CALIBRE
MINING CORP

(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

Introduction and Date

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of Calibre Mining Corp. ("Calibre" or the "Company") for the year ended December 31, 2018. The Company reports its balance sheet, results of operations, statement of changes in equity, and cash flows in accordance with International Financial Reporting Standards ("IRFS"). Additional information relating to the Company, including the most recent Company filings, can be located on the Company's website, www.calibremining.com, or on the SEDAR website, www.sedar.com.

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

The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars (unless otherwise indicated). Additional information relating to the Company, including the most recent Company filings, can be located on the Company's website, www.calibremining.com, or on the SEDAR website, www.sedar.com.

This MD&A reflects information available as at April 25, 2019.

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

Business Overview and Overall Performance

Business overview

The Company is incorporated under the laws of British Columbia, Canada and maintains its corporate head office in Vancouver, British Columbia, Canada. The Company engages principally in the acquisition, advancement and development of precious and base metals assets and mineral properties in Nicaragua. The Company's common shares are listed in Canada on the TSX Venture Exchange under the trading symbol CXB.

The Company is currently focusing on the exploration of an impressive and strategic land position in a highly prospective, but underexplored region of the historic "Mining Triangle" in northeast Nicaragua, named the Borosi Concessions. The Borosi Concessions are named for the three historical producing regions of Bonanza, Rosita, and Siuna. The area is highly prospective for gold, silver and copper mineralization.

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

Overall Performance

During 2018, the Company completed the share consolidation of its outstanding common shares on a 10 (old) for 1 (new) basis. The Company's issued and outstanding common shares post share consolidation is 31,400,486. All share numbers presented in the MD&A including stock options and share purchase warrants are in post-consolidated basis.

During 2018, the Company recorded a net loss of $1,212,561 or $0.03 per share, as compared to a net loss of $1,872,892 or $0.06 per share during 2017.

As at December 31, 2018, the Company had total assets of $35,052,474 compared to $28,834,155 as at December 31, 2017. The majority of these assets for both periods are the carrying values of the Company's cash and cash equivalents and its exploration and evaluation assets.

As at December 31, 2018, the Company had working capital of $3,922,841 compared to working capital of $2,291,396 as at December 31, 2017.

As at December 31, 2018, the total carrying value of the Company's exploration and evaluation assets was $29,889,603 compared to $25,267,258 as at December 31, 2017. The net increase reflects the Company's expenditures on the Borosi Project, net of cost recoveries from its partners and a strong US dollar in 2018.

During 2018, the Company completed a private placement for 11,421,091 units of the Company's common shares at a price of $0.44 per unit for gross proceeds of $5,025,280. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share for $0.95 until October 30, 2023. Calibre issued 379,305 finder warrants in connection with the private placement. Each finder warrant entitles the finder to acquire an additional common share for $0.55 until October 30, 2020. Certain insiders of the Company acquired 1,443,000 units pursuant to the private placement.

During 2018, the Company obtained loans totaling $400,000 ("Loans") from several insiders (the "Lenders") of the Company. The Loans carried an annual interest of 7.0% and will be payable in cash every quarter. The term of the Loans is 18 months from the closing date or March 4, 2020 ("Maturity Date"). The Company issued 133,333 common shares at a deemed price of $0.60 per common share to the Lenders as Bonus Shares. The aggregate value of the Bonus Shares amounted to $80,000 which was expensed in 2018. The Loans were repaid in full by the Company including interest of $4,449 in 2018.

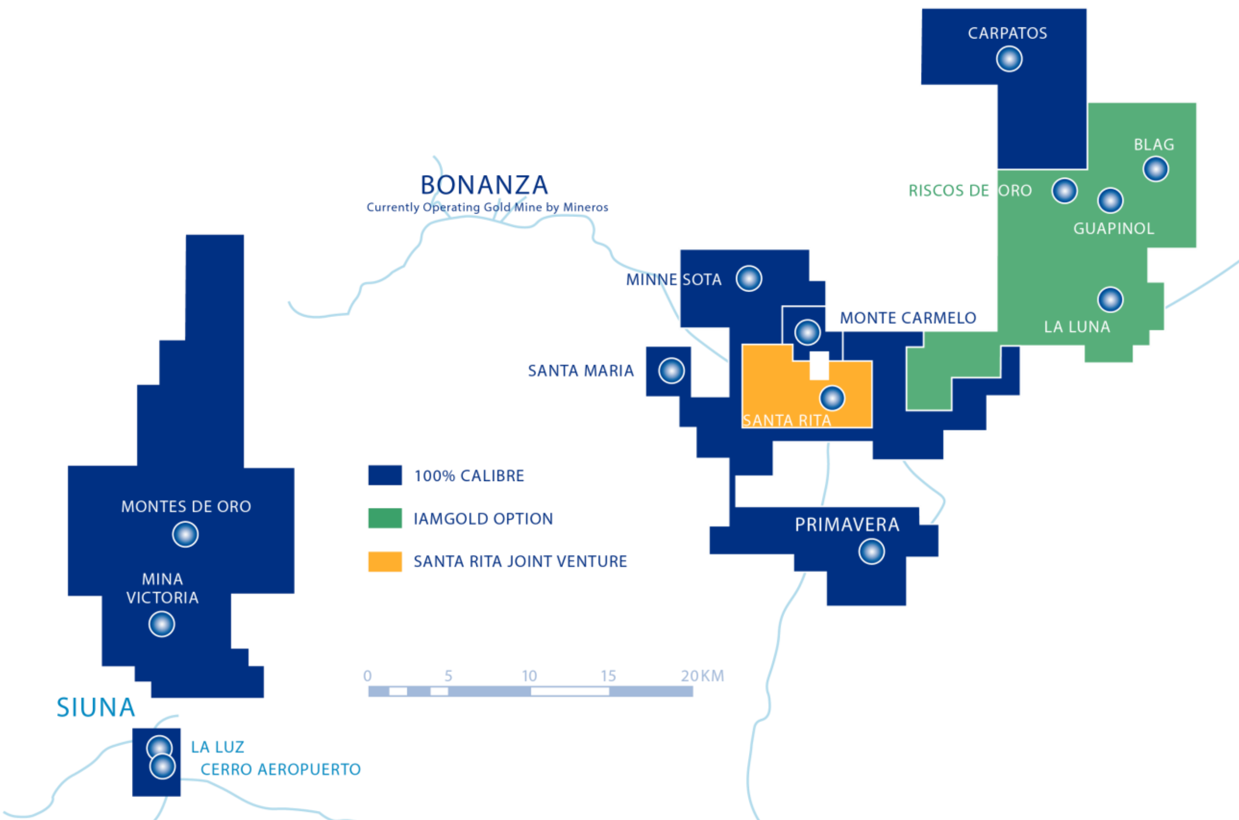
(Expressed in Canadian Dollars)

