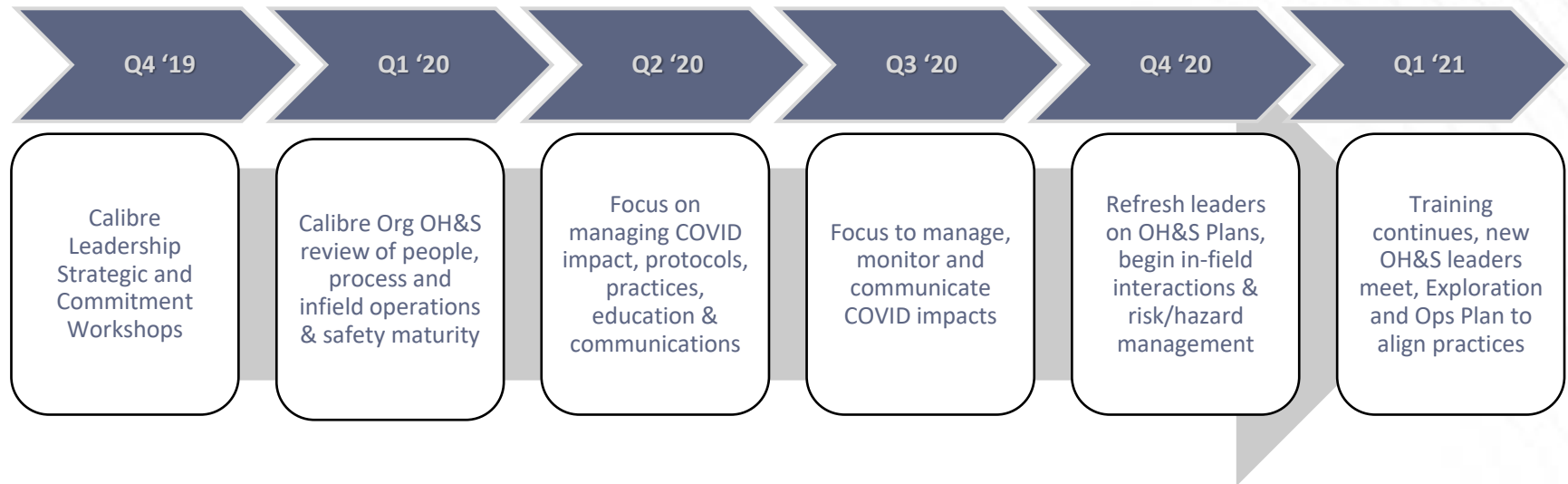
- Reassessment of potential for pedestrian-mobile equipment interactions.
- Risk and hazard management training and education.
- In-field personal interactions.
- Safety Time-Out session
- Corrective Action Performance with Verification Program.
- Safety Alert and Lessons Learned Program.
- Management/supervision formal in-field workforce interactions.



Occupational Health and Safety

We will stop work and speak out when health, safety, or well-being is at risk

KEY MANAGEMENT ACTIVITIES IN 2020



Occupational Health and Safety

We will stop work and speak out when health, safety, or well-being is at risk

✓ H&S assessment conducted

✓ International OH&S reporting standards adopted

✓ 18-month OH&S improvement plan developed

✓ ONE CALIBRE Organizational Safety Culture Program developed

✓ Exploration OH&S integrated management system created

Workforce	Medical treatment injuries	Lost day injuries	LTIFR*	TRIFR*
	Employees	2	155	0.65
Contractors	10	216	0.70	1.25

↓10% Inter annual reduction in LTIFR

Site-level safety training	Training sessions	Duration (hours)	No. Workers Trained
General	1179	2,215	17,906
Topic-specific	52	146	535

100% workforce took H&S training sessions





SOCIAL ACCEPTANCE

Social Acceptance

We do what we say and deliver on our commitments respectfully



Social Management System
updated



102
Employees trained on CSR Policy
and Performance Standards



748
Community engagements held



Resettlement Action Plan (RAP)
developed for 22HH from the
Cebadilla Community (El Limon)



Four

Public consultations conducted, all requested permits granted:



Human Rights

We do what we say and deliver on our commitments respectfully



100%

Of all 212 contracts signed included a Human Rights Clause, including the possibility of termination where suppliers fail to meet obligations.



