CALIBRE MINING CORP.

TSX.V-CXB

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2017

(Expressed in Canadian Dollars – Unaudited)

NOTICE OF NO AUDITOR REVIEW

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Calibre Mining Corp.

(An Exploration Stage Company)

Consolidated Balance Sheets

(Expressed in Canadian Dollars – Unaudited)

		March 31, 2017		December 31, 2016
ASSETS				
Current				
Cash and cash equivalents	$	5,736,770	$	3,579,759
Receivables		52,681		13,627
Marketable securities		7,240		8,145
Prepaid deposits and advances		210,276		79,963
		6,006,967		3,681,494
Non-current				
Property and equipment		323,471		333,084
Exploration and evaluation assets (Note 5)		24,189,110		24,003,509
	$	30,519,548	$	28,018,087
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Trade and other payables	$	721,593	$	553,352
Shareholders' equity				
Share capital		45,253,717		43,011,620
Contributed surplus		15,314,497		14,465,391
Foreign currency translation reserve		3,276,658		3,462,162
Accumulated other comprehensive loss		(3,846)		(2,941)
Accumulated deficit		(34,043,071)		(33,471,499)
		29,797,955		27,464,734
	$	30,519,548	$	28,018,087

Subsequent Events – Note 9

On behalf of the Audit Committee:

"Douglas B. Forster" Director

"George Salamis" Director

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

Calibre Mining Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the Three Months Ended March 31

(Expressed in Canadian Dollars – Unaudited)

		2017		2016
Expenses				
Amortization	$	701	$	518
Audit and accounting fees		13,750		15,864
Bank charges and interest		354		346
Consulting fees		46,500		30,000
Foreign exchange loss (gain)		(26,988)		211,461
Insurance		8,710		8,868
Legal fees		3,137		2,358
Marketing		603		3,608
Office, postage and printing		5,726		9,430
Rent		7,346		11,822
Salaries and wages		62,829		60,726
Share-based compensation		431,783		62,409
Shareholder relations		735		-
Telephone and utilities		2,148		636
Trade shows and conferences		57,588		6,406
Transfer agent and regulatory fees		11,953		8,316
Travel		2,420		19
		(629,295)		(432,787)
Other Income				
Other income		57,722		61,814
Interest income		-		5,079
		57,722		66,893
Net Loss for the Period		(571,573)		(365,894)
<u>Other Comprehensive Loss</u>				
Items that will be reclassified subsequently to profit or loss:				
Foreign exchange translation		(185,504)		(1,282,033)
Unrealized gain (loss) on marketable securities		(905)		6,335
Net Comprehensive Loss for the Period	$	(757,982)	$	(1,641,592)
Net Loss per Share - Basic and Diluted	$	(0.00)	$	(0.00)
Weighted Average Shares Outstanding		308,671,418		222,910,918

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

Calibre Mining Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the Three Months Ended March 31, 2017 and 2016

(Expressed in Canadian Dollars – Unaudited)

	Common Shares						
	Number	Amount	Contributed Surplus	Foreign Currency Translation Reserve	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance – December 31, 2016	288,860,918	$ 43,011,620	$ 14,465,391	$ 3,462,162	$ (2,941)	$ (33,471,499)	$ 27,464,734
Issuance of common shares:							
• on private placement	19,575,000	1,465,953	443,736	-	-	-	1,909,689
• on finder's fees	120,000	16,581	5,019	-	-	-	21,600
• on exercise of warrants	4,115,500	759,562	(101,082)	-	-	-	658,480
Stock based compensation	-	-	501,433	-	-	-	501,433
Other comprehensive loss	-	-	-	-	(905)	-	(905)
Foreign exchange translation	-	-	-	(185,504)	-	-	(185,504)
Loss for the period	-	-	-	-	-	(571,573)	(571,573)
Balance – March 31, 2017	312,671,418	$ 45,253,717	$ 15,314,497	$ 3,276,658	$ (3,846)	$ (34,043,071)	$ 29,797,955
Balance – December 31, 2015	222,910,918	$ 36,422,223	$ 13,983,563	$ 4,012,801	$ (8,371)	$ (32,695,962)	$ 21,714,253
Stock based compensation	-	-	66,417	-	-	-	66,417
Other comprehensive income	-	-	-	-	6,335	-	6,335
Foreign exchange translation	-	-	-	(1,282,033)	-	-	(1,282,033)
Loss for the period	-	-	-	-	-	(365,894)	(365,894)
Balance – March 31, 2016	222,910,918	$ 36,422,223	$ 14,049,980	$ 2,730,769	$ (2,036)	$ (33,061,856)	$ 20,139,080

Calibre Mining Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

For the Three Months Ended March 31

(Expressed in Canadian Dollars – Unaudited)

