



*(An Exploration Stage Company)*

**FORM 51-102F1:  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2014 and 2013**

(Expressed in Canadian Dollars)

# Calibre Mining Corp.

(An Exploration Stage Company)

## Form 51-102F1: Management's Discussion and Analysis

For the year ended December 31, 2014

(Expressed in Canadian Dollars)



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### Introduction and Date

This Management Discussion and Analysis ("MD&A") provides a detailed analysis of the business of Calibre Mining Corp. ("Calibre" or the "Company") and compares its financial results for the year ended December 31, 2014 to prior years. This MD&A should be read in conjunction with the Company's audited consolidated financial statements (the "Financial Statements") for the years ended December 31, 2014 and 2013.

These Financial Statements include the accounts of the Company and its wholly-owned subsidiaries, Cybele Resources Inc. ("Cybele"), which was incorporated under the laws of British Columbia in 2005. The Financial Statements also include the accounts of the Company's wholly owned 100% interest in Yamana Nicaragua Ltd. Yamana Nicaragua Ltd. is a holding company incorporated in 2006, in Belize, which owns 100% of CXB Nicaragua S.A. (formerly known as Yamana Nicaragua S.A. – incorporated in Nicaragua in 2006).

The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars (unless otherwise indicated). Additional information relating to the Company, including the most recent Company filings, can be located on the Company's website, [www.calibremining.com](http://www.calibremining.com), or on the SEDAR website, [www.sedar.com](http://www.sedar.com).

This MD&A reflects information available as at April 23, 2015.

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

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### Business Overview and Overall Performance

#### Business overview

The Company is incorporated under the laws of British Columbia, Canada and maintains its corporate head office in Vancouver, British Columbia, Canada. The Company engages principally in the acquisition, advancement and development of precious and base metals assets and mineral properties presently in Nicaragua. The Company's common shares are listed in Canada on the TSX Venture Exchange under the trading symbol CXB.

The Company is currently focusing on the exploration of an impressive and strategic land position in a highly prospective, but underexplored region of the historic "Mining Triangle" in northeast Nicaragua, named the Borosi Concessions. The Borosi Concessions are named for the three historical producing regions of Bonanza, Rosita, and Siuna. The area is highly prospective for gold, silver and copper mineralization.

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

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

### Overall performance

During the year ended December 31, 2014, the Company recorded a net loss of \$1,310,465 or \$0.01 per share, as compared to a net loss of \$768,922 or \$0.00 per share for the same period in 2013.

As at December 31, 2014, the Company had total assets of \$20,168,581 compared to \$17,061,457 as at December 31, 2013. The majority of these assets for both periods are the carrying values of the Company's cash and its exploration and evaluation assets.

As at December 31, 2014, the Company had working capital of \$2,523,739 compared to working capital of \$1,414,702 as at December 31, 2013. The Company's working capital as at December 31, 2014 includes cash of \$2,751,579 (December 31, 2013 - \$1,111,846). The increase in cash and cash equivalents is attributed to the private placement completed during the year ended December 31, 2014 less expenditures incurred on the Borosi Project and general and administrative expenditures (discussed below).

As at December 31, 2014, the total carrying value of the Company's exploration and evaluation assets was \$17,007,868 compared to \$15,508,774 as at December 31, 2013. The net increase reflects the Company's expenditures on the Borosi Project, net of recovery on expenditures pursuant to the Company's option agreement with IAMGOLD Corporation, B2Gold Corp. and Alder Resources Ltd. (discussed below).

### Borosi, Nicaragua, Central America

The following provides a breakdown of the costs incurred at Borosi during the years ended December 31, 2014 and 2013:

	Option Property to B2Gold	Option Property to Alder	Option Property to IAMGOLD	Calibre 100% Owned Property	Total
Cost, December 31, 2013	\$ 4,087,241	\$ 417,497	\$ 5,439,043	\$ 5,264,993	\$ 15,208,774
Administration and maintenance	120,268	12,523	65,675	94,461	292,927
Amortization	9,721	1,012	5,308	7,635	23,676
Assaying	-	-	55,488	18,496	73,984
Camp and field supplies	-	-	41,775	-	41,775
Drilling and related	-	-	674,579	-	674,579
Foreign exchange	248,760	25,326	334,819	337,586	946,491
Geological consulting	-	-	32,085	10,695	42,780
Logistics and communications	-	-	108,095	36,032	144,127
Professional fees	6,787	707	3,706	5,330	16,530
Property maintenance	441,266	30,889	138,263	125,025	735,443
Salary and wages	-	-	410,085	136,695	546,780
Stock – based compensation	-	-	24,954	8,318	33,272
Travel	-	-	62,848	20,949	83,797
Recovery of costs	(443,977)	(32,859)	(1,380,230)	-	(1,857,066)
Total expenses during the year	382,825	37,598	577,450	801,222	1,799,095
Cost, December 31, 2014	\$ 4,470,066	\$ 455,095	\$ 6,016,493	\$ 6,066,215	\$ 17,007,869

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	Option Property to B2Gold	Option Property to Alder	Calibre 100% Owned Property	Total
Cost, December 31, 2012	\$ 3,833,523	\$ 393,535	\$ 8,563,979	\$ 12,791,037
Administration and maintenance	72,290	7,527	96,253	176,070
Amortization	10,208	1,063	13,593	24,864
Assaying	-	-	136,479	136,479
Camp and field supplies	-	-	59,735	59,735
Drilling and related	-	-	23,229	23,229
Foreign exchange	137,351	14,030	359,706	511,087
Geological consulting	-	-	15,038	15,038
Logistics and communications	-	-	204,241	204,241
Professional fees	8,496	885	11,312	20,693
Property maintenance	431,042	30,173	257,188	718,403
Salary and wages	-	-	862,442	862,442
Stock – based compensation	-	-	21,690	21,690
Travel	-	-	79,150	79,150
Recovery of costs	(405,669)	(29,715)	-	(435,384)
Total expenses during the year	253,718	23,963	2,140,056	2,417,737
Cost, December 31, 2013	\$ 4,087,241	\$ 417,498	\$ 10,704,035	\$ 15,208,774

In July 2009, the Company acquired a 100% interest in the Borosi Gold – Silver - Copper Project (the “Borosi Project”), consisting of a number of contiguous mining and exploration concessions located in the North Atlantic Autonomous Region of Nicaragua, Central America and totalling over 785 km<sup>2</sup>. The Company has entered into three separate option agreements over a portion of the Borosi Project as summarized below:

- 1) Since July 2009, the Company has partnered with B2Gold Corp. (“B2Gold”) (TSX: BTO) to explore the Borosi Project, as outlined in our option agreement dated July 21, 2009 (as amended on June 18, 2010 and October 19, 2010). The option agreement covers only a portion of the Borosi Project (approximately 322 km<sup>2</sup>) (the “B2Gold Option Property”). Pursuant to the agreement, B2Gold has completed \$8 million of expenditures on the Borosi Project and has earned a 51% interest in the B2Gold Option Property, with Calibre retaining a 49% interest over these concessions. B2Gold continues to be the operator on the B2Gold Option Property.

