

Calibre Mining Corp.

(An Exploration Stage Company)

Interim Management's Discussion and Analysis – Quarterly Highlights

Period Ended March 31, 2017

(Expressed in Canadian Dollars - Unaudited)



Introduction

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

This interim Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the period ended March 31, 2017. The Company reports its balance sheet, results of operations, statement of changes in equity, and cash flows in accordance with International Financial Reporting Standards ("IRFS") applicable to the preparation of interim financial statements, including International Accounting Standards 34, *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Additional information relating to the Company, including the most recent Company filings, can be located on the Company's website, www.calibremining.com, or on the SEDAR website, www.sedar.com.

This MD&A reflects information available as at May 24, 2017.

Forward Looking Statements and Risk Factors

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

For a detailed listing of the risk factors, please refer to the Company's annual MD&A for the year ended December 31, 2016.

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.

In addition, the Company incurs costs in Canadian and U.S. dollars and the Nicaraguan Cordoba which could result in additional fluctuations in 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.

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Update on Exploration Activities

Calibre's 100% Owned Concessions

a) Monte Carmelo Gold Skarn Project

The Company completed a maiden drilling program on the Monte Carmelo Gold Skarn Project consisting of 8 diamond drill holes for 2,100 metres. The drilling targeted high-grade gold skarn mineralization exposed on surface and tested by an extensive program of auger drilling. All drill holes intersected skarn mineralization consisting of garnet and magnetite skarn developed in calcareous sediments, limestone, and intrusives. Mineralization consist of massive and veined zones with anomalous levels of gold and silver with variable copper associated with iron and lesser amounts of zinc, lead, and arsenic.

Drill hole MD17-006 intersected a broad iron rich zone from surface with 29.5 m grading 0.58 g/t Au, 4.9 g/t Ag and 0.22 % Cu from surface including 10.5 metres grading 1.43 g/t Au and 7.5 g/t Ag and 0.32 % Cu (0 -- 10.5m). Drill hole MD17-007 intersected a highly mineralized iron rich zone consisting of magnetite skarn averaging 0.28 g/t Au, 6.34 g/t Ag, 0.33 % Cu, and 0.20 % Zn over 14.5 metres (83.8 -- 98.3 m). Additionally the hole intersected 0.36 g/t Au, 65.8 g/t Ag, and 3.51% Cu over 1.53 m (74.72 -- 76.25m) and a third intercept from surface of 7.0m grading 0.45 g/t Au, 1.9 g/t Ag, and 0.11% Cu. Diamond drill hole MD17-001 intersected 2.1 metres grading 0.36 g/t Au (36.6 -- 38.7m) and a second intercept of 1.1m grading 0.16 g/t Au and 3.62 % Zn (127 -- 128.1m). Drill hole MD17-002 intersected 2.0 metres grading 0.10 g/t Au and 0.48 % Cu (120.25 -- 122.25m). MD17-003 intersected a narrow zone of weakly to moderately anomalous mineralization which included 331 ppm Mo (molybdenum) over 3.71 metres (110.66 -- 114.37m). Drill hole MD17-004 intersected a near surface, broad mineralized zone with low grade gold and silver values grading 0.22 % Cu and 0.51 % Zn over 47.28 metres (7.62 -- 54.9m). MD17-005 contains a narrow zone grading 1.19 g/t Au over 1.15 metres (50-45 -- 51.6m). Drill hole MD17-008 intersected a near surface zone of 9.4 metres grading 0.15 g/t Au (0.0 -- 9.4m) and a second intercept of 4.95m grading 0.14 g/t Au (63.05 -- 68.0m).

Overall the intercepts define a variably mineralized flatly dipping zone consisting of broad anomalous zones with irregular higher grade structures related to the contact of two intrusive phases (granite and granodiorite) and the calcareous sediment and limestone host rocks.

b) Primavera Gold-Copper Porphyry Project

On the Primavera Gold-Copper Porphyry Project work has included data compilation, target prioritization, and a site visit by consulting porphyry expert Dr. Richard Sillitoe. The Company has been actively completing data compilation and interpretations designed to finalize target prioritization for the 2017 reverse circulation and diamond drilling programs.

