Calibre

Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

Independent auditor's report

To the Shareholders of Calibre Mining Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Calibre Mining Corp. and its subsidiaries (together, the Company) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of operations and comprehensive income for the years ended December 31, 2023 and 2022;
- the consolidated statements of financial position as at December 31, 2023 and 2022;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada, V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, ca_vancouver_main_fax@pwc.com

addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of mineral interests, plant and equipment (MPE) *Refer to note 3 – Material accounting policies, note 4 – Estimation uncertainty and accounting policy judgments and note 13 – Mineral interests, plant and equipment to the consolidated financial statements*. As at December 31, 2023, the total net book value of mineral interests, plant and equipment amounted to $557 million, of which $60.1 million related to Pan Mine. At each reporting date, management reviews its non-current assets for impairment indicators. If any such indicators exist, management estimates the recoverable amount of the assets or cash generating unit (CGU) in order to determine the extent of the impairment, if any. If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. As at December 31, 2023, management identified impairment indicators for the Pan Mine CGU. Accordingly, management estimated the recoverable amount of the CGU. The recoverable amount was determined by the fair value less cost of disposal (FVLCD) method using a discounted cash flow model. Calculating the FVLCD required management to make significant judgments and estimates in developing key assumptions, which included estimated recoverable mineral reserves and resources, estimated future commodity prices, future production volume, metallurgical recovery estimates and expected future operating and capital costs and discount rate. Management relies on geological and metallurgical experts to develop estimates of recoverable mineral reserves and resources, metallurgical recovery estimates and future production volume (management's experts).	Our approach to addressing the matter included the following procedures, among others: • Tested how management determined the recoverable amount of the Pan Mine CGU, which included the following: – Evaluated the appropriateness of the FVLCD method and tested the mathematical accuracy of the discounted cash flow model. – Tested the underlying data used by management in the discounted cash flow model. – Evaluated the reasonableness of the key assumptions, such as estimated future commodity prices and expected future operating and capital costs, by (i) comparing estimated future commodity prices to external market and industry data; (ii) comparing expected future operating and capital costs to the current and past performance of the CGU; and (iii) assessing whether these assumptions aligned with evidence obtained in other areas of the audit, as applicable. – The work of management's experts was used in performing the procedures to evaluate the reasonableness of the estimated recoverable mineral reserves and resources, metallurgical recovery estimates and future production volume. As a basis for using this work, the competence, capabilities and objectivity of management's experts were evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also included evaluation of the methods and assumptions used by management's experts, tests of the data used by management's experts and an evaluation of their findings.

Key audit matter	How our audit addressed the key audit matter
During the year ended December 31, 2023, management recognized a pre-tax impairment charge of $10.0 million ($8.0 million after tax impairment) related to the Pan Mine CGU. We considered this a key audit matter due to the significant judgment made by management in developing key assumptions to determine the recoverable amount of the Pan Mine CGU. This, in turn, resulted in significant audit effort and subjectivity in performing procedures to test these key assumptions. Professionals with specialized skill and knowledge in the field of valuation assisted in performing the procedures.	– Utilized professionals with specialized skill and knowledge in the field of valuation to assist in the evaluation of the reasonableness of the discount rate.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mark Patterson.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
February 20, 2024

	Notes	Year ended ended December 31, 2023	2022
			(Restated - Note 3)
Revenue	6	**$ 561,702**	$ 408,613
Cost of sales			
Production costs	7	**(292,506)**	(239,758)
Royalty and production taxes		**(20,543)**	(16,569)
Refinery and transportation		**(1,656)**	(958)
Depreciation and amortization		**(76,594)**	(47,725)
Total cost of sales		**(391,299)**	(305,010)
Income from mine operations		**170,403**	103,603
Expenses			
General and administrative	8	**(12,284)**	(12,206)
Share-based compensation	18	**(4,382)**	(2,586)
Other corporate expenses	5, 26	**(3,498)**	(4,868)
Foreign exchange gain (loss)		**148**	(138)
Impairment of mineral properties, plant and equipment	13	**(8,211)**	-
Other expenses	9	**(6,410)**	(3,921)
Operating profit		**135,766**	79,884
Interest income		**1,801**	811
Finance expense	10	**(4,390)**	(2,306)
Other (expense) income, net		**(86)**	(189)
Income before taxes		**133,091**	78,200
Current tax expense	21	**(43,268)**	(24,910)
Deferred tax expense	21	**(4,798)**	(9,946)
Net income		**$ 85,025**	$ 43,344
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit and loss:			
Employee benefits provision	16	**(686)**	(1,395)
Deferred tax on the employee benefits provision		**201**	405
Change in fair value of Marathon shares	14	**12,954**	-
Deferred tax on change in fair value of Marathon shares		**(1,782)**	-
Foreign currency translation differences		**415**	(368)
Comprehensive income		**$ 96,128**	$ 41,985
Income per share - basic		**$ 0.19**	$ 0.10
Income per share - diluted		**$ 0.18**	$ 0.09
Weighted average number of shares outstanding *(in thousands)*			
- basic		**456,347**	444,800
- diluted		**473,925**	461,703

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Financial Position

As at December 31, 2023 and 2022

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

As at:	Notes	December 31, 2023	December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents		**$ 86,160**	$ 56,492
Receivables, prepaids and other current assets	11	**17,070**	13,534
Inventories	12	**102,649**	104,954
Total current assets		**205,879**	174,980
Non-current assets			
Mineral interests, plant and equipment	13	**557,062**	477,180
Investments	14	**42,341**	-
Long term restricted cash	17	**4,234**	2,500
Other assets	15	**10,057**	9,598
Total assets		**$ 819,573**	$ 664,258
LIABILITIES			
Current liabilities			
Accounts payable and accruals		**$ 53,270**	$ 42,203
Income and other taxes payable	21	**24,831**	13,479
Current portion of provisions	16	**4,579**	5,687
Current portion of debt	17	**9,597**	4,187
Current portion of share based liabilities	18	**720**	734
Current portion of lease liability		**287**	268
Total current liabilities		**93,284**	66,558
Non-current liabilities			
Provisions	16	**86,241**	74,112
Debt	17	**10,509**	8,058
Share based liabilities	18	**2,552**	1,165
Lease liability		**340**	567
Deferred tax liability	21	**69,434**	63,055
Total liabilities		**262,360**	213,515
SHAREHOLDERS' EQUITY			
Share capital	18	**302,406**	291,607
Contributed surplus		**22,013**	22,470
Accumulated other comprehensive income		**12,677**	1,574
Retained earnings		**220,118**	135,092
Total shareholders' equity		**557,213**	450,743
Total liabilities and shareholders' equity		**$ 819,573**	$ 664,258

APPROVED ON BEHALF OF THE BOARD ON FEBRUARY 20, 2024:

Signed *"Darren Hall"*, DIRECTOR   Signed *"Edward Farrauto"*, DIRECTOR

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

Years Ended December 31, 2023 and 2022

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

	Notes	Year ended December 31, 2023	2022
Cash provided by operations			
Net income		**$ 85,025**	$ 43,344
Payments against rehabilitation liabilities	16	**(2,229)**	(697)
Non-cash adjustments			
Share-based compensation	18	**2,127**	2,557
Depreciation and amortization		**76,967**	48,067
Accretion expense	10	**3,539**	2,254
Impairment of mineral properties, plant and equipment	13	**8,211**	-
Write-down of exploration properties	13	**3,271**	3,485
Deferred tax expense	21	**3,016**	9,946
Inventory NRV adjustment		**(780)**	1,198
Other		**232**	(1,318)
Working capital adjustments	19	**21,727**	(12,179)
Net cash provided by operating activities		**201,106**	96,657
Investing activities			
Expenditures on mineral properties, plant and equipment	13	**(157,916)**	(146,179)
Cash receipt from Rio Tinto	13	**-**	1,599
Cash paid for the Fiore acquisiton	5	**-**	(8,000)
Cash obtained from the Fiore acquisition	5	**-**	13,607
Purchase of investments	14	**(29,144)**	-
Surety bond refund		**-**	5,249
Net cash used in investing activities		**(187,060)**	(133,724)
Financing activities			
Exercise of share options and warrants	18	**9,691**	6,240
Payment of lease liability and interest		**(245)**	(859)
Proceeds from debt, net of issuance costs	17	**14,588**	13,086
Restricted cash	17	**(1,734)**	(2,500)
Repayment of debt	17	**(6,736)**	(851)
Net cash provided by financing activities		**15,563**	15,116
Effect of exchange rate changes on cash		**59**	(10)
Change in cash and cash equivalents		**29,668**	(21,962)
Cash and cash equivalents, beginning of period		**56,492**	78,454
Cash and cash equivalents, end of period		**$ 86,160**	$ 56,492
Other information			
Interest paid - cash		**$ 50**	$ 52
Taxes paid - cash		**$ 31,916**	$ 24,933

Supplemental Cash Flow Information – Note 19

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Shareholders' Equity

Years Ended December 31, 2023 and 2022

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

	Number of Shares *(in thousands)*	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balances at December 31, 2021	**340,269**	$ **175,712**	$ **19,059**	$ **2,932**	$ **91,749**	$ **289,452**
Shares issued on purchase of Fiore Gold (Note 5)	101,322	107,205	-	-	-	107,205
Replacement options granted on purchase of Fiore Gold (Note 5)	-	-	3,182	-	-	3,182
Exercise of options and warrants (Note 18)	6,612	6,622	(381)	-	-	6,240
Exercise of restricted and performance share units (Note 18)	2,164	2,068	(2,068)	-	-	-
Share based compensation (Note 18)	-	-	2,678	-	-	2,678
Change in employee benefits provision, net of tax	-	-	-	(990)	-	(990)
Foreign exchange translation	-	-	-	(368)	-	(368)
Net income	-	-	-	-	43,344	43,344
Balances at December 31, 2022	**450,367**	$ **291,607**	$ **22,470**	$ **1,574**	$ **135,093**	$ **450,743**
Balances at December 31, 2022	**450,367**	$ **291,607**	$ **22,470**	$ **1,574**	$ **135,093**	$ **450,743**
Exercise of options and warrants (Note 18)	12,608	10,038	(347)	-	-	9,691
Exercise of restricted and performance share units (Note 18)	904	761	(761)	-	-	-
Share based compensation (Note 18)	-	-	651	-	-	651
Change in employee benefits provision, net of tax	-	-	-	(485)	-	(485)
Change in fair value of Marathon shares, net of tax (Note 14)	-	-	-	11,173	-	11,173
Foreign exchange translation	-	-	-	415	-	415
Net income	-	-	-	-	85,025	85,025
Balances at December 31, 2023	**463,878**	$ **302,406**	$ **22,013**	$ **12,677**	$ **220,118**	$ **557,213**

The accompanying notes are an integral part of these consolidated financial statements.