In September 2013, the Company signed a definitive joint venture agreement (the “JV Agreement”) with B2Gold which granted B2Gold a further option to acquire an additional 19% interest in the B2Gold Option Property, for a total interest of 70%, by spending \$6 million in additional project expenditures over a 3 year period. The JV Agreement supersedes and replaces the original Option Agreement between Calibre and B2Gold (entered into in June 2009 and amended in July 2010 and October 2010), which has now been terminated.

- 2) Calibre continues to control a 100% interest in 253 km<sup>2</sup> of mineral concessions within the Borosi Project, which includes the Siuna District that hosts the Cerro Aeropuerto Mineral Resource consisting of an NI 43-101 inferred resource at a 0.6 g/t g/t AuEq cutoff of 6 million tonnes grading 3.64 g/t gold and 16.16 g/t silver containing 707,750 ozs gold and 3.1 million ozs silver. The Siuna District also includes high priority targets at the La Luz Mine, Cerro Potosi and Montes de Oro.

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- 3) The Company is party to an option agreement with Alder Resources Ltd. ("Alder") (TSX.V: ALR), whereby Alder can earn a 65% interest in approximately 34 km<sup>2</sup>. The area, known as the Rosita D concession, is located within the Company's 100%-owned Borosi Project. Under the terms of the option agreement, Alder can earn a 65% interest in the Rosita D concession by expending a total of \$4 million on exploration and other work on the Rosita D concession and by issuing to the Company a total of 1,000,000 common shares of Alder over a 4 year period (of which 800,000 shares of Alder has been received by the Company). Alder will be acting as the project operator for all work conducted on the Rosita D concession during the option period. Should Alder earn a 65% interest in the Property a joint venture will be formed with the Company and Alder being responsible for their pro-rata share of all subsequent project expenditures.
- 4) During the year ended December 31, 2014, the Company executed an option agreement with IAMGOLD Corporation ("IAMGOLD") whereby IAMGOLD can earn a 51% interest ("First Option") and subsequently an additional 19% interest ("Second Option") (for a total of 70%) in the Eastern Borosi Project ("Eastern"), which consists of 176 km<sup>2</sup> within the Borosi Concessions, Northeast Nicaragua. A summary of the terms are as follows:
- IAMGOLD can earn a 51% interest in the Eastern concessions by expending US \$5 million in exploration on Eastern over a three year period, with a minimum US \$1.5 million year one commitment;
  - IAMGOLD will make cash payments to Calibre totalling US \$450,000, with US \$150,000 due at signing (received) and US \$150,000 on each of the next two anniversary dates of the option agreement;
  - Calibre will act as project operator in the first year or a longer period should the parties agree, with IAMGOLD having the right to take over operatorship following the first anniversary;
  - Once IAMGOLD earns its initial 51% interest, IAMGOLD will have the option to earn an additional 19% interest over the subsequent three year period by spending an additional US \$5 million on Eastern and making staged cash payments of an additional US \$450,000 in three annual payments;
  - Once IAMGOLD exercises its Second Option, or elects not to enter into the Second Option, the parties will formalize a joint venture to advance the project further. At such time of formalizing the joint venture, the parties agree to enter into an industry standard agreement to govern the joint venture when formed. At any time subsequent to formalizing the joint venture, should either party elect not to participate in a future planned work program, a standard straight-line dilution formula will apply and should a party be diluted to 10%, the party's direct joint venture interest will be converted to a 10% net profits interest on Eastern.

The agreement with IAMGOLD is an option agreement and with the exception of the initial payment to Calibre of US \$150,000 and the initial commitment on project expenditures totalling US \$1.5 million, all other future payments are at the discretion of IAMGOLD. As a result of entering into this option agreement, the Company paid total finder's fees of US \$82,500 to a third party.

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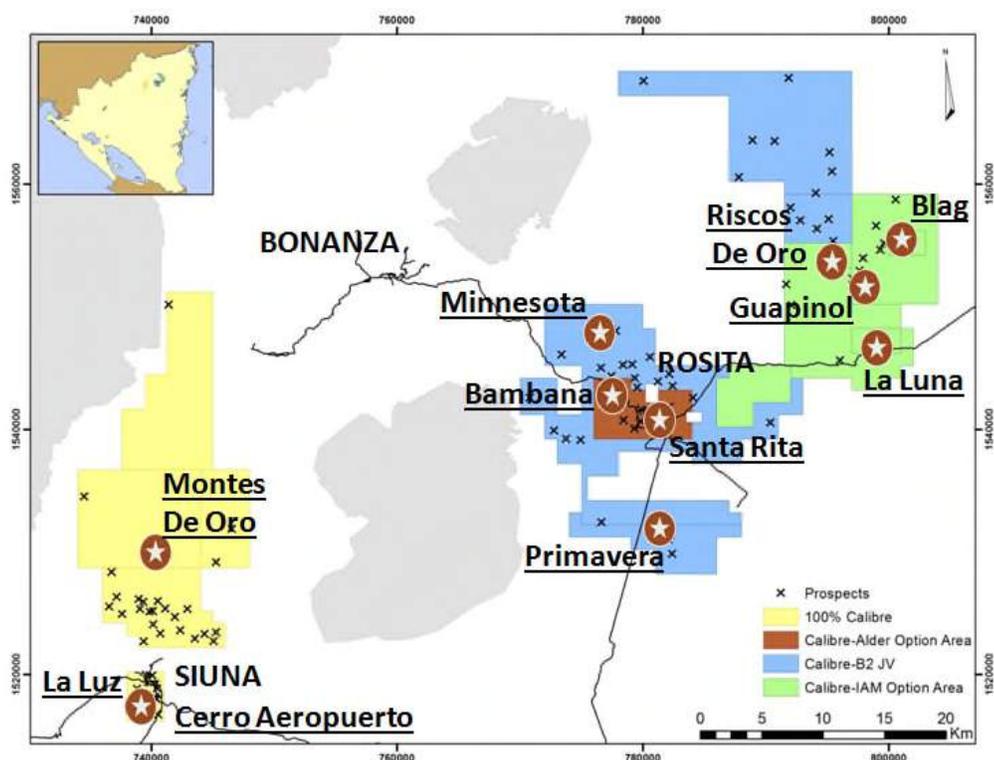
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The following map outlines the Company's Borosi Concessions, its option ground and significant targets.

