B2GOLD CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the quarters ended September 30, 2011 and 2010
(All tabular amounts are expressed in United States dollars, unless otherwise stated)

This Management's Discussion and Analysis ("MD&A") has been prepared as at November 9, 2011 and contains certain "Forward-Looking Statements" within the meaning of the Canadian Securities laws. All statements, other than statements of historical fact, included herein, including without limitation statements regarding potential mineralization, exploration results and future plans and objectives of B2Gold Corp. (the "Company" or "B2Gold") are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The following discussion of the operating results and financial position of the Company should be read in conjunction with the unaudited condensed consolidated interim financial statements ("interim financial statements") and the notes thereto of the Company for the three- and nine-month periods ended September 30, 2011 and the audited consolidated financial statements and the notes thereto of the Company for the year ended December 31, 2010. The September 30, 2011 interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34 "Interim Financial Reporting" and IFRS 1 "First-Time Adoption of IFRS". For comparative purposes, all financial statement amounts related to the quarters ended September 30, 2010, June 30, 2010 and March 31, 2010 and the year ended December 31, 2010 have been restated in accordance with IFRS. All other periods remain unchanged from the numbers originally reported under Canadian generally accepted accounting principles ("Canadian GAAP"). The full disclosure of the Company's transition to IFRS is included in the Company's interim financial statements for the three months ended March 31, 2011. All amounts are expressed in United States dollars, unless otherwise stated.

OVERVIEW

B2Gold Corp. ("B2Gold" or the "Company") is a Vancouver-based gold producer with mining operations in Nicaragua and a portfolio of development and exploration assets in Colombia, Nicaragua and Uruguay. The Company operates the Libertad Mine (100%) and the Limon Mine (95%) in Nicaragua. The Company owns or has a material interest in the Gramalote and Mocoa properties in Colombia, the Cebollati property in Uruguay and the Bellavista property in Costa Rica.

Mining and processing of ore commenced at the Libertad Mine in the fourth quarter of 2009 following the completion of the conversion of the Libertad Mine from a heap leach mine to a conventional milling operation. Ore processing at the Libertad Mine began on December 15, 2009 with the first doré bar produced on January 5, 2010. The Libertad Mine achieved commercial production on February 1, 2010 less than two months after the mill facilities commenced processing ore. The Libertad mill was originally designed to process 3,500 tonnes of ore per day ("t/d"). A second ball mill was installed and commissioned in 2010 and the Company now estimates throughput at the Libertad Mine to be approximately 5,500 t/d.

PROPOSED BUSINESS COMBINATION

On October 11, 2011, the Company and Auryx Gold Corp. ("Auryx") announced that they have signed a binding agreement (the "B2Gold Transaction") to combine the two companies at the agreed exchange ratio of 0.23 B2Gold shares plus a cash payment of $0.001. The combination of B2Gold and Auryx would result in a merged entity holding a 92% interest in the Otjikoto gold project in Namibia, Africa and a 100% interest in two additional exploration projects in Namibia.

The Otjikoto gold project has forecast average annual production of over 100,000 ounces of gold over a ten year life of mine based on a Preliminary Economic Assessment released by Auryx in September 2011. Auryx's Otjikoto project hosts a National Instrument ("NI") 43-101 compliant indicated resource of 25 million tonnes grading 1.44 grams per tonne ("g/t") gold for 1.2 million ounces of gold. Otjikoto also hosts a NI 43-101 compliant inferred resource of 16 million tonnes grading 1.31 g/t gold for 0.7 million ounces of gold.

The Auryx Board of Directors has approved the B2Gold Transaction and unanimously recommended that Auryx shareholders vote in favour of the B2Gold Transaction. Further, Auryx officers, directors and shareholders holding approximately 13.5% of the outstanding shares of Auryx have entered into lock-up agreements with B2Gold, pursuant to which they will vote their shares in favour of the B2Gold Transaction. The B2Gold Board of Directors has also unanimously approved the B2Gold Transaction.

Upon completion of the B2Gold Transaction, B2Gold will have approximately 381.9 million common shares issued and outstanding, with former Auryx shareholders holding approximately 10.5% of the fully-diluted in-the-money shares outstanding of the combined company.

The B2Gold Transaction is subject to, among other things, the receipt of all necessary regulatory and court approvals, receipt of all necessary consents from the government of Namibia, and obtaining shareholder approval of the B2Gold Transaction at meeting of the Auryx shareholders to be held no later than December 21, 2011. The binding agreement includes customary deal protections. Auryx has agreed not to solicit any alternative transactions and to pay B2Gold a break fee of Cdn.$6 million in certain circumstances. In addition, Auryx has granted B2Gold a right to match any competing offer. Closing of the B2Gold Transaction is set to occur by no later than December 31, 2011.

REVIEW OF FINANCIAL RESULTS

	Three months ended September 30 (unaudited)		**Nine months ended September 30 (unaudited)**	
	2011	**2010**	**2011**	**2010**
Gold revenue ($ in thousands)	50,459	40,191	158,458	80,508
Gold sold (ounces)	29,672	32,300	104,456	67,066
Average realized gold price ($/ ounce)	1,701	1,244	1,517	1,200
Gold produced (ounces)	34,303	30,675	105,796	71,864
Cash operating costs ($/ ounce gold)	529	517	522	620
Total cash costs ($/ ounce gold)	620	581	605	682
Adjusted net income [(1)] ($ in thousands)	18,292	8,846	57,182	2,136
Adjusted earnings per share – basic ($)	0.05	0.03	0.17	0.01
Net income ($ in thousands)	9,036	28,056	35,463	15,694
Earnings per share – basic ($)	0.03	0.09	0.11	0.05
Cash flows from operating activities ($ in thousands) – before changes in non-cash working capital	19,971	13,545	73,569	14,790

(1) Adjusted net income excludes foreign exchange losses and non-cash items consisting of deferred income tax expense and share-based payments expense. In addition, the 2010 comparatives exclude non-cash derivative losses on Canadian dollar denominated common share purchase warrants issued as part of the March 2009 Central Sun acquisition which are considered derivative instruments under IFRS and the gain on sale of the Company's interest in the Kupol East and West licenses.

Third quarter results

Total gold revenue for the third quarter of 2011 was $50.5 million on sales of 29,672 ounces, compared to $54.5 million on sales of 36,030 ounces in the 2011 second quarter and to $40.2 million on sales of 32,300 ounces in the third quarter of 2010. The decrease in gold revenue from the previous quarter in 2011 was due to the amount of unsold gold from the Libertad Mine held and available for sale at September 30, 2011. The sale of approximately 3,500 ounces of gold, having a market value of $5.7 million based on a price of $1,629 per ounce at period end, was deferred to the fourth quarter on the expectation of receiving a higher spot price. Subsequent to the quarter, this gold was sold at an average spot price of $1,675 per ounce. Gold revenue would have increased to a sixth consecutive record of $56.2 million had this inventory been sold at September 30, 2011. Gold revenue in the third quarter of 2011 increased by 26% compared to the corresponding quarter in 2010, mainly due to the significant increase in the average gold price received of $1,701 per ounce in the current quarter compared to $1,244 per ounce in the same quarter in 2010.

The Libertad Mine accounted for $34.1 million (Q3 2010 - $25.6 million) of gold revenue in the third quarter of 2011 from the sale of 19,972 ounces (Q3 2010 – 20,581 ounces) while $16.4 million (Q3 2010 - $14.6 million) was contributed by the Limon Mine from the sale of 9,700 ounces (Q3 2010 – 11,719 ounces).

