



(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2008 and 2007

(Expressed in Canadian Dollars)



December 31, 2008 and 2007

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles.

The Company's management is responsible for the integrity of the financial information and for the implementation and maintenance of an appropriate system of internal control. A system of internal controls is designed to provide reasonable assurance that transactions are authorized, assets are safeguarded from loss or unauthorized use, to produce reliable accounting records for financial reporting purposes, and to ensure these accounting records are properly maintained.

The Company's independent auditors, PricewaterhouseCoopers LLP, are appointed by the shareholders to conduct an audit in accordance with Canadian generally accepted auditing standards. The audit includes an examination on a test basis, of evidence supporting the amounts and disclosures in the financial statements as well as assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and implementation and maintenance of a system of internal controls. The Board exercises this responsibility through the Audit Committee. The Audit Committee meets with management and the independent auditors to ensure that management's responsibilities are properly discharged, to review the consolidated financial statements and recommend that the consolidated financial statements be presented to the Board of Directors for approval.

In addition, the Audit Committee also considers the independence of the external auditors and reviews their fees. The external auditors have access to the Audit Committee without the presence of management.

"Robert Brown"

President and Chief Executive Officer

"Edward Farrauto"

Chief Financial Officer

Vancouver, British Columbia
March 31, 2009



INDEPENDENT AUDITORS' REPORT

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To the Shareholders of Calibre Mining Corp.:

We have audited the Consolidated Balance Sheets of Calibre Mining Corp. (the "Company") (an exploration stage company) as at December 31, 2008 and 2007 and the Consolidated Statements of Changes in Shareholder's Equity, Loss and Comprehensive Loss and Cash Flows for each of the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants
Vancouver, British Columbia, Canada
March 31, 2009

ASSETS	2008		2007
Current			
Cash	\$	827,456	\$ 4,758,818
Receivables		32,710	51,058
Prepaid deposits and advances		230,903	135,974
		1,091,069	4,945,850
Property and Equipment (Note 5)		202,541	292,907
Mineral Property Costs (See schedule and Note 6)		2,548,908	3,102,811
	\$	3,842,518	\$ 8,341,568

LIABILITIES

Current			
Accounts payable and accrued liabilities	\$	302,763	\$ 116,342

SHAREHOLDERS' EQUITY

Share Capital (Note 8)			
<i>Authorized:</i>			
Unlimited number of common shares without par value			
<i>Issued and outstanding:</i>			
50,654,916 (2007 – 50,564,916) common shares		18,592,649	18,592,649
Contributed Surplus		4,151,778	3,805,843
Accumulated Deficit		(19,204,672)	(14,173,266)
		3,539,755	8,225,226
	\$	3,842,518	\$ 8,341,568

Going concern (Note 1)
Commitments (Note 10)

Approved on behalf of the Board of Directors:

“Robert Brown”

Director

“Edward Farrauto”

Director

Calibre Mining Corp.

(An Exploration Stage Company)

Consolidated Statements of Changes in Shareholders' Equity

Years Ended December 31

(Expressed in Canadian Dollars)

	Common Shares		Contributed Surplus	Accumulated Deficit	Total
	Number	Amount			
Balance – December 31, 2006	48,112,916	17,914,241	\$ 3,086,706	\$ (10,946,610)	\$ 10,054,337
Issuance of common shares:					
- for cash (Note 8 a))	2,100,000	337,500	-	-	337,500
- pursuant to acquisition (Note 4)	442,000	159,120	-	-	159,120
Fair value of options exercised (Note 8 a))	-	181,788	(181,788)	-	-
Stock based compensation (Note 8 b))	-	-	900,925	-	900,925
Net loss for the period	-	-	-	(3,226,656)	(3,226,656)
Balance – December 31, 2007	50,654,916	\$ 18,592,649	3,805,843	(14,173,266)	8,225,226
Stock based compensation (Note 8 b))	-	-	345,935	-	345,935
Net loss for the period	-	-	-	(5,031,406)	(5,031,406)
Balance – December 31, 2008	50,654,916	\$ 18,592,649	\$ 4,151,778	\$ (19,204,672)	\$ 3,539,755

The accompanying notes form an integral part of these consolidated financial statements

Calibre Mining Corp.

(An Exploration Stage Company)

Consolidated Statements of Loss and Comprehensive Loss

Years Ended December 31

(Expressed in Canadian Dollars)

	2008	2007
Expenses		
Amortization	\$ 74,794	\$ 55,934
Audit and accounting fees	81,506	108,695
Bank charges and interest	607	1,912
Consulting fees	81,250	143,000
Foreign exchange loss	42,179	30,353
Insurance	57,468	59,381
Legal fees	29,935	54,823
Marketing	7,653	2,590
Office, postage and printing	110,715	118,474
Rent	126,872	123,898
Salaries and wages	1,093,639	816,412
Salaries and wages - stock based compensation	335,676	665,105
Shareholder relations	6,809	7,190
Telephone and utilities	6,965	17,769
Trade shows and conferences	28,988	-
Transfer agent and regulatory fees	21,631	24,148
Travel	88,070	228,033
	<u>(2,194,757)</u>	<u>(2,457,717)</u>
Other Income (Expenses)		
Property investigations	(27,272)	(27,531)
Write down of mineral properties	(2,846,077)	(1,017,313)
Loss on disposal of property and equipment	(37,589)	-
Interest income	74,289	228,805
Non-controlling interest	-	47,100
	<u>(2,836,649)</u>	<u>(768,939)</u>
Net Loss and Comprehensive Loss for the Year	\$ (5,031,406)	\$ (3,226,656)
Net Loss per Share - Basic and Diluted	\$ (0.10)	\$ (0.07)
Weighted Average Shares Outstanding	50,654,916	49,620,686

The accompanying notes form an integral part of these consolidated financial statements

Calibre Mining Corp.