### BOROSI GOLD, SILVER AND COPPER CONCESSIONS – “MINING TRIANGLE” 7.9 million ozs past gold production – District Underexplored



#### IAMGOLD Option

##### 1) Riscos de Oro

Epithermal Gold-Silver Resource  
NI43-101 Inferred Resource (222,300 oz Au & 4.14M oz Ag)

##### 2) Guapinol

Gold-Silver - Historical Drilling

##### 3) Blag and Others

#### B2Gold Joint Venture

##### 4) Primavera

Gold-Copper Porphyry Discovery

##### 5) Minnesota

Porphyry Gold Discovery

#### Calibre 100% Owned

##### 6) Cerro Aeropuerto

Gold-Silver Skarn  
NI-101 Inferred Resource (6.05M t - 707,750 oz Au & 3.14M oz Ag)

##### 7) Montes de Oro Gold Discovery

##### 8) La Luz: Past Producer - Gold

#### Alder Resources Option

##### 9) Santa Rita

Gold-Copper-Silver Skarn  
NI43-101 Inferred Resource (7.95M t - 108M lb Cu, 118,000 oz Au & 2.35M oz Ag)

##### 10) Bambana

During the year ended December 31, 2014, through to the date of this report, the Company carried out the following exploration activities:

#### Exploration Activities and Outlook for Significant Areas of Interest to Date:

Since July 2009, the Company (along with its partners) have focused its exploration over a number of targets within the Borosi Project. Significant exploration highlights and accomplishments of some of the targets are discussed below.

#### Details of the Inferred Resources Over All Borosi Project Concessions

In February 2011, Calibre announced two new gold and silver National Instrument 43-101 (“NI 43-101”) compliant inferred resources for the 100% owned Cerro Aeropuerto and La Luna deposits. The Company also announced its third gold and silver NI 43-101 inferred resource on the 100% owned Riscos de Oro deposit in September 2012. Calibre's three NI 43-101 compliant inferred resources total 1,057,750 ounces of gold and 8,430,070 ounces of silver. A summary of the total resources is outlined below:

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Zone	Tonnes	Grade (Au g/t)	Grade (Ag g/t)	Grade (Au Eq g/t)	Contained Au (oz)	Contained Ag (oz)	Contained Au Eq (oz)
La Luna	2,539,000	1.56	14.01	1.78	127,700	1,143,570	146,000
C. Aeropuerto	6,052,000	3.64	16.16	3.89	707,750	3,144,500	757,000
Riscos de Oro	2,159,000	3.20	59.67	4.14	222,300	4,142,000	287,000
<b>Total</b>					<b>1,057,750</b>	<b>8,430,070</b>	<b>1,190,000</b>

1. Resource models used Inverse Distance grade estimation within a three-dimensional block model with mineralized zones defined by wireframed solids and a base cutoff grade of 0.6 g/t.
2. Resource Estimates for La Luna and Cerro Aeropuerto detailed in Technical Report titled NI 43-101 Technical Report and Resource Estimation of the Cerro Aeropuerto and La Luna Deposits, Borosi Concessions, Nicaragua by Todd McCracken, dated April 11, 2011.
3. Resource Estimate for Riscos de Oro detailed in Technical Report and Resource Estimation of the Riscos de Oro Deposit, Borosi Concessions, Nicaragua by Todd McCracken, dated October 9, 2012.
4. Numbers may not add exactly due to rounding.
5. Gold Equivalent (AuEq) for Riscos de Oro was calculated using \$1264 /oz Au for gold and \$19.78/oz Ag for silver, and metallurgical recoveries and net smelter returns are assumed to be 100%.
6. Gold Equivalent (AuEq) for La Luna and C. Aeropuerto was calculated using \$1058/oz Au for gold and \$16.75/oz Ag for silver, and metallurgical recoveries and net smelter returns are assumed to be 100%.
7. Mineral Resources that are not mineral reserves do not have economic viability.
8. The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

In May 2012, Calibre announced a new copper, gold and silver resource for the stockpiles at Rosita in conjunction with option partner Alder. The resource estimate was prepared by Yungang We, Resource Geologist of Toronto-based consulting firm Coffey Mining Pty. Ltd. and an independent Qualified Person under NI 43-101 and is based on 17 vertical channel samples and 55 reverse circulation drill holes completed by Alder over the stockpiles during late 2011 and the first quarter of 2012. A summary of the total resource is outlined below:

Deposit	Tonnes	Grade (Au g/t)	Grade (Ag g/t)	Grade (Cu %)	Contained Au (oz)	Contained Ag (oz)	Contained Cu (lbs)
Rosita Stock Piles	7,950,000	0.46	9.20	0.62	118,000	2.35M	108M

1. Base case is reported at a 0.15% copper equivalent cut-off grade which incorporates consideration of mining and processing cost, recoveries, commodity prices and selling cost.
2. Estimate assumes a long term copper price of US \$2.90/lb, a gold price of US \$1,200/oz. and a silver price of US \$24/oz.
3. Rounding as required by NI 43-101 reporting guidelines may result in apparent summation differences.
4. Tonnage and grade measurements are in metric units. Contained gold and silver ounces are reported as troy ounces, contained copper pounds as imperial pounds.
5. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
6. The quantity and grade of reported inferred mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred mineral resources as indicated or measured mineral resources and it is uncertain if further exploration will result in upgrading them to indicated or measured mineral resources.

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### Details of the Areas 100% Owned by Calibre

#### Siuna District (includes Cerro Aeropuerto and Montes de Oro)

The Siuna District is located in the south-west portion of the Borosi Concessions and contains the past producing La Luz Mine that produced 17.1 million tonnes of ore grading 4.14 g/t gold (2.3 million ozs gold). Approximately one kilometre south of the La Luz Mine, the Company has defined an NI 43-101 Inferred Mineral Resource, at the Cerro Aeropuerto gold-silver deposit at a 0.6 g/t gold equivalent cutoff of 6.0 million tonnes grading 3.64 g/t gold and 16.16 g/t silver containing 707,750 ozs gold and 3.1 million ozs silver.

Montes de Oro is located 10 kilometres north of the La Luz Mine. In April 2015, the Company commenced a Phase I drilling program at the Montes de Oro Gold Project. The program is planned for between 8 to 10 drill holes for a total of 2,000 metres. The program will test two sub-parallel gold mineralized structures defined by surface exploration including trenching results of 52.3 metres grading 7.1 g/t gold, 27.5 metres grading 4.92 g/t gold and 33.5 metres grading 2.10 g/t gold.

The Company also continues to define and expand the existing 1,400 metre x 500 metre surface soil anomaly, at Montes de Oro, with additional trenching focused on the southern extension of the gold zone.