Borosi, Nicaragua, Central America

The following tables outline the expenditures at the Borosi Project during the years ended December 31, 2017 and 2018:

	Joint Venture with Rosita	Option Property to IAMGOLD	Option Property to Centerra	Calibre 100% Owned Property	Total
Cost, December 31, 2016	$ 505,760	$ 6,710,144	$ 363,624	$ 16,423,982	$ 24,003,509
Administration and maintenance	-	234,250	234,250	241,349	709,849
Amortization	-	8,084	8,084	8,329	24,498
Assaying	-	70,007	217,660	113,792	401,459
Camp, supplies and logistics	-	153,581	161,763	32,256	347,601
Drilling and related	-	1,310,925	888,806	818,890	3,018,621
Foreign exchange	(31,181)	(413,696)	(22,418)	(1,012,577)	(1,479,873)
Geological consulting	-	-	490,695	35,235	525,930
Professional fees	-	-	-	25,598	25,598
Property maintenance	34,947	447,830	221,124	235,584	939,485
Resource estimates	-	-	-	24,163	24,163
Salary and wages	2,750	317,886	489,323	680,490	1,490,450
Share-based compensation	-	56,517	56,517	58,229	171,263
Travel	-	12,799	12,621	143,626	166,945
Recovery of costs and option payments	-	(2,349,545)	(2,752,694)	-	(5,102,239)
Total expenditures (recoveries) during the year	6,516	(151,363)	5,731	1,402,864	1,263,748
Cost, December 31, 2017	$ 512,276	$ 6,558,781	$ 369,355	$ 17,826,846	$ 25,267,257
Administration and maintenance	-	185,750	185,750	191,379	562,879
Amortization	-	7,375	7,375	7,599	22,349
Assaying	-	107,964	65,603	70,838	244,405
Camp, supplies and logistics	-	185,275	112,893	36,751	334,919
Drilling and related	-	1,508,749	428,466	268,922	2,206,137
Foreign exchange	47,299	605,581	34,103	1,645,976	2,332,959
Geological consulting	-	-	18,311	6,113	24,424
Professional fees	-	-	-	40,448	40,448
Property maintenance	34,898	234,430	224,671	450,171	944,170
Salary and wages	-	406,410	311,890	670,408	1,388,708
Share-based compensation	-	60,378	60,378	62,208	182,964
Travel	-	19,769	5,216	117,889	142,874
Recovery of costs and option payments	-	(2,647,522)	(1,157,367)	-	(3,804,889)
Total expenditures during the year	82,197	674,159	297,289	3,568,702	4,622,347
Cost, December 31, 2018	$ 594,473	$ 7,232,940	$ 666,644	$ 21,395,548	$ 29,889,603

The Company's interest in the Borosi Gold-Silver-Copper Concessions (the "Borosi Concessions") consists of a number of mining and exploration concessions located in the North Coastal Caribbean Autonomous Region of Nicaragua, Central America. The Borosi Concessions are located approximately 275 kilometres northeast of the capital city of Managua and 80 kilometres west of the coastal town of Puerto Cabezas. The concessions cover 72,725.6 hectares (727km^2) of the highly prolific but underexplored Mining Triangle defined by the three historic mining towns of Bonanza, Rosita, and Siuna of northeastern Nicaragua. As at the date of this report, Calibre has entered into two joint ventures: Iamgold Corp (176 km^2) and Santa Rita Mining (33 km^2). Calibre has maintained 100% control over a total of518 km^2 including the Primavera Gold-Copper Porphyry Project, Siuna Gold Project, and Santa Maria Gold-Silver Project.



Calibre 100% Owned Projects

<u>Primavera Gold-Copper Porphyry Project</u>

In 2017, a site visit was completed by one of the world's foremost porphyry experts, Dr. Richard Sillitoe. Dr. Sillitoe's extensive experience and insights have advanced the understanding of the Primavera Gold-Copper deposit and additional follow-up work is on-going. Several of Dr. Sillitoe's conclusions will have a significant positive impact on the exploration programs going forward and have been incorporated into the 2017 drill program including:

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

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

(Expressed in Canadian Dollars)

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

The 2017 drill program was the first drilling program at Primavera since 2012 and consisted of 19 Reverse Circulation ("RC") drill holes totaling 2,758.5 metres completed during H2 2017. The widespread and shallow program was designed as a prospecting initiative testing the broad anomalous gold and copper targets defined by soil and rock sampling which are the most reliable exploration tools in this area of sparse outcrop. Drilling on the Primavera district has intersected widespread porphyry style alteration and mineralization. These drilling results confirm the potential for further gold-copper porphyry discoveries within the Primavera district.