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

1. NATURE OF OPERATIONS

Calibre Mining Corp. (individually, or collectively with its subsidiaries, as applicable, "Calibre" or the "Company") is a gold mining, mine development, and exploration company. The Company owns several operational open-pit and underground mines, two milling facilities (the El Limon and La Libertad mines), and a portfolio of exploration and development opportunities in Nicaragua, Central America.

In January 2022, the Company acquired Fiore Gold Ltd. (individually, or collectively with its subsidiaries, as applicable, "Fiore") whereby Calibre acquired a 100% interest in Fiore's Pan Mine, a producing heap leach gold operation in Nevada, U.S.A. Fiore also owns the adjacent advanced-stage Gold Rock Project and the past producing Illipah Gold Project in Nevada, as well as the Golden Eagle project in Washington State which is an exploration stage project.

In November 2023, the Company announced it had entered into a definitive agreement with Marathon Gold Corp. ("Marathon"), whereby Calibre could acquire all of Marathon's issued and outstanding common shares. The acquisition of Marathon's shares was completed in January 2024 (Note 26).

Calibre is incorporated under the laws of British Columbia, Canada and maintains its corporate head office at Suite 1560 – 200 Burrard Street, P.O. Box 49167, Vancouver, British Columbia, Canada, V6C 3L6. The Company's common shares are listed on the Toronto Stock Exchange in Canada under the ticker symbol *CXB* and in the United States on the premium OTCQX Best Market, under the ticker symbol *CXBMF*.

2. BASIS OF PRESENTATION

Statement of Compliance and Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IFRS"). The accounting policies applied in these consolidated financial statements are presented in Note 3 and have been applied consistently to all years presented, unless otherwise noted.

The financial statements were authorized for issue by the Company's Board of Directors on February 20, 2024.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company is exposed to variable returns and has the ability to affect those returns through power to direct the relevant activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Subsidiaries will be de-consolidated from the date that control ceases. The Company's subsidiaries names, percentage ownership, and principal activities are presented below.

Material Subsidiaries	Percentage Ownership	Principal Activity
Calibre owned for the year ended December 31, 2023		
Desarrollo Minero de Nicaragua S.A. *(owner of the La Libertad Mine)*	100%	Gold Production
Triton Minera S.A. *(owner of the El Limon Mine)*	100%	Gold Production
Calibre Pan, LLC *(owner of the Pan Mine)*	100%	Gold Production
Eastern Borosi Project S.A.	100%	Mineral Exploration
Adobe Capital and Trading Limited	100%	Holding Company

2. BASIS OF PRESENTATION - *continued*

All transactions and balances between the Company and its subsidiaries are eliminated on consolidation. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

3. MATERIAL ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are financial assets subsequently measured at amortized cost.

Business Combinations

The acquisition method of accounting is used to account for business combinations. The consideration transferred by the Company to obtain control of a subsidiary is calculated as the sum of the fair values of assets transferred, liabilities incurred and the equity interests issued by the Company at the acquisition date, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Transaction costs, other than those associated with the issue of debt or equity securities, which the business incurs in connection with a business combination, are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Company reports in its consolidated financial statements provisional amounts for the items for which the fair value measurement is incomplete.

During the period after the acquisition date and the time the Company receives the relevant information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable (the "measurement period"), the Company will retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new relevant information obtained about facts and circumstances that existed as of the acquisition date and that, if known, would have affected the measurement of the amounts recognized as of that date, including recognizing additional assets or liabilities. The measurement period does not exceed one year from the acquisition date.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognized amount of any non-controlling interest in the acquiree and c) the acquisition date fair value of any existing equity interest in the acquiree, over the acquisition date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognized in income immediately.

3. MATERIAL ACCOUNTING POLICIES - *continued*

Foreign Currency Translation

Items included in the financial statements of each of the subsidiaries of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). These consolidated financial statements are presented in United States dollars. The functional currency of the parent company is the Canadian dollar. The functional currency of all of the Company's mining operations is the United States dollar.

Transactions denominated in foreign currencies are translated into the functional currency of an entity as follows:

- Monetary assets and liabilities are translated at the rates of exchange at the balance sheet date;
- Non-monetary assets and liabilities translated at historical exchange rates prevailing at each transaction date;
- Revenue and expenses are translated at the average exchange rate for the period or the exchange rate at the date of the transaction, if appropriate, except depreciation and amortization, which are translated at historical exchange rates, and share-based payments expense, which are translated at the rates of exchange applicable at the date of grant of the share-based payments; and
- Exchange gains and losses on translation are included in earnings.

For any entity whose functional currency differs from the United States dollar, foreign currency balances and transactions are translated into the United States dollar as follows:

- Assets and liabilities are translated at the rates of exchange at the balance sheet date;
- Revenue and expenses are translated at average exchange rates throughout the reporting period or at rates that approximate the actual exchange rates; items such as depreciation are translated at the monthly average exchange rate; and
- Exchange gains and losses on translation are included in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognized in other comprehensive income. The exchange gains and losses are recognized in earnings upon the substantial disposition, liquidation or dissolution of the entity that gave rise to such amounts.

Inventories

Inventory includes work in progress inventory in the form of stockpiled ore, heap leach in-circuit inventory, mill in-circuit inventory, finished goods inventory, and materials and supplies.

- Stockpiled ore represents unprocessed ore that has been mined and is available for future processing. Stockpiled ore is measured by estimating the number of tonnes through physical surveys and contained ounces through grade reconciliation via the ore control process.
- Heap leach in-circuit inventory represents ore that has been mined and placed on leach pads where a solution is applied to the surface of the heap to dissolve the gold.
- Mill in-circuit inventory represents material that is currently being processed to extract the contained gold into a saleable form, typically unrefined doré. The amount of mill in-circuit gold is determined by assay values and by measure of the various gold bearing materials in the recovery process.
- Finished goods inventory is saleable gold in the form of doré bars that have been poured and refined.

3. MATERIAL ACCOUNTING POLICIES – *continued*

Inventories - *continued*

- Materials and supplies inventories consist mostly of equipment parts and other consumables required in the mining and ore processing activities.

Cost of materials and supplies inventory include acquisition, freight and other directly attributable costs. Cost of work in progress inventory and finished goods includes all direct costs incurred in production including direct labor and material, leach pad and crushers processing costs, freight, depreciation and amortization of plant and equipment used in the production process, and directly attributable overhead costs.

For heap leach in-circuit inventory, additions to costs are based on the average cost per recoverable ounces of gold placed on the leach pad and removed as gold is recovered from the leach pad and converted into gold doré. The cost of finished goods inventory includes the average cost of heap leach in-circuit inventory incurred and additional downstream processing costs.

All inventories are valued at the lower of cost or net realizable value, with net realizable value determined with reference to market price, less estimated future production costs to convert inventories into saleable form. If carrying value exceeds net realizable value, a write-down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused the write-down no longer exist. Any write-downs of inventory to net realizable value are recorded as production costs and depreciation and amortization in the Consolidated Statements of Operations and Comprehensive Income. If there is a subsequent increase in the value of inventories, the previous write-downs to net realizable value are reversed to the extent that the related inventory has not been sold.

Stockpile, heap leach in-circuit, mill in-circuit, finished goods and materials and supplies inventories are all expected to be sold or utilized as part of the Company's normal operating cycle and therefore classified as current assets.

Mineral Interests, Plant and Equipment

Mineral interests, plant and equipment include property, plant and equipment, mineral properties and mine development costs, deferred stripping, and exploration and evaluation expenditures.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment charges. All repairs and maintenance expenditures are charged to profit or loss, except for major improvements and replacements which are capitalized, if they extend the useful life of an asset. Property, plant and equipment are depreciated using the straight-line method at rates sufficient to depreciate such capitalized costs over the estimated production lives of such facilities. The Company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. Residual values, method of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate.

Mineral interests and mine development costs

Mineral interests and mine development costs are stated at cost less accumulated depreciation and impairment losses. When production commences, these costs are amortized using the units of production ("UOP") method, based on recoverable ounces from the estimated proven and probable reserves and a portion of measured and indicated resources that are reasonably expected to be converted to proven and probable reserves.

3. MATERIAL ACCOUNTING POLICIES - *continued*

Mineral Interests, Plant and Equipment - *continued*

Capitalization of costs incurred ceases when the mining property is capable of commencement of mining operations in the manner intended by management. Costs incurred prior to this point, including depreciation of related plant and equipment, are capitalized. The Company applies judgment in its assessment of when a mine is capable of operating in the manner intended by management which takes account of the design of the mine and the nature of the initial commissioning phase of the mine.

Non-recoverable costs for projects determined not to be commercially feasible are expensed in the period in which the determination is made or when the carrying value of the project is determined to be impaired.

Deferred stripping

Stripping costs incurred during the production phase of an open pit mine are considered production costs and are included in the cost of inventory produced during the period in which stripping costs are incurred, unless the stripping activity can be shown to be a betterment of the mineral property. Betterment occurs when stripping activity increases future output of the mine by providing access to additional reserves and resources. Stripping costs capitalized during the production phase and those incurred to prepare the ore body for extraction are capitalized as components of mineral interests and are amortized on a UOP basis over the reserves and a portion of measured and indicated resources that are reasonably expected to be converted to proven and probable reserves.

