

Calibre Mining Corp. Reports Second Quarter 2020 Financial and Operating Results

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VANCOUVER, Aug. 10, 2020 - August 10, 2020: [Calibre Mining Corp.](#) (TSX: CXB; OTCQX: CXBMF) (“Calibre” or the “Company”) announces financial and operational results for the three months ended June 30, 2020 (“Q2 2020”). Full Condensed Interim Consolidated Financial Statements and the Management Discussion & Analysis can be found at [www.sedar.com](#) and the Company’s website, [www.calibremining.com](#). All figures are expressed in U.S. dollars.

On March 25, 2020, the Company initiated a temporary suspension of operations related to the global pandemic. Following a 10-week suspension, the Company commenced a phased restart of operations around mid-June and returned to steady-state production levels during July 2020.

Q2 2020 OVERVIEW

- Produced 6,010 ounces of gold and sold 9,426 ounces of gold
- Reported a Net loss of \$(5.4) million (\$(0.02) per share)
- Announced an expanded 2020 exploration drilling program
 - Near-mine drilling increased by 30%, from 47,000 meters to 60,000 meters; and
 - Added 20,000 meters of unbudgeted infill drilling designed to upgrade inferred resources to indicated resources.
- Announced revised 2020 outlook incorporating 10-week shutdown in second quarter
 - Between 110,000 and 125,000 ounces of gold production; and
 - All-In Sustaining Costs¹ (“AISC”) of between \$1,070 and \$1,100 per ounce
- Strong start to the third quarter with ‘hub-and-spoke’ operations delivering 15,879 ounces in July

Russell Ball, CEO of Calibre stated: “After the second-quarter shutdown and recent restart of operations, the third quarter has started on a positive note. We recently recommenced operations at our Jabali Underground mine and following the receipt of the permit for the development of Pavon Norte, development activities are now well underway. Pavon Norte represents a high-grade ore source for the Libertad Complex, with first ore expected to be mined and processed by the end of the first quarter of 2021 utilizing our ‘hub-and-spoke’ operating philosophy.”

CONSOLIDATED RESULTS SUMMARY – FOR THE THREE MONTHS ENDED JUNE 30, 2020

Financial Results

\$'000 (except per share and per ounce amounts)	Q2 2020	Q2 2019
Revenue	\$ 15,910	\$ -
Cost of sales (including depreciation and amortization)	(10,117)	-
Mine operating income	5,793	-
Net (loss)	(5,412)	(469)
Net (loss) per share (basic and diluted)	(0.02)	(0.01)
Cash (utilized in) operating activities	(13,421)	(314)
CAPEX: Mine development and PPE	3,522	-
CAPEX: Exploration	1,964	480
Average realized gold price (\$/ounce) ⁽¹⁾	1,688	-
Total Cash Costs (\$/ounce) ⁽¹⁾	955	-
AISC (\$/ounce) ⁽¹⁾	\$ 1,426	\$ -

Operational Results

	Q2 2020	YTD 2020
Ore Mined (t)	191,347	778,931
Ore Milled (t)	197,082	721,182
Grade (g/t Au)	2.13	2.43
Recovery (%)	91.2	91.7
Gold Ounces Produced	6,010	48,095
Gold Ounces Sold	9,426	48,181

Q2 2020 OPERATIONS

The Limon and Libertad mines had limited operation during Q2 2020 as a result of the temporary suspension in April 2020 and the restart during June 2020. The mines reached steady-state operations again in July 2020.

Limon

Total mine production consisted of 47,576 ore tonnes at an average grade of 3.68 g/t gold. The majority of mine production came from the Limon Central (LC) Phase 2 open-pit (26,236 tonnes at an average grade of 3.38 g/t gold), the LC Phase 1 open-pit (9,282 tonnes at an average grade of 3.81 g/t gold), the Santa Pancha underground mine (9,768 tonnes at an average grades of 4.23 g/t gold), with the remaining tonnes mined from Veta Nueva underground.

Limon produced 2,837 gold ounces driven by an average mill grade of 3.85 g/t gold and recovery of 90.4% from 50,805 tonnes of ore milled. The in-circuit inventory during the quarter increased by 2,500 ounces. As milling activities were ramping back to steady-state levels, mill feed was derived from low-grade ore stockpiles.

Total capital expenditures were \$2.0 million, including \$1.0 million of capitalized stripping of LC Phase 2, \$0.5 million for the advancement of the Veta Nueva mine and \$0.2 million of sustaining capital for the San Jose Tailings Storage Facility expansion. In addition, the Company spent \$0.5 million on exploration at Limon Norte and Panteon.

Libertad

The majority of Libertad's production consisted of 34,499 tonnes of ore from the Jabali open-pit grading 3.06 g/t gold and 102,197 tonnes grading 0.85 g/t gold from spent ore stockpiles, which was utilized to restart operations at the mill. Production included 7,074 tonnes of ore purchased from artisanal miners at Pavon with an average grade of 12.90 g/t gold.