Additionally, one RC drill hole in the 2017 drilling program was completed within the Primavera Deposit with hole PRC17-001 intersecting; 234.0 metres grading 0.82 g/t Au and 0.26 % Cu (1.15 AuEq g/t) including 129.0 metres grading 1.06 g/t Au and 0.28 % Cu (1.42 AuEq g/t). Hole PRC17-001 was drilled in proximity to diamond drill hole PR-11-001 which intersected 262.0 metres grading 0.49 g/t Au and 0.22 % Cu and diamond drill hole PR-11-002 which intersected 261.7 metres grading 0.73 g/t Au and 0.29 % Cu confirming the grade and continuity to the gold-copper mineralization. Six holes (PRC17-002, -003, -004, -017, -018, and -019) were completed between 250 and 1000 metres east of the known deposit and intersected variably altered and mineralized volcanic and intrusive rock with intervals including; 10.5m grading 0.38 g/t Au and 0.03 % Cu, 36.0m grading 0.27 g/t Au and 0.05 % Cu, and 160.5m grading 0.11 g/t Au. The drill holes in this area are generally anomalous in molybdenum with individual samples ranging up to 73 ppm Mo over 1.5m (PRC17-003 162.0 – 163.5m). A total of twelve holes were drilled in the Santa Juana Target (PRC17-005 to 016) intersecting; 9.0m grading 1.76 g/t Au and 0.02 % Cu, 76.5m grading 0.11 g/t Au and 0.02 % Cu, and 45.0m grading 0.16 g/t Au and 0.13 % Cu. The geology of the area is dominantly andesitic volcanics with variable amount of diorite. Additionally, drill hole PRC17-016 intersected a quartz rich breccia which returned 6.0m (105 to 111m) grading 0.85g/t Au and 0.34 % Cu with individual samples including 2.38 g/t Au and 0.49 % Cu.

In both areas tested during 2017, the geology consists largely of andesitic volcanic flows and tuffs with narrow to moderate sections of diorite intrusions. Alteration is widespread and includes propylitic (epidote-chlorite-pyrite), potassic (biotite and magnetite) as well as common silicification and quartz +/-carbonate) veining. Sulphides occur as disseminations and within the quartz veining and consist of variable amounts of pyrite and chalcopyrite. Rare molybdenite was also noted.

Exploration completed in 2018 included rock and soil geochemistry, geological mapping, and test pits designed to further define drill targets within the multi-kilometre scale anomalies. Reconnaissance diamond drilling was then completed consisting of 10 holes totaling 2,052.62 metres comprised of eight holes (1,645.45 metres) on the San Isidro target located five kilometre west of Primavera and two holes (407.17 metres) testing the San Francisco target 3 kilometres southeast of the main zone at the Primavera deposit. 2018 drilling intersected wide-spread gold and copper mineralization including;

- At San Isidro a series of structurally controlled quartz breccias with results including; 8.2 metres grading 1.67 g/t Au and 0.039 % Cu (SI18-002) and 2.0 metres grading 5.60 g/t Au and 0.043 % Cu (SI18-005).

- At San Francisco drilling intercepted broad gold and copper anomalous mineralization associated with propylitic alteration and variable quartz veining with results including 175.0 metres grading 0.19 g/t Au and 0.021 % Cu (SF18-001) and 51.85 metres grading 0.21 g/t Au and 0.013 % Cu (SF18-002).

Highlights of the 2018 Primavera Project diamond drilling program include:

Hole ID		Target Zone	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	AuEq (g/t)
SF18-001		**San Francisco**	0.00	175.00	175.00	0.19	0.021	0.22
SF18-001	incl	**San Francisco**	0.00	23.58	23.58	0.89	0.025	0.92
SF18-002		**San Francisco**	99.12	150.97	51.85	0.21	0.013	0.23
SI18-002		**San Isidro 1**	83.00	91.20	8.20	1.67	0.039	1.73
SI18-002	incl	**San Isidro 1**	83.00	85.50	2.50	5.33	0.001	5.33
SI18-005		**San Isidro 2**	22.00	24.00	2.00	5.60	0.043	5.67
SI18-003		**San Isidro 1**	87.63	100.77	13.14	0.08	0.321	0.59

(Expressed in Canadian Dollars)

SI18-004		**San Isidro 2**	186.05	188.00	1.95	3.38	0.007	3.39

Notes: - 2018 Drilling Highlights.
- Intervals are core lengths / true width are estimated to be 80-90% of lengths
- Length weighted averages from uncut assays.
- AuEq g/t calculated using $1,300/oz gold and $3.00/lb copper.

Drilling to date has tested less than 5% of the surface geochemical, geophysical, and geological anomaly associated with the Primavera Project.

Siuna Gold-Copper-Silver Project

From 2015 to 2018, the Siuna Gold Project was under an option agreement with Centerra Gold Inc. ("Centerra"). In early 2019, the Company agreed to purchase Centerra's 51% interest in the project by issuing 2,000,000 common shares of Calibre to Centerra (equivalent to $1,240,000) and giving Centerra a 2.0% net smelter return royalty ("NSR Royalty") on future production from the project. Calibre will have the right to (i) purchase 1.0% of the NSR Royalty for $2,000,000; and (ii) being granted a first right of refusal on the remaining 1.0% NSR Royalty.

The Siuna Property covers an area of 253 square kilometres in the Borosi Mining District of Northeastern Nicaragua. Siuna is located in the south-west portion of the Borosi Concessions and contains the past producing La Luz gold mine as well as, one kilometre to the south, the NI43-101 compliant Inferred Resource at the Cerro Aeropuerto gold-silver deposit. The Property covers a 35-kilometre belt of prospective geology similar to the La Luz and Cerro Aeropuerto deposits and property-wide exploration has outlined a series of additional gold-silver-copper targets.

The Cerro Aeropuerto deposit contains gold and base metal bearing quartz veins and replacement style mineralization. The NI43-101 compliant Inferred Resource at the Cerro Aeropuerto gold-silver deposit contains;

Tonnes	Grade (Au g/t)	Grade (Ag g/t)	Grade (Au eq g/t)	Contained Au (ounces)	Contained Ag (ounces)	Contained Au eq (ounces)
6,052,000	**3.64**	**16.16**	**3.89**	**707,750**	**3,144,500**	**757,000**

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 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. Numbers may not add exactly due to rounding.
4. Gold Equivalent (AuEq) 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%.
5. 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. Mineral Resources that are not mineral reserves do not have economic viability

Recent diamond drilling at the Cerro Aeropuerto gold-silver deposit completed subsequent to the resource estimate, has returned positive results including both wide mineralized zones and narrower high-grade intercepts including: 2.07 m grading 157.20 g/t Au and 117.7 g/t Ag and 8.12 m grading 22.47 g/t Au and 10.9 g/t Ag in drill hole CA16-022 and 26.03 m grading 6.39 g/t Au and 9.1 g/t Ag in drill hole CA16-020 and 77.78 m grading 1.09 g/t Au and 13.7 g/t Ag in drill hole CA17-045.

