Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2025 and 2024

(Unaudited and expressed in thousands of United States dollars, unless otherwise stated)

		Three months ended March 31,	
	Notes	**2025**	2024
Revenue	4	**$ 202,622**	$ 131,888
Cost of sales			
Production costs	5	**(81,569)**	(80,550)
Royalty and production taxes		**(8,383)**	(4,753)
Depreciation and amortization		**(33,370)**	(17,328)
Total cost of sales		**(123,322)**	(102,631)
Earnings from mine operations		**79,300**	29,257
Expenses			
General and administrative	6	**(6,073)**	(4,525)
Share-based compensation	20	**(6,902)**	(2,868)
Foreign exchange gain (loss)		**378**	(1,618)
Other expenses	7	**(7,597)**	(11,517)
Operating profit		**59,106**	8,729
Interest income		**813**	421
Finance expense	8	**(3,519)**	(1,686)
Other income (expense), net	9	**(10,063)**	1
Earnings before taxes		**46,337**	7,465
Current tax expense		**(24,661)**	(6,918)
Deferred tax expense		**923**	(4,183)
Net earnings (loss)		**$ 22,599**	$ (3,636)
Other comprehensive income			
Items that may be reclassified subsequently to net earnings:			
Foreign currency translation differences		**(61)**	(894)
Items that will not be reclassified subsequently to net earnings:			
Change in fair value of equity investments	3	**-**	(3,711)
Comprehensive income (loss)		**$ 22,538**	$ (8,241)
Earnings (loss) per share - basic		**$ 0.03**	$ (0.01)
Earnings (loss) per share - diluted		**$ 0.02**	$ (0.01)
Weighted average number of shares outstanding *(in thousands)*			
- basic		**848,747**	653,855
- diluted		**905,293**	681,420

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

Condensed Interim Consolidated Statements of Financial Position

As at March 31, 2025 and December 31, 2024

(Unaudited – Stated in thousands of United States Dollars)

	Notes	March 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		**$ 177,385**	$ 131,093
Restricted cash	13	**27,680**	52,354
Receivables, prepaids and other current assets	10	**58,394**	78,856
Inventories	11	**157,058**	136,936
Total current assets		**420,517**	399,239
Non-current assets			
Mineral interests, plant and equipment	12	**1,456,590**	1,356,816
Long term restricted cash	13	**8,872**	2,241
Other assets	14	**12,047**	12,850
Total assets		**$ 1,898,026**	$ 1,771,146
LIABILITIES			
Current liabilities			
Accounts payable and accruals		**$ 102,884**	$ 102,385
Income and other taxes payable		**21,870**	23,997
Deferred revenue	15	**59,461**	74,242
Current portion of provisions	16	**5,818**	5,257
Current portion of loans and borrowings	17	**68,376**	42,860
Current portion of derivative liabilities	18	**27,625**	-
Current portion of lease liabilities	19	**15,072**	14,835
Current portion of share based liabilities	20	**4,618**	1,252
Total current liabilities		**305,724**	264,829
Non-current liabilities			
Provisions	16	**97,094**	94,234
Loans and borrowings	17	**313,801**	293,556
Flow-through share premium liability	20	**5,328**	-
Lease liabilities	19	**68,385**	70,028
Share based liabilities	20	**5,310**	6,510
Deferred tax liability		**84,647**	82,594
Total liabilities		**880,288**	811,751
SHAREHOLDERS' EQUITY			
Share capital	20	**729,485**	700,852
Reserves		**32,998**	25,720
Accumulated other comprehensive loss		**(22,202)**	(22,036)
Retained earnings		**277,456**	254,858
Total shareholders' equity		**1,017,738**	959,395
Total liabilities and shareholders' equity		**$ 1,898,026**	$ 1,771,146

APPROVED ON BEHALF OF THE BOARD ON MAY 7, 2025:

Signed *"Darren Hall"*, DIRECTOR Signed *"Edward Farrauto"*, DIRECTOR

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

(Unaudited - Stated in thousands of United States Dollars)

		Three months ended March 31,	
	Notes	**2025**	2024
Cash provided by operations			
Net earnings (loss)		**$ 22,599**	$ (3,636)
Adjustments for non-cash items:			
Depreciation and amortization		**33,471**	17,999
Accretion expense	8, 17	**1,650**	1,028
Impairment of mineral interests, plant and equipment	12	**-**	415
Share-based compensation	20	**4,773**	606
Deferred tax expense		**(923)**	4,183
Change in fair value of derivatives	18	**10,108**	-
Deferred revenue recognized	15	**(15,000)**	40,134
Other		**(791)**	2,830
Adjustments for cash items:			
Payments against provisions	16	**(812)**	(697)
Working capital adjustments	21	**(1,599)**	(17,047)
Net cash provided by operating activities		**53,476**	45,815
Investing activities			
Expenditures on mineral properties, plant and equipment	12	**(116,140)**	(91,020)
Cash obtained from the Marathon acquisition	3	**-**	8,819
Net cash used in investing activities		**(116,140)**	(82,201)
Financing activities			
Proceeds from the exercise of share options and warrants	20	**3,196**	1,225
Proceeds from the issuance of shares, net	20	**26,854**	-
Proceeds from the issuance of convertible notes	17	**74,273**	-
Proceeds from debt, net of issuance costs	17	**-**	1,700
Lease payments	19	**(3,887)**	152
Repayment of debt and interest	17	**(7,291)**	(1,814)
Restricted cash	13	**18,470**	3,581
Other financing activities		**(598)**	-
Net cash provided by financing activities		**111,017**	4,844
Effect of foreign exchange on cash		**(2,061)**	(233)
Change in cash and cash equivalents		**46,292**	(31,775)
Cash and cash equivalents, beginning of period		**131,093**	86,160
Cash and cash equivalents, end of period		**$ 177,385**	$ 54,385
Other information			
Taxes paid - cash		**$ 26,788**	$ 21,946

Supplemental Cash Flow Information – Note 21

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

	Number of Shares *(in thousands)*	Share Capital	Reserves	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
Balances at December 31, 2023	**463,878**	**$ 302,406**	**$ 22,013**	**$ 12,677**	**$ 220,118**	**$ 557,213**
Shares issued on purchase of Marathon (Note 3)	249,813	231,583	-	-	-	231,583
Shares issued as part of Marathon acquisition costs (Note 3)	3,698	3,427	-	-	-	3,427
Replacement options & warrants granted on purchase of Marathon (Note 3)	-	-	4,297	-	-	4,297
Exercise of options and warrants (Note 20)	754	591	634	-	-	1,225
Exercise of restricted and performance share units (Note 20)	740	875	(875)	-	-	-
Share based compensation (Note 20)	-	-	630	-	-	630
Foreign exchange translation	-	-	-	(4,605)	-	(4,605)
Net loss	-	-	-	-	(3,636)	(3,636)
Balances at March 31, 2024	**718,883**	**$ 538,883**	**$ 26,699**	**$ 8,072**	**$ 216,482**	**$ 790,135**
Balances at December 31, 2024	**838,658**	**$ 700,852**	**$ 25,720**	**$ (22,036)**	**$ 254,858**	**$ 959,395**
Shares issued as part of equity financing, net (Note 20)	12,821	20,511	-	-	-	20,511
Equity component of convertible notes issued, net (Note 17)	-	-	8,029	-	-	8,029
Exercise of options and warrants (Note 20)	2,976	3,947	(751)	-	-	3,196
Exercise of restricted and performance share units (Note 20)	1,951	4,175	(4,175)	-	-	-
Share based compensation (Note 20)	-	-	4,175	-	-	4,175
Foreign exchange translation	-	-	-	(166)	-	(166)
Net earnings	-	-	-	-	22,599	22,599
Balances at March 31, 2025	**856,406**	**$ 729,485**	**$ 32,998**	**$ (22,202)**	**$ 277,456**	**$ 1,017,738**

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

1. NATURE OF OPERATIONS

Nature of Operations

Calibre Mining Corp. (individually, or collectively with its subsidiaries, as applicable, "Calibre" or the "Company") is a gold mining, mine development, and exploration company. The Company owns several operational open-pit and underground mines, two milling facilities (one at El Limon Mine and one at La Libertad Mine), and a portfolio of exploration and development properties in Nicaragua. In the United States, the Company owns the Pan Mine, a producing heap leach gold operation, the adjacent advanced development-stage Gold Rock Project and the past producing Illipah Gold Project, all located in Nevada. The Company also owns the Golden Eagle Project in Washington State which is in the exploration stage.

In January 2024, the Company acquired Marathon Gold Corporation (individually, or collectively with its subsidiaries, as applicable, "Marathon") by acquiring all of Marathon's issued and outstanding common shares it did not already own. As a result, Calibre acquired a 100% interest in Marathon's advanced-stage Valentine Gold Mine ("Valentine") located in Newfoundland & Labrador, Canada, currently in development (Note 3).