(An Exploration Stage Company)

Consolidated Statements of Cash Flows

Years Ended December 31

(Expressed in Canadian Dollars)

Cash Resources Provided By (Used in)	2008	2007
Operating Activities		
Net loss for the year	\$ (5,031,406)	\$ (3,226,656)
Items not affecting cash:		
Amortization	74,794	55,934
Write down of mineral properties	2,846,077	1,017,313
Stock-based compensation	335,676	665,105
Loss on disposal of property and equipment	37,589	-
Non-controlling interest	-	(47,100)
Net changes in non-cash working capital:		
Receivables	18,348	5,206
Accounts payable and accrued liabilities	173,666	(271,469)
Prepaid expenses	(94,929)	144,639
	<u>(1,640,185)</u>	<u>(1,657,028)</u>
Investing Activities		
Purchases of equipment	(35,098)	(243,963)
Proceeds on sale of property and equipment	13,081	-
Mineral property costs	(2,269,160)	(1,363,575)
	<u>(2,291,177)</u>	<u>(1,607,538)</u>
Financing Activities		
Proceeds from share issuances	-	337,500
		<u>337,500</u>
Net Decrease in Cash	(3,931,362)	(2,927,066)
Cash - Beginning of Year	4,758,818	7,685,884
Cash - End of Year	\$ 827,456	\$ 4,758,818
Supplemental Cash Flow Disclosure		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Supplemental Disclosure of Non-Cash Financing and Investing Activities		
Fair value of shares issued for mineral properties	\$ -	\$ 159,120
Stock based compensation included in mineral property costs	\$ 10,259	\$ 235,820
Mineral property costs included in accounts payable	\$ 12,754	\$ 48,009

The accompanying notes form an integral part of these consolidated financial statements

Calibre Mining Corp.

(An Exploration Stage Company)

Consolidated Schedules of Mineral Property Costs

Years Ended December 31

(Expressed in Canadian Dollars)

	2008			2007		
	Acquisition Costs	Exploration Costs	Total	Acquisition Costs	Exploration Costs	Total
Point Leamington, Nfld. (Note 6 a)						
Balance - Beginning of Year	\$ 655,000	\$ 1,001,718	\$ 1,656,718	\$ 655,000	\$ 761,076	\$ 1,416,076
Acquisition	50,000	-	50,000	-	-	-
Assaying	-	1,346	1,346	-	-	-
Geological	-	16,469	16,469	-	7,686	7,686
Geophysical	-	-	-	-	211,343	211,343
Administration and maintenance	-	38,268	38,268	-	21,613	21,613
Travel	-	5,494	5,494	-	-	-
Total expenses during the year	50,000	61,577	111,577	-	240,642	240,642
Write-off of mineral property costs	-	(347,263)	(347,263)	-	-	-
Balance - End of Year	\$ 705,000	\$ 716,032	\$ 1,421,032	\$ 655,000	\$ 1,001,718	\$ 1,656,718
Cargo, Australia (Note 6 b)						
Balance - Beginning of Year	\$ 159,120	\$ 1,286,973	\$ 1,446,093	\$ -	\$ -	\$ -
Shares issued (Note 4)	-	-	-	159,120	-	159,120
Assaying	-	25,527	25,527	-	40,835	40,835
Property assignment	-	1,709	1,709	-	8,334	8,334
Drilling	-	42,044	42,044	-	291,749	291,749
Field expenses	-	15,418	15,418	-	51,044	51,044
Geological	-	24,754	24,754	-	625,275	625,275
Geophysical	-	-	-	-	6,965	6,965
Administration and maintenance	-	64,492	64,492	-	217,779	217,779
Travel	-	1,825	1,825	-	44,992	44,992
Total expenses during the year	-	175,769	175,769	159,120	1,286,973	1,446,093
Write-off of mineral property costs	(159,120)	(1,462,742)	(1,621,862)	-	-	-
Balance - End of Year	\$ -	\$ -	\$ -	\$ 159,120	\$ 1,286,973	\$ 1,446,093
Trundle, Australia (Note 6 c)						
Balance - Beginning of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assaying	-	14,845	14,845	-	-	-
Property assignment	-	17,952	17,952	-	-	-
Drilling	-	519,578	519,578	-	-	-
Field expenses	-	77,100	77,100	-	-	-
Geological	-	192,150	192,150	-	-	-
Administration and maintenance	-	266,248	266,248	-	-	-
Travel	-	40,002	40,002	-	-	-
Total expenses during the year	-	1,127,876	1,127,876	-	-	-
Balance - End of Year	\$ -	\$ 1,127,876	\$ 1,127,876	\$ -	\$ -	\$ -

The accompanying notes form an integral part of these consolidated financial statements

Calibre Mining Corp.

