Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2021 and 2020

(Unaudited and stated in thousands of United States dollars)

	Notes	Three months ended March 31, 2021	2020
Revenue		**$ 82,034**	$ 61,370
Cost of sales			
Production costs	3	**(41,465)**	(32,050)
Royalty and production taxes		**(3,211)**	(2,455)
Refinery and transportation		**(257)**	(270)
Depreciation and amortization		**(7,141)**	(3,242)
Total cost of sales		**(52,074)**	(38,017)
Income from mine operations		**29,960**	23,353
Expenses			
General and administrative	4	**(1,995)**	(2,370)
Share-based compensation		**(684)**	(1,364)
Other corporate expenses		**(28)**	-
Foreign exchange (loss) gain		**(107)**	294
Total expenses		**(2,814)**	(3,440)
Operating profit		**27,146**	19,913
Interest income		**109**	124
Finance expense	5	**(290)**	(692)
Other income (expense)	6	**42**	(99)
Income before taxes		**27,007**	19,246
Current tax expense		**(7,165)**	(3,509)
Deferred tax expense		**(3,197)**	(3,097)
Net income		**16,645**	12,640
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Foreign currency translation differences		**193**	(1,607)
Comprehensive income		**$ 16,838**	$ 11,033
Income per share - basic		**$ 0.05**	$ 0.04
Income per share - diluted		**$ 0.05**	$ 0.04
Weighted average number of shares outstanding *(in thousands)*			
- basic		**334,284**	328,021
- diluted		**364,356**	343,744

The accompanying notes are an integral part of these unaudited, condensed interim consolidated financial statements.

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

As at:	Notes		March 31, 2021		December 31, 2020
ASSETS					
Current assets					
Cash and cash equivalents		**$**	**58,221**	$	53,175
Receivables, prepaids and other	7		**6,602**		5,873
Inventories	8		**46,491**		46,398
Total current assets			**111,314**		105,446
Non-current assets					
Mineral interests, plant and equipment	9		**253,037**		240,939
Other assets	10		**4,969**		4,798
Total assets		**$**	**369,320**	$	351,183
LIABILITIES					
Current liabilities					
Accounts payable and accruals		**$**	**19,901**	$	24,272
Income and other taxes payable			**7,637**		6,270
Current portion of provisions	12		**4,693**		4,827
Current portion of lease liability			**126**		121
Total current liabilities			**32,357**		35,490
Non-current liabilities					
Provisions	12		**55,515**		55,333
Lease liability			**-**		29
Deferred tax liability			**33,380**		30,183
Total liabilities			**121,252**		121,035
SHAREHOLDERS' EQUITY					
Share capital	13		**171,568**		170,591
Contributed surplus			**22,372**		22,267
Foreign currency translation reserve			**2,056**		1,863
Accumulated other comprehensive income			**1,877**		1,877
Retained earnings			**50,195**		33,550
Total shareholders' equity			**248,068**		230,148
Total liabilities and shareholders' equity		**$**	**369,320**	$	351,183

APPROVED ON BEHALF OF THE BOARD ON MAY 3, 2021:

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

The accompanying notes are an integral part of these unaudited, condensed interim consolidated financial statements.

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

	Notes	Three months ended March 31, 2021	2020
Cash provided by operations			
Net income		**$ 16,645**	$ 12,640
Payments against rehabilitation liabilities	12	**(154)**	(362)
Non-cash adjustments			
Share-based compensation	13	**854**	1,487
Depreciation and amortization		**7,166**	3,266
Accretion expense	5	**284**	682
Other		**39**	(133)
Deferred tax expense		**3,197**	3,097
Working capital adjustments	14	**(2,509)**	(323)
Net cash provided by operating activities		**25,522**	20,354
Investing activities			
Expenditures on mineral properties, plant and equipment		**(20,666)**	(8,676)
Interest income received		**3**	-
Net cash used in investing activities		**(20,663)**	(8,676)
Financing activities			
Exercise of share options and warrants		**188**	-
Payment of lease liability and interest		**(29)**	(29)
Net cash provided by (used in) financing activities		**159**	(29)
Effect of exchange rate changes on cash		**28**	(1,458)
Change in cash and cash equivalents		**5,046**	10,191
Cash and cash equivalents, beginning of period		**53,175**	32,861
Cash and cash equivalents, end of period		**$ 58,221**	$ 43,052
Other information			
Interest paid - cash		**$ 5**	$ 10
Taxes paid - cash		**$ 6,819**	$ 2,825

