CALIBRE MINING CORP

MANAGEMENT DISCUSSION & ANALYSIS

THREE AND SIX MONTHS ENDED JUNE 30, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of Calibre Mining Corp. (the "Company" or "Calibre") contains information that management believes is relevant to an assessment and understanding of the Company's consolidated financial position and the results of its consolidated operations for the three and six months ended June 30, 2021 and 2020. This MD&A should be read in conjunction with the unaudited interim consolidated financial statements for the three and six months ended June 30, 2021 and 2020, which are prepared in condensed format in accordance with International Financial Reporting Standards ("IFRS") as applicable to the preparation of interim financial statements, including International Accounting Standard IAS 34, *Interim Reporting*. The unaudited condensed interim consolidated financial statements should also be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2020, which have also been prepared in accordance with IFRS. This MD&A was prepared and reflects information as of August 4, 2021.

Additional information including this MD&A, the unaudited interim consolidated financial statements for the three and six months ended June 30, 2021 and 2020, the audited consolidated financial statements and MD&A for the year ended December 31, 2020, press releases, and other corporate filings are available on the SEDAR website, www.sedar.com, and the Company's website, www.calibremining.com.

This MD&A contains certain non-IFRS measures. The Company believes that these measures, in addition to information prepared in accordance with IFRS, provides investors with useful information to assist in their evaluation of the Company's performance and ability to generate cash flow from its operations. While these measures are intended to provide additional information, they should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS, as they do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers. For further information, refer to the section *Non-IFRS Measures* within this MD&A.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors outlined in the *Risk Factors* and *Forward-Looking Statements* sections. This MD&A provides management's analysis of historical financial and operating results and provides estimates of the Company's future financial and operating performance based on information currently available. Actual results will vary from estimates and variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

All amounts are in U.S. dollars ("$") unless otherwise stated. References to "CAD" are to the Canadian dollar.

The following additional abbreviations may be used within this MD&A: General and Administrative Expenses ("G&A"); Property, Plant, and Equipment ("PPE"); Asset Retirement Obligation ("ARO"); Gold ("Au"); Silver ("Ag"); Troy Ounces ("oz"); All-in-Sustaining Costs per ounce sold ("AISC"); Grams per Tonne ("g/t"); Tonnes ("t"); Tonnes per Annum ("tpa"); Hectares ("ha"); Square Kilometer ("km^2"); and Metres ("m"). In addition, throughout this MD&A, the reporting periods for the three months ended June 30, 2021 and 2020 are condensed to be Q2 2021 and Q2 2020, respectively, and the six months ended June 30, 2021 and 2020 are condensed to be YTD 2021 and YTD 2020.

COMPANY OVERVIEW

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 mills), 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*.

CONSOLIDATED RESULTS SUMMARY AND HIGHLIGHTS

The following is a summary of consolidated financial and operational results for Q2 2021 and YTD 2021, along with their comparative prior periods. Additional information including operational and financial information is provided throughout this MD&A.

Consolidated Financial Results

(in $'000s - except per share and per ounce amounts, as noted)		Q2 2021		Q2 2020		YTD 2021		YTD 2020
Revenue	**$**	**78,785**	$	15,910	**$**	**160,819**	$	77,280
Cost of sales, including depreciation and amortization	**$**	**(54,481)**	$	(10,117)	**$**	**(106,555)**	$	(48,134)
Mine operating income	**$**	**24,304**	$	5,793	**$**	**54,264**	$	29,146
Net income (loss)	**$**	**11,885**	$	(5,412)	**$**	**28,530**	$	7,228
Net income (loss) per share - basic	**$**	**0.04**	$	(0.02)	**$**	**0.08**	$	0.02
Net income (loss) per share - fully diluted	**$**	**0.03**	$	(0.02)	**$**	**0.08**	$	0.02
Cash provided by operating activities	**$**	**29,348**	$	(13,421)	**$**	**54,870**	$	6,933
Capital investment in mine development and PPE	**$**	**20,570**	$	3,523	**$**	**35,831**	$	10,440
Capital investment in exploration	**$**	**5,623**	$	1,964	**$**	**10,283**	$	4,747
Average realized gold price [1] ($/oz)	**$**	**1,804**	$	1,688	**$**	**1,796**	$	1,604
Total Cash Costs [1] ($/oz sold)	**$**	**1,066**	$	955	**$**	**1,022**	$	909
AISC [1] ($/oz sold)	**$**	**1,216**	$	1,426	**$**	**1,154**	$	1,114

Consolidated Operational Results

	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Ore Mined *(t)*	**508,330**	191,347	**993,983**	778,931
Ore Milled *(t)*	**461,843**	197,082	**881,183**	721,182
Grade *(g/t Au)*	**3.11**	2.13	**3.31**	2.43
Recovery (%)	**93.4**	91.2	**92.3**	91.7
Gold Ounces Produced	**43,506**	6,010	**88,958**	48,095
Gold Ounces Sold	**43,682**	9,426	**89,564**	48,181

Q2 2021 Milestones and Highlights

- Gold production of 43,506 ounces
    - Limon produced 15,767 ounces from 127,465 tonnes of ore with an average grade of 4.06 g/t Au and average recoveries of 89.6%
    - Libertad produced 27,739 ounces from 334,378 tonnes of ore with an average grade of 2.74 g/t Au and average recoveries of 95.5%
- Gold sales of 43,682 ounces generating $78.8 million in revenue at an average realized gold price [1] of $1,804/oz
- Net income of $11.9 million (Q2 2020 – net loss of $5.4 million), with basic net income per share of $0.04 (Q2 2020 – basic net loss per share of $0.02)

[1] This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

- Consolidated Total Cash Costs [(1)] and AISC [(1)] of $1,066 and $1,216 per ounce, respectively
- Calibre updated its guidance for Growth Capital and Exploration, increasing its investment in the business and prospects for future growth and expansion of resources (further details are outlined in *Company Outlook*)
- Significant operational and exploration developments announced in Q2 2021:
    - Attained a daily delivery rate of 550 tonnes per day of ore delivery from the Pavon Norte mine to the Libertad Mill, a 57% increase over Q1 2021 and targeting 1,000 tonnes per day by the end of 2021
    - First deliveries of Panteon development ore in Q2 2021. The Panteon South mine reached commercial production in July 2021
    - Released the Company's inaugural 2020 Sustainability Report, available on the Company's website
    - Advanced the high-grade EBP, including:
        - Completed 75% of the planned infill, metallurgical, geotechnical, and hydrological drilling
        - Acquired most of the required surface rights during the quarter
        - Advanced social, technical, and environmental work with project permit applications and updated resource estimates expected during Q1 2022
    - Rio Tinto Exploration and Calibre joint venture copper-porphyry drilling program well underway
    - 16 exploration drills active across 100%-owned mine sites and satellite opportunities

YTD 2021 Milestones and Highlights

- Gold production of 88,958 ounces
    - Limon produced 32,104 ounces from 251,614 tonnes of ore with an average grade of 4.23 g/t Au and average recoveries of 89.4%
    - Libertad produced 56,854 ounces from 629,569 tonnes of ore with an average grade of 2.94 g/t Au and average recoveries of 94.0%
- Gold sales of 89,564 ounces producing $160.8 million in revenue (average realized gold price [(1)] of $1,796/oz)
- Cash of $66.3 million at June 30, 2021; an increase of 24.7%, or $13.1 million, from December 31, 2020.
- Generated $54.9 million in cash from operating activities in YTD 2021 ($6.9 million in YTD 2020)
- Net income of $28.5 million (YTD 2020 – net income of $7.2 million), with basic and diluted net income per share of $0.08 (YTD 2020 – basic and diluted net income per share of $0.02)
- Consolidated Total Cash Costs [(1)] and AISC [(1)] of $1,022 and $1,154 per ounce, respectively
- Significant operational and exploration developments announced:
    - The Company updated its reserves and resources as at December 31, 2020, which included a significant increase in reserves to 864,000 ounces (from 286,000 ounces at December 31, 2019), further details are provided in *Recent Corporate Developments* section immediately below)
    - Positive Pavon gold mine Pre-Feasibility Study demonstrating strong exploration potential, and an after-tax net present value of $106 million (at a $1,700 price of gold and a discount of 5%) (full technical report is available on the Company's website and on www.sedar.com)
    - Initial development of the Pavon Norte open-pit mine commenced in January 2021 with commercial production achieved in March 2021.
    - Exploration results have been announced throughout YTD 2021, including expanded details on Calibre's 2021 exploration plans as discussed in the *Growth and Discovery* section of this MD&A.

(1) This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

RECENT CORPORATE DEVELOPMENTS

Significant Reserves and Resources Update

On March 29, 2021, Calibre announced its updated Mineral Reserves and Resources at our El Limon and La Libertad mining complexes in Nicaragua as of December 31, 2020. Highlights include:

- A 202% increase in Mineral Reserves to 864,000 ounces since December 31, 2019 (net of 2020 depletion) and a strong foundation for a multi-year "hub-and-spoke" production and growth strategy. The newly announced reserves are the largest since 2010 and have the highest grade on record at 4.49 g/t gold.
- Libertad Mineral Reserves totalled 296,000 ounces (Libertad had no reserves at December 31, 2019)
- 137% increase in Limon Open Pit Mineral Reserves (net of depletion) to 462,000 ounces
- Indicated Resources of 1.5 million ounces and Inferred Resources of 1.3 million ounces

The tables immediately below provide a summarized account of Company's Mineral Reserves and Resources as of December 31, 2020. For further information, refer to the Company's press release dated March 29, 2021 (which includes footnotes to the tables provided below) and to the related 43-101 technical reports available on the Company's website at www.calibremining.com and on Calibre's profile on www.sedar.com.

The table below outlines the Company's probable mineral reserves as of December 31, 2020 [(1)].

