

Calibre Mining Corp.

(An Exploration Stage Company)

Interim Management's Discussion and Analysis – Quarterly Highlights

Period Ended March 31, 2019

(Expressed in Canadian Dollars - Unaudited)



Introduction

Calibre Mining Corp. ("Calibre" or the "Company") is incorporated under the laws of British Columbia, Canada and maintains its corporate head office in Vancouver, British Columbia, Canada. The Company engages principally in the acquisition, advancement and development of precious and base metals assets and mineral properties in Nicaragua. The Company's common shares are listed in Canada on the TSX Venture Exchange under the trading symbol CXB. The Company is currently focusing on the exploration of strategic land position in a highly prospective, but underexplored region of the historic "Mining Triangle" in northeast Nicaragua, named the Borosi Concessions. The Borosi Concessions are named for the three historical producing regions of Bonanza, Rosita, and Siuna. The area is highly prospective for gold, silver and copper mineralization.

This interim Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the period ended March 31, 2019. The Company reports its condensed interim consolidated balance sheets, condensed interim consolidated statements of loss and comprehensive income (loss), condensed interim consolidated statements of changes in equity, and cash flows in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board. Additional information relating to the Company, including the most recent Company filings, can be located on the Company's website, www.calibremining.com, or on the SEDAR website, www.sedar.com.

This MD&A reflects information available as at May 23, 2019.

Forward Looking Statements and Risk Factors

This interim MD&A includes certain statements that may be deemed "forward-looking statements." All statements in this discussion, other than statements of historical facts, that address events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

For a detailed listing of the risk factors, please refer to the Company's annual MD&A for the year ended December 31, 2018.

Update on Exploration Activities

Calibre's 100% Owned Concessions

Calibre owns a 100% interest in over 518 km² of mineral concessions in the Mining Triangle of Northeast Nicaragua including the Primavera Gold-Copper Project and Santa Maria Gold Project. During the period ended March 31, 2019, the Company wrote-off exploration costs associated with a concession that it relinquished during the period. The write-down during the period amounted to \$80,000.

IAMGOLD Option Agreement

The 2019 exploration and drilling program includes plans to complete an estimated 6,000 metres of diamond drilling, concurrent with target generative and advancement work. The drilling metres are projected to be evenly split between follow-up drilling and first pass discovery drilling. In addition to the drilling, generative exploration is underway, including targeted soil sampling and surface rock sampling, over areas where previous work outlined anomalous gold and silver often associated with base metals. The results of the first six months will be reviewed and priority targets tested with first pass, discovery oriented, drilling in the second half of 2019.

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The drilling program which commenced in March 2019 and the first set of drill holes consisted of follow-up drilling on two successful high-grade discoveries from Q4 2018 (San Cristobal and La Luna). These are discussed in the Calibre press releases dated March 13, 2019 and May 13, 2019.

Centerra Option Agreement

On February 11, 2019, the Company purchased the 51% interest of Centerra Gold Inc. ("Centerra") in the La Luz Project by issuing 2,000,000 common shares of Calibre to Centerra and granting Centerra a 2.0% net smelter return royalty ("NSR Royalty") on future production from the La Luz Project. The value of the common shares issued to Centerra was \$1,240,000 which was based on the Company's share price on the date of the transaction. Calibre has the right to (i) purchase 1.0% of the NSR Royalty for \$2,000,000; and (ii) being granted a right of first refusal on the remaining 1.0% NSR Royalty. Including transaction costs, the total acquisition costs associated with the transaction amounted to \$1,248,849.

Santa Rita Mining Joint Venture

Nothing to report.

The following table outlines the expenditures at the Borosi concessions during the period ended March 31, 2019:

	Joint Venture with Santa Rita	Option Property to IAMGOLD	Option Property to Centerra	Calibre 100% Owned Properties	Total
Cost, December 31, 2018	\$ 594,473	\$ 7,232,940	\$ 666,644	\$ 21,395,548	\$ 21,395,548
Acquisition of Centerra interest	-	-	-	1,248,849	1,248,849
Administration and maintenance	-	10,839	-	22,006	32,845
Amortization	-	1,664	-	3,379	5,043
Assaying	-	10,276	-	5,412	15,688
Camp, supplies and logistics	-	40,614	-	2,806	43,420
Drilling and related	-	40,638	-	-	40,638
Foreign exchange	(11,604)	(141,181)	-	(430,636)	(583,421)
Geological consulting	-	-	-	26,314	26,314
Professional fees	-	-	-	2,505	2,505
Property maintenance	8,999	49,568	-	224,270	282,837
Salary and wages	-	124,078	-	121,468	245,546
Share-based compensation	-	2,295	-	4,661	6,956
Travel	-	6,733	-	27,555	34,288
Recovery of value-added taxes	-	(125,085)	(98,281)	-	(223,366)
Recovery of costs	-	(384,503)	-	-	(384,503)
Total expenditures during the year	(2,605)	(364,063)	(98,281)	1,258,590	793,641
Reclassification of Centerra costs	-	-	(568,363)	568,363	-
Write-down of property	-	-	-	(80,000)	(80,000)
Cost, March 31, 2019	\$ 591,868	\$ 6,770,596	\$ -	\$ 23,142,501	\$ 30,603,244

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Results of Operations

As at March 31, 2019, the Company had total assets of \$35,060,264 compared to \$35,052,474 as at December 31, 2018. The majority of these assets for both period ends are the carrying values of the Company's cash and cash equivalents and its exploration and evaluation assets.

