Consolidated Financial Statements

Years Ended December 31, 2020 and 2019

Independent auditor's report

To the Shareholders of Calibre Mining Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Calibre Mining Corp. and its subsidiaries (together, the Company) as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

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

- the consolidated statements of operations and comprehensive income for the years ended December 31, 2020 and 2019;
- the consolidated statements of financial position as at December 31, 2020 and 2019;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

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

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of mineral interests and property, plant and equipment (MPPE) *Refer to note 5 – Significant accounting policies, note 7 – Significant accounting estimates and judgements and note 14 – Mining interests, plant and equipment to the consolidated financial statements.* The net book value of MPPE amounted to $219 million as at December 31, 2020. MPPE are tested for impairment at the end of each reporting period if, in management's judgement, there is an indicator of impairment. Management applies significant judgement in assessing whether indicators of impairment exist that would necessitate impairment testing. Internal and external factors, such as (i) changes in quantity of the recoverable resources and reserves; (ii) changes in metal prices, capital and operating costs and interest rates; and (iii) market capitalization of the Company compared to its net assets, are evaluated by management in determining whether there are any indicators of impairment. Recoverable resources and reserves are prepared by the qualified persons as defined in accordance with NI 43-101 issued by the Canadian Securities Administrators (management's experts). We considered this a key audit matter due to (i) the significance of the MPPE balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the internal and external factors evaluated by management in its assessment of impairment indicators, which	Our approach to addressing the matter included the following procedures, among others: • Evaluated management's assessment of indicators of impairment, which included the following: – Assessed the completeness of external or internal factors that could be considered as indicators of impairment of the Company's MPPE, including consideration of evidence obtained in other areas of the audit. – Assessed the changes in metal prices, capital and operating costs and interest rates by considering external market data, current and past performance of the Company and evidence obtained in other areas of the audit, as applicable. – Used the work of management's experts in performing the procedures to evaluate the reasonableness of the estimates associated with the quantity of recoverable reserves and resources. As a basis for using this work, management's experts' competence, capability and objectivity were evaluated, their work performed was understood and the appropriateness of their work as audit evidence was evaluated by considering the relevance and reasonableness of the assumptions, methods and findings. – Recalculated the Company's market

Key audit matter	How our audit addressed the key audit matter
required significant management judgement.	capitalization and compared it to the net assets as at December 31, 2020.

Other information

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

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards

will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

/s/ "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

Vancouver, British Columbia
February 24, 2021

Consolidated Statements of Operations and Comprehensive Income

Years Ended December 31, 2020 and 2019

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

	Notes	2020	2019
Revenue		**$ 242,748**	$ 57,763
Cost of sales			
Production costs	8	**(107,896)**	(39,205)
Royalty and production taxes		**(10,124)**	(2,157)
Refinery and transportation		**(792)**	(790)
Depreciation and amortization		**(14,323)**	(2,267)
Total cost of sales		**(133,135)**	(44,419)
Operating income		**109,613**	13,344
Expenses			
General and administrative	9	**(7,707)**	(3,511)
Share-based compensation	19	**(5,534)**	(1,258)
Business combination and other costs	2	**(471)**	(3,445)
Foreign exchange (loss) gain		**(12)**	84
Care and maintenance	3	**(7,313)**	-
Total expenses		**(21,037)**	(8,130)
Income before finance, other items, and taxes		**88,576**	5,214
Interest income		**259**	149
Finance expense	10	**(3,003)**	(687)
Other income (expense)	11	**339**	(508)
Income before taxes		**86,171**	4,168
Current tax expense	22	**(14,756)**	(2,834)
Deferred tax expense	22	**(8,002)**	(414)
Net income		**63,413**	920
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Change in employee benefits provision		**1,877**	-
Change in available for sale securities		**-**	5
Exchange differences on translating foreign operations		**(219)**	530
Comprehensive income		**$ 65,071**	$ 1,455
Income per share - basic		**$ 0.19**	$ 0.01
Income per share - diluted		**$ 0.18**	$ 0.01
Weighted average number of shares outstanding *(in thousands)*			
- basic		**329,555**	105,671
- diluted		**358,853**	111,388

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

Consolidated Statements of Financial Position

Years Ended December 31, 2020 and 2019

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

As at:	Notes	December 31, 2020	December 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents		**$ 53,175**	$ 32,861
Receivables, prepaids and other	12	**5,873**	3,647
Inventories	13	**46,398**	29,236
Total current assets		**105,446**	65,744
Non-current assets			
Mineral interests, plant and equipment	14	**240,939**	199,047
Other assets	15	**4,798**	393
Total assets		**$ 351,183**	$ 265,184
LIABILITIES			
Current liabilities			
Accounts payable and accruals		**$ 24,272**	$ 15,131
Income and other taxes payable		**6,270**	1,367
Deferred payment to B2Gold	16	**-**	14,293
Current portion of provisions	17	**4,827**	3,910
Current portion of lease liability		**121**	116
Total current liabilities		**35,490**	34,817
Non-current liabilities			
Provisions	17	**55,333**	54,217
Lease liability		**29**	119
Deferred tax liability	22	**30,183**	21,377
Total liabilities		**121,035**	110,530
SHAREHOLDERS' EQUITY			
Share capital	19	**170,591**	165,134
Contributed surplus		**22,267**	17,301
Foreign currency translation reserve		**1,863**	2,082
Accumulated other comprehensive income		**1,877**	-
Surplus (deficit)		**33,550**	(29,863)
Total shareholders' equity		**230,148**	154,654
Total liabilities and shareholders' equity		**$ 351,183**	$ 265,184

APPROVED ON BEHALF OF THE BOARD ON FEBRUARY 24, 2021:

Signed *"Russell Ball"*, DIRECTOR   Signed *"Edward Farrauto"*, DIRECTOR

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

Consolidated Statements of Cash Flows

Years Ended December 31, 2020 and 2019

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

	Notes	2020	2019
Cash provided by operations			
Net income		**$ 63,413**	$ 920
Payments against rehabilitation liabilities	17	**(1,016)**	(214)
Non-cash adjustments			
Stock-based compensation	19	**6,199**	1,373
Depreciation and amortization		**14,417**	2,267
Accretion expense	10	**2,963**	651
Gain on modification of deferred payment	16	**(459)**	-
Loss on extinguishment of deferred payment and convertible debenture	16 & 18	**477**	462
Business combination costs	2	**-**	630
Gain on disposal of property and equipment, net	11	**(1,454)**	-
Other		**447**	222
Deferred tax expense	22	**8,002**	414
Working capital adjustments	20	**(11,728)**	12,442
Net cash provided by operating activities		**81,261**	19,167
Investing activities			
Expenditure on mine development, net		**(21,683)**	(8,604)
Expenditure on property, plant and equipment		**(11,425)**	(1,635)
Expenditure on exploration assets, net		**(13,447)**	(3,338)
Cash paid for Nicaragua Assets, net of cash acquired	2	**-**	(52,001)
Interest income received		**199**	-
Net cash used in investing activities		**(46,356)**	(65,578)
Financing activities			
Proceeds from the issue of common shares	19	**-**	75,324
Payment to B2Gold for acquisition of Nicaragua assets	16	**(15,525)**	-
Exercise of share options and warrants	19	**1,151**	28
Payment of lease liability and interest		**(111)**	(138)
Net cash (used in) provided by financing activities		**(14,485)**	75,214
Effect of exchange rate changes on cash		**(106)**	565
Change in cash and cash equivalents		**20,314**	29,368
Cash and cash equivalents, beginning of period		**32,861**	3,493
Cash and cash equivalents, end of period		**$ 53,175**	$ 32,861
Other information			
Interest paid - cash		**$ 39**	$ 21
Taxes paid - cash		**$ 10,901**	$ 1,672