Location	Tonnage	Au Grade	Ag Grade	Contained Au	Contained Ag
	(kt)	*(g/t Au)*	*(g/t Ag)*	*(koz)*	*(koz)*
Limon underground	617	5.14	8.25	102	164
Limon open-pit	3,389	4.24	1.22	462	133
Limon stockpile	29	3.82	-	4	-
Limon Mineral Reserves - Probable	**4,036**	**4.38**	**2.29**	**568**	**297**
Libertad underground	477	3.92	20.00	60	307
Libertad open-pit sources	1,420	4.80	11.29	219	515
Libertad stockpile	55	9.30	-	16	-
Libertad Mineral Reserves - Probable	**1,952**	**4.71**	**13.08**	**296**	**822**
Total Mineral Reserves - Probable	**5,988**	**4.49**	**5.81**	**864**	**1,119**

The following table outlines the Company's indicated mineral resources (inclusive of mineral reserves) as of December 31, 2020 [(1)].

Location	Tonnage	Au Grade	Ag Grade	Contained Au	Contained Ag
	(kt)	*(g/t Au)*	*(g/t Ag)*	*(koz)*	*(koz)*
Limon underground	1,475	5.46	5.40	259	256
Limon open-pit	4,393	4.45	1.57	628	222
Limon stockpile	29	3.82	-	4	-
Limon tailings	7,329	1.12	-	263	-
Limon Mineral Resources - Indicated	**13,226**	**2.71**	**1.12**	**1,154**	**478**
Libertad underground	421	5.72	28.15	77	381
Libertad open-pit sources	2,012	4.41	12.57	285	813
Libertad stockpile	55	9.30	-	16	-
Libertad Mineral Resources - Indicated	**2,488**	**4.74**	**14.93**	**378**	**1,194**
Total Mineral Resources - Indicated	**15,714**	**3.03**	**3.31**	**1,532**	**1,672**

(1) For further information, refer to the Company's press release dated March 29, 2021 (which includes footnotes to the tables provided) and to the related 43-101 technical reports available on the Company's website at www.calibremining.com and on Calibre's profile on www.sedar.com.

The table below outlines Calibre's inferred mineral resources at Limon, Libertad, and EBP at December 31, 2020 [1].

Location	Tonnage	Au Grade	Ag Grade	Contained Au	Contained Ag
	(kt)	*(g/t Au)*	*(g/t Ag)*	*(koz)*	*(koz)*
Limon underground	1,149	5.22	3.90	193	144
Limon open-pit sources	260	4.07	0.84	34	7
Limon Mineral Resources - Inferred	**1,409**	**5.01**	**3.33**	**227**	**151**
Libertad underground	1,585	5.40	13.44	275	685
Libertad open-pit sources	1,246	2.77	5.37	111	215
Libertad Mineral Resources - Inferred	**2,831**	**4.24**	**9.89**	**386**	**900**
EBP Resources - Inferred	**4,418**	**4.93**	**80.00**	**701**	**11,359**
Total Mineral Resources - Inferred	**8,658**	**4.72**	**44.58**	**1,314**	**12,410**

Information regarding our current and planned exploration programs are discussed in the section *Growth and Discovery*. Below are some details on the most recent Mineral Reserves and Mineral Resources at Limon, Libertad, and the EBP as of December 31, 2020.

Limon Complex

Limon's total Mineral Reserves increased 98% from those reported at December 31, 2019 to 568,000 ounces of gold (net of 2020 depletion), driven by reserves at the Limon open pits increasing by 137% to 462,000 ounces and reserves at Limon underground increasing from 91,000 ounces to 102,000 ounces of gold, both net of depletion. Limon open pit Mineral Reserve grade remained flat year-over-year, while the Limon underground reserve grade increased by 12% to 5.14 g/t Au from 4.60 g/t Au on December 31, 2019.

A successful infill drilling campaign during 2020 upgraded inferred resources into indicated resources resulting in indicated resources growing 46% to 1,154,000 ounces (inclusive of reserves) with grades increasing by 22% from 2.23 g/t Au to 2.71 g/t Au. The technical report included an Atravesada maiden indicated resource of 171,000 tonnes grading 6.20 g/t Au containing 34,000 ounces and an inferred resource of 215,000 tonnes grading 6.36 g/t Au containing 44,000 ounces. We also reported a maiden indicated resource at Panteon of 254,000 tonnes grading 8.37 g/t Au containing 68,000 ounces and an inferred resource of 62,000 tonnes grading 5.69 g/t Au containing 11,000 ounces.

Libertad Complex

Mineral Reserves at Libertad and Pavon increased from Nil on December 31, 2019 to 296,000 ounces of gold grading 4.71 g/t Au. Jabali underground added 477,000 tonnes grading 3.92 g/t Au containing 60,000 ounces of reserves and Jabali open pits contributed 139,000 tonnes grading 4.25 g/t Au containing 19,000 ounces.

On March 16, 2021, the Company announced the results of its Pavon Gold Mine Pre-Feasibility Study which included 200,000 reserve ounces, 1.28 million tonnes grading 4.86 g/t Au. Pavon will play an integral role in our "hub-and-spoke" strategy over the coming years. The Pavon project represents a newly emerging gold district in Nicaragua in a region that has remained underexplored.

Total indicated resources at Libertad and Pavon increased by 18% from 320,000 to 378,000 ounces of gold (inclusive of reserves) as a portion of Jabali underground and Socorro open pit material was upgraded from inferred resources, partially offsetting depletion at the Jabali Antenna open pit. Stockpiles of high-grade ore purchased from artisanal mining collectives added 55,000 tonnes grading 9.30 g/t Au containing 16,000 ounces.

(1) For further information, refer to the Company's press release dated March 29, 2021 (which includes footnotes to the tables provided) and to the related 43-101 technical reports available on the Company's website at www.calibremining.com and on Calibre's profile on www.sedar.com.

Eastern Borosi Project

Calibre controls a 100% interest in EBP, located in northeastern Nicaragua. The EBP concession block encompasses a past producing district scale system of near surface epithermal gold-silver veins that hosts inferred resources totaling 4.4 million tonnes averaging 4.9 g/t Au and 80 g/t Ag containing 700,500 ounces of gold and 11,359,500 ounces of silver. The project is located approximately 400 km by road from the Company's Libertad mill, which has approximately 1.5 million tonnes per annum of surplus processing capacity, providing a low-cost opportunity for organic growth.

Pre-Feasibility and Start-up of Pavon Norte Open-Pit Mine

On January 24, 2021, Calibre announced the commencement of open-pit ore production from Pavon Norte, providing another source of ore for the Libertad mill. Pavon Norte open pit achieved commercial production in March 2021. The Company expects to gradually ramp-up mill feed haulage to approximately 1,000 tonnes per day by the end of 2021. Bringing Pavon Norte into production, ahead of schedule, is a significant milestone which exemplifies our efforts to increase production and extend the life of the Libertad Complex by processing ores mined from satellite deposits, in line with the Company's "hub-and-spoke" operating strategy.

On March 16, 2021, the Company announced the results of its Pavon Open Pit Gold Mine Pre-Feasibility Study ("Pavon PFS"), utilizing a portion of the installed 2.2 million tonnes per annum capacity at the Libertad mill. The Pavon PFS was conducted by WSP in Canada, while the financial models were prepared by SLR Consulting (Canada) Ltd. The Pavon PFS highlights follow, for further information refer to Calibre's press release on March 16, 2021.

Reserve Gold Price	$1,400 per ounce
Initial Mine Life	4 years
Average Life-of-Mine ("LOM") Throughput	877 tonnes per day
Average LOM Grade	4.86 g/t Au and 7.0 g/t Ag
Average LOM Recovery	94% Au and 35% Ag
Average Annual Gold Production	47,000 ounces
Average LOM Total Cash Costs [1]	$650 per ounce
Average LOM AISC [1]	$711 per ounce (net of Ag credits)
Total Gold Production	188,213 ounces
After-tax $NPV_{5\%}$ (at $1,700/oz Au)	$106.4 million

The reserves do not consider any new drilling information after December 2015. The Company's 2021 drilling program looks to expand gold resources along strike and down dip, as additional resources outside the reserve mine plan offer potential to extend the mine life and underpins the potential for low-cost organic production growth.

The Pavon mineral reserve estimate, as of December 31, 2020, totalled 1.3 million tonnes grading 4.86 g/t Au and 7.02 g/t Ag for total contained ounces of 200,000 ounces gold and 290,000 ounces silver. The Pavon gold deposit also contained 1.4 million tonnes of indicated mineral resources (inclusive of mineral reserves) grading 5.16 g/t Au and 7.72 g/t Ag for total contained ounces of 231,000 ounces gold and 346,000 ounces silver. Additionally, there was 0.6 million tonnes grading 3.37 g/t Au and 4.90 g/t Ag for total contained ounces of 63,000 ounces gold and 91,000 ounces silver in inferred resources between Pavon Norte, Pavon Central, and Pavon South.

Pavon represents an average of 0.3 million tonnes per annum of mill feed over the next four years to Libertad. However, with Libertad having excess capacity, there is still a significant opportunity to utilize the excess capacity by further converting mineral resources to reserves, through new discoveries, exploration success, toll milling or the purchase of additional artisanal miner ore.

(1) This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

Impact of the Global 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 because 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 highly 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 preventative communication campaign, while working closely with our local communities, the Ministry of Health in Nicaragua, employees and contractors to minimize the spread of the virus.

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

COMPANY OUTLOOK

Revised 2021 Growth Capital and Exploration Guidance

As a result of the advancement at the EBP, Calibre is updating its 2021 guidance to reflect the greater investment in the Company's business and to advance the Company's next mining spokes.

	Revised Consolidated Guidance	Original 2021 Guidance [2]
Gold Production *(oz)*	**170,000 - 180,000**	170,000 - 180,000
Total Cash Costs *($/oz)* [1]	**$950 - $1,050**	$950 - $1,050
AISC *($/oz)* [1]	**$1,040 - $1,140**	$1,040 - $1,140
Growth Capital *($ millions)*	**$45 - $50**	$35 - $40
Exploration *($ millions)*	**$17 - $19**	$14 - $17
G&A *($ millions)*	**$7 - $8**	$7 - $8

(1) This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

(2) The Company's original 2021 guidance was announced on January 12, 2021 and was withdrawn on August 4, 2021 in conjunction with the release of the Q2 2021 interim results. The original 2021 guidance is provided for information and comparative purposes only. Details of the changes to the guidance are provided immediately below.

(3) The guidance table assumes $1,800/oz gold price.

