



TSX.V-CXB

(An Exploration Stage Company)

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

Three and Nine Months Ended September 30, 2011
(Expressed in Canadian Dollars)

Calibre Mining Corp.

(An Exploration Stage Company)

Form 51-102F1: Management's Discussion and Analysis

For the three and nine months ended September 30, 2011

(Expressed in Canadian Dollars)



Introduction and Date

This Interim Management Discussion and Analysis ("MD&A") provides a detailed analysis of the business of Calibre Mining Corp. ("Calibre" or the "Company") and compares its financial results for the three and nine months ended September 30, 2011 to prior periods. This MD&A should be read in conjunction with the Company's unaudited interim consolidated financial statements for the three and nine months ended September 30, 2011 and the audited consolidated financial statements (collectively, the "Financial Statements") for the years ended December 31, 2010 and 2009.

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 November 28, 2011.

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

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

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

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Overall performance

During the three months ended September 30, 2011, the Company recorded a net loss of \$250,153 or \$0.00 per share, as compared to a net loss of \$447,650 or \$0.00 per share for the same period in 2010.

As at September 30, 2011, the Company had total assets of \$13,478,723 compared to \$9,596,532 as at December 31, 2010. The significant majority of these assets for both periods are the carrying values of the Company's cash and its exploration and evaluation assets.

As at September 30, 2011, the Company had working capital of \$3,047,761 compared to working capital of \$641,127 as at December 31, 2010. The Company's working capital as at September 30, 2011 includes cash of \$2,833,197 (December 31, 2010 - \$661,698). The increase in cash is attributed to the exercise of 9,325,000 warrants, which generated \$1,398,750, and the Company's completion of a 35,000,000 common share private placement which resulted in net proceeds of \$3,375,174.

As at September 30, 2011, the total carrying value of the Company's exploration and evaluation assets was \$9,969,956 compared to \$8,448,732 as at December 31, 2010. The net increase reflects the Company's expenditures on the Borosi Project, net of recovery on expenditures pursuant to the Company's joint venture agreement with B2Gold Inc. (discussed below).

During the nine months ended September 30, 2011, through to the date of this report, the Company carried out the following exploration activities:

Borosi, Nicaragua, Central America

On July 21, 2009, the Company acquired a 100% equity interest in Yamana Nicaragua, S.A. ("Yamana Nicaragua") from Yamana Gold Inc. Yamana Nicaragua owns an undivided 100% interest in the Borosi Gold – Copper Project ("Borosi Project"), located in the North Atlantic Autonomous Region of Nicaragua, Central America, approximately 230 kilometres northeast of Managua, Nicaragua.

In consideration, the Company issued 12 million common shares with a total fair value of \$2.16 million and paid \$4.42 million in cash. In addition, if within five years from closing, and upon the Company incurring cumulative exploration expenditures aggregating at least \$5 million, and upon completion and acceptance of a National Instrument ("NI") 43-101 Measured and Indicated resource within the originally acquired Borosi Project boundary, the Company will pay a bonus of \$5.00 per gold equivalent ounce, to a maximum total payment of \$3.5 million (700,000 gold equivalent ounces) ("Bonus Payment"). This Bonus Payment will be payable in cash or common shares, at the sole option of the Company. The Company also issued 5 million warrants exercisable at \$0.50 per share, and 5 million warrants exercisable at \$1.00 per share (collectively the "Bonus Warrants"). The Bonus Warrants expire on July 21, 2014 and are only exercisable if the Company delineates at least 2.5 million NI 43-101 compliant ounces of gold equivalent in Measured and Indicated resource categories. The existence of an NI 43-101 compliant Measured and Indicated resource is not determinable at this time, and management is not able to determine with any accuracy if such a resource will be identified in the exploration of the project, as a result no liability has been accrued for the Bonus Payment and a \$Nil value has been assigned to the Bonus Warrants at the purchase date and as at December 31, 2010. The amount, if any, of the Bonus Payment will be revisited in future periods and is dependent upon the results of the completion of a NI 43-101 compliant study on Borosi, within 5 years of the date of closing of the Borosi acquisition. In addition, the fair value of the Bonus Warrants will be re-measured in each subsequent reporting period until the outcome of any NI 43-101 study is determined, or the expiry of the Bonus Warrants. This may result in additional value being attributable to the Bonus Warrants in subsequent periods. Any future amounts assigned to the Bonus Payment or the Bonus Warrants may be material.