Calibre is incorporated under the laws of British Columbia, Canada and maintains its corporate head office at Suite 1560 – 200 Burrard Street, P.O. Box 49167, Vancouver, British Columbia, Canada, V6C 3L6. The Company's common shares are listed on the Toronto Stock Exchange in Canada under the ticker symbol *CXB* and trade in the United States on the premium OTCQX Best Market under the ticker symbol *CXBMF*.

2. BASIS OF PRESENTATION

a) **Basis of Presentation and Statement of Compliance**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting. These unaudited condensed interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS Accounting Standards.

The material accounting policies and basis of presentation applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited annual consolidated financial statements for the year ended December 31, 2024, unless otherwise noted.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors of the Company on May 7, 2025.

b) **Functional Currency**

Effective January 1, 2025, the functional currency of the parent legal entity changed from the Canadian dollar ("CAD") to the US dollar ("USD"), following an assessment of the primary economic environment in which it operates. This change was driven by the entity's retention of a greater proportion of USD sales proceeds, along with a larger portion of its expenditures, financing activities, and revenues being denominated in USD. These factors collectively reflect a change in the underlying transactions, events, and conditions relevant to the entity.

2. BASIS OF PRESENTATION - *continued*

b) **Functional Currency** - *continued*

The change has been made in accordance with *IAS 21 – The Effects of Changes in Foreign Exchange Rates* ("IAS 21"), and has been applied prospectively from January 1, 2025. As a result, the financial results of the parent legal entity are now measured and presented in USD. Comparative financial information for prior periods remains in CAD and has not been restated.

In accordance with IAS 21, the change in functional currency has been accounted for as follows:

- The assets and liabilities of the legal entity parent company have been remeasured from CAD to USD using the foreign exchange rates in effect on January 1, 2025, the date of the change.
- Income and expenses in the condensed interim consolidated statement of operation and comprehensive income are translated using the exchange rates at the date of the transaction or an average rate, if appropriate.
- The exchange differences arising from the remeasurement of monetary items at the date of change have been recognized in the condensed interim consolidated statement of operations and comprehensive income.

c) **Significant Accounting Policies**

The material accounting policies applied in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2024 and are supplemented by the information set out below as a result of new transactions.

Financial Instruments - Convertible Notes

The Company has issued USD and CAD denominated convertible notes and has classified each as follows: (i) compound financial instruments (USD-denominated convertible notes - Note 17(c)), and (ii) hybrid financial instruments (CAD-denominated convertible notes - Note 17(c)).

Compound Financial Instruments (USD-denominated Convertible Notes): The USD-denominated convertible notes are classified as compound financial instruments, consisting of a financial liability component and an equity component. The financial liability component represents the contractual obligation to deliver cash flows (principal and interest), while the equity component represents the holder's option to convert the instrument into a fixed number of the Company's common shares.

On initial recognition, the fair value of the liability component is calculated as the present value of contractual future cash flows, discounted at the market rate of interest for similar non-convertible debt. The residual amount of the proceeds is allocated to equity, representing the value of the conversion feature. Transaction costs directly attributable to the issuance of the convertible notes are allocated to the financial liability and equity components in proportion to their initial carrying amounts upon recognition. Subsequently, the financial liability component is measured at amortized cost using the effective interest rate ("EIR") method. The equity component is not remeasured after initial recognition. Upon conversion of a convertible note, the carrying amount of the liability component is reclassified to equity, with no gain or loss recognized in profit or loss.

2. BASIS OF PRESENTATION - *continued*

c) **Significant Accounting Policies** - *continued*

Hybrid Financial Instruments (CAD-denominated Convertible Notes): The CAD-denominated convertible notes are classified as hybrid financial instruments, consisting of a financial liability component and a derivative financial liability. The financial liability component represents the contractual obligation to deliver cash flows (principal and interest), while the derivative financial liability component represents the holder's option to convert the instrument into common shares of the Company. The conversion option does not meet the "fixed-for-fixed" criteria and is recorded as a derivative financial liability, as opposed to equity. In addition, the conversion option is not closely related to the host debt contract and is therefore bifurcated and accounted for separately as a derivative financial liability measured at fair value through profit or loss ("FVTPL").

On initial recognition, the fair value of the derivative financial liability component is determined first, with the residual value of the total proceeds of the instrument allocated to the financial liability component. Transaction costs directly attributable to the issuance of the convertible notes are allocated to the financial liability and derivative financial liability components in proportion to their initial carrying amounts upon recognition. Subsequently, the derivative financial liability component is remeasured at FVTPL at each reporting date. The financial liability component is measured at amortized cost using the EIR method. Upon conversion of a convertible note, the carrying amount of the financial liability is reclassified to equity, and the fair value of the derivative financial liability is derecognized, with any difference recognized in the condensed consolidated statement of operations and comprehensive income.

Derivative Financial Instruments (Warrants)

The warrants issued by the Company in connection with the convertible notes (Notes Warrants – Note 17(c)) are classified as derivative financial liabilities, as their CAD-denominated exercise price creates variability that does not meet the "fixed-for-fixed" criterion for equity classification. On initial recognition, the warrants are measured at fair value using the Black-Scholes-Merton option pricing model, which incorporates observable market inputs, including the Company's share price, volatility, risk-free rate, expected life, and dividend yield. The warrants are subsequently remeasured at FVTPL at each reporting date, with changes in fair value recognized in the condensed consolidated statement of operations and comprehensive income. The derivative financial liability has been classified as current, as the Company does not have an unconditional right to defer the settlement thereof on the exercise of warrants.

Flow-through Common Shares

The Company finances part of its Canadian exploration activities through the issuance of flow-through common shares. Under these arrangements, the tax benefits associated with eligible exploration expenditures are renounced to the subscribers. Proceeds from the issuance of flow-through shares are allocated between share capital, representing the fair value of the common shares issued, and a liability related to the sale of tax benefits. The difference between the quoted market price of the Company's common shares at the date the parties agreed to the transaction and the price paid by investors for the flow-through shares represents the "premium" and is recognized as a flow-through share premium liability upon issuance.

As eligible exploration expenditures are incurred, the associated flow-through share premium liability is progressively recognized in the condensed consolidated statement of operations and comprehensive income. The related deferred tax effect of the renounced tax attributes is recorded when the Company's relevant tax filings are completed, which may differ from the effective date of renunciation. Any difference between the recognized liability and the recorded tax effect of the renounced expenditures is recognized as a deferred tax expense.

2. BASIS OF PRESENTATION - *continued*

c) **Significant Accounting Policies** - *continued*

If the flow-through shares are not issued at a premium, no liability is recognized, and the full tax impact of renounced expenditures is recorded as a deferred tax expense when the tax filings are completed. Transaction costs directly attributable to the sale of flow-through shares are allocated proportionally between the share capital and the premium.

d) **Significant Accounting Estimates and Judgements**

In the preparation of these consolidated financial statements in accordance with IFRS, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. The determination of estimates requires the application of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions. All estimates and assumptions are reviewed on an ongoing basis based on relevant facts and circumstances, and new reliable information or experience. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected. Actual results could differ from these estimates. The critical accounting policy judgements and estimates applied in the preparation of the Company's unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in Note 4 of the Company's audited annual consolidated financial statements for the year ended December 31, 2024, unless otherwise noted.

Functional Currency

The Company determined the functional currency of the parent company is USD effective January 1, 2025. The functional currency of Marathon, one of its significant subsidiaries, is CAD while the functional currency of each of the Company's other significant subsidiaries is USD. Determination of functional currency involves certain judgements about the primary economic environment in which the entity operates. The Company reconsiders its functional currency and that of its subsidiaries if there is a change in events and conditions that determine the primary economic environment in which the entity operates and accounts for the effects of a change in functional currency prospectively. The Company determined that, effective January 1, 2025, the functional currency of its parent legal entity changed from the Canadian dollar (CAD) to the U.S. dollar (USD), reflecting a higher proportion of expenditures, financing activities, and revenues, including retained sales proceeds, being denominated in USD.

Fair Value Measurements not Based on Quoted Market Prices

The fair values of certain of the Company's financial liabilities (Notes 17 and 18) are not based on quoted market prices but are instead estimated using valuation techniques that incorporate observable market inputs. The Company measures its gold derivative contracts using pricing models that incorporate forward gold prices and interest rates. The conversion option embedded in the CAD convertible notes is classified as a derivative financial liability and measured at FVTPL using a convertible bond valuation model that applies the Finite Difference Method with the Crank-Nicolson scheme. Key observable inputs used in the valuation include the Company's share price, share price volatility, risk-free interest rate, credit spread, and the terms of the convertible notes. Warrants to purchase common shares of the Company, issued in connection with the convertible notes on March 4, 2025, are also classified as derivative financial liabilities and measured at FVTPL using an option pricing model that incorporates observable inputs such as share price, exercise price, expected volatility, risk-free interest rate, and expected term to maturity. Changes in assumptions and estimates used in the fair value measurement of these instruments may result in fluctuations in their fair values, which are recognized in net income or loss in the period of change.