The Company’s consolidated gold production during the third quarter of 2011 was 34,303 ounces at an operating cash cost of $529 per ounce compared to 30,675 ounces produced over the same period last year at an operating cash cost of $517 per ounce (and to budget of 35,436 ounces at an operating cash cost of $519 per ounce).

In the third quarter of 2011, the Libertad Mine produced 24,227 ounces of gold at an operating cash cost of $456 per ounce compared to budget of 23,076 ounces at an operating cash cost of $436 per ounce. The favourable variance in gold production was mainly due to higher gold recoveries (91% compared to budget of 87%) and higher grade of ore milled than budget. The operating cash cost per ounce was higher than budget mainly due to increases in the cost of electrical power, diesel fuel and mill reagents, partially offset by higher than budgeted gold production.

The Limon Mine produced 10,076 ounces of gold at an operating cash cost of $705 per ounce in the third quarter of 2011 compared to budget of 12,360 ounces at an operating cash cost of $675 per ounce. The lower than budgeted gold production was due to the closure of the Santa Pancha underground mine and pit #2 in July and August for remediation, due to a force majeure event on June 18, 2011 when heavy rains caused a portion of the underground mine workings to begin flooding (see news release dated June 24, 2011). These two ore sources comprise the highest grade ore bodies in Limon’s production profile. As a result, ore from lower grade open pit sources was milled during the quarter. Both areas were reopened for production in September.

Based on the positive operating results to date (in spite of the unbudgeted closure of Limon’s Santa Pancha underground mine and pit #2 in July and August), the Company is projecting another record year for gold production in 2011, with gold production at the Libertad Mine projected to be between 93,000 and 99,000 ounces at an operating cash cost of $440 to $460 per ounce and the Limon Mine forecast to produce between 42,000 to 46,000 ounces of gold at an operating cash cost of $720 to $740 per ounce. Consolidated gold production for 2011 is projected to be approximately 135,000 to 145,000 ounces at average operating cash costs of approximately $540 - $560 per ounce.

Cash flow from operating activities (before changes in non-cash working capital) was $20 million ($0.06 per share) in the third quarter of 2011 compared to $13.5 million ($0.04 per share) in the third quarter of 2010, representing an increase of 48%. The increase reflects the Company’s continued strong operating performance and strength in gold prices. As a result, the Company remains in a strong financial position with $73.6 million in cash as at September 30, 2011.

For the third quarter of 2011, the Company generated net income of $9 million ($0.03 per share) compared to $28 million ($0.09 per share) in the equivalent period of 2010. The 2010 results included a gain of $24.1 million from the sale of the Company’s interest in the Kupol East and West licenses (see “Sale of Interest in Kupol East and West Licenses” section) on July 22, 2010.

Adjusted net income was $18.3 million ($0.05 per share) in the third quarter of 2011 compared to $8.8 million ($0.03 per share) in the same period of 2010. Adjusted net income was calculated by excluding a non-cash deferred income tax expense of $3.2 million (Q3 2010 - $nil), non-cash share-based compensation expense of $4 million (Q3 2010 - $0.5 million) and foreign exchange losses of $2 million (Q3 2010 - $0.4 million), primarily unrealized as at September 30, 2011. The adjusted loss for the third quarter of 2010 also excluded a $24.1 million gain from the sale of the Company's interest in the Kupol East and West licenses and non-cash derivative losses of $4 million relating to common share purchase warrants outstanding. The Company's Canadian dollar denominated common share purchase warrants issued as part of the March 2009 acquisition of Central Sun Mining Inc. are considered derivative instruments under IFRS.

General and administrative expenses totalled $3.4 million in the third quarter of 2011 and remained consistent with the same period of 2010. General and administrative costs relate to the Company's head office in Vancouver, the Managua office in Nicaragua and administrative costs incurred in Costa Rica.

The increase in share-based compensation expense of $3.5 million for the quarter ended September 30, 2011 over the same quarter in 2010 reflected the market value of 1 million common shares awarded under the Company`s Incentive Plan to a senior employee of the Company on July 5, 2011. Furthermore, since these shares were issued from treasury in 2007 and held by the Incentive Plan trust this transaction has not resulted in any changes to the overall outstanding shares of the Company.

The foreign exchange loss of $2 million in the current quarter resulted mainly from the strengthening of the United States dollar against the Canadian dollar and was primarily unrealized as it mostly related to the Company's cash and cash equivalents held in Canadian dollars as at September 30, 2011. The United States dollar strengthened against the Canadian dollar from Cdn.$0.9645 on June 30, 2011 to Cdn.$1.0482 on September 30, 2011.

Year-to-date results

For the first nine months of 2011, consolidated gold revenue was $158.5 million compared to $80.5 million in the same period in 2010. The increase was mainly attributable to higher gold production from the Libertad Mine and higher average realized gold prices.

Consolidated gold production for the nine months ended September 30, 2011 totalled 105,796 ounces at an operating cash cost of $522 per ounce compared to 71,864 ounces being produced in the corresponding period of 2010 at an operating cash cost of $620 per ounce.

The Company is forecasting another record year for gold production in 2011, with consolidated gold production projected to be between 135,000 and 145,000 ounces, an increase of 5,000 ounces compared to the original budget, at an operating cash cost of $540 to $560 per ounce.

For the nine months ended September 30, 2011, the Company generated net income of $35.5 million ($0.11 per share) compared to $15.7 million ($0.05 per share) in the equivalent period of 2010. Adjusted net income was $57.2 million ($0.17 per share) in the nine months ended September 30, 2011 compared to $2.1 million ($0.01 per share) in the comparative period.

Adjusted net income was calculated by excluding a non-cash deferred income tax expense of $15.6 million (2010 - $nil), resulting mainly from a decrease in non-capital tax loss carry-forwards, non-cash share-based compensation expense of $5.2 million (2010 - $2 million), and foreign exchange losses of $0.9 million (2010 - $0.3 million). The adjusted loss for the first nine months of 2010 also excluded a $24.1 million gain from the sale of the Company's interest in the Kupol East and West licenses and non-cash derivative losses of $8.2 million, relating to the Company's Canadian dollar denominated common share purchase warrants issued as part of the March 2009 Central Sun Mining Inc. acquisition.

General and administrative costs in the first nine months of 2011 increased to $12.6 million from $10.4 million mainly due to bonuses paid to senior management at the Vancouver and Managua offices in recognition of the Company's outstanding performance in 2010 and 2009.

The increase in share-based compensation expense of $3.2 million over the same period in 2010 mainly reflected the market value of 1 million common shares awarded under the Company`s Incentive Plan to a senior employee of the Company on July 5, 2011.

LIBERTAD MINE – NICARAGUA

	Three months ended September 30 (unaudited)		Nine months ended September 30 (unaudited)	
	2011	**2010**	**2011**	**2010**
Gold revenue ($ in thousands)	34,093	25,572	107,703	45,126
Gold sold (ounces)	19,972	20,581	71,011	37,244
Average realized gold price ($/ ounce)	1,707	1,242	1,517	1,212
Tonnes of ore milled	484,872	436,482	1,491,538	1,026,549
Grade (grams/ tonne)	1.72	1.66	1.70	1.49
Recovery (%)	91	87	91	85
Gold production (ounces)	24,227	20,234	73,409	41,790
Cash operating costs ($/ ounce gold)	456	419	453	563
Total cash costs ($/ ounce gold)	543	478	532	620
Capital expenditures ($ in thousands)	5,160	1,673	23,033	15,926
Capital expenditures ($ in thousands) – Jabali development	4,476	-	4,476	-

The Libertad Mine continued to perform well in the third quarter of 2011. Gold sales from the Libertad Mine totalled 19,972 ounces (Q3 2010 – 20,581ounces) at an average realized price of $1,707 per ounce (Q3 2010 - $1,242 per ounce), generating revenue of $34.1 million (Q3 2010 - $25.6 million).