Exploration and Evaluation Expenditures

The Company defers the cost of acquiring, maintaining its interest in, and, exploring mineral properties as exploration and evaluation assets. Once the technical feasibility and commercial viability of the extraction of mineral reserves or resources from a particular mineral property has been determined, exploration and evaluation expenditures are reclassified to "mineral interests and mine development costs" and subject to an impairment test at the time of transfer. If no mineable ore body is discovered, such costs are expensed in the period in which it is determined the property has no future economic value. Exploration costs that do not relate to any specific property are expensed as incurred.

The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination of factors, such as but not limited to:

- The extent to which mineral reserves or mineral resources have been identified through a feasibility study or similar level document;
- The status of environmental permits; and
- The status of mining leases or permits.

Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets that take a substantial period of time to make ready for their intended use are added to the cost of the assets, until such time as the assets are substantially complete and ready for their intended use. The amount of borrowing costs capitalized cannot exceed the actual amount of borrowing costs incurred in a period. All other borrowing costs are expensed in the period in which they are incurred.

3. MATERIAL ACCOUNTING POLICIES - *continued*

Impairment of Non-Current Assets

The carrying amounts of non-current assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount and is recorded as an expense in the statements of income or loss.

The recoverable amount is the higher of an asset's "fair value less costs of disposal" and "value-in-use". Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which the asset belongs is determined. "Fair value less costs of disposal" is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. For mining assets this would generally be determined based on the present value of the estimated future cash flows arising from the continued development, use or eventual disposal of the asset. In assessing these cash flows and discounting them to the present value, assumptions used are those that an independent market participant would consider appropriate. In assessing "value-in-use", the estimated future cash flows expected to arise from the continuing use of the assets in their present form are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Impairment losses are evaluated for potential reversals when events or circumstances warrant such consideration. Where an impairment loss is subsequently reversed, the amount of such reversal is limited such that the revised carrying amount of the asset or cash-generating unit does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in the prior years. A reversal of an impairment loss is recognized in the statement of operations.

Mine Restoration Provision

Future obligations to retire an asset including site closure, dismantling, remediation and ongoing treatment and monitoring are initially recognized and recorded as a liability based on estimated future cash flows discounted at a risk-free rate in the accounting period when the related environmental disturbance occurs. The measurement determination is based on estimated future cash flows, the current risk-free discount rate, and an estimated inflation factor. The value of restoration provisions is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the risk-free interest rate. The liability is added to the carrying amount of the associated asset, and this additional carrying amount is depreciated over the life of the asset. The liability is accreted to full value over time through periodic charges to earnings. This unwinding of the discount is expensed in the statements of operations as finance expense. As reclamation work is performed or liabilities are otherwise settled, the recorded amount of the liability is reduced.

Employee Benefits Provision

Actuarial valuations for the employee benefits obligation are carried out annually. Actuarial gains and losses can arise from changes in actuarial assumptions used to determine the accrued benefit obligation. Actuarial gains and losses arising in the year are recognized in the period in which they occur in other comprehensive income. Current service cost, and interest expense arising on the employee benefits obligation are recognized in the consolidated statement of operations as incurred. The values attributed to the employee benefits obligation liabilities are assessed in accordance with the advice of an independent qualified actuary.

3. MATERIAL ACCOUNTING POLICIES - *continued*

Other Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. The timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are not recognized for future operating losses. Provisions are based on the most reliable information available at the reporting date, including the risks and uncertainties associated with the current best estimate. If the effect is material, provisions may be determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Current and Deferred Income Taxes

Income tax is comprised of current and deferred tax. Income tax is recognized in the statements of operations except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period.

Deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is reversed. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. The extent to which deductible temporary differences, unused tax losses and other income tax deductions are expected to be realized are reassessed at the end of each reporting period.

Deferred income tax assets and liabilities are not recognized if the temporary difference arises on the initial recognition of assets and liabilities in a transaction other than a business combination, that at the time of the transaction, affects neither the taxable nor the accounting profit or loss.

Share Capital

The Company records proceeds from share issuances net of issue costs. The Company records proceeds from the exercise of stock options and warrants as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is recorded at the fair value of the non-monetary consideration received, or at the fair value of the shares issued if the fair value of the non-monetary consideration cannot be measured reliably, on the date of issue.

The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a pro-rata basis on a relative fair value basis, whereby, the fair value of the common shares is based on the market close on the date the units are issued and the fair value of the common share purchase warrants is determined using the Black-Scholes pricing model.

3. MATERIAL ACCOUNTING POLICIES - *continued*

Share-Based Payments

Stock option awards

The grant date fair value of the estimated number of stock options awarded to employees, officers and directors that will eventually vest, is recognized as share-based compensation expense over the vesting period of the stock options with a corresponding increase to equity. The grant date fair value of each stock option is estimated on the date of the grant using the Black-Scholes option-pricing model and is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest and adjusts the amount of recorded compensation expense accordingly. The impact of the revision of the original estimates, if any, is recognized in the statement of operations or capitalized in mining properties such that the accumulated expense reflects the revised estimate, with a corresponding adjustment to contributed surplus.

For transactions with non-employees, the fair value of equity settled awards is measured at the fair value of the goods or services received, at the date the goods or services are received by the Company. In cases where the fair value of goods or services received cannot be reliably estimated, the Company estimates the fair value of the awards at the date of grant.

Share unit awards

Pursuant to the terms of its long-term incentive plan ("the Incentive Plan"), the Company can grant Restricted share units ("RSUs"), Deferred share units ("DSUs"), and Performance share units ("PSUs") (collectively, the "Share Unit Awards") to any director, officer, employee or consultant who is eligible to receive an award under the Incentive Plan and under the terms ascribed by the Board of Directors. Each Share Unit Award granted is exercisable into common shares for no additional consideration after the vesting conditions, as specified by the Board, are met. The Share Unit Awards can be settled in cash or equity at the option of the Company.

Equity-settled share unit awards are measured at fair value on the date of grant and the total fair value is amortized over the vesting period using a graded vesting approach. Cash-settled share unit awards are remeasured to fair value at each reporting date and the change in fair value is recognized as an expense. The expense is recognized in the statement of operations or capitalized in mining properties (for awards granted to individuals working on specific projects).

Revenue

Revenue is generated from the sale of gold and silver. The Company produces doré which contains gold and silver. Doré is further processed by a third party refiner to produce refined metals for sale.

Gold revenue is recognized when the risk and rewards associated with the asset is transferred to the customer, which coincides with the delivery of the commodity to the customer, the sales price is agreed upon, and collectibility is reasonably assured. Gold revenue is measured based on the price specified in the sales contract at the time of sale. The transaction price is fixed on the date of sale based on the London Bullion Market Association's ("LBMA") gold spot price and number of ounces delivered. Payment is due on the value date specified in the sales contract.

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

3. MATERIAL ACCOUNTING POLICIES - *continued*

Revenue - *continued*

Effective January 1, 2023, Calibre amended its inventory and revenue accounting policy to include the recognition of silver by-product at cost and proceeds of sale as revenue (Note 6) whereas the Company had previously been recording by-product credits at net realizable value in production costs (Note 7). The Company has applied this accounting policy change retrospectively.

Accordingly, revenue and production costs were restated for the year ended December 31, 2022:

	Amount previously disclosed for the year ended December 31, 2022	Effect of accounting policy change	Restated balance for the year ended December 31, 2022
Revenue	$ 403,072	$ 5,541	$ 408,613
Production costs	234,247	(5,511)	239,758
Refinery and transportation	928	(30)	958
Net income	$ 43,344	**$** -	$ 43,344

Earnings per Share

Earnings per share ("EPS") is calculated based on the weighted average number of common shares issued and outstanding during the year.

Diluted EPS is calculated using the treasury stock method and if converted method, as applicable. Under the treasury stock method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercises of options and warrants that would be anti-dilutive.

Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance expense. The finance expense is charged to the statements of operations over the lease period. The right-of-use asset is depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate.

3. MATERIAL ACCOUNTING POLICIES - *continued*

Leases - *continued*

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statement of operations. Short-term leases are leases with a lease term of 12 months or less. Certain leases contain variable payment terms. Variable lease payments are recognized in the statement of operations in the period in which the condition that triggers those payments occurs.

Financial Instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVTPL"), directly attributable transaction costs. Financial instruments are recognized when the Company becomes party to the contracts that give rise to them. Financial assets are classified as amortized cost, fair value through profit or loss or fair value through other comprehensive income, according to their contractual cash flow characteristics and the business models under which they are held.

The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. Embedded derivatives in financial liabilities or executory contracts are separated from the host contract if the host contract is not measured at fair value through profit or loss and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets classified as amortized cost are subsequently measured at amortized cost using the effective interest method. Cash, restricted cash, receivables and certain other assets are classified as and measured at amortized cost.

Financial assets at FVOCI

Financial assets that are debt instruments are measured at fair value through other comprehensive income ("OCI") if they are held for the collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. The Company initially recognizes these financial assets at their fair value with subsequent changes to fair values recognized in OCI. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of operations. On initial recognition of an equity investment, an irrevocable election is available to measure the investment at fair value through OCI, wherein changes in fair value are recognized in OCI with no reclassification to the statement of operations on derecognition. The election is available on an investment-by-investment basis. As at December 31, 2023, the Company elected to recognize the change in fair value of the Marathon shares purchased through OCI (Note 14).

3. MATERIAL ACCOUNTING POLICIES - *continued*

Financial Instruments - *continued*

Financial assets at FVTPL

Financial assets are measured at FVTPL if they do not qualify as financial assets at amortized cost or fair value through OCI. The Company initially recognizes these financial assets at their fair value with subsequent changes to fair values recognized in the statement of operations.

Financial liabilities

Financial liabilities are classified and subsequently measured at amortized cost unless they are required or elected to be measured at FVTPL. Financial liabilities at FVTPL are measured at fair value and with subsequent changes in fair values recognized in the statement of operations. Accounts payable, accrued liabilities, and debt are classified as and measured at amortized cost.

Debt is initially recorded at fair value, net of transaction costs incurred. Debt is subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of income over the period of the debt using the effective interest method.

Derivative instruments

Derivative instruments, including embedded derivatives, are measured at fair value on initial recognition and at each subsequent reporting period. Any gains or losses arising from changes in fair value of derivatives are recorded in the statement of operations.