The Company's production guidance remains on track to meet the higher end of guidance and expects to be within the range of AISC [(1)] however, it is anticipated to be toward the high end. Growth capital and exploration guidance is increasing due to some inflationary cost tensions but largely due to the increased spend at the EBP and additional land acquisitions which is anticipated to lead to production and cash flow growth.

Since its acquisition of the Limon and Libertad assets in October 2019, the Company has continuously invested in its business, as the Company looks for new opportunities and prospects for growth. For the year ended December 31, 2021, the Company expects to advance the exploration and development at EBP at a greater pace than when the original 2021 consolidated guidance was announced, with additional exploration drilling metres being added at EBP, the acquisition of most of the required surface rights during Q2 2021, and the progression of social, technical, and environmental work aimed at achieving a project permit application and updated resource estimate by Q1 2022, the Company looks to add EBP as its next spoke in our growth model. Calibre is also looking to progress the development at the Limon Norte and Tigre mines, including surface and resettlement purchases, technical and base-line studies, and initial infrastructure construction, leading to the commencement of the Limon Norte pre-stripping campaign. While the Company made significant progress at EBP and Limon Norte, Calibre did observe some cost overruns in bringing its mines at Panteon and Pavon into commercial production, including improving ventilation systems, unexpected upgrades to electrical and surface substation construction, and various infrastructure projects and at its expanded project for the Crimea tailings facility. As a result of these events, the Company believes it is prudent to increase its overall growth capital guidance to between \$45 and \$50 million (from \$35 to \$40 million) and with an increased focus on EBP and Calibre's overall drilling campaign growing from an initial 60,000 metre planned program to approximately 85,000 metres, Calibre will be increasing its exploration expenditure guidance range from \$14 to \$17 million to \$17 to \$19 million.

The Company experienced higher per ounce costs during Q2 2021, with Total Cash Costs [(1)] and AISC [(1)] of \$1,066/oz and \$1,216/oz, compared to Q1, 2021 with Total Cash Costs [(1)] and AISC [(1)] of \$979/oz and \$1,095/oz, respectively. While the Company has considered the impact in rising commodity prices and supplies (such as diesel, consumables and reagents), Calibre has also identified the ability to achieve a higher level of efficiency and productivity at its mine sites to offset these rising operational costs. Specifically, the high-grade Panteon South underground mine reached commercial production in July 2021. The Company continues to see improvements in high-grade ore delivery from Pavon Norte to its Libertad mill, most recently attaining a daily delivery rate of 550 tonnes per day with a goal of 1,000 tonnes per day by the end of 2021. The Company also expects that more favorable mine sequencing at Limon Central will result in higher mined head grades, with the best mined grades forecast in Q4 2021. The Company has renegotiated power cost contracts resulting in an approximate 29% per kw/hr savings, which is now in full effect. Lastly, the Company continues to improve operations at Jabali underground with increased technical knowledge and new underground equipment arriving in the second half of 2021. As a result, the Company continues to maintain its original guidance on total gold production, Total Cash Costs [(1)], AISC [(1)] and overall G&A.

Further expanded details on Calibre's YTD 2021 activity and 2021 exploration plans are outlined in the Growth and Discovery section of this MD&A.

EXTERNAL PERFORMANCE DRIVERS AND TRENDS

Price of Gold

The price of gold is a significant factor in determining the Company's profitability, financial performance and cash flow from operations. The price of gold is subject to volatile price fluctuations and can be affected by numerous macroeconomic conditions, including supply and demand, value of the US dollar, interest rates, and global economic and geopolitical issues. Despite the volatility, management considers the gold price outlook for the remainder of 2021 and longer-term to be favourable, and is committed to be an unhedged seller of gold. Key drivers of the price of gold continue to be historically low global interest rates, rising geopolitical tensions, and the uncertainties surrounding the recent COVID–19 global pandemic.

As at June 30, 2021, the price of gold closed at $1,763/oz, down 6.8% from the closing price on December 31, 2020. The average spot gold price for Q2 2021 was $1,816 (Q2 2020 - $1,711), up 6.1% over the comparative quarter in the prior year. For the month of July 2021 the price of gold averaged $1,806, as gold prices rebounded from the June 30, 2021 closing price.

Foreign Exchange Volatility

The Company's reporting currency is the U.S. dollar. The Company's functional currency for its parent company with its head office in Vancouver is the Canadian dollar and the U.S. dollar is the functional currency for the subsidiaries in Nicaragua, although some costs in Nicaragua are paid in Nicaraguan Córdoba. The exchange rate between the Córdoba and the U.S. dollar has historically been managed by the Nicaraguan Central Bank. The Córdoba has been annually devalued against the U.S. dollar by means of a "crawling peg" mechanism set at 2% per year. As such, the Company holds most of its cash and cash equivalents in either U.S. or Canadian dollars and holds minimal balances in Córdoba.

As at June 30, 2021, the Canadian dollar closed at $1.24 (December 31, 2020: $1.27) and the Nicaraguan Córdoba closed at $35.17 (December 31, 2020: $34.82) for each U.S. dollar, respectively. The average rates in Q2 2021 for the Canadian dollar and the Nicaraguan Córdoba were $1.23 and $35.08, respectively (Q2 2020: $1.39 and $34.21 respectively). The Company's exposure to fluctuations in the Canadian dollar is limited to its corporate general and administrative costs in Canada (YTD 2021: $3.8 million) and cash balances held in Canadian dollars, which as at June 30, 2021 totalled $2.0 million.

HEALTH, SAFETY, COMMUNITY RELATIONS, AND THE ENVIRONMENT

Calibre aspires for zero harm to employees, the environment and local communities. The Company strives to minimize and mitigate risks inherent in its business in a sustainable manner and recognizes that community engagement is critical to sustainability. Ultimately, the long-term success of the Company's business will be earned by minimizing risks, mitigating negative impacts and maintaining the support of, and collaboration with, our neighbours.

During Q2 2021, Calibre released its inaugural 2020 Sustainability Report, which outlines the Company's achievements and progress during 2020 and provides guidance for the Company's Environmental, Social, and Corporate Governance ("ESG") initiatives for 2021. The full report is available on the Company's website at www.calibremining.com. Below are some of the highlights discussed within the report:

People

- Our workplace: 2,754 employees and contractors, 98% of whom are Nicaraguan nationals, with 68% from the local communities where we operate
- Held 748 transparent and open community engagement meetings
- Conducted four public consultations, all resulting in project approval

Socio-Economic Benefits

- Distributed $198 million in total economic value to our host country of Nicaragua through wages and benefits to employees, contracts to suppliers, taxes, and community investments
- 65% of total procurement spent is in-country

Health & Safety

- Developed a "ONE CALIBRE" Organizational Health & Safety Culture Program
- Executed a self-imposed ten-week COVID-19 response shutdown in Q2 2020
- Implemented new rigorous health and safety procedures and protocols
- Reduced Lost Time Injury Frequency Rate by 10% compared to full year 2019

Environment

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

Governance

- Joined the World Gold Council and working to comply with all Responsible Gold Mining Principles
- Advancing alignment with the UN Sustainable Development Goals
- Integrating and adhering to updated governance and social responsibility policies and procedures

The sustainability report is an important milestone for Calibre, as the Company continues to seek full transparency in our approach to responsible and sustainable mining, ensuring our accountability to all stakeholders by doing what we say, and responsibly delivering on our commitments.

The Company continues to work towards fully complying with the Responsible Gold Mining Principles within the World Gold Council's three-year timeframe. To prepare for this, we will be conducting a gap analysis in the second half of 2021 to identify those policies, standards, and processes that already comply with the standard and those that require improvement.

MINING OPERATIONS

	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Operating Information				
Ore Mined - open pit *(t)*	**412,529**	179,289	**803,143**	736,953
Ore Mined - open pit - average grade *(g/t Au)*	**2.16**	2.27	**2.72**	2.49
Waste Mined - open pit *(t)*	**3,986,157**	1,901,157	**8,461,963**	7,439,689
Ore Mined - underground *(t)*	**95,801**	12,057	**190,840**	41,977
Ore Mined - underground - average grade *(g/t Au)*	**4.03**	4.23	**3.86**	3.97
Total Ore Mined *(t)*	**508,330**	191,347	**993,983**	778,931
Total Ore Mined - average grade *(g/t Au)*	**2.51**	2.40	**2.94**	2.57

Open Pit Mining Operations

During Q2 2021, open pit mining consisted of 412,529 ore tonnes at an average grade of 2.16 g/t gold. The majority of the open pit production came from Limon Central ("LC") Phase 2 totaling 215,586 ore tonnes at an average grade of 2.63 g/t, with additional ore from Pavon Norte in the amount of 59,621 tonnes at a grade of 3.38 g/t, 135,678 tonnes at a grade of 0.74 g/t of previously processed "spent ore" and 1,644 tonnes at 12.96 g/t from artisanal small miners. Effective June 1, 2020, the Company considers LC Phase 2 to be in commercial production and defers stripping waste material above the average life of mine waste : ore strip ratio. Pavon Norte began operations in Q1 2021, with initial ore deliveries to the Libertad mill in January 2021 and achieved commercial production in March 2021.

As previously discussed 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. While the Company was able to re-establish a steady state of operation in July 2020, the suspension had a significant impact on the operations and financial results for Q2 2020.

During Q2 2020, the majority of the mine production originated from the LC Phase 2 open pit, totalling 26,236 tonnes at an average grade of 3.38 g/t gold, the LC Phase 1 open-pit totalling 9,282 tonnes at an average grade of 3.81 g/t gold, 34,499 tonnes from Jabali Antena open-pit grading 3.06 g/t, 102,197 tonnes grading 0.85 g/t from previously processed "spent ore" and 7,074 tonnes of ore purchased from artisanal small miners at a grade of 12.90 g/t. The operations at Jabali Antena open pit were completed in Q4 2020 with some residual ore processed in Q1 2021, however the Company expects to resume operations at Jabali Antena in the future. The Company was able to transition mining operations and production efficiently and effectively from one open pit operation (Jabali Antena) to another (Pavon Norte) from Q4 2020 to Q1 2021.