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On July 21, 2009, Calibre and B2Gold Corp ("B2Gold"), executed an option agreement whereby B2Gold is entitled to acquire a 51% interest in the Borosi Property by expending \$8 million on exploration and other work by July 1, 2012; of which C\$2.5 million must be expended by July 1, 2010 (completed by B2Gold). Pursuant to an amendment to this agreement, the Company and B2Gold have agreed to extend the first year expenditure commitment to October 1, 2010. B2Gold has the option to acquire an additional 14% interest in a Designated Project Area ("Project Area") as defined and agreed upon by both parties, within the Borosi Project Boundary, for a total 65% Project Area interest by completing a preliminary feasibility study on that Designated Project. Calibre will be the operator of the work program in the first year of the agreement, with B2Gold having an option to assume operatorship afterwards. Upon B2Gold earning an interest in the project, the Company and B2Gold will be responsible for the pro rata share of expenditures and the Bonus Payment, if any, going forward.

In October 2010, the Company entered into an amendment to the above agreement with B2Gold, whereby the area of interest covering the Borosi option agreement will be reduced from 710 square kilometres to 322 square kilometres, covering highly prospective grass roots gold prospects in the Rosita and Eastern Epithermal Districts. As a result, the Company has secured a 100% interest in the past producing La Luz Gold Mine and Rosita Copper-Gold Mine, the high grade gold and silver Riscos de Oro project, the newly discovered extension of the La Luna gold vein system, and the on-strike extensions of the Bonanza Group of Gold Mines. Concession areas that will remain under the option agreement will be subject to B2Gold earning a 51% interest in by completing \$8 million in expenditures over an amended 5 year term. B2Gold may elect to carry an individual prospect within the amended concession area through to a Preliminary Economic Assessment for an additional 14% interest in the prospect.

As at September 30, 2011, a total of \$4,081,078 has been recovered and/or receivable from B2Gold in connection with the exploration and evaluation at Borosi in connection with the joint venture agreement described above. As at September 30, 2011, \$145,231 (December 31, 2010 - \$105,236) of the above amount was included in accounts receivable.

Inferred resource at Borosi concessions

In February 2011, the Company announced that Wardrop, a Tetra Tech Company ("Wardrop") completed a review at the 100% owned Cerro Aeropuerto and La Luna deposits and calculated a National Instrument 43-101 ("NI 43-101") compliant, inferred resource (Table 1) totalling 835,450 ounces of gold and 4,288,070 ounces of silver (903,000 ounces of gold equivalent).

Table 1 Calibre Mining Corp. Global Inferred Resource (using a 0.6 g/t AuEq^{1,3} cutoff grade)²

Deposit	Tonnes and Grade				Total Contained Metal				
	Tonnes	Gold (g/t)	Silver (g/t)	Au Eq ¹ (g/t)	Gold (grams)	Silver (grams)	Gold (ounces)	Silver (ounces)	Au Eq ¹ (ounces)
Cerro Aeropuerto	6,052,000	3.64	16.16	3.89	22,013,480	97,804,750	707,750	3,144,500	757,000
La Luna	2,539,000	1.56	14.01	1.78	3,972,160	35,568,870	127,700	1,143,570	146,000
						Total	835,450	4,288,070	903,000

1 Au Eq cutoff equivalent calculated using Wardrop's estimated gold price of US\$1058/oz and silver price of US\$16.57 per ounce.

2 Mineral resources that are not mineral reserves do not have economic viability

3 Metallurgical recoveries and net smelter returns are assumed to be 100%

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The 100% owned Cerro Aeropuerto deposit is 500 metres directly south and on strike of the past producing La Luz (Cerro Potosi) Mine in Siuna, Nicaragua. The La Luz Mine, also owned 100% by Calibre is a gold skarn system that based on production records and historical (non-NI 43-101 compliant) resource, contained 3.09 million ounces of gold^{1 and 2}. The Cerro Aeropuerto resource was calculated using data from 2,937 metres of HQ drill core from 9 holes over a 500 metre strike length. Further exploration on the Cerro Aeropuerto deposit will focus along strike towards the past producing La Luz Mine as well as along parallel mineralized structures identified during the 2008 drill program, but not incorporated into this resource calculation. The Cerro Aeropuerto gold-silver deposit remains open for resource expansion along strike and to depth.