Supplemental Cash Flow Information – Note 20

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

Consolidated Statements of Changes in Shareholders' Equity

Years Ended December 31, 2020 and 2019

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

	Number of Shares *(in thousands)*		Share Capital		Contributed Surplus		Foreign Currency Translation Reserve		Accumulated Other Comprehensive Income (Loss)		Surplus (Deficit)		Total
Balances at December 31, 2018	**42,822**	**$**	**38,256**	**$**	**15,919**	**$**	**1,552**	**$**	**(5)**	**$**	**(30,783)**	**$**	**24,939**
Shares issued on purchase of Nicaragua Assets (Note 2)	87,987		40,000		-		-		-		-		40,000
Shares issued on private placement (Note 19)	175,256		79,029		-		-		-		-		79,029
Shares issued as finders fees (Note 19)	869		395		-		-		-		-		395
Share issue costs on private placement (Note 19)	-		(4,100)		-		-		-		-		(4,100)
Shares issued as success fees (Note 2)	1,388		630		-		-		-		-		630
Shares issued on acquisition of La Luz Project (Note 14)	2,000		933		-		-		-		-		933
Shares issued on conversion of debenture (Note 18)	17,618		9,945		-		-		-		-		9,945
Exercise of options and warrants (Note 19)	81		46		(18)		-		-		-		28
Share based compensation (Note 19)	-		-		1,400		-		-		-		1,400
Foreign exchange translation	-		-		-		530		-		-		530
Change in available for sale securities	-		-		-		-		5		-		5
Net income	-		-		-		-		-		920		920
Balances at December 31, 2019	**328,021**	**$**	**165,134**	**$**	**17,301**	**$**	**2,082**	**$**	**-**	**$**	**(29,863)**	**$**	**154,654**
Balances at December 31, 2019	**328,021**	**$**	**165,134**	**$**	**17,301**	**$**	**2,082**	**$**	**-**	**$**	**(29,863)**	**$**	**154,654**
Shares issued on acquisition of EBP (Note 14)	2,254		3,000		-		-		-		-		3,000
Exercise of options and warrants (Note 19)	2,079		1,736		(585)		-		-		-		1,151
Exercise of restricted share units (Note 19)	1,467		721		(721)		-		-		-		-
Share based compensation (Note 19)	-		-		6,272		-		-		-		6,272
Change in employee benefits provision, net of tax	-		-		-		-		1,877		-		1,877
Foreign exchange translation	-		-		-		(219)		-		-		(219)
Net income	-		-		-		-		-		63,413		63,413
Balances at December 31, 2020	**333,821**	**$**	**170,591**	**$**	**22,267**	**$**	**1,863**	**$**	**1,877**	**$**	**33,550**	**$**	**230,148**

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

1. NATURE OF OPERATIONS

Calibre Mining Corp. (individually, or collectively with its subsidiaries, as applicable, "Calibre" or the "Company") is a multi-asset gold producer with a portfolio of exploration and development opportunities in Nicaragua. The Company 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 ("TSX") in Canada under the ticker symbol *CXB*. Effective November 22, 2019, Calibre also began trading in the United States on the premium OTCQX Best Market, under the ticker symbol *CXBMF*.

2. ACQUISITION OF NICARAGUA ASSETS

On October 15, 2019, the Company acquired a 100%-interest in the El Limon and La Libertad gold mines, the Pavon gold project and additional mineral concessions in Nicaragua (collectively, the "Nicaragua Assets") from B2Gold Corp ("B2Gold") (the "Transaction").

The purchase price for the Transaction was paid in a combination of cash, common shares, a convertible debenture, and a deferred cash payment, summarized as follows:

(i) $40 million in cash on closing (paid).

(ii) Issued 88 million common shares with a fair value of $40 million. The common shares were priced at Canadian Dollars ("CAD") $0.60 per share (which equals the price of the concurrent private placement completed in conjunction with the Transaction), using an exchange rate of US to CAD of $1 to $1.32.

(iii) Issued a $10 million convertible debenture (the "Debenture"). The principal amount owing under the Debenture bore interest at 2% per annum and was payable in cash on October 15, 2021 (the "Maturity Date") provided that (i) at any time prior to the close of business on the last business day immediately preceding the Maturity Date, the Debenture can be convertible at the option of B2Gold, at a conversion price equal to CAD $0.75; and (ii) in the event that prior to the Maturity Date the volume weighted average price of the Calibre Shares is equal to or greater than CAD $0.81 for 10 consecutive trading days on a recognized North American stock exchange on which the majority of Calibre's trading occurs, Calibre can force conversion of the Debenture. The Debenture was a direct, unsecured obligation of Calibre, ranking equally with all other existing and future unsecured indebtedness of Calibre and was a non-voting security.

    During Q4 2019, Calibre forced conversion of the Debenture, under the terms of the agreement, paying all interest incurred to date and eliminating the total outstanding principal amount through the issuance of 17.6 million common shares (Note 18).

(iv) Issued a $10 million non-interest bearing payable to B2Gold originally due on October 15, 2020 (repaid in full in conjunction with other payments noted below and in Note 16).

2. ACQUISITION OF NICARAGUA ASSETS - *continued*

(v) Pursuant to the terms of the Transaction agreement, the Company agreed to reimburse B2Gold for the value of certain current assets acquired in the Transaction (defined under the term of the agreement as the "Closing Adjustment Cash"). The current assets for which payment included the total value ("Estimated Statement") of the following:

- Cash and cash equivalents;
- Accounts receivable (less a reasonable allowance for doubtful accounts);
- Prepaid expenses and deposits; and
- Specified inventory, which include inventory-in-circuit, gold and silver doré, and refined gold and silver (valued based on the payable metal at spot prices).

Calibre was required to pay B2Gold the Closing Adjustment Cash within 15 business days following the closing date, provided that, if the Closing Adjustment Cash exceeds $12 million plus the amount of cash and cash equivalents shown on the on the Estimated Statement, Calibre is permitted to defer a portion of the Closing Adjustment Cash above $12 million (plus the amount of $0.8 million shown on the Estimated Statement in cash and cash equivalents) and add such excess to the deferred consideration discussed in (iv) above.

The total Closing Adjustment Cash was determined to be $18.4 million and as a result, Calibre made a cash payment of $12.8 million in accordance with the terms of this adjustment clause, while the remaining amount of approximately $5.5 million cash payment was added to the amount in point (iv) above and paid on October 15, 2020 (Note 16).

As at December 31, 2020, the Company has fulfilled all the payment terms of the acquisition agreement for the Nicaragua Assets.

As at December 31, 2020, B2Gold maintains an approximate 33% equity interest in Calibre.

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

The purchase price allocation resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed. The determination of fair value involves making estimates relating to acquired assets and liabilities, property and equipment, mine restoration provisions, and mineral property interests and was determined based on third party appraisals, discounted cash flow models, quoted market prices, and other research data at the date of acquisition, as deemed appropriate.

2. ACQUISITION OF NICARAGUA ASSETS - *continued*

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

Fair Value of Consideration Paid		
Cash paid	$	40,000
Common shares issued		40,000
Deferred payment and working capital adjustment (Note 16)		27,000
Fair value of convertible debenture (Note 18)		8,699
Fair value of embedded derivative in convertible debenture (Note 18)		722
	$	116,421

Fair Value of Identified Assets Acquired and Liabilities Assumed		
Assets		
Cash and cash equivalents	$	832
Receivables, prepaids, and deposits		3,145
Inventories		41,209
Plant, equipment, and mineral interests		165,154
Other long-term assets		516
Total Assets		210,856
Liabilities		
Accounts payables and accrued liabilities		16,251
Current income and other taxes payable		296
Asset retirement obligations		47,980
Employee benefits obligations		8,945
Deferred income tax liabilities		20,963
Total Liabilities		94,435
Net assets acquired	$	116,421

The Company did not identify any contingent assets as part of the Transaction. Details of contingent liabilities are discussed in Note 24.

Business combination costs, including advisory, legal, regulatory and other professional fees, and success fees payable on completion of the transaction totaled $3,445, which was expensed in the statements of operations for the year ended December 31, 2019. As part of the business combination costs, the Company issued a total of 1.4 million common shares as a success fee paid at the time of closing of the Transaction with a total fair value of $630.

The acquired business contributed revenues of $57.8 million and a net profit of $9.9 million to the Company for the period from October 15, 2019 to December 31, 2019. If the acquisition had occurred on January 1, 2019, consolidated pro-forma revenue and profit for the year ended December 31, 2019 would have been $221.4 million and $21.5 million, respectively. These amounts have been calculated using the subsidiary's results and adjusting them for the additional depreciation and amortization that would have been charged assuming the fair value adjustments to property, plant, and equipment and intangible assets had applied from January 1, 2019.

3. COVID-19 – Impact on Operations

On March 25, 2020, the Company announced a temporary suspension of operation at the Limon and Libertad mines and exploratory drilling activity as a result of the novel coronavirus ("COVID-19") pandemic. During the suspension period, the Company enhanced its health and safety protocols, added key senior management to its operations in Nicaragua, advanced permitting and technical studies, progressed a supply chain management review, and re-evaluated the overall scope of its exploration programs. As a result of the temporary suspension, the Company incurred $7,313 of care and maintenance costs during the year ended December 31, 2020.

On June 10, 2020, Calibre announced a phased restart of operations which followed government regulations and World Health Organization guidelines with regards to appropriate operating protocols. To ensure the continued health and safety of our workforce, Calibre implemented additional daily health procedures to monitor and respond quickly to changing circumstances with respect to health requirements, government regulations, and safety protocols. The Company also continues preventative communication campaigns while working closely with communities, the Ministry of Health in Nicaragua, employees and contractors to minimize the virus spread.