For six months ended June 30, 2021, open pit mine production totaled 803,143 ore tonnes at an average grade of 2.72 g/t gold, with production coming from the LC Phase 2 totaling 400,230 ore tonnes at an average grade of 3.03 g/t, Pavon Norte totaling 171,317 tonnes at a grade of 3.75 g/t, 222,236 tonnes at a grade of 0.64 g/t of previously processed "spent ore" and 9,360 tonnes at 19.97 g/t from artisanal small miners.

For six months ended June 30, 2020, open pit mine production totaled 736,953 ore tonnes at an average grade of 2.49 g/t gold, with mine production coming from the LC open-pit totalling 227,137 tonnes at an average grade of 4.25 g/t gold, 155,195 tonnes of ore from the Jabali Antena open-pit grading 2.80 g/t, 339,013 tonnes grading 0.77 g/t from previously processed "spent ore", and 13,319 tonnes of ore purchased from artisanal small miners at a grade of 13.00 g/t.

During the second half of 2021, Calibre is forecasting an improvement to the LC mine sequencing to generate mining higher-grade materials, with the highest grade of the year in the fourth quarter of 2021. At Libertad, during Q2 2021, the Company achieved delivery rates of 550 tonnes per day of ore from the Pavon Norte mine to the Libertad mill, a 57% increase over Q1 2021. Calibre continues to focus on our target of 1,000 tonnes per day by the end of 2021.

Underground Mining Operations

Underground ore mined during Q2 2021 was 95,801 tonnes at a grade of 4.03 g/t compared to 12,057 ore tonnes mined in Q2 2020 at a grade of 4.23 g/t. Q2 2021 ore production was 42,971 tonnes at a grade of 3.27 g/t from Jabali underground, 13,275 tonnes at a grade of 3.50 g/t from Santa Pancha, 19,058 tonnes at a grade of 3.57 g/t from Veta Nueva and 20,498 tonnes at a grade of 6.40 g/t from development ore at Panteon South. During Q2 2020, the Company mined a combined total of 12,057 tonnes from Santa Pancha and Veta Nueva.

As previously discussed 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. While the Company was able to re-establish a steady state of operation in July 2020, the suspension had a significant impact on the operations and financial results for Q2 2020.

Underground ore mined during the YTD 2021 was 190,840 tonnes averaging 3.86 g/t of grade compared to 41,977 ore tonnes mined in the six months ended June 30, 2020 at a grade of 3.97 g/t. For the six months ended June 30, 2021, ore production was 88,025 tonnes at a grade of 3.19 g/t from Jabali underground, 34,970 tonnes at a grade of 3.47 g/t from Santa Pancha, 41,808 tonnes at a grade of 4.20 g/t from Veta Nueva and 26,037 tonnes at a grade of 6.11 g/t from development ore at Panteon South.

Underground production for YTD 2020 was 34,862 ore tonnes for Santa Pancha at a grade of 3.88 g/t with the remaining ore tonnage from Veta Nueva. Jabali underground operations were suspended during the first half of 2020 but resumed operations in Q3 2020.

Jabali underground production continues to improve as a result of increased technical experience and new underground equipment arriving in the second half of 2021. The Veta Nueva underground mine reached commercial production in January 2021. The Panteon South underground mine which has delivered ore from development drifts in Q2 2021 achieved commercial production in July 2021. Calibre started developing the

Atravesada underground mine in Q2 2021 and is expected to commence ore deliveries by the first quarter of 2023. Panteon and Atravesada are high-grade underground discoveries made during 2020 with maiden declaration of reserves and resources at year end 2020 totaling 157,000 ounces of resources that are inclusive of 60,000 ounces of reserves.

PROCESSING OPERATIONS

Processing at Limon

	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Ore Milled *(t)*	**127,465**	50,805	**251,614**	181,289
Grade *(g/t Au)*	**4.06**	3.85	**4.23**	4.76
Recovery *(%)*	**89.6**	90.4	**89.4**	89.7
Gold produced	**15,767**	2,837	**32,104**	23,473
Gold sold	**15,782**	5,003	**32,433**	23,528

During Q2 2021, the Limon mill produced 15,767 ounces driven by an average mill grade of 4.06 g/t gold and recovery of 89.6% from 127,465 tonnes of ore milled. The lower tonnes milled in Q2 2020 (compared to Q2 2021) was the result of the initiation of the temporary pandemic related suspension previously noted that impacted Q2 and YTD 2020 operational activity.

During YTD 2021, the Limon mill produced 32,104 ounces driven by mill grade of 4.23 g/t and a recovery of 89.4% from 251,614 tonnes of ore milled. The grade has been lower for the YTD 2021 versus YTD 2020 mainly from sequencing at the Limon Central ore body.

Processing at Libertad

	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Ore Milled *(t)*	**334,378**	146,277	**629,569**	539,892
Grade *(g/t Au)*	**2.74**	1.54	**2.94**	1.65
Recovery *(%)*	**95.5**	91.9	**94.0**	93.6
Gold produced	**27,739**	3,173	**56,854**	24,622
Gold sold	**27,900**	4,423	**57,131**	24,653

During Q2 2021, the Libertad mill processed 334,378 tonnes of ore at a grade of 2.74 g/t compared to 146,277 tonnes of ore at a grade of 1.54 g/t in Q2 2020. The period-over-period increase in tonnage is a consequence of the suspension of operations during the majority of Q2 2020. The increase in production also results from the focus on processing higher grade and more profitable ore, which resulted in 27,739 ounces of production.

The increase of ore grade (both over the comparative quarters and year-to date) is a direct result of the implementation and success of the “hub-and-spoke” strategy to deliver higher grade ore to Libertad from a number of different sources throughout Nicaragua. Ore deliveries to Libertad from Limon increased significantly over the past year with 95,760 tonnes of ore delivered to the Libertad processing facility in Q2 2021 at a grade of 2.52 g/t compared to 18,912 tonnes at a grade of 2.62 g/t delivered in Q2 2020.

Pavon Norte is another example of how the Company’s “hub-and-spoke” strategy for the Libertad processing facility will help increase ore production, at higher grades, and ultimately extend the facility’s life. Calibre expects to responsibly ramp-up Pavon Norte mill feed haulage to approximately 1,000 tonnes by the end of Q4 2021.

During the six months ended June 30, 2021, the Libertad mill processed 629,569 tonnes of ore at a grade of 2.94 g/t compared to 539,892 tonnes of ore at a grade of 1.65 g/t in 2020. The increase in tonnage in 2021 was the result of the suspension of operations during Q2 2020 and from the focus on processing higher grade and more profitable ore, which resulted in 56,854 ounces of production. For the periods of Q2 2021 and YTD 2021, the processing of higher-grade ore at Libertad was the result of a greater movement of higher-grade ore from Limon, utilization of ore from the start-up of the Pavon Norte mine, mining from Jabali underground (which was not in operation in YTD 2020) and processing more higher-grade ore purchased from artisanal miners.

GROWTH AND DISCOVERY

During Q2 2021 and YTD 2021, Calibre completed a total of 34,900 and 54,100 metres of drilling, respectively on exploration and resource expansion targets (11,700 and 24,300 metres, respectively) and infill related drilling (21,900 and 28,100 metres, respectively), with the remaining metres related to Geotech drilling at EBP (Guapinol and Riscos) and condemnation drilling at Pavon Norte. The majority of the infill drilling targeted the EBP properties of Riscos and Guapinol, Pavon Norte and Central, Atravesada, Tranca and Rosario. The exploration and resource expansion drilling targeted Panteon, Pavon Central and Norte, Santa Pancha, Tranca, and Rosario. Results of the Company's 2021 drilling campaign will be compiled, reviewed, interpreted and announced throughout the year.

For the year ended December 31, 2021, Calibre is forecast to complete 80,000 metres of combined exploration and resource development drilling (in line with the prior year). Approximately 65,000 metres of exploration and resource delineation drilling along with infill and geotechnical drilling to expand and improve estimation confidence in existing resources is planned at Limon, Libertad, Pavon and EBP. Additionally, approximately 15,000 metres of pre-discovery reconnaissance drilling is planned to test earlier stage targets the Company has identified within its broader mineral concession holdings in the greater Limon, Libertad and EBP mining districts.

On May 11, 2021, Calibre provided an update to its recent resource expansion drilling program at the Atravesada, Veta Nueva, Panteon and Santa Pancha in the Limon district. On June 8, 2021, the Company provided a corresponding update on the 2021 drilling program at Libertad. Highlights from these results include:

Atravesada

- 4.85 g/t Au 5.5 metres Estimated True Width ('ETW') from 302.4 metres (LIM-21-4548)
- 5.50 g/t Au over 7.1 metres ETW from 285.5 metres (LIM-21-4549)

Panteon

- 13.42 g/t Au over 2.0 metres ETW from 304.8 metres (Panteon hanging wall vein) and 3.01 g/t Au over 3.5 metres ETW from 347.3 metres (Panteon main vein) (LIM-20-4540)
- 6.89 g/t Au over 2.0 metres ETW from 241.1 metres (Panteon main vein) (LIM-21-4535)
- 12.58 g/t Au over 1.8 metres ETW from 331.2 metres (LIM-20-4546)

Tranca

- 16.78 g/t Au over 2.8 metres ETW from 41.9 metres (TR-21-039)
- 13.83 g/t Au over 4.4 metres ETW from 127.7 metres (TR-21-052)
- 3.27 g/t Au over 4.1 metres ETW from 107.1 metres (TR-21-031)

Volcan

- 11.37 g/t Au over 5.4 metres ETW from 61.4 metres (VN-21-026)
- 9.26 g/t Au over 1.7 metres ETW from 76.9 metres (VN-21-030A)
- 2.37 g/t Au over 6.2 metres ETW from 67.2 metres (VN-21-032)

For further details on both exploration updates refer to the Company's news releases dated May 11, 2021 and June 8, 2021 respectively.