The 100% owned La Luna deposit is 8½ kilometres directly southeast of the Company's 100% owned Riscos de Oro low sulphidation epithermal vein system. The La Luna resource was calculated using data from 2,159 metres of HQ drill core from 11 holes and 280 metres of surface trenching over a 1½ kilometre strike length. The deposit is separated into northern and southern zones that are separated by 350 metres of offset. Further exploration of the La Luna deposit will focus along the southern strike extent of the deposit, as well as on trenching and diamond drill testing of an inferred dilation zone between the north and south zones. The La Luna gold-silver deposit remains open for resource expansion along strike and to depth.

Riscos de Oro

During 2010, the Company completed its initial drill program at Riscos. The final set of results are highlighted by the highest grade gold and silver assays intercepted to date by the Company. The Company's initial drill program at Riscos included the following findings: 4.23 g/t Au and 384.86 g/t Ag (11.63 g/t Au Eq.) over 8.53 metres (DDH RD10-009); 9.04 g/t Au and 30.02 g/t Ag (9.62 g/t Au Eq.) over 4.14 metres (DDH RD10-005); and 8.81 g/t Au and 55.74 g/t Ag (9.88 g/t Au Eq.) over 3.4 metres (DDH RD10-003). The mineralization is characterised by banded sulphosalts hosted within low sulphidation epithermal banded quartz veins and quartz vein breccias. The initial program also successfully expanded the high grade gold and silver low sulphidation epithermal mineralization to a depth of 200 metres below historic open pit and underground workings.

In May 2011, the Company completed a 2,500 metre phase II drilling program at its 100% owned Riscos de Oro project. The results are highlighted by hole RD11-016 that intersected 3.61 g/t gold and 518.44 g/t silver over 3.68 metres and hole RD11-017 that intersected 9.31 g/t gold and 336.06 g/t silver over 3.90 metres. The second program successfully and consistently delineated high grade gold and silver mineralization over a strike length of 600 metres and to a depth of 300 metres. The deposit remains open in all directions.

In August 2011, the Company commenced an extensive resource delineation drill program at Riscos which will include infill and step out drilling, reconnaissance drilling and deeper drilling in order to better define the extent and geometry of the multiple stacked gold-silver stockwork zones. On completion of the current drill campaign, the Company intends to complete the first NI 43-101 resource estimate for the Riscos de Oro deposit. This current drilling program is presently on-going.

¹ The La Luz Mine produced 2.27 million ounces of gold from 1912 to 1968. A historical resource of 820,000 ounces of gold was calculated by Rosario Mining in 1974 (Lehman et al 1982).

² Not NI 43-101 compliant. These resources are estimates and have not been verified by the Company; they are presented only for historical completeness.

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Primavera – JV with B2Gold Corp.

In August 2011, B2Gold approved a Phase 2 exploration program and budget for the Primavera gold-copper prospect, located seven kilometres south of the historic Santa Rita copper-gold skarn mine in the Borosi concessions. To date, the Company has identified three areas with substantial gold and copper anomalies highlighted by an 850 metre by 300 metre coincident gold-copper soil anomaly containing consistent values over 100 ppb gold and 250 ppm copper. The area is thought to be prospective for epithermal and porphyry systems. Reconnaissance rock sampling identified high grade gold and copper mineralization in grab samples from quartz veins and breccias in the central part of the prospect area including: 31.8 g/t Au and 2.41% Cu (B10R1372), 24.8 g/t Au and 0.14% Cu (B10R4083), 14.65 g/t Au and 1.33% Cu (B10R1371) and 34.1 g/t Au (B10R5092).

The program will consist of two separate success-based phases; the first phase consists of trenching and pit sampling within the 850 m by 300 m Primavera gold-copper soil anomaly. The second phase will consist of diamond drilling the most prospective identified targets.

Significant assay results received to date from the initial trenches excavated at Primavera include 1.53 g/t gold and 680 ppm copper over 51.25 metres and 179.40 metres of 0.63 g/t gold and 997 ppm copper, within a zone of abundant stockwork veining. The mineralization in each of the trenches is open in both directions and further expansion.

In addition to the trenching completed at Primavera, a total of an additional 19 pits have been excavated and rock chip samples taken that cover a 1.5 km by 1.0 km area of the Primavera mineralized system. As well, a 100 km line cutting and ground magnetic survey is being conducted, with further soil sampling and the construction of a 1.2 km drill access road. It is anticipated that diamond drilling will commence on the Primavera target during November 2011.