The Company took significant steps to manage its liquidity and optimize capital management during the temporary suspension, including stopping all mining and processing activities, reducing on-site workforce and related site costs, eliminating non-essential travel, delaying non-essential capital expenditures and exploration activities, and deferring senior management salaries by 20% until the Company was able to re-establish a steady state of operations. In addition, Calibre and B2Gold agreed to defer the remaining purchase price payment and working capital adjustment of $15.5 million by up to six months to April 15, 2021 (Notes 2 and 16).

In July 2020, the Company was able to re-establish a steady state of operations, which carried on throughout the remainder of 2020. The Company continues its enhanced COVID-19 health and safety protocols and will look to adapt its operations, as required, to minimize any operational and financial impact resulting from the global pandemic.

4. BASIS OF PRESENTATION

Statement of Compliance and Basis of Presentation

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"). The accounting policies applied in these consolidated financial statements are presented in Notes 5 and 6 and have been applied consistently to all years presented, unless otherwise noted.

The preparation of the consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 7.

The consolidated financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. Measurement bases are more fully described in the accounting policies below. The financial statements were authorized for issue by the Company's Board of Directors on February 24, 2021.

4. BASIS OF PRESENTATION - *continued*

Basis of Consolidation

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

Subsidiary	Percentage Ownership	Principal Activity
Calibre owned for the years ended December 31, 2020 and 2019		
CXB Belize Limited	100%	Holding Company
CXB Nicaragua, S.A.	100%	Mineral Exploration
Calibre Mining S.A.	100%	Mineral Exploration
Adobe Capital and Trading (Cayman) Limited	100%	Holding Company
Acquired pursuant to the Transaction effective October 15, 2019		
Minera Glencairn S.A. (1)	100%	Mineral Exploration
Central American Mine Holdings Limited	100%	Holding Company
Minerales Nueva Esparanza S.A. *(owner of the Pavon Gold Project)* (1)	100%	Mineral Exploration
Triton Minera S.A. *(owner of the El Limon Mine)*	100%	Gold Production
Desarrollo Minero de Nicaragua S.A. *(owner of the La Libertad Mine)*	100%	Gold Production
Incorporated during the year ended December 31, 2020		
Calibre Mining Services Inc.	100%	Service Company

(1) During the year ended December 31, 2020, Minera Glencairn S.A. and Minerales Nueva Esparanza S.A. merged with Desarrollo Minero De Nicaragua S.A. ("Desarrollo"). Assets and liabilities of both merged entities were incorporated into that of Desarrollo.

All transactions and balances between the Company and its subsidiaries are eliminated on consolidation, including unrealized gains and losses on transactions between companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Company. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

5. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

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

5. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Business Combinations

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

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

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

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Company's incremental borrowing rate, being the rate of which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Foreign Currency Translation

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

Transactions denominated in foreign currencies are translated into the United States dollar as follows:

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

5. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Foreign Currency Translation - *continued*

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

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

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

Inventories

Inventory includes work in progress inventory in the form of stockpiled ore and in-circuit inventory, finished goods inventory, and materials and supplies. Cost of materials and supplies inventory include acquisition, freight and other directly attributable costs. Cost of work in progress inventory and finished goods includes all direct costs incurred in production including direct labor and material, freight, depreciation and amortization of plant and equipment used in the production process, amortization of acquisition cost and directly attributable overhead costs. General and administrative costs for the corporate office are not included in any inventories. All inventories are valued at the lower of cost or net realizable value, with net realizable value determined with reference to market price, less estimated future production costs to convert inventories into saleable form. If carrying value exceeds net realizable value, a write-down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused the write-down no longer exist.

- Stockpiled ore represents unprocessed ore that has been mined and is available for future processing. Stockpiled ore is measured by estimating the number of tonnes through physical surveys and contained ounces through grade reconciliation via the ore control process.
- In-circuit inventory represents material that is currently being processed to extract the contained gold into a saleable form, typically unrefined doré. The amount of gold in-circuit is determined by assay values and by measure of the various gold bearing materials in the recovery process.
- Finished goods inventory is saleable gold in the form of doré bars that have been poured and refined.
- Materials and supplies inventories consist mostly of equipment parts and other consumables required in the mining and ore processing activities.

5. SIGNIFICANT ACCOUNTING POLICIES – *continued*

Mining Interests

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

Property, plant and equipment

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

Mineral properties and mine development costs

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

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

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

Deferred stripping

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

5. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Mining Interests - *continued*

Exploration and Evaluation Expenditures

The Company defers the cost of acquiring, maintaining its interest, exploring and developing mineral properties as exploration and evaluation until the properties are placed in production, abandoned, sold or considered to be impaired in value. Once the technical feasibility and commercial viability of the extraction of mineral reserves or resources from a particular mineral property has been determined, exploration and evaluation expenditures are reclassified to "mineral properties and mine development costs". If no mineable ore body is discovered, such costs are expensed in the period in which it is determined the property has no future economic value. Exploration costs that do not relate to any specific property are expensed as incurred.

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

- The extent to which mineral reserves or mineral resources have been identified through a feasibility study or similar level document;
- The results of optimization studies and further technical evaluation carried out to mitigate project risks identified in the feasibility study;
- The status of environmental permits; and
- The status of mining leases or permits.

In addition, commercial viability is deemed to be achieved when the Company determines that the project will provide a satisfactory return relative to its perceived risks. Ore reserves and resources may be declared for an undeveloped mining project before its commercial viability has been fully determined. Evaluation costs may continue to be capitalized during the period between declaration of reserves and approval to mine as further work is undertaken in order to refine the development case to maximize the project's returns.

Borrowing costs

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

Impairment of Non-Current Assets

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

5. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Impairment of Non-Current Assets - *continued*

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

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

Mine Restoration Provision

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

Other Provisions

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

5. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Other Provisions - *continued*

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

Current and Deferred Income Taxes

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

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

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

Share Capital

The Company records proceeds from share issuances net of issue costs. The Company records proceeds from the exercise of stock options and warrants as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is recorded at the fair value of the non-monetary consideration received, or at the fair value of the shares issued if the fair value of the non-monetary consideration cannot be measured reliably, on the date of issue. The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a pro-rata basis on a relative fair value basis, whereby, the fair value of the common shares is based on the market close on the date the units are issued. The fair value of the common share purchase warrants is determined using the Black-Scholes pricing model.

5. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Share-Based Payments

Stock options

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

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

Other equity-based awards

Pursuant to the terms of its stock option plan, the Company can grant Restricted share units ("RSUs"), Deferred share units ("DSUs"), and Performance share units ("PSUs") (collectively, the "Share Unit Awards") to any director, officer, employee or consultant who is eligible to receive an award under the stock option plan and under the terms ascribed by the Board of Directors. Each Share Unit Award granted is exercisable into common shares for no additional consideration after the vesting conditions, as specified by the Board. The Share Unit Awards can be settled in cash or equity at the option of the Company. As the Company intends to settle any vested Share Unit Award through the issuance of common shares, Calibre has accounted for these awards as equity-settled instruments.

Share Unit Awards are measured at fair value on the date of grant and the corresponding share-based compensation is recognized over the vesting period in net earnings or capitalized in mining properties (granted to individuals on specific projects).

Revenue

Gold revenue is recognized when the control of the commodity is transferred, which coincides with the delivery of the commodity to the customer, the sales price is reasonably determinable, and collectability is reasonably assured. Gold revenue is measured based on the price specified in the sales contract at the time of sale. Silver revenue is accounted for as a by-product and is recorded as a credit to operating costs.

5. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Earnings per Share

Earnings per share ("EPS") is calculated based on the weighted average number of common shares issued and outstanding during the year. Contingently issuable shares are treated as outstanding and are included in the calculation of basic earnings (loss) per share only from the date when all necessary conditions are satisfied. Shares that are issuable solely after the passage of time are not contingently issuable shares, because the passage of time is a certainty. PSUs are treated as a contingently issuable shares as their issue is contingent upon satisfying specified conditions in addition to the passage of time.

Diluted EPS is calculated using the treasury stock method and if converted method, as applicable. Under the treasury stock method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercises of options and warrants that would be anti-dilutive. The if-converted method is used in assessing the dilution impact of convertible notes and assumes that all convertible notes have been converted in determining diluted EPS if they are in-the-money except where such conversion would be anti-dilutive.

Leases

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

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

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

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

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Financial Instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVPL"), directly attributable transaction costs. Financial instruments are recognized when the Company becomes party to the contracts that give rise to them and are classified as amortized cost, fair value through profit or loss or fair value through other comprehensive income, according to their contractual cash flow characteristics and the business models under which they are held. The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract if the host contract is not measured at fair value through profit or loss and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as FVPL. Financial assets classified as amortized cost are subsequently measured at amortized cost using the effective interest method. Cash, restricted cash, receivables and certain other assets are classified as and measured at amortized cost.