Additional diamond drilling completed on the Huracan porphyry gold-copper target located two to three kilometres south of the Cerro Aeropuerto deposit intersected wide zones of alteration containing porphyry-style gold-copper mineralization including 189.63 m grading 0.22 g/t Au and 537 ppm Cu in drill hole HU16-037 and 72.23 m grading 0.27 g/t Au and 881 ppm Cu in drill hole HU16-031.

The Siuna Property is host to the historic La Luz mine which is located one kilometre north of the Cerro Aeropuerto deposit. Mineralization at the La Luz mine is hosted by skarn assemblages associated with a series of intrusive bodies. Gold occurs in zones of disseminated and stringer pyrite, chalcopyrite, and sphalerite. The mine produced more than 2.3 million ounces of gold from open pit and several underground levels developed down to 450 metres below surface. The past producer, which operated primarily between 1912 and 1968, processed 17.1 million tonnes of ore grading 4.14 g/t gold producing 2.3 million ozs gold.

(Expressed in Canadian Dollars)

The Mina Victoria Project is one of the most advanced exploration projects on the Property. Previous work including prospecting, stream sediment sampling and subsequent soil sampling has defined a broad Au-Cu-As anomaly over an area of 3.0km by 4.0kms. The anomalous gold-copper trench results have been traced for hundreds of metres where anomalous Au-Cu assays are associated with highly oxidized zones associated with dikes ranging from 2 - 20 metres in width, commonly located in close proximity to steeply dipping faults and shear zones. Significant trench results from this area include: 45.00 m grading 0.40 g/t Au and 0.19% Cu (VTR13-001) and 10.20 m grading 0.70 g/t Au and 0.11% Cu (VTR13-021).

Exploration completed over the last four years includes extensive soil sampling covering the entire 253 km^2 Property, rock sampling, ground magnetic and IP geophysical surveys, targeted trenching and pit sampling, and limited drilling. This work has identified a series of kilometre-scale precious and base metal anomalies associated with intrusive bodies. Target zones include; 1) El Dorado Trend, 2) El Avion Target, 3) Roskilete, 4) Cerro Asa and 5) Montes De Oro.

The 2017 Cerro Aeropuerto drilling tested the mineralization over approximately 400 metres of strike length and to depth of 350 metres below surface. Drill holes CA17-043 and CA17-044 were drilled in the northern edge of the existing Cerro Aeropuerto deposit testing the along strike extension of the deeper portion of the system. Intercepts included 4.83 metres grading 0.77 g/t Au in CA17-043 and 18.68 metres grading 0.21 g/t Au in CA17-044. Drill holes CA17-045 and CA17-046 tested down dip portion of Cerro Aeropuerto under drill hole CA15-20 which intercepted 71.05m grading 2.89 g/t Au. Intercepts included 77.78 metres grading 1.09 g/t Au, a second zone of 16.78m grading 1.09 g/t Au and a third zone of 4.57m grading 1.18 g/t Au in CA17-045 while CA17-046 intercepts include 53.50 metres grading 0.35 g/t Au and a second zone of 9.24m grading 1.13 g/t Au, 0.32% Cu and 0.23% Zn. Drill holes CA17-047 and CA17-048 were drilled under the southern extension to the deposit testing the down dip extension of the system intercepted in CA16-047 which included 16.77m grading 0.39 g/t Au. Intercepts included 4.83 metres grading 0.77 g/t Au in CA17-043 and 18.68 metres grading 0.21 g/t Au in CA17-048. Drill holes CA17-052 and CA17-054 were drilled 50 and 250 metres respectively south of the Cerro Aeropuerto deposit. Intercepts in CA17-052 include 16.77 metres grading 0.88 g/t Au, a second zone of 27.30m grading 0.39 g/t Au and a third zone 63.50m grading 0.34 g/t Au and 0.05 % Cu. Intercepts in CA17-054 include a broad mineralized zone of 202.64 metres grading 0.25 g/t Au, including higher grade structures of 1.52 metres grading 2.79 g/t Au with 262.0 g/t Ag, 0.20 % Cu and 1.29 % Zn and 10.96 metres grading 0.58 g/t Au.

Geologic interpretation of drill holes at Cerro Aeropuerto confirmed the identity of gold-bearing hornblende diorite porphyry mineralization bounded by shear zones containing serpentinized basic to ultrabasic rock and calcareous metasediments. The strongest mineralization is located near the serpentinite-diorite contacts where sulphide bearing quartz-carbonate veins and silicified hydrothermal breccias correlate well with high grade gold values.

Additional exploration on the Siuna Project commenced in January 2018. Several mineralized zones were evaluated and advanced by soil and rock sampling, trenching and additional IP geophysics including; the northern half of the ten-kilometre-long El Dorado Trend (Timbuco), Cerro Asa, Roskilete and continued advancement at El Avion Project.