Fair values

The fair value of quoted investments is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis; and pricing models. Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

Level 1 – fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – fair value measurements are derived from inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impairment of financial assets

The Company assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost and fair value through OCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, Financial Instruments ("IFRS 9"), which requires expected lifetime losses to be recognized from initial recognition of the receivables.

3. MATERIAL ACCOUNTING POLICIES - *continued*

Financial Instruments - *continued*

Derecognition of financial assets and liabilities

A financial asset is derecognized when either the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the Company has transferred its rights to receive cash flows from the asset, the Company will assess whether it has relinquished control of the asset or not. If the Company does not control the asset then derecognition is appropriate.

A financial liability is derecognized when the associated obligation is discharged, or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of operations.

4. ESTIMATION UNCERTAINTY AND ACCOUNTING POLICY JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires management to make accounting policy judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The determination of estimates requires the application of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions. Actual results could differ from these estimates.

Estimation Uncertainty

The estimates used in the preparation of the audited consolidated financial statements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities and earnings within the next financial year include:

Mineral Interests, Plant and Equipment

During the year ended December 31, 2023, the Company recognized a pre-tax impairment of mineral interests, plant and equipment of $10,021 ($8,020 after-tax impairment) for the Pan mine (Note 13). The recoverable amount was determined by the fair value less cost of disposal (FVLCD) method using a discounted cash flow model. Calculating the FVLCD required significant judgments and estimates, which included estimated recoverable mineral reserves and resources, estimated future commodity prices, future production volume, expected future operating and capital costs and discount rate. Management relies on internal geological and metallurgical experts to develop estimates of recoverable mineral reserves and resources, metallurgical recovery estimates and future production volume.

4. ESTIMATION UNCERTAINTY AND ACCOUNTING POLICY JUDGEMENTS - *continued*

Estimation Uncertainty - *continued*

Value-Added Tax Receivables

The Company incurs indirect taxes, including value-added tax, on purchases of goods and services at its operating mines and development projects in Nicaragua. Indirect tax balances are recorded at their estimated recoverable amounts within current or long-term assets, net of provisions, and reflect the Company's best estimate of their recoverability under existing tax rules in the respective jurisdictions in which they arise. Management's assessment of recoverability considers the probable outcomes of claimed deductions and/or disputes. The provisions and balance sheet classifications made to date may be subject to change and such change may be material.

Mineral Reserves and Resources

The Company estimates its Mineral Reserves and Mineral Resources based on information compiled by qualified persons as defined in accordance with NI 43-101, *Standards of Disclosure for Mineral Projects*, issued by the Canadian Securities Administrators. Mineral Reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties.

There are numerous estimates in determining Mineral Reserves and Mineral Resources. Such estimation is a subjective process, and the accuracy of any Mineral Reserve or Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgements used in engineering and geological interpretation. Changes to management's assumptions and judgements made in estimating the size and grade of the ore body, metallurgical assumptions made in estimating recovery of the ore body, including economic estimates of commodity prices, production costs, future capital requirements, and exchange rates, will impact Mineral Reserve and Mineral Resources estimates. These estimates and assumptions valid at the time of estimation may change significantly when new information becomes available. This may result in a change of the economic status of the Mineral Reserve and may ultimately result in Mineral Reserves being revised.

Changes in the Mineral Reserve or Mineral Resource estimates may impact the carrying value of mineral properties, plant and equipment, the calculation of depreciation expense, deferred stripping costs, asset retirement obligations, and the recognition of deferred tax amounts.

Inventory Valuation

Finished goods, mill in-circuit inventory, heap leach in-circuit and stockpile ore are valued at the lower of costs and net realizable value. The assumptions used in the valuation of inventories include estimates of the amount of gold in the mill circuit and in the stockpile and an assumption of the gold price expected to be realized when the gold is recovered. If these estimates or assumptions prove to be inaccurate, the Company could be required to write-down the recorded value of its work-in process inventories and finished gold inventory, which would reduce earnings and working capital.

The Company's management makes estimates of the expected recoverable ounces of gold on leach pads and the expected timing of recoveries of heap leach in-circuit inventory. Expected recoverable ounces of gold on leach pads are determined based on the type of ore tonnes mined and placed on the leach pad, rock density, grams of gold per ton and expected recovery rates. Management relies on internal geological and metallurgical experts and external consultants to develop estimates related to expected recoverable ounces of gold on leach pads and timing of recoveries.

4. ESTIMATION UNCERTAINTY AND ACCOUNTING POLICY JUDGEMENTS - *continued*

Estimation Uncertainty - *continued*

The Company monitors the recovery of gold ounces from the leach pads and may refine its estimates based on these results. Assumptions used in the net realizable value assessment include the estimated gold prices at the time of sale, remaining costs of completion to bring inventory into its saleable form and discount rate. If these estimates or assumptions prove to be inaccurate, the Company could be required to write down the recorded value of its heap leach in-circuit inventories, which would reduce earnings and working capital.

Mine Restoration Provision

Management assesses the asset retirement obligations on an annual basis or when new information becomes available. This assessment includes the estimation of the future rehabilitation costs required based on the existing laws and regulations in the jurisdiction the Company operates in, the timing of these expenditures, and the impact of changes in the discount rate. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and / or regulatory requirements in the future.

Contingent Liabilities

On an ongoing basis, the Company is subject to various tax, legal and other disputes, the outcomes of which cannot be assessed with a high degree of certainty. A liability is recognized where, based on the Company's legal views and advice, it is considered probable that an outflow of resources will be required to settle a present obligation that can be measured reliably. By their nature, these provisions will only be resolved when one or more future events occur or fail to occur, which will bring resolution to their underlying cases. The assessment of such provisions inherently involves the exercise of significant judgment of the potential outcome of future events.

Employee Benefits Obligation

The Company provides benefits to employees, including severance and other post-retirement benefits. The cost of these post-retirement benefits received by employees is estimated based on actuarial valuation methods that require professional judgment. Estimates typically used in determining these amounts include, as applicable, rates of employee turnover, future claim costs, discount rates, future salary levels, and mortality rates . Changes to these estimates may have a material impact on the amounts presented.

Accounting Policy Judgements

The accounting policy judgements used in the preparation of the consolidated financial statements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities and earnings within the next financial year include:

Impairment Assessment of Mineral Interests, Plant and Equipment

Non-current assets are tested for impairment at the end of each reporting period if, in management's judgement, there is an indicator of impairment. Management applies significant judgment in assessing whether indicators of impairment exist that would necessitate impairment testing. Internal and external factors, such as (i) changes in quantity of the recoverable resources and reserves; (ii) changes in metal prices, capital and operating costs and interest rates; and (ii) market capitalization of the Company compared to its net assets, are evaluated by management in determining whether there are any indicators of impairment. If there are indicators, management performs an impairment test on the major assets in this category.

4. ESTIMATION UNCERTAINTY AND ACCOUNTING POLICY JUDGEMENTS - *continued*

Accounting Policy Judgements - *continued*

As at December 31, 2023, the Company identified indicators of impairment and prepared an impairment analysis. Please refer to section above and Note 13 (no indicators as of December 31, 2022).

Impairment Assessment of Exploration and Evaluation Assets

The carrying amount of the Company's exploration and evaluation asset does not necessarily represent present or future values, and judgment is required to determine if there are indicators of impairment. At the end of each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to exploration and evaluation assets. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include: (i) the period during which the Company has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for an evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

5. ACQUISITION OF UNITED STATES ASSETS

On January 12, 2022, the Company completed the acquisition of all of Fiore's issued and outstanding common shares pursuant to a court-approved plan of arrangement (the "Acquisition"). Pursuant to the terms of the agreement, Calibre acquired a 100% interest in Fiore's gold producing Pan Mine, the adjacent advanced-stage Gold Rock Project and the past producing Illipah Gold Project in Nevada, as well as the Golden Eagle Project in Washington State. Fiore controls a large land package on Nevada's prolific Battle Mountain – Eureka trend.

On closing of the Acquisition, Calibre issued a total of 101.3 million common shares and paid $8.0 million in cash to Fiore shareholders for a 100% interest in Fiore Gold Ltd. And its subsidiaries. Pursuant to the terms of the arrangement, the Company also issued a total of 6.5 million replacement options to holders of Fiore options and 0.2 million amended stock appreciation rights ("SARs") to holders of Fiore SARs.

The Company determined that this acquisition is a business combination for accounting purposes under IFRS 3, *Business Combinations*. A business consists of inputs and processes applied to those inputs that have the ability to create outputs, and management considers this acquisition to qualify as such.

Management applied significant judgment in estimating the fair value of mineral interests and exploration and evaluation assets. To estimate the fair value of the mineral interest and exploration and evaluation assets, management used discounted cash flow models and in-situ values.

Key assumptions developed by management used to determine the fair value of the mineral interest and exploration and evaluation assets included future metal prices, production based on current estimates of Mineral Reserves and recoverable Mineral Resources, future operating costs and capital expenditures, discount rates and in-situ multiples. The Company's estimates of Mineral Reserves and recoverable Mineral Resources are based on information prepared by qualified persons as defined in accordance with NI 43-101 issued by the Canadian Securities Administrators (management's experts).

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

5. ACQUISITION OF UNITED STATES ASSETS - *continued*

The following tables summarize the fair value of the consideration paid and the fair values of identified assets and liabilities recognized as a result of the Transaction.

CAD$ Calibre share price	$	1.34
Foreign exchange rate		0.7896
Calibre share price	$	1.06

Value of shares on close of Transaction	$	107,205
Value of cash on close of Transaction		8,000
Value of SARs		62
Value of Replacement Options		3,244
Value Purchase Price	$	118,511

Fair Value of Identified Assets Acquired and Liabilities Assumed		
Assets		
Cash and cash equivalents	$	13,607
Receivables, prepaids, and deposits		1,313
Inventories		32,873
Plant, equipment, and mineral interests		101,276
Deposits and advance royalties		9,867
Total Assets		158,936
Liabilities		
Accounts payables and accrued liabilities		14,109
Lease liabilities		739
Asset retirement obligations		10,737
Deferred income tax liabilities		14,840
Total Liabilities		40,425
Net assets acquired	$	118,511

During the year ended December 31, 2022, the Company expensed Fiore acquisition transactions costs related to advisory, legal, regulatory, professional fees, and success fees of $4,868.