(An Exploration Stage Company)

Consolidated Schedules of Mineral Property Costs - continued

Years Ended December 31

(Expressed in Canadian Dollars)

	2008			2007		
	Acquisition Costs	Exploration Costs	Total	Acquisition Costs	Exploration Costs	Total
<u>Trend, Nevada (Note 6 d)</u>						
Balance - Beginning of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assaying	-	10,533	10,533	-	-	-
Drilling	-	596,957	596,957	-	-	-
Field expenses	-	34,821	34,821	-	-	-
Geological	-	78,225	78,225	-	-	-
Administration and maintenance	-	128,405	128,405	-	-	-
Travel	-	28,011	28,011	-	-	-
Total expenses during the year	-	876,952	876,952	-	-	-
Write-off of mineral property costs	-	(876,952)	(876,952)	-	-	-
Balance - End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>International (Note 6 e)</u>						
Balance - Beginning of Year	\$ -	\$ -	\$ -	\$ -	\$ 897,524	\$ 897,524
Geological consulting	-	-	-	-	91,098	91,098
Administration	-	-	-	-	22,176	22,176
Travel	-	-	-	-	6,514	6,514
Total expenses during the year	-	-	-	-	119,788	119,788
Write-off of mineral property costs	-	-	-	-	(1,017,312)	(1,017,312)
Balance - End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total mineral property costs	\$ 705,000	\$ 1,843,908	\$ 2,548,908	\$ 814,120	\$ 2,288,691	\$ 3,102,811

The accompanying notes form an integral part of these consolidated financial statements

Calibre Mining Corp.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Calibre Mining Corp. (the "Company") (*an Exploration Stage Company*) is incorporated under the laws of British Columbia, Canada and maintains its corporate head office in Vancouver, British Columbia. On June 18, 2007, the Company legally changed its name from TLC Ventures Corp. The Company's common shares are listed in Canada on the TSX Venture Exchange (TSX.V: CXB).

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

These consolidated financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles ("GAAP"). Several conditions discussed below cast significant doubt as to the assumption.

The Company has a history of losses and no operating revenue, other than interest income. The ability of the Company to continue as a going concern is dependent its ability to raise adequate financing from lenders, shareholders, and other investors (Note 12) There can be no assurances that the Company will continue to obtain the additional financial resources and/or capability to achieve profitability or positive cash flows. These consolidated financial statements do not reflect adjustments, which could be material, to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

The significant accounting policies followed in the preparation of these consolidated financial statements are as follows:

a) *Principles of Consolidation*

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Cybele Resources Inc. ("Cybele") (Note 4) and Calibre Mining Ltd. (incorporated in the United States of America).

Cybele was incorporated under the laws of British Columbia on April 18, 2005 and owns 100% of Calibre Mining (Australia) Pty. Ltd. ("Calibre Australia"), which is an Australian company incorporated on November 28, 2005.

During the year ended December 31, 2006, Cybele also incorporated Cybele (Vanuatu) Ltd., Cybele (PNG) Ltd., and Cybele (Solomon Islands) Ltd., each of which had no significant assets or operations and in 2007 were wound up and deregistered.

All intercompany balances and transactions have been eliminated upon consolidation.

Calibre Mining Corp.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

(Expressed in Canadian Dollars)

2. Significant Accounting Policies - *continued*

b) *Property and Equipment*

Property and equipment are carried at cost less accumulated amortization. The Company provides for amortization on the following basis (with one-half of the rates below taken in the year of acquisition):

- | | |
|----------------------------------|--|
| - Furniture and office equipment | 20% declining balance basis |
| - Computer hardware and software | 30% - 45% declining balance basis |
| - Leasehold improvements | straight-line basis over the term of the lease |
| - Vehicles | 20% declining balance basis |

c) *Mineral Properties Expenditures*

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable.

Mineral exploration and development costs are capitalized on an individual prospect basis until such time as an economic mineral reserve is defined or the prospect is determined by management to be impaired or abandoned. Amounts received for the sale of mineral properties, for option payments and for exploration advances are treated as reductions of the cost of the property and payments in excess of capitalized costs are recognized in income. Costs for a producing property are amortized on a unit-of-production method based on the estimated life of the mineral reserves, while costs for the properties abandoned are written off.

The recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable mineral reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

d) *Asset Retirement Obligations*

The Company recognizes the fair value of liabilities for asset retirement obligations in the period in which a reasonable estimate of such costs can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expenses using a systematic and rational method and is also adjusted to reflect period-to-period changes in the liability resulting from passage of time and revisions to either timing or the amount of the original estimate of the undiscounted cash flow. As at December 31, 2008 and 2007, management has determined that the Company does not have any asset retirement obligations.

Calibre Mining Corp.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

(Expressed in Canadian Dollars)

2. Significant Accounting Policies – continued

e) *Impairment of Long-Lived Assets*

Long-lived assets are reviewed for impairment when events or circumstances suggest their carrying value has become impaired. Management considers assets to be impaired if the carrying value exceeds the estimated undiscounted future projected cash flows to result from the use of the asset and its eventual disposition. If impairment is deemed to exist, the assets will be written down to fair value. Fair value is generally determined using a discount cash flow analysis.

f) *Share Capital*

The Company records proceeds from the exercise of stock options and warrants as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

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

g) *Stock-Based Compensation*

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. The fair value of option grants is established using a Black-Scholes option pricing model. For employees, the fair value of the options at the date of the grant is accrued and charged to operations, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty's performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable.

h) *Income Taxes*

Income taxes are accounted for using the asset and liability method. Future taxes are recognized for the tax consequences of "temporary differences" by applying enacted or substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and tax basis of existing assets and liabilities. The effect on future taxes of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. In addition, the method requires the recognition of future tax benefits to the extent that realization of such benefits is more likely than not. A valuation allowance is provided to the extent that it is more likely than not that future income tax assets will not be realized.