In the third quarter of 2011, the Libertad Mine produced 24,227 ounces of gold at an operating cash cost of $456 per ounce compared to budget of 23,076 ounces at an operating cash cost of $436 per ounce. The favourable variance in gold production was mainly due to higher gold recoveries (91% compared to budget of 87%) and higher ore grade than budget. Tonnage milled in the quarter was slightly less than budget (484,872 tonnes compared to budget of 500,674 tonnes). The higher gold recovery was the result of upgrades to the plant during 2011 and 2010. The operating cash cost per ounce was $20 higher than budget mainly due to increases in the cost of electrical power, diesel fuel and mill reagents, partially offset by higher than budgeted gold production. The mill throughput rate in the third quarter of 2011 averaged 5,270 t/d, slightly less than the budget for the period of 5,442 t/d. The average ore grade was 1.72 g/t, again slightly better than the budget for this period of 1.65 g/t.

During the first nine months of 2011, the Libertad Mine generated gold revenue of $107.7 million from the sale of 71,011 ounces at an average price of $1,517 per ounce, compared to $45.1 million from the sale of 37,244 ounces at an average price of $1,212 per ounce in the same period of 2010. Total gold production was 73,409 ounces at an operating cash cost of $453 per ounce compared to budget of 67,280 ounces at $462 per ounce. Higher production for the year-to-date was mainly due to higher gold recoveries and mill head grades. Operating expenses have been marginally higher than budget but due to increased gold production operating costs per ounce have been better than projected.

Total capital expenditures in the third quarter of 2011 were $9.6 million, consisting of $3.5 million for deferred stripping costs at both the Mojon and Crimea open pits and $4.5 million for Jabali development costs. Most of the remaining capital expenditures were for continued upgrades in the plant, electrical substation upgrades and construction of a new maintenance facility. Total capital expenditures for the first nine months of 2011 totalled $27.5 million of which $11.4 million related to deferred stripping costs, $6.1 million to the phase II tailings pond lift, $4.5 million to the Jabali Development Project and the remaining amount mostly for plant upgrades and equipment. The Jabali Development Project activities included re-building the road between the Libertad operation and the Jabali ore deposit. The project is on schedule to begin hauling colluvium material to the Libertad mill in the fourth quarter of this year.

Annual 2011 capital expenditures at the Libertad Mine, excluding Jabali, are budgeted to be approximately $28.3 million. In addition, the 2011 exploration budget for La Libertad property has been increased to $8.7 million to further explore the 20 kilometre long gold belt and to drill the Jabali deposit to indicated resource status.

During the second quarter of 2011, the board of directors of the Company approved a 2011 development budget for the Jabali resource of $15.2 million. Expenditures are for engineering, environmental and permitting, haul roads and mobile mining equipment. The Company expects to be in a position to start hauling colluvium material late in the fourth quarter of 2011 with actual hard rock mining commencing mid to late 2012. The Jabali resource is 3.55 million tonnes at a gold grade of 4.58 g/t containing 522,000 ounces of gold. The new resource at Jabali not only indicates the potential to significantly increase Libertad's seven year mine life but also the potential to deliver higher grade ore to the mill which could result in higher annual gold production and lower operating costs per ounce produced. On September 15, 2011, the Company announced further positive drilling results from the exploration and infill programs at the Libertad Mine property in Nicaragua (see "Investing activities, Libertad exploration" section).

Production guidance for the Libertad Mine remains between 93,000 to 99,000 ounces of gold in 2011, an increase of 5,000 ounces over the original estimate, with projected operating cash costs for the year unchanged at approximately $440 to $460 per ounce of gold.

LIMON MINE – NICARAGUA

	Three months ended September 30 (unaudited)		**Nine months ended September 30 (unaudited)**	
	2011	**2010**	**2011**	**2010**
Gold revenue ($ in thousands)	16,366	14,619	50,755	35,382
Gold sold (ounces)	9,700	11,719	33,445	29,822
Average realized gold price ($/ ounce)	1,687	1,247	1,518	1,186
Tonnes of ore milled	97,624	86,327	279,889	255,402
Grade (grams/ tonne)	3.57	4.31	4.01	4.21
Recovery (%)	91	87	90	87
Gold production (ounces)	10,076	10,441	32,387	30,073
Cash operating costs ($/ ounce)	705	707	680	700
Total cash costs ($/ ounce)	805	779	771	768
Capital expenditures ($ in thousands)	4,507	1,518	15,919	3,863

Third quarter gold sales from the Limon Mine totalled 9,700 ounces (Q3 2010 – 11,719 ounces) at an average realized price of $1,687 per ounce (Q3 2010 - $1,247 per ounce), generating revenue of $16.4 million (Q3 2010 - $14.6 million).

The Santa Pancha underground mine and pit #2 were closed for the months of July and August for remediation due to a force majeure event on June 18, 2011 when heavy rains caused a portion of the underground mine workings to begin flooding. These two ore sources comprise the highest grade ore bodies in Limon's production profile. As a result, ore from lower grade open pit sources was milled during the quarter. Both areas were reopened for production in September. During the quarter, the Limon Mine processed 97,624 tonnes of ore at an average grade of 3.57 g/t at a processed gold recovery of 91% compared to budget of 97,074 tonnes at a grade of 4.4 g/t at a processed gold recovery of 89%. Operating cash cost in the quarter was $705 per ounce which was higher than budget of $675 per ounce, primarily the result of lower than budget grade for mill feed. Gold production was 10,076 ounces compared to budget of 12,360 ounces.

For the nine months ended September 30, 2011, the Limon Mine generated gold revenue of $50.8 million from the sale of 33,445 ounces at an average price of $1,518 per ounce. The operating cash cost per ounce was $680 compared to budget of $741 per ounce and was lower than budget mainly due to a higher percentage of ore being supplied from nearby open pits rather than from the underground operations in the first half of this year.

For the year, the Company maintains its guidance that Limon will produce between 42,000 and 46,000 ounces of gold at an operating cash cost of $720 to $740 per ounce.

As previously announced in the first quarter release, the Company has increased its 2011 budget for capital expenditures at Limon by $4.8 million to $24.5 million, mainly due to revised costs to construct the new tailings pond. The 2011 budget for capital expenditures at Limon include Santa Pancha deep underground development and equipment, construction of a new tailings pond, process plant upgrades and spares, and several infrastructure upgrades. Capital expenditures in 2012 are expected to be lower than 2011. In the third quarter of 2011, capital expenditures totalled $4.5 million, attributable mainly to Santa Pancha underground development ($1.3 million), construction of the new San Jose tailings storage facility ($1.1 million), mining equipment ($1.3 million) and infrastructure improvements. Capital expenditures for the first nine months of 2011 totalled $16 million of which $8.2 million related to the new San Jose tailings storage facility.