6. REVENUE

	Year ended December 31,			
		2023		2022
				(Restated - Note 3)
Gold	**$**	**550,526**	$	403,072
Silver		**11,176**		5,541
	$	**561,702**	$	408,613

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

7. PRODUCTION COSTS

	Year ended December 31,	
	2023	2022
		(Restated - Note 3)
Raw materials and consumables	**$ 92,431**	$ 78,147
Salaries and employee benefits	**51,052**	43,336
Contracted services	**104,316**	83,332
Electricity and power	**25,731**	21,682
Site administration and other	**17,714**	16,452
Change in inventories	**1,262**	(3,191)
	$ 292,506	$ 239,758

8. GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended December 31,	
	2023	2022
Salaries, wages and benefits	**$ 6,431**	$ 6,977
Consulting and professional fees	**1,466**	2,056
Corporate administration and other	**4,387**	3,173
	$ 12,284	$ 12,206

9. OTHER EXPENSES

	Year ended December 31,	
	2023	2022
Loss on disposal of exploration property	**$ 3,271**	$ 3,485
Write-off of various taxes receivable	**876**	-
Other expenses	**2,263**	436
	$ 6,410	$ 3,921

10. FINANCE EXPENSE

	Year ended December 31,	
	2023	2022
Interest expense	**$ 851**	$ 52
Accretion of mine restoration provision	**2,599**	940
Accretion of employee benefit obligations	**940**	1,314
	$ 4,390	$ 2,306

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

11. RECEIVABLES, PREPAIDS AND OTHER CURRENT ASSETS

		December 31, 2023		December 31, 2022
Receivables	**$**	**1,459**	$	984
Value added tax and other recoverable taxes		**1,047**		938
Prepaid expenses and deposits		**6,871**		5,673
Supplier advances		**7,354**		5,527
Employee advances and other		**339**		412
	$	**17,070**	$	13,534

Value added tax ("VAT") receivable in Nicaragua may be used to offset other taxes payable including income and payroll taxes. As at December 31, 2023, $3,142 of VAT and other recoverable taxes have been classified as long-term assets (December 31, 2022 - $4,783) (Note 15).

Included in supplier and employee advances are certain payments to local contractors engaged by the Company to conduct mine development and provide operational support. The advances to different contractors have various terms of repayment from short-term to up to 24-month periods and rates of interest ranging from nominal amounts to 6% per annum. In certain situations, the advances are collateralized by certain equipment owned by the contractor. As at December 31, 2023, $3,472 of these advances are included in long-term assets (December 31, 2022 - $1,724) (Note 15).

12. INVENTORIES

		December 31, 2023		December 31, 2022
Finished goods - gold and silver doré	**$**	**46**	$	74
Ore on leach pads		**37,397**		41,740
Mill in-circuit		**14,350**		12,820
Ore stockpiles		**7,288**		4,904
Materials and supplies		**43,568**		45,416
	$	**102,649**	$	104,954

The amount of depreciation included in inventories as at December 31, 2023 was $11,177 (December 31, 2022 - $10,882). The amount of cost of sales expensed from inventory for gold doré, mill-in-circuit, ore on leach pads and ore stockpiles was $361,090 for the year ended December 31, 2023 (year ended December 31, 2022 - $288,048).

During the year ended December 31, 2022, the Company recorded a write-down of Ore on leach pads, and a partial reversal of that write-down, which together totaled $1,198 of which $1,056 was classified as a component of Production costs and $142 was classified as Depreciation and amortization. Subsequently, during the three months ended March 31, 2023, the Company further reversed $780 of the write-down of which $656 was classified as a component of Production costs and $124 was classified as Depreciation and amortization. The write-down and subsequent reversals are related to the Pan mine leach pad, part of the United States operating segment.

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

13. MINERAL INTERESTS, PLANT AND EQUIPMENT

The following tables provide continuity schedules which outline changes to mineral interests for the years ended December 31, 2023 and 2022.

Cost	Mineral Interests	Exploration and Evaluation assets	Property, plant and equipment	Total
Balance as at December 31, 2021	**$ 187,329**	**$ 60,330**	**$ 103,443**	**$ 351,102**
Assets acquired	26,027	48,512	26,738	101,277
Additions	60,605	48,002	38,183	146,790
Right of use additions	-	-	912	912
Reclassifications	10,840	(10,670)	(170)	-
Disposals	-	(3,235)	(137)	(3,372)
Change in mine restoration provision	-	-	(3,733)	(3,733)
Recovery on costs and option payments	-	(1,599)	-	(1,599)
Balance as at December 31, 2022	**$ 284,801**	**$ 141,340**	**$ 165,236**	**$ 591,377**
Additions	85,860	29,293	45,191	160,344
Right of use additions	-	-	27	27
Write-off of exploration properties	-	(3,271)	-	(3,271)
Disposals of property	-	-	(73)	(73)
Change in mine restoration provision	-	-	8,255	8,255
Reclassifications	19,554	(17,843)	(1,710)	1
Balance as at December 31, 2023	**$ 390,215**	**$ 149,519**	**$ 216,926**	**$ 756,660**
Accumulated depreciation, amortization and impairment				
Balance as at December 31, 2021	**$ 42,353**	**$ -**	**$ 18,663**	**$ 61,015**
Depreciation and amortization	32,866	-	20,419	53,285
Disposals	-	-	(104)	(104)
Balance as at December 31, 2022	**$ 75,219**	**$ -**	**$ 38,978**	**$ 114,196**
Depreciation and amortization	60,814	-	16,448	77,262
Impairment of Pan mine	6,312	-	1,899	8,211
Disposals of property	-	-	(72)	(72)
Balance as at December 31, 2023	**$ 142,345**	**$ -**	**$ 57,253**	**$ 199,597**
Net carrying amounts				
Balance as at December 31, 2022	$ 209,582	$ 141,340	$ 126,258	$ 477,180
Balance as at December 31, 2023	**$ 247,870**	**$ 149,519**	**$ 159,673**	**$ 557,062**

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

13. MINERAL INTERESTS, PLANT AND EQUIPMENT – *continued*

The following table provides a continuity schedule which details exploration and evaluation assets for the years ended December 31, 2023 and 2022:

	December 31, 2021	Assets acquired	Additions	Recoveries and option payments	Write off of exploration property	Costs reclassified	December 31, 2022
Limon	$ 5,171	$ -	$ 7,166	$ -	$ -	$ (2,213)	$ 10,124
Libertad	16,211	-	13,327	-	(3,235)	(8,457)	17,846
Borosi - Rio Tinto option	18,521	-	1,599	(1,599)	-	(18,521)	-
Borosi - 100% Calibre	-	-	205	-	-	18,521	18,726
EBP - 100% Calibre	19,966	-	6,142	-	-	-	26,108
Other Nicaragua	461	-	-	-	-	-	461
Pan Mine	-	2,281	8,519	-	-	-	10,800
Gold Rock	-	23,854	10,262	-	-	-	34,116
Golden Eagle	-	21,080	518	-	-	-	21,598
Illipah and other Nevada	-	1,297	264	-	-	-	1,561
	$ 60,330	$ 48,512	$ 48,002	$ (1,599)	$ (3,235)	$ (10,670)	$ 141,340

	December 31, 2022	Assets acquired	Additions	Recoveries and option payments	Write off of exploration property	Costs reclassified	December 31, 2023
Limon	$ 10,124	$ -	$ 5,902	$ -	$ -	$ (1,710)	$ 14,316
Libertad	17,846	-	5,418	-	(1,000)	(5,964)	16,300
Borosi - 100% Calibre	18,726	-	2,689	-	-	-	21,415
EBP - 100% Calibre	26,108	-	7,068	-	-	(357)	32,819
Other Nicaragua	461	-	-	-	(461)	-	-
Pan Mine	10,800	-	5,647	-	(1,810)	(9,812)	4,825
Gold Rock	34,116	-	2,133	-	-	-	36,249
Golden Eagle	21,598	-	152	-	-	-	21,750
Illipah and other Nevada	1,561	-	284	-	-	-	1,845
	$ 141,340	$ -	$ 29,293	$ -	$ (3,271)	$ (17,843)	$ 149,519

Impairment of Pan Mine

As at December 31, 2023, the Company recognized a pre-tax impairment of mineral properties, plant and equipment of $10,021 ($8,020 after tax impairment) related to the Pan mine (year ended December 31, 2022 – $nil). Post impairment, the net book value of the Pan mine is $60,090.

Management completed an assessment of impairment indicators at each of its cash generating units ("CGUs") and considered that the Company's market capitalization was below the carrying value of net assets. As a result of this assessment, management identified impairment indicators for the Pan mine related to higher operating costs in the 2024 business plan. Accordingly, the Company estimated the recoverable amounts of this CGU and compared it to the carrying value of the CGU. The recoverable amount was determined using a discounted future cash-flow model.

Impairment Testing: 2023 Key Assumptions

The projected cash flows used in impairment testing are significantly affected by changes in assumptions for metal prices, estimates of production costs, future capital expenditures amounts of recoverable reserves, resources, and discount rates.

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

13. MINERAL INTERESTS, PLANT AND EQUIPMENT – *continued*

Impairment of Pan Mine - *continued*

The determination of fair value less costs of disposal included the following key assumptions:
- Long term and short term gold price per ounce: $1,773 and $2,077, respectively;
- Expected future operating and capital costs based on budgeted and life of mine costs;
- Future production volume and metallurgical recovery estimates as indicated in the LOM plans;
- Real after-tax discount rate: 5.0%

14. INVESTMENTS

In November 2023, Calibre completed the acquisition of 66,666,667 common shares of Marathon in a private placement. The Company paid CAD$40 million ($29,144) at a price of CAD$0.60 per share. Effective on the date of closing of the private placement, Calibre owned 14.2% of Marathon.

The trading price of Marathon on December 31, 2023 was CAD$0.84 per share which corresponds to a quoted market value of CAD$56 million ($42,341). The change in fair value of $12,954 (net of foreign exchange impact) was recognized through OCI. Subsequent to December 31, 2023, Calibre completed the acquisition of Marathon (Note 26).