Eastern Borosi Project

During the year ended December 31, 2020, IAMGOLD exercised its option to earn a 70% interest in the Eastern Borosi Project ('the EBP') mineral concessions located in northeastern Nicaragua (with Calibre owning the remaining 30% interest). On August 20, 2020, Calibre executed an agreement to acquire Iamgold's 70% interest in the EBP, resulting in Calibre owning an undivided 100% interest in the project. As consideration for IAMGOLD's 70% interest in the EBP, Calibre issued 2,253,961 common shares, with a fair value of $3 million and agreed to pay $1 million in cash 12 months following the date of the acquisition agreement (included in accounts payable and accrued liabilities as at June 30, 2021). In addition, the Company granted a 2% net smelter return ("NSR") royalty on future production from the EBP, with Calibre retaining the right to purchase one half of the 2% NSR (i.e: a 1% NSR) for $2 million.

Calibre now owns an undivided 100%-interest in the EBP that hosts a NI 43-101 Inferred Mineral Resource totaling 4.4 million tonnes averaging 4.93 g/t Au and 80.00 g/t Ag, containing 700,500 ounces of gold and 11.4 million ounces of silver. The mineral resource estimate was prepared by Roscoe Postle Associates Inc. and dated May 11, 2018). The EBP is a key exploration and development focus for Calibre and the subject of a significant drilling program in 2021. At the end of Q2 2021, a total of 10,800 metres of infill drilling had been completed at the Riscos de Oro deposit, and an additional 5,530 metres of infill and geotechnical drilling had been completed at the Guapinol and Vancouver targets. To further advance the project, the Company also acquired key surface rights at EBP during Q2.

Key components of the Eastern Borosi Project are summarized below:

- EBP is located approximately 400 km by road from the Company's 2.2 million tonne per annum Libertad Mill which is currently less than 50% utilized
- Mineral resources have been defined in six individual epithermal gold-silver veins that occur within a larger scale system of regional faults exposed along an eight-by-ten kilometre structural corridor that extends through the project area. In addition to the gold-silver resources already defined, more than 20 other prospective gold and silver targets have been identified within the EBP concession block, offering significant potential for future exploration discoveries.
- The 2021 infill and geotechnical drilling program is focused on the Guapinol and neighboring Vancouver deposits, and the Riscos de Oro deposit located 3 kilometres to the west. Together these deposits contain inferred resources totaling 1.97 million tonnes that average 8.15 g/t Au and 69.00g/t Ag, and contain 515,000 ounces of gold and 4,372,000 ounces of silver.
- During the first half of 2021 by Calibre made significant progress acquiring surface land rights and completing 75% of the planned infill, metallurgical, geotechnical and hydrological drilling. In addition, the Company has initiated engineering environmental baseline studies to support an Environmental Impact Assessment for the project.
- Calibre intends to complete the infill drilling program in the third quarter of 2021 and will continue exploration drilling to test the potential to both expand the gold and silver resources at Guapinol-Vancouver and Riscos de Oro test earlier stage exploration targets that the Company has identified along the principal structural trends at EBP.

Drilling at the Guapinol and Vancouver open pit targets have returned multiple high-grade intercepts in line with expectations and providing further confidence in the estimated mineral resources for the two deposits. Results of infill drilling at the Riscos de Oro underground target are likewise in line with expectations.

On July 7, 2021, Calibre provided a progress update to its program at the EBP which included the following highlights:

Guapinol Open Pit

- 9.07 g/t Au & 19.9 g/t Ag over 6.5 metres ETW from 216.0 metres (GP-21-082)
- 25.90 g/t Au & 15.3 g/t Ag over 1.9 metres ETW from 163.0 metres (GP-21-083)
- 22.70 g/t Au & 25.5 g/t Ag over 1.8 metres ETW from 160.7 metres (GP-21-087)

Vancouver Open Pit

- 6.42 g/t Au & 14.1 g/t Ag over 7.1 metres ETW from 32.4 metres (GP-21-071)
- 4.46 g/t Au & 25.5 g/t Ag over 4.8 metres ETW from 79.9 metres (GP-21-072)

Riscos de Oro Underground

- 26.49 g/t Au & 99.4 g/t Ag over 2.2 metres ETW from 313.3 metres (RDO-21-052)
- 7.76 g/t Au & 186.0 g/t Ag over 2.9 metres ETW from 284.0 metres (RDO-21-056)
- 3.18 g/t Au & 262.2 g/t Ag over 8.2 metres ETW from 204.0 metres (RDO-21-057)

For further details on EBP developments refer to the Company's news releases dated April 20, 2021 and July 7, 2021.

At the end of Q2 the planned infill drilling programs at Guapinol and Vancover had been completed and the planned infill campaign at Riscos de Oro was on schedule for completion by mid-Q3. Following completion of the infill program, the Company will shift its focus toward exploration drilling to test the potential to expand the Guapinol and Riscos de Oro resources both along strike and at depth, and complete metallurgical and geotechnical drilling and test work for inclusion in engineering studies to further advance the project.

Borosi Option with Rio Tinto Exploration

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 million in qualifying expenditures. After 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 million 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.

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 million 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 million 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 entering the Borosi option agreement in February 2020, the Rio Tinto team has conducted extensive evaluation of exploration data stemming from Calibre's work over the past 10 years as well as their own information sources and data archives that go back several decades. More than 50 prospective target areas have been identified within the Borosi concessions. Four of these areas have been prioritized for a first pass drilling campaign totaling 5,500 metres that commenced in Q2 2021. Additionally, an orientation survey has been initiated to characterize the broader geochemical expression surrounding the Primavera copper-gold porphyry deposit, first discovered by Calibre in 2011. The results of this work will provide an important benchmark to guide future regional reconnaissance work to be carried out under the Rio Tinto-Calibre Exploration Alliance agreement. The four areas targeted for first pass drill testing have been selected based on a combination of factors that include favorable geologic setting, surficial geochemical signature, and geophysical expression. Three of the targeted areas are located within 12km of the town of Siuna and the fourth, Carpatos, is located northeast of Rosita.

CONSOLIDATED FINANCIAL RESULTS

(in thousands of dollars, except per share amounts)	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Revenue	**$ 78,785**	$ 15,910	**$ 160,819**	$ 77,280
Cost of Sales				
Production costs	**(43,137)**	(8,053)	**(84,602)**	(40,103)
Royalty, production taxes, refinery and transport	**(3,425)**	(949)	**(6,893)**	(3,674)
Depreciation and amortization	**(7,919)**	(1,115)	**(15,060)**	(4,357)
Total Cost of Sales	**(54,481)**	(10,117)	**(106,555)**	(48,134)
Income from mining operations	**24,304**	5,793	**54,264**	29,146
Expenses, Taxes and Other Items				
General and administrative	**(1,820)**	(1,698)	**(3,815)**	(4,068)
Share-based compensation	**(1,421)**	(1,542)	**(2,105)**	(2,906)
Other corporate costs	**(287)**	-	**(315)**	-
Care and maintenance	**-**	(7,101)	**-**	(7,101)
Finance expense	**(288)**	(677)	**(578)**	(1,369)
Other income	**26**	1,814	**70**	2,133
Current and deferred income tax expense	**(8,629)**	(2,001)	**(18,991)**	(8,607)
Net Income (loss)	**$ 11,885**	$ (5,412)	**$ 28,530**	$ 7,228
Income (loss) per share - basic	**$ 0.04**	$ (0.02)	**$ 0.08**	$ 0.02
Income (loss) per share - diluted	**$ 0.03**	$ (0.02)	**$ 0.08**	$ 0.02

Mining Operations

During Q2 2021, the Company sold 43,682 ounces of gold, at an average realized price [1] of $1,804/oz, for revenue of $78.8 million. This compares to Q2 2020 revenue of $15.9 million from the sale of 9,426 ounces at an average realized price [1] of $1,688/oz. The $62.9 million increase in revenue is the result of $57.8 million related to higher ounces sold and $5.1 million from higher realized gold prices than the prior comparable period.

Gold sold of 43,682 ounces in Q2 2021 was 34,256 ounces higher than Q2 2020 as a result of operations being temporarily suspended in Q2 2020 and the result of higher-grade ores processed at Libertad with significantly more ore from Limon Central, ore from the start-up of the Pavon Norte mine, Jabali underground and ore from artisanal small miners. The increased ounces are a direct result of our "hub-and-spoke" operating strategy to deliver ore to Libertad which increased significantly in 2021 over the prior year.

(1) This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

During YTD 2021, the Company sold 89,564 ounces of gold, at an average realized price [1] of $1,796/oz, for total revenue of $160.8 million. This compares to YTD 2020 revenue of $77.3 million from selling 48,181 ounces at an average realized price [1] of $1,604/oz. The $83.5 million increase in revenue is the result of $66.3 million related to higher ounces sold and $17.2 million from higher realized gold prices.

Total cost of sales for Q2 2021 was $54.5 million which included production costs of $43.1 million, royalties and production taxes of $3.2 million, refinery and transportation of $0.2 million, and depreciation of $7.9 million. Total production costs were $43.1 million in Q2 2021 compared to $8.1 million in Q2 2020 as a result of the Q2 2020 temporary suspension previously discussed.

Total cost of sales for YTD 2021 was $106.6 million which included production costs of $84.6 million, royalties and production taxes of $6.4 million, refinery and transportation of $0.5 million, and depreciation of $15.1 million. Total production costs were $84.6 million in YTD 2021 compared to $40.1 million in YTD 2020 mainly from operations being suspended for most of Q2 2020. Royalty, production taxes, refinery and transport increased 92% in Q2 2021 compared to Q2 2020, mainly in line with the 108% increase in gross revenue. Depreciation and amortization in YTD 2021 was $15.1 million compared to $4.4 million for YTD. The higher depreciation and amortization in YTD 2021 relates to higher gold sales, mining more reserves as it relates to the updated reserve and resource estimate as of December 31, 2020, an updated interpretation of the Limon Central open pit and operations being suspended for the majority of Q2 2020.

The increase in gross revenue due to higher gold sales, partially offset by increases in production costs resulted in income from mine operations for Q2 2021 of $24.3 million and YTD 2021 of $54.3 million, both favorable increases from Q2 2020 of $5.8 million and YTD 2020 of $29.1 million, respectively.