Supplemental Cash Flow Information – Note 14

The accompanying notes are an integral part of these unaudited, condensed interim consolidated financial statements.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

Three Months Ended March 31, 2021 and 2020

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

	Number of Shares *(in thousands)*		Share Capital		Contributed Surplus		Foreign Currency Translation Reserve		Accumulated Other Comprehensive Income		Surplus (Deficit)		Total
Balances at December 31, 2019	**328,021**	**$**	**165,134**	**$**	**17,301**	**$**	**2,082**	**$**	**-**	**$**	**(29,863)**	**$**	**154,654**
Share based compensation (Note 13)	-		-		1,506		-		-		-		1,506
Foreign exchange translation	-		-		-		(1,607)		-		-		(1,607)
Net income	-		-		-		-		-		12,640		12,640
Balances at March 31, 2020	**328,021**	**$**	**165,134**	**$**	**18,807**	**$**	**475**	**$**	**-**	**$**	**(17,223)**	**$**	**167,193**
Balances at December 31, 2020	**333,821**	**$**	**170,591**	**$**	**22,267**	**$**	**1,863**	**$**	**1,877**	**$**	**33,550**	**$**	**230,148**
Exercise of options and warrants (Note 13)	267		276		(89)		-		-		-		187
Exercise of restricted share units (Note 13)	1,182		701		(701)		-		-		-		-
Share based compensation (Note 13)	-		-		895		-		-		-		895
Foreign exchange translation	-		-		-		193		-		-		193
Net income	-		-		-		-		-		16,645		16,645
Balances at March 31, 2021	**335,270**	**$**	**171,568**	**$**	**22,372**	**$**	**2,056**	**$**	**1,877**	**$**	**50,195**	**$**	**248,068**

The accompanying notes are an integral part of the unaudited, condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS

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. In October 2019, the Company purchased a number of 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 from B2Gold Corp ("B2Gold"). In addition to its mining operations, Calibre continues to explore and develop several concessions at its 100%-owned Eastern Borosi Gold-Silver Project ("EBP") in northeastern Nicaragua and also work with our joint venture partner, Rio Tinto Exploration ("Rio Tinto"), to explore, identify, and acquire exploration assets throughout Nicaragua with a focus on copper-gold-porphyry, skarn and epithermal precious metal systems.

Calibre is incorporated under the laws of British Columbia, Canada and maintains its corporate head office at Suite 413 – 595 Burrard Street, P.O. Box 49167, Vancouver, British Columbia, Canada, V7X 1J1. 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*.

Impact of the Novel Coronavirus Pandemic ("COVID-19")

The global response to the COVID-19 pandemic has resulted in, among other things, border closures, travel restrictions, as well as quarantine, and other emergency measures imposed by various governments. Additional government or regulatory actions or inactions around the world in jurisdictions where the Company or its suppliers operate may also have a potential significant economic and social impact. If the Company's business operations are disrupted or suspended as a result of these or other measures, it may have a material adverse effect on the Company's business, results of operations and financial performance. Factors that may be impacted, among other things, are the Company's operating plan, production, supply chain, construction, and maintenance activities. The extent to which COVID-19 may impact the Company's future business and operations will depend on future developments that are uncertain and cannot be accurately estimated at this time, including new information which may emerge concerning the severity of and the actions required to contain COVID-19 or remedy its impact.

On March 25, 2020, the Company announced a temporary suspension of its operations at the Limon and Libertad mines and all exploratory drilling activity due to the COVID-19 pandemic. During the suspension period, the Company enhanced its health and safety protocols and updated operational and exploratory planning programs to manage the business through the pandemic.

In July 2020, the Company was able to re-establish a steady state of operation, and since then, the Company has not experienced any significant setbacks related to the COVID-19 pandemic. The Company continues its enhanced COVID-19 health and safety protocols, including social distancing and initiating a preventative communication campaign, while working closely with our local communities, the Ministry of Health in Nicaragua, employees and contractors to minimize the virus spread.

The Company has considered alternative plans should certain scenarios occur, such as another temporary shutdown, including adding additional materials and supplies inventory and critical spares, while also proactively maintaining financial flexibility and an increasing cash balance and working capital during this period of unprecedented uncertainty.

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

2. BASIS OF PRESENTATION

Basis of Presentation and Statement of Compliance

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), as applicable to interim financial reports including International Accounting Standard 34, *Interim Financial Reporting*. Therefore, these condensed interim consolidated financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2020, which have been prepared in accordance with IFRS.

The accounting policies and basis of presentation applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited annual consolidated financial statements for the year ended December 31, 2020.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors of the Company on May 3, 2021.