As at March 31, 2019, the Company had working capital of \$3,435,642 compared to working capital of \$3,922,841 as at December 31, 2018.

During the three months ended March 31, 2019, the Company recorded a net loss of \$473,699 or \$0.01 per share, as compared to a net loss of \$214,258 or \$0.01 per share during the same period in the prior year.

Expenses during 2019 were \$417,505 compared to \$310,646 in 2018. The key items contributing to these expenses are as follows:

During the three months ended March 31, 2019, consulting fees were \$94,100 compared to \$60,406 during 2018. The increase in expense in 2019 is due to the increased fees associated with the Company's Executive Chairman and VP Corporate Development. The Company's Executive Chairman joined the Board in Q4 2018 and the VP Corporate Development was previously billing the Company on an hourly basis.

During the three months ended March 31, 2019, amortization was \$30,603 compared to \$1,081 in 2018. The increase in amortization in 2019 was due to the amortization of the right-of-use asset. IFRS 16, Leases, was recently adopted by the Company and it is discussed in detail under MD&A section, "Critical Accounting Estimates and Change in Accounting Policies including Initial Adoption."

During the three months ended March 31, 2019, trade shows and conferences was \$47,849 compared to \$9,283 in 2018. The increase in trade shows and conferences in 2019 were due to costs associated with the PDAC in Toronto and BMO Capital Markets Global Metals & Mining Conference in Florida.

Summary of Quarterly Results

The following information is derived from the Company's unaudited quarterly condensed interim consolidated financial statements or results for the past eight quarters.

	March 2019*	December 2018	September 2018	June 2018
Total revenues	\$Nil	\$Nil	\$Nil	\$Nil
Net loss for the period	\$(473,699)	\$(374,044)	\$(472,972)	\$(151,287)
Basic and diluted loss per share for the period	(\$0.01)	(\$0.03)	(\$0.00)	(\$0.00)

	March 2018	December 2017	September 2017	June 2017
Total revenues	\$Nil	\$Nil	\$Nil	\$Nil
Net loss for the period	\$(214,258)	\$(286,899)	\$(532,112)	\$(482,308)
Basic and diluted loss per share for the period	(\$0.01)	(\$0.00)	(\$0.00)	(\$0.00)

*Refer to MD&A section, *Results of Operations*, for explanation on expenditures and fluctuations.

The variation seen over the above quarters is primarily dependent upon the success of the Company's ongoing property evaluations and acquisition program and the timing and results of the Company's exploration activities on its current properties, none of which is possible to predict with any accuracy. The Company will continue to incur losses until such time as the commercial development of a discovery or an acquisition results in positive earnings. The

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above losses are also impacted by options granted in any given period, which give rise to share-based compensation expenses.

Liquidity and Capital Resources

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

As the Company is in the exploration stage, no mineral producing revenue has been generated to date. The ability of the Company to meet its obligations and continue the exploration and development of its mineral properties is dependent upon its ability to continue to raise adequate financing. Historically, operating capital and exploration requirements have been funded primarily from equity financing, joint ventures, disposition of mineral properties and investments. There can be no assurance that such financing will be available to the Company in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company. Based on the amount of funding raised, the Company's exploration program may be tailored accordingly.

Other than those obligations disclosed in the notes to its condensed interim consolidated financial statements and discussed in this MD&A, the Company has no other long-term debt, capital lease obligations, operating leases or any other long-term obligations. The Company had working capital of \$3,435,642 as at March 31, 2019.

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

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

Key management personnel of the Company are members of the Board of Directors, as well as the President and CEO, CFO and Corporate Secretary, and Vice President - Corporate Development. Key management compensation includes salaries and benefits and various consulting fees as follows:

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Short-term benefits ⁽ⁱ⁾	\$ 60,000	\$ 60,000
Share-based payments ⁽ⁱⁱ⁾	\$ 73,038	\$ 83,737
Consulting and advisory fees to key persons	\$ 89,499	\$ 45,906

⁽ⁱ⁾ Short-term benefits include salaries and benefits paid to the Company's CEO and President.

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

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

Proposed Transactions

Although the Company may be investigating any number of potential properties or projects at any given time, there are no proposed transactions that the Board of Directors or senior management believe that confirmation of the decision to acquire any specific project by the Board is certain.

Critical Accounting Estimates and Change in Accounting Policies including Initial Adoption

The significant accounting policies applied in the preparation of the financial statements are consistent with those applied and disclosed in the Note 3 of the Company's 2018 audited consolidated financial statements.

Critical accounting estimates remain the same as disclosed in the 2018 audited annual consolidated financial statements.