		2017		2016
Operating Activities				
Net loss for the period	$	(571,573)	$	(365,894)
Items not affecting cash:				
Amortization		701		518
Share-based compensation		431,783		62,409
Cash items reclassified to investing activities		-		(5,079)
Net changes in non-cash working capital:				
Receivables		(39,055)		96,992
Accounts payable and accrued liabilities		293,667		(22,932)
Prepaid expenses		(130,313)		22,521
		(14,790)		(211,465)
Investing Activities				
Interest income		-		5,079
Exploration and evaluation expenditures, net of recoveries		(417,968)		(181,662)
		(417,968)		(176,583)
Financing Activities				
Proceeds from share issuances, net of transaction costs		1,931,289		-
Exercise of warrants		658,480		-
		2,589,769		-
Net Increase (Decrease) in Cash and Cash Equivalents		2,157,011		(388,048)
Cash and cash equivalents - Beginning of Period		3,579,759		863,279
Cash and cash equivalents - End of Period	$	5,736,770	$	475,231
Supplemental Disclosure of Non-Cash Investing Activities				
Amortization included in exploration and evaluation assets	$	4,885	$	5,572
Stock based compensation included in exploration and evaluation assets	$	69,650	$	4,008
Exploration and evaluation costs included in accounts payable	$	125,426	$	77,876

1. Nature of Operations and Liquidity Risk

Calibre Mining Corp. *(an Exploration Stage Company)* is incorporated under the laws of British Columbia, Canada and maintains its corporate head office at Suite 413 - 595 Burrard Street, Vancouver, British Columbia, Canada. The Company's common shares are listed on the TSX Venture Exchange (TSX.V: CXB) in Canada.

Calibre Mining Corp. and its subsidiaries (collectively referred to as the "Company") are principally engaged in the acquisition, exploration and development of mineral properties located in Nicaragua. 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.

2. Basis of Preparation and Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") 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").

The accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2016, except as noted below. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS as issued by the IASB. These condensed interim consolidated financial statements were authorized for issue by the Audit Committee on May 24, 2017.

3. Significant Judgments, Estimates and Assumptions

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, and expenses, and the related disclosure of contingent assets and liabilities. The Company evaluates its estimates on an ongoing 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 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:

<u>Impairment of exploration and evaluation assets</u>

The Company is required to review the carrying value of its exploration and evaluation properties for potential impairment when impairment indicators exist. Impairment exists when the carrying value of the Company's exploration and evaluation assets 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 charged to the statement of loss and comprehensive loss.

3. Significant Judgments, Estimates and Assumptions (cont'd.)

Evaluating for recoverability during the exploration and evaluation phase requires judgment in determining whether 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.

4. Changes in Accounting Policies

Recently issued but not adopted accounting guidance are as follows:

IFRS 9, Financial Instruments ("IFRS 9"), addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income ("OCI") and FVTPL. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at FVTPL. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company is currently assessing the impact of IFRS 9.

In January 2016, the IASB issued a new standard, IFRS 16, *Leases* ("IFRS 16"). This standard is effective for annual periods beginning on or after January 1, 2019, and permits early adoption, provided IFRS 15, has been applied, or is applied at the same date as IFRS 16. IFRS 16 requires lessees to recognize assets and liabilities for most leases. The Company is in the process of determining the impact of IFRS 16 on its consolidated financial statements.

(Expressed in Canadian Dollars – Unaudited)

5. Exploration and Evaluation Assets

The following table outlines the expenditures at the Borosi concessions during the period ended March 31, 2017:

	Option Property to Rosita	Option Property to IAMGOLD	Option Property to Centerra	Calibre 100% Owned Property	Total
Cost, December 31, 2016	$ 505,760	$ 6,710,144	$ 363,624	$ 16,423,982	$ 24,003,509
Administration and maintenance	-	49,663	49,663	51,168	150,495
Amortization	-	2,061	2,061	2,124	6,246
Assaying	-	11,431	26,628	65,391	103,450
Camp, supplies and logistics	-	45,806	24,033	18,211	88,050
Drilling and related	-	349,135	-	171,754	520,889
Foreign exchange	99	1,319	71	3,228	4,717
Geological consulting	-	-	-	39,561	39,561
Professional fees	-	-	-	2,509	2,509
Property maintenance	8,959	43,544	54,970	134,010	241,483
Resource estimates	-	-	-	24,163	24,163
Salary and wages	-	81,348	98,140	126,810	306,298
Share-based compensation	-	22,985	22,985	23,681	69,650
Travel	-	5,290	3,632	40,128	49,050
Recovery of costs	-	(728,292)	(692,667)	-	(1,420,960)
Cost, March 31, 2017	$ 514,819	$ 6,594,435	$ (46,861)	$ 17,126,718	$ 24,189,110

6. Share Capital

a) *Authorized*

The Company is authorized to issue an unlimited number of common shares with no par value.

b) *Private Placement*

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.

The allocation of fair value of the warrants issued in connection with this private placement was $443,736, with the corresponding charge to contributed surplus using the relative fair value approach. The fair value of the warrants was determined using the Black-Scholes pricing model with a risk free rate of 0.82%, volatility factor of 79% and an expected life of the warrants of three years.