Significant Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make accounting policy judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical accounting policy judgments and estimates applied in the preparation of the Company's unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in Note 6 of the Company's audited annual consolidated financial statements for the year ended December 31, 2020.

3. PRODUCTION COSTS

	Three months ended March 31,	
	2021	2020
Raw materials and consumables	**$ 13,031**	$ 10,655
Salaries and employee benefits	**8,930**	7,411
Contracted services	**12,939**	8,908
Electricity and power	**4,093**	4,692
Site administration and other	**2,967**	3,983
Silver by-product credit	**(2,718)**	(2,174)
Change in inventories	**2,223**	(1,425)
	$ 41,465	$ 32,050

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

3. PRODUCTION COSTS - *continued*

Total leasing activities includes payments of $131 relating to short-term leases (those with a term of 12 months or less) for the three months ended March 31, 2021 ($300 for the three months ended March 31, 2020) and $10,910 relating to variable lease payments (including both lease and non-lease components) have been expensed in the statement of operations during the three months ended March 31, 2021 ($6,300 for the three months ended March 31, 2020).

An additional $6,282 relating to variable lease payments (including both lease and non-lease components) was capitalized as part of plant and equipment during the three months ended March 31, 2021 ($4,300 for the three months ended March 30, 2021).

4. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended March 31,	
	2021	2020
Salaries, wages and benefits	**$ 1,481**	$ 1,283
Consulting and professional fees	**211**	574
Corporate administration and other	**303**	513
	$ 1,995	$ 2,370

5. FINANCE EXPENSE

	Three months ended March 31,	
	2021	2020
Interest expense	**$ 6**	$ 10
Accretion of mine restoration provision	**84**	205
Accretion of employee benefit obligations	**200**	89
Accretion on deferred payment to B2Gold	**-**	388
	$ 290	$ 692

6. OTHER INCOME (EXPENSE)

	Three months ended March 31,	
	2021	2020
Gain (loss) on disposal of assets	**$ 3**	$ (82)
Management fee income	**51**	18
Other miscellaneous expenses	**(12)**	(35)
	$ 42	$ (99)

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

7. RECEIVABLES, PREPAIDS AND OTHER CURRENT ASSETS

		March 31, 2021		December 31, 2020
Receivables	**$**	**643**	$	291
Value added tax and other recoverable taxes		**876**		696
Prepaid expenses and deposits		**811**		1,435
Supplier advances		**4,016**		3,215
Employee advances and other		**256**		236
	$	**6,602**	$	5,873

Value added tax ("VAT") receivable may be used to offset other taxes payable including income and payroll taxes. Historically, the operations have experienced delays in receiving payment or confirmation of offset against other taxes and, on some occasions, VAT receivable claims have been denied.

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 March 31, 2020, $2,238 in supplier advances are included in long-term assets (December 31, 2020 - $2,293) (Note 10).

8. INVENTORIES

		March 31, 2021		December 31, 2020
Finished goods - gold and silver doré	**$**	**454**	$	916
In-circuit		**5,839**		7,742
Ore stockpiles		**13,860**		13,400
Materials and supplies		**26,338**		24,340
	$	**46,491**	$	46,398

The amount of depreciation included in inventory as at March 31, 2021 was $2,640 (December 31, 2020 - $2,368).

The amount of production costs that was inventoried in gold doré, gold-in-circuit, and ore stockpiles ("metal inventory") was $47,936 for the three months ended March 31, 2021 ($37,139 for the three months ended March 31, 2020).