Santa Maria Project

Diamond drilling during 2017 (13 holes for 2,100 metres) on the Santa Maria Project has discovered significant gold and base metal mineralization in structurally controlled quartz veins and breccias. 2017 drilling results include:

Hole ID	From m	To m	Length (m)	AuEq g/t	Au g/t	Ag g/t	Cu %	Zn %
SM17-012	121.15	127.00	**5.85**	**7.50**	2.02	58.6	3.46	-
Including	121.15	121.90	**0.75**	**24.73**	8.40	144.0	10.69	-
SM17-001	70.00	74.95	**4.95**	**4.16**	1.51	24.7	1.72	-
SM17-003	99.90	102.00	**2.10**	**7.84**	7.21	10.9	0.33	-
SM17-008	57.70	60.35	**2.65**	**5.26**	3.58	16.4	0.29	1.65

(Expressed in Canadian Dollars)

Including	57.70	58.65	**0.95**	**11.74**	9.14	33.9	0.57	2.08
SM17-012	129.62	133.00	**3.38**	**2.78**	0.54	20.6	1.42	-
SM17-013	61.80	66.10	**4.30**	**2.55**	0.12	13.8	1.68	-

Notes:
- Intervals are core lengths / true width are estimated to be 70-80% of lengths.
- Length weighted averages from uncut assays.
- AuEq calculated using; $1300 Au, $20 Ag, $2.50 Cu, and $1.25 Zn with 100% recoveries

Results define a northern segment 300 metres in strike length with gold-silver mineralization associated with high copper values transitioning in the central portion which contains variable amounts of both copper and zinc and 200 metres further to the south where it is characterized by low copper and high zinc. The overall Santa Maria geochemical anomaly has been traced for more than three kilometres. Existing targets with potential for further gold-silver-copper-zinc discoveries on the Santa Maria Project include both the northern and southern structural extensions to the drill tested area (where additional multi-element anomalies have been defined), additional sub-parallel structures which have been identified based on rock and soil anomalies, intrusive related mineralization associated with the mapped granodiorite centered two kilometres north of the current drilling, as well as skarn zones hosted in previously recognized altered limestone and sedimentary rocks.

Eastern Borosi Project Joint Venture - IAMGOLD Corporation 51% / Calibre 49%

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

IAMGOLD has completed the First Option having made US$450,000 in payments to Calibre and completed US$5 million in expenditures and has vested a 51% interest in the Eastern Borosi Project. IAMGOLD has entered the Second Option with the right to earn a further 19% in the Project (by completing additional cash payments totalling $450,000 and further exploration expenditures totaling $5 million) having paid the first and second installments of $150,000 each and funding the on-going 2018 work program. The total potential investment by IAMGOLD to earn a 70% interest in the Project is US$10.9 million.

Drilling in 2017 consisted of step out holes following up on previous high-grade intercepts on structures not currently part of the resource estimate. Total holes completed in 2017: 38 (6 Guapinol, 5 RDO, 8 East Dome, 3 Blag Main, 9 Veta Loca, 7 Cadillac). Total meterage in 2017: 9,809.87m (1,685.64m Guapinol, 2,221.91m RDO, 2,338.30m East Dome, 1,044.62 Blag Main, 1,665.01m Veta Loca, 854.39m Cadillac).

Highlighted results from 2017 are as follows;

Hole ID	Target	From m	To m	Length (m)	Au (g/t)	Ag (g/t)	Pb (ppm)	Zn (ppm)
BL17-051	East Dome	134.78	169.86	35.08	0.099	31.01	75	65
including		134.78	145.5	10.72	0.238	57.29	130	32
BL17-052	East Dome	259.00	267.00	8.00	1.57	38.30	1,723	1,612
including		264.05	265.83	1.78	5.69	71.10	5,966	3,271
BL17-054	East Dome	291.38	301.00	9.62	0.703	60.46	1,047	1,846
including		292.80	294.10	1.30	3.78	208.00	4,481	7,348
BL17-056	Blag Main	434.62	445.52	10.90	0.994	15.39	7,126	20,030
including		444.00	445.52	1.52	3.29	48.20	28,000	68,200
RD17-047	RDO	345.85	348.80	2.95	4.23	4.34	926	1,106

BL17-058	East Dome	296.00	300.05	4.05	0.377	328.30	499	803
including		296.00	297.80	1.80	0.649	636.00	1,067	1,639
BL17-060	East Dome	315.67	321.67	6.00	2.74	42.48	220	262
including		319.50	321.67	2.17	5.12	31.04	277	267
GP17-057	Veta Loca	33.70	41.15	7.45	9.69	2.92	101	297
LS17-018	Cadillac	121.00	128.50	7.50	4.42	103.40	2,129	3,275
including		121.70	124.00	2.30	13.57	317.30	5,911	7,286
LS17-020	Cadillac	118.55	122.04	3.49	7.48	116.70	1,057	1,450
including		119.80	122.04	2.24	11.59	179.30	1,618	2,148
LS17-022	Cadillac	135.58	137.25	1.67	16.66	271.60	23,570	11,750
including		135.58	136.55	0.97	28.60	454.00	39,700	18,800

Notes:
- 2017 Drilling Highlights / Length weighted averages from uncut assays.
- Intervals are core lengths / true width are estimated to be 80-90% of lengths

In 2018, IAMGOLD reported updated and maiden inferred mineral resources for the Eastern Borosi Project. A total of four deposits are located in an approximately 8 by 10 kilometre area and observed to display different lens orientations and grades. The various veins are generally open along strike and locally at depth. The potential for adding additional resources will continue to be evaluated in future exploration programs.

SUMMARY OF INFERRED MINERAL RESOURCES – AS OF MARCH 15, 2018

Category	Method / Vein	Tonnage (000 t)	Grade Au g/t	Contained Ounces Au (oz)	Grade Ag g/t	Contained Ounces Ag (oz)	Grade AuEq g/t	Contained Ounces AuEq (oz)
Inferred	**Underground**							
	Total Underground	3,219	6.03	624,000	104	10,758,500	7.05	729,500
Inferred	**Open Pit**							
	La Luna	1,199	1.98	76,500	16	601,000	2.13	82,000
Inferred	**Total Underground and Open Pit**	**4,418**	**4.93**	**700,500**	**80**	**11,359,500**	**5.72**	**812,000**