In February 2017 a site visit was completed by one of the world's foremost porphyry experts Dr. Richard Sillitoe. Dr. Sillitoe's extensive experience and insights have advanced the understanding of the Primavera Gold-Copper deposit and additional follow-up work is on-going. Several of Dr. Sillitoe's conclusions will have a significant positive impact on the exploration programs going forward and have been incorporated into the planned drill program including:

- *The (Primavera) prospect has many similarities to other gold-rich porphyry deposits, including a good Au/Cu correlation, presence of abundant hydrothermal magnetite and a molybdenum-rich halo to the gold-copper zone.*
- *In view of the widespread occurrence of porphyry copper deposits in district-scale clusters and alignments, exploration needs to be focused on assessment of nearby, untested areas.*
- *The proposed programme of scout drilling of geochemical targets is considered the best means of further appraising the district potential.*

Exploration drilling targeted at the discovery of additional gold-copper porphyry deposits is schedule to commence in Q2 2017.

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Santa Maria Epithermal Gold-Silver Project

During the first two months of 2017, Calibre completed the permitting process for the drilling program. Additionally, Calibre has signed community assistance and engagement agreements with the local villages adjacent to the project.

Drilling is currently underway and the maiden drilling program will consist of a minimum of 2,500 metres in an estimated 12 - 15 drill holes. The drilling will test approximately one kilometre of strike length and between 50 and 150 metres down dip on the central mineralized structure with additional secondary structures anticipated.

IAMGOLD Option Agreement

On January 25, 2017, the Company announced the start of the 2017 drilling program at the Eastern Borosi Project. The drilling program consists of a minimum of 6,000 metres of drilling and will continue to test extensions of high grade gold-silver vein systems outlined in the 2014-2015-2016 drilling programs which to date included 18,600 metres of drilling in 116 drill holes and step out drilling on the Riscos de Oro Inferred Resource.

Centerra Option Agreement

The 2017 Calibre-Centerra Exploration Program is underway with an approved budget of US\$1.35 million. Exploration is ongoing consisting of wide-spaced soil and rock sampling to extend existing anomalous zones and define new anomalous trends and induced polarization and ground magnetic surveying of a series of gold targets. Additional diamond drilling is scheduled for H2 2017.

Rosita Mining Joint Venture

Nothing to report.

Results of Operations

As at March 31, 2017, the Company had total assets of \$30,519,548 compared to \$28,018,087 as at December 31, 2016. The majority of these assets for both periods are the carrying values of the Company's cash and cash equivalents and its exploration and evaluation assets.

As at March 31, 2017, the Company had working capital of \$5,285,374 compared to working capital of \$3,128,142 as at December 31, 2016.

During the three months ended March 31, 2017, the Company recorded a net loss of \$571,573 or \$0.00 per share, as compared to a net loss of \$365,894 or \$0.00 per share during the same period in the prior year.

Expenses during 2017 were \$629,295 compared to \$432,787 in 2016. The key items contributing to these expenses are as follows:

During the three months ended March 31, 2017, consulting fees increased to \$46,500 compared to \$30,000 in 2016. The increase in consulting fees was due to the hiring of an investor relations firm during the period. The investor relations firm is paid a monthly remuneration of \$5,000.

During the three months ended March 31, 2017, share-based compensation was \$431,783 compared to \$62,409 during 2016. The increase in expense is due to the 7,000,000 stock options granted by the Company during the current period to various employees, officers, consultants and directors of the Company. The stock options are exercisable at a price of \$0.27 per share for a period of five years.

During the three months ended March 31, 2017, trade shows and conferences increased to \$57,588 compared to \$6,406 in 2016. The increase in trade shows and conferences in 2017 was due to costs associated with marketing trips in Europe and Nicaragua, PDAC in Toronto, and the Metals Investor Forum in Vancouver.