As noted in the MD&A for the second quarter of 2011, near the end of the second quarter El Limon experienced an extremely heavy rainfall event that resulted in a flash flood. Water overran diversion structures surrounding Open Pit #2 and entered the pit. The water entered the underground mine through old open stopes that connected to the bottom of the pit. The result was the rapid inundation of water down raises and declines into the bottom of the mine. At the time of the event there were 26 miners underground. One miner lost his life due to the flood and the remaining 25 were safely evacuated. Subsequent to the accident, the Company temporarily ceased production from the Santa Pancha underground and Open Pit #2 and has conducted mitigation work to prevent anything similar from occurring in the future. The mitigation work was substantially completed by the end of August and production from the underground and #2 Open Pit was resumed in September. During the third quarter, alternate, lower grade open pit material was mined to replace the ore from underground and #2 Open Pit, resulting in less gold production than budgeted.

GRAMALOTE PROPERTY – COLOMBIA

On August 12, 2010, the Company and AngloGold Ashanti Limited ("AngloGold") entered into the Gramalote Amending Agreement pursuant to which AngloGold will retain its 51% interest and will become manager of the joint venture project. The Company will retain a 49% interest and have equal representation on the joint venture management committee, which will unanimously agree on each annual program and budget for exploration and development of the Gramalote property. As part of the Gramalote Amending Agreement, each of the Company and AngloGold agreed to a budget for the Gramalote project for the second half of 2010 totalling $9.2 million and a 2011 prefeasibility and exploration budget of $38 million. Each of the Company and AngloGold will fund their share of expenditures pro rata. The Company and AngloGold plan to continue exploration and conduct prefeasibility work in 2011 and into 2012, with a goal of completing the prefeasibility study by August 2012 and a final feasibility study by the end of 2013.

Despite widespread historic through to modern-day gold production, the Gramalote property region is, from a present-day standpoint, relatively unexplored with respect to gold and other metals. Exploration conducted by the Company and AngloGold has outlined potentially significant gold mineralization contained within the Gramalote property. This mineralization may be considered in three forms: (i) the advanced phase, drill-explored area immediately surrounding Gramalote Ridge; (ii) the various early phase outlying targets identified within an approximately five kilometre radius of Gramalote Ridge; and (iii) additional rock and stream sediment sample-supported targets which can be inferred from first-pass reconnaissance work completed in parallel with the advanced phase activities.

Work-to-date suggest that various targets, including Monjas, Trinidad, Limon, Topacio and Felipe among others, form satellite and outlying extensions to the Gramalote Ridge structural and alteration model, and could develop into important or even stand-alone targets in their own right. These outlying targets are being drilled in 2011.

In February 2009, the Company completed a NI 43-101 compliant mineral resource estimate for the Gramalote Ridge zone on the Gramalote property. The inferred mineral resource estimate for the Gramalote Ridge Zone at a 0.5 g/t gold cut-off, within a $1,000 per ounce gold optimised Whittle pit, consists of 74.375 million tonnes grading 1.00 g/t gold for a total of 2.387 million troy ounces of gold.

The Trinidad zone is located along the Nus River Break and the Medellin–Puerto Berrio Highway approximately three kilometres north-northwest of the Gramalote Ridge. In 2008, the Company drilled 20 diamond drill holes at the Trinidad zone totalling 7,019 metres over an area of 1,100 metres by 500 metres. Drill results include up to 1.00 g/t gold over 223.4 metres. The drill program was designed to test the strike length of the soil geochemical anomaly. The style of alteration and mineralization at Trinidad is extremely similar to the Gramalote Ridge area and the mineralization remains open and will be followed up with drilling in 2011.

On October 13, 2010, four diamond drill rigs were mobilized to the Gramalote project site to commence diamond drilling for the exploration of additional targets on the property, infill drilling of the Gramalote deposit and drilling for the metallurgical test samples. Two of the drill rigs focused on drilling nearby exploration targets outside of the current Gramalote inferred mineral resource including the Monjas East, Monjas West, Limon, Trinidad South and Topacio targets.

Prefeasibility and exploration work recommenced at the Gramalote Project in the second half of 2010 with drilling for metallurgical samples, exploration drilling and preliminary engineering investigations.

The Gramalote project has a 2011 prefeasibility and exploration budget of $38 million (100%). This budget will fund 25,000 metres of diamond drilling utilizing five drill rigs for the exploration of additional targets on the property, infill drilling and metallurgical drilling of the Gramalote deposit, and engineering studies. In addition, the budget will fund prefeasibility work including additional environmental studies, metallurgical test work development and engineering. Each of the Company and AngloGold will fund their share of expenditures pro rata.

On September 19, 2011, the Company released additional positive results from the drilling and prefeasibility work underway on the Gramalote Project in Colombia (see “Investing activities, Gramalote exploration” section).

BELLAVISTA PROPERTY – COSTA RICA

The Company continues with site monitoring and maintenance to keep the Bellavista property in full regulatory compliance. Field programs focused on the site monitoring plan, maintenance of drainage channels and the planting of trees. Monitoring during the 2011 rainy season has seen detectable movement in the slide area and some small landslide activity on the mine site. Monitoring frequency in the slide area is being performed weekly, and this will continue through to the end of the year as a precautionary measure. Monitoring to date has not detected any significant environmental issues and the main slide area remains stable.

Work programs for the potential reopening of the Bellavista Mine continued. These programs are focused on the collection of base line data in the proposed tailings pond area and include investigations of potential pipeline routes between the mine and proposed tailing pond area. The Company has submitted a D1 Report to the National Technical Secretariat of the Environment ("SETENA") and this report was based on the recently completed Conceptual Study for the reopening of the mine. The D1 Report is a formal step to define the terms of reference for obtaining an Industrial Permit for the proposed tailing pond area and gold recovery plant. SETENA has conducted site investigations, and a response to the D1 Report is expected by the first quarter of 2012.

By Statement of Claim dated March 16, 2009, Central Sun commenced a legal proceeding in Ontario (the "Engineering Action") against several engineering firms and certain individual engineers alleging that the Defendants were negligent and breached their contractual obligations with respect to the siting, design, construction, assessment and monitoring of the Bellavista gold mine in Costa Rica, and that the mine was destroyed by a landslide as a result. As a result of the Defendants' alleged negligence and/or breach of contract, the Company claims damages. The Engineering Action is still at the pleadings stage. It is anticipated that preliminary motions will be brought by the Defendants to challenge the Ontario court's jurisdiction. The outcome of this claim is not determinable at this time and no accrual for a contingent gain has been made in the financial statements.

SALE OF INTEREST IN KUPOL EAST WEST LICENSES - RUSSIA

On July 22, 2010, the Company reached an agreement with Kinross Gold Corporation ("Kinross") to sell to a subsidiary of Kinross, its right to acquire an interest in the Kupol East and West Licenses. The Company has had the right to acquire and earn in to half of Kinross' interest in these licenses. In consideration of the acquisition by Kinross of the Company's right to acquire an interest in the licenses, Kinross paid $33 million to the Company and will make contingent payments of $15 million for each incremental million ounces of gold of NI 43-101 compliant proven and probable reserves contained by the Kupol East and West License areas, up to a maximum of nine million ounces of gold (100% basis). In addition, the Company will receive payments equal to 1.5% of Net Smelter Returns from the commencement of production from the area covered by the Kupol East and West Licenses, subject to a right for Kinross to repurchase the royalty for $30 million. The sale resulted in a gain of $24.1 million in the third quarter of 2010. For accounting purposes, no value was assigned to the contingent consideration at the date of sale (as a NI 43-101 compliant proven and probable reserve estimate does not exist at this time).