Notes:
1. CIM (2014) definitions were followed for classification of Mineral Resources.
2. Mineral Resources are estimated at a cut-off grade of 2.0 g/t AuEq for resources potentially mined by underground methods and 0.42 g/t AuEq for resources potentially mined by open pit methods.
3. Gold equivalent values were calculated using the formula: AuEq (g/t) = Au (g/t) + Ag (g/t) / (101.8)
4. Mineral Resources are estimated using a long-term gold price of US$1,500 per ounce of gold, US$23 per ounce of silver.
5. A minimum mining width of 2.4 m was used for underground and 3 m for open pit.
6. Bulk density is 2.65 t/m^3 for Blag, East Dome, Riscos De Oro, and La Luna, and 2.60 t/m^3 for Guapinol and Vancouver.
7. East Dome is included in the Blag resource model and Vancouver is included in the Guapinol resource model.
8. Numbers may not add due to rounding.
9. Mineral Resources that are not Mineral Reserves do not have economic viability

The NI 43-101 compliant independent Technical Report summarizing the 2018 Mineral Resource Estimate, prepared by Roscoe Postle Associates Inc., was filed on SEDAR and on the Company's website on May 14, 2018.

Total drill holes completed in 2018: Fifty (50) - (3 Veta Loca "B", 3 Guapinol, 9 Cadillac, 1 Jaguar, 5 Mercedes-Jaguar Gap, 6 East Dome, 6 Blag Main, 12 La Luna, 5 San Cristobal). Total meterage drilled in 2018: 10,584.44m (468.17m

(Expressed in Canadian Dollars)

Veta Loca "B", 590.17m Guapinol, 1,955.05m Cadillac, 169.27m Jaguar, 1,085.50m Mercedes-Jaguar Gap, 2,052.72m East Dome, 1,637.78m Blag Main, 1,994.88m La Luna, 630.90m San Cristobal).

Highlighted results from 2018 are as follows;

Hole ID	Target	From m	To m	Length (m)	Au (g/t)	Ag (g/t)	Pb (ppm)	Zn (ppm)
LS18-025	Cadillac	145.40	149.00	3.60	2.15	16.82	2,645	5,591
including		146.30	147.40	1.10	5.3	9.17	3,202	8,940
LS18-027	Cadillac	137.60	139.70	2.10	1.21	1,097.00	12,460	18,330
including		137.60	138.40	0.80	3.1	2,801.00	32,500	47,000
LS18-032	MJG	166.84	173.85	7.01	0.249	20.07	698	713
LS18-034	MJG	176.75	205.50	28.75	0.257	41.51	478	1,169
BL18-062	East Dome	186.70	203.20	16.50	0.399	47.77	117	285
including		201.30	202.40	1.10	1.3	245.40	138	483
BL18-063	East Dome	225.43	230.08	4.65	1.6	94.27	6,181	13,330
	including	229.00	230.08	1.08	3.24	166.00	12,200	22,300
BL18-066	East Dome	325.52	332.65	7.13	0.659	57.65	19	112
LL18-012	La Luna South	53.00	68.90	15.90	5.75	34.26	297	444
including		62.90	67.55	4.65	17.78	32.48	533	477
LL18-013	La Luna South	15.25	40.00	24.75	0.49	6.52	31	108
LL18-015	La Luna North	56.00	65.81	9.81	1.96	19.65	2,564	3,471
LL18-020	La Luna South	124.24	132.95	8.71	6.78	5.34	40	142
including		127.16	131.54	4.38	13.22	9.48	70	158
and	2nd Zone	152.13	159.81	7.68	3.09	89.68	30,270	31,710
including		155.36	159.81	4.45	4.96	151.50	52,210	54,630
SC18-002	San Cristobal	87.82	95.86	8.04	10.92	859.00	951	2,031
including		94.31	95.86	1.55	54.68	3,957.00	4,649	9,788
with		95.28	95.86	0.58	67.2	9,391.00	9,309	18,800

Notes:
- 2018 Drilling Highlights / Length weighted averages from uncut assays.
- Intervals are core lengths / true width are estimated to be 80-90% of lengths

IAMGOLD paid the second installment of US$150,000 during 2018 in accordance with IAMGOLD's Second Option to earn a further 19% in the Eastern Borosi Project.

The 2019 exploration program was initiated in January 2019 with target definition and advancement work consisting of soil and rock sampling as well as follow-up trenching designed to prioritize additional drilling targets for 2019. This work is advancing a series of targets defined by previous exploration and includes on-strike extensions to existing deposits and new areas which have not been previously drill tested.

The drilling program commenced in March 2019 and the first set of drill holes consist of follow-up drilling on two successful high-grade discoveries from the fourth quarter of 2018 - San Cristobal and La Luna (see table below).

(Expressed in Canadian Dollars)

Hole ID	Mineralized Zone	From m	To m	Length (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Pb (ppm)	Zn (ppm)
SC18-002	**San Cristobal**	94.31	95.86	**1.55**	**115.56**	**54.68**	**3,957**	4,649	9,788
LL18-020	**La Luna**								
	Main Structure	127.16	131.54	**4.38**	**13.37**	**13.22**	**9.5**	70	158
	Sulphide Zone	155.36	159.81	**4.45**	**7.29**	**4.96**	**151.5**	52,210	54,630

Joint Venture with Rosita Mining Corporation

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

- Anticipated Life of Mine of 10 years, utilizing 4.67 million tonnes of the material included in the resource tabulation categorized as Indicated Mineral Resources grading at 0.51 grams per tonne gold, 8.2 grams per tonne silver and 0.59% copper and 1.53 million tonnes categorized as Inferred Mineral Resources grading at 0.61 grams per tonne gold, 11.3 grams per tonne silver and 0.65% copper; and

- Anticipated capacity of the treatment plant (milling plus heap leach) of 1,000 tonnes per day for the first 3 years, expanding to 2,000 tonnes per day for the subsequent 7 years.