A total of 4,115,500 share purchase warrants with an exercise price of \$0.16 per share were exercised into common shares of the Company for gross proceeds of \$658,480.

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The Company completed a private placement for 19,575,000 units ("Units") of the Company's common shares at a price of \$0.10 per Unit for gross proceeds of \$1,957,500. Each Unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share for \$0.15 until January 12, 2020. Calibre issued 120,000 finder's units ("Finder's Units") in connection with the private placement. Each Finder's Unit consisted of one common share and one common share purchase warrant. Each warrant entitles the finder to acquire an additional common share for \$0.15 until January 12, 2020.

Summary of Quarterly Results

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

	March 2017	December 2016	September 2016	June 2016
Total revenues	\$Nil	\$Nil	\$Nil	\$Nil
Net loss for the period	\$(571,573)*	\$(49,757)	\$(158,039)	\$(201,847)
Basic and diluted loss per share for the period	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)

	March 2016	December 2015	September 2015	June 2015
Total revenues	\$Nil	\$Nil	\$Nil	\$Nil
Net loss for the period	\$(365,894)	\$(187,659)	\$(258,050)	\$(240,428)
Basic and diluted loss per share for the period	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)

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

The variation seen over the above quarters is primarily dependent upon the success of the Company's ongoing property evaluations and acquisition program and the timing and results of the Company's exploration activities on its current properties, none of which is possible to predict with any accuracy. The Company will continue to incur losses until such time as the commercial development of a discovery or an acquisition results in positive earnings. The above losses are also impacted by options granted in any given period, which give rise to share-based compensation expenses.

Liquidity and Capital Resources

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

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

Other than those obligations disclosed in the notes to its condensed interim consolidated financial statements and discussed in this MD&A, the Company has no other long-term debt, capital lease obligations, operating leases or any other long-term obligations. The Company had working capital of \$5,285,374 as at March 31, 2017.

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

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

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

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Short-term benefits ⁽ⁱ⁾	\$ 56,000	\$ 54,000
Share-based payments ⁽ⁱⁱ⁾	\$ 390,207	\$ 60,504
Consulting and advisory fees to key persons	\$ 31,500	\$ 30,000

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

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

During the period ended March 31, 2017, the Company paid or accrued \$7,346 (2016 - \$11,569) in office rent expense to related companies.

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

Proposed Transactions

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

Critical Accounting Estimates

The significant accounting policies applied in the preparation of the financial statements are consistent with those applied and disclosed in the Note 2 of the Company's 2016 audited consolidated financial statements.

Critical accounting estimates remain the same as disclosed in the 2016 audited annual consolidated financial statements.

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Financial Instruments and Other Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial instruments consist of cash and cash equivalents, receivables, marketable securities, and trade and other payables. Cash and cash equivalents are classified as loans and receivable recognized initially at fair value. Subsequent to initial recognition, it is measured at amortized cost using the effective interest method, less any impairment losses. Marketable securities are classified as available for sale financial assets and are recognized initially at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive income.

Receivables and trade and other payables are the same as or approximately equal to their respective fair values due to their short-term maturity or capacity of prompt liquidation. The Company does not use derivative instruments or hedges to manage various risks because the Company's exposure to credit risk, liquidity risk, and market risks is relatively low. Cash and cash equivalents are held through a large national financial institution.

Disclosure of Outstanding Share Data

The following describes the outstanding share data of the Company as at May 24, 2017. For further information and details concerning outstanding share data, options, and warrants, refer to the Condensed Interim Consolidated Statements of Changes in Shareholders' Equity, included in the condensed interim consolidated interim consolidated financial statements as at and for the period ended March 31, 2017:

	Number Outstanding
Common shares	312,671,418
Options to purchase common shares	19,475,000
Warrants to purchase common shares	46,773,500