Calibre Mining Corp.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

(Expressed in Canadian Dollars)

2. Significant Accounting Policies - *continued*

i) *Loss per Share*

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated in accordance with the treasury stock method which assumes that proceeds received from the exercise of stock options and warrants would be used to repurchase common shares at the prevailing market rate. Stock options and warrants are dilutive when the Company has income from continuing operations and when the average market price of the common shares during the period exceeds the exercise price of the options and warrants. For the year ended December 31, 2008, potentially dilutive common shares (relating to options and warrants outstanding) totalling 6,105,000 (2007 – 10,890,000) were not included in the computation of diluted loss per share because their effect was anti-dilutive.

j) *Foreign Currency Translation*

For the purposes of consolidation, the Company's foreign subsidiaries are considered integrated operations and are translated using the temporal method. Under this method, the Company translates monetary assets and liabilities denominated in foreign currencies at period-end rates. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates in effect during the period except for depreciation and amortization which are translated at historical rates. The resulting gains or losses are reflected in operating results in the period of translation.

At the entity level, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate in effect at the balance sheet date and non-monetary assets and liabilities are translated at the exchange rates in effect at the time of acquisition or issue. Revenues and expenses are translated at rates approximating the exchange rates in effect at the time of the transactions. All exchange gains and losses are included in operations.

k) *Estimates and Measurement Uncertainty*

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Significant areas where management judgment is applied in these financial statements include: stock-based compensation, determination of impairment of long-lived assets, useful lives for depletion and amortization, and income tax provisions.

Calibre Mining Corp.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

(Expressed in Canadian Dollars)

2. Significant Accounting Policies – continued

l) Recent Canadian Accounting Pronouncements

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

(i) Goodwill and Intangible Assets

In February 2008, the Canadian Institute of Chartered Accountants ("CICA") issued CICA Handbook Section 3064, *Goodwill and Intangible Assets*, which replaces Section 3062, *Goodwill and Other Intangible Assets* and Section 3450, *Research and Development Costs*. Various changes have been made to other sections of the CICA Handbook for consistency purposes. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. The new Section will be applicable to the Company's consolidated financial statements for its fiscal year beginning January 1, 2009. The Company does not expect that the adoption of this section will have a material impact on its consolidated financial statements.

(ii) Business Combinations

In January 2009, the CICA issued Section 1582, *Business Combinations*, which replaces former guidance on business combinations. Section 1852 establishes principles and requirements of the acquisition method for business combinations and related disclosures. In addition, the CICA issued Sections 1601, *Consolidated Financial Statements*, and 1602, *Non-Controlling Interests*, which replaces the existing guidance. Section 1601 establishes standards for the preparation of consolidated financial statements, which section 1601 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

These statements apply prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011 with earlier application permitted. The Company is currently evaluating the new sections to determine the potential impact on its consolidated financial statements.

(iii) Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2003, the CICA issued EIC – 173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*. The guidance requires that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. This guidance is applicable to fiscal periods ending on or after January 12, 2009. The Company does not expect that the adoption of this section will have a material impact on its consolidated financial statements.

Calibre Mining Corp.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

(Expressed in Canadian Dollars)

2. Significant Accounting Policies – *continued*

l) Recent Canadian Accounting Pronouncements – continued

(iv) International Financial Reporting Standards (“IFRS”)

In February 2008, the CICA Accounting Standards Board confirmed that International Financial Reporting Standards will replace Canada’s current generally accepted accounting principles for publicly accountable profit-oriented enterprises effective January 1, 2011.

The Company is currently developing its IFRS conversion plan with priority being placed on those standards likely to have a significant impact. Our analysis will include identifying the differences between IFRS and the Company’s current accounting policies, assessing the impact of the difference, and where necessary, analyzing the various policies that it could elect to adopt. Changes in accounting policies are likely and may materially impact the Company’s consolidated financial statements.

3. Adoption of New Canadian Accounting Pronouncements

a) Going Concern

In April 2007, the CICA approved amendments to Handbook Section 1400, *General Standards of Financial Statement Presentation*. These amendments require management to assess an entity’s ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity’s ability to continue as a going concern, those uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date. The standard was adopted by the Company effective January 1, 2008 (See Note 1).

b) Inventories

In June 2007, the CICA issued Section 3031, *Inventories*, which replaces Section 3030, *Inventories*, in an effort to harmonize accounting for inventories under Canadian GAAP with IFRS. This standard requires that inventories be measured at the lower of cost and net realizable value, and includes guidance on the determination of cost, including allocation of overheads and other costs. The standard also requires that similar inventories within a consolidated group be measured using the same method. The Company adopted the standard effective January 1, 2008, and management has determined the initial adoption of this standard did not have a material impact on the consolidated financial statements for any of the periods presented.

Calibre Mining Corp.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

(Expressed in Canadian Dollars)

3. Adoption of New Canadian Accounting Pronouncements - *continued*

c) *Accounting Changes*

Effective January 1, 2007, the Company adopted revised CICA Section 1506, *Accounting Changes*, which provides expanded disclosures for changes in accounting policies, accounting estimates and corrections of errors. Under this standard, accounting changes should be applied retrospectively unless otherwise permitted or where impracticable to determine. As well, voluntary changes in accounting policy are made only when required by a primary source of GAAP or the change results in more relevant and reliable information. The adoption of this section had no material impact on the consolidated financial statements of the Company.

d) *Capital Disclosures*

Effective January 1, 2008, the Company adopted the CICA Handbook Section 1535, *Capital Disclosures*. The new standard requires a company to disclose information that enables users of its financial statements to evaluate its objectives, policies and procedures for managing capital including disclosures of any externally imposed capital requirements and the consequences for non-compliance.