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

3. ACQUISITION OF MARATHON GOLD CORPORATION

On November 13, 2023, the Company announced that it had entered into a definitive agreement with Marathon to acquire all of Marathon's issued and outstanding common shares (the "Valentine Transaction") and also purchased 66.67 million common shares of Marathon at CAD$0.60 per share for a gross purchase price of CAD$40,000 representing a 14% equity interest in Marathon. Subsequently, the Valentine Transaction was completed on January 24, 2024 and Calibre issued an additional total of 249.8 million common shares to Marathon shareholders for the remaining 86% equity interest to reach a total 100% interest in Marathon. This resulted in Calibre and former Marathon shareholders owning approximately 65% and 35% of the issued and outstanding Calibre common shares, respectively. As a result, Calibre acquired an indirect 100% interest in the Valentine Gold Mine.

The Company determined that this acquisition was a business combination for accounting purposes under IFRS 3, *Business Combinations*. A business consists of inputs and processes applied to those inputs that have the ability to create outputs, and management considers this acquisition to qualify as such. Management applied judgment in estimating the fair value of mineral interests, plant and equipment, and debt. The fair value of the consideration paid and the fair values of identified assets and liabilities, along with the estimate assumptions, are disclosed in Note 5 of the Company's audited annual consolidated financial statements for the year ended December 31, 2024.

4. REVENUE

	Three months ended March 31,	
	2025	2024
Gold	**$ 200,027**	$ 129,210
Silver	**2,595**	2,678
	$ 202,622	$ 131,888

During the three months ended March 31, 2025, the Company recognized revenue of $15,000 related to the delivery of 6,900 ounces of gold in accordance with a gold prepayment arrangement entered into on March 27, 2024 at an average gold price of $2,239 per ounce (Note 15).

5. PRODUCTION COSTS

	Three months ended March 31,	
	2025	2024
Raw materials and consumables	**$ 33,294**	$ 23,347
Salaries and employee benefits	**16,333**	13,080
Contracted services	**30,028**	28,225
Electricity and power	**6,429**	6,284
Site administration and other	**3,341**	6,052
Refining and transportation	**450**	403
Change in inventories	**(8,306)**	3,159
	$ 81,569	$ 80,550

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

6. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended March 31,	
	2025	2024
Salaries, wages and benefits	**$ 3,328**	$ 2,188
Consulting and professional fees	**804**	276
Corporate administration and other	**1,941**	2,061
	$ 6,073	$ 4,525

7. OTHER EXPENSES

	Three months ended March 31,	
	2025	2024
Project assessment costs, including Marathon acquisition costs (Note 3)	**$ 6,299**	$ 8,933
Valentine project expenses	**757**	-
Other expenses	**541**	2,584
	$ 7,597	$ 11,517

The project assessment costs include costs associated with the proposed Equinox Transaction (defined in Note 17). Valentine project expenses above are mostly comprised of repairs and maintenance of the public road.

8. FINANCE EXPENSE

	Three months ended March 31,	
	2025	2024
Accretion of mine restoration provision (Note 16)	**$ 896**	$ 750
Accretion of employee benefit obligation (Note 16)	**260**	278
Interest expense and other finance costs	**2,363**	658
	$ 3,519	$ 1,686

9. OTHER INCOME (EXPENSE)

	Three months ended March 31,	
	2025	2024
Unrealized loss on derivatives	**$ (10,108)**	$ -
Other income	**45**	1
	$ (10,063)	$ 1

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

10. RECEIVABLES, PREPAIDS AND OTHER CURRENT ASSETS

	March 31, 2025	December 31, 2024
Trade receivables	**$ 31,058**	$ 43,135
Value added tax and other recoverable taxes	**14,695**	14,407
Prepaid expenses and deposits	**6,527**	14,423
Supplier advances	**5,640**	6,552
Employee advances and other	**474**	339
	$ 58,394	$ 78,856

Trade receivables include $30,648 in gold and silver sales receivables that were outstanding as at March 31, 2025 and received in April 2025. Value added tax ("VAT") receivable in Nicaragua is used to offset other taxes payable including income, withholding, and payroll taxes. As at March 31, 2025, $12,205 of Valentine HST receivable is included in the VAT and other recoverable taxes amount above. As at March 31, 2025, $4,621 in VAT and other recoverable taxes is included in Long-term other assets (December 31, 2024 - $5,859) (Note 14).

Included in supplier and employee advances are certain payments to local contractors engaged by the Company to conduct mine development and provide operational support. The advances to different contractors have various terms of repayment from short-term to up to 24-month periods at rates of interest ranging from nominal amounts to 6% per annum. In certain situations, the advances are collateralized by certain equipment owned by the contractor. As at March 31, 2025, $3,168 in supplier advances is included in Long-term other assets (December 31, 2024 - $3,169) (Note 14).

11. INVENTORIES

	March 31, 2025	December 31, 2024
Finished goods - gold and silver doré	**$ 1**	$ 18
Ore on leach pads	**59,619**	48,058
Mill in-circuit	**27,949**	16,975
Ore stockpiles	**13,331**	22,637
Materials and supplies	**56,158**	49,248
	$ 157,058	$ 136,936

The amount of depreciation included in inventories as at March 31, 2025 was $30,010 (December 31, 2024 - $26,005). The amount of cost of sales expensed from inventory for gold doré, mill-in-circuit, ore on leach pads and ore stockpiles was $123,344 for the three months ended March 31, 2025 ($89,799 for the three months ended March 31, 2024).

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

12. MINERAL INTERESTS, PLANT AND EQUIPMENT

The following tables provide continuity schedules which outline changes to mineral interests, plant and equipment for the three months ended March 31, 2025 and year ended December 31, 2024:

Cost	Mineral Interests	Exploration and Evaluation Assets	Valentine Assets Under Construction[1]	Property, Plant and Equipment	Total
Balance as at December 31, 2023	**$ 390,215**	**$ 149,519**	**$ -**	**$ 216,926**	**$ 756,660**
Assets related to Marathon acquisition	210,137	-	227,360	20,052	457,549
Additions	69,965	42,976	284,508	108,701	506,150
Write-down of exploration properties	(20)	(3,394)	-	-	(3,414)
Disposals of property	-	-	-	(524)	(524)
Effect of foreign exchange rate	(13,395)	(360)	(27,676)	(4,367)	(45,798)
Change in mine restoration provision	(4,426)	-	10,206	(2,259)	3,521
Reclassifications	16,280	(15,772)	-	(508)	-
Balance as at December 31, 2024	**$ 668,756**	**$ 172,969**	**$ 494,398**	**$ 338,021**	**$ 1,674,144**
Additions	19,135	13,494	101,062	5,614	139,305
Effect of foreign exchange rate	181	(1)	223	80	483
Change in mine restoration provision	-	-	716	-	716
Reclassifications	1,903	(1,356)	-	(546)	1
Balance as at March 31, 2025	**$ 689,975**	**$ 185,106**	**$ 596,399**	**$ 343,169**	**$ 1,814,649**

Accumulated depreciation, amortization and impairment					
Balance as at December 31, 2023	**$ 142,345**	**$ -**	**$ -**	**$ 57,253**	**$ 199,598**
Depreciation and amortization	84,374	-	-	33,708	118,082
Disposals of property	-	-	-	(128)	(128)
Effect of foreign exchange rate	-	-	-	(224)	(224)
Balance as at December 31, 2024	**$ 226,719**	**$ -**	**$ -**	**$ 90,609**	**$ 317,328**
Depreciation and amortization	28,857	-	-	11,857	40,714
Effect of foreign exchange rate	-	-	-	17	17
Balance as at March 31, 2025	**$ 255,576**	**$ -**	**$ -**	**$ 102,483**	**$ 358,059**

Net carrying amounts					
Balance as at December 31, 2024	$ 442,037	$ 172,969	$ 494,398	$ 247,412	$ 1,356,816
Balance as at March 31, 2025	**$ 434,399**	**$ 185,106**	**$ 596,399**	**$ 240,686**	**$ 1,456,590**

1 *Included in the table above is:*

a. *$7,937 of capitalized interest under the Sprott Loan (defined in Note 17(b)) for the three months ended March 31, 2025 (year ended December 31, 2024 - $30,736);*

b. *$2,674 of remeasurement adjustment recorded during the year ended December 31, 2024 related to the to the Sprott Loan modification completed in November 2024 (Note 17(b)); and*

c. *$1,543 of capitalized borrowing costs related to the gold prepayment arrangements (Note 15) for the three months ended March 31, 2025 (year ended December 31, 2024 - $4,678).*

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

12. MINERAL INTERESTS, PLANT AND EQUIPMENT – *continued*

The following tables provide a continuity schedule which details exploration and evaluation assets for the three months ended March 31, 2025 and the year ended December 31, 2024:

	December 31, 2024	Additions	Foreign exchange	Write off of exploration property	Costs reclassified	March 31, 2025
El Limon	$ 22,948	$ 3,930	$ -	$ -	$ (204)	$ 26,674
La Libertad	22,031	4,046	-	-	(1,152)	24,925
Borosi - 100% Calibre	24,297	607	-	-	-	24,904
Eastern Borosi Project	29,466	-	-	-	-	29,466
Valentine Gold Mine	8,162	3,314	(1)	-	-	11,475
Pan Mine	2,745	1,182	-	-	-	3,927
Gold Rock	39,485	351	-	-	-	39,836
Golden Eagle	21,748	2	-	-	-	21,750
Illipah and other Nevada	2,087	62	-	-	-	2,149
	$ 172,969	$ 13,494	$ (1)	$ -	$ (1,356)	$ 185,106