15. OTHER ASSETS

	December 31, 2023	December 31, 2022
Long-term portion of supplier advances (Note 11)	**$ 3,472**	$ 1,724
Long-term portion of value added and other recoverable taxes (Note 11)	**3,142**	4,783
Advance royalties	**3,443**	3,091
	$ 10,057	$ 9,598

The advance royalties relate to properties acquired in the Fiore acquisition (Note 5).

16. PROVISIONS

Mine Restoration Provision

	Year ended December 31,	
	2023	2022
Balance beginning of year	**$ 65,594**	$ 58,347
Reclamation provision related to Fiore acquisition	**-**	10,737
Change in estimate	**8,255**	(3,733)
Accretion expense	**2,599**	940
Payments	**(2,229)**	(697)
Balance end of year	**$ 74,219**	$ 65,594
Less: current portion	**(3,521)**	(4,659)
Long-term portion end of year	**$ 70,698**	$ 60,935

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

16. PROVISIONS - *continued*

Mine Restoration Provision - *continued*

The restoration provision consists primarily of costs associated with mine reclamation and closure activities. These activities, which tend to be site specific, generally include costs for earthworks, including detoxification and recontouring, revegetation, water treatment, demolition, decommissioning the mill complex and related infrastructure, physical and chemical stability of the tailings area, post-closure site security and monitoring costs. The Company considers such factors as changes in laws and regulations, and requirements under existing permits in determining the estimated costs. Such analysis is performed on a regular basis.

In calculating the present value of the Company's mine restoration provisions as at December 31, 2023 and December 31, 2022, management used a risk-free rate ranging from 3.85% to 3.88% and an inflation rates from 2.21% to 2.24% at December 31, 2023 and a discount rate ranging from 3.96% to 3.99% and an inflation rate of 2.23% to 2.24% at December 31, 2022.

The undiscounted cash flows, before inflation adjustments, estimated to settle the mine restoration provisions was approximately $85,274 as at December 31, 2023 ($72,904 as at December 31, 2022). Due to the nature of mine closure plans, cash expenditures are expected to occur over a significant period of time.

Employee Benefits Obligation

	Year ended December 31,	
	2023	2022
Balance beginning of year	**$ 14,205**	$ 12,428
Service cost	**1,994**	819
Accretion expense	**937**	1,314
Total amount recognized in profit and loss	**2,931**	2,133
Remeasurements		
Change in financial estimates	**696**	1,419
Change in mine life	**(10)**	(24)
Total amount recognized in OCI	**686**	1,395
Payments	**(1,221)**	(1,751)
Balance end of year	**$ 16,601**	$ 14,205
Less: current portion	**(1,058)**	(1,028)
Long-term portion end of year	**$ 15,543**	$ 13,177

The employee benefits obligation relates to severance accruals for employees at the Company's operations in Nicaragua. The severance is computed based on years of service at the average salary of the last six months of employment. Employees that work less than ten years have a maximum benefit of five months' salary. In some cases, those with more than ten consecutive years of service can receive an additional severance benefit of ten to twenty months' salary when leaving Calibre. The calculation is in line with labor regulations in Nicaragua. The assumptions used to calculate the employee benefits obligation at the end of each year are as follows:

	2023	2022
Discount rate	**7.2%**	8.2%
Salary growth rate	**3.0%**	3.0%

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

17. DEBT

		Year ended December 31,		
		2023		2022
Balance beginning of year	**$**	**12,245**	$	-
Drawdowns		**14,588**		13,086
Interest accretion		**1,666**		194
Interest paid		**(1,657)**		(184)
Principal repayments		**(6,736)**		(851)
Balance end of year	**$**	**20,106**	$	12,245
Less: current portion		**(9,597)**		(4,187)
Long-term portion end of year	**$**	**10,509**	$	8,058

a) In September 2022, the Company signed a term loan with Lafise Bank in Nicaragua, financing up to $19,000 over a 3-year amortization period, for equipment purchases at the Eastern Borosi Project. The equipment secures the loan. The interest rate for the facility is set on a scale ranging from 7.0% to a maximum of 10% per annum, with the interest rate for 2023 set at 10.0%. In addition, the Company will be charged a 0.5% disbursement fee on each draw. The Company began equal monthly repayments of the loan on October 28, 2022. These repayments are set to end on September 25, 2025.

As part of the financing agreement, the Company is required to maintain a $2,500 deposit as a collateral. These funds are earning interest at a rate of 2.85%.

As at December 31, 2023, the Company had drawn this loan in full.

b) In July 2023, the Company completed an additional term loan with Lafise Bank in Nicaragua financing up to $8,668 over a 3-year amortization period, for equipment purchases at the Limon mine. The equipment secures the loan. The interest rate for the facility is set on a scale ranging from 7.75% to a maximum of 10.5% per annum, with the interest rate for 2023 set at 7.75%. In addition, the Company will be charged a 0.5% disbursement fee on each draw. The Company began equal monthly repayments of the loan on August 28, 2023. These repayments are set to end on July 31, 2026.

As part of the financing agreement, the Company is required to maintain a $1,734 deposit as a collateral. These funds are earning interest at a rate of 3.50%.

As at December 31, 2023, the Company had drawn this loan in full.

18. SHARE CAPITAL

Authorized Share Capital

The authorized share capital consists of unlimited common shares without par value.

Share Capital and Recent Issuances

During the year ended December 31, 2023, 3.6 million options and 9.0 million warrants were exercised for gross proceeds of $9,691.

During the year ended December 31, 2022, 6.5 million options and 0.09 million warrants were exercised for gross proceeds of $6,240.

18. SHARE CAPITAL – *continued*

Share Capital and Recent Issuances - *continued*

During the year ended December 31, 2023, 0.9 million common shares (2022 – 2.2 million) were issued as settlement of vested RSUs and PSUs. In addition, during the year ended December 31, 2022, pursuant to the acquisition of Fiore, the Company issued a total of 101.3 million common shares with a value of $107,205 (Note 5).

Warrants

A summary of the Company's warrant activities for the years ended December 31, 2023 and 2022 is presented below:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Shares issuable on exercise of warrants (in thousands)	Weighted average exercise price (CAD$)	Shares issuable on exercise of warrants (in thousands)	Weighted average exercise price (CAD$)
Balance as at beginning of period	9,091	$ 0.95	9,178	$ 0.95
Exercised	(8,991)	0.95	(87)	0.95
Expired	(100)	0.95	-	-
Balance as at end of period	-	$ -	9,091	$ 0.95

Long-term Incentive Plan

Effective October 8, 2020, the Company adopted the Incentive Plan (the "Incentive Plan"). The purpose of the Incentive Plan is to attract, retain and incentivize leadership as directors, officers, employees and consultants of the Company and to promote a greater alignment of interests between such persons and shareholders of the Company. The Incentive Plan is administered by the Board who are tasked with the responsibility to interpret the Incentive Plan, including determining the times when awards are granted, to whom, the number of awards granted, the length of the exercise period and the vesting provisions involved in awards granted, subject to the terms of the Incentive Plan, applicable securities laws and regulatory requirements.

As at December 31, 2023, the aggregate number of shares to be reserved and set aside for issue upon the exercise or redemption and settlement for all awards granted under the Incentive Plan is fixed at 60 million which would be issued upon the exercise or redemption and settlement of options, DSUs, PSUs and RSUs, collectively, the "Share Unit Awards". The Share Unit Awards can be settled through a delivery of cash, common shares, or any combination thereof, at the sole discretion of the Board. To date, the Company has not granted any DSUs under the Incentive Plan.

18. SHARE CAPITAL – *continued*

Stock Options

A summary of the Company's stock option activities for the years ended December 31, 2023 and 2022 is presented below:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Shares issuable on exercise of options (in thousands)	Weighted average exercise price (CAD$)	Shares issuable on exercise of options (in thousands)	Weighted average exercise price (CAD$)
Balance as at beginning of period	31,033	$ 0.81	27,836	$ 0.75
Fiore replacement options (Note 3)	-	-	6,459	0.82
Granted	5,209	1.01	5,488	1.01
Exercised	(3,617)	0.57	(6,526)	0.81
Cancelled	(437)	1.03	(1,186)	0.90
Expired	(1,343)	1.16	(1,038)	1.29
Balance as at end of period	30,845	$ 0.85	31,033	$ 0.81

During the year ended December 31, 2023, the Company granted 5.2 million stock options. The options granted expire in 2031. The options vest one-third per year beginning one year from the date of grant.

During the year ended December 31, 2022, the Company granted 11.9 million stock options of which 6.5 million options were pursuant to the acquisition of Fiore (Note 5). The options granted pursuant to the Fiore acquisition are vested and are subject to expiry at varying dates. The remaining 5.5 million options granted expire in 2030, with all the options vesting equally over three years beginning one year from the date of grant.

As at December 31, 2023, the following stock options were outstanding and exercisable:

Options Outstanding			Options Exercisable
Number of Options (in thousands)	Exercise price (CAD$)	Weighted average remaining contractual life in years	Number of Options (in thousands)
18,991	$0.18 - $0.98	3.79	18,841
9,879	$1.01 - $1.48	6.64	1,578
1,975	$1.51 - $2.13	5.15	1,318
30,845	$0.85	4.97	21,737

18. SHARE CAPITAL - *continued*

Restricted Stock Units ("RSU")

A summary of the Company's RSU activities for the year ended December 31, 2023 and the year ended December 31, 2022 is presented below:

	Year ended December 31, 2023	Year ended December 31, 2022
	Number of units (in thousands)	Number of units (in thousands)
Balance as at beginning of period	3,473	5,110
Granted	2,508	2,165
Exercised (equity-settled)	(903)	(1,913)
Exercised (cash-settled)	(452)	(1,186)
Cancelled	(250)	(703)
Balance as at end of period	4,376	3,473

The Company granted a total of 2.5 million RSUs during the year ended December 31, 2023 and 2.2 million RSUs during the year ended December 31, 2022. The RSUs granted vest one-third per year, on the anniversary dates starting one-year from the date of grant. The RSUs will be settled within 10 business days of vesting, however, as allowed under the Incentive Plan, individuals may elect to defer the receipt of any vested RSUs until a later date prior to their expiry. A summary of the vesting schedule of the RSUs currently outstanding is outlined in the table below:

	Number of RSUs vesting during the period (in thousands)
Vested and Exercisable as at December 31, 2023	463
Vesting in 2024	1,759
Vesting in 2025	1,365
Vesting in 2026	789
	4,376

Pursuant to the terms of the Incentive Plan, the Board can elect to settle any outstanding RSUs through any combination of cash or the issuance of common shares.