The metal prices assumed for the economic Model are: Gold: at USD$1,250 per ounce; Silver: at USD$18 per ounce; and Copper: at USD$2.50 per pound. Other criteria, assumptions and conclusions from the PEA include; Pre-production capital costs including 30% contingencies, $11.4 Million; Total capital over life of mine including 30% contingencies, $26.1 Million; Operating costs over the life of mine per tonne of throughput, $ 18.5 per tonne; The Nicaraguan royalty rate of 3% NSR and 0.5% to an independent 3rd party applied to all saleable products; The Nicaraguan income tax rate of 30% after depreciation of fixed assets at 10%; IRR after all government taxes 41%; NPV at 7%, after all government taxes $33.9 million; and Pay back of initial pre-production capital after all taxes 2.6 years.

During 2018, the Company, together with Rosita, entered into a joint venture agreement (the "JV Agreement") with Century Mining ("Century") for the further development and advancement of the Rosita D Joint Venture (the "Project"). Pursuant to the JV Agreement, Calibre and Rosita Mining have agreed with Century that they will form a new Nicaraguan joint venture company, Santa Rita Mining, with Century ultimately holding 75% of the outstanding shares and Rosita Mining and Calibre holding 17.5% and 7.5% of the outstanding shares respectively. Century will contribute a total of US$8.5 million to Santa Rita Mining in tranches of $1.5 million and $7.0 million which funds will be used for the construction, commissioning and operation of the processing facility to treat the Santa Rita stockpile resource on the Rosita D Project. Calibre and Rosita Mining will transfer the Rosita D Concession as well as all technical know-how of the Project to Santa Rita Mining for their interest in the joint venture company. Calibre will also receive a one-time payment of $50,000 for certain surface rights associated with the Project. The investment by Century is not an indication that a production decision has been made by Calibre and the Company confirms that it has not made a production decision with respect to the Project. The Company has not completed a feasibility study or established the economic viability of the Project or proposed operations on the Project, and no mineral reserves have been established for the Project that would support a production decision. Projects which are put into production without first establishing mineral reserves and completing a feasibility study have historically had a higher risk of economic or technical failure.

Market trends

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

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

Segmented information

The Company currently operates in one reportable operating segment, being the acquisition, exploration, and development of natural resource properties, which is conducted in Nicaragua. The Company is in the exploration stage and, accordingly, has no reportable segment revenues for any of the periods presented in the Company's consolidated financial statements. For further information regarding geographical data including assets based on location, please refer to Note 11 of the consolidated financial statements for the year ended December 31, 2018.

Selected Annual Information

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars. The information below has been extracted from the Company's audited consolidated financial statements for the years noted. The accompanying discussion and analysis of financial conditions and results of operations should be read in conjunction with the Company's audited consolidated financial statements and related notes and disclosures in this MD&A for the years ended December 31, 2016 to 2018:

	December 31, 2018	December 31, 2017	December 31, 2016
Total revenues	$Nil	$Nil	$Nil
Loss for the year	$1,212,561	$1,872,892	$775,537
Basic and diluted loss per share	$0.03	$0.06	$0.04
Total assets	$35,052,474	$28,834,155	$28,018,087
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 consolidated financial statements for the year ended December 31, 2018:

The Company's general and administrative costs were lower in 2018 totalling $1,489,170 compared to $2,148,520 in 2017. The key factors contributing to this decrease is the following:

Consulting expense was $569,883 during 2018 (2017 - $319,077). Included in the balance was $200,417 paid to several mining and financial advisory firms that were engaged by the Company to provide advice on a potential business transaction, which did not materialize.

During 2018, share-based compensation was $189,506 compared to $1,056,413 during 2017. The higher expense in 2017 was due to the greater number of stock options that vested during that year compared to 2018.

During 2018, the Company paid interest to related parties through the issuance of common shares (see section, Overall Performance). A total of 1,333,333 common shares were issued with an aggregate value of $80,000.

(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 2018	September 2018	June 2018	March 2018
Total revenues	$Nil	$Nil	$Nil	$Nil
Net loss for the period	$(374,044)	$(472,972)	$(151,287)	$(214,258)
Basic and diluted loss per share for the period	($0.03)	($0.00)	($0.00)	($0.00)

	December 2017	September 2017	June 2017	March 2017
Total revenues	$Nil	$Nil	$Nil	$Nil
Net loss for the period	$(286,899)	$(532,112)	$(482,308)	$(571,573)
Basic and diluted loss per share for the period	($0.00)	($0.00)	($0.00)	($0.01)

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

Liquidity

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

Other than those obligations disclosed in the notes to its consolidated financial statements and discussed in this MD&A, the Company has no other long-term debt, capital lease obligations, or any other long-term obligations. As at December 31, 2018, the Company had working capital of $3,922,841 compared to working capital of $2,291,396 as at December 31, 2017.

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.

(Expressed in Canadian Dollars)

Capital Resources

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

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

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

		2018		2017
Short-term benefits (i)	$	240,000	$	236,000
Share-based payments (ii)	$	125,042	$	953,868
Consulting and advisory fees to key persons	$	215,408	$	175,625

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

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

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

During 2018, the Company paid or accrued $Nil (2017 - $9,654) in office rent expense to companies with directors and officers in common. The sharing arrangement with these related companies was on a month-to-month basis which ended in 2017.

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

Fourth Quarter

Other income during Q4 2018 was $75,824 (Q4 2017 - $121,486). Other income reflects management fees earned by the Company for managing its optioned projects. The lower income in Q4 2018 is due to the lower exploration program in La Luz during 2018 when compared to 2017.

Proposed Transactions

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

Critical Accounting Estimates

The Company's significant accounting policies are presented in Note 3 of the audited consolidated financial statements for the year ended December 31, 2018. The preparation of these consolidated financial statements in accordance with IFRS requires the Company to make assumptions, estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. The Company evaluates its estimates on an on-going basis. Such estimates are based on historical experience and on various other assumptions that the Company believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of revenues and expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements are as follows:

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

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

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

Change in Accounting Policies Including Initial Adoption

IFRS 9 replaces IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39") and addresses the classification, measurement and derecognition of financial assets and financial liabilities, and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a single, forward-looking "expected loss" impairment model.

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. There was no measurement or accounting impact upon adoption of IFRS 9 to any of the Company's financial liabilities.