	December 31, 2023	Additions	Foreign exchange	Write off of exploration property	Costs reclassified	December 31, 2024
El Limon	$ 14,316	$ 9,409	$ -	$ -	$ (777)	$ 22,948
La Libertad	16,300	10,785	-	(2,526)	(2,528)	22,031
Borosi - 100% Calibre	21,415	2,882	-	-	-	24,297
Eastern Borosi Project	32,819	4,220	-	-	(7,573)	29,466
Valentine Gold Mine	-	8,522	(360)	-	-	8,162
Pan Mine	4,825	3,682	-	(868)	(4,894)	2,745
Gold Rock	36,249	3,236	-	-	-	39,485
Golden Eagle	21,750	(2)	-	-	-	21,748
Illipah and other Nevada	1,845	242	-	-	-	2,087
	$ 149,519	$ 42,976	$ (360)	$ (3,394)	$ (15,772)	$ 172,969

13. RESTRICTED CASH

As at March 31, 2025, the Company's total restricted cash balance was $36,552 (December 31, 2024 - $54,595). Current restricted cash of $27,680 relates mainly to the Debt Proceeds Account ("DPA") under the Sprott Loan (Note 17(b)) (December 31, 2024 - $52,354). The remaining non-current restricted cash of $8,872 (December 31, 2024 - $2,241) is comprised of $1,835 deposited under the Lafise loans (Note 17(a)) and $7,037 which secures certain surety bonds in relation to reclamation costs associated with Valentine and the Pan Mine. All remaining amounts in the DPA were released to the Company in April 2025.

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

14. OTHER ASSETS

	March 31, 2025	December 31, 2024
Long-term portion of supplier advances (Note 10)	**$ 3,168**	$ 3,169
Long-term portion of value added and other recoverable taxes (Note 10)	**4,621**	5,859
Advance royalties	**4,258**	3,822
	$ 12,047	$ 12,850

15. DEFERRED REVENUE

On March 27, 2024, the Company entered into a $60,000 gold prepayment arrangement with a customer ("Prepay I"), with $40,000 paid to the Company on March 28, 2024 and $20,000 on April 15, 2024. To repay Prepay I, the Company must deliver 27,600 gold ounces, or approximately 2,300 gold ounces per month, from May 2024 to April 2025. The $60,000 was determined using a gold forward curve price averaging $2,239 per ounce. A total of 6,900 ounces were physically delivered during the three months ended March 31, 2025 (18,400 ounces during the year ended December 31, 2024). The remaining 2,300 ounces were delivered in April 2025 completing the Company's obligations under Prepay I.

On November 4, 2024, the Company entered into an additional gold prepayment arrangement ("Prepay II") pursuant to which the Company received $55,000 on November 6, 2024. To repay Prepay II, the Company must deliver 20,000 gold ounces or approximately 2,500 gold ounces per month from May 2025 to December 2025. The $55,000 was determined using a gold forward curve price averaging $2,816 per ounce. Calibre may terminate Prepay II after June 30, 2025 by physically delivering the remaining gold ounces and paying in cash a penalty of 3% of the remaining principal amount of Prepay II.

Obligations under Prepay I and Prepay II are guaranteed by certain subsidiaries of the Company related to the Pan Mine. The borrowing cost of each of Prepay I and Prepay II is equal to 1-month SOFR plus 4.50% per annum. Interest paid in respect of Prepay I and Prepay II during the three months ended March 31, 2025 totaling $1,544 has been capitalized as borrowing costs to Mineral interests, plant and equipment (December 31, 2024 - $4,678) (Note 12).

The Company determined that the agreements qualify as revenue arrangements under the own-use exemption with revenue deferred and recognized upon delivery of the gold ounces. The following table summarizes the change in deferred revenue:

	Prepay I	**Prepay II**	**Total**
Balance, January 1, 2024	$ -	$ -	$ -
Prepayments received	60,000	55,000	115,000
Gold delivered & revenue recognized	(40,000)	-	(40,000)
Upfront finance costs	(875)	(466)	(1,341)
Amortization of upfront finance costs	584	-	584
Balance, December 31, 2024	19,708	54,534	74,242
Gold delivered & revenue recognized	(15,000)	-	(15,000)
Amortization of upfront finance costs	219	-	219
Balance, March 31, 2025	4,927	54,534	59,461
Less: current portion	(4,927)	(54,534)	(59,461)
Long-term portion end of period	-	-	-

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

16. PROVISIONS

a) Employee Benefits Obligation

	Three months ended March 31, 2025	Year ended December 31, 2024
Balance beginning of year	**$ 16,364**	$ 16,601
Service cost	**2,349**	95
Accretion expense	**260**	1,112
Total amount recognized in profit and loss	**2,609**	1,207
Remeasurements		
Change in financial estimates	**-**	64
Change in mine life	**-**	333
Total amount recognized in OCI	**-**	397
Payments	**(588)**	(1,841)
Balance end of period	**$ 18,385**	$ 16,364
Less: current portion	**(1,918)**	(1,533)
Long-term portion end of period	**$ 16,467**	$ 14,831

The employee benefits obligation relates to severance accruals for employees at the Company's operations in Nicaragua. The severance is computed based on years of service at the average salary of the last six months of employment. Employees that work less than ten years have a maximum benefit of five months' salary. In some cases, those with more than ten consecutive years of service are entitled to receive an additional severance benefit of ten to twenty months' salary when leaving the Company. The calculation is in line with labor regulations in Nicaragua. The assumptions used to calculate the employee benefits obligation at the end of each year are as follows:

	2025	2024
Discount rate	**7.0%**	7.0%
Salary growth rate	**3.0%**	3.0%

b) Mine Restoration Provision

	Nicaragua	United States	Valentine	Total
Balance, January 1, 2024	$ 62,120	$ 12,099	$ -	$ 74,219
Reclamation related to Marathon acquisition (Note 3)	-	-	4,025	4,025
Change in estimate	(10,578)	3,894	10,206	3,522
Accretion expense	2,401	464	128	2,993
Payments	(979)	-	-	(979)
Revaluation	-	-	(653)	(653)
Balance, December 31, 2024	$ 52,964	$ 16,457	$ 13,706	$ 83,127
Change in estimate	-	-	716	716
Accretion expense	593	182	121	896
Payments	(182)	(42)	-	(224)
Revaluation	-	-	12	12
Balance, March 31, 2025	53,375	16,597	14,555	84,527
Less: current portion	(3,900)	-	-	(3,900)
Long-term portion end of period	$ 49,475	$ 16,597	$ 14,555	$ 80,627

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

16. PROVISIONS - *continued*

b) **Mine Restoration Provision** - *continued*

The Company's activities are subject to various laws and regulations regarding environmental restoration and closure for which the Company estimates future costs and recognizes a provision. These activities, which tend to be site specific, generally include costs for earthworks, including detoxification and recontouring, revegetation, water treatment, demolition, decommissioning the mill complex and related infrastructure, physical and chemical stability of the tailings area, and monitoring costs. The Company considers such factors as changes in disturbances, changes in laws and regulations, requirements under existing permits, changes in estimated mineral inventory corresponding to a change in the mine life, changes in discount rates, changes in estimated future costs of such activities, and the acquisition or construction of a new mine in determining the estimated costs. The Company's provision for environmental obligations at its operations is based on designated project plans that are periodically reviewed.

The Company's restoration provisions at March 31, 2025 were calculated as the present value of the expected future cash flows estimated using inflation rates from 2.30% to 2.39% (December 31, 2024 – 2.30% to 2.39%) and discount rates of 3.33% to 4.51% (December 31, 2024 – 3.33% to 4.51%) depending on the region in which the costs will be incurred.

The undiscounted cash flows, before inflation adjustments, estimated to settle the mine restoration provisions were $96,673 as at March 31, 2025 (December 31, 2024 - $95,939).