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, to support continued evaluation and maintenance at the Company's existing properties, and to acquire, explore, and develop other precious and base metal deposits in North America and Australia.
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk of loss of principal.
- To obtain the necessary financing to complete exploration and development of its properties, if and when it is required.

In the management of capital, the Company includes shareholders' equity and cash in the definition of capital. The Company is not exposed to externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it, based on the level of funds required to manage its operations in light of changes in economic conditions and the risk characteristics of its underlying assets, especially with respect to exploration results on properties in which the Company has an interest.

In order to facilitate the management of capital and development of its mineral properties, the Company prepares annual expenditure budgets, which are updated as necessary and are reviewed and approved by the Company's Board of Directors. In addition, the Company may issue new equity, incur additional debt, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. The Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. Notwithstanding the risks described in Note 1, the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives (Note 12).

Calibre Mining Corp.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

(Expressed in Canadian Dollars)

3. Adoption of New Canadian Accounting Pronouncements - *continued*

e) *Financial Instruments, Comprehensive Income, and Hedges*

On January 1, 2007, the Company adopted the CICA Handbook Sections 1530, *Comprehensive Income*; Section 3855, *Financial Instruments – Recognition and Measurement*; Section 3861, *Financial Instruments – Disclosure and Presentation*; and Section 3865, *Hedges*.

Effective January 1, 2008, the Company adopted CICA Handbook Section 3862, *Financial Instruments – Disclosures*, and Section 3863, *Financial Instruments – Presentation*. The objective of these new standards is to provide more information for users of the Company's financial statements to understand the significance of financial instruments to the Company's financial position, performance, and cash flows. These new standards have superseded CICA Handbook Section 3861.

(i) Financial Instruments

Under Section 3855, financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as follows:

- Held-for-trading financial instruments are measured at their fair value with changes in fair value recognized in net income for the period.
- Available for sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income until the asset is removed from the balance sheet.
- Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method.
- Derivative instruments, including embedded derivatives, are measured at their fair value with changes in fair value recognized in net income for the period unless the instrument is a cash flow hedge and hedge accounting applies in which case changes in fair value are recognized in other comprehensive income.

Upon adoption of this new standard, the Company designated its financial instruments as follows:

- Cash is classified as held-for-trading;
- Receivables are classified as loans and receivables; and
- Accounts payable and accrued liabilities as other financial liabilities.

The Company does not use derivative instruments or hedges to manage various risks because the Company's exposure to credit risk, liquidity risk, and market risks (including commodity price risk, interest rate risk, and foreign exchange risk) is relatively low. Each of these risks is discussed further below.

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3. Adoption of New Canadian Accounting Pronouncements - *continued*

e) *Financial Instruments, Comprehensive Income, and Hedges - continued*

(i) Financial Instruments - *continued*

Fair value

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

As at December 31, 2008 and 2007, the carrying value of cash, receivables, and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

Credit risk

Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfill their commitments to the Company. The Company's credit risk is primarily attributable to its liquid financial assets of cash and receivables. The carrying value of these instruments represents the Company's maximum exposure to credit risk. The Company limits exposure to credit risk by maintaining its cash with high-credit quality financial institutions. The credit risk in receivables is considered low by management as they consist primarily of amounts owing from government authorities in relation to the refund of value-added taxes applying to inputs for qualified expenditures. The Company does not have financial assets that are invested in asset backed commercial paper.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company manages liquidity risk through the management of its capital structure, as outlined in Note 3d) of these consolidated financial statements. Accounts payable and accrued liabilities are due within the current operating period.

Commodity price risk

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

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Years Ended December 31, 2008 and 2007

(Expressed in Canadian Dollars)

3. Adoption of New Canadian Accounting Pronouncements - *continued*

e) *Financial Instruments, Comprehensive Income, and Hedges - continued*

(i) Financial Instruments - *continued*

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's interest rate risk arises primarily from the interest received on its cash balances. The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. The effect of a one basis point increase or decrease on cash and its impact on net loss is not considered significant. The Company's other financial assets and liabilities are not subject to interest rate risk, as they do not bear interest.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. The Company incurs foreign currency risk on purchases that are denominated in a currency other than the functional currency of the Company, which will have an impact on the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company's main risks are associated with fluctuations in the Australian dollar ("AUD") and the US dollar ("USD"). The Company does not enter into any foreign exchange contracts to mitigate these risks. The effect of a one basis point increase or decrease on these instruments to net loss is not considered significant.

(ii) Comprehensive Income

Section 1530 introduces the concept of comprehensive income, which is calculated by including other comprehensive income with net income. Other comprehensive income represents changes in shareholders' equity arising from transactions and other events with non-owner sources such as unrealized gains and losses on financial assets classified as available-for-sale.

(iii) Hedges

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed, as well as the disclosure requirements. Hedge accounting enables the recording of gains, losses, revenues and expenses from derivative financial instruments in the same period as for those related to the hedged item. The adoption of this section is optional. The Company is not currently engaged in hedging activities.