In addition, the Company will continue to explore a number of other additional high priority, 100% Calibre – owned grass roots gold targets within the Siuna District including soil and rock sampling, along with plans for trenching in areas around Montes de Oro and within the Siuna District.

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### Details of the Areas Currently Under Option with IAMGOLD

#### Eastern Borosi Gold-Silver Project

During 2014, the Company and IAMGOLD completed a Phase I drilling program of 40 drill holes for a total of 5,506 metres which tested 5 gold-silver vein systems over a combined strike length of 3 km.

The initial program has successfully intercepted high-grade gold and/or silver mineralization over a number of targets in the area, including Guapinol, Vancouver, California, and Blag vein systems. Significant highlights of the program include:

- At California: Drill Hole GP14-015: 0.5 metres grading 19.20 g/t Gold;
- At Vancouver: Drill Hole GP14-010: 6.5 metres grading 16.88 g/t Gold;
- At Guapinol: Drill Hole GP14-003: 4.81 metres grading 25.66 g/t Gold;
- At Blag: Drill Holes BL14-005: 6.73 metres grading 4.11 g/t Gold and 235.90 g/t Silver and BL14-004: 1.23 metres grading 0.29 g/t Gold and 445.70 g/t Silver

Drilling has been successful in extending the high grade gold/silver mineralization in both the Guapinol and Vancouver gold-silver vein systems a further 50 metres down dip to a vertical depth of 200 metres and confirms the continuity of the previously defined high grade portions of these vein systems. The Guapinol and Vancouver gold-silver vein systems have been traced by drilling along trend for 620 metres and 420 metres respectively and both systems are open to depth and along strike. The 2014 program was successful in identifying high grade zones on each of the structures tested including the adjacent Guapinol and Vancouver gold-silver vein systems, California Vein, Blag Vein, and the Riscos de Oro extension.

Low sulphidation epithermal gold-silver mineralization intersected at the Eastern Borosi Project gold-silver vein systems are hosted within porphyritic andesite and consists of structurally controlled, high energy quartz-carbonate vein breccias, vein-stockworks and discrete smokey quartz veins containing fine grained sulphide minerals.

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In February 2015, the Company and IAMGOLD commenced the 2015 Phase II drilling program in the Eastern Borosi gold-silver project. The current plan is for a minimum of 5,500 metres of drilling within a budget of US \$1.5 million. Diamond drilling in 2015 included multiple targets at the La Sorpresa gold-silver vein system which discovered three new gold-silver mineralized shoots including:

- 4.10 metres of 8.93 g/t gold and 57.4 g/t silver;
- 1.40 metres of 5.71 g/t gold and 15.7 g/t silver;
- 1.4 metres of 9.70 g/t gold and 98.0 g/t silver; and
- 3.17 metres of 2.41 g/t gold and 32.9 g/t silver.

The target at La Sorpresa gold-silver system is located along trend and 7 km north of the California target and had not previously been tested by drilling. Mapping by the Company in the La Sorpresa area identified up to five veins with a cumulative strike length of 5.8 km. Drilling to date in 2015 has tested 1.1 km of four closely spaced veins within the La Sorpresa area.

Drilling is currently on-going and is currently testing the Blag gold-silver zone. Results will be released when received, reviewed and interpreted.

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### **Details of the Areas Currently Under Option with B2Gold**

In recent years, the Company and B2Gold have focused exploration on two main areas within this option agreement (the most recent exploration work being done at Minnesota):

#### **Primavera**

- Exploration at Primavera to date has identified a significant gold – copper soil geochemistry anomaly of over 800 metres x 300 metres, with additional gold – copper soil geochemistry anomalies being outlined over the 25 square kilometre Primavera porphyry target area.
- The higher grade gold – copper porphyry mineralization has been intersected in drill holes over 300 metres by 300 metres and to a depth of 300 metres with mineralization comprised of quartz – magnetite – chalcopyrite – bornite veins and vein stockwork within broad zones of potassically and propylitically – altered intermediate volcanic and intrusive rocks.
- To date a total of 32 drill holes have been completed totalling 13,414 metres and highlighted by a number of significant intercepts, including drill hole PR-11-002 which graded 0.78 g/t gold and 2.97% copper over 261.7 metres beginning very near the surface and drill hole PR-12-016 which graded 0.77 g/t gold and 3.57% copper over 201.35 metres.

#### **Minnesota**

- Minnesota is located approximately 20 kilometres northwest of Primavera and the main target consists of a multi-phase intrusive with numerous vein sets and wide spread alteration over an area of 1.75 kilometres x 1.25 kilometres.
- Soil, rock, channel, trench and auger sampling has defined a surface gold anomaly more than three kilometres in length. Recent trenching on the northern area of the Minnesota gold target intersected 93.5 metres grading 1.65 g/t gold in an altered intrusive and the zone is open in both directions.
- Previous sampling in the central area of the Minnesota gold target returned channel samples including 8.0 metres grading 6.35 g/t gold and 9.2 metres grading 4.17 g/t gold open in both directions.

#### **Exploration at Minnesota**

In 2015, the Company, with B2Gold acting as operator, announced the completion of a trenching program and results from the Phase 1 diamond drilling program at Minnesota.

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The reconnaissance diamond drilling program at the Minnesota gold project consisted of seven widely spaced drill holes totaling 992 metres which tested three areas along the three kilometre trend of the Minnesota target which is defined by a strong auger and gold-in soil anomaly and surface rock sampling. Highlights of the drilling at Minnesota include:

- 31.35 metres of 0.63 g/t gold (including 12.4 metres grading 1.07 g/t gold); and
- 47 metres of 0.63 g/t gold and 3,703 ppm zinc (including 4.5 metres grading 3.43 g/t gold and 5,699 ppm zinc)

The geochemical signature for the portion of the Minnesota system drill tested to date is consistent with an intrusive association for the mineralization with gold and silver values being associated with elevated zinc, lead and molybdenum.

The planned 2015 B2Gold exploration program will continue to evaluate and advance a number of gold targets in and around the Minnesota gold project and elsewhere on the option concessions.

Recent exploration by B2Gold on the option ground has included sampling on two zones (El Gallo and Carpato 1) in the Santo Tomas District located 20 kilometres to the east of Minnesota. Previous sampling at Santo Tomas has shown anomalous precious and base metal values.

Rock samples at the El Gallo Zone include mineralization consists of thin irregular veins averaging from 5 to 15 centimetres wide and stockworks with veinlets of quartz and oxidized sulphides. Strong hematitic and limonitic oxidation is present in the zone that is characterized also by the strong sericitic and argillic alteration. In January 2015, a 50 x 100 m soil grid covering the mining workings was started. A total of 108 auger samples were collected and have been sent to the lab with results pending. Recent rock sampling at El Gallo has returned results from 0.2 to 3.7 g/t Au (12 samples) from highly oxidized quartz stockwork zones in volcanic rocks.