17. LOANS AND BORROWINGS

The following is a summary of the Company's outstanding loans and borrowings:

	Notes		**March 31, 2025**		December 31, 2024
Lafise loans	17(a)	$	7,969	$	11,195
Sprott Loan	17(b)		328,172		325,221
Convertible Notes	17(c)		46,036		-
		$	**382,177**	$	336,416
Classified and presented as:					
Current			68,376		42,860
Non-current			313,801		293,556
		$	**382,177**	$	336,416

1 *The amount reported above in respect of the Convertible Notes represents the "debt host" portion of the USD Convertible Notes (defined below in Note 17(c)) which has been classified as non-current and the CAD Convertible Notes (defined below in Note 17(c)) which has been classified as current.*

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

17. LOANS AND BORROWINGS - *continued*

The following is a reconciliation of the changes in the carrying amount of loans and borrowings:

	Lafise Loans (La Libertad)	Lafise Loans (El Limon)	Convertible Notes	Sprott Loan (Valentine)	Total
Balance, January 1, 2024	$ 12,265	$ 7,841	$ -	$ -	$ 20,106
Debt related to Marathon acquisition (Note 3):					
Value before PPA adjustments noted below [3] :	-	-	-	251,679	251,679
Fair value adjustment of debt [1, 3]	-	-	-	40,122	40,122
Fair value of additional interest payment [3]	-	-	-	18,861	18,861
Modification of long-term debt [2, 3]	-	-	-	2,674	2,674
Debt proceeds	3,700	-	-	-	3,700
Accretion of interest and liability fair value, net[3]	1,009	569	-	19,610	21,188
Interest paid	(1,017)	(569)	-	(7,684)	(9,270)
Principal repayments	(9,758)	(2,845)	-	-	(12,603)
Revaluation[3]	-	-	-	(41)	(41)
Balance, December 31, 2024	$ 6,199	$ 4,996	$ -	$ 325,221	$ 336,416
Debt proceeds	-	-	-	-	-
Proceeds for liability component	-	-	45,686	-	45,686
Accretion of interest and liability fair value, net[3]	127	92	653	4,944	5,816
Interest paid	(129)	(92)	(303)	(1,995)	(2,519)
Principal repayments	(2,470)	(754)	-	-	(3,224)
Revaluation[3]	-	-	-	2	2
Balance, March 31, 2025	3,727	4,242	46,036	328,172	382,177
Less: current portion	(3,727)	(3,140)	(21,153)	(40,356)	(68,376)
Long-term portion end of period	$ -	$ 1,102	$ 24,883	$ 287,816	$ 313,801

1 *Represents the difference between Marathon's carrying amount of the Sprott Loan and the fair value of the Sprott Loan recognized upon completion of the Valentine Transaction.*
2 *The remeasurement of the Sprott Loan modification was capitalized into Mineral interests, plant and equipment (Note 12 and Note 17(b)).*
3 *Items are non-cash changes in the debt balance.*

a) **Lafise Bank Loans (Nicaragua)**

In September 2022, the Company entered into a 3-year, $19,000 term loan to finance equipment purchases in connection with the Eastern Borosi mine processed at La Libertad complex. The loan is secured by the equipment and bears interest at 10.0%, with a 0.5% disbursement fee applied to each draw. The loan was fully drawn, and equal monthly repayments began on October 28, 2022, and are scheduled to end on September 25, 2025. As part of the financing agreement, the Company is required to maintain a $2,500 deposit as collateral, earning interest at 2.85%. As at March 31, 2025, $3,724 was outstanding under this loan.

In February 2024, the Company entered into a 2-year, $2,500 revolving facility to finance equipment purchases in connection with the Eastern Borosi mine processed at La Libertad complex. The facility is secured by the equipment and bears interest at 7.75%, with a 0.5% disbursement fee applied to each draw. The initial $1,700 draw was repaid through equal monthly payments from March 12 to August 12, 2024. A subsequent $2,000 draw was repaid through equal monthly payments from September 30, 2024 to February 28, 2025.

In July 2023, the Company entered into a 3-year, $8,668 term loan to finance equipment purchases at El Limón Mine. The loan is secured by the equipment and bears interest at 7.78%, with a 0.5% disbursement fee applied to each draw. The loan was fully drawn, and equal monthly repayments began on August 28, 2023, and are scheduled to end on July 31, 2026. As part of the financing agreement, the Company is required to maintain a $1,734 deposit as collateral, earning interest at 3.50%. As at March 31, 2025, $4,242 was outstanding under this loan.

17. LOANS AND BORROWINGS - *continued*

b) **Sprott Loan (Valentine)**

In January 2024, Marathon entered into a second amended and restated credit agreement (as amended, the "Credit Agreement") for a senior secured credit facility of $225,000 (the "Sprott Loan") with, among others, Sprott Private Resource Lending II (Collector-2), LP ("Sprott"), as lender, for the financing of the development of Valentine. The Sprott Loan matures on December 31, 2027, with a 6-month extension option available at Marathon's discretion, subject to certain conditions. Fifty percent (50%) of the Sprott Loan is to be repaid in nine unequal quarterly principal repayments commencing on September 30, 2025, with the remaining 50% due on the maturity date. Marathon may voluntarily prepay any portion of the loan after the earlier of (i) the date which is nine months after commercial production, and (ii) December 31, 2025, in each case, without penalty or premium, subject to the additional payments described below.

Outstanding amounts under the Credit Agreement bear interest at 7.0% plus the greater of (i) 3-month SOFR plus 0.26161%, or (ii) 2.50% per annum. Through June 30, 2025, 75% of accrued interest is capitalized quarterly and added to principal, with the remaining 25% payable quarterly in cash, in arrears. An additional interest payment ("AIP") of $27,200, subject to certain adjustments, is payable in monthly installments of $350 beginning July 31, 2025, with the balance due at maturity. Prior to a November 2024 Credit Agreement amendment (the "Amendment"), the AIP was based on $17 per ounce on the first 1.6 million payable gold ounces sold from Valentine. Further, under the Amendment, if the Sprott Loan is repaid in full before June 30, 2026, an additional amount is payable equal to the interest that would have accrued on the repaid amount during the six months following the repayment date.

The Sprott Loan was measured at a total fair value of $310,662 at the date of the Valentine Transaction with the following additional fair value liabilities added to its carrying value at that time: (i) $18,861 associated with the AIP, and (ii) $40,122 representing the difference between the Company's estimated fair value of the Sprott Loan and its carrying value as previously recorded by Marathon. As a result of the fair value adjustments, the EIR on the Sprott Loan is lower than the stated interest rate in the Credit Agreement.

Following the completion of a quantitative evaluation, the Company determined that the Amendment did not result in an extinguishment of the Sprott Loan and capitalized the difference between the present value of contractual cash flows under the Amendment and the present value of the remaining contractual cash flows under the original terms of the Sprott Loan. The amount of $2,674 arising from the modification was capitalized as borrowing costs in Mineral interests, plant and equipment (Note 12).

The Sprott Loan was funded into the DPA in two tranches, $125,000 on March 31, 2022 and $100,000 on January 24, 2023. Releases from the DPA have been made upon satisfaction of certain customary conditions. Interest earned on amounts remaining in the DPA has been transferred to Marathon on a quarterly basis. As at March 31, 2025, $25,000 remained in the DPA. In April 2025, all remaining funds in the DPA were released (Note 26).

Unless one or more waivers are obtained, pursuant to the Credit Agreement, Marathon must comply with certain covenants including the following: (i) maintain a reserve tail ratio of no less than 35%; (ii) ensure that the balance of its unrestricted cash is no less than $15,000; and (iii) maintain a working capital ratio of no less than 0.50:1.00 at June 30, 2025 and 1.00:1.00 at September 30, 2025 (1.20:1.00 prior to the Amendment), and 1.20:1.00 thereafter, in each case, reported at the end of each quarter. As at March 31, 2025, Marathon was in compliance with these covenants.

17. LOANS AND BORROWINGS - *continued*

b) **Sprott Loan** - *continued*

The obligations under the Credit Agreement have been guaranteed by the Company (the "guarantor"). Pursuant to such guarantee, unless one or more waivers are obtained, the guarantor must comply with certain covenants including the following: (i) maintaining at all times a debt to equity ratio less than 0.65:1.00; (ii) ensuring at all times that the balance of unrestricted cash is not less than $5,000; and (iii) maintaining at all times a working capital ratio of no less than 1:10:1.00, with such ratio required to be no less than 1.50:1:00 at June 30, 2025 and September 30, 2025. In each case, compliance is tested at the end of each quarter. As at March 31, 2025, the guarantor was in compliance with such covenants.

c) **Convertible Notes**

On March 4, 2025, the Company issued unsecured convertible notes (the "Convertible Notes") in an aggregate principal amount of approximately $75,000, following the announcement of a definitive arrangement agreement (the "Equinox Transaction") with Equinox Gold Corp. ("Equinox") on February 23, 2025. Of this total, $40,000 (denominated in USD) was issued to Equinox, and C$49,658 (denominated in CAD and equivalent to approximately $35,000 USD) was issued to two additional investors. Each holder may convert the Convertible Notes into common shares of the Company at C$4.25 per share (each, a "Conversion Share").

The Convertible Notes bear interest at an annual rate of 5.5% payable quarterly in arrears beginning on March 31, 2025 and mature on March 4, 2030, subject to acceleration in certain circumstances. In the event of a change of control of the Company, other than pursuant to the Equinox Transaction, the noteholder may require the Company to repay the principal amount outstanding by way of payment of an amount equal to the lesser of (x) (i) all remaining interest payable on the principal amount outstanding from the date of such redemption up to and including the maturity date plus (ii) 100% of the principal amount outstanding, and (y) (i) all accrued and unpaid interest on the principal amount outstanding up to and including the redemption date plus (ii) 107% of the principal amount outstanding. In the event that the Equinox Transaction is terminated in accordance with its terms, the maturity date of the Convertible Notes is accelerated to January 31, 2026.