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Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

(Expressed in Canadian Dollars)

3. Adoption of New Canadian Accounting Pronouncements - *continued*

e) *Financial Instruments, Comprehensive Income, and Hedges - continued*

Upon adoption of these new sections, the transition rules require that the Company adjusts either the opening deficit or accumulated other comprehensive income as if the new rules had always been applied in the past, without restating comparative figures of prior years. The Company has evaluated the impact of these new sections on its consolidated financial statements and determined that no significant adjustments were required upon adoption.

f) *Equity*

Effective January 1, 2007, the Company adopted CICA Section 3251, *Equity*, which establishes standards for the presentation of equity and changes in equity during the reporting periods presented. As there are no changes resulting from the adoption of Section 1530, discussed above, the adoption of this policy had no impact on the Company's consolidated financial statements for any of the periods presented.

4. Mergers and Acquisitions

During the year ended December 31, 2005, the Company invested \$477,000 in Cybele representing 95.08% of the issued and outstanding shares of Cybele. In the same year, Cybele purchased, from a director of the Company, intellectual property used for the construction and manipulation of digital databases in order to identify gold and copper properties and define priority targets. As consideration, Cybele must pay a 0.5% Net Smelter Return ("NSR") royalty on certain properties identified by the intellectual property. As no properties are producing ore at this time, no consideration has been paid.

During the year ended December 31, 2006, the Company purchased an additional 1.22% of Cybele for consideration of US\$1,000,000, which brought the Company's total investment in Cybele up to 96.30%. As part of the financing into Cybele, the Company was granted 2,000,000 warrants to purchase additional Cybele shares for US\$0.25 until June 2008.

During the year ended December 31, 2007, the Company purchased the remaining balance of the Cybele common shares by issuing a total of 442,000 common shares with a fair value of \$159,120. As at December 31, 2007, the Company owns 100% of the outstanding shares of Cybele.

Prior to the acquisition of the remaining 3.7% interest in Cybele in 2007, the Company charged to the statement of loss, a recovery of \$47,100 (2006 and 2005 – write-downs of \$27,418 and \$19,622 respectively) related to the Company's non-controlling interest.

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Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

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5. Property and Equipment

	2008			2007		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment and software	\$ 142,828	\$ (55,000)	\$ 87,828	\$ 177,103	\$ (46,274)	\$ 130,829
Furniture and office equipment	109,031	(37,551)	71,480	109,896	(23,076)	86,820
Vehicles	48,947	(13,705)	35,242	71,189	(7,119)	64,070
Leasehold improvements	14,385	(6,394)	7,991	14,385	(3,197)	11,188
	\$ 315,191	\$ (112,650)	\$ 202,541	\$ 372,573	\$ (79,666)	\$ 292,907

During the year ended December 31, 2008, the Company sold, disposed, or abandoned certain property and equipment with a net book value of \$50,670 for total gross proceeds of \$13,081. This resulted in a loss on disposal of \$37,589, which was charged to operations.

6. Mineral Property Costs

a) Point Leamington, Newfoundland, Canada

The Company owns a 100% interest in various mineral properties and a mining lease in the Point Leamington, Newfoundland, Canada area, which were acquired during the years 2004 through 2007. These properties acquired are subject to a 2% net smelter return royalty ("NSR"), which is held by a third party.

Pursuant to an agreement dated February 13, 2008, the Company purchased from Altius Resources Inc. ("Altius") certain mineral properties located in the Point Leamington area for \$50,000, plus the Company refunded \$37,200 of residual exploration security deposits to Altius, in cash. The agreement is subject to the retention by Altius of a 2% net smelter returns royalty of mining revenue generated from the property purchased.

During the year ended December 31, 2008, management determined the Company would no longer maintain certain non-core claims in the Point Leamington region. These claims no longer pursued were staked by the Company in 2006 and 2007. As a result, the Company wrote off exploration expenditures of \$347,263 associated with costs incurred in evaluating these claims.

Management continues to maintain the Point Leamington mining lease (acquired in 2004) and the immediately surrounding claims (including the Altius claims discussed above) in good standing. During the year ended December 31, 2008, the Company staked an additional 46 mineral claims to the southwest of the Point Leamington mineral license property already owned by the Company.

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Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

(Expressed in Canadian Dollars)

6. Mineral Property Costs - *continued*

b) *Cargo, New South Wales, Australia*

On December 22, 2006, the Company entered into a Farm-in and Joint Venture Agreement with Golden Cross Operations Pty. Ltd. ("Golden Cross") (ratified on October 22, 2007), whereby the Company could acquire a 70% interest in Exploration Licence 5238 ("Cargo Licence") located in New South Wales, Australia, upon completion of total expenditures on the property of AUD \$5,000,000, over a four year period. Under the terms of the agreement, the Company was only committed to an initial expenditure on the property of AUD \$250,000 (which was completed by the Company in 2007).

Since entering the agreement, the Company completed a total of 3,155 metres of drilling in two drill programs at Cargo. Upon completion of a strategic review of the drilling programs performed, management made the determination that the results of the exploration programs did not warrant further expenditures at Cargo. During the year ended December 31, 2008, the Company wrote off the related acquisition and exploration costs of \$1,621,862 for the property. The Company does not have any further obligations under the terms of the agreement and has returned the title of Cargo to Golden Cross.

c) *Trundle, New South Wales, Australia*

On January 25, 2008, the Company entered into an agreement whereby, the Company can earn up to a 70% interest in the Trundle Property ("Trundle"), located in New South Wales, Australia, by completing AUD \$3 million in exploration expenditures over a three year period as follows:

- A commitment to spend a minimum of AUD \$600,000 on the property in Year 1, of which, AUD \$300,000 must be drilling related (*completed*);
- An additional AUD \$1,000,000 of expenditures in Year 2; and
- An additional AUD \$1,400,000 of expenditures in Year 3.