Total Cash Costs [1] for Q2 2021 were $1,066 per ounce and AISC [1] were $1,216 per ounce. For Q2 2020, Total Cash Costs [1] were $955 and AISC [1] were $1,426 per ounce. The higher Cash costs in 2021 relates to lower-grade ore mined from Limon Central in 2021 resulting from mine sequencing. The lower AISC in Q2 2021 compared to Q2 2020 relates to a small denominator of ounces sold in Q2 2020 when the operations were suspended for most of the period.

Total Cash Costs [1] for YTD 2021 were $1,022 per ounce and AISC [1] were $1,154 per ounce. For YTD 2020, Total Cash Costs [1] were $909 and AISC [1] were $1,114 per ounce. The higher Cash costs and AISC [1] in 2021 relates to lower-grade ore mined from Limon Central in 2021 as a result of mine sequencing, mining from the higher cost Jabali underground which was suspended in the first half of 2020 and restrictions in mining Pavon Norte related to transportation issues to the Libertad mill. YTD 2020 benefited from the lower cost Jabali Antena open pit ore, where the current phase of mining concluded at the end of 2020.

Expenses and Net Income

For the three and six months ended June 30, 2021, corporate G&A was $1.8 million and $3.8 million compared to $1.7 million and $4.1 million for the same periods in 2020. Corporate administration was comparable for all periods presented as reduced costs associated with lower administrative staff levels, reduced salaries and a reduction of costs due to the COVID-19 pandemic, including reduced travel and marketing, were offset by higher costs associated with management departures and related severances.

Share-based compensation for Q2 2021 and YTD 2021 was $1.4 million and $2.1 million (Q2 2020 - $1.5 million, YTD 2020 $2.9 million). The reduction in expense over the prior year quarter relates to the vesting of options and RSUs granted in prior years, specifically a portion of awards that have now vested related to options and RSUs in October 2019.

(1) This is a non-IFRS measure, for further information, refer to the Non-IFRS Measures section in this MD&A.

During Q2 2020 and YTD 2020, the Company incurred a total of $7.1 million in care and maintenance expenditures (Q2 2021 and YTD 2021 for both periods was $Nil). The total expenditure reflects the costs to maintain the operations in a state of readiness during the time of the temporary suspension. The costs include retaining nonessential and idle staff, security, and contractor standby costs.

Total finance expense for Q2 2021 and YTD 2021 was $0.3 million and $0.6 million compared to $0.7 million and $1.4 million for the same periods in 2020. Q2 2020 and YTD 2020 included $0.4 million and $0.8 million of accretion on the deferred payment to B2Gold which was settled in full in Q4 2020.

Current and deferred income tax expense was $8.6 million and $19.0 during Q2 2021 and YTD 2021 compared to the same periods of 2020 of $2.0 million and $8.6 million. Q2 2021 and YTD 2021 saw an increase in current and deferred tax expense when compared to Q2 2020 and YTD 2020, as the Company's operations were suspended during most of Q2 2020.

As a result of the above, net income per share in YTD 2021 was $0.08 for both basic and diluted (YTD 2020: $0.02 for both basic and diluted).

Growth and Sustaining Capital

A summary of the Company's significant additions to capital during the three and six months ended June 30, 2021 and 2020 is presented below (on an accrual basis).

(in thousands)	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Growth Capital				
Veta Nueva development	**$ -**	$ 493	**$ -**	$ 713
Limon Central stripping	**3,579**	1,027	**8,721**	5,868
Panteon development	**2,932**	-	**5,291**	-
Limon Norte & Tigra development	**2,006**	-	**3,028**	-
Pavon development	**3,334**	183	**5,261**	451
Crimea tailings storage	**996**	98	**1,291**	149
EBP land acquisition and studies	**2,738**	-	**3,644**	-
Other growth capital projects	**700**	-	**1,257**	100
Total Growth Capital	**$ 16,285**	$ 1,801	**$ 28,493**	$ 7,281
Sustaining Capital				
Jabali underground development	**$ 1,314**	$ 898	**$ 2,305**	$ 1,113
Veta Nueva development	**465**	-	**1,488**	-
Santa Pancha tailings facility upgrade	**17**	197	**56**	1,131
Other sustaining capital	**2,489**	627	**3,489**	915
Total Sustaining Capital	**$ 4,285**	$ 1,722	**$ 7,338**	$ 3,159
Total Growth and Sustaining Capital	**$ 20,570**	$ 3,523	**$ 35,831**	$ 10,440

A summary of significant growth and sustaining capital expenditures and projects is provided below:

- Veta Nueva costs were incurred for the development of the underground mine near Limon that achieved commercial production in January 2021
- Limon Central stripping relates to both a pre-stripping campaign through May 31, 2020 and above normal waste tonnes removed from LC Phase 2 pit from June 2020 to present
- Panteon is a high-grade underground mine with first development ore deliveries in Q2 2021; commercial production from Panteon South was achieved in July 2021

- Limon Norte and Tigra development costs related to an open pit mining area where pre-stripping will commence in Q4 2021
- Pavon development relates to an open pit mine where initial ore deliveries from Pavon Norte occurred in January 2021 and commercial production was achieved in March 2021. In addition, land rights for Pavon Central were acquired this year.
- EBP is a high-grade deposit with published resources. Most of the above spend in YTD 2021 was for the acquisition of land rights. About 75% of the planned drilling for 2021 for infill, metallurgical, geotechnical and hydrological drilling has been completed and that spend is included with exploration. Planned infill and discovery drilling and study work will continue in Q3 2021.
- Jabali underground development relates to development of main ramps at the underground mine
- Other sustaining capital relates to a number of projects for the mines and processing facilities

Exploration

Calibre spent $5.6 million and $10.3 million for exploration in Q2 2021 and YTD 2021, compared to $2.0 million and $4.7 million for the comparable periods in 2020, respectively. The drill programs for Calibre were suspended during most of Q2 2020. In addition, the higher exploration costs are reflective of 217% more metres drilled in 2021 (54,100 in YTD 2021 compared to 17,000 in YTD 2020). See the *Growth and Discovery* section for details on the 2021 exploration program.

LIQUIDITY AND CAPITAL RESOURCES

Calibre is committed to managing its liquidity by achieving positive cash flows from its operations which will fund capital requirements, development projects, and its exploration programs. The Company monitors and expects settlement of financial assets and obligations on an ongoing basis; there are no significant accounts payable, capital lease obligations, or other payments that are outstanding past their due dates.

Factors that may affect the Company's liquidity are continuously monitored. These factors include any future operational impact arising from the on-going COVID-19 pandemic, the market price of gold, production levels, operating costs, capital costs, exploration expenditures, timing of value-added-tax and other tax refunds, and foreign currency fluctuations. The taxation laws in Nicaragua are subject to change, review, audit and assessment in the ordinary course of business. Any such changes in taxation law or review and assessments could result in higher taxes being payable or require payment of taxes due from previous years, which could adversely affect the Company's profitability. Taxes may also adversely affect the Company's ability to repatriate earnings or otherwise deploy its assets as anticipated. If the Company is adversely affected by any of these factors and, as a result, the operating cash flows are not sufficient to meet the Company's working capital requirements, there is no guarantee that the Company would be able to raise additional capital on acceptable terms to fund a potential cash shortfall.

The table provides a summary of the Company's financial position as at June 30, 2021 and December 31, 2020:

(in thousands)		June 30, 2021		December 31, 2020
Current Assets				
Cash and cash equivalents	**$**	**66,301**	$	53,175
Receivables, prepaids and other		**10,180**		5,873
Inventories		**41,334**		46,398
Total Current Assets		**117,815**		105,446
Long Term Assets		**277,759**		245,737
Total Assets	**$**	**395,574**	$	351,183
Current Liabilities				
Accounts payable and accruals	**$**	**25,069**	$	24,272
Income and other taxes payable		**9,209**		6,270
Other current provisions		**4,138**		4,827
Current portion of lease liabilities		**101**		121
Total Current Liabilities		**38,517**		35,490
Long Term Liabilities				
Long term provisions and lease liabilities		**55,901**		55,362
Deferred tax liability		**36,810**		30,183
Total Liabilities		**131,228**		121,035
Total Shareholders' Equity		**264,346**		230,148
Total Liabilities and Shareholders' Equity	**$**	**395,574**	$	351,183
Working Capital *(current assets less current liabilities)*	**$**	**79,298**	$	69,956

As at June 30, 2021, the Company had cash and cash equivalents of $66.3 million (December 31, 2020 - $53.2 million) and current liabilities of $38.5 million (December 31, 2020 - $35.5 million). Cash provided by operating activities totaled $54.9 million for YTD 2021 (YTD 2020 - $6.9 million). Working capital (current assets less current liabilities) increased by $9.3 million or 13% during YTD 2021 from an increase in cashflow from profitable mining operations.

Total inventories decreased $5.1 million during YTD 2021 mainly from a drawdown of stockpiles. The Company added $2.9 million of materials and critical supplies to safeguard against any potential supply chain disruptions associated with the COVID-19 pandemic. Income and other taxes payable increased by $2.9 million in YTD 2021 from increased earnings, while accounts payable and accruals remained comparable to December 31, 2021.

The Company's increase in cash and working capital during YTD 2021 helped reduce liquidity risk, strengthen its financial flexibility, and provide alternative avenues to grow the business. Calibre continues to be unencumbered by any long-term debt, guarantees, derivative or stream agreements, and has not hedged any of its future gold production.

Cash Flow Analysis

(in thousands)		Q2 2021		Q2 2020		YTD 2021		YTD 2020
Net Cash Provided by (Used in) Operating Activities	**$**	**29,348**	$	(13,421)	**$**	**54,870**	$	6,933
Net Cash Used in Investing Activities		**(23,803)**		(5,245)		**(44,466)**		(13,921)
Net Cash Provided by Financing Activities		**2,481**		151		**2,640**		122
Effect of Exchange Rate Changes on Cash		**54**		569		**82**		(889)
Change in Cash and Cash Equivalents		**8,080**		(17,946)		**13,126**		(7,755)
Cash and Cash Equivalents, Beginning of Year		**58,221**		43,052		**53,175**		32,861
Cash and Cash Equivalents, End of Period	**$**	**66,301**	$	25,106	**$**	**66,301**	$	25,106

For Q2 2021 and YTD 2021, the Company generated cash flows from operations of $29.3 million and $54.9 million versus an outflow of $13.4 million and generation of $6.9 million in the comparable periods in 2020, assisted by higher gold production and a higher average realized gold price. In addition, operations were mainly suspended in Q2 2020.