LIQUIDITY AND CAPITAL RESOURCES

The Company ended the quarter with cash and cash equivalents of $73.6 million compared to cash and cash equivalents of $78.9 million at the end of the second quarter of 2011 and $70.0 million at December 31, 2010. The Company has no debt and remains unhedged. Working capital at the quarter end was $93.6 million compared to working capital of $95.8 million at the end of June 30, 2011 and $84.6 million at December 31, 2010.

The Company is projecting another record year for gold production in 2011, with gold production at the Libertad Mine forecast to be between 93,000 and 99,000 ounces at an operating cash cost of $440 to $460 per ounce and the Limon Mine forecast to produce between 42,000 to 46,000 ounces of gold at an operating cash cost of $720 to $740 per ounce. Consolidated gold production for 2011 is projected to be approximately 135,000 to 145,000 ounces, an increase of 5,000 ounces compared to the original budget, at average operating cash costs of approximately $540 - $560 per ounce.

Annual capital expenditures at the Libertad Mine and Limon Mine for 2011 are budgeted to be approximately $28.3 and $24.5 million, respectively. In addition, the 2011 exploration budget for Libertad and Limon is $8.7 million and $3.2 million, respectively.

The Company's 49% share of the 2011 budget for the Gramalote property is $18.8 million which includes exploration diamond drilling of additional targets on the property and infill drilling and metallurgical drilling of the Gramalote deposit, as well as pre-feasibility environmental, engineering, metallurgical studies and land purchases.

The 2011 exploration programs for the Cebollati Property and Nicaraguan joint ventures are budgeted at $4.5 million and $3.1 million, respectively.

Operating activities

Cash flow from operating activities (before non-cash working capital changes) for the third quarter of 2011 was $20 million compared to $13.5 million in the same period last year. The increase was mainly due to significantly higher average realized gold prices and to higher gold production from the Libertad Mine.

Cash flow from operating activities (before non-cash working capital changes) for the nine months ended September 30, 2011 was $73.6 million compared to $14.8 million in the comparable period last year.

Financing activities

The Company received proceeds of $7.2 million during the nine months ended September 30, 2011 from the exercise of stock options and warrants, of which $2.3 million was received in the third quarter of 2011.

The Company entered into an agreement relating to a $20 million secured revolving Credit Facility with Macquarie on November 6, 2009. The term of the Credit Facility is for two years with a maturity date of December 31, 2011 and an interest rate of LIBOR plus 5.5%. Under the Credit Facility, the Company granted a general security agreement over its assets and the shares and assets of certain of the Company's material subsidiaries, and certain of the Company's material subsidiaries guaranteed the obligations of the Company relating to the Credit Facility. On February 12, 2010, the Company entered into an amending agreement relating to the Credit Facility pursuant to which the Credit Facility was increased to $25 million. The Company is currently in discussions with Macquarie to extend the Credit Facility for an additional two years.

As at December 31, 2009, the Company had drawn down a total of $13.5 million under the Credit Facility and an additional $7.5 million in the first and second quarters of 2010. In the third quarter of 2010, the entire balance owing under the Credit Facility was fully repaid ($20 million on August 30, 2010 and $1 million on May 21, 2010). Accordingly, $25 million remains available for draw down as at September 30, 2011.

On February 18, 2010, the Company completed a bought deal equity financing and issued 25,624,111 common shares, including 3,342,276 common shares issued on exercise of the over-allotment option, at Cdn.$1.25 per share, for aggregate gross proceeds of approximately Cdn.$32 million. As part of the offering, AngloGold Ashanti Limited ("AngloGold") exercised its pre-emptive right granted by the Company to maintain its percentage of holdings of approximately 10% of the common shares of the Company by acquiring 2,624,111 common shares. The Company paid the underwriters a commission equal to 5% of the gross proceeds of the offering upon closing, excluding the common shares purchased by AngloGold for which no commission was payable, for an aggregate commission of Cdn.$1.44 million. In the fourth quarter of 2010, AngloGold disposed of all of its common shares in B2Gold and as a result no longer has a pre-emptive right to participate in future equity financings of the Company.

The Company received proceeds of $5.8 million during the nine months ended September 30, 2010 from the exercise of stock options and warrants, of which $2.8 million was received in the third quarter of 2010.

On November 3, 2009, the Company had received a loan in the amount of Cdn.$1 million from an officer and shareholder of the Company which was interest bearing at a rate of 5% per annum. On February 18, 2010, this loan was fully repaid by the Company together with interest.

Investing activities

In the third quarter of 2011, capital expenditures on sustaining capital, pre-stripping and development at the Libertad Mine, excluding Jabali (see "Libertad Mine" section), and the Limon Mine (see "Limon Mine" section) totalled $5.2 million (Q3 2010 - $1.7 million) and $4.5 million (Q3 2010 - $1.5 million), respectively. In addition, resource property expenditures on exploration and development totalled approximately $15.1 million (Q3 2010 - $4.3 million), expended as disclosed in the table below.

During the nine months ended September 30, 2011, capital expenditures on sustaining capital, pre-stripping and development at the Libertad Mine, excluding Jabali (see "Libertad Mine" section), and the Limon Mine (see "Limon Mine" section) totalled $23 million (2010 - $15.9 million) and $15.9 million (2010 - $3.9 million), respectively. In addition, resource property expenditures on exploration and development totalled approximately $31.7 million (2010 - $13.2 million), expended as disclosed in the table below.

	Three months ended September 30 (unaudited)		Nine months ended September 30 (unaudited)	
	2011	**2010**	**2011**	**2010**
	$ (000's)	**$ (000's)**	**$ (000's)**	**$ (000's)**
Development & exploration:				
Gramalote	**4,079**	546	**10,280**	1,916
Libertad Mine, including Jabali	**7,965**	1,315	**12,013**	3,385
Cebollati	**1,413**	548	**3,653**	548
Limon Mine, exploration	**1,001**	796	**2,603**	2,043
Radius joint venture	**475**	411	**1,914**	1,543
Calibre joint venture	**182**	663	**879**	2,303
Kupol East and West Licenses	**-**	(17)	**-**	1,075
Other	**30**	73	**404**	352
	15,145	4,335	**31,746**	13,165

The Company's extensive 2011 exploration programs on numerous projects are well underway. Drilling continues on Libertad, Limon and Trebol properties in Nicaragua, the Gramalote property in Colombia and the Cebollati property in Uruguay. In total, B2Gold's combined 2011 exploration and pre-feasibility budgets total approximately $39 million and will fund approximately 84,000 metres of diamond drilling.

Libertad exploration

On September 15, 2011, the Company announced further positive drilling results from the exploration and infill programs at the Libertad Mine property in Nicaragua. These results indicate that the Jabali Zones that generated the previously announced higher grade resources are increasing in size, and confirm the strong continuity of gold mineralization at Jabali Central. In addition, drilling has also continued to intersect strong gold mineralization at Mojon West, the new zone immediately west of the current Mojon open pit, and outside of the current reserves and pit model.

The significance of the continued high grade results from Jabali and the previously announced resource, is that this represents substantially higher grade ore (4.58 g/t of gold), than the current average open pit grade at Libertad of 1.8 g/t of gold, that can be trucked to the Libertad mill for processing to make up a portion of the mill feed which should result in higher annual gold production in the near term and going forward.