Financial assets at FVOCI

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

Financial assets at FVTPL

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

Financial liabilities

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

5. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Financial Instruments - *continued*

Derivative instruments

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

Fair values

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

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

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

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

Impairment of financial assets

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

Derecognition of financial assets and liabilities

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

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

6. ADOPTION OF NEW ACCOUNTING STANDARDS

During the year ended December 31, 2020, the Company early adopted Amendments to International Accounting Standards ("IAS") 16, Property, Plant & Equipment, *Proceeds Before Intended Use*, retrospectively. The amended standard prohibits the Company from deducting any proceeds from selling items produced from the cost of building an item of mineral interest, plant and equipment, while bringing that asset to be capable of operating in the manner intended by management. With the adoption of the amended standard, revenue from sales of gold ounces recovered and related costs while bringing a mine in a condition necessary for it to be capable of operating in the manner intended by management are recognized in profit or loss in accordance with applicable standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. There was no impact of this adoption on the comparative figures presented for the year ended December 31, 2019.

7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

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

Purchase Price Allocation

Applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition date fair value. The determination of the acquisition date fair values require management to make assumptions and estimates about future events. The assumptions and estimates relating to determining the fair value of property, plant and equipment, mineral interests, mine restoration provisions and other assets acquired and liabilities assumed generally requires a high degree of judgement, and include estimates of mineral reserves acquired, future metal prices, discount rates, collectability of receivables, and completeness of payables and other liabilities. The determination of fair value was determined based on third party appraisals, discounted cash flow models, quoted market prices, and other research data at the time of acquisition where available.

Value-Added Tax Receivables

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

7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Impairment of Non-Current Assets

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

In addition, the application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is probable that future economic benefits are likely, either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable mine can be established. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

Mineral Reserves and Resources

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

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

Changes in the Mineral Reserve or Mineral Resource estimates may impact the carrying value of mineral properties, plant and equipment, the calculation of depreciation expense, asset retirement obligations, and the recognition of deferred tax amounts. In addition, mineral reserve and mineral resource estimates are used in depreciation and deferred stripping computations which requires judgement.

Commercial Production

The determination of the date on which a mine enters the commercial production stage is a significant judgement as capitalization of certain costs ceases and the recording of expenses commences upon entering commercial production. This continues until the mine is available for use in the manner intended by management, which requires significant judgement.

7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS – *continued*

Deferred Income Taxes and Valuation Allowances

The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur.

Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives. Levels of future taxable income are affected by, among other things, market gold prices, production costs, quantities of proven and probable gold reserves, interest rates and foreign currency exchange rates.

Inventory Valuation

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

Mine Restoration Provision

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

Contingent Liabilities

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

Employee Benefits Obligation

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

8. PRODUCTION COSTS

	Year Ended December 31,	
	2020	2019
Raw materials and consumables	**$ 43,211**	$ 8,510
Salaries and employee benefits	**27,139**	7,189
Contracted services	**39,761**	5,707
Electricity and power	**14,393**	4,356
Site administration and other	**5,981**	2,810
Silver by-product credit	**(8,802)**	(1,362)
(Increase) decrease in inventories	**(13,787)**	11,995
	$ 107,896	$ 39,205

Total leasing activities includes payments of $625 relating to short-term leases (those with a term of 12 months or less) for the year ended December 31, 2020 (year ended December 31, 2019 - $84) and $27,903 relating to variable lease payments (including both lease and non-lease components) have been expensed in the statement of operations during the year ended December 31, 2020 (year ended December 31, 2019 - $7,005).

An additional $18,961 relating to variable lease payments (including both lease and non-lease components) was capitalized as part of plant and equipment during the year ended December 31, 2020 (year ended December 31, 2019 - $1,938).

9. GENERAL AND ADMINISTRATIVE EXPENSES

	Year Ended December 31,	
	2020	2019
Salaries, wages and benefits	**$ 5,255**	$ 2,018
Consulting and professional fees	**993**	497
Corporate administration and other	**1,459**	996
	$ 7,707	$ 3,511

10. FINANCE EXPENSE

	Year Ended December 31,	
	2020	2019
Interest expense	**$ 40**	$ 36
Accretion on convertible debenture	**-**	83
Accretion of mine restoration provision	**819**	167
Accretion of employee benefit obligations	**930**	73
Accretion on deferred payment to B2Gold	**1,214**	328
	$ 3,003	$ 687

11. OTHER INCOME (EXPENSE)

	Year Ended December 31,	
	2020	2019
Gain (loss) on disposal of assets	**$ 1,454**	$ (125)
Loss on settlement of convertible debenture and deferred payment to B2Gold	**(477)**	(462)
Gain on modification of deferred payment to B2Gold	**459**	-
Levies, penalties, and related interest charges	**(900)**	-
Management fee income	**84**	133
Other miscellaneous expenses	**(281)**	(54)
	$ 339	$ (508)

During the year ended December 31, 2020 (and included in gain (loss) on disposal of assets), pursuant to the terms of an inherited agreement with one of the Company's contractors, Calibre relinquished title to certain aged property and equipment with no carrying value assigned. Upon assignment, the Company was released from a total of $1,536 of accounts payable owed to the contractor, resulting in a gain on disposal of property and equipment of the same amount.

12. RECEIVABLES, PREPAIDS AND OTHER CURRENT ASSETS

	As at December 31,	
	2020	2019
Receivables	**$ 291**	$ 553
Value added tax and other recoverable taxes	**696**	1,271
Prepaid expenses and deposits	**1,435**	1,223
Supplier and employee advances	**3,349**	500
Other	**102**	100
	$ 5,873	$ 3,647

Value added tax ("VAT") receivable may be used to offset other taxes payable including income and payroll taxes. Historically, the operations have experienced delays in receiving payment or confirmation of offset against other taxes and, on some occasions, VAT receivable claims have been denied. As at December 31, 2020, $2,488 of VAT and other recoverable taxes has been reclassified to long-term assets (Note 15).

Included in supplier and employee advances are certain payments to local contractors engaged by the Company to conduct mine development and provide operational support. The advances to different contractors have various terms of repayment from short-term to up to 24-month periods and rates of interest ranging from nominal amounts to 6% per annum. In certain situations, the advances are collateralized by certain equipment owned by the contractor. As at December 31, 2020, $2,293 of these advances are included in long-term assets (Note 15).

13. INVENTORIES

	As at December 31, 2020	2019
Finished goods - gold and silver doré	**$ 916**	$ 202
In-circuit	**7,742**	5,069
Ore stockpiles	**13,400**	1,445
Materials and supplies	**24,340**	22,520
	$ 46,398	$ 29,236

The amount of depreciation included in inventory as at December 31, 2020 was $2,368 (December 31, 2019 - $804). The amount of production costs that was inventoried in gold doré, gold-in-circuit, and ore stockpiles ("metal inventory") was $152,186 for the year ended December 31, 2020 (year ended December 31, 2019 - $31,838). As at December 31, 2020 and December 31, 2019, the Company did not record any net realizable value adjustments with respect to the carrying value of any inventory balances.

14. MINING INTERESTS, PLANT AND EQUIPMENT

Cost	**Mineral Interests**	**Exploration and Evaluation assets**	**Property, plant and equipment**	**Total**
Balance as at December 31, 2018	$ -	$ 21,838	$ 497	$ 22,335
Nicaragua Assets acquired on October 15, 2019	102,529	10,818	51,807	165,154
Acquisition of Centerra option (Note 14)	-	933	-	933
Additions	-	4,665	10,318	14,983
Disposals	-	-	(93)	(93)
Change in mine restoration provision	-	-	972	972
Write-downs	-	(61)	-	(61)
Recovery on costs and option payments	-	(1,802)	-	(1,802)
Balance as at December 31, 2019	102,529	36,391	63,501	202,421
Acquisition of EBP (Note 14)	-	4,000	-	4,000
Additions	22,338	16,323	13,238	51,899
Reclassification of Pavon from exploration to mineral interest	10,818	(10,818)	-	-
Reclassification of exploration assets to mine development	4,175	(4,175)	-	-
Reclassification of property, plant and equipment to mineral interests	9,233	-	(9,233)	-
Disposals	-	-	(88)	(88)
Change in mine restoration provision	-	-	2,927	2,927
Recovery on costs and option payments	-	(851)	-	(851)
Balance as at December 31, 2020	$ 149,093	$ 40,870	$ 70,345	$ 260,308
Accumulated depreciation and amortization				
Balance as at December 31, 2018	$ -	$ -	$ 275	$ 275
Depreciation and amortization	1,843	-	1,349	3,192
Disposals	-	-	(93)	(93)
Balance as at December 31, 2019	1,843	-	1,531	3,374
Depreciation and amortization	10,139	-	5,869	16,008
Disposals	-	-	(13)	(13)
Balance as at December 31, 2020	$ 11,982	$ -	$ 7,387	$ 19,369
Net carrying amounts				
Balance as at December 31, 2019	$ 100,686	$ 36,391	$ 61,970	$ 199,047
Balance as at December 31, 2020	$ 137,111	$ 40,870	$ 62,958	$ 240,939

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

As at December 31, 2020 and December 31, 2019, the Company did not have any indicators of impairment.