As a minimum commitment, the Company must complete the requirements in Year 1 before withdrawing from the agreement without penalty. The Company fulfilled these commitments in 2008, and any further expenditure on the property is at the option of the Company. The Company will also have the option to acquire an additional 20% interest (for a total of 90%) by funding and completing a feasibility study on the property. The agreement is subject to a 2% NSR, held by third parties.

During the year ended December 31, 2008, the Company completed a diamond drill program on the property. Management is evaluating the drill results of the program and considering the impact on future possible programs at Trundle.

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Notes to Consolidated Financial Statements

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6. Mineral Property Costs - *continued*

d) *Trend, Nevada, United States of America*

On February 6, 2008, the Company entered into an agreement whereby it could earn up to a 65% interest in the Trend Property ("Trend"), located on the Cortez-Battle Mountain trend of Nevada, by completing USD \$1.5 million in exploration expenditures and maintaining obligations to property vendors, over a four year period. First year commitments included drilling and a minimum expenditure on the property of USD \$500,000. The Company had the option to acquire an additional 10% interest (for a total interest of 75%) by funding and completing a preliminary economic assessment.

During the year ended December 31, 2008, the Company completed a diamond drill program on the property, which resulted in the Company meeting its minimum commitments for drilling and expenditures. Following a review of the program results, management made the determination that the results of the exploration program did not warrant further expenditures at Trend. During the year ended December 31, 2008, the Company wrote off the related exploration costs of \$876,952 from the property. The Company does not have any further obligations under the terms of the agreement and has returned the title of Trend to its joint venture partner.

e) *Other International Exploration*

During the year ended December 31, 2006, the Company acquired one exploration and two prospecting licences in Vanuatu and three prospecting licences in the Solomon Islands. During the year ended December 31, 2007, management made the determination that the results of its exploration programs on the property did not warrant further expenditures and wrote-off the related acquisition and exploration costs of \$1,017,313.

7. Related Party Transactions

The following is a summary of the related party transactions that occurred throughout each of the two years ended December 31:

	2008		2007	
Fees paid to a former director and officer	\$	-	\$	144,769
Accounting fees paid to a director and officer	\$	60,000	\$	60,000
Legal fees paid to a law firm associated an officer	\$	39,117	\$	44,418
Fees paid to independent directors	\$	30,000	\$	40,000

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

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8. Share Capital

(a) Stock options

The Company has a stock option plan (the "Plan"), whereby a maximum 9,620,000 common shares of the Company may be reserved for issuance pursuant to the exercise of stock options. The Plan is administered by the Compensation Committee of our Board consisting of not less than two of its members. Options granted under the Plan will be exercisable at a price not less than the market value of the Company's common shares on the date of grant and granted for a term not to exceed five years from the date of grant. Any options granted under the Plan shall vest based on a periodic vesting schedule as determined by the Compensation Committee. In general, options have been granted to vest 25% immediately and 25% at each six month interval after the date of grant until fully vested.

A summary of the status of the Company's stock options as at December 31, 2008 and 2007 and changes during those years are presented below:

	2008		2007	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding, beginning of year	6,540,000	\$ 0.52	5,290,000	\$ 0.41
Granted	275,000	0.22	3,800,000	0.48
Exercised	-	-	(2,100,000)	0.16
Forfeited	(700,000)	0.62	(450,000)	0.64
Expired	(10,000)	0.13	-	-
Outstanding, end of year	6,105,000	\$ 0.50	6,540,000	\$ 0.52
Exercisable, end of year	5,892,500	\$ 0.50	4,565,000	\$ 0.54

During the year ended December 31, 2007, holders exercised 2,100,000 stock options for gross proceeds of \$337,500. In connection with these exercises, the Company reclassified the fair value of these options previously recorded in the amount of \$181,788 from contributed surplus to share capital. During the year ended December 31, 2008, 700,000 (2007 - 450,000) options were forfeited as the holders were no longer employed by the Company. Also, 10,000 options (2007 - Nil) were cancelled as a result of the options being expired.

During the year ended December 31, 2008, the Company granted a total of 275,000 stock options to employees and directors, of which 25,000 are exercisable at a price of \$0.20 per share and 250,000 are exercisable at a price of \$0.22 per share. The options granted in 2008 expire between April 16, 2013 and June 2, 2013.

During the year ended December 31, 2007, the Company granted a total of 3,800,000 stock options, of which 2,800,000 are exercisable at a price of \$0.44 per share and 1,000,000 are exercisable at a price of \$0.60 per share. The options granted in 2007 expire at various times between March 7, 2012 and October 15, 2012.

The weighted-average fair value of options granted during the year ended December 31, 2008 was \$0.09 (2007 - \$0.22).