During the year ended December 31, 2023, the Company settled a total of 0.5 million RSUs through a cash payment of CAD $0.4 million.

During the year ended December 31, 2022, the Company settled a total of 1.2 million RSUs through a cash payment of CAD $1.3 million.

As at December 31, 2023, there are 0.5 million RSUs that have vested and can be exercised at any time at the option of the RSU holder.

18. SHARE CAPITAL - *continued*

Performance Share Units ("PSU")

A summary of the Company's PSU activities for the year ended December 31, 2023 and the year ended December 31, 2022 is presented below:

	Year ended December 31, 2023	Year ended December 31, 2022
	Number of units (in thousands)	Number of units (in thousands)
Balance as at beginning of period	1,100	1,350
Granted	-	-
Exercised (equity-settled)	-	(250)
Balance as at end of period	1,100	1,100

Pursuant to the terms of the Incentive Plan, the Board can elect to settle any outstanding PSUs through any combination of cash or the issuance of common shares.

Stock-Based Compensation

The weighted average fair value of the stock options granted during the year ended December 31, 2023 was $0.44 per share (2022 – $0.49 per share). Options are priced using the Black-Scholes option pricing model. The fair value of options granted during the year ended December 31, 2023 and 2022 was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Year ended December 31,	
	2023	2022
Weighted average risk-free interest rate	**3.57%**	1.44%
Weighted average expected option life	**5 years**	3 years
Weighted average expected stock volatility	**68%**	55%
Weighted average expected dividend yield	**Nil**	Nil

The Company amortizes the fair value of equity-settled options granted over a graded vesting schedule. Consequently, the total compensation expense recognized for equity awards during the year ended December 31, 2023 was $4,548 (2022 - $2,864). For the year ended December 31, 2023, the total compensation charged to the statement of operations was $4,416 (2022 - $2,752) and $132 (2022 - $112) was capitalized to mineral interests.

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

19. SUPPLEMENTAL CASH FLOW INFORMATION

The following supplemental information to the statement of cash flows for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31,	
	2023	2022
Change in non-cash working capital		
Change in receivables, prepaids, and deposits	**$ (3,966)**	$ (2,665)
Change in inventories	**3,380**	(13,654)
Change in accounts payable, accrued liabilities and income tax	**21,342**	4,667
Change in provisions	**971**	(527)
	$ 21,727	$ (12,179)
Non-cash investing and financing activities		
Value of shares issued for acquisition of United States Assets (Note 5)	**$ -**	$ 107,205
Value of SARs and options issued for acquisition of United States Assets (Note 5)	**-**	3,305
Share-based compensation included in exploration and evaluation assets	**132**	112
Mineral interest costs included in accounts payable	**8,357**	6,061

20. RELATED PARTY TRANSACTIONS

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

Compensation of Key Management and Board of Directors

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Company has identified its members of the Board of Directors and certain senior officers as its key management personnel, including the Chief Executive Officer and Chief Financial Officer. The remuneration of directors and key management is determined by the compensation committee of the Board of Directors.

The director's fees, consulting fees and other compensation of directors and key management personnel were as follows for the years ended December 31, 2023 and 2022:

	Yer ended December 31,	
	2023	2022
Short-term salaries and benefits	**$ 2,014**	$ 1,580
Director fees	**667**	692
Share-based compensation	**1,076**	1,319

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

20. RELATED PARTY TRANSACTIONS - *continued*

Management contracts

As at December 31, 2023, minimum commitments upon termination of the existing contracts was approximately $1,486 and minimum commitments due within one year under the terms of these contracts is $2,122. In addition, the Company is party to various executive and employee contracts that would require payments totaling $5,721 to be made upon the occurrence of a "change of control".

Other related party transactions

B2Gold is considered a related party by virtue of its equity interest in Calibre. B2Gold owned approximately 24% of the Company as at December 31, 2023. Pursuant to an agreement with B2Gold in November 2016, B2Gold retains a 1.5% NSR on production within certain concessions pertaining to a portion of the ground that is included in the Borosi – 100% Calibre owned area. (Note 13).

21. INCOME TAXES

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial tax rates to earnings before income taxes. These differences result from the following items:

	Year ended December 31,	
	2023	2022
Income before income taxes	**$ 133,091**	$ 78,200
Canadian federal and provincial income tax rates	**27%**	27%
Income tax expense based on the above rates	**35,935**	21,114
Increase (decrease) due to:		
Non - deductible expenses and other permanent differences	**1,256**	2,360
Losses for which no tax benefit has been recorded	**3,346**	3,140
Minimum taxes in excess of income taxes	**-**	3,644
Tax attributes not previously recognized	**4,312**	-
Withholding taxes	**572**	487
Nevada mining taxes	**258**	478
Difference between foreign and Canadian tax rates	**4,818**	2,509
Foreign exchange	**256**	1,685
Revaluation of deferred tax assets	**(2,687)**	(561)
Income tax expense	**48,066**	34,856
Income tax expense consists of:		
Current income and mining tax	**43,268**	24,910
Deferred tax expense	**4,798**	9,946
	$ 48,066	$ 34,856

The Company made significant progress in achieving a resolution with the Nicaraguan Tax Authority on various tax matters and a settlement was reached in the fourth quarter of 2023 for the tax years of 2017, 2019-2021. This resulted in a settlement of $2,572 for El Limon and $1,740 for La Libertad (Note 23).

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

21. INCOME TAXES - *continued*

The components of recognized net deferred tax liabilities are as follows:

	As at December 31,	
	2023	2022
Tax losses and asset retirement obligation	**$ 13,798**	$ 9,047
Current asset and liabilities	**2,241**	8,391
Investments	**(1,595)**	-
Mineral interests, plant and equipment	**(83,878)**	(80,493)
	$ (69,434)	**$ (63,055)**

The components of unrecognized deferred tax assets are as follows:

	As at December 31,	
	2023	2022
Non-capital losses	**$ 5,396**	$ 11,481
Capital losses and other	**603**	596
Share issue costs	**-**	217
Share based compensation accrual	**658**	306
Asset retirement obligation	**12,389**	12,475
Mineral interests, plant and equipment	**4,083**	6,530
	$ 23,129	$ 31,605

The components of Income and other taxes payable account follows:

	As at December 31,	
	2023	2022
Income tax due	**$ 20,096**	$ 11,152
Employee withholdings	**1,629**	954
Other withholdings	**1,292**	316
Ad Valorem tax	**1,163**	721
Other	**651**	336
	$ 24,831	$ 13,479

As at December 31, 2023, the Company has non-capital losses available for carryforward which may be applied to reduce future years taxable income. These losses, if not utilized, will expire as follows:

	2024	**2025**	**2026**	**2027**	**2028**	**2029 and Later years**	**Total**
Canada	$ -	$ -	$ 51	$ -	$ 1,236	$ 51,743	$ 53,030
	$ -	$ -	$ 51	$ -	$ 1,236	$ 51,743	$ 53,030

The Company also has net operating losses of $19,162 in the United States with no expiration date.

Deferred tax liabilities as of December 31, 2023 of $36,555 (December 31, 2022 - $23,905) have not been recognized on earnings of foreign subsidiaries where the Company controls the timing of the reversal of the temporary differences and it is probable that those differences will not reverse in the foreseeable future.

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

22. SEGMENTED INFORMATION

Operating segments are those operations whose operating results are reviewed by the chief operating decision makers ("CODM") to make decisions about resources to be allocated to the segments and assess their performance, provided those operations pass certain quantitative thresholds. The CODM for the Company is the Chief Executive Officer and the Chief Financial Officer. In order to determine if operating segments shall be aggregated, management reviews various factors, including economic characteristics, nature of their products, production process, regulatory environment, geographical location and managerial structure. After aggregation criteria have been considered, operations whose revenues, earnings or assets exceed 10% of the total consolidated revenues, earnings or assets are considered to be reportable segments.

Management views the operations in Nicaragua as one segment as the operations in Nicaragua are integrated to optimize results. In January 2022, the Company acquired Fiore (Note 5) which has a producing mine located in Nevada and two development projects which are located in Nevada and Washington State in the United States. These United States assets are considered a separate segment. The Corporate column includes costs related to head office and group services which do not form part of a segment.

The following tables provide information on the operations of the Company for the years ended December 31, 2023 and 2022:

	Year ended December 31, 2023				Year ended December 31, 2022			
	Nicaragua	United States	Corporate	Total	Nicaragua	United States	Corporate	Total
Revenue *(restated - Note 3)*	$ 481,339	$ 80,363	$ -	$ 561,702	$ 327,089	$ 75,983	$ -	$ 403,072
Cost of Sales *(restated - Note 3)*								
Production costs	(237,137)	(55,369)	-	(292,506)	(178,543)	(55,704)	-	(234,247)
Royalties and production taxes	(16,876)	(3,667)	-	(20,543)	(13,153)	(3,416)	-	(16,569)
Refinery and transportation	(1,483)	(173)	-	(1,656)	(862)	(66)	-	(928)
Depreciation and amortization	(66,207)	(10,387)	-	(76,594)	(41,159)	(6,566)	-	(47,725)
Total cost of sales	(321,703)	(69,596)	-	(391,299)	(233,717)	(65,752)	-	(299,469)
Earnings from operations	159,636	10,767	-	170,403	93,372	10,231	-	103,603
Expenses								
General and administrative	-	-	(12,284)	(12,284)	-	-	(12,206)	(12,206)
Share-based compensation	-	-	(4,382)	(4,382)	-	-	(2,586)	(2,586)
Due diligence and transaction costs	-	-	(3,498)	(3,498)	-	-	(4,868)	(4,868)
Foreign exchange gain (loss)	322	-	(174)	148	(25)	-	(113)	(138)
Impairment charge	-	(8,211)	-	(8,211)	-	-	-	-
Other expense	-	-	(6,410)	(6,410)	-	-	(3,921)	(3,921)
Income (loss) before taxes and other items	$ 159,958	$ 2,556	$ (26,748)	$ 135,766	$ 93,347	$ 10,231	$ (23,694)	$ 79,884
Additions to:								
Mineral interest	$ 74,125	$ 11,735	$ -	$ 85,860	$ 56,907	$ 3,698	$ -	$ 60,605
Plant and equipment	43,767	1,424	-	45,191	36,548	1,635	-	38,183
Exploration and evaluation	21,077	8,216	-	29,293	26,840	19,563	-	46,403
Total capital additions	$ 138,969	$ 21,375	$ -	$ 160,344	$ 120,295	$ 24,896	$ -	$ 145,191

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

22. SEGMENTED INFORMATION - *continued*

The following geographic data includes assets based on their location as at December 31, 2023 and 2022.