The following tables provide continuity schedules which outline changes to mineral interests for the years ended December 31, 2020 and 2019.

	Cost					Accumulated Amortization			
	December 31, 2019	Assets acquired	Additions	Reclassified	December 31, 2020	December 31, 2019	Amortization	December 31, 2020	Net Book Value
Limon	$ 76,414	$ -	$ 20,048	$ 8,772	$ 105,234	$ 1,185	$ 7,767	$ 8,952	$ 96,282
Libertad	26,115	-	2,290	15,454	43,859	658	2,372	3,030	40,829
	$ 102,529	$ -	$ 22,338	$ 24,226	$ 149,093	$ 1,843	$ 10,139	$ 11,982	$ 137,111

	Cost					Accumulated Amortization			
	December 31, 2018	Assets acquired	Additions	Reclassified	December 31, 2019	December 31, 2018	Amortization	December 31, 2019	Net Book Value
Limon	$ -	$ 76,414	$ -	$ -	$ 76,414	$ -	$ 1,185	$ 1,185	$ 75,229
Libertad	-	26,115	-	-	26,115	-	658	658	25,457
	$ -	$ 102,529	$ -	$ -	$ 102,529	$ -	$ 1,843	$ 1,843	$ 100,686

The following table provides a continuity schedule which details exploration and evaluation assets for the years ended December 31, 2020 and 2019.

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

	December 31, 2018	Assets acquired	Additions	Recoveries and option payments	Costs reclassified	Disposals	December 31, 2019
Limon	-	-	495	-	-	-	495
Libertad 9including Pavon)	-	10,818	1,186	-	-	-	12,004
Borosi - 100% Calibre owned	15,644	933	1,402	-	426	(61)	18,344
Eastern Borosi - IAMGOLD option	5,263	-	1,555	(1,731)	-	-	5,087
Eastern Borosi - Centerra option	497	-	-	(71)	(426)	-	-
Other	434	-	27	-	-	-	461
	$ 21,838	$ 11,751	$ 4,665	$ (1,802)	$ -	$ (61)	$ 36,391

14. MINING INTERESTS, PLANT AND EQUIPMENT – *continued*

The following table provides a continuity schedule which details property, plant and equipment for the years ended December 31, 2020 and 2019:

Cost	Limon	Libertad	Borosi - Calibre 100%-owned	Corporate	Total
Balance as at December 31, 2018	$ -	$ -	$ 393	$ 104	$ 497
Assets acquired	30,616	21,191	-	-	51,807
Additions	8,762	1,224	-	27	10,013
Change in mine restoration provision	948	24	-	-	972
IFRS 16 addition	-	-	-	305	305
Write downs and disposals	-	-	-	(93)	(93)
Balance as at December 31, 2019	40,326	22,439	393	343	63,501
Additions	6,790	6,433	15	-	13,238
Change in mine restoration provision	1,524	1,403	-	-	2,927
Reclassification of property, plant and equipment to mineral interests	(8,217)	(1,016)	-	-	(9,233)
Write downs and disposals	(88)	-	-	-	(88)
Balance as at December 31, 2020	$ 40,335	$ 29,259	$ 408	$ 343	$ 70,345
Accumulated depreciation and amortization					
Balance as at December 31, 2018	$ -	$ -	$ 177	$ 98	$ 275
Depreciation and amortization	799	429	24	97	1,349
Disposals	-	-	-	(93)	(93)
Balance as at December 31, 2019	799	429	201	102	1,531
Depreciation and amortization	3,555	2,192	28	94	5,869
Disposals	(13)	-	-	-	(13)
Balance as at December 31, 2020	$ 4,341	$ 2,621	$ 229	$ 196	$ 7,387
Net carrying amounts					
Balance as at December 31, 2019	$ 39,527	$ 22,010	$ 192	$ 241	$ 61,970
Balance as at December 31, 2020	$ 35,994	$ 26,638	$ 179	$ 147	$ 62,958

Acquisitions and Option Agreements

In addition to the acquisition of the Nicaragua Assets (discussed in Note 2), the Company has certain interests in the Borosi Gold-Silver-Copper Project (the "Borosi Project"), which consists of a number of contiguous mining and exploration concessions located in the North Atlantic Autonomous Region of Nicaragua. The Company has entered into option agreements over these concessions, as summarized below.

14. MINING INTERESTS, PLANT AND EQUIPMENT – *continued*

Acquisitions and Option Agreements - *continued*

Borosi – Rio Tinto option

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 (the "Borosi Project") in Northeast Nicaragua. Pursuant to the terms of the agreement:

- *First Option:* Rio Tinto shall have a five-year option to acquire a 55% interest in the Borosi Project by incurring $10 million in qualifying expenditures, of which $3 million is committed to be incurred within two years of obtaining the necessary permits and approvals.
- *Second Option:* If Rio Tinto exercises the First Option and earns a 55% interest in the Borosi Project, it will have the right to earn an additional 10% interest by incurring an additional $15 million over a three-year period.
- *Third Option:* If Rio Tinto exercises the Second Option and earns a 65% interest in the Borosi Project, it has the right to earn an additional 10% interest by incurring an additional $20 million over a three-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, on the following terms and conditions:

- *First Option:* Rio Tinto shall have a five-year option to acquire a 55% interest in the Alliance by incurring $5 million in qualifying expenditures.
- *Second Option:* If Rio Tinto exercises the First Option and earns a 55% interest in the Alliance, it shall have the right to earn an additional 10% by incurring an additional $5 million in qualifying expenditures over a five-year period.
- *Third Option:* If Rio Tinto exercises the Second Option and earns 65% interest in the Alliance, it shall have the right to earn an additional 15% by incurring an additional $15 million over a five-year period.

Calibre will receive a fee of 10% of qualifying expenditures for acting as the operator under the Alliance Agreement.

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

For the year ended December 31, 2020, the Company recovered $487 in general exploration, salary and wages, concession property payments, and related charges associated with the Rio Tinto option agreements. The Company continues to discuss various exploration programs for the areas under the agreements that are expected to commence in early 2021.

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

Acquisitions and Option Agreements - *continued*

Eastern Borosi – IAMGOLD option

Pursuant to a 2014 option agreement, IAMGOLD Corporation (“IAMGOLD”) earned a 70% interest in a portion of the Borosi Project, termed the Eastern Borosi Project (“EBP”), having spent $10,000 in exploration expenditures and making cash payments to Calibre of $900.

On August 20, 2020, Calibre executed an agreement to acquire the 70% interest in the EBP from IAMGOLD, resulting in Calibre owning an undivided 100% interest in this project.

As consideration for IAMGOLD’s 70% interest in the EBP, Calibre issued 2,253,961 common shares, with a fair value of $3,000 and agreed to pay $1,000 in cash 12 months following the date of the acquisition agreement (included in accounts payable and accrued liabilities as at December 31, 2020). In addition, the Company granted a 2% net smelter return (“NSR”) royalty on future production from the EBP acquired, with Calibre retaining the right to purchase 1% of the NSR royalty for $2 million and a right of first refusal on the remaining 1% NSR royalty.

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

Eastern Borosi – Centerra option

On February 11, 2019, the Company purchased the 51% interest owned by Centerra Gold Inc. (“Centerra”) in the La Luz Project by issuing 2,000,000 common shares and granting a 2.0% NSR on future production from the La Luz Project. The value of the common shares issued to Centerra was $933, which was based on the Company’s share price on the date of the transaction. Calibre has the right to purchase 1.0% of the NSR for CAD $2 million and being granted a right of first refusal on the remaining 1.0% NSR. This acquisition increased Calibre’s ownership of the project to 100%.

15. OTHER ASSETS

	As at December 31,	
	2020	2019
Long-term portion of supplier advances (Note 12)	**$ 2,293**	$ -
Long-term portion of value added and other recoverable taxes (Note 12)	**2,488**	-
Other	**17**	393
	$ 4,798	$ 393

16. DEFERRED PAYMENT TO B2GOLD

Balance as at December 31, 2018	$	-
Fair value on acquisition of Nicaragua Assets on October 15, 2019		13,965
Accretion expense		328
Balance as at December 31, 2019	$	14,293
Gain on modification of deferred payment		(459)
Accretion expense		1,214
Loss on settlement of deferred payment		477
Repayment of deferred payment		(15,525)
Balance as at December 31, 2020	$	-

Pursuant to the terms of the acquisition of the Nicaragua Assets (Note 2), the Company is required to make a total deferred payment of $15,525 to B2Gold. For accounting purposes, upon initial recognition, the deferred payment was accounted for at fair value (as noted in the above table) using a discount rate of 10.5%. The deferred payment is measured at amortized cost and is accreted to maturity over the term.