At the Carpato 1 Zone field work has outlined 370 x 510 m zone of alteration and mineralization observed in the center of the circular structure. It consists of thin massive bands of completely oxidized magnetite that are accompanied of thin banded veins and veinlets of granular quartz and magnetite sometimes with specularite, tremolite and possibly sphalerite and scarce veinlets of oxidized sulphides. The host rock is the porphyritic andesite with strong argillic and minor chloritic alteration; one fresher fragment looked like a crowded crystal intrusive with strong magnetite in the matrix and alteration of chlorite and epidote. Some fragments also have brecciated texture with strong magnetite in the matrix. To the south of this area were found some float fragments of quartz - tourmaline breccia that have not as yet been found in situ.

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### **Details of the Areas Currently Under Option with Alder**

#### **Rosita D Concession Project – Covered Under Option Agreement with Alder**

- Currently under option to Alder, the Rosita D Concession, is the location of the historic open pit Santa Rita copper – gold mine, with total historic production from skarn mineralization estimated at 305M pounds of copper, 177,747 ounces of gold and 2.6M ounces of silver from 5.9M tons of ore (*Arengi, 2002*). The Rosita D concession totals 3,356 hectares, only 5% of Calibre's concessions in the Mining Triangle. To earn a total of 65% interest in the concession, Alder must spend a total of \$4 million over a total of 4 years on the project.
- To date, Alder has completed an extensive exploration program including 8,000 metres of diamond drilling with results including 8 metres grading 29.54 g/t gold and 8 metres grading 6.9 g/t gold at Rosita.
- On May 9, 2012, Alder announced a NI 43-101 Inferred Resource estimate of 7.95Mt averaging 0.62% copper, 0.46 g/t gold and 9.2 g/t silver, containing 108M pounds copper, 118,500 ounces gold and 2.35M pounds of silver.

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### Point Leamington, Newfoundland, Canada

On June 20, 2013, Calibre entered into a Purchase and Sale Agreement with Newmarket Gold Inc. ("Newmarket") whereby sold the Company sold a 100% interest in the Point Leamington Project including the 263 hectare mining lease. As consideration, Newmarket issued 1,000,000 common shares (with a fair value of \$430,000) and paid Calibre \$250,000. Calibre retains a 0.5% net smelter return royalty, which can be purchased by Newmarket at any time for \$1,000,000. Newmarket is considered a related party to the Company as there is an officer and directors in common.

### Market trends

The price of the Company's common shares, and the consolidated financial results and exploration, development and other activities of the Company, may in the future be significantly and adversely affected by declines in the prices of gold and other metals or minerals. The Company's business is directly impacted on the prices of gold, silver, copper, and other metals being adequate to continue to develop and explore the properties in which it has an interest. For example, while the price of gold remains at historically high levels, it has come off its highest levels of 2012. The following table highlights the average price of gold in each of the last five calendar years:

<b>Average Prices for the Period Shown</b>	
	<b>Gold (US\$/per oz.)<sup>1</sup></b>
Year Ended December 31, 2014	\$1,266
Year Ended December 31, 2013	\$1,411
Year Ended December 31, 2012	\$1,669
Year Ended December 31, 2011	\$1,572
Year Ended December 31, 2010	\$1,225

<sup>1</sup> Estimates of average gold prices were obtained from information posted on [www.kitco.com](http://www.kitco.com).

In addition, the Company incurs costs in Canadian and U.S. dollars and the Nicaraguan Cordoba in exchange rates could result in additional operational costs to the Company. Significant fluctuations in foreign exchanges rates in countries where the Company operates are difficult to predict and could have a significant variance on the operations of the Company. The following table denotes the average market value of CDN \$1 against the US and Nicaraguan currencies for each of the periods presented:

	<b>Average Prices for the Period Shown<sup>2</sup></b>	
	<b>US Dollar</b>	<b>Nicaraguan Cordoba</b>
Year Ended December 31, 2014	\$0.9057	C\$23.1669
Year Ended December 31, 2013	\$0.9711	C\$23.5593
Year Ended December 31, 2012	\$1.0002	C\$23.1532
Year Ended December 31, 2011	\$1.0115	C\$22.3100
Year Ended December 31, 2010	\$0.9686	C\$20.3581

<sup>2</sup> Estimates of average foreign exchange rates for the US Dollar and Nicaraguan Cordoba were obtained from information posted on [www.oanda.com](http://www.oanda.com).

### Segmented information

The Company currently operates in one reportable operating segment, being the acquisition, exploration, and development of natural resource properties, which is conducted in Nicaragua. The Company is in the exploration stage and, accordingly, has no reportable segment revenues for any of the periods presented in the Company's Financial Statements. For further information regarding geographical data including assets based on location, please refer to Note 13 of the consolidated financial statements for the year ended December 31, 2014 and 2013.

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### Selected Annual Information

The Financial Statements have been prepared in accordance with International Financial Reporting Standards, and are expressed in Canadian dollars. The information below has been extracted from the Company's audited financial statements for the years noted. The accompanying discussion and analysis of financial conditions and results of operations should be read in conjunction with the Company's audited Financial Statements and related notes and disclosures in this MD&A for the years ended December 31, 2014, 2013 and 2012:

	December 31, 2014	December 31, 2013	December 31, 2012
Total revenues	\$Nil	\$Nil	\$Nil
Loss for the year	\$1,310,465	\$768,922	\$2,679,483
Basic and diluted loss per share for the year	\$0.01	\$0.00	\$0.01
Total assets	\$20,168,581	\$17,061,457	\$16,905,018
Total long-term financial liabilities	\$Nil	\$Nil	\$Nil
Cash dividends declared	\$Nil	\$Nil	\$Nil

### Results of Operations

The following discussion and analysis of the Company's financial results of its operations should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2014 and 2013.