	December 31, 2023				December 31, 2022			
	Nicaragua	United States	Canada	Total	Nicaragua	United States	Canada	Total
Cash and cash equivalents	$ 21,623	$ 10,848	$ 53,689	$ 86,160	$ 8,480	$ 7,942	$ 40,070	$ 56,492
Other current assets	77,033	41,375	1,311	119,719	72,229	45,462	797	118,488
Mining interest, property and equipment	441,958	114,503	601	557,062	362,565	114,014	601	477,180
Other long-term assets	10,848	3,443	42,341	56,632	9,007	3,091	-	12,098
Total assets	$ 551,462	$ 170,169	$ 97,942	$ 819,573	$ 452,281	$ 170,509	$ 41,468	$ 664,258

23. COMMITMENTS AND CONTINGENCIES

Commitments

The Company is committed to $15,731 for obligations under normal course of operations including capital expenditure commitments and contractual commitments. The following table provides a summary of the upcoming commitments by year (not discussed elsewhere in these consolidated financial statements for the years ended December 31, 2023 and 2022):

	2024	2025 and later years	Total
Payables and non-capital orders	$ 11,359	$ -	$ 11,359
Capital expenditure commitments	4,372	-	4,372
	$ 15,731	$ -	$ 15,731

Contingencies

Various tax and legal matters are outstanding from time to time. Judgements and assumptions regarding these matters are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations. If management's estimate of the future resolution of these matters changes, the Company will recognize the effects of these changes in the consolidated financial statements on the date such changes occur.

The Nicaraguan subsidiaries of Calibre Mining Corp., received observation letters from the Nicaraguan Tax Authority for the fiscal years 2017 and 2019-2021 relating to certain matters associated with the Company's operations in Nicaragua related to the tax deductibility of certain expenditures. The Company has made significant progress in achieving a resolution with the Nicaraguan Tax Authority on these matters and a settlement was reached in the fourth quarter of 2023 (Note 21).

24. CAPITAL MANAGEMENT

The Company's objectives when managing its capital is to ensure it will be able to continue as a going concern while maximizing the return to shareholders. The selling price of gold and minimizing production costs and capital expenditures are key factors in helping the Company reach its capital risk management objectives.

24. CAPITAL MANAGEMENT - *continued*

The capital of the Company consists of common shares, warrants, options and debt instruments. The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mining properties. The Company manages its capital structure and makes adjustments to it considering changes in economic conditions, the risk characteristics of the underlying assets and working capital requirements. In order to maintain or adjust its capital structure, the Company may issue new shares, seek debt financing, or acquire or dispose of assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Board of Directors reviews and approves any material transactions out of the ordinary course of business, including proposals on acquisitions or other major investments or divestitures, transactions involving equity instruments, as well as capital and operating budgets. The Company is not subject to any externally imposed capital requirements.

Management reviews its capital management approach on an on-going basis and believes that this approach, given its relative size, is reasonable.

25. FINANCIAL INSTRUMENTS RISK FACTORS

The Company’s operations include the acquisition, operation, and exploration of mineral properties in Nicaragua. The Company’s activities expose it to risks, including financial and operational risks of varying degrees of significance to achieve its strategic objectives for growth and shareholder returns. These principal risks related to financial instruments to which the Company is exposed are credit risk, liquidity risk, interest rate risk, and currency risk.

The carrying value amount of the Company’s financial instruments that are measured at amortized cost approximates fair value due to their short-term nature and market conditions and amount involved.

Credit risk

Credit risk is the risk of financial loss to the Company if a third party to a financial instrument fails to meet its contractual obligations. As at December 31, 2023, the Company’s maximum exposure to credit risk was the book value of cash and cash equivalents, accounts receivable and current and long-term loan receivable. Management believes that the credit risk with respect to these financial instruments is limited.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and through its budgeting and forecasting process. Budgets are prepared annually, and forecasts are prepared and reviewed on a regular basis, to help determine the funding requirements to support the Company’s current operations and expansion and development plans and by managing its capital structure as described above.

As at December 31, 2023, the Company had cash and cash equivalents of $86,160 (December 31, 2022 - $56,492) and current liabilities of $93,284 (December 31, 2022 - $66,558). Cash provided by operating activities totaled $200,006 for the year ended December 31, 2023 (year ended December 31, 2022 - $96,657). In addition, the Company’s working capital improved from $108,422 at December 31, 2022 to $112,595 at December 31, 2023 as a result of positive cashflow from the Company’s operations.

(Stated in thousands of United States Dollars, except per share amounts, unless otherwise noted)

25. FINANCIAL INSTRUMENTS RISK FACTORS – *continued*

As at December 31, 2023, the Company had drawn down the full amount under its equipment loan facilities at La Libertad and El Limon sites.

As at December 31, 2023, the Company's significant commitments are disclosed in the table below. In addition, significant commitments are disclosed in Note 17 for debt repayments and Note 23 for capital expenditure commitments.

	2024	2025	2026	Total
Accounts payable and accrued liabilities	$ 53,270	$ -	$ -	$ 53,270
La Libertad equipment loan facility:				
Principal	$ 6,734	$ 5,518	$ -	$ 12,252
Interest (estimated)	$ 938	$ 235	$ -	$ 1,173
El Limon equipment loan facility:				
Principal	$ 2,844	$ 3,080	$ 1,912	$ 7,836
Interest (estimated)	$ 521	$ 285	$ 51	$ 857
Lease liabilities:				
Principal	$ 274	$ 286	$ 82	$ 643
Capital expenditure commitments	$ 4,372	$ -	$ -	$ 4,372
	$ 68,953	$ 9,404	$ 2,045	$ 80,402

Interest rate risk

Interest rate risk is the risk that the fair values and future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company has interest bearing cash balances, which are subject to fluctuations in the interest rate. An increase or decrease in the interest earned from financial institutions on deposits held would result in a nominal increase or decrease in the Company's income (loss) before income taxes in the consolidated statement of operations. The Company has additional exposure to interest rate risk on its outstanding borrowings. With other variables unchanged, a 1% increase on the Company's debt interest rate would increase annual interest expense by $201. The Company closely monitors its exposure to interest rate risk and has not entered into any derivative contracts to manage this risk.

Currency risk

Currency risk is the risk that the fair value of, or cash flow from, the Company's financial instruments will fluctuate because of changes in foreign currency rates. The Company's functional currency at the location of its operations is the U.S. dollar and the major purchases are transacted in the U.S. dollars as well. The significant majority of the Company's currency is held in either the U.S. or Canadian dollars with only a very small amount held at any time in the Nicaraguan Cordoba.

The Company is subject to gains and losses due to fluctuations in the Canadian dollar and Nicaraguan Cordoba against the U.S. dollar. Sensitivity to a plus or minus 5% change in all foreign currencies (Canadian dollar and Nicaraguan Cordoba) against the U.S. dollar with all over variables held constant at December 31, 2022, would affect the statements of operations and comprehensive income by approximately $5.7 million.

25. FINANCIAL INSTRUMENTS RISK FACTORS – *continued*

Currency risk - *continued*

The Cordoba has been annually devalued against the U.S. dollar by means of a crawling peg mechanism which stood at approximately 1% as at December 31, 2023. Subsequent to year end, the annual devaluation was reduced to 0%. 85.7% of the Company's revenue in the year ended December 31, 2023 was from ounces produced in Nicaragua.

The Company generates revenue in U.S. dollars, thereby mitigating currency risk for its Nicaraguan operations where expenditures are mainly in U.S. dollars. The Company maintains Canadian and U.S. dollar bank accounts in Canada, and US dollar and Cordoba bank accounts in Nicaragua. The Company's foreign exchange exposure to fluctuations of the Cordoba is not significant as its annual expenditures in the local Nicaraguan currency and Cordoba denominated bank accounts are kept at a minimum at any given time. In addition, while a significant portion of the Company's corporate administrative costs are denominated in Canadian dollars, any fluctuation in the U.S. dollar against the Canadian dollar is not expected to have a material impact on the Company's cash flows given the relative stability of both currencies and the limited Canadian dollar expenditures in any given year.

Commodity price risk

The Company sells gold and silver at world market prices. The market prices of gold and to a lesser extent silver will be a primary driver of our profitability and ability to generate both operating and free cash flow. Calibre has not entered into any hedge positions during the year ended December 31, 2023, and does not have any positions outstanding as at December 31, 2023.

26. SUBSEQUENT EVENTS

On November 13, 2023, the Company announced it had entered into a definitive arrangement agreement with Marathon, whereby Calibre proposed to acquire all of Marathon's issued and outstanding common shares pursuant to a court-approved plan of arrangement (the "Transaction"). The Transaction was completed prior to market opening on January 24, 2024. Pursuant to the terms of the agreement, Calibre acquired a 100% interest in Marathon's advanced-stage Valentine Gold Project ("Valentine") in Newfoundland & Labrador.

On closing of the Transaction, Calibre issued a total of 249.8 million common shares. Upon closing of the Transaction, existing Calibre and former Marathon shareholders own approximately 65% and 35% of the issued and outstanding Calibre outstanding common shares, respectively.