The Company invested cash of in Q2 2021 and YTD 2021 of $24.2 million and $44.9 million in its exploration projects, property, plant and equipment ("PPE"), and mine development, compared to $5.4 million and $14.1 million during the comparable periods in 2020. Further details of capital investments for our mining operations are outlined in the sections *Growth and Sustaining Capital* and *Growth and Discovery*.

During Q2 2021 and YTD 2021, the Company received a total of $2.5 million and $2.7 million in proceeds from the exercise of share options and warrants (Q2 2020 and YTD 2020 - $0.2 million).

OFF-BALANCE SHEET ITEMS

As at June 30, 2021, the Company did not have any off-balance sheet items.

OUTSTANDING SHARE INFORMATION

The Company is authorized to issue an unlimited number of common shares. The following table outlines the outstanding common shares and convertible instruments of the Company as at June 30, 2021 and December 31, 2020. For further information and details concerning outstanding shares, options, restricted share units, and share purchase warrants, refer to the Condensed Interim Consolidated Statements of Changes in Shareholders' Equity, and Note 13 in the unaudited condensed interim consolidated financial statements for the six months ended June 30, 2021.

	Issued and Outstanding	
(In thousands)	As at June 30, 2021	As at December 31, 2020
Common shares	339,175	333,821
Options on common shares	28,325	30,943
Restricted share units	5,693	7,232
Share purchase warrants	9,178	11,178
Performance share units	400	-

Subsequent to June 30, 2021, during the month of July 2021, the Company issued a total of 0.1 million common shares, pursuant to the conversion of 0.1 million restricted share units.

QUARTERLY INFORMATION

(in thousands - except ounces and per share amounts)	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Gold Ounces Produced	**43,506**	**45,452**	42,573	45,341	6,010	42,085	33,506	-
Gold Ounces Sold	**43,682**	**45,882**	42,335	44,842	9,426	38,755	38,993	-
Average realized gold price *($/oz)* [(1)]	**$ 1,804**	**$ 1,788**	$ 1,882	$ 1,913	$ 1,688	$ 1,584	$ 1,481	$ -
Total Cash Costs *($/oz)* [(1)]	**$ 1,066**	**$ 979**	$ 940	$ 786	$ 955	$ 897	$ 866	$ -
AISC *($/oz)* [(1)]	**$ 1,216**	**$ 1,095**	$ 1,051	$ 963	$ 1,426	$ 1,038	$ 959	$ -
Revenue	**$ 78,785**	**$ 82,034**	$ 79,677	$ 85,791	$ 15,910	$ 61,370	$ 57,763	$ -
Income from mining operations	**$ 24,304**	**$ 29,960**	$ 34,591	$ 45,876	$ 5,793	$ 23,353	$ 13,344	$ -
Net income (loss)	**$ 11,885**	**$ 16,645**	$ 23,255	$ 32,939	$ (5,412)	$ 12,640	$ 3,130	$ (1,381)
Net income (loss) per share - basic [(2)]	**$ 0.04**	**$ 0.05**	$ 0.07	$ 0.10	$ (0.02)	$ 0.04	$ 0.01	$ (0.03)

(1) This is a non-IFRS measure, for further information refer to Non-IFRS Measures section in this MD&A.

(2) In Q2 2021 net income per share – diluted was $0.03, in Q4 2020 net income per share - diluted was $0.06 and in Q3 2020 net income per share - diluted was $0.09. All other periods, basic and diluted net income (loss) per share were the same.

The information for Q4 2019 and onward includes the financial and operational results of the Nicaraguan operations effective October 15, 2019. This acquisition transformed Calibre from an exploration company into a multi-asset gold producer and explorer. As a result, the effect of the transaction had significant implications to the Company's operating and financial results, as noted in the above table. Prior to Q4 2019, the Company was an exploration company. The results for Q3 2019 were impacted by the due diligence and/or transaction costs incurred immediately prior to the acquisition of the Limon and Libertad mines and related assets.

The results of operations for Q2 2020 were significantly impacted by the 10-week suspension of operations due to the COVID-19 pandemic.

Following the acquisition of the Nicaragua Assets, the financial results have been most directly impacted by the level of gold production for that particular quarter and the average realized gold price. These are the main drivers of the volatility noted in the above quarterly information table.

For Q4 2020, total cash costs (see definition below) compared to Q3 2020 were higher because of lower grade ore produced at Limon Central and higher costs associated with the resumption of operations at the Jabali underground mine.

During Q1 2021, the Company achieved record gold production, which resulted in $82.0 million in revenue, an increase of 3% over the immediately preceding Q4 2020. However, Total Cash Costs (see definition below) also increased by 4% in Q1 2021 compared to Q4 2020 (see *Consolidated Financial Results* section for details), resulting in mine operating income decreasing 13% to $30.0 million, when compared to Q4 2020, due to higher costs from mining lower grade ores at Limon Central (3.50 g/t in Q1 2021 vs 4.51 g/t in Q4 2020) related to mine sequencing. In addition, there was more depreciation in Q1 2021 vs Q4 2020 from higher gold sales, mining more reserves as it relates to the updated reserve and resource estimate as of December 31, 2020 and an updated interpretation of the Limon Central pit. Q1 2021 also saw an increase in current and deferred tax expense when compared to Q4 2020, as the Company saw an increase in income taxes from higher revenues.

ASIC (defined below) of $1,216 in Q2 2021 increased by $121/oz from Q1 2021. The increase in AISC related to lower grade ore mined from Limon Central related to mine sequencing (2.63 g/t in Q2 2021 vs 3.50 g/t in Q1 2021) and lower ore tonnes mined from Pavon Norte in Q2 2021 (Q2 2021 - 59,621 tonnes vs Q1 2021 - 111,696 tonnes) from limitations at the Pavon mining area resulting from transportation issues of sending ore from Pavon Norte to the Libertad mill. Net income was lower in Q2 2021 versus Q1 2021 from lower ounces produced and sold for the same reasons as the increase in AISC.

NON-IFRS MEASURES

Calibre has included certain non-IFRS measures in this MD&A, as discussed below. The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. These non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

Total Cash Costs per Ounce of Gold Sold ("Total Cash Costs")

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

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

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

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

Total Cash Costs and AISC per Ounce of Gold Sold Reconciliations

The table below reconciles Total Cash Costs and AISC for the three and six months ended June 30, 2021 and 2020:

(in thousands - except per ounce amounts)	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Production costs	**$ 43,137**	$ 8,053	**$ 84,602**	$ 40,103
Royalties and production taxes	**3,206**	885	**6,417**	3,340
Refinery, transportation and other	**219**	64	**476**	334
Total cash costs	**46,562**	9,002	**91,495**	43,777
Corporate administration	**1,820**	1,698	**3,815**	4,068
Reclamation accretion and amortization of ARO	**451**	212	**730**	420
Sustaining capital [1]	**4,285**	1,722	**7,338**	3,159
Sustaining exploration [1]	**-**	809	**-**	2,266
Total AISC	**$ 53,118**	$ 13,443	**$ 103,378**	$ 53,690
Gold ounces sold	**43,682**	9,426	**89,564**	48,181
Total Cash Costs	**$ 1,066**	$ 955	**$ 1,022**	$ 909
AISC	**$ 1,216**	$ 1,426	**$ 1,154**	$ 1,114

[1] Refer to sustaining capital expenditures and sustaining mine exploration reconciliations below.

The table below shows a reconciliation of sustaining capital expenditures to operating mine capital expenditures for the three and six months ended June 30, 2021 and 2020:

(in thousands)	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Operating mine capital expenditures on an accrual basis	**$ 20,570**	$ 3,523	**$ 35,831**	$ 10,440
Less:				
Veta Nueva	**-**	(493)	**-**	(713)
Pavon development	**(3,364)**	(183)	**(5,291)**	(451)
Deferred stripping at Limon Central	**(3,579)**	(1,027)	**(8,721)**	(5,868)
Limon Norte and Tigra development	**(2,006)**	-	**(3,028)**	-
Crimea TSF	**(996)**	-	**(1,291)**	-
EBP	**(2,738)**	-	**(3,644)**	-
Panteon development	**(2,902)**	-	**(5,261)**	-
Other	**(700)**	(98)	**(1,257)**	(249)
Sustaining capital	**$ 4,285**	$ 1,722	**$ 7,338**	$ 3,159

The table below shows a reconciliation of sustaining exploration expenditures to total exploration for the three and six months ended June 30, 2021 and 2020:

(in thousands)	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Total exploration expenditure on an accrual basis	**$ 5,623**	$ 1,964	**$ 10,283**	$ 4,747
Less:				
Growth exploration	**(5,623)**	(1,155)	**(10,283)**	(2,481)
Sustaining exploration	**$ -**	$ 809	**$ -**	$ 2,266

Average Realized Price per Ounce Sold

Average realized price per ounce sold is a common performance measure that does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is revenue from gold sales. The measure is reconciled for the periods presented as follows:

(in thousands - except ounces and per ounce amounts)	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Revenue	**$ 78,785**	$ 15,910	**$ 160,819**	$ 77,280
Ounces of gold sold	**43,682**	9,426	**89,564**	48,181
Average realized price per ounce sold	**$ 1,804**	$ 1,688	**$ 1,796**	$ 1,604

COMMITMENTS AND CONTINGENCIES

Commitments

The Company is committed to $9.6 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 (not discussed elsewhere in the condensed unaudited interim consolidated financial statements for the three and six months ended June 30, 2021 and for the audited 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	$ 5,015	$ -	$ -	$ -	$ -	$ -	$ 5,015
Capital expenditure commitments	4,627	-	-	-	-	-	4,627
	$ 9,642	$ -	$ -	$ -	$ -	$ -	$ 9,642

Royalties

- International Royalty Corporation, a subsidiary of Royal Gold, Inc., holds a 3% net smelter return (“NSR”) royalty on gold production from Limon and certain other concessions.
- Centerra Gold Inc. holds a 2% NSR royalty on any future production from the La Luz Project in Eastern Borosi (not currently in production). Calibre has the right to (i) purchase 1.0% of the NSR Royalty for CAD $2 million; and (ii) has a right of first refusal on the remaining 1.0% NSR Royalty.
- Inversiones Mineras, Sociedad Anonima holds a 2% NSR royalty on gold and silver production from the Libertad and Buenaventura Mining Concessions - currently only the Libertad concession is in production.
- B2Gold retains a 1.5% NSR on production from certain concessions within the 100% Calibre-owned Borosi project (unrelated to Limon and Libertad).
- Triple Flag Precious Metals Corp holds a 2% NSR royalty on future production related to certain concessions in EBP (not currently in production). Calibre has the right to purchase 1.0% of the NSR Royalty for $2.0 million.