Based on the positive results from Jabali to date, the Company has commenced full permitting, environmental studies and metallurgical test work. The Company plans to commence mining from Jabali, delivering good grade colluvial material in late 2011 and open pit mining by late 2012.

The 2011 exploration budget for the Libertad property has been increased to $8.75 million to further explore the 20 kilometre long Libertad gold belt and to drill the Jabali deposit to indicated resource status. Based on the 2010 drilling, the Company previously announced a resource at Jabali of 3.55 million tonnes at 4.58 g/t gold containing 522,000 ounces of gold. Drilling in 2011 commenced on January 24 with 172 holes totaling 24,345 metres drilled to September 15, 2011. The objectives of this year's program include the completion of the Jabali indicated resource (results expected to be released in early 2012), infill drilling of the eastern and western portions of San Juan to the indicated category and drilling to expand the western margins of the Mojon and Crimea pits.

The Jabali epithermal vein system is currently being explored in two zones, the Antenna and Central Zones, covering a combined strike length of 3.2 kilometres, though the vein itself has a known strike length of 6.2 kilometres. To September 15, 2011 (2010 & 2011) a total of 197 drill holes (28,362 metres) have been completed at

Jabali. The current Jabali drilling is focusing on the completion of the Central Zone indicated resource, Jabali Antenna indicated resource drilling and continued exploration drilling.

The new results of Central Zone drilling show excellent gold grade and vein thickness continuity as well as the potential to expand the current resource. Highlights of the Central Zone drilling include hole JB11-137, located in the centre of the deposit at the base of the current resource, which intersected 5.5 metres true width grading 19.52 g/t gold, including 3.0 metres true width grading 34.63 g/t gold. This wide, high grade intersection lies on the boundary of the current resource model at depth. JB11-121, also located in the centre of the deposit, intersected 9.89 metres true width grading 4.33 g/t gold, including 2.04 metres true width grading 8.09 g/t. This wide, high grade intersection is located 20 metres below the current resource model and remains open down plunge. Other notable holes include: JB11-101 with 14.2 metres true width grading 2.95 g/t gold, JB11-113 with 8.5 metres true width grading 4.37 g/t gold, JB11-122 with 12.5 metres true width grading 3.51 g/t gold, JB11-125 with 11.5 metres true width grading 4.90 g/t gold, JB11-128 with 9.4 metres true width grading 3.56 g/t gold, JB11-117 with 11.5 metres true width grading 3.32 g/t gold, JB11-097 with 9.06 metres true width grading 4.06 g/t gold & 216.72 g/t silver and JB11-116 with 6.5 metres true width grading 5.55 g/t gold. Hole JB11-090 with 6.79 metres true width grading 4.04 g/t gold is located immediately west of and 30 metres below the current resource, which is open to the west. Hole JB11-098 was drilled 650 metres west of the current Central Zone resource and intersected 4.34 metres true width grading 9.60 g/t gold. This hole targeted the down plunge extension of JB11-060 which intersected 10.7 metres true width grading 2.00 g/t gold. The mineralization is open down plunge.

To September 15, 2011 a total of 31 drill holes totalling 4,610 metres have been completed at the Mojon vein. Recent drilling has tested the area immediately west of the Mojon open pit. Highlights from this area which extends 250 metres west of the current Mojon open pit west wall include: MJ1-023 with 32.4 metres true width grading 1.39 g/t gold including 13.5 metres true width grading 2.19 g/t gold, MJ11-025 with 22.0 metres true width grading 1.62 g/t gold and MJ11-027 with 7.5 metres true width grading 2.17 g/t gold. Additional drilling is planned to evaluate the potential of this area with the intention to define an indicated resource immediately west of the current Mojon open pit, that could significantly increase the Mojon pit mine life.

Gramalote exploration (B2Gold 49% / AngloGold 51%)

On September 19, 2011, the Company released additional positive results from the drilling and prefeasibility work underway on the Gramalote Project in Colombia. Prefeasibility and exploration work recommenced at the Gramalote Project in the second half of 2010 with drilling for metallurgical samples, exploration drilling and preliminary engineering investigations with a total of 25,572.85 metres of drilling completed in 72 holes. The Company and AngloGold are funding a 2011 prefeasibility and exploration budget of $37.6 million. This budget includes 29,000 metres of diamond drilling to explore additional targets on the property, infill drilling of the Gramalote deposit, drilling for metallurgical test samples and conducting engineering and environmental studies. Each joint venture partner will fund their share of expenditures pro rata. The two companies plan to continue exploration and conduct prefeasibility work in 2011 and into 2012, with a goal of completing a prefeasibility study by June 2012 and a final feasibility study by October 2013.

Highlights from the 2011 prefeasibility and exploration work include positive metallurgical test results showing in excess of 90% recovery, encouraging drill results from the outside targets and consistent grade from the infill drilling on the Gramalote Ridge resource.

A total of 8,995 metres in 23 holes have been completed to September 19, 2011 in the infill drill program on the Gramalote Ridge resource area since October 2010. Results of the infill drilling correlate well with the previous drilling on Gramalote Ridge and include up to 180.0 metres at 1.09 g/t gold in hole GR-121, 142.0 metres at 1.49 g/t gold in hole GR-128 and 88.0 metres at 1.25 g/t gold in hole GR-116. Infill drilling with two core rigs continues on Gramalote Ridge with the goal of increasing ounces in the resource and converting the resource from inferred into indicated. The Company completed and published in 2009 a NI 43-101 compliant inferred mineral resource estimate for the Gramalote Ridge Zone of 74.375 million tonnes grading 1.00 g/t gold for a total of 2.39 million troy ounces of gold at a 0.5 g/t gold cutoff and within a US$1,000 per ounce gold optimised Whittle pit (see news release dated January 12, 2009). The Gramalote Ridge zone is a continuous zone extending 1,200 metres x 275 metres x 500 metres. Exploration drill results indicate the Gramalote Ridge Zone remains open.

Exploration drilling is in progress on five drill targets located within four kilometres of the current Gramalote inferred mineral resource including Monjas West, Trinidad South, Monjas East, Limon and Topacio. All of these targets have similar geological, alteration and mineralization characteristics to Gramalote Ridge. Since October 2010 a total of 13,150.44 metres in 37 drill holes have been completed up to September 19, 2011 on the satellite targets. Results to date clearly indicate the upside potential for more gold mineralization on the large Gramalote property.

Positive gold intersections have been returned in Monjas West. Monjas West is located two kilometre west southwest along strike of Gramalote Ridge resource and drilling tested rock channel samples up to 27.0 metres at 2.2 g/t gold, 13.0 metres at 3.3 g/t gold and 12.0 metres at 2.6 g/t gold. A total of 4,310.88 metres in 11 holes have been drilled at Monjas West with results up to 56.0 metres at 0.94 g/t gold (including 14.0 metres at 1.66 g/t gold and 12.0 metres at 1.45 g/t gold) in hole MW-05, 20.0 metres at 1.88 g/t gold in hole MW-03 and 22.0 metres at 0.93 g/t gold in hole MW-04. Assays are pending for holes 8 to 10. Drilling continues in Monjas West with one drill rig.