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

9. MINING INTERESTS, PLANT AND EQUIPMENT

Cost	Mineral Interests	Exploration and Evaluation assets	Property, plant and equipment	Total
Balance as at December 31, 2019	**$ 102,529**	**$ 36,391**	**$ 63,501**	**$ 202,421**
Acquisition of EBP (Note 9)	-	4,000	-	4,000
Additions	22,338	16,323	13,238	51,899
Reclassification of Pavon from exploration to mineral interest	10,818	(10,818)	-	-
Reclassification of exploration assets to mine development	4,175	(4,175)	-	-
Reclassification of property, plant and equipment to mineral interests	9,233	-	(9,233)	-
Disposals	-	-	(88)	(88)
Change in mine restoration provision	-	-	2,927	2,927
Recovery on costs and option payments	-	(851)	-	(851)
Balance as at December 31, 2020	**$ 149,093**	**$ 40,870**	**$ 70,345**	**$ 260,308**
Additions	10,552	5,169	4,709	20,430
Disposals		-	(432)	(432)
Recovery on costs and option payments	-	(509)	-	(509)
Balance as at March 31, 2021	**$ 159,645**	**$ 45,530**	**$ 74,622**	**$ 279,797**
Accumulated depreciation and amortization				
Balance as at December 31, 2019	**$ 1,843**	**$ -**	**$ 1,531**	**$ 3,374**
Depreciation and amortization	10,139	-	5,869	16,008
Disposals	-	-	(13)	(13)
Balance as at December 31, 2020	**$ 11,982**	**$ -**	**$ 7,387**	**$ 19,369**
Depreciation and amortization	5,074	-	2,372	7,446
Disposals	-	-	(55)	(55)
Balance as at March 31, 2021	**$ 17,056**	**$ -**	**$ 9,704**	**$ 26,760**
Net carrying amounts				
Balance as at December 31, 2020	$ 137,111	$ 40,870	$ 62,958	$ 240,939
Balance as at March 31, 2021	**$ 142,589**	**$ 45,530**	**$ 64,918**	**$ 253,037**

As at March 31, 2021 and December 31, 2020, the Company did not have any indicators of impairment.

As at March 31, 2021, property, plant, and equipment includes $305 (December 31, 2020 - $305) for right of use assets related to the Company's Vancouver head office location with a net book value of $104 (December 31, 2020 - $192).

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

9. MINING INTERESTS, PLANT AND EQUIPMENT - *continued*

The following table provides a continuity schedule which details exploration and evaluation assets for the three months ended March 31, 2021 and the year ended December 31, 2020.

	December 31, 2020	Assets acquired	Additions	Recoveries and option payments	Costs reclassified	Disposals	March 31, 2021
Limon	4,262	-	1,463	-	-	-	5,725
Libertad	6,275	-	2,634		-	-	8,909
Borosi - Rio Tinto option	18,530	-	594	(509)	-	-	18,615
EBP - 100% Calibre	11,342		478	-	-	-	11,820
Other	461	-	-	-	-	-	461
	$ 40,870	$ -	$ 5,169	$ (509)	$ -	$ -	$ 45,530

	December 31, 2019	Assets acquired	Additions	Recoveries and option payments	Costs reclassified	Disposals	December 31, 2020
Limon	495	-	4,322	-	(555)	-	4,262
Libertad	12,004	-	8,709	-	(14,438)	-	6,275
Borosi - 100% Calibre owned	18,344	-	186	-	(18,530)	-	-
Borosi - Rio Tinto option	-	-	487	(487)	18,530	-	18,530
Eastern Borosi - IAMGOLD option	5,087	-	364	(364)	(5,087)	-	-
EBP - 100% Calibre	-	4,000	2,255	-	5,087	-	11,342
Other	461	-	-	-	-	-	461
	$ 36,391	$ 4,000	$ 16,323	$ (851)	$ (14,993)	$ -	$ 40,870

Acquisitions and Option Agreements

Purchase of Remaining Interest in the Eastern Borosi Project ("EBP") from IAMGOLD Corporation ("IAMGOLD")

During the year ended December 31, 2020, IAMGOLD completed an option agreement and earned a 70% interest in certain concessions in northeast Nicaragua (with Calibre owning the remaining 30% interest). The IAMGOLD option project was named the EBP. On August 20, 2020, Calibre executed an agreement to acquire the 70% interest in the EBP from IAMGOLD, resulting in Calibre owning an undivided 100% interest in this project.

As consideration for IAMGOLD's 70% interest in the EBP, Calibre issued 2.3 million common shares, with a fair value of $3,000 and agreed to pay $1,000 in cash 12 months following the date of the acquisition agreement (included in accounts payable and accrued liabilities as at March 31, 2021). In addition, the Company granted a 2% net smelter return ("NSR") royalty on future production from the EBP acquired, with Calibre retaining the right to purchase 1% of the NSR royalty for $2,000 and a right of first refusal on the remaining 1% NSR royalty.

As a result of the EBP acquisition, the Company reclassified $5,087 from the Eastern Borosi – IAMGOLD Option category to the EBP – 100% Calibre owned category during the year ended December 31, 2020.