The Company incurred $47,811 in transaction fees related to the private placement. Included in transaction fees is $21,600 relating to the fair value of the Finder's Units issued. The fair value of the Finder's Units was determined using the Black-Scholes pricing model with a risk free rate of 0.82%, volatility factor of 79% and an expected life of the warrants of three years.

(Expressed in Canadian Dollars – Unaudited)

6. Share Capital (cont'd.)

c) Stock options

During the period ended March 31, 2017, the Company granted 7,000,000 stock options at a price of $0.27 per share for a period of five years to various employees, officers, consultants and directors of the Company.

A summary of the status of the Company's stock options as at March 31, 2017 is presented below:

Exercise price	January 1, 2017	Granted	Expired	March 31, 2017	Expiry date	Remaining contractual life in years	Number of options vested
$0.15	3,900,000	-	(3,900,000)	-	January 25, 2017	-	-
$0.19	500,000	-	-	500,000	June 15, 2017	0.21	500,000
$0.10	1,900,000	-	-	1,900,000	July 15, 2019	2.29	1,900,000
$0.12	500,000	-	-	500,000	September 23, 2019	2.48	500,000
$0.16	6,250,000	-	-	6,250,000	October 9, 2019	2.53	6,250,000
$0.14	500,000	-	-	500,000	December 1, 2019	2.67	500,000
$0.10	2,525,000	-	-	2,525,000	August 27, 2020	3.41	2,525,000
$0.16	500,000	-	-	500,000	September 7, 2021	4.44	250,000
$0.27	-	7,000,000	-	7,000,000	February 20, 2022	4.90	1,750,000
	16,375,000	7,000,000	(3,900,000)	19,475,000			14,175,000
	$0.14	$0.27	$0.15	$0.19	Weighted average exercise price		

The Company amortizes the total fair value of options granted over a graded vesting schedule. The total compensation expense recognized for options granted during the period was $501,433 (2016 - $66,417). Of the total compensation recorded, $413,783 (2016 - $62,409) was charged to operations expense and $69,650 (2016 - $4,008) was capitalized to exploration and evaluation assets.

The fair value of the options granted during 2017 was determined using the Black-Scholes pricing model with a risk free rate of 1.02%, volatility factor of 99% and an expected life of the options of five years.

d) Warrants

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.

As at March 31, 2017 the following warrants were outstanding and exercisable:

Exercise price	January 1, 2017	Issued	Exercised	March 31, 2017	Expiry date	Remaining contractual life in years
$0.16	31,194,000	-	(4,115,500)	27,078,500	April 21, 2018	1.06
$0.15	-	19,695,000	-	19,695,000	January 12, 2020	2.79
	31,194,000	19,695,000	(4,115,500)	46,773,500		
	$0.16	$0.15	$0.16	$0.16	Weighted average exercise price	

(Expressed in Canadian Dollars – Unaudited)

7. Related Party Transactions

Key management personnel

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

8. Segmented Information

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

As at March 31, 2017

	Canada	Nicaragua	Total
Cash and cash equivalents	$ 5,651,273	$ 85,498	$ 5,736,770
Other current assets	33,777	236,421	270,197
Property and equipment	7,303	316,167	323,470
Exploration and evaluation assets	-	24,189,110	24,189,110
Total assets	$ 5,692,353	$ 24,827,196	$ 30,519,548
Total liabilities	$ 76,337	$ 645,257	$ 721,594

(Expressed in Canadian Dollars – Unaudited)

8. Segmented Information (cont'd.)

As at December 31, 2016

	Canada	Nicaragua	Total
Cash and cash equivalents	$ 3,535,282	$ 44,477	$ 3,579,759
Other current assets	53,079	48,657	101,735
Property and equipment	8,004	325,080	333,084
Exploration and evaluation assets	-	24,003,509	24,003,509
Total assets	$ 3,596,365	$ 24,421,723	$ 28,018,087
Total liabilities	$ 117,894	$ 435,459	$ 553,352

The following geographic data denotes net losses based on their country of origin for the three months ended March 31:

	2017	2016
Canada	$ 571,573	$ 365,894
Nicaragua	-	-
Loss for the period	$ 571,573	$ 365,894

9. Subsequent Events

Subsequent to March 31, 2017:

a) The Company signed a 5-year office lease commencing on June 1, 2017.

b) The Company announced its intention to implement a new long term incentive plan (the "Long-Term Incentive Plan"), subject to disinterested shareholder and regulatory approval. The Board of the Company approved the Long-Term Incentive Plan on April 26, 2017. The implementation of the Long-Term Incentive Plan however requires disinterested shareholder approval and the approval of the TSX Venture Exchange. At the May 31st, 2017 Annual General Meeting, disinterested shareholders will be asked to approve an ordinary resolution, with or without amendment approving the adoption of the Long-Term Incentive Plan. Upon obtaining such approval, the Company's only compensation plan providing for the issuance of securities of the Company as compensation will be the Long-Term Incentive Plan.