Drilling at Trinidad South located four kilometres to the west of Gramalote Ridge is testing the continuity and extension of positive drill results obtained by B2Gold in 2008 at Trinidad that returned up to 223.0 metres at 1.00 g/t gold (TR-6) and 109.0 metres at 1.13 g/t gold (TR-2) as part of the 7,019 metres drill program that outlined similar mineralization to that of Gramalote Ridge over a 1,100 x 500 metres area. To date 2,284.30 metres in seven holes have been completed with assays up to 12.0 metres at 0.73 g/t gold (TSE-01) and 18.0 metres at 0.80 g/t gold including 10.0 metres at 1.17 g/t gold (TS-01). Assays are pending on holes TR-22 to TR-25. Drilling with one drill rig continues at Trinidad. Previous results at Trinidad along with the encouraging results from Monjas West demonstrate the good potential for additional gold resources on the Gramalote property.

Monjas East is located immediately west along strike from 2008 Gramalote Ridge drilling results of 34.1 metres at 1.32 g/t gold (GR-95) and 23.8 metres at 1.1 g/t gold (FZ-03). To date a total of 4,008.42 metres in 14 holes have been drilled at Monjas East with results up to 14.0 metres at 1.14 g/t gold (ME-04), 12.0 metres at 1.01 g/t gold (ME-11) and 12.0 metres at 0.96 g/t gold (ME-03). Assays are pending for hole 13.

The Limon zone, located one kilometre south of Gramalote Ridge, comprises an 850 x 300 metre gold soil geochemical anomaly with rock channel samples up to 6.0 metres at 4.9 g/t gold and 13.0 metres at 1.6 g/t gold. Results from the five holes totaling 1,870.19 metres drilled in Limon include 6.0 metres at 1.65 g/t gold (LM-01). Assays are pending for holes LM-03 to LM-05. Drilling continues at Limon with one drill rig. Two holes totaling 676.65 metres drilled at Topacio located three kilometres west northwest of Gramalote Ridge did not return any significant results.

Cebollati exploration

On September 16, 2011, the Company announced additional drilling results from the first exploration drill program at its newly discovered Cebollati gold project in Uruguay. The Company is earning an 80% interest in the property.

Twenty-eight holes totalling 4,036 metres have been completed to September 16, 2011 with new holes following up on the initial drill holes on the property (see B2Gold press release dated June 7, 2011) which confirmed the presence of significant gold bearing replacement style mineralization within multiple zones. Highlights of the new drilling include:

- UC11-019 with 11.15 metres grading 11.59 g/t gold within a broader 23.85 metres interval of mineralization grading 5.69 g/t
- UC11-022 with 7.55 metres grading 5.67 g/t gold; and
- UC11-021 with 16.25 metres grading 1.74 g/t gold

Recent drilling was concentrated in two areas, Southern and Windmill, with the aim to help in defining the geometry of the previously identified zones and test for multiple zones within the target areas. Tighter spaced drilling confirms the existence of zones of continuous, shallow, mineralization within both the Windmill and Southern zones, which are open along strike and to depth. In conjunction with the trenching each of these zones extends for in excess of 400 metres within a mineralized system which has been defined over greater than 2.2 kilometres in strike length (see B2Gold press release dated November 15, 2010).

Fifteen holes totalling 2,132 metres have been drilled to date in the Southern zone with the majority of the holes testing the eastern limb of a broad antiformal structure close to the main fold hinge zone within the deformed marble sequence. Recent drilling results are summarized in the table below. Broad zones of alteration and mineralization have been intersected within the Southern zone with several shallow easterly dipping high grade shoots now identified, as typified by holes UC11-019 and UC11-022, which intersected 11.15 metres grading 11.59 g/t gold (6.17 g/t gold with assays capped at 25 g/t gold) and 7.55 metres grading 5.67 g/t gold (4.66 g/t gold with assays capped at 25 g/t gold) respectively. These higher grade shoots have been traced for approximately 75 metres down dip, remain open to the north and south but appear to pinch out to the east. In addition to these holes a single hole, UC11-029, tested the western limb of the antiform and intersected narrow, potentially stacked, horizons of replacement mineralization, with the central horizon returning 3.30 metres grading 3.76 g/t gold. Additional holes will follow up on this new area of mineralization at a later date.

Radius Joint Venture - Trebol exploration

On August 23, 2011, the Company and Radius Gold Inc. (“Radius Gold”), announced an update on recent work carried out by the Company at their jointly owned (60% B2Gold/ 40% Radius Gold) Trebol project in northeastern Nicaragua. Trebol is a low-sulphidation gold-bearing epithermal vein and breccia system characterized by shallow to moderately dipping tabular shaped vein and hydrothermal breccia zones within andesite. Trenching at Trebol East Positive results have been received from recent trenching at Trebol East located 3 kilometres east of the main Trebol trend. The low hills are comprised of the same quartz veins, hydrothermal breccias, and replacement zones, dipping moderately to the west, as seen in the main Trebol trend. The new trench results appear to be outlining a north-south trending mineralized zone at least 1.5 kilometres long. Trench 91, which lies at the southern end of the trend, returned 18.00 metres at 2.56 g/t gold. Roughly 1 kilometre north, Trench 93 returned 19.00 metres at 1.54 g/t gold. Trench 92, which was cut 200 metres south of Trench 91, returned 5.70 metres at 0.63 g/t gold.

Trenching and soil sampling will continue at Trebol with priority given to developing the emerging zone at Trebol East, with the aim of defining drill targets. Detailed soil sampling will also continue along the main Trebol trend as well to better define potential resource areas.

Calibre Joint Venture - Primavera exploration

The Company and Calibre Mining Corp. ("Calibre") have approved a Phase 2 exploration program and budget for the Primavera gold-copper prospect, located seven kilometres south of the historic Santa Rita copper-gold skarn mine in the Borosi Project in Northeast Nicaragua.

At the Primavera gold-copper prospect Calibre has identified three areas with substantial gold and copper anomalies highlighted by an 850 metre by 300 metre coincident gold-copper soil anomaly containing consistent values over 100 ppb gold (up to 1.18 g/t gold) and 250 ppm copper. The area is thought to be prospective for epithermal and porphyry systems. Reconnaissance rock sampling identified high grade gold and copper mineralization in grab samples from quartz veins and breccias in the central part of the prospect area including: 31.8 g/t gold and 2.41% copper, 24.8 g/t gold and 0.14% copper, 14.65 g/t gold and 1.33% copper and 34.1 g/t gold.

The program, which has now begun, will consist of two separate success-based phases; the first phase consists of trenching and pit sampling within the 850 metre by 300 metre Primavera gold-copper soil anomaly. The second phase will consist of diamond drilling the most prospective identified targets. The total budget for this phase of the Primavera trenching and diamond drilling program is $0.4 million.

Calibre has received complete assay results from one initial trench excavated within the Primavera gold-copper soil anomaly. Trench PRTR11-005 assayed 1.48 g/t gold and 832 ppm copper over 29.85 metres within a zone of abundant stockwork veining. The mineralized interval in the trench is open in both directions and further expansion of the trenching program is on-going.

The Primavera prospect is subject to an option agreement with Calibre, whereby Calibre is acting as operator and the Company may earn up to a 51% interest in specific concessions within the Borosi area by funding Cdn.$8 million in expenditures by June 2014. Once the earn-in is complete, the Company may elect to carry an individual prospect within the concession area through to a Preliminary Economic Assessment for an additional 14% interest in the prospect.