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

9. MINING INTERESTS, PLANT AND EQUIPMENT - *continued*

Acquisitions and Option Agreements - *continued*

Borosi – Rio Tinto Option and Alliance Agreement

During the year ended December 31, 2020, Calibre entered into an option earn-in agreement with Rio Tinto, whereby Rio Tinto can earn an initial 55% interest (and potentially up to a 75% interest) in Calibre's 100%-owned Borosi Project ("Borosi") in northeast Nicaragua. Under the terms of the agreement, Rio Tinto will have a five-year option to acquire a 55% interest in the Borosi Project by incurring $10,000 in qualifying expenditures. Following earning this initial option, Rio Tinto will have the opportunity to earn up to an additional 20% interest in the Borosi Project by incurring an additional $35,000 over a six-year period. Calibre has been designated as the initial operator of the field work being completed under the above option agreement and will receive a fee equal to 10% of the qualifying expenditures.

As a result of the Rio Tinto option agreement being completed, the Company reclassified $18,530 from the Borosi – 100% Calibre owned category to the Borosi – Rio Tinto option category during the year ended December 31, 2020.

In addition, the Company and Rio Tinto have entered into a separate exploration alliance ("Alliance Agreement") to acquire and earn-in to various exploration concessions in Nicaragua, with a focus on skarn, copper and copper-gold porphyry style targets (the "Alliance"). This exploration alliance is a five-year generative exploration and concession acquisition alliance under which Rio Tinto will fund 100% of the costs incurred under the Alliance Agreement.

Rio Tinto has the right to instruct Calibre to acquire selected Alliance properties and will fund the acquisition of those properties. Rio Tinto shall also have the right to designate one or more blocks of the Alliance properties (each such block not to exceed 40,000 hectares in the aggregate) and shall have the exclusive option to earn up to an 80% interest in each such block. Rio Tinto shall have an initial five-year option to acquire a 55% interest in the Alliance by incurring $5,000 in qualifying expenditures. Following earning this initial option, Rio Tinto will have the opportunity to earn up to an additional 25% in the Alliance by incurring an additional $20,000 over a 10-year period. Calibre will receive a fee of 10% of qualifying expenditures for acting as the operator under the Alliance Agreement.

Since the inception of the arrangements, the Company has recovered $996 in general exploration, salary and wages, concession property payments, and related charges associated with the Rio Tinto option and alliance agreements.

10. OTHER ASSETS

		March 31, 2021		December 31, 2020
Long-term portion of supplier advances (Note 7)	**$**	**2,238**	$	2,293
Long-term portion of value added and other recoverable taxes (Note 7)		**2,629**		2,488
Other		**102**		17
	$	**4,969**	$	4,798

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

11. DEFERRED PAYMENT TO B2GOLD

Balance as at December 31, 2019	$	14,293
Gain on modification of deferred payment		(459)
Accretion expense		1,214
Loss on settlement of deferred payment		477
Repayment of deferred payment		(15,525)
Balance as at December 31, 2020	$	-

Pursuant to the terms of the acquisition of the Limon and Libertad mines, the Company was required to make a deferred payment totaling $15,525 to B2Gold, one-year following the closing of the transaction. In April 2020, the Company and B2Gold agreed to defer the payment of $15,525 to April 15, 2021 (with the stipulation that interest would be incurred on any delay in payment later than the original due date). As a result of this extension, the Company realized a gain on modification of deferred payment of $459 for the year ended December 31, 2020.

Despite the extension, the Company paid the outstanding deferred amount of $15,525 on October 15, 2020 (the original due date), thereby eliminating any obligations under the extension terms. The Company recorded total accretion expense of $Nil for the three months ended March 31, 2021 ($388 – for the three months ended March 31, 2020) related to the deferred payment to B2Gold.

12. PROVISIONS

		Mine Restoration		Employee Benefits		Total Provisions
Balance as at December 31, 2019	$	48,906	$	9,221	$	58,127
Change in estimate		2,927		(967)		1,960
Accretion expense		819		930		1,749
Expenditures		(1,016)		(660)		(1,676)
Balance as at December 31, 2020		51,636		8,524		60,160
Less: current portion		(4,007)		(820)		(4,827)
Long-term portion at December 31, 2020	$	47,629	$	7,704	$	55,333
Balance as at December 31, 2020	$	51,636	$	8,524	$	60,160
Change in estimate		-		331		331
Accretion expense		84		200		284
Expenditures		(154)		(413)		(567)
Balance as at March 31, 2021		51,566		8,642		60,208
Less: current portion		(4,007)		(686)		(4,693)
Long-term portion at March 31, 2021	$	47,559	$	7,956	$	55,515

Employee Benefits Obligation

Employee benefits obligation includes severance accruals for employees at the Company’s operations in Nicaragua.

12. PROVISIONS - *continued*

Mine Restoration Provision

The 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 March 31, 2021 and December 31, 2020, management used a risk-free rate ranging from 0.35% to 0.65% and an inflation rate of 1.4%.