The Company adopted IFRS 16, "Leases" using a modified retrospective approach from January 1, 2019. Under the modified approach, the Company is not required to restate comparatives for the 2018 reporting period and it applied the standard prospectively.

Practical Expedients Applied

On adoption, the Company used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- account for lease payments as an expense and not recognize a right-of-use ("ROU") asset if the underlying asset is of low dollar value;
- account for leases with a remaining lease term of less than 12 months as at January 1, 2019, as short-term leases,
- account for lease and non-lease components as a single lease component for lease liabilities; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Leasing Activities and Policies

The Company only has one lease which relates to its Vancouver head office. The office lease has a 5-year term and is subject to expire on May 2022. Lease payments are comprised of two components – basic rent and operating costs. Basic rent for the term of the lease is fixed with only the operating portion subject to fluctuations. Prior to January 1, 2019, leases were accounted for under IAS 17, "Leases" and were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the term of the lease.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The ROU asset is depreciated over the lease term on a straight-line basis.

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

- fixed payments less any lease incentives receivable;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

ROU assets are measured at cost comprising of the following:

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

Adjustments Recognized on Adoption of IFRS 16, "Leases"

On adoption of IFRS 16, "Leases" the Company recognized a lease liability in relation to its office lease which had previously been classified as 'operating leases' under the principles of IAS 17, "Leases". This liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate of 12%.

The change in accounting policy affected the following items in the Consolidated Balance Sheet on January 1, 2019:

- ROU asset – increased by \$403,467 due to the adoption of IFRS 16, "Leases"; and
- Lease liability – increased by \$403,467 due to the adoption of IFRS 16, "Leases."

Reconciliation of Commitments to Lease Liability

The following table provides a reconciliation of the commitments as at December 31, 2018 to the Company's lease liabilities as at January 1, 2019 and March 31, 2019.

Disclosed commitments as at December 31, 2018	\$	512,585
Impact of discounting		(109,118)
Lease liability as at January 1, 2019	\$	403,467
Lease payments		(36,863)
Amortization of discount		11,856
	\$	378,460
Current portion of lease liability		(79,663)
Lease liability as at March 31, 2019	\$	298,797

The table below analyzes the Company's lease liabilities into relevant contractual maturity groupings based on the remaining period at the Consolidated Balance Sheet date to the contractual maturity date of the lease. The amounts shown in the table below are the contractual undiscounted cash flows related to the liability.

	Less than 1 year	1 year to 2 years	More than 3 years	Total contractual cash flows	Carrying amount
Lease liability	\$ 112,299	\$ 300,764	\$ 62,659	\$ 475,722	\$ 378,460

The difference between the total contractual undiscounted cash flows related to lease payments to lessors and the carrying amount of the lease liability is the amortization of the discount related to the lease liability.

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Right-of-Use Asset

The ROU asset was measured as if the standard had been applied since the commencement date of the lease but discounted using the Company's incremental borrowing rate as at the date of initial application (January 1, 2019). There were no onerous lease contracts that would have required an adjustment to the ROU assets at the date of initial application.

Continuity of ROU Asset

	Balance at January 1, 2019	Amortization for the period	Balance at March 31, 2019
Office property	\$ 403,467	(\$ 29,522)	\$ 373,945

Financial Instruments and Other Instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive (loss) income ("FVTOCI") or at amortized cost. The Company's financial instruments consist of cash and cash equivalents, receivables, marketable securities, and trade and other payables. The Company determines the classification of financial assets at initial recognition. All of the Company's financial instruments are at amortized cost except for marketable securities. Marketable securities are classified as FVTOCI.

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. Financial assets and liabilities at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. 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 is relatively low. Cash and cash equivalents are held through a large national financial institution. Notes 3(l) and 5 of the Company's audited consolidated financial statements for the year ended December 31, 2018 contain additional disclosures on the Company's financial instruments.

Disclosure of Outstanding Share Data

The following describes the outstanding share data of the Company as at May 23, 2019. For further information and details concerning outstanding share data, options, and warrants, refer to the Condensed Interim Consolidated Statements of Changes in Shareholders' Equity, included in the condensed interim consolidated interim consolidated financial statements as at and for the period ended March 31, 2019:

	Number Outstanding
Common shares	44,821,578
Options to purchase common shares	2,619,999
Warrants to purchase common shares	13,769,896

Outlook

Management will continue to look for partnership opportunities for its 100% owned projects in Nicaragua as well as M&A prospects. The drill program consisting of an estimated 6,000 metres of diamond drilling has commenced in Eastern Borosi with partner, IAMGOLD and the first two drill targets consist of follow-up drilling on two successful high-grade Au-Ag discoveries from 2018 where drill intercepts include; 1.55 metres grading 54.68 g/t Au and 3,957 g/t Ag (179.11 AuEq) on the San Cristobal gold-silver vein-structure 4.38 metres grading 13.22 g/t Au and 9.5 g/t Ag (13.37 AuEq) from the Main structure on the La Luna gold-silver vein-structure and a second intercept in the same drill hole of 4.45 metres grading 4.96 g/t Au and 151.5 g/t Ag (7.29 AuEq) from a newly discovered sulphide rich zone.