The Primavera prospect is subject to an option agreement with B2Gold, whereby Calibre is acting as operator and B2Gold may earn up to a 51% interest in specific concessions within the Borosi area by funding CDN\$ 8 million in expenditures over a 5 year period.

Rosita D Concession – Joint Venture Agreement with Alder Resources Ltd.

In August 2011, the Company executed an agreement with Alder Resources Ltd. (TSX-V: ALR) ("Alder"), whereby Alder can earn a 65% interest in the Rosita D concession located within the Company's 100%-owned Borosi concessions in northeast Nicaragua. The Rosita D concession consists of an area of 3,356 hectares and is located 275 kilometres northeast of the capital city of Managua. Located within the concession is the historic Santa Rita open pit copper-gold mine and the Bambana copper-gold prospect.

Under the terms of the option agreement, Alder can earn a 65% interest in the Rosita D concession by expending a total of \$4.0 million on exploration and other work on the property and by issuing to the Company a total of 1,000,000 common shares of Alder over a 4 year period. Alder will be acting as the project operator for all work conducted on the property during the option period with the first year exploration commitment being \$500,000. Upon Alder earning a 65% interest in the property a joint venture will be formed with the Company and Alder being responsible for their pro-rata share of all subsequent project expenditures. The agreement received final regulatory approvals subsequent to September 30, 2011.

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Point Leamington, Newfoundland, Canada

The Company continues to own and keep in good standing the 100% interest in the Point Leamington mining lease in Newfoundland, Canada, originally acquired in 2004. The mining lease is subject to a 2% net smelter return royalty ("NSR"), which is held by a third party.

Market trends

The price of our common shares, and the consolidated financial results and exploration, development and other activities of the Company, may in the future be significantly and adversely affected by declines in the prices of gold and other metals or minerals. The Company's business is directly impacted on the prices of gold, silver, copper, and other metals being adequate to continue to develop and explore the properties in which it has an interest. For example, the price of gold has been increasing for more than five years. The following table highlights the average price of gold in each of the last five calendar years:

Average Prices for the Period Shown	
	Gold (US\$/per oz.)¹
Year Ended December 31, 2010	\$1,225
Year Ended December 31, 2009	\$972
Year Ended December 31, 2008	\$872
Year Ended December 31, 2007	\$695
Year Ended December 31, 2006	\$603

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

In addition, the Company incurs costs in Canadian and U.S. dollars and the Nicaraguan Cordoba (the Company does not have any current operations in Australia and therefore has limited risk in fluctuations over the Australian dollar exchange rates). Fluctuations in exchange rates could result in additional operational costs to the Company. Over the past few years, the Canadian dollar has strengthened against the U.S. dollar and Nicaraguan Cordoba. Significant fluctuations in foreign exchange rates in countries where the Company operates are difficult to predict and could have a significant variance on the operations of the Company. The following table denotes the average market value of CDN \$1 against the US and Nicaraguan currencies for each of the periods presented:

	Average Prices for the Period Shown³	
	US Dollar	Nicaraguan Cordoba
Year Ended December 31, 2010	\$0.97060	C\$20.36370
Year Ended December 31, 2009	\$0.88029	C\$17.98597
Year Ended December 31, 2008	\$0.94410	C\$18.62870
Year Ended December 31, 2007	\$0.93565	C\$17.71496
Year Ended December 31, 2006	\$0.88206	C\$15.91877

³ Estimates of average foreign exchange rates for the US Dollar and Nicaraguan Cordoba were obtained from information posted on www.oanda.com.

Segmented information

The Company currently operates in one reportable operating segment, being the acquisition, exploration, and development of natural resource properties, which is conducted principally in Canada and Nicaragua. The Company is in the exploration stage and, accordingly, has no reportable segment revenues for any of the periods presented in the Company's Financial Statements. For further information regarding geographical data including assets based on location, please refer to Note 11 of the unaudited interim consolidated financial statements for the three and nine months ended September 30, 2011 and Note 11 of audited consolidated financial statements for the years ended December 31, 2010 and 2009.

Selected Annual Information

Not applicable for interim management discussion and analysis.

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 unaudited interim consolidated financial statements for the three and nine months ended September 30, 2011 and related notes.