84

Employees trained on Human Rights aspects related to operations according to the **UNGP**



174

Private security guards trained on **VPSHRs**



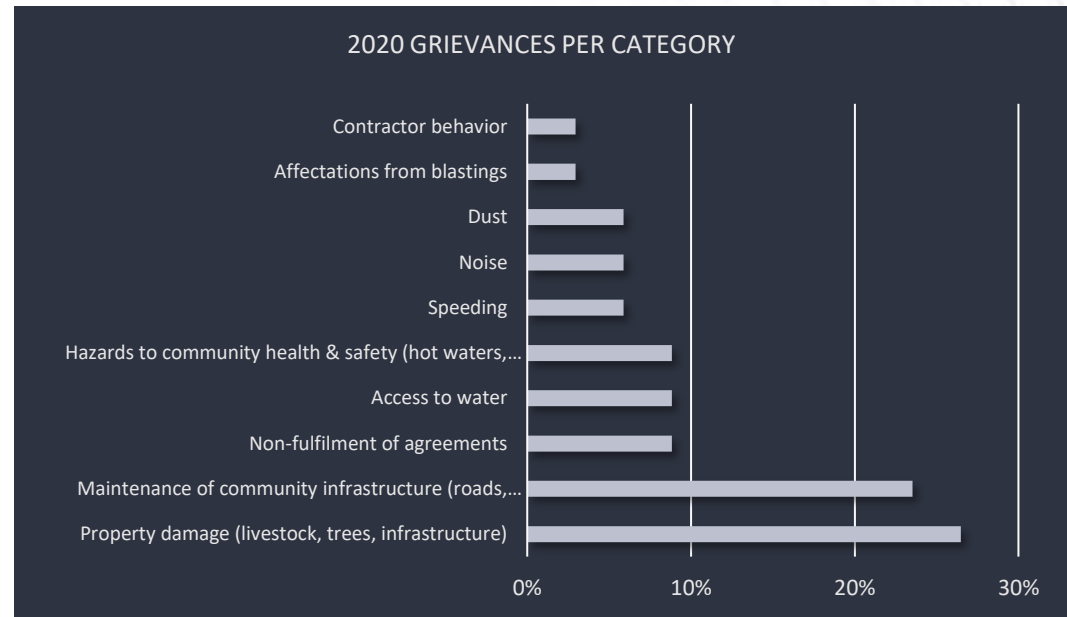
Zero

Incidents of violence at either operation



Community Grievance Mechanism

under implementation at each operating site to allow SH access to redress; 85% grievances resolved:



Artisanal and Small-scale Mining



Active participation in the Territorial Commissions for managing ASM issues



36 former artisanal miners from 7 neighboring communities hired in our Pavon North Open Pit Project



280 agreements established with artisanal miners for the purchase and processing of 33,758 m³ of ore extracted from Calibre's concessions, **avoiding the release of** an estimated **3.27 m³ of mercury and 141,514 m³ of untreated wastewater** to the environment