The undiscounted cash flows, before inflation adjustments, estimated to settle the mine restoration provisions was approximately $49,610 as at March 31, 2021. Due to the nature of mine closure plans, cash expenditures are expected to occur over a significant period of time.

13. SHARE CAPITAL

Authorized and Issued Share Capital

At March 31, 2021 and December 31, 2020, the Company had approximately 335.3 million and 333.8 million common shares issued and outstanding, respectively. The authorized share capital consists of unlimited common shares without par value.

Recent Issuances of Share Capital

During the three months ended March 31, 2021, 0.3 million options were exercised for gross proceeds of $187.

During the year ended December 31, 2020, 1.5 million options and 0.6 million warrants were exercised for gross proceeds of $1,151.

During the year ended December 31, 2020, pursuant to the acquisition of the EBP from IAMGOLD (Note 9), the Company issued a total of 2.3 million common shares with a value of $3,000.

13. SHARE CAPITAL - *continued*

Warrants

A summary of the Company's warrant activities for the three months ended March 31, 2021 and the year ended December 31, 2020 is presented below:

	Three months ended March 31, 2021			Year ended December 31, 2020		
	Shares issuable on (in thousands)		Weighted average (CAD$)	Shares issuable on (in thousands)		Weighted average (CAD$)
Balance as at beginning of period	11,178	$	0.95	13,764	$	1.02
Exercised	-		-	(616)		0.71
Expired	-		-	(1,970)		1.50
Balance as at end of period	11,178	$	0.95	11,178	$	0.95

As at March 31, 2021, the following share purchase warrants were outstanding and exercisable:

Expiry date	Exercise price (CAD$)	Number of warrants (in thousands)	Remaining contractual life in years
October 30, 2023	$0.95	11,178	2.58

Stock Options

A summary of the Company's stock option activities for the three months ended March 31, 2021 and the year ended December 31, 2020 is presented below:

	Three months ended March 31, 2021			Year ended December 31, 2020		
	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 year	30,943	$	0.64	30,250	$	0.62
Granted	1,895		1.54	2,375		1.02
Exercised	(267)		0.88	(1,462)		0.74
Forfeited	(2,100)		0.60	(220)		0.69
Balance as at end of year	30,471	$	0.70	30,943	$	0.64

13. SHARE CAPITAL - *continued*

Stock Options – *continued*

As at March 31, 2021, 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)
1,165	$0.45	1.75	1,165
23,371	$0.60	6.16	8,555
1,975	$0.90	6.68	658
525	$0.97	6.80	175
1,470	$0.98	6.09	609
1,895	$1.54	7.92	-
50	$1.55	0.44	50
20	$2.70	0.75	20
30,471	$0.70	6.13	11,232

During the year ended December 31, 2020, the Company granted 0.5 million stock options with an exercise price of CAD $0.97 and 1.7 million stock options with an exercise price of CAD $0.98. The options granted expire in 2028, with all the options vesting equally over three years beginning one year from the date of grant. In addition, the Company also granted a total of 0.2 million stock options with an exercise price of CAD $1.50 which vested and were exercised during the year ended December 31, 2020.

During the three months ended March 31, 2021, the Company granted 1.9 million stock options with an exercise price of CAD $1.54. The options granted expire in 2029, with all options vesting equally over three years beginning one year from the date of grant.

Restricted Stock Units ("RSU")

A summary of the Company's RSU activities for the three months ended March 31, 2021 and the year ended December 31, 2020 is presented below:

	Three months ended March 31, 2021	**Year ended December 31, 2020**
	Shares issuable on exercise of RSUs (in thousands)	Shares issuable on exercise of RSUs (in thousands)
Balance as at beginning of period	7,232	5,275
Granted	784	3,459
Exercised	(1,182)	(1,467)
Forfeited	(814)	(35)
Balance as at end of period	6,020	7,232

13. SHARE CAPITAL - *continued*

Restricted Stock Units ("RSU") – *continued*

The RSUs vest equally over a three-year period, on the anniversary dates starting from the date of grant. The RSUs will be settled within 10 business days of vesting. A summary of the vesting schedule of the RSUs currently outstanding are outlined in the table below:

	Number of RSU vesting during the period (in thousands)
Vested and Exercisable as at March 31, 2021	228
Vesting during the remainder of 2021	1,675
Vesting in 2022	2,682
Vesting in 2023	1,174
Vesting in 2024	261
	6,020

As payment for any vested RSUs, the Board may elect to settle the RSUs in any combination of issuing the Company's common shares to the holder of the RSU or by paying cash to the holder. Both options are to be settled in accordance with the terms of the Company's long term incentive plan. The Company expects to settle the RSUs through the issuance of shares and as such has accounted for these awards as equity-settled instruments.