In connection with the issuance of the Convertible Notes, the Company issued to the holders thereof 0.66 of one common share purchase warrant of the Company (the "Notes Warrants") per Conversion Share. Each Note Warrant is exercisable for the purchase of one common share of the Company at a price of C$4.50 until March 4, 2030, subject to certain anti-dilution adjustments. As at March 31, 2025, 16,524,847 Notes Warrants were outstanding.

The Company performed separate analyses for the USD and CAD denominated Convertible Notes, as the appropriate accounting treatment is dependent on the relationship between the currency of the Convertible Notes and the Company's functional currency. The gross proceeds from the issuance were allocated between the Convertible Notes and Notes Warrant components based on their respective fair value. The Convertible Notes were further bifurcated based on the fair value of the financial liability ("debt host") and the conversion option. The fair value of the Convertible Notes, the debt host and the conversion option were estimated using the convertible bond valuation tool within FINCAD, implemented using the Finite Difference Method and Crank-Nicholson scheme. The fair value of the Notes Warrants was estimated using the Black-Scholes-Merton model.

Of the $40,000 in gross proceeds from the USD Convertible Notes, which are classified as a compound financial instrument, $4,306 was allocated to the fair value of the associated Notes Warrants, and $35,694 to the Convertible Notes. The fair value of the Convertible Notes was further bifurcated into a debt host component of $24,696 and the residual amount of $10,998 allocated to the holder's conversion option, which was classified as equity.

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

17. LOANS AND BORROWINGS - *continued*

c) **Convertible Notes** - *continued*

Of the gross proceeds of C$49,658 ($35,000) from the CAD Convertible Notes, which are classified as a hybrid financial instrument, $3,741 was allocated to the fair value of the associated Notes Warrants, and $30,532 to the Convertible Notes. The fair value of the Convertible Notes was further bifurcated into $9,542 for the conversion option (the "CAD Notes Conversion Option"), classified as a derivative financial liability, and the residual $20,990 allocated to the debt host.

The amounts allocated to the debt host component of the USD Convertible Notes of $24,696 and the CAD Convertible Notes of $20,990 will be increased to the face value of the Convertible Notes over the term to maturity using an EIR of 17%. Due to the CAD denominated exercise price, the Notes Warrants were accounted for as a derivative financial liability measured at FVTPL, with changes in fair value recognized in Other income (expense) in the condensed consolidated statement of operations and comprehensive income. The CAD Notes Conversion Option, also classified as a derivative financial liability, will also be remeasured at FVTPL, with changes in fair value recognized in Other income (expense) in the condensed interim consolidated statement of operations and comprehensive income. The CAD Notes Conversion Option and the Notes Warrants have been classified as current derivative financial liabilities, as the Company does not have an unconditional right to defer the settlement on the conversion or exercise thereof, respectively.

18. DERIVATIVE FINANCIAL INSTRUMENTS

The following is a summary of the Company's derivative liabilities as at March 31, 2025 and December 31, 2024:

	Notes		**March 31, 2025**		December 31, 2024
Gold contracts	18(a)	$	6,250	$	231
Notes Warrants	18(b) and 17(c)		9,774		-
CAD Notes Conversion Option	18(c) and 17(c)		11,602		-
		$	**27,625**	$	231
Classified and presented as:					
Current			27,625		231
Non-current			-		-
		$	**27,625**	$	231

a) **Gold Contracts**

In December 2024, the Company entered into gold put contracts with a strike price of $2,450 per ounce for a total of 30,000 ounces, and gold collar contracts for a total of 30,000 ounces with a weighted average put and call strike price of $2,450 and $2,946 per ounce, respectively. As at March 31, 2024, the gold put contracts had expired unexercised, and 30,000 ounces remained outstanding under the gold collar contracts, which are scheduled to be settled within three months of the reporting date.

The fair value of the outstanding gold contracts as at March 31, 2025 was a current liability of $6,250 (December 31, 2024 - $231). The following table summarizes the changes in the carrying amount of the outstanding gold contracts during the three months ended March 31, 2025:

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

18. DERIVATIVE FINANCIAL INSTRUMENTS - *continued*

a) **Gold Contracts** - *continued*

		March 31, 2025		December 31, 2024
Balance, beginning of period	$	231	$	-
Change in fair value		6,018		231
Settlements[(1)]		-		-
Balance, end of period	**$**	**6,249**	$	231

1 *10,000 gold ounces were physically delivered to close the April 2025 gold contract with 10,000 gold ounces remaining to be physically delivered in each of May and June 2025.*

b) **Notes Warrants**

As at March 31, 2025, the Company had 16,524,847 Notes Warrants outstanding issued to the holders of the Convertible Notes, with each Notes Warrant exercisable into one common share of the Company at a price of C$4.50 until March 4, 2030.

	Number of warrants		**Weighted average exercise price (C$)**
Outstanding, December 31, 2024	-	$	-
Notes Warrants - issued to Convertible Note holders	16,524,847	$	4.50
Outstanding, March 31, 2025	**16,524,847**	$	4.50

Due to the CAD denominated exercise price, the Notes Warrants were accounted for as derivative financial liabilities measured at FVTPL, with changes in fair value recognized in the condensed interim consolidated statement of operations and comprehensive income. The fair value of the outstanding Notes Warrants as at March 31, 2025 was $9,774 and was determined using the Black-Scholes-Merton option pricing model with the following weighted average inputs:

		March 31, 2025	December 31, 2024
Risk-free rate		**2.60%**	-
Expected life		**5 years**	-
Expected volatility		**39%**	-
Expected dividend		**0%**	-
Exercise price (C$)	**$**	**4.50**	-
Share price (C$)	**$**	**3.20**	-

The changes in the carrying amounts of the Notes Warrants were as follows:

		March 31, 2025		December 31, 2024
Balance, beginning of period	$	-	$	-
Notes Warrants - issued to USD Convertible note holders		4,306		-
Notes Warrants - issued to CAD Convertible note holders		3,741		-
Change in fair value - Notes Warrants (USD Convertible Notes)		921		-
Change in fair value - Notes Warrants (CAD Convertible Notes)		806		-
Balance, end of period	**$**	**9,774**	$	-

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

18. DERIVATIVE FINANCIAL INSTRUMENTS - *continued*

c) CAD Notes Conversion Option

Upon issuance of the CAD Convertible Notes on March 4, 2025, $9,542 was allocated to the CAD Notes Conversion Option and recorded as a current derivative financial liability (December 31, 2024 – $nil). As at March 31, 2025, the derivative financial liability was remeasured to $11,602, and an unrealized loss of $2,060 was recognized in Other income (expense) in the consolidated condensed interim statement of operations and comprehensive income.

19. LEASE OBLIGATIONS

		March 31, 2025		December 31, 2024
Balance beginning of year	**$**	**84,864**	$	627
Lease liability related to Marathon acquisition (Note 3)		-		22,070
Additions		**905**		67,000
Interest accretion		**1,247**		2,644
Repayments		**(3,888)**		(6,503)
Lease remeasurements		**321**		-
Revaluation		**8**		(974)
Balance end of period	**$**	**83,457**	$	84,864
Less: current portion		**(15,072)**		(14,835)
Long-term portion end of period	**$**	**68,385**	$	70,028

Prior to the Valentine Transaction, Marathon entered into a $90,000 Master Lease Agreement with Caterpillar Financial Services Limited for mobile equipment. The leases have terms of four to six years, with quarterly lease payments commencing upon commissioning of the units. Pursuant to a corporate guarantee, the Company is jointly and severally liable for all obligations under the Master Lease Agreement. In the fourth quarter of 2024, the agreement was amended to increase the facility to $135,000 and extend the availability period to December 31, 2025. In addition, Marathon entered into five-year leases for surface drill rigs with Epiroc Canada Inc. under a separate Master Lease Agreement, as well as various land, office, warehouse, and office equipment leases. The lease liability was measured at a fair value of $22,070 at the date of the Valentine Transaction (Note 3).

20. SHARE CAPITAL

a) **Authorized and Issued Share Capital**

The authorized share capital of the Company consists of unlimited common shares without par value. As at March 31, 2025 and December 31, 2024, the Company had approximately 856.4 million and 838.7 million common shares issued and outstanding, respectively.

During the three months ended March 31, 2025, the Company issued 4.9 million common shares of the Company pursuant to the exercise of outstanding options to purchase common shares of the Company and the vesting of restricted share units (“RSUs”) of the Company outstanding under its share incentive plan (the “Incentive Plan”).

20. SHARE CAPITAL - *continued*

a) **Authorized and Issued Share Capital** - *continued*

On January 30, 2025, the Company issued 12.8 million common shares qualifying as "flow-through shares" with respect to "Canadian exploration expenses" within the meaning of the *Income Tax Act* (Canada), at a price of C$3.12 per share, for aggregate gross proceeds of $27,751 (C$40,000). A total of $20,511 was recognized in equity based on the quoted market price of the Company's common shares on the date the parties agreed to the transaction, net of issuance costs. A flow-through share tax liability of $5,732, representing the premium received above the quoted market price, was recorded in the condensed interim statement of financial position. The flow-through shares were issued to fund exploration expenditures at the Valentine project.