OUR ENVIRONMENT



Our Environment

We strive to achieve beneficial outcomes for the communities which we operate

WATER BALANCE



Zero

high-risk environmental incidents



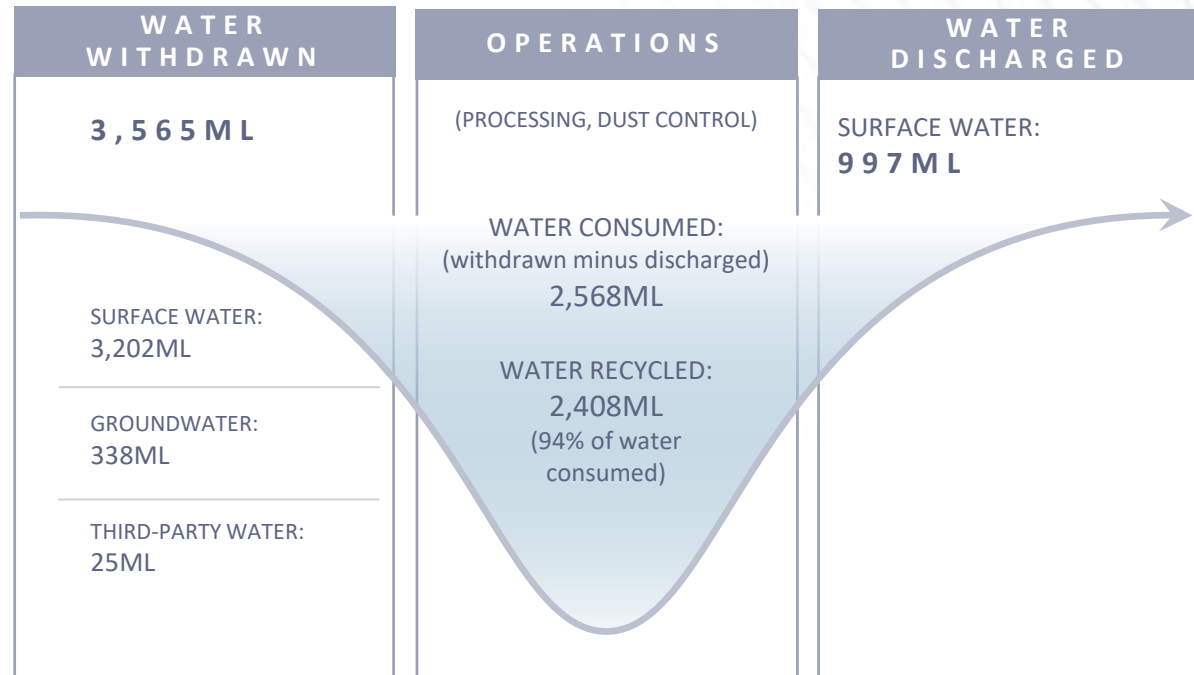
One

incident that required reporting under applicable law



Zero

notices of violations, fines, or sanctions



Fostering Rancho Grande's Resilience to Climate Change: A strategic alliance with the Centre for Nature's Understanding (CEN) for Water Conservation

ML=Million Liters

Tailings, Waste and Cyanide Management



Zero
Acid / metal leached waste rock generated



100%
of dams inspected by independent reviewer Tierra Group Intl. as of Dec2020



Zero
non-conformances in discharges from or incidents at any TSFs that affected areas outside mine boundary and/or threatened human health or the environment