The fair value of the RSUs is based on the share price at the time of grant and the total fair value is amortized over the RSU vesting period on a graded method. The fair value for the RSUs awarded during the three months ended March 31, 2021 was $951 (year ended December 31, 2020 - $2,400), which is being amortized over the vesting period and included in stock-based compensation (discussed below).

Performance Share Units ("PSU")

During the three months ended March 31, 2021, the Company granted a total of 0.4 million PSUs to directors of the Company. The Company has not previously granted any PSUs prior to this initial grant. The PSUs will vest in their entirety one year from the date of grant. The fair value of the PSUs are based on the share price at the time of grant and the total fair value is amortized over the PSU vesting period of one year. The fair value of the PSUs awarded during the three months ended March 31, 2021 was $485, which is being amortized over the vesting period and included in stock-based compensation (discussed below).

Stock-Based Compensation

The weighted average fair value of the stock options granted during the three months ended March 31, 2021 was $0.62 per share (three months ended March 31, 2020 – $0.37 per share).

Options are priced using the Black-Scholes option pricing model. Since October 2019, expected volatility is based on the historical share price volatility of comparable peer companies within the Company's industry in which it operates (gold producer) at the time of granting the options.

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

13. SHARE CAPITAL - *continued*

Stock-Based Compensation - *continued*

The fair value of options granted during the three months ended March 31, 2021 and 2020 was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Three months ended March 31,	
	2021	2020
Weighted average risk-free interest rate	**1.17%**	1.57%
Weighted average expected option life	**5 years**	5 years
Weighted average expected stock volatility	**60%**	57%
Weighted average expected dividend yield	**Nil**	Nil

The Company amortizes the fair value of options, RSUs, and PSUs granted over a graded vesting schedule. Consequently, the total compensation expense recognized for equity awards during the three months ended March 31, 2021 was $894 (three months ended March 31, 2020 - $1,506). For the three months ended March 31, 2021, the total compensation charged to the statement of operations was $853 (three months ended March 31, 2021 - $1,487) and $41 (three months ended March 31, 2020 - $19) was capitalized to mineral interests.

14. SUPPLEMENTAL CASH FLOW INFORMATION

The following supplemental information to the statement of cash flows for the three months ended March 31, 2021 and 2020 is as follows:

	Three months ended March 31,			
		2021		2020
Change in non-cash working capital				
Change in receivables and prepaids	**$**	**341**	$	(820)
Change in inventories		**178**		(2,401)
Change in accounts payable, accrued liabilities and income tax		**(3,440)**		2,583
Change in provisions		**412**		315
	$	**(2,509)**	$	(323)
Non-cash investing and financing activities				
Amortization included in exploration and evaluation assets	**$**	**8**	$	5
Share-based compensation included in exploration and evaluation assets		**41**		19
Mineral interest costs included in accounts payable	**$**	**5,000**	$	1,176

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

15. 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 three months ended March 31, 2021 and 2020:

	Three months ended March 31,			
		2021		2020
Short-term salaries and benefits	**$**	**161**	$	224
Director fees		**144**		136
Share-based compensation		**285**		982
Severance charges	**$**	**237**	$	-

In addition to the above, the Company paid a total of $1,239 to key management as performance bonuses related to the year ended December 31, 2020 (paid during the three months ended March 31, 2021). The Company also paid a total of $592 to key management in performance bonuses related to the year ended December 31, 2019 (paid during the three months ended March 31, 2020).

Management contracts

As at March 31, 2021, minimum commitments upon termination of the existing contracts was approximately $1,519 and minimum commitments due within one year under the terms of these contracts is $1,852. In addition, the Company is party to various executive and employee contracts that would require payments totalling $1,420 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 following the completion of the Nicaraguan Asset transaction. B2Gold owns approximately 33% of the Company as at March 31, 2021. Pursuant to an agreement with B2Gold in November 2016, B2Gold retains a 1.5% NSR on production from certain concessions within certain concessions in the northeast region of Nicaragua (unrelated to the acquisition of the assets acquired during the purchase of the Limon and Libertad mines).

16. 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 are the Chief Executive Officer and the Chief Financial Officer.