#### Year ended December 31, 2014 compared to year ended December 31, 2013

The Company's general and administrative costs were lower in 2014, totalling \$1,237,686 compared to \$1,347,667 in 2013. The key factors contributing to these expenses are as follows:

- Audit and accounting fees remained consistent at \$62,982 from \$61,560 in 2013. These charges are billed by the Company's external auditor for services provided in auditing (and auditing related services) as it pertains to our Company's annual financial statements for the subject year and for regulatory requirements as they occur.
- Consulting fees decreased in 2014 to \$174,190 from \$357,018 in 2013. During 2014, the Company agreed with its various consultants to reduce their respective monthly retaining fees, which helped provide the Company with some additional working capital.
- Office and rent expenses remained consistent at \$115,759 in 2014 from \$116,335 in 2013. The costs for each of the years reflect the Company's rental premises in Canada and associated office supplies, postage and printing costs incurred.
- Salaries and wages decreased in 2014 to \$151,106 from \$212,305 in 2013. The decrease was the result of the Company agreeing to a reduced monthly salary for the CEO and President during a portion of 2014 compared to 2013 in an effort to conserve short term working capital.
- Stock-based compensation was \$569,700 in 2014 compared to \$453,363 in 2013. The fair value of the options expensed was estimated at the date of grant using the Black-Scholes option pricing model (the assumptions used for the fair value calculation are discussed in the Financial Statements). During the year ended December 31, 2014, the Company issued a number of options to employees, directors and consultants of the Company, a portion of which vested immediately, and this resulted in an increase in 2014 stock based compensation expense. The 2013 expense related to amortization of previously unvested options granted in prior years and modifications described below.

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During 2013, the Company agreed to amend certain outstanding warrants, pursuant to the amendments, the warrants were amended by extending the term by one year and reducing the exercise price from \$0.50 to \$0.10. As a result of the warrant modification, the Company recognized an expense to share-based compensation expense of \$200,134, which was included in the stock-based compensation expense for the year ended December 31, 2013.

In addition, during 2013, the Company re-priced 4,475,000 options of the Company from \$0.49 to \$0.15 per share, all other remaining terms of the options remain the same. The total additional fair value of the option modification was calculated to be \$59,516 on the date of modification and is included in stock-based compensation expense for the year ended December 31, 2013.

- During the year ended December 31, 2014, marketing, trade shows and conferences increased to \$49,588 from \$24,751 in 2013. For the 2014 period, the Company looked to increase its marketing efforts through more extensive use of social media, advertising publications, third party website platforms and attendance in trade shows and conference as well as an increased marketing effort in the United States of America.

The Company's other income (expenses) decreased for the year ended December 31, 2014, totalling a loss of \$72,779 compared to a gain of \$578,745 for 2013.

- During 2014, the Company recorded a total of \$82,365 (2013 - \$Nil) in management fees related to acting as operator on the IAMGOLD option property. The option agreement with IAMGOLD was only entered into in 2014.
- During 2014, the Company sold all 1,000,000 common shares of Newmarket for cash proceeds of \$260,060. As a result of the sale, the Company reclassified \$80,000 from AOCI to loss on sale of marketable securities resulting in a net loss of \$169,940.
- During 2013, the Company recorded a gain on sale of Point Leamington of \$591,276. The total proceeds included a cash payment from Newmarket Gold Inc. to the Company totalling \$250,000 and 1,000,000 common shares of Newmarket Gold Inc. with a total fair value of \$430,000. The Company incurred expenses related to a review of the project in 2013 totalling \$88,724 prior to the sale.
- During the year ended December 31, 2014, the Company accrued or earned a total of interest income of \$12,100 compared to \$20,004 from the prior year. The decrease is a result of a decrease in the bank balance throughout the year until the completion of the private placement which occurred towards the end of the year.

### Summary of Quarterly Results

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

	December 2014	September 2014	June 2014	March 2014
Total revenues	\$Nil	\$Nil	\$Nil	\$Nil
Net gain (loss) for the period	\$(567,855)	\$(211,691)	\$(232,516)	\$(298,403)
Basic and diluted gain (loss) per share for the period	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)

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	December 2013	September 2013	June 2013	March 2013
Total revenues	\$Nil	\$Nil	\$Nil	\$Nil
Net gain (loss) for the period	\$338,664	(\$426,951)	(\$364,120)	(\$316,515)
Basic and diluted gain (loss) per share for the period	\$0.00	(\$0.00)	(\$0.00)	(\$0.00)

The variation seen over the above quarters is primarily dependent upon the success of the Company's on-going property evaluations and acquisition program and the timing and results of the Company's exploration activities on its current properties, none of which is possible to predict with any accuracy.

The Company will continue to incur losses until such time as the commercial development of a discovery or an acquisition results in positive earnings. The above losses are also impacted by the amount of stock options granted in any given period which can give rise to significant stock-based compensation expenses.

During the three months ended December 31, 2013, the Company sold its interest in Point Leamington to Newmarket Gold Inc. for gross proceeds of \$680,000 and a net gain of \$591,276.

### Liquidity

The Company currently has no operating revenues other than interest income and relies primarily on equity financing as well as the exercise of warrants and options to fund its exploration and administrative costs. This situation is unlikely to change until such time as the Company can develop a bankable feasibility study on one of its properties.

Other than those obligations disclosed in the notes to its Financial Statements and discussed in this MD&A, the Company has no other long-term debt, capital lease obligations, operating leases or any other long-term obligations.

As at December 31, 2014, the Company had working capital of \$2,523,739 compared to working capital of \$1,414,702 as at December 31, 2013. The Company's working capital as at December 31, 2014 includes cash of \$2,751,579 (December 31, 2013 - \$1,111,846). The increase in cash and cash equivalents is attributed to the private placement completed in 2014, less the expenditures on the Borosi Project and general and administrative expenditures.

During the year ended December 31, 2014, the Company closed a private placement for gross proceeds of \$2,000,000. The private placement consisted of the Company issuing 25,000,000 units at a price of \$0.08 per unit. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share at an exercise price of \$0.15 per share until September 22, 2016. No finder's fee was paid in connection with this private placement. The Company incurred \$14,439 in transaction fees related to the private placement.

The Company is committed to further advance the exploration and development of the Borosi Project. During the year ended December 31, 2014, the Company reduced staffing levels, salaries, and consulting fees. In addition, the Company sold certain marketable securities for gross proceeds of \$260,060 and entered into the option agreement with IAMGOLD.

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

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The Company's cash is invested in business accounts with a major Canadian financial institution, and is available on demand for the Company's programs.

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### Capital Resources

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

As at April 23, 2015, the Company has approximately 21,050,000 stock options and 12,500,000 warrants outstanding which, if exercised, would bring a further \$5.7 million to the Company's treasury upon exercise. At present, all outstanding warrants are out-of-the-money and 2,400,000 options are in the money, which if exercised would provide the Company with additional funding of \$250,000.

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### Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

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### Transactions with Related Parties

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

	Year Ended December 31, 2014	Year Ended December 31, 2013
Short-term benefits <sup>(i)</sup>	\$ 142,000	\$ 212,305
Share-based payments <sup>(ii)</sup>	\$ 416,337	\$ 232,520
Director fees paid	\$ -	\$ 5,000
Consulting and advisory fees to key management	\$ 140,500	\$ 258,333

<sup>(i)</sup> Short-term benefits include salaries and benefits paid to key management personnel.