As at March 31, 2025, 6.2 million warrants issued in connection with the Sprott Loan were outstanding, with each warrant exercisable for one common share of the Company at a price of C$2.19 until January 24, 2028. In addition, 16.5 million Notes Warrants issued to the holders of the Convertible Notes were outstanding, with each Notes Warrant exercisable for one common share of the Company at a price of C$4.50 until March 4, 2030.

b) **Incentive Plan**

Effective October 8, 2020, the Company adopted the Incentive Plan. The purpose of the Incentive Plan is to attract, retain and incentivize leadership as directors, officers, employees and consultants of the Company and to promote a greater alignment of interests between such persons and shareholders of the Company. The Incentive Plan is administered by the Board of Directors including determining the times when awards are granted, to whom, the number of awards granted, the length of the exercise period and the vesting provisions, subject to the terms of the Incentive Plan, applicable securities laws and regulatory requirements.

As at March 31, 2025, the aggregate number of shares reserved for issue upon the exercise or redemption and settlement for all awards granted under the Incentive Plan (options, RSUs, performance share units ("PSUs") and deferred share units ("DSUs") collectively, the "Share Unit Awards") is fixed at 75.0 million. The Share Unit Awards can be settled through a delivery of cash, common shares, or any combination thereof, at the sole discretion of the Board of Directors. To date, the Company has not granted any DSUs under the Incentive Plan.

The Company amortizes the fair value of options, RSUs, and PSUs granted over a graded vesting schedule. The total compensation expense recognized for Share Unit Awards during the three months ended March 31, 2025 was $6,911 (year ended December 31, 2024 - $13,412) of which $9 was capitalized to Mineral interests, plant and equipment (year ended December 31, 2024 - $61).

20. SHARE CAPITAL - *continued*

b) **Incentive Plan** - *continued*

Share Options

No options to purchase common shares of the Company under the Incentive Plan were granted during the three months ended March 31, 2025. As at March 31, 2025, the following stock options were outstanding and exercisable:

Options Outstanding			Options Exercisable
Number of Options (in thousands)	Exercise price (CAD$)	Weighted average remaining contractual life in years	Number of Options (in thousands)
22,937	$0.18 - $1.24	3.44	21,780
3,180	$1.29 - $1.62	4.58	2,146
5,182	$1.66 - $3.79	2.45	2,201
2,784	$4.52 - $5.91	1.58	928
34,082	$1.38	3.24	27,055

RSUs

The Company granted a total of 3.3 million RSUs during the three months ended March 31, 2025 (year ended December 31, 2024 - 7.7 million). The RSUs granted vest one-third per year, on the anniversary dates starting one-year from the date of grant. The RSUs will be settled within 10 business days of vesting, however, as permitted under the Incentive Plan, individuals may elect to defer the receipt of any vested RSUs until a later date prior to their expiry which is no later than three years after the grant date. A summary of the Company's RSU activities for the three months ended March 31, 2025 and the year ended December 31, 2024 is set out below:

	Three Months ended March 31, 2025	**Year ended December 31, 2024**
	Number of units (in thousands)	Number of units (in thousands)
Balance as at beginning of year	9,063	4,376
Granted	3,349	7,698
Exercised (equity-settled)	(1,951)	(1,670)
Exercised (cash-settled)	(257)	(557)
Expired or Cancelled	(398)	(784)
Balance as at end of year	9,806	9,063

The fair value of the RSUs outstanding as at March 31, 2025 was $7,800 (December 31, 2024 - $6,874) of which $2,482 is included in current liabilities and $5,318 is included in non-current liabilities (December 31, 2024 - $364 in current liabilities and $6,510 in non-current liabilities).

20. SHARE CAPITAL - *continued*

b) **Incentive Plan** - *continued*

A summary of the vesting schedule of the RSUs outstanding as at March 31, 2025 is set out in the table below:

	Number of RSUs vesting during the period (in thousands)
Vested and Exercisable as at March 31, 2025	532
Vesting in 2025	776
Vesting in 2026	4,044
Vesting in 2027	3,341
Vesting in 2028	1,113
	9,806

Performance Share Units ("PSUs")

No PSUs were granted during the three months ended March 31, 2025 (year ended December 31, 2024 – 1.0 million). As at March 31, 2025, 1.0 million PSUs were outstanding with a fair value of $1,467 included in current liabilities (December 31, 2024 - $741 in current liabilities).

21. SUPPLEMENTAL CASH FLOW INFORMATION

The following table includes supplemental information to the statement of cash flows for the three months ended March 31, 2025 and 2024:

	Three months ended March 31,	
	2025	2024
Change in non-cash working capital		
Change in receivables, prepaids, and deposits	**$ 14,008**	$ 2,570
Change in inventories	**(16,442)**	6,996
Change in accounts payable, accrued liabilities and income tax liabilities	**(3,084)**	(27,753)
Change in provisions and other liabilities	**3,919**	1,140
	$ (1,599)	$ (17,047)
Non-cash investing and financing activities		
Value of shares issued for acquisition of Marathon (Note 3)	**$ -**	$ 231,583
Value of options and warrants issued for acquisition of Marathon (Note 3)	**-**	4,297
Value of shares issued as part of Marathon acquisition costs (Note 3)	**-**	3,427
Share-based compensation included in exploration and evaluation assets	**9**	24
Mineral interest costs included in accounts payable	**58,336**	50,981

22. RELATED PARTY TRANSACTIONS

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

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

22. RELATED PARTY TRANSACTIONS - *continued*

Compensation of Key Management and Board of Directors

In accordance with IAS 24, key management personnel are those individuals who have authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. The Company has identified its Board of Directors and certain senior officers, including the Chief Executive Officer and the Chief Financial Officer, as its key management personnel. The remuneration of directors and key management is determined by the compensation committee of the Board of Directors.

The following table summarizes directors' fees, consulting fees, and other compensation paid to directors and key senior management personnel for the three months ended March 31, 2025 and 2024:

	Three months ended March 31,	
	2025	2024
Short-term salaries and benefits	**$ 555**	$ 753
Directors' fees	**270**	236
Share-based compensation	**132**	519

Management Contracts

As at March 31, 2025, minimum commitments due within one year under the terms of contracts with key senior management personnel totalled $1,908. Such contracts have minimum commitments upon termination thereof of approximately $1,908 and payments totalling $8,382 that would become payable in certain circumstances upon the occurrence of a "change of control" of the Company.

23. SEGMENTED INFORMATION

Operating segments are components of the Company whose operating results are regularly reviewed by the chief operating decision makers ("CODM") to make decisions about the allocation of resources and to assess their performance, provided those components pass certain quantitative thresholds. The Company's CODMs are the Chief Executive Officer and the Chief Financial Officer. In assessing whether operating segments should be aggregated, management considers various factors including economic characteristics, the nature of their products, production processes, regulatory environment, geographical location, and managerial structure. Segments with revenues, earnings, or assets exceed 10% of the total consolidated revenues, earnings, or assets are considered to be reportable segments.

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

23. SEGMENTED INFORMATION – *continued*

The Company has three separate operating segments: Nicaragua, United States, and Valentine (acquired pursuant to the Valentine Transaction in January 2024 (Note 3)). Corporate includes costs related to head office and group services which do not form part of a segment. The following table provides information relating to the operating segments of the Company for the three months ended March 31, 2025 and 2024:

	Three months ended March 31, 2025					Three months ended March 31, 2024				
	Nicaragua	United States	Valentine	Corporate	Total	Nicaragua	United States	Valentine	Corporate	Total
Revenue	$ 185,498	$ 17,124	$ -	$ -	$ 202,622	$ 117,653	$ 14,235	$ -	$ -	$ 131,888
Cost of Sales										
Production costs	(70,669)	(10,900)	-	-	(81,569)	(70,867)	(9,683)	-	-	(80,550)
Royalties and production taxes	(7,578)	(805)	-	-	(8,383)	(4,193)	(560)	-	-	(4,753)
Depreciation and amortization	(29,994)	(3,376)	-	-	(33,370)	(15,574)	(1,754)	-	-	(17,328)
Total cost of sales	(108,241)	(15,081)	-	-	(123,322)	(90,634)	(11,997)	-	-	(102,631)
Earnings from mine operations	77,257	2,043	-	-	79,300	27,019	2,238	-	-	29,257
Expenses										
General and administrative	-	-	-	(6,073)	(6,073)	-	-	-	(4,525)	(4,525)
Share-based compensation	-	-	-	(6,902)	(6,902)	-	-	-	(2,868)	(2,868)
Foreign exchange gain (loss)	173	-	32	173	378	52	-	(1,469)	(201)	(1,618)
Other expenses	(961)	(18)	(757)	(5,861)	(7,597)	279	-	(1,483)	(10,313)	(11,517)
Operating profit	$ 76,469	$ 2,025	$ (725)	$ (18,663)	$ 59,106	$ 27,350	$ 2,238	$ (2,952)	$ (17,907)	$ 8,729
Additions to:										
Mineral interest	$ 17,485	$ 1,650	$ -	$ -	$ 19,135	$ 15,441	$ 4,695	$ -	$ -	$ 20,136
Assets under construction	-	-	101,062	-	101,062	-	-	50,860	-	50,860
Plant and equipment	4,250	140	1,224	-	5,614	3,927	934	-	-	4,861
Exploration and evaluation	8,583	1,597	3,314	-	13,494	5,799	1,261	647	-	7,707
Total capital additions	$ 30,318	$ 3,387	$ 105,600	$ -	$ 139,305	$ 25,167	$ 6,890	$ 51,507	$ -	$ 83,564