Calibre continued to execute its 'hub-and-spoke' approach during the second quarter with 18,912 tonnes of ore mined at Limon and processed at Libertad. Libertad produced 3,173 ounces of gold from 146,277 tonnes of ore milled at an average grade of 1.54 g/t gold at an average recovery rate of 91.9%. The in-circuit inventory during the quarter increased by 3,400 ounces. Spent ore stockpiles were utilized as mill feed to ramp-up to normal levels during the restart of operations in June 2020.

For the second quarter, capital expenditures totaled \$1.5 million, including \$0.2 million for advancement at Pavon and \$0.9 million for the resettlement of households to enable the Jabali underground operation to recommence. Exploration drilling of \$0.9 million was incurred at Jabali, Tranca, and Rosario.

CONSOLIDATED Q2 2020 FINANCIAL REVIEW

Mining Operations

The Company sold 9,426 ounces of gold at an average realized price of \$1,688 per ounce for revenue of

\$15.9 million. The majority of the ounces sold were in April 2020 as the Company was in the process of suspending operations and reducing in-circuit inventories. There was only a small amount of gold poured in June 2020 as the Company started its phased resumption of operations and replenished in-circuit inventory levels.

Total cost of sales included production costs of \$8.1 million, royalties and production taxes of \$0.9 million, refinery and transportation of \$0.1 million and depreciation of \$1.1 million. The significant reduction in overall cost of sales reflects the Company's 10-week suspension of operations. During June 2020, the majority of mining and production costs incurred during the restart were accumulated in ore stockpile and in-circuit inventory, as there was minimal production during the second half of June.

Mine operating income was \$5.8 million with \$2.8 million from Limon and \$3.0 million from Libertad.

Total Cash Costs⁽¹⁾ were \$955 per ounce and AISC⁽¹⁾ were \$1,426 per ounce. The higher per ounce costs for the second quarter reflects the fixed-cost nature of the business during a time when there was limited production and sales of gold, negatively impacting costs on a per-unit basis.

Expenses and Net Income

G&A totaled \$1.7 million compared to \$0.5 million in the second quarter of 2019. The increase is the result of additions to and enhancements of the senior management team required for the transition from exploration to gold producer. The decrease in G&A expenses from Q1 2020 (\$2.4 million) reflects the decrease in overall activity resulting from the temporary suspension.

Share-based compensation was \$1.5 million compared to \$0.1 million for the second quarter of 2019. The increase is primarily related to the granting of options and RSUs in the fourth quarter of 2019 in connection with the acquisition of the assets from B2Gold.

The Company incurred \$7.1 million in care and maintenance expenditures (Q2 2019: \$Nil) to maintain the operations in a state of readiness during the temporary suspension. The costs include the costs of retaining employees, security/monitoring costs and contractor standby costs.

Current and deferred income tax expense was \$2.0 million during the second quarter. Current and deferred tax expense includes Alternative Minimum Taxes and Ad Valorem Taxes paid by the Company.

As a result of the above, the Net (loss) per share (both basic and diluted) was \$(0.02) for the second quarter (Q2 2019: \$(0.01)).

OUTLOOK

Calibre's asset base includes multiple ore sources, 2.7 million tonnes per annum of installed mill capacity from two processing facilities, reliable in-country infrastructure and favorable transportation costs. The Company will continue to optimize its consolidated mine and process plans as we progress our 'hub-and-spoke' approach to maximizing value from our integrated asset base and allow us to quickly translate exploration success into production and cash flow with almost no process-related capital or permitting required.

On June 24, 2020, the Company announced its revised 2020 production and cost outlook following the temporary suspension of operations:

	Limon	Libertad	Consolidated	Original 2020 Outlook
Gold Production (<i>ounces</i>)	55,000 - 62,500	55,000 - 62,500	110,000 - 125,000	140,000 - 150,000
Total Cash Costs (\$/oz) ⁽¹⁾	\$800 - \$840	\$950 - \$990	\$880 - \$920	\$840 - \$890
AISC (\$/oz) ⁽¹⁾	\$980 - \$1,020	\$1,050 - \$1,090	\$1,070 - \$1,100	\$1,020 - \$1,060

Growth Capital (\$ millions)	\$19 - \$20	\$8 - \$9	\$27 - \$29	\$24 - \$28
Exploration (\$ millions)	\$5 - \$6	\$9 - \$10	\$14 - \$16	\$12 - \$14
G&A (\$ millions)	N/A	N/A	\$7 - \$8	\$6 - \$7

Following a 10-week suspension of operations, Calibre now expects 2020 gold production of between 110,000 and 125,000 ounces at Total Cash Costs⁽¹⁾ of between \$880 and \$920, and AISC⁽¹⁾ of between \$1,070 and \$1,100 an ounce, respectively. The \$40 increase in AISC⁽¹⁾ guidance (or 4%) resulted from the unbudgeted increase in the Company's exploration and infill drilling programs. The higher AISC⁽¹⁾ was also due to the lower gold sales during the period due to the temporary suspension of operations.

The Company has resumed exploration drilling with an expanded 60,000 meter program (increased from 47,000 meters). In addition, an unbudgeted 20,000 meter infill drilling program is underway, targeting a significant upgrade in inferred resources to indicated resources for inclusion in the Company's end of year 2020 Mineral Reserve and Resource estimate.