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.

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 the 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 and six months ended June 30, 2021 and 2020:

	Q2 2021	Q2 2020	**YTD 2021**	YTD 2020
Short-term salaries and benefits	**$ 117**	$ 201	**$ 278**	$ 425
Director fees	**149**	130	**293**	266
Share-based compensation	**905**	1,067	**1,190**	2,049
Severance charges	**$ 197**	$ -	**$ 434**	$ -

In addition to the above, the Company paid a total of $1.2 million 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 $0.6 million 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 June 30, 2021, minimum commitments upon termination of the existing contracts was approximately $1.4 million and minimum commitments due within one year under the terms of these contracts is $1.8 million. In addition, the Company is party to various executive and employee contracts that would require payments totalling $1.3 million 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, as they own approximately 33% of the Company as at June 30, 2021. Pursuant to an agreement with B2Gold in November 2016, B2Gold retains a 1.5% NSR on production from certain concessions within the Borosi area.

RISK FACTORS

The exploration, development and mining of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Calibre is subject to several risks and uncertainties which could have a material adverse impact on its operations, its financial condition and the trading price of its shares. The most significant risks and uncertainties faced by the Company include: successful integration of the recently acquired Nicaraguan Assets; inherent mining industry risks; uncertainty of Mineral Resource and Mineral Reserve estimates; gold price volatility; mineral exploration, development, and operating risks; Nicaraguan political and economic risks; foreign exchange risks; social unrest in Nicaragua; artisanal mining; uncertainties and risks related to feasibility studies; liquidity risks; title, rights, licenses and permit risks; environmental risks and hazards; communication and customs risk associated with working in Nicaragua; community relations; competition; labour relations; share price volatility; litigation; commodity and supply pricing; taxation; uninsured risks; loss of key personnel; cyber security; dependence on key personnel; and safety and security, particularly associated with the global COVID-19 pandemic.

For a comprehensive discussion on the risks and uncertainties the reader is directed to the Company’s annual MD&A for the year ended December 31, 2020 and 2019 and the latest Annual Information Form filed on SEDAR at www.sedar.com and the Company’s website at www.calibremining.com. Careful attention should also be paid to the section in this MD&A entitled *Forward Looking Statements*.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, disclosure of commitments and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise 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.

Key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities applied in the preparation of the unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the audited annual consolidated financial statements for the year ended December 31, 2020.

ACCOUNTING POLICIES AND CHANGES

The Company's accounting policies are outlined in the audited consolidated financial statements for the year ended December 31, 2020 and 2019 in Notes 5 and 6. The accounting policies and basis of presentation applied in the preparation of the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2021 are consistent with those applied and disclosed in the Company's audited annual consolidated financial statements for the year ended December 31, 2020.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial assets and liabilities consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, short and long-term receivables and long-term payables.

Fair Values

Calibre's financial assets and liabilities are classified based on the lowest level of input significant to the fair value measurement based on the fair value hierarchy:

Level 1 – quoted prices in active markets for identical assets or liabilities;

Level 2 – 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 – inputs for the asset or liability that are not based on observable market data.

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.

Capital Risk 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.

Credit Risk

Credit risk is the risk of financial loss to the Company if a third party to financial instrument fails to meet its contractual obligations. As at June 30, 2021, 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. 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, while significant advances made to suppliers may be collateralized by certain equipment.

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 June 30, 2021, the Company had cash and cash equivalents of $66.3 million (December 31, 2020 - $53.2 million) and current liabilities of $38.5 million (December 31, 2020 - $35.5 million). Cash provided by operating activities totaled $54.9 million for YTD 2021 (YTD - 2020 - $6.9 million). In addition, the Company's working capital improved from $70.0 million as at December 31, 2020 to $79.3 million as at June 30, 2021.

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 major purchases are transacted in the U.S. dollars as well. Details of various currencies held by the Company as of June 30, 2021 and December 31, 2020 are included in the Company's financial statements.

The Company is subject to gains and losses due to fluctuations in the Canadian dollar and Nicaraguan Córdoba against the U.S. dollar. Sensitivity to a plus or minus 5% change in all foreign currencies (Canadian dollar and Nicaraguan Córdoba) against the U.S. dollar with all over variables held constant at June 30, 2021, would affect the statements of operations and comprehensive income by approximately $2.0 million.

The Nicaraguan Córdoba 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.

The Company generates revenue in U.S. dollars, thereby mitigating currency risk for its Nicaraguan operations where expenditures are in U.S. dollars. The Company maintains Canadian and U.S. dollar bank accounts in Canada, and US dollar and Córdoba bank accounts in Nicaragua. The Company's foreign exchange exposure to fluctuations in the Córdoba is not significant as its annual expenditures in the local Nicaraguan currency and Córdoba 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.

CONTROLS AND PROCEDURES

In compliance with the Canadian Securities Administrators' Regulation, the Company has filed certificates signed by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") that, among other things, report on the design of disclosure controls and procedures and the design of internal controls over financial reporting.

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate and recorded, processed, summarized and reported to allow timely decisions with respect to required disclosure, including in its annual filings, interim filings or other reports filed or submitted by it under securities legislation.

The Company's management, including the CEO and CFO, are responsible for establishing adequate internal control over financial reporting and they have concluded, based on their evaluation, that the internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as at June 30, 2021.

There were no significant changes in the Company's internal control over financial reporting during Q2 2021. The Company's management, including the CEO and CFO, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Therefore, even those systems determined to be effective can provide only reasonable (not absolute) assurance that the objectives of the control system are met and as such, misstatements due to error or fraud may occur and not be detected.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation. Except for statements of historical fact relating to Calibre, forward-looking information includes, but is not limited to, information with respect to the Company's expected production from, and the further potential of, the Company's properties; the Company's ability to raise additional funds, as required; the future price of minerals, particularly gold; the estimation of mineral resources and mineral reserves; conclusions of economic evaluations; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production, general and administrative and other costs; capital expenditures; success of exploration activities; mining or processing issues; currency rates; government regulation of mining operations; environmental risks; and outlook, guidance, and other forecasts.

Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as "expect", "plan", "anticipate", "project", "target", "potential", "schedule", "forecast", "budget", "estimate", "intend" or "believe" and similar expressions or their negative connotations, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made.

Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond Calibre's control, including risks associated with or related to: impacts related to the COVID-19 pandemic; the volatility of metal prices; changes in tax laws; the dangers inherent in exploration, development and mining activities; the uncertainty of reserve and resource estimates; cost or other estimates; actual production, development plans and costs differing materially from the Company's expectations; the ability to obtain and maintain any necessary permits, consents or authorizations required for mining activities; the current ongoing instability in Nicaragua and the ramifications thereof; environmental regulations or hazards and compliance with complex regulations associated with mining activities; the availability of financing and debt activities, including potential restrictions imposed on Calibre's operations as a result thereof and the ability to generate sufficient cash flows; remote operations and the availability of adequate infrastructure; fluctuations in price and availability of energy and other inputs necessary for mining operations; shortages or cost increases in necessary equipment, supplies and labour; the reliance upon contractors, third parties and joint venture partners; the dependence on key personnel and the ability to attract and retain skilled personnel; the risk of an uninsurable or uninsured loss; adverse climate and weather conditions; litigation risk; competition with other mining companies; community support for Calibre's operations, including risks related to strikes and the halting of such operations from time to time; conflicts with small scale miners; failures of information systems or information security threats; compliance with anti-corruption laws, and sanctions or other similar measures. The list is not exhaustive of the factors that may affect Calibre's forward-looking statements.

Calibre's forward-looking statements are based on the applicable assumptions and factors management considers reasonable as of the date hereof, based on the information available to management at such time. These assumptions and factors include, but are not limited to, assumptions and factors related to Calibre's ability to carry on current and future operations, including: development and exploration activities; the timing, extent, duration and economic viability of such operations, including any mineral resources or reserves identified thereby; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the availability and cost of inputs; the price and market for outputs, including gold; the timely receipt of necessary approvals or permits; the ability to meet current and future obligations; the ability to obtain timely financing on reasonable terms when required; the current and future social, economic and political conditions; and other assumptions and factors generally associated with the mining industry.

Calibre's forward-looking statements are based on the opinions and estimates of management and reflect their current expectations regarding future events and operating performance and speak only as of the date hereof. Calibre does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, and actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. Accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits or liabilities Calibre will derive therefrom. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.

NOTE TO U.S. INVESTORS

This document uses the terms "Measured", "Indicated" and "Inferred" Resources. U.S. investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resources will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred Mineral Resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. U.S. investors are also cautioned not to assume that all or any part of an inferred Mineral Resource exists, or is economically or legally mineable.

TECHNICAL INFORMATION

Unless otherwise stated, all scientific and technical data contained in this MD&A that relates to geology, exploration and mineral resources has been reviewed and approved by Mr. Mark Petersen (P.Geo) who is a "Qualified Person" within NI 43-101 as a member of the Professional Geoscientists Ontario and a Registered Member of the Society for Mining, Metallurgy and Exploration. Mr. Petersen serves as the Company's Vice President, Exploration.

Unless otherwise stated, all technical information and data contained in this MD&A that relates to the Company's operating mines mineral reserves has been reviewed and approved by Mr. Darren Hall MAusIMM, who is a "Qualified Person" within NI 43-101 as a Member of the Australasian Institute of Mining and Metallurgy and, Mr. Hall serves as the Company's President and Chief Executive Officer.