In April 2020, the Company and B2Gold agreed to defer the payment of $15,525 to April 15, 2021. Pursuant to the terms of the amendment, Calibre has agreed to pay B2Gold interest on the total deferred payment at a per annum rate based on the London interbank offered rate plus an additional 2.5% from the date of the original payment date (October 15, 2020) until the deferred payment is repaid. As a result of this modification, the Company realized a gain on modification of deferred payment of $459.

The Company recorded total accretion expense of $1,214 for the year ended December 31, 2020 related to the deferred payment to B2Gold prior to the repayment.

On October 15, 2020, the Company made the final acquisition payment of $15,525, on the original due date. As a result of the obligation being satisfied, Calibre has avoided any interest charges that would have been required if the deferred payment obligation were repaid after October 15, 2020. As a result of the early settlement, the Company recorded a net loss on settlement of the deferred payment totaling $477.

The fulfillment of this final payment concludes Calibre's financial obligations under the terms of the agreement to purchase the Nicaragua Assets from B2Gold.

17. PROVISIONS

	Mine Restoration	Employee Benefits	Total Provisions
Balance as at December 31, 2018	$ -	$ -	$ -
Fair value on acquisition of Nicaragua Assets on October 15, 2019	47,980	8,945	56,925
Change in estimate	973	370	1,343
Accretion expense	167	73	240
Expenditures	(214)	(167)	(381)
Balance as at December 31, 2019	48,906	9,221	58,127
Less: current portion	(3,085)	(825)	(3,910)
Long-term portion at December 31, 2019	$ 45,821	$ 8,396	$ 54,217
Balance as at December 31, 2019	$ 48,906	$ 9,221	$ 58,127
Change in estimate	2,927	(967)	1,960
Accretion expense	819	930	1,749
Expenditures	(1,016)	(660)	(1,676)
Balance as at December 31, 2020	51,636	8,524	60,160
Less: current portion	(4,007)	(820)	(4,827)
Long-term portion at December 31, 2020	$ 47,629	$ 7,704	$ 55,333

Mine Restoration Provision

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

In calculating the present value of the Company's mine restoration provisions as at December 31, 2020 and December 31, 2019, management used a risk-free rate applicable to each location's functional currency ranging from 0.35% to 0.65% and an inflation rate of 1.4% at December 31, 2020 and a discount rate ranging from 1.63% to 1.74% and an inflation rate of 2.1% at December 31, 2019.

The undiscounted cash flows, before inflation adjustments, estimated to settle the mine restoration provisions was approximately $49,764 as at December 31, 2020 ($47,895 as at December 31, 2019). Due to the nature of mine closure plans, cash expenditures are expected to occur over a significant period of time.

Employee Benefits Obligation

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

18. CONVERTIBLE DEBENTURE AND EMBEDDED DERIVATIVE

As described in Note 2, the Company issued a $10 million Debenture to B2Gold as compensation for the purchase of the Nicaragua Assets.

During the year ended December 31, 2019, Calibre forced conversion of the Debenture, under the terms of the agreement, paying all interest incurred to date and eliminating the total outstanding principal amount through the issuance of 17.6 million common shares. As at December 31, 2019, there are no amounts owing and no obligations under the terms of this Debenture.

At the issuance of the convertible debenture, the Company determined the discounted fair value of the debt instrument to be $8,699 and following initial measurement the convertible debenture would be amortized over the term of maturity using the effective interest rate method.

As the Debenture was denominated in US dollars and the exercise price of the Company's common shares is fixed in Canadian dollars, the conversion feature was considered an embedded derivative and accordingly, at inception, the Company accounted for a derivative liability at fair value through net income or loss. The fair value of the embedded derivative was determined using the binomial method and at the date of issuance was $722.

Balance as at December 31, 2018	$	-
Fair value on acquisition of Nicaraguan Assets		8,699
Accretion expense		83
Interest paid		(21)
Carrying value of debenture extinguished by issuances of shares on conversion		(8,761)
Balance as at December 31, 2019	$	-

In November 2019, the Company provided notice to B2Gold that it had elected to trigger the forced conversion feature under the terms of the agreement and settle the convertible debenture and embedded derivative through the issuance of Calibre's common shares. As a result, the Company issued a total of 17.6 million shares with a fair value of $9,945 to convert the Debenture and eliminate the embedded derivative, resulting in a loss on settlement of $462 which was recorded in the statement of operations for the year ended December 31, 2019.

19. SHARE CAPITAL

Authorized and Issued Share Capital

At December 31, 2020 and December 31, 2019, the Company had approximately 333.8 million and 328.0 million common shares issued and outstanding, respectively. The authorized share capital consists of unlimited common shares without par value.

Share Capital and Recent Issuances

During the year ended December 31, 2020, 1.4 million options and 0.6 million warrants were exercised for gross proceeds of $1,151. In conjunction with these exercises, $585 was reclassified from contributed surplus to share capital. In addition, holders exercised a total of 1.5 million restricted share units and the Company reclassified $721 from contributed surplus to share capital.

19. SHARE CAPITAL – *continued*

Share Capital and Recent Issuances – *continued*

During the year ended December 31, 2020, pursuant to the acquisition of the EBP from IAMGOLD (Note 14), the Company issued a total of 2.3 million common shares with a value of $3,000.

During the year ended December 31, 2019, pursuant to the purchase of the La Luz Project from Centerra (Note 9), the Company issued 2.0 million common shares with a value of $933.

In connection with the acquisition of the Nicaragua Assets from B2Gold, the Company completed a brokered private placement of 175.3 million common shares at a price of CAD $0.60 per common share for gross proceeds of $79,029 (the "Private Placement"). In connection with the Private Placement, the Company paid certain finders commission equal to 3.0% of the gross proceeds of any orders solicited by certain finders (the "Finder's Fee"). In respect of these Finder's Fees, legal and regulatory fees, the Company paid $3,705 in cash and issued 0.9 million common shares. The fair value of the common shares issued totaled $395, which was based on the pricing of the Private Placement. The Private Placement was led by Canaccord Genuity Corp. and Sprott Capital Partners LP with a syndicate of agents (collectively, the "Agents"). The Agents received a commission of 5.0% of the gross proceeds from the Private Placement, except for that portion of the gross proceeds which is subject to Finder's Fees, where the commission payable to the Agents was 2.0% of the gross proceeds.

The Company also issued 1.4 million common shares at a price of CAD $0.60 per common share to a financial advisor for services rendered in connection with completion of the Transaction for fair value of $630, which was expensed as transaction costs during the year ended December 31, 2019.

During the year ended December 31, 2019, 75,000 options and 5,700 warrants were exercised for total gross proceeds of $28. In conjunction with these exercises, $18 was reclassified from contributed surplus to share capital.

Warrants

A summary of the Company's warrant activities for the years ended December 31, 2020 and 2019 is presented below:

	Year ended December 31, 2020			Year ended December 31, 2019		
	Shares issuable on exercise of warrants (in thousands)		Weighted average exercise price (CAD$)	Shares issuable on exercise of warrants (in thousands)		Weighted average exercise price (CAD$)
Balance as at beginning of year	13,764	$	1.02	16,430	$	1.11
Exercised	(616)		0.71	(6)		0.55
Expired	(1,970)		1.50	(2,660)		1.60
Balance as at end of year	11,178	$	0.95	13,764	$	1.02

As at December 31, 2020, the remaining share purchase warrants outstanding and exercisable, totaling approximately 11.2 million have an expiry date of October 30, 2023.

19. SHARE CAPITAL - *continued*

Long-term Incentive Plan

Effective October 8, 2019, the Company adopted a long-term incentive plan (the "Incentive Plan"). The purpose of the Incentive Plan is to attract, retain and motivate persons of training, experience and leadership as directors, officers, employees and consultants of the Company and to promote a greater alignment of interests between such persons and shareholders of the Company. The Incentive Plan is administered by the Board who are tasked with the responsibility to interpret and construe the Incentive Plan, including determining the times when awards are granted, to whom, the number of awards granted, the length of the exercise period and the vesting provisions involved in awards granted, subject to the terms of the Incentive Plan, applicable securities laws and regulatory requirements.

The aggregate number of shares to be reserved and set aside for issue upon the exercise or redemption and settlement for all awards granted under the Incentive Plan is fixed at 44.5 million, of which up to a maximum of 10 million shares may be set aside for issue upon the exercise or redemption and settlement of DSUs, PSUs and RSUs, collectively, the "Share Unit Awards". The Share Unit Awards can be settled through a delivery of cash, common shares, or any combination thereof, at the sole discretion of the Board. As the Company intends to settle any vested Share Unit Award through the issuance of common shares, Calibre has accounted for these awards as equity-settled instruments. To date, the Company has not granted any DSUs under the Incentive Plan.