Three Months Ended September 30, 2011 compared to Three Months Ended September 30, 2010

The Company's general and administrative costs were lower in 2011, totalling \$224,010 compared to \$463,162 in 2010. The key factors contributing to these expenses are as follows:

- Amortization expense decreased in 2011 to \$5,290, from \$9,881 in 2010. The decrease is a result of the Company not purchasing any significant corporate or administrative property and equipment in 2011.
- Audit and accounting fees increased to \$20,000 from \$13,620 in 2010. Costs in 2010, include wind up costs associated with winding up the US subsidiary, IFRS research, and an increase as a result of the initial audit following the acquisitions of the Nicaraguan properties in 2009. While the three months ended September 30, 2011 is slightly higher than the 2010 period, the nine months ended September 30, 2011 total of \$42,689 is lower than the nine months ended September 30, 2010 total of \$66,483.
- Consulting fees increased in 2011 to \$59,927 from \$40,000 in 2010. In 2011, the Company engaged a third party to review business development and strategic opportunities on a month to month basis.
- Office and rent expenses decreased to \$7,909 in 2011 from \$42,981 in 2010. The costs for each of the periods reflect the Company's rental premises in Canada and associated office supplies, postage and printing costs incurred. The decrease is a result of the Company entering into a new office lease which commenced rent payments in October 2011.
- The cash component of salaries and wages decreased in 2011 to \$39,169 from \$114,726 in 2010. The decrease for the period is a result of release of the Company's former President and CEO effective June 30, 2011.

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The non-cash component of salaries and wages consists of stock-based compensation of \$47,285 in 2011 compared to \$212,046 in 2010. The fair value of the options expensed was estimated at the date of grant using the Black-Scholes option pricing model (the assumptions used for the fair value calculation are discussed in the Financial Statements). During the year ended December 31, 2010, the Company issued a number of options to employees, directors and consultants of the Company which resulted in an increase in 2010 stock based compensation expense as the fair value of the options are expensed over their vesting period.

- During the three months ended September 30, 2011 marketing, trade shows and conferences increased to \$11,441 from \$970 in 2010. For the 2011 period, the Company attended a new convention and also modified its presentation material for investors.

The Company's other losses increased for the three months ended September 30, 2011, totalling a loss of \$26,143 compared to a gain of \$15,512 for the same period in 2010. The key factor related to the change is a result of fluctuations in foreign exchange factors. The operations of the Company are impacted by the fluctuations in the US Dollar and Nicaraguan Cordoba against the Canadian dollar. Significant fluctuations in foreign exchange rates in countries where the Company operates are difficult to predict and could have a significant variance on the Company's future operations.

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.

	September 2011 ⁽²⁾	June 2011 ⁽²⁾	March 2011 ⁽²⁾	December 2010 ⁽²⁾
Total revenues	\$Nil	\$Nil	\$Nil	\$Nil
Loss before discontinued operations and extraordinary items	\$250,153	\$598,235	\$456,936	\$467,315
Basic and diluted loss per share before discontinued operations and extraordinary items	\$0.00	\$0.00	\$0.00	\$0.00
Net loss for the period	\$250,153	\$598,235	\$456,936	\$467,315
Basic and diluted loss per share for the period	\$0.00	\$0.00	\$0.00	\$0.00

	September 2010 ⁽²⁾	June 2010 ⁽²⁾	March 2010 ⁽²⁾	December 2009 ⁽¹⁾
Total revenues	\$Nil	\$Nil	\$Nil	\$Nil
Loss before discontinued operations and extraordinary items	\$447,649	\$449,394	\$442,272	\$707,398
Basic and diluted loss per share before discontinued operations and extraordinary items	\$0.00	\$0.00	\$0.00	\$0.01
Net loss for the period	\$447,649	\$449,394	\$442,272	\$707,398
Basic and diluted loss per share for the period	\$0.00	\$0.00	\$0.00	\$0.01

(1) Information for 2009 is presented in accordance with Canadian GAAP and was not required to be restated to IFRS.

(2) Information for 2010 is presented in accordance with IFRS.

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The variation seen over the above quarters is primarily dependent upon the success of the Company's on-going property evaluations and acquisition program and the timing and results of the Company's exploration activities on its current properties, none of which is possible to predict with any accuracy.

The Company will continue to incur losses until such time as the commercial development of a discovery or an acquisition results in positive earnings. The above losses are also impacted by the amount of stock options granted in any given period which can give rise to significant stock-based compensation expenses.

During the three months ended June 30, 2011, the Company paid severance payments to a former director and officer of the Company totalling \$217,809.