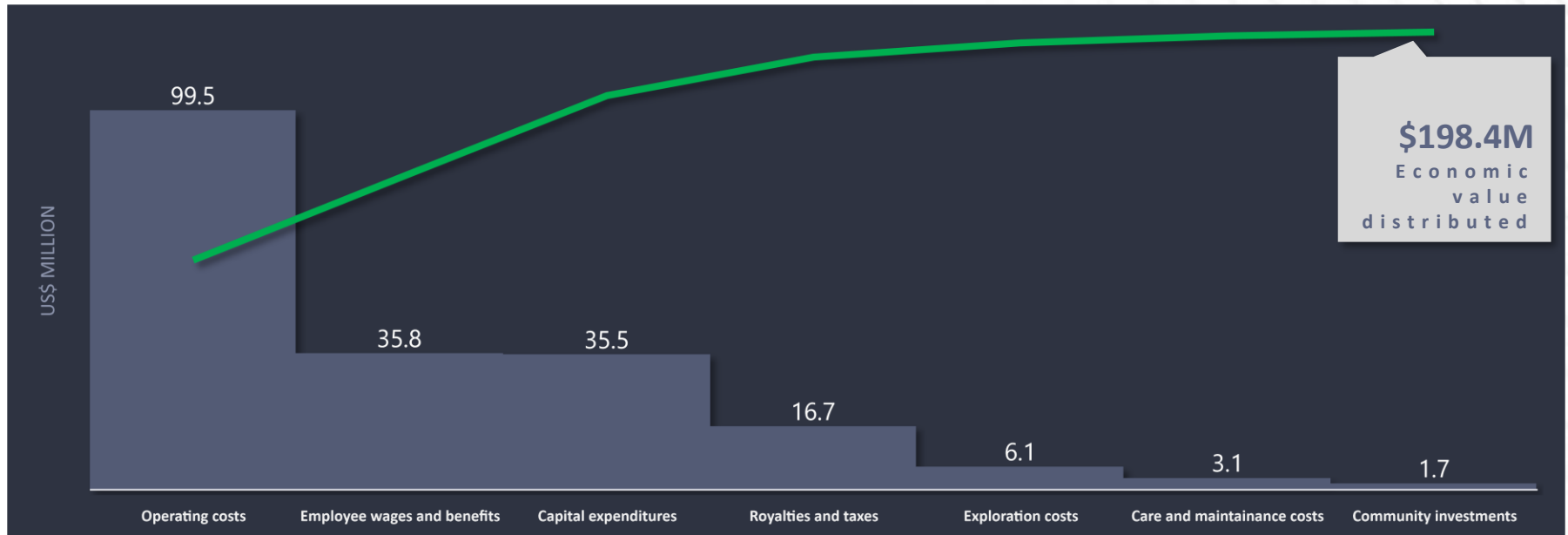




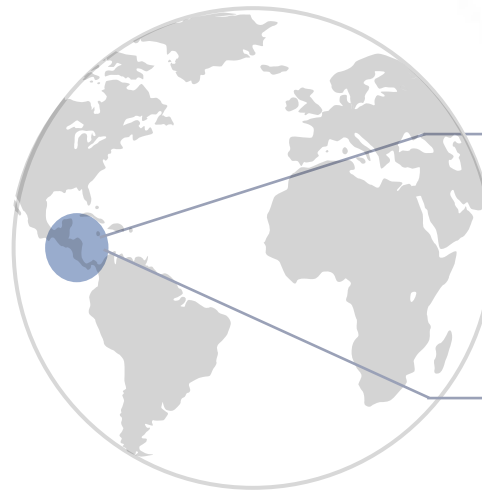
THE ECONOMIC VALUE
WE ADD

The Economic Value We Add

We deliver value responsibly for all stakeholders



Maximizing Local Opportunities



76%
are locals

97%
of employees are
Nicaraguan

\$2.7M
Spent
locally

\$36.6M (65%)
of total procurement
spent in-country

TSX: CXB



Community Investments



HEALTH

5,055
People benefitted by 48% reduction of communicable diseases through support to anti-epidemic campaign in El Limon



EDUCATION

40
Students benefitted by construction of new local school building in Yahosca Central, Rancho Grande



EMERGENCY RELIEF

Humanitarian aid provided to most affected by hurricanes Eta and Iota in the BOROSI District and Rancho Grande and neighboring communities



INFRASTRUCTURE

13
Families at high-risk from landslides in Santo Domingo relocated to new residential development



2021 EXPECTATIONS

2021 TARGETS



ECONOMIC VALUE ADDED

- Improve and expand potable water systems in Mina El Limon and La Libertad
- Develop and implement Local Procurement Strategy



OUR GOVERNANCE

- Adopt the RGMPs as primary ESG-reporting framework
- Report on our Year 1 Self-Assessment and External assurance results



OUR WORKPLACE

- Launch training on Harassment Prevention Policy
- Launch training in soft skills to improve leadership and teamwork
- Implement Graduate and Internship Program

ORGANIZATIONAL HEALTH AND SAFETY

- Zero fatalities
- 10% reduction in LTIFR
- Continuity of 18-month OH&S improvement plan
- Improve Risk and Hazard Identification



SOCIAL ACCEPTANCE

- Maintain social license to operate
- Build constructive relationships with Indigenous Peoples at exploration sites
- RAP for the Cebadilla community
- Close out 90% of high-risk grievances within 60 days



OUR ENVIRONMENT

- Zero high-risk environmental incidents
- Improved greenhouse gas inventories
- Conduct Cyanide Code gap analysis
- Zero fatalities of wild animals included in National Red List of Threatened Species



TSX: **CXB**

For further information visit
our website at
www.calibremining.com