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

16. SEGMENTED INFORMATION - *continued*

Since the acquisition of the Limon and Libertad assets in October 2019, management has increasingly viewed the operations as a single unit and taken steps to consolidate and manage its resources as such. In the current period, reflecting the culmination of this work, the Company has commenced presenting its Nicaraguan operations as a single operating segment reflecting the "hub-and-spoke" strategy used by management to optimize mill asset utilization and maximize results.

As management views the Nicaraguan asset group as a single reporting segment, amounts disclosed in the consolidated financial statements also represent segment results.

The Company has only one revenue stream, being the sale of refined gold from its operations in Nicaragua. All revenue derived from the sale of gold is to one customer, however, the Company is not economically dependent on this single customer for sale of its product, as gold and other metals can be sold through numerous commodity traders worldwide.

The following geographic data includes assets based on their location as at March 31, 2021 and December 31, 2020.

	March 31, 2021			December 31, 2020		
	Canada	Nicaragua	Total	Canada	Nicaragua	Total
Cash and cash equivalents	$ 53,619	$ 4,602	$ 58,221	$ 49,452	$ 3,723	$ 53,175
Other current assets	402	52,691	53,093	575	51,696	52,271
Mining interest and property and equipment	122	252,915	253,037	194	240,745	240,939
Other long-term assets	-	4,969	4,969	-	4,798	4,798
Total assets	$ 54,143	$ 315,177	$ 369,320	$ 50,221	$ 300,962	$ 351,183

17. COMMITMENTS AND CONTINGENCIES

Commitments

The Company is committed to $7.1 million 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 at March 31, 2021 (not discussed elsewhere in these condensed interim consolidated financial statements for the three months ended March 31, 2021 and for the audited annual consolidated financial statements for the year ended December 31, 2020):

	Remaining 2021	2022	2023	2024	2025	2026 and later years	Total
Payables and non-capital orders	$ 4,575	$ -	$ -	$ -	$ -	$ -	$ 4,575
Capital expenditure commitments	2,485	-	-	-	-	-	2,485
	$ 7,060	$ -	$ -	$ -	$ -	$ -	$ 7,060

17. COMMITMENTS AND CONTINGENCIES - *continued*

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.

During the year ended December 31, 2020, a Nicaraguan subsidiary of Calibre Mining Corp., received an observation letter from the Nicaraguan Tax Authority for the fiscal year 2016 relating to certain matters associated with the Company's operations in Nicaragua related to the tax deductibility of certain expenditures. The outcome of a potential reassessment for the Company's Nicaraguan subsidiary for the fiscal year 2016 is approximately $1.2 million (including penalties and interest charges), however, the Company believes that its tax positions are valid and continues to vigorously defend its tax filing positions.

18. FINANCIAL INSTRUMENTS AND 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.

Fair values of cash and cash equivalents are based on quoted prices in active markets for identical assets, resulting in a level one valuation. 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 a to financial instrument fails to meet its contractual obligations. As at March 31, 2021, the Company's maximum exposure to credit risk was the book value of cash and cash equivalents, accounts receivable, value added and other taxes receivable and current and long-term loan receivable. The Company limits its credit exposure on cash and cash equivalents by holding its deposits mainly with high credit quality financial institutions as determined by credit agencies in Canada.

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 March 31, 2021, the Company had cash and cash equivalents of $58,221 (December 31, 2020 - $53,175) and current liabilities of $32,357 (December 31, 2020 - $35,490). Cash provided by operating activities totaled $25,522 for the three months ended March 31, 2021 (three months ended March 31, 2020 - $20,354). In addition, the Company's working capital improved from $69,956 at December 31, 2020 to $78,957 at March 31, 2021 as a result of positive cashflow generation from the Limon and Libertad operations.

18. FINANCIAL INSTRUMENTS AND RISK FACTORS - *continued*

Interest rate risk

The Company has no interest-bearing debt at March 31, 2021. The Company's interest revenue earned on cash and cash equivalents is exposed to interest rate risk. A decrease in interest rates would result in lower interest income and an increase in interest rates would result in higher interest income.

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 March 31, 2021, would affect the statements of operations and comprehensive income by approximately $1,112.

The Cordoba has been annually devalued against the U.S. dollar by means of a crawling peg mechanism which currently stands at approximately 2%. All the Company's gold production is in Nicaragua.

Prior to the acquisition of the Nicaragua Assets, the Company funded its exploration activities in Nicaragua on a cash call basis using U.S. or Canadian dollars held in bank accounts located in Canada. Since the acquisitions of the Nicaragua Assets, 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 in 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 three months ended March 31, 2021 and does not have any positions outstanding as at March 31, 2021. Our gold and silver sales continue to be subject to market prices.