The following geographic data includes assets based on their location as at March 31, 2025 and December 31, 2024:

	March 31, 2025				
	Nicaragua	United States	Valentine	Corporate	Total
Cash and cash equivalents	$ 8,906	$ 4,392	$ 63,574	$ 100,513	$ 177,385
Other current assets	103,705	63,471	44,096	31,860	243,132
Mineral interests, plant and equipment	440,221	122,786	892,982	601	1,456,590
Other long-term assets	9,624	10,874	421	-	20,919
Total assets	$ 562,456	$ 201,523	$ 1,001,073	$ 132,974	$ 1,898,026

	December 31, 2024				
	Nicaragua	United States	Valentine	Corporate	Total
Cash and cash equivalents	$ 11,704	$ 4,637	$ 52,761	$ 61,991	$ 131,093
Other current assets	97,194	55,553	70,948	44,451	268,146
Mineral interests, plant and equipment	444,352	126,772	785,091	601	1,356,816
Other long-term assets	10,848	3,822	421	-	15,091
Total assets	$ 564,098	$ 190,784	$ 909,221	$ 107,043	$ 1,771,146

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

24. COMMITMENTS AND CONTINGENCIES

Commitments

The Company is committed to certain obligations in the normal course of operations including capital expenditure commitments and contractual commitments. The following table provides a summary of the upcoming commitments by year as at March 31, 2025:

	2025	2026	2027	Total
Accounts payable and accrued liabilities	$ 102,884	$ -	$ -	$ 102,884
La Libertad equipment loan facilities:				
Principal	$ 3,724	$ -	$ -	$ 3,724
Interest (estimated)	$ 112	$ -	$ -	$ 112
El Limon equipment loan facility:				
Principal	$ 2,331	$ 1,911	$ -	$ 4,242
Interest (estimated)	$ 191	$ 50	$ -	$ 241
Sprott Loan:				
Principal	$ 31,482	$ 70,119	$ 184,598	$ 286,198
Interest (estimated)	$ 18,146	$ 26,185	$ 18,273	$ 62,603
AIP	$ 2,100	$ 4,200	$ 20,900	$ 27,200
Lease liabilities:				
Principal	$ 10,368	$ 15,509	$ 16,478	$ 42,355
Interest (estimated)	$ 4,474	$ 5,624	$ 4,262	$ 14,360
Gold Prepay I:				
Interest (estimated)	$ 41	$ -	$ -	$ 41
Gold Prepay II:				
Interest (estimated)	$ 2,395	$ -	$ -	$ 2,395
Capital expenditure commitments	$ 70,642	$ -	$ -	$ 70,642
Non-capital commitments	$ 10,552	$ -	$ -	$ 10,552
Total	**$ 259,441**	**$ 123,597**	**$ 244,511**	**$ 627,548**

The majority of the capital expenditure and contractual commitments noted above relate to Valentine. The table above does not include the Company's remaining obligations related to Prepay I and Prepay II, which are outstanding gold prepayment arrangements to be physically settled during the remainder of 2025 (Note 15), the gold collars contracts to be physically settled during the second quarter of 2025 (Note 18(a)), and its obligations to pay certain royalties, the amounts of which are determined based on production levels and the price of gold.

24. COMMITMENTS AND CONTINGENCIES - *continued*

Contingencies

The Company may, from time to time, be subject to various tax and legal matters in the jurisdictions in which it operates. Management, in consultation with external legal counsel as appropriate, regularly evaluates these matters to assess the likelihood of a material cash outflow. Where it is determined that a cash outflow is probable and can be reliably estimated, a provision is recognized for the estimated amount. Changes in circumstances could impact expectations, and any adjustments to management's estimates will be reflected in the consolidated financial statements as they occur.

The Company's Nicaraguan subsidiaries have exercised a long-standing legal right to credit paid annual mining taxes against paid income taxes. However, the Nicaraguan tax authority has advised that it would not apply mining taxes paid by such subsidiaries for the years 2019 to 2024 against paid income taxes for these years. As a result, an accounts receivable of $36,600, inclusive of interest and penalties, is being claimed by the tax authority as at March 31, 2025. The Company strongly believes that it is entitled to the deductibility of these paid mining taxes against paid income taxes and has filed an administrative tax remedy in this respect, while being actively engaged in discussions to seek a resolution.

An equipment manufacturer has filed a claim against the Company seeking damages of $14,902, primarily for alleged lost profits on maintenance contracts and expenses incurred. The Company is defending the claim and denies that any amount is payable.

25. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's operations, which include the acquisition, operation, and exploration of mineral properties, expose it to various financial and operational risks that may affect its ability to achieve its strategic objectives for growth and shareholder returns. These risks include credit risk, liquidity risk, interest rate risk, currency risk, and commodity price risk. There have been no changes in the nature of the Company's financial instruments or its risk management objectives and policies compared to those disclosed in the annual consolidated financial statements for the year ended December 31, 2024. No material changes in these risks or in the Company's exposure to them were identified during the three months ended March 31, 2025.

Fair values

The Company's financial assets and liabilities are classified based on the lowest level of input significant to the fair value measurement based on the fair value hierarchy:

> *Level 1 – quoted prices in active markets for identical assets or liabilities;*
>
> *Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and*
>
> *Level 3 – inputs for the asset or liability that are not based on observable market data.*

<u>Cash, cash equivalents, restricted cash and others</u>
The carrying values of cash and cash equivalents, restricted cash, accounts receivable, lease liabilities, accounts payable and accrued liabilities approximate fair value due to the short-term maturity of these financial instruments and are included in Level 1.

25. FINANCIAL INSTRUMENTS AND RISK FACTORS - *continued*

Gold derivative contracts
The fair value of gold derivative contracts is determined using pricing models that incorporate observable market inputs, such as forward gold prices and interest rates, and are therefore classified as Level 2 under the fair value hierarchy.

Long-term debt
The fair value of the Company's long-term debt approximates its carrying value as the debt features a floating interest rate, which adjusts to reflect market conditions. Additionally, the Company's credit spread has remained consistent since the Valentine Transaction (Note 3). The fair value measurement is classified as Level 2 of the fair value hierarchy, as it is based primarily on observable inputs, including market interest rates and credit spread data, rather than quoted prices in active markets (Level 1) or unobservable inputs (Level 3).

Convertible Notes
The fair value of the Convertible Notes was determined using FINCAD's convertible debt valuation model, based on contractual terms and observable market inputs, including share price, volatility, and an appropriate market interest rate. The liability components of the USD and CAD Convertible Notes, initially allocated $24,696 and $21,435 respectively, will be accreted to their face value over the term to maturity using an effective interest rate of 17%. The fair value measurement is classified within Level 2 of the fair value hierarchy, as it is based on observable market data.

CAD Notes Conversion Option
The fair value of the CAD Notes Conversion Option embedded in the CAD Convertible Notes is classified as a derivative financial liability and was measured at $11,602 as at March 31, 2025, with subsequent measurement at FVTPL. The fair value of the conversion option was estimated using FINCAD's convertible bond valuation tool, which applies the Finite Difference Method with the Crank-Nicolson scheme. Key inputs used in the valuation include the Company's share price, share price volatility, risk-free interest rate, credit spread, and the terms of the Convertible Notes (such as maturity date, conversion price, and interest rate). The valuation of the CAD Notes Conversion Option is therefore classified within Level 2 of the fair value hierarchy.

Notes Warrants
The Notes Warrants have an exercise price denominated in Canadian dollars and are classified as derivative financial liabilities (Notes 17(c) and 18(b)). The Notes Warrants are measured at FVTPL. Fair value was determined using an option pricing model that incorporates observable market data including share price, exercise price, expected volatility, risk-free interest rate, and expected term to maturity. The fair value measurement is classified within Level 2 of the fair value hierarchy, as it is based on observable inputs other than quoted prices. As at March 31, 2025, the fair value of the Notes Warrants was $9,774.

26. SUBSEQUENT EVENTS

Sprott Loan

In April 2025, an additional approximately $25,000 was released from the restricted cash in the DPA under the Sprott Loan representing all remaining amounts in the DPA (see Notes 13 and 17(b)).

26. SUBSEQUENT EVENTS - *continued*

Equinox Transaction

On May 1, 2025, the shareholders of each of the Company and Equinox, respectively, approved the completion of the Equinox Transaction. The Company expects that the Equinox Transaction will be completed in the second quarter of 2025, subject to the fulfillment of certain additional conditions including the receipt of certain regulatory approvals and consents.