<sup>(ii)</sup> Share-based payments are the fair value of options granted or modified to key management personnel and consultants as at the grant date or modification date

The Company has employee and consulting agreements in place with provisions which would provide a lump sum payment to certain key management personnel on change of control. The total amount accruing to key management on such a change of control would total \$850,000.

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

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### Fourth Quarter

- During the fourth quarter of 2014, the Company recorded \$443,095 in stock – based compensation expense the majority of which related to options granted by the Company in October 2014.
- During the fourth quarter of 2014, the Company recorded other income of \$82,365 related to management fees earned by the Company as a result of acting as operator on the IAMGOLD option agreement.

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### Proposed Transactions

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

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### Critical Accounting Estimates

The Company's significant accounting policies are presented in Note 3 of the audited Financial Statements for the year ended December 31, 2014. The preparation of these financial statements in accordance with IFRS requires the Company to make assumptions, estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. The Company evaluates its estimates on an on-going basis. Such estimates are based on historical experience and on various other assumptions that the Company believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of revenues and expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Significant areas of estimation uncertainty considered by management in preparing the financial statements are as follows:

#### Valuation of Amended Warrants

Management has made assumptions and estimates in determining the fair value of the warrants that were amended during the year ended December 31, 2014. This estimate had an effect on the stock based compensation expense recognized for the year and the contributed surplus on the Company's balance sheet. Management has made estimates of the life of the warrants, the expected volatility, and expected dividend yield and risk free interest rate that could materially affect the fair value of these types of securities. The estimates were chosen after reviewing the historical life of the Company's warrants and analyzing share price history to determine volatility.

#### Impairment of exploration and expenditure assets

The Company is required to review the carrying value of its exploration and evaluation properties for potential impairment. Impairment is indicated if the carrying value of the Company's exploration and evaluation is not recoverable. If impairment is indicated, the amount by which the carrying value of exploration and evaluation assets exceeds their estimated fair value is changed to the statement of loss.

Evaluating for recoverability during the exploration and evaluation phase requires judgment in determining whether it is likely that future economic benefits from future exploitation, sale or otherwise are likely. Evaluations may be more complex where activities have not reached a stage which permits a reasonable assessment of the existence of reserves or resources. Management must make certain estimates and assumptions about future events or circumstances including, but not limited to, the interpretation of geological, geophysical and seismic data, the Company's financial ability to continue exploration and evaluation activities, contractual issues with joint venture partners, the impact of government legislation and political stability in the region, and the impact of current and expected future metal prices to potential reserves.

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### Resource estimates

The Company estimates its ore mineral resources based on information compiled by Qualified Persons as defined in accordance with Canadian Securities Administrators National Instrument 43-101 "Standards for Disclosure of Mineral Projects". Resource estimates may be used in the calculation of depreciation and amortization, impairment assessment, assessment of life of mine stripping ratios and for forecasting the timing of payment of mine closure, reclamation and rehabilitation costs.

There are numerous uncertainties inherent in estimating ore resources, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of resources and may, ultimately, result in the resources being restated.

### **Change in Accounting Policies including Initial Adoption**

The accounting policies followed by the Company are set out in Note 3 to the audited Financial Statements for the year ended December 31, 2014. Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB. The following new standards applicable to the Company were adopted in these consolidated financial statements effective January 1, 2014:

- International Accounting Standards 36, *Impairment of Assets* ("IAS 36") was amended in May 2013 to make small changes to the disclosures required by IAS 36 when an impairment loss is recognized or reversed. The amendments require the disclosure of the recoverable amount of an asset or cash generating unit ("CGU") at the time an impairment loss has been recognized or reversed and detailed disclosure of how the associated fair value less costs of disposal has been determined. The amendments are effective for accounting periods beginning on or after January 1, 2014. The Company has concluded there was no significant impact of adopting this standard.
- International Financial Reporting Interpretations Committee 21, *Levies* ("IFRIC 21") clarifies that the obligating event giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payment of the levy. The Company has concluded there was no significant impact of adopting this standard.

The initial adoption of the above new standards did not have a significant impact on these consolidated financial statements.

### **Recent Accounting Pronouncements Not Yet Adopted**

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee and are mandatory for future periods only and as such have not been applied to these consolidated financial statements. The Company has no plans for early adoption of the following pronouncement.

- IFRS 9, *Financial Instruments* ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace IAS 39: *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 9 on its consolidated financial statements, if any.
- In May 2014, the IASB issued IFRS 15: *Revenue from Contracts with Customers*, which replaces IAS 18: *Revenues* and covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2017. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements.

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- In May 2014, the IASB issued amendments to IAS 16: *Property, Plant, and Equipment* and IAS 38: *Intangibles*, prohibiting the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue – based amortization for intangible assets. These amendments are effective for annual periods beginning on or after January 1, 2016. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements.

### Financial Instruments and Other Instruments

#### Fair Value and Hierarchy

The fair value of financial instruments that are measured subsequent to initial recognition at their fair value, is measured within a “fair value hierarchy” which has the following levels:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

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

Marketable securities are recorded at fair value and are measured using Level 1. Receivables, deposits and advances and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

#### Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full as they become due (see Note 1). The Company manages liquidity risk through the management of its capital structure, as outlined in Note 4 of these financial statements. One of management's goals is to maintain an optimal level of liquidity through the active management of the Company's assets, liabilities, and cash flows. The Company's cash and cash equivalents are held as cash deposits which are available on demand to fund the Company's short-term financial obligations. Trade and other payables are due within the current operating period.

#### Credit risk

Credit risk arises from the possibility that a counterparty may experience financial difficulty and be unable to fulfill their commitments to the Company. The Company's credit risk is primarily attributable to its cash and cash equivalents and receivables. The carrying value of these instruments represents the Company's maximum exposure to credit risk. The Company limits exposure to credit risk by maintaining the significant majority of its cash with a large chartered Canadian banking institution. The significant majority of receivables are from its joint venture partners and relate to project expenditures in Nicaragua incurred during 2014 and 2013 (described in Note 8). The remaining credit risk in receivables is considered low by management as they consist primarily of amounts owing from government authorities in relation to the refund of goods and services taxes in Canada applying to inputs for qualified expenditures.

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### Commodity price risk

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

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's interest rate risk arises primarily from the interest received on its cash balances. The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Based on cash balances held at December 31, 2014, the effect of a one basis point increase or decrease in interest rates on net loss is not considered significant. The Company's other financial assets and liabilities are not subject to interest rate risk, as they do not bear interest.

### Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. The Company incurs foreign currency risk on purchases that are denominated in a currency other than the functional currency of the Company, which will have an impact on the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company's main risks are associated with fluctuations in the Nicaraguan Cordoba ("COR") and the US dollar ("USD"). The Company does not enter into any foreign exchange contracts to mitigate these risks. Based on management's analysis, the effect on these instruments held at December 31, 2014 of a five percent increase or decrease in foreign exchange rates on net loss is not considered significant.

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### **Other MD&A Requirements**

Additional information relating to the Company, including the most recent Company filings, can be located on the Company's website at [www.calibremining.com](http://www.calibremining.com) or on the SEDAR website at [www.sedar.com](http://www.sedar.com).

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### **Additional Disclosure for Venture Issuers Without Significant Revenue**

For additional disclosures concerning the Calibre's general and administrative expenses and a breakdown of the exploration and evaluation assets, please refer to the Company's Financial Statements for the year ended December 31, 2014 that are available on the Company's website at [www.calibremining.com](http://www.calibremining.com) or on the SEDAR website at [www.sedar.com](http://www.sedar.com). The Company discusses the activities at each of the projects above in *Business Overview and Overall Performance*.

The Company does not have any capitalized or expensed research and development costs or any deferred development costs for the year ended December 31, 2014 and 2013.

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### Disclosure of Outstanding Share Data

The following describes the outstanding share data of the Company as at April 23, 2015. For further information and details concerning outstanding share data, options, and warrants, see Note 9 and the Consolidated Statements of Changes in Shareholders' Equity, included in the audited Financial Statements for the year ended December 31, 2014:

	Number Outstanding
Common shares	222,910,918
Options to purchase common shares	21,050,000
Warrants to purchase common shares	12,500,000

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### Additional Disclosure for Reporting Issuers with Significant Equity Investees

Not applicable.

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### Risk Factors

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties, in Central America. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral properties (which are primarily early stage exploration properties with no known resources or reserves), the following risk factors, among others, will apply:

#### Exploration, Development and Operating Risks

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon the Company's operations.

Mining operations generally involve a high degree of risk. The operations of the Company are subject to all the hazards and risks normally encountered in the exploration, development and production of precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

There is no certainty that the expenditures made by the Company toward the search and evaluation of precious metals and other minerals will result in discoveries of mineral resources, Mineral Reserves or any other mineral occurrences.

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### Political Stability and Government Regulation Risks

The operations of the Company are currently conducted in Nicaragua and Canada, as such, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; extreme fluctuations in currency exchange rates; and changing political conditions, currency controls and governmental regulations. Changes, if any, in mining or investment policies or shifts in political attitudes in any of these countries may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

### Reliability of Resource Estimates

There is no certainty that any of the mineral resources identified at any of the Company's properties to date will be realized. Until a deposit is actually mined and processed the quantity of mineral resources and grades must be considered estimates only. In addition, the quantity of mineral resources may vary depending on, among other things, precious metal prices. Any material change in quantity of mineral resources, grade or stripping ratio may affect the economic viability of any project undertaken by the Company. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production. Fluctuations in the prices of gold and other precious or base metals, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources could have a material adverse effect on the Company's results of operations and financial condition.

### Insurance and Uninsured Risks

The business of the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers being reasonable, its insurance may not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

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(An Exploration Stage Company)

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### Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or require abandonment or delays in development of new mining properties.

### Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage or, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of the Company.

### Land Title

There may be undetected title defects affecting the Company's properties. Title insurance generally is not available, and the ability of the Company to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Furthermore, the Company has conducted only limited surveys of certain of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Company may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Company's operations. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

### Permits

The Company cannot be certain that it will receive, on acceptable terms, the necessary permits to conduct further exploration and to develop its properties. The failure to obtain such permits, or delays in obtaining such permits, could increase the Company's costs and delay its activities, and could adversely affect the operations of the Company.

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### Competition

The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the revenues, operations and financial condition of the Company could be materially adversely affected.

### Hedging

The Company does not have a hedging policy and has no current intention of adopting such a policy. Accordingly, the Company has no protection from declines in mineral prices.

### Additional Capital

The development and exploration of the properties in which the Company holds an interest will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all such properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. In addition, any future financing may be dilutive to existing shareholders of the Company.

### Fluctuations in Metal Prices

The price of the common shares, and the consolidated financial results and exploration, development and mining activities of the Company, may in the future be significantly and adversely affected by declines in the prices of gold and other metals or minerals. The prices of gold and other metals or minerals fluctuate widely and are affected by numerous factors beyond the control of the Company such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the United States dollar and other foreign currencies, global and regional supply and demand, the political and economic conditions and production costs of major mineral-producing countries throughout the world, the cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market prices of gold or other metals or minerals could cause continued development of and commercial production from the properties in which the Company holds an interest to be impracticable. Depending on the prices of gold and other metals and minerals, cash flow from mining operations could not be sufficient and the Company may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's properties is dependent upon the prices of gold and other metals and minerals being adequate to make these properties economically viable.

In addition to adversely affecting the resource estimates of the Company and its financial condition, declining commodity prices can affect operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or interrupt operations until the reassessment can be completed.

### Exchange Rate Fluctuations

Exchange rate fluctuations may affect the costs that the Company incurs in its operations. Precious metals and other minerals are generally priced in U.S. dollars and the costs of the Company are incurred in Canadian dollars, Nicaraguan Cordoba, or U.S. dollars. The appreciation of non-U.S. dollar currencies against the U.S. dollar can increase the cost of exploration and production in U.S. dollar terms, which could materially and adversely affect the Company's profitability, results of operations and financial condition.

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### Dividend Policy

No dividends on the Common Shares have been paid by the Company to date. The Company currently plans to retain all future earnings and other cash resources, if any, for the future operation and development of its business. Payment of any future dividends, if any, will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

### Key Personnel

The Company is dependent upon the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

### Changes to Exploration Programs

The Company may make changes to planned programs at anytime. This could be done due to a number of factors including results obtained to date changes in regulations, changes in metal prices, identification of new, more important, targets and a number of other possible causes.

### Share Price Volatility and Liquidity

Publicly quoted securities are subject to a relatively high degree of price volatility. It may be anticipated that the quoted market for our shares will be subject to market trends generally, notwithstanding any potential success of us in creating sales and revenues. In addition, our shareholders may be unable to sell significant quantities of shares into the public trading markets without a significant reduction in the price of their shares, if at all.

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## **Internal Controls and Disclosure Controls over Financial Reporting**

On November 23, 2007, the British Columbia Securities Commission in which the Company is registered exempted Venture Issuers from certifying disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. Since the Company is a Venture Issuer, it is now required to file basic certificates, which it has done for the year ended December 31, 2014. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under Multilateral Instrument 52-109 as at December 31, 2014.

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