Stock Options

A summary of the Company's stock option activities for the years ended December 31, 2020 and 2019 is presented below:

	Year ended December 31, 2020		Year ended December 31, 2019	
	Shares issuable on exercise of options (in thousands)	Weighted average exercise price (CAD$)	Shares issuable on exercise of options (in thousands)	Weighted average exercise price (CAD$)
Balance as at beginning of year	30,250	$ 0.62	2,692	$ 0.87
Granted	2,375	1.02	28,550	0.62
Exercised	(1,462)	0.74	(75)	0.45
Expired or Cancelled	(220)	0.69	(917)	1.44
Balance as at end of year	30,943	$0.64	30,250	$ 0.62

As at December 31, 2020, the following stock options were outstanding and exercisable:

Options Outstanding			Options Exercisable
Number of Options (in thousands)	Exercise price (CAD$)	Weighted average remaining contractual life in years	Number of Options (in thousands)
1,165	$0.45	2.85	1,165
25,538	$0.60	6.66	8,355
1,975	$0.90	6.92	658
525	$0.97	7.04	-
1,670	$0.98	7.15	-
50	$1.55	0.68	50
20	$2.70	1.14	20
30,943	$0.64	6.55	10,248

19. SHARE CAPITAL - *continued*

Stock Options - *continued*

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

During the year ended December 31, 2019, the Company granted a total of 28.6 million stock options. Of this amount 26.6 million options were granted at an exercise price of CAD $0.60 and 2.0 million options at an exercise price of CAD $0.90. The options have an expiry of 8 years from the date of grant, with 28.0 million of the options vesting equally over three years beginning one year from the date of grant and the remaining 0.6 million options vesting within 9 months from the date of grant.

Restricted Stock Units ("RSU")

A summary of the Company's RSU activities for the year ended December 31, 2020 and the year ended December 31, 2019 is presented below:

	Number of RSUs (in thousands)
Balance as at December 31, 2018	-
Granted	5,275
Balance as at December 31, 2019	5,275
Granted	3,459
Exercised	(1,467)
Cancelled	(35)
Balance as at December 31, 2020	7,232

The Company had granted a total of 5.3 million RSUs during the year ended December 31, 2019 and 3.5 million RSUs during the year ended December 31, 2020, for a total of 8.7 million RSUs granted over the course of the two-year period. The RSUs granted vest equally over a three-year period, on the anniversary dates starting one-year from the date of grant. The RSUs will be settled within 10 business days of vesting, however, as allowed under the Incentive Plan, individuals may elect to defer the receipt of any vested RSUs until a later date prior to their expiry.

As at December 31, 2020, there are 0.4 million RSUs that have vested and can be exercised at any time at the option of the RSU holder.

The fair value of the RSUs is based on the share price at the time of grant and the total fair value is amortized over the RSU vesting period on a graded method. The fair value for the RSUs awarded during the year ended December 31, 2020 was $2.4 million (year ended December 31, 2019 - $2.5 million), which is being amortized over the vesting period and included in stock-based compensation (discussed below).

As payment for the granted RSUs at each of the vesting times, the Board may elect to fulfill its obligations through the issuance of the Company's common shares to the holder of the RSU, or by paying cash to the holder, both options are to be settled in accordance with the terms of the Incentive Plan. The Company expects to settle the RSUs through the issuance of shares and as such has accounted for these awards as equity-settled instruments.

19. SHARE CAPITAL - *continued*

Stock-Based Compensation

The weighted average fair value of the stock options granted during the year ended December 31, 2020 was $0.37 per share (year ended December 31, 2019 – $0.23 per share).

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

The fair value of options granted during the years ended December 31, 2020 and 2019 was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Year ended December 31,	
	2020	2019
Weighted average risk-free interest rate	**1.57%**	1.29%
Weighted average expected option life	**5 years**	5 years
Weighted average expected stock volatility	**57%**	57%
Weighted average expected dividend yield	**Nil**	N/A

The Company amortizes the fair value of options and RSUs granted over the graded vesting schedule. Consequently, the total compensation expense recognized for options that vested during the year ended December 31, 2020 was $6,272 (year ended December 31, 2019 - $1,400). For the year ended December 31, 2020, the total compensation charged to the statement of operations was $6,199 (year ended December 31, 2019 - $1,373) and $73 (year ended December 31, 2019 - $27) was capitalized to mineral interests.

20. SUPPLEMENTAL CASH FLOW INFORMATION

The following supplemental information to the statement of cash flows for the years ended December 31, 2020 and 2019 is as follows:

	Year ended December 31,	
	2020	2019
Change in non-cash working capital		
Increase in receivables and prepaids	**$ (7,151)**	$ (310)
(Increase) decrease in inventories	**(15,733)**	12,777
Increase (decrease) in accounts payable, accrued liabilities and income tax	**10,676**	(228)
Increase in provisions	**480**	203
	$ (11,728)	$ 12,442
Non-cash investing and financing activities		
Value of shares issued for acquisition of an exploration and evaluation assets	**$ 3,000**	$ 933
Value of shares issued for acquisition of Nicaraguan assets at October 15, 2019	**-**	40,000
Fair value of shares issued on settlement of convertible debenture	**-**	9,945
Fair value of convertible debenture and embedded derivative on purchase of Nicaragua Assets	**-**	9,421
Amortization included in exploration and evaluation assets	**26**	24
Value of shares issued for business combination and other costs	**-**	630
Share-based compensation included in exploration and evaluation assets	**73**	27
Mineral interest costs included in accounts payable	**$ 5,141**	$ 173

21. 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, Chief Financial Officer, and Chief Operating Officer. The remuneration of directors and key management is determined by the compensation committee of the Board of Directors.

The director's fees, consulting fees and other compensation of directors and key management personnel were as follows for the years ended December 31, 2020 and 2019:

	Year ended December 31,			
		2020		2019
Short-term salaries and benefits	**$**	**1,226**	$	401
Director fees		**545**		85
Share-based compensation		**3,545**		937
Severance payments		**-**		188
Consulting and advisory fees	**$**	**-**	$	111

In addition to the above, the Company has accrued a total of $1.3 million to key management as performance bonuses for the year ended December 31, 2020, which will be paid in 2021. For the year ended December 31, 2019, bonuses were accrued totaling $0.6 million to key management that were paid (and included in the table above) during the year 2020.

Management contracts

As at December 31, 2020, minimum commitments upon termination of the existing contracts was approximately $1,668 and minimum commitments due within one year under the terms of these contracts is $2,259. In addition, the Company is party to various executive and employee contracts that would require payments totaling $1,560 to be made upon the occurrence of a "change of control".

Other related party transactions

As disclosed in Note 1, B2Gold is considered a related party by virtue of its equity interest in Calibre following the completion of the Nicaragua Asset transaction. B2Gold owns approximately 33% of the Company as at December 31, 2020. Related party transactions with B2Gold are discussed in Notes 2 and 16. Pursuant to an agreement with B2Gold in November 2016, B2Gold retains a 1.5% NSR on production from certain concessions within the 100% Calibre-owned Borosi project (unrelated to the acquisition of the Nicaragua Assets).

22. INCOME TAXES

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

	Year ended December 31,	
	2020	2019
Income before income taxes	**$ 86,171**	$ 4,168
Canadian federal and provincial income tax rates	**27%**	27%
Income tax expense based on the above rates	**23,266**	1,125
Increase (decrease) due to:		
Non - deductible expenses and other permanent differences	**2,267**	2,724
Losses for which no tax benefit has been recorded	**2,325**	838
Minimum taxes	**-**	545
Withholding taxes	**661**	66
Difference between foreign and Canadian tax rates	**2,756**	257
Foreign exchange	**2,397**	(69)
Use of previously unrecognized tax assets	**(10,914)**	(2,238)
Income tax expense	**22,758**	3,248
Income tax expense consists of:		
Current income and mining tax	**14,756**	2,834
Deferred tax expense	**8,002**	414
	$ 22,758	$ 3,248

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

	As at December 31,	
	2020	2019
Tax losses and asset retirement obligation	**$ 2,095**	**$ -**
Current asset and liabilities	**(1,213)**	(728)
Mineral interests, plant and equipment	**(31,065)**	(20,649)
	$ (30,183)	$ (21,377)

The components of unrecognized deferred tax assets are as follows:

	Year ended December 31,	
	2020	2019
Non-capital losses	**$ 7,910**	$ 11,079
Capital losses and other	**851**	451
Share issue costs	**719**	942
Asset retirement obligation	**13,929**	14,312
Mineral interests, plant and equipment	**6,120**	10,408
	$ 29,529	$ 37,192

22. INCOME TAXES - *continued*

As at December 31, 2020, the Company has non-capital losses available for carryforward which may be applied to reduce future years taxable income. These losses, if not utilized, will expire as follows:

	2021	2022	2023	2024	2025	2026 and Later years	Total
Nicaragua	$ 5,208	$ 2,487	$ -	$ -	$ -	$ -	$ 7,695
Canada	-	-	-	-	-	23,570	23,570
	$ 5,208	$ 2,487	$ -	$ -	$ -	$ 23,570	$ 31,265

23. SEGMENTED INFORMATION

Operating segments are those operations whose operating results are reviewed by the chief operating decision makers ("CODM") to make decisions about resources to be allocated to the segments and assess their performance, provided those operations pass certain quantitative thresholds. The CODM for the Company are the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer.