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Notes to Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

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8. Share Capital - continued

(a) Stock options - continued

As at December 31, 2008, stock options exercisable and outstanding are as follows:

Exercise Price	Options Outstanding		Options Exercisable	
	Number	Weighted Average Remaining Contractual Life (yrs.)	Number	Weighted Average Remaining Contractual Life (yrs.)
\$0.200	25,000	4.29	12,500	4.29
\$0.220	250,000	4.42	125,000	4.42
\$0.440	2,800,000	3.25	2,725,000	3.23
\$0.500	1,020,000	1.38	1,020,000	1.38
\$0.600	1,400,000	2.80	1,400,000	2.80
\$0.625	600,000	2.44	600,000	2.44
\$1.000	10,000	0.33	10,000	0.33
	6,105,000	2.80	4,565,000	2.75

(b) Stock-based compensation

The Company amortizes the total fair value of options granted over a graded vesting schedule. Consequently, the total compensation expense recognized for options granted during 2008 or prior periods was \$345,935 (2007 - \$900,925). Of the total compensation recorded during the year, \$335,676 (2007 - \$665,105) was charged to operations expense and \$10,259 (2007 - \$235,820) was capitalized to mineral property costs.

The fair value of the options used in the information above has been estimated at the date of grant of options using the Black-Scholes option pricing model with the following assumptions:

	2008	2007
Weighted average risk-free interest rate	3.04%	4.20%
Weighted average expected option life	3 years	3 years
Weighted average expected stock volatility	61.53%	61.42%
Weighted average expected dividend yield	Nil	Nil

Option pricing models require the input of highly subjective assumptions including the expected stock price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

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Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars)

8. Share Capital - continued

(c) Warrants

A summary of the status of the Company's outstanding and exercisable warrants as at December 31, 2008 and 2007 and changes during those years are presented below:

	2008		2007	
	Warrants	Weighted Average Exercise Price	Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	4,350,000	\$ 1.00	4,350,000	\$ 1.00
Expired	(4,350,000)	1.00	-	-
Outstanding, ending of year	-	\$ -	4,350,000	\$ 1.00

9. Income Taxes

The reconciliation of the income tax provision computed at statutory rates to the reported income tax provision is as follows:

	2008	2007
Loss before income taxes	\$ (5,031,406)	\$ (3,226,658)
Effective statutory rate	28.7%	27.5%
Expected income tax recovery	\$ (1,443,853)	\$ (887,921)
Items not deductible for tax purposes	1,021,043	450,011
Unrecognized benefit of non-capital losses	422,970	437,910
	\$ -	\$ -

Future income tax assets reflect the net effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The significant components of the Company's future income tax assets at December 31, 2008 and 2007 are as follows:

	2008	2007
Future income tax assets		
Non-capital loss carry-forwards	\$ 1,607,492	\$ 1,409,466
Unamortized financing costs	2,403	6,297
Mineral Properties	970,653	317,662
Property and equipment	45,919	26,561
	2,626,468	1,759,986
Less: Valuation allowance	(2,626,468)	(1,759,986)
	\$ -	\$ -

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Notes to Consolidated Financial Statements

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9. Income Taxes - continued

As at December 31, 2008, the Company has non-capital losses for Canadian tax purposes of approximately \$1,650,000 available to offset against taxable income in future years, which if unutilized, will begin to expire in 2014. The Company also has resource exploration expenditures of approximately \$4,920,000 available to reduce taxable income of future years in Canada, subject to certain restrictions. In addition, the Company has tax losses for Australian purposes of approximately \$3,600,000 available to offset against taxable income in future years for an indefinite period, subject to certain conditions. The Company also has non-capital loss carry forwards in the United States of approximately \$870,000, which begin to expire in 2028. Future tax benefits which may arise as a result of these losses, resource deductions and other tax assets have not been recognized in these financial statements, and have been offset by a valuation allowance.

10. Commitments

The Company has minimum annual lease commitments for its office premise expiring July 2011:

2009	\$ 123,000
2010	127,000
2011	65,000
	\$ 315,000

11. Segmented information

The Company currently operates in one reportable operating segment, being the acquisition, exploration, and development of natural resource properties, which is conducted principally in Canada, Australia and the United States of America. The Company is in the exploration stage and, accordingly, has no reportable segment revenues for any of the years presented in these consolidated financial statements. The following geographic data includes assets based on location:

December 31, 2008

	Canada	Australia	United States	Total
Cash and cash equivalents	\$ 807,012	\$ 20,444	\$ -	\$ 827,456
Other current assets	237,145	5,202	21,266	263,613
Property and Equipment	202,541	-	-	202,541
Mineral Properties	1,421,032	1,127,876	-	2,548,908
Total assets	\$ 2,667,730	\$ 1,153,522	\$ 21,266	\$ 3,842,518

December 31, 2007

	Canada	Australia	United States	Total
Cash and cash equivalents	\$ 4,625,592	\$ 133,226	\$ -	\$ 4,758,818
Other current assets	142,437	44,595	-	187,032
Property and Equipment	256,644	36,263	-	292,907
Mineral Properties	1,656,718	1,446,093	-	3,102,811
Total assets	\$ 6,681,391	\$ 1,660,177	\$ -	\$ 8,341,568

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Notes to Consolidated Financial Statements

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11. Segmented information - *continued*

The following geographic data denotes net losses based on their country of origin for the year ended December 31:

	2008	2007
Canada	\$ 2,525,188	\$ 2,070,936
Australia	1,626,564	138,408
United States of America	879,654	-
Other International	-	1,017,312
Net Loss for the Period	\$ 5,031,406	\$ 3,226,656

12. Subsequent events

Subsequent to year ended December 31, 2008, the Company completed a non-brokered, private placement financing consisting of 10 million units at a price of \$0.05 per unit for gross proceeds of \$500,000. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share of the Company for a period of two years from closing at a price of \$0.10 per share in the first year and \$0.15 per share in the second year. There is no commission or finder's fee payable on the financing.