During the three months ended December 31, 2009, the Company hired additional personnel and increased overall operational activity as a result of the acquisition of the Borosi Project in Nicaragua. The Company also wrote off additional claims not being pursued at Point Leamington.

The three months ended March 31, 2009 includes a write off related to management's decision not to renew certain claims at Point Leamington and the Company's disposal of its interest in the Trundle property.

Liquidity

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

Other than those obligations disclosed in the notes to its Financial Statements and discussed in this MD&A, the Company has no other long-term debt, capital lease obligations, operating leases or any other long-term obligations.

As at September 30, 2011, the Company had working capital of \$3,047,761 compared to working capital of \$641,127 as at December 31, 2010. The Company's working capital as at September 30, 2011 includes cash of \$2,833,197 (December 31, 2010 - \$661,698). The increase in cash is attributed to the exercise of 9,325,000 warrants, which generated \$1,398,750 and the Company's completion of a 35,000,000 common share private placement which resulted in net proceeds of \$3,375,174.

The ability of the Company to carry out its planned business objectives is dependent on the ability to raise adequate financing from lenders, shareholders, and other investors, by generating operating profitability and positive cash flow, and/or by optioning its mineral properties for cash and/or expenditure commitments. There can be no assurances that the Company will continue to obtain additional financial resources necessary and/or capability to achieve profitability or positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations, exploration and development activities. The financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. Such adjustments may be material.

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, and are not held in any asset backed commercial paper investments.

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Capital Resources

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

As at November 28, 2011, the Company has approximately 26.9 million stock options and warrants outstanding which, if exercised, would bring a further \$10.2 million to the Company's treasury upon exercise.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

a) *Related party expenses and balances*

The following is a summary of the related party transactions that occurred throughout the nine months ended September 30, 2011 and 2010:

	2011	2010
Accounting fees paid to a director and former chief financial officer	\$ 45,000	\$ 45,000
Legal fees paid to a law firm associated with a former corporate secretary	\$ -	\$ 2,300

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

b) *Key management personnel compensation*

Key management of the Company are directors and officers and their remuneration includes the following:

	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Short-term benefits ⁽ⁱ⁾	\$ 262,556	\$ 317,500
Share-based payments ⁽ⁱⁱ⁾	\$ -	\$ -
Termination benefits ⁽ⁱⁱⁱ⁾	\$ 217,809	\$ -

⁽ⁱ⁾ Short-term benefits include salaries and wages.

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

⁽ⁱⁱⁱ⁾ Key management personnel paid termination benefits, or long-term benefits owed during the periods ended September 30, 2011 and 2010.

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c) *Key management commitments*

The Company has management employee agreements in place with terms ranging up to three years. The Company may terminate these agreements for any reason (other than by the expiry of the term) with a lump sum payment equal to the key employee's remaining compensation under the agreement, which at September 30, 2011 is approximately \$150,000.

Fourth Quarter

Not applicable.

Proposed Transactions

Although the Company is currently investigating a number of additional property acquisitions as at the date of this MD&A, there are no proposed transactions that the board of directors, or senior management believe that confirmation of the decision by the board is probable.

Critical Accounting Estimates

The Company's significant accounting policies are presented in Note 3 of the unaudited Financial Statements for the three and nine months ended September 30, 2011. The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. These estimates include:

Carrying value of property and equipment

Property and equipment is depreciated on a declining balance and straight-line basis and is subject to management's estimate of useful life and salvage value and therefore the impact on the consolidated financial statements of future periods could be material.

Stock-based compensation

Compensation costs accrued for long-term stock-based compensation plans are subject to the estimation of what the ultimate payout will be using pricing models such as the Black-Scholes model which is based on significant assumptions such as volatility, dividend yield and expected term.

Contingencies

Contingencies, by their nature, are subject to measurement uncertainty as the financial impact will only be confirmed by the outcome of a future event. The assessment of contingencies involves a significant amount of judgment including assessing whether a present obligation exists and providing, a reliable estimate of the amount of cash outflow required to settle the obligation. The uncertainty involved with the timing and amount at which a contingency will be settled may have a material impact on the consolidated financial statements of future periods to the extent that the amount provided for differs from the actual outcome.