Subsequent to June 30, 2020, the Company received the key environmental permit from the Ministry of Environment and Natural Resources for the development of Pavon Norte. The approval of Pavon Norte marks a significant milestone in the Company's efforts to increase production and extend the life of the Libertad Complex by processing ores mined from satellite deposits, in line with the Company's "hub-and-spoke" operating philosophy. With road construction to the project currently underway, Calibre is well-positioned to commence open-pit ore production from Pavon Norte before the end of the first quarter of 2021.

Q2 2020 EARNINGS CALL AND MULTI-YEAR OUTLOOK DETAILS

Management will be hosting a conference call to discuss the Q2 2020 results and the Libertad Preliminary Economic Assessment as follows:

Date: Tuesday, August 11, 2020
Time: 10:00 am EDT (7:00 am PST)
Number: +1 (866) 221-1882 or +1 (470) 495-9179 (International)
Conference ID: 1374076

The live webcast can be accessed at www.calibremining.com in the Events and Media section under the Investors tab. The live audio webcast will be archived and made available for replay at www.calibremining.com. Presentation slides which will accompany the conference call will be made available in the Investors section of the Calibre website under Presentations, prior to the conference call.

Qualified Person

Darren Hall, MAusIMM, SVP & Chief Operating Officer of [Calibre Mining Corp.](http://www.calibremining.com) is a qualified person as set out under NI 43-101 has reviewed and approved the scientific and technical information in this news release.

ON BEHALF OF THE BOARD

Russell Ball

Russell Ball, Chief Executive Officer

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About Calibre Mining Corp.

Calibre Mining is a Canadian-listed gold mining and exploration company with two 100%-owned operating gold mines in Nicaragua. The Company is focused on sustainable operating performance and a disciplined approach to growth. Since the acquisition of the Limon, Libertad gold mines and Pavon Gold Project, Calibre has proceeded to integrate its operations into a "hub-and-spoke" operating philosophy whereby the Company can take advantage of reliable infrastructure, favorable transportation costs, and multiple high-grade ore sources that can be processed at either Limon or Libertad, which have a combined 2.7 million tonnes of annual mill throughput capacity.

Note 1: Non-IFRS Measures:

Calibre has included certain non-IFRS measures in this news release, as discussed below. The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provides investors with an improved ability to evaluate the underlying performance of the Company. These non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

Total Cash Costs per Ounce of Gold Sold (Total Cash Costs)

Total Cash Costs include mine site operating costs such as mining, processing, and local administrative costs (including stock-based compensation related to mine operations), royalties, production taxes, mine standby costs and current inventory write-downs, if any. Production costs are exclusive of depreciation and depletion, reclamation, capital, and exploration costs. Total Cash Costs are net of by-product silver sales and are divided by gold ounces sold to arrive at a per ounce figure.

All-In Sustaining Costs per Ounce of Gold Sold (AISC)

AISC is a performance measure that reflects the expenditures that are required to produce an ounce of gold from current operations. While there is no standardized meaning of the measure across the industry, the Company's definition is derived from the definition, as set out by the World Gold Council in its guidance dated June 27, 2013 and November 16, 2018, respectively. The World Gold Council is a non-regulatory, non-profit organization established in 1987 whose members include global senior mining companies. The Company believes that this measure is useful to external users in assessing operating performance and the ability to generate free cash flow from operations.

Calibre defines AISC as the sum of Total Cash Costs (per above), sustaining capital (capital required to maintain current operations at existing production levels), capital lease repayments, corporate general and administrative expenses, exploration expenditures designed to increase resource confidence at producing mines, amortization of asset retirement costs and rehabilitation accretion related to current operations. AISC excludes capital expenditures for significant improvements at existing operations deemed to be expansionary in nature, exploration and evaluation related to resource growth, rehabilitation accretion not related to current operations, financing costs, debt repayments, and taxes. Total AISC is divided by gold ounces sold to arrive at a per ounce figure.

Average Realized Price per Ounce Sold

Average realized price per ounce sold is a common performance measure that does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is revenue from gold sales.

Cautionary Note Regarding Forward Looking Information

This news release includes certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation, including: the Company's projected gold production from Limon (the "Limon Production"); the Company's projected gold production from Libertad (the "Libertad Production"); and outlook, guidance, forecasts, or estimates relating to the Limon Production or the Libertad Production. All statements in this news release that address events or developments that we expect to occur in the future are forward-looking statements. Forward-looking statements are statements that are not historical facts and are identified by words such as "expect", "plan", "anticipate", "project", "target", "potential", "schedule", "forecast", "budget", "estimate", "intend" or "believe" and similar expressions or their negative connotations, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond Calibre's control. For a listing of risk factors applicable to the Company, please refer to the Company's Annual Information Form for the year ended December 31, 2019, available on www.sedar.com. This list is not exhaustive of the factors that may affect Calibre's forward-looking statements.

Calibre's forward-looking statements are based on the applicable assumptions and factors management considers reasonable as of the date hereof, based on the information available to management at such time. Calibre does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, and actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. Accordingly, undue reliance should not be placed on forward-looking statements.

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