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that were recognized at the date of application. The change did not impact the carrying value of any financial assets on transition date.

As there was no measurement or accounting impact upon adoption of IFRS 9 to any of the Company's accounts, the Company is not restating prior periods. Accordingly, there is also no impact on the consolidated statement of cash flows, nor any to basic and diluted EPS.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive (loss) income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Measurement Categories	
	Original classification (IAS 39)	New classification (IFRS 9)
Financial instruments:		
Cash and cash equivalents	Amortized cost	Amortized cost
Receivables	Amortized cost	Amortized cost
Marketable securities	FVOCI	FVOCI
Trade and other payables	Amortized cost	Amortized cost

(ii) Measurement

<u>Financial assets at FVTOCI</u>

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss).

<u>Financial assets and liabilities at amortized cost</u>

Financial assets and liabilities at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

<u>Financial assets and liabilities at FVTPL</u>

Financial assets and liabilities carried at FVTPL are initially recorded at fair value, and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

The Embedded Derivatives are classified as FVTPL and owing to the requirement that they be fair valued each period, there is no separate recognition of the Company's credit risk.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve-month expected credit losses. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

(iv) Derecognition

Financial assets: The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within the accumulated other comprehensive income (loss).

Financial liabilities: The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss and comprehensive loss.

Standards, amendments and interpretations not yet effective

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). IFRS 16 replaces IAS 17, Leases (and related interpretations), the previous accounting standard. The objective of IFRS 16 is to recognize substantially all leases on the statement of financial position for lessees. IFRS 16 requires lessees to recognize a "right-of-use" asset and a lease liability calculated using a prescribed methodology. The effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019. A lessee can choose to apply IFRS 16 using either a full retrospective or a modified retrospective approach. The Company will adopt IFRS 16 for the annual period beginning January 1, 2019.

The Company does not currently expect that IFRS 16 will have a significant impact to the consolidated statement of financial position; however, it may result in the recognition of a right-of-use asset and lease liability, and a corresponding increase in depreciation and interest expense on the consolidated statement of loss and comprehensive loss. The Company would also expect that cash flows from operating activities would increase under IFRS 16 as lease payments for the lease would be recorded as financing outflows in the consolidated statement of cash flows as opposed to operating cash flows.

The Company only has one operating lease which relates to its Vancouver head office lease. Using an incremental borrowing rate of 7%, the Company estimates the value of its right-of-use asset and lease liability at $199,446 as at December 31, 2018 had the Company adopted the guidance at year-end. The Company will finalize its conclusions including quantifying the adjustment to opening equity at January 1, 2019 and report more detailed information in its first quarter 2019 interim consolidated financial statements.

Financial Instruments and Other Instruments

Fair Value and Hierarchy

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

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

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

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

Credit risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's interest rate risk arises primarily from the interest received on its cash balances. The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Based on cash balances held at December 31, 2018, 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, 2018 of a five percent increase or decrease in foreign exchange rates on net loss is not considered significant.

Other MD&A Requirements

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

Additional Disclosure for Venture Issuers Without Significant Revenue

For additional disclosures concerning the Calibre's general and administrative expenses and a breakdown of the exploration and evaluation assets, please refer to the Company's consolidated financial statements for the year ended December 31, 2018 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, 2018.

Disclosure of Outstanding Share Data

The following describes the outstanding share data of the Company as at April 25, 2019. For further information and details concerning outstanding share data, options, and warrants, refer to the Consolidated Statements of Changes in Shareholders' Equity, included in the consolidated financial statements as at and for the year ended December 31, 2018:

	Number Outstanding
Common shares	44,821,578
Options to purchase common shares	2,692,499
Warrants to purchase common shares	13,769,896

Additional Disclosure for Reporting Issuers with Significant Equity Investees

Not applicable.

Risk Factors

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

Exploration, Development and Operating Risks

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon the Company's operations.
Mining operations generally involve a high degree of risk. The operations of the Company are subject to all the hazards and risks normally encountered in the exploration, development and production of precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

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

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

Political Stability and Government Regulation Risks

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

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

Reliability of Resource Estimates

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

Insurance and Uninsured Risks

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

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

Environmental Risks and Hazards

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

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

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

Infrastructure

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

Land Title

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

Permits

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

Competition

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

Hedging

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

Additional Capital

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

Fluctuations in Metal Prices

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

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

Exchange Rate Fluctuations

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

Dividend Policy

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

Key Personnel

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

Changes to Exploration Programs

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

Share Price Volatility and Liquidity

Publicly quoted securities are subject to a relatively high degree of price volatility. It may be anticipated that the quoted market for our shares will be subject to market trends generally, notwithstanding any potential success of the

Company in creating sales and revenues. In addition, our shareholders may be unable to sell significant quantities of shares into the public trading markets without a significant reduction in the price of their shares, if at all.

Internal Controls and Disclosure Controls over Financial Reporting

On November 23, 2007, the British Columbia Securities Commission in which the Company is registered exempted Venture Issuers from certifying disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. Since the Company is a Venture Issuer, it is now required to file basic certificates, which it has done for the year ended December 31, 2018. 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, 2018.

Outlook

Management will continue to look for partnership opportunities for its 100% owned projects in Nicaragua as well as M&A prospects. The drill program consisting of an estimated 6,000 metres of diamond drilling has commenced in Eastern Borosi with partner, IAMGOLD and the first two drill targets consist of follow-up drilling on two successful high-grade Au-Ag discoveries from 2018 where drill intercepts include; 1.55 metres grading 54.68 g/t Au and 3,957 g/t Ag (179.11 AuEq) on the San Cristobal gold-silver vein-structure 4.38 metres grading 13.22 g/t Au and 9.5 g/t Ag (13.37 AuEq) from the Main structure on the La Luna gold-silver vein-structure and a second intercept in the same drill hole of 4.45 metres grading 4.96 g/t Au and 151.5 g/t Ag (7.29 AuEq) from a newly discovered Sulphide-Rich Zone.