Exploration and expenditure assets

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

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

Financial instruments

The estimated fair values of financial assets and liabilities, by their nature, are subject to measurement uncertainty due to their exposure to credit, liquidity and market risks. Management's assumptions rely on external observable market data including quoted commodity prices and volatility, interest rate yield curves and foreign exchange rates. The resulting fair value estimates may not be indicative of the amounts realized or settled in current market transactions and as such are subject to measurement uncertainty.

Change in Accounting Policies including Initial Adoption

The accounting policies followed by the Company are set out in Note 3 to the unaudited Financial Statements for the three and nine months ended September 30, 2011.

In 2010, the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook") was revised to incorporate International Financial Reporting Standards ("IFRS"), and required publicly accountable enterprises to apply such standards for financial years beginning on or after January 1, 2011.

These interim financial statements have been prepared in accordance with International Accounting Standard 34, "*Interim Financial Reporting*" ("IAS 34") and IFRS 1, "*First-time Adoption of IFRS*" ("IFRS 1"). Subject to certain transition elections described in Note 10 (of the three and nine months ended September 30, 2011 Financial Statements), the Company has consistently applied the same accounting policies used to prepare its opening IFRS statement of financial position as at January 1, 2010 (the "Transition Date") throughout all periods presented, as if these policies have always been in effect. Note 10 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's financial statements for the year ended December 31, 2010.

a) *First-time adoption of IFRS*

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has elected to apply the following optional exemptions in its preparation of an opening IFRS consolidated statement of financial position as at January 1, 2010, the Company's "Transition Date":

- To apply IFRS 2, "*Share-based Payments*", only to equity instruments that were issued after November 7, 2002 and that had not vested by the Transition Date;
- To apply IFRS 3, "*Business Combinations*", prospectively from the Transition Date; and

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly estimates used in the preparation of the Company's opening IFRS consolidated financial position as at the Transition Date are consistent with those of that were made under Canadian GAAP.

b) *Share based payments*

IFRS 2, "*Share-based payments*", requires the use of the attribution method for the grant of options which have vesting provisions. Stock options with vesting features must be accounted for using the graded vesting method which would give rise to an accelerated compensation expense. The Company has been using the straight-line method for the vesting of stock options which is acceptable under Canadian GAAP. IFRS 2 does not include the straight-line method as an alternative attribution method for stock options.

c) *Future income tax ("FIT")*

Under IFRS guidelines, the recognition of an FIT asset or liability that arises from the initial recognition of assets and liabilities that do not impact profit or loss other than in a business combination is prohibited. The Company's FIT liability under Canadian GAAP is due to the difference between the carrying value and the tax value of the properties that the Company acquired as a result of an acquisition of assets, not a business combination.

As a result, the Company's FIT liability balance (and related foreign exchange component) is eliminated under IFRS. The decrease in FIT liability results in a decrease in the carrying value of mineral properties by a similar amount (net of foreign exchange gain or loss).

d) *Reconciliation to previously reported financial statements*

A reconciliation of the above noted changes is included in Note 10 to the condensed consolidated interim financial statements for the three and nine months ended September 30, 2011.

Recent IFRS accounting pronouncements that have been issued but are not yet effective which may affect the Company's financial reporting in the future are summarized below:

a) IFRS 9, "Financial Instruments"

In November 2009, the IASB issued IFRS 9 which addresses the classification and measurement of financial assets. IFRS 9 is the first standard issued as part of a wider project to replace IAS 39, "*Financial Instruments: recognition and Measurement*".

IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. Application of IFRS 9 is mandatory for annual periods beginning on or after January 1, 2013. The Company is currently evaluating the impact that the application of this new standard may have on the presentation of its financial position and results of operations.

b) IAS 32, "Financial Instruments: Presentation – Amendment regarding Classification of Rights Issues"

This amendment addresses the accounting for rights issues including rights, options and warrants that are denominated in a currency other than the functional currency of the issuer. In particular, rights, options or warrants to acquire a fixed number of the Company's own equity instruments for a fixed number of any currency other than the Company's functional currency, would be equity instruments, provided that the Company offers the rights pro-rata to all of its existing owners of the same class in its own non-derivative equity instrument. This amendment is effective for annual periods beginning on or after February 1, 2011. The Company does not currently have any rights, options or warrants issued that would be subject to this amendment and therefore, no impact is expected.

c) Other IFRS pronouncements – not yet in effect

Certain new standards, interpretations, amendments and improvements to existing standards are not yet effective for the year ended December 31, 2011, and have not been applied in preparing these condensed consolidated interim financial statements:

- IFRS 10, *Consolidated Financial Statements*, builds on existing principles and standards and identifies the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company;
- IFRS 11, *Joint Arrangements*, establishes the principles for financial reporting by entities when they have an interest in arrangements that are jointly controlled;
- IFRS 12, *Disclosure of Interest in Other Entities*, provides the disclosure requirements for interests held in other entities including joint arrangements, associates, special purpose entities and other off-balance sheet entities;
- IFRS 13, *Fair Value Measurement*, defines fair value and requires disclosure about fair value measurements and provides a framework for measuring fair value when it is required or permitted within the IFRS standards;

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- IAS 27, *Separate Financial Statements*, revised the existing standard which addresses the presentation of parent company financial statements that are not consolidated financial statements;
- IAS 28, *Investments in Associate and Joint Ventures*, revised the existing standard and prescribes the accounting for investments and sets out the requirements for the application of the equity method when accounting for investments in associated joint ventures.

Each standard is effective for annual periods beginning on or after January 1, 2013. The Company has not yet begun the process of assessing the impact of these new standards.

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.

Cash and cash equivalents and marketable securities are recorded at fair value and are measured using Level 1. Receivables, deposits and advances and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full (Note 1 of the unaudited financial statements for the three and nine months ended September 30, 2011). The Company manages liquidity risk through the management of its capital structure, as outlined in the *Capital Resources* section above. Accounts payable and accrued liabilities are due within the current operating period.

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Credit risk

Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfill their commitments to the Company. The Company's credit risk is primarily attributable to its cash and cash equivalents and receivables. The carrying value of these instruments represents the Company's maximum exposure to credit risk. The Company limits exposure to credit risk by maintaining the significant majority of its cash with a large chartered Canadian banking institution. The significant majority of receivables are from B2Gold Corp. and relate to project expenditures in Nicaragua incurred during 2011 and 2010 (described in Note 6a of the Financial Statements for the three and nine months ended September 30, 2011). The remaining credit risk in receivables is considered low by management as they consist primarily of amounts owing from government authorities in relation to the refund of goods and services taxes in Canada applying to inputs for qualified expenditures.

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

Commodity price risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's interest rate risk arises primarily from the interest received on its cash balances. The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Based on cash balances held at September 30, 2011, 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 September 30, 2011 of a five percent increase or decrease in foreign exchange rates on net loss is not considered significant.

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Other MD&A Requirements

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

Additional Disclosure for Venture Issuers Without Significant Revenue

For additional disclosures concerning the Calibre's general and administrative expenses and a breakdown of the exploration and evaluation assets, please refer to the Company's Financial Statements for the three and nine months ended September 30, 2011 and year ended December 31, 2010 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 nine months ended September 30, 2011.

Disclosure of Outstanding Share Data

The following describes the outstanding share data of the Company as at November 28, 2011. For further information and details concerning outstanding share data, options, and warrants, see Note 7 and the Consolidated Statements of Changes in Shareholders' Equity, included in the unaudited Financial Statements for the three and nine months ended September 30, 2011:

	Number Outstanding
Common shares	166,965,918
Options to purchase common shares	12,575,000
Warrants to purchase common shares	14,289,333

Additional Disclosure for Reporting Issuers with Significant Equity Investees

Not applicable.

Risk Factors

The Company's principal activity of mineral exploration is considered to be very high risk. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, commodity prices, political and economic, with some of the most significant risks being:

- Substantial expenditures are required to explore for mineral reserves and the chances of identifying economical reserves are extremely small;
- The junior resource market, where the Company raises funds, is extremely volatile and there is no guarantee that the Company will be able to raise funds as it requires them;
- Although the Company has taken steps to verify title to the mineral properties it has an interest in or is earning into, there is no guarantee that the property will not be subject to title disputes or undetected defects; and

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- The Company is subject to the laws and regulations relating to environmental matters, including provisions relating to reclamation, discharge of hazardous material and other matters. The Company conducts its exploration activities in compliance with applicable environmental protection legislation and is not aware of any existing environmental problems related to its properties that may cause material liability to the Company.

For further detailed discussions on the various risks associated with the Company's industry, business, and other, please refer to the Company's annual MD&A for the year ended December 31, 2010, which can be located on the Company's website, www.calibremining.com, or on the SEDAR website, www.sedar.com.

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 three and nine months ended September 30, 2011. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under Multilateral Instrument 52-109 as at September 30, 2011.