In order to determine if operating segments shall be aggregated, management reviews various factors, including economic characteristics, nature of their products, production process, regulatory environment, geographical location and managerial structure. After aggregation criteria have been considered, operations whose revenues, earnings or assets exceed 10% of the total consolidated revenues, earnings or assets are considered to be reportable segments.

The Company's reportable operating segments include its mining operations and development projects, namely the Limon and Libertad mines, which are both located in Nicaragua, where the vast majority of the Company's non-current assets are held.

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

Prior to the acquisition of the operating mines, the Company operated in one reportable operating segment as an exploration Company in Nicaragua and had no reportable segment revenues for any period prior to October 15, 2019.

The following table provides information on the operations of the Company as at and for the year ended December 31, 2020.

23. SEGMENTED INFORMATION - *continued*

	Limon	Libertad	Nicaragua - Other	Corporate	Total
Revenue	$ 114,971	$ 127,777	$ -	$ -	$ 242,748
Cost of Sales					
Production costs	(47,033)	(60,863)	-	-	(107,896)
Royalties and production taxes	(8,073)	(2,051)	-	-	(10,124)
Refinery and transportation	(212)	(580)	-	-	(792)
Depreciation and amortization	(10,997)	(3,326)	-	-	(14,323)
Total Cost of Sales	(66,315)	(66,820)	-	-	(133,135)
Earnings from operations	48,656	60,957	-	-	109,613
Expenses					
General and administrative	-	-	-	(7,707)	(7,707)
Share-based compensation	-	-	-	(5,534)	(5,534)
Business combination and other costs				(471)	(471)
Care and maintenance	(3,389)	(3,924)	-	-	(7,313)
Foreign exchange gain (loss)	227	(31)	-	(208)	(12)
Income (loss) before finance, other items, and taxes	$ 45,494	$ 57,002	$ -	$ (13,920)	$ 88,576
Additions to:					
Mine development	$ 20,048	$ 2,290	$ -	$ -	$ 22,338
Plant and equipment	6,790	6,433	15	-	13,238
Exploration and evaluation	4,322	8,709	6,441	-	19,472
Total capital additions	$ 31,160	$ 17,432	$ 6,456	$ -	$ 55,048
Total assets	$ 179,101	$ 129,959	$ 31,297	$ 10,826	$ 351,183
Total liabilities	$ 62,695	$ 51,780	$ 2,765	$ 3,795	$ 121,035

23. SEGMENTED INFORMATION - *continued*

The following table provides information on the operations of the Company as at and for the year ended December 31, 2019.

	El Limon	La Libertad	Other Projects in Nicaragua	Corporate	Total
Gold Revenue	$ 27,288	$ 30,475	$ -	$ -	$ 57,763
Cost of Sales					
Production costs	(20,242)	(18,963)	-	-	(39,205)
Royalties and production taxes	(1,618)	(539)	-	-	(2,157)
Refinery and transportation	(327)	(463)	-	-	(790)
Depreciation and amortization	(1,405)	(862)	-	-	(2,267)
Total Cost of Sales	(23,592)	(20,827)	-	-	(44,419)
Earnings from mine operations	3,696	9,648	-	-	13,344
Expenses					
General and administrative	-	-	-	(3,511)	(3,511)
Share-based compensation	-	-	-	(1,258)	(1,258)
Transaction costs	-	-	-	(3,445)	(3,445)
Foreign exchange gain (loss)	(15)	14	-	85	84
Income before finance, other items, and taxes	$ 3,681	$ 9,662	$ -	$ (8,129)	$ 5,214
Additions to:					
Mine development	$ 7,588	$ 1,016	$ -	$ -	$ 8,604
Plant and equipment	1,174	208	27	-	1,409
Exploration and evaluation	495	1,186	2,115	-	3,796
Total capital additions	$ 9,257	$ 2,410	$ 2,142	$ -	$ 13,809
Total assets	$ 133,945	$ 86,307	$ 24,418	$ 20,514	$ 265,184
Total liabilities	$ 53,893	$ 39,797	$ 854	$ 15,986	$ 110,530

The following geographic data includes assets based on their location as at December 31, 2020 and 2019.

	December 31, 2020			**December 31, 2019**		
	Canada	Nicaragua	Total	Canada	Nicaragua	Total
Cash and cash equivalents	$ 49,452	$ 3,723	$ 53,175	$ 30,657	$ 2,204	$ 32,861
Other current assets	575	51,696	52,271	805	32,078	32,883
Mining interest and property and equipment	194	240,745	240,939	241	198,806	199,047
Other long-term assets	-	4,798	4,798	-	393	393
Total assets	$ 50,221	$ 300,962	$351,183	$ 31,703	$ 233,481	$265,184

24. COMMITMENTS AND CONTINGENCIES

Commitments

The Company is committed to $7,370 for obligations under normal course of operations including capital expenditure commitments and contractual commitments. The following table provides a summary of the upcoming commitments by year (not discussed elsewhere in these consolidated financial statements for the years ended December 31, 2020 and 2019):

	2021	2022	2023	2024	2025	2026 and later years	Total
Payables and non-capital orders	$ 6,465	$ -	$ -	$ -	$ -	$ -	$ 6,465
Capital expenditure commitments	905	-	-	-	-	-	905
	$ 7,370	$ -	$ -	$ -	$ -	$ -	$ 7,370

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 intends to vigorously defend its tax filing positions.

25. CAPITAL MANAGEMENT

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

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

25. CAPITAL MANAGEMENT - *continued*

Management reviews its capital management approach on an on-going basis and believes that this approach, given its relative size, is reasonable. The Company's capital as at December 31, 2020 and 2019 is as follows:

	As at December 31,	
	2020	2019
Share capital	**$ 170,591**	$ 165,134
Reserves	**22,267**	17,301
Retained earnings (deficit)	**33,550**	(29,863)
	$ 226,408	$ 152,572

26. FINANCIAL INSTRUMENTS AND RISK FACTORS

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

Fair values of cash and cash equivalents are based on quoted prices in active markets for identical assets, resulting in a level one valuation. The carrying value amount of the Company's financial instruments that are measured at amortized cost approximates fair value due to their short-term nature and market conditions and amount involved.

Credit risk

Credit risk is the risk of financial loss to the Company if a third party to financial instrument fails to meet its contractual obligations. As at December 31, 2020, 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.

Liquidity risk

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

As at December 31, 2020, the Company had cash and cash equivalents of $53,175 (December 31, 2019 - $32,861) and current liabilities of $35,490 (December 31, 2019 - $34,817). Cash provided by operating activities totaled $81,261 for the year ended December 31, 2020 (year ended December 31, 2019 - $19,167). In addition, the Company's working capital improved from $30,927 at December 31, 2020 to $69,956.

26. FINANCIAL INSTRUMENTS AND RISK FACTORS – *continued*

Interest rate risk

The Company has no interest-bearing debt at December 31, 2020. The Company's interest revenue earned on cash and cash equivalents is exposed to interest rate risk. A decrease in interest rates would result in lower interest income and an increase in interest rates would result in higher interest income.

Currency risk

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

The Company is subject to gains and losses due to fluctuations in the Canadian dollar and Nicaraguan Cordoba against the U.S. dollar. Sensitivity to a plus or minus 5% change in all foreign currencies (Canadian dollar and Nicaraguan Cordoba) against the U.S. dollar with all over variables held constant at December 31, 2020, would affect the statements of operations and comprehensive income by approximately $3.2 million.

The Cordoba has been annually devalued against the U.S. dollar by means of a crawling peg mechanism which was approximately 3% and was lowered to approximately 2% during the fourth quarter of 2020. All the Company's gold production is in Nicaragua.

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

Commodity price risk

The Company sells gold and silver at world market prices. The market prices of gold and to a lesser extent silver will be a primary driver of our profitability and ability to generate both operating and free cash flow. Calibre has not entered into any hedge positions during the year ended December 31, 2020 and does not have any positions outstanding as at December 31, 2020. Our gold and silver sales continue to be subject to market prices.