CRITICAL ACCOUNTING ESTIMATES

Full disclosure of the Company's accounting policies in accordance with IFRS can be found in Notes 2, 3 and 4 to the Company's March 31, 2011 interim financial statements. Management considers the following policies to be the most critical in understanding the judgments that are involved in the preparation of the Company's financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows:

- Ore reserve and resource estimates;
- Units-of-production;
- Exploration and evaluation expenditures;
- Mine restoration provisions; and
- Deferred income taxes and valuation allowances.

Ore reserve and resource estimates

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its ore reserves and a mineral resource based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, goodwill, restoration provisions, recognition of deferred tax assets, and depreciation and amortization charges.

Units-of-production depreciation

Estimated proven and probable reserves and a portion of measured and indicated resources that are reasonably expected to be converted to proven and probable reserves are used in determining the depreciation and amortization of mine specific assets. This results in depreciation and amortization charges proportional to the depletion of the anticipated remaining life of mine production. Each item's life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves and resources of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and resources and estimates of future capital expenditure.

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive income in the period when the new information becomes available.

Mine restoration provisions

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. Significant judgments and estimates are made when estimating the nature and costs associated with mine restoration provisions. Cash outflows relating to the obligations are expected to be incurred over periods estimated to extend to 2019 and beyond. When considering the effect of the extended time period over which costs are expected to be incurred, combined with the estimated discount rate and inflation factors, the fair value of the mine restoration provisions could materially change from period to period due to changes in the underlying assumptions.

Deferred income taxes and valuation allowances

The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur.

Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives. Levels of future taxable income are affected by, among other things, market gold prices, production costs, quantities of proven and probable gold reserves, interest rates and foreign currency exchange rates.

RECENT ACCOUNTING PRONOUNCEMENTS

Adoption of International Financial Reporting Standards ("IFRS")

Effective January 1, 2011 Canadian publicly listed entities were required to prepare their financial statements in accordance with IFRS. Due to the requirement to present comparative financial information, the effective transition date is January 1, 2010. The three months ended March 31, 2011 is the Company's first reporting period under IFRS. Full disclosure of the Company's accounting policies in accordance with IFRS can be found in Notes 2, 3 and 4 to the Company's March 31, 2011 interim financial statements. The Company's March 31, 2011, June 30, 2011 and September 30, 2011 interim financial statements also include reconciliations of the previously disclosed comparative periods financial statements prepared in accordance with Canadian generally accepted accounting principles to IFRS as set out in Note 13 to the March 31, 2011 interim financial statements and Note 10 to the June 30, 2011 and September 30, 2011 interim financial statements.

RISKS AND UNCERTAINTIES

The exploration and development of natural resources are highly speculative in nature and are subject to significant risks. The risk factors noted below do not necessarily comprise all those faced by the Company. The Company is faced with a number of other risk factors as described under "Risk Factors", disclosed in its Annual Information Form, available under the Company's profile on SEDAR at www.sedar.com. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business, operations and future prospects of the Company. If any of the following risks actually occur, the business of the Company may be harmed and its financial condition and results of operations may suffer significantly.

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, pit wall failure and other conditions involved in drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate measures to minimize risk are being taken, milling operations are subject to hazards such as fire, equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines and no assurance can be given that minerals will be discovered in sufficient quantities or having sufficient grade to justify commercial operations or that funds required for development can be obtained on a timely basis. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining program. The economics of developing gold and other mineral properties are affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Foreign Countries and Mining Risks

The Company's production activities are currently conducted in Nicaragua and, as such, the Company's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, uncertainty as to the outcome of any litigation in foreign jurisdictions, uncertainty as to enforcement of local laws, renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

The Company has interests in exploration properties that are located in developing countries, including Nicaragua and Colombia, and the mineral exploration and mining activities of the Company may be affected in varying degrees by political instability and government regulations relating to foreign investment and the mining industry. Changes, if any, in mining or investment policies or shifts in political attitude in Nicaragua or Colombia may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's business, financial condition and results of operations.

Property Interests

The ability of the Company to carry out successful mineral exploration and development activities and mining operations will depend on a number of factors. No guarantee can be given that the Company will be in a position to comply with all conditions and obligations, or to require third parties to comply with their obligations with respect to such properties. Furthermore, while it is common practice that permits and licenses may be renewed, extended or transferred into other forms of licenses appropriate for ongoing operations, no guarantee can be given that a renewal, extension or a transfer will be granted to the Company or, if they are granted, that the Company will be in a position to comply with all conditions that are imposed. A number of the Company's interests are the subject of pending applications to register assignments, extend the term, increase the area or to convert licenses to concession contracts and there is no assurance that such applications will be approved as submitted.

The Company is satisfied, based on due diligence conducted by the Company, that its interests in the properties are valid and exist. There can be no assurances, however, that the interests in the Company's properties are free from defects or that the material contracts between the Company and the entities owned or controlled by foreign government will not be unilaterally altered or revoked. There is no assurance that such rights and title interests will not be revoked or significantly altered to the detriment of the Company. There can be no assurances that the Company's rights and title interests will not be challenged or impugned by third parties. The Company's interests in properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects or governmental actions.

Certain of the Company's property interests are also the subject of joint ventures that give the Company the right to earn an interest in the properties. To maintain a right to earn an interest in the properties, the Company may be required to make certain expenditures in respect of the property maintenance by paying government claim and other fees. If the Company fails to make the expenditures or fails to maintain the properties in good standing, the Company may lose its right to such properties and forfeit any funds expended to such time.

Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, world supply of mineral commodities, consumption patterns, sales of gold by central banks, forward sales by producers, production, industrial and jewellery demand, speculative activities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable.

The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of gold. The prices of these commodities are affected by numerous factors beyond the Company's control.

Currency Risks

The Company's operations in foreign countries are subject to currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company reports its financial results in United States dollars and incurs expenses in United States dollars, Canadian dollars, Nicaraguan córdobas, and Colombian pesos. As the exchange rates between the Nicaraguan córdoba, Colombian peso and Canadian dollar fluctuate against the United States dollar, the Company will experience foreign exchange gains and losses. The exchange rate between the córdoba and the United States dollar varies according to a pattern set by the Nicaraguan Central Bank. The córdoba has been annually devalued versus the United States dollar by means of a crawling peg mechanism which currently stands at approximately 5%.

Environmental Compliance

The Company's operations are subject to local laws and regulations regarding environmental matters, the abstraction of water, and the discharge of mining wastes and materials. Any changes in these laws could affect the Company's operations and economics. Environmental laws and regulations change frequently, and the implementation of new, or the modification of existing, laws or regulations could harm the Company. The Company cannot predict how agencies or courts in foreign countries will interpret existing laws and regulations or the effect that these adoptions and interpretations may have on the Company's business or financial condition.

The Company may be required to make significant expenditures to comply with governmental laws and regulations. Any significant mining operations will have some environmental impact, including land and habitat impact, arising from the use of land for mining and related activities, and certain impact on water resources near the project sites, resulting from water use, rock disposal and drainage run-off. No assurances can be given that such environmental issues will not have a material adverse effect on the Company's operations in the future. While the Company believes it does not currently have any material environmental obligations, exploration activities may give rise in the future to significant liabilities on the Company's part to the government and third parties and may require the Company to incur substantial costs of remediation. Additionally, the Company does not maintain insurance against environmental risks. As a result, any claims against the Company may result in liabilities the Company will not be able to afford, resulting in the failure of the Company's business. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in exploration operations may be required to compensate those suffering loss or damage by reason of the exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

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

INTERNAL CONTROLS

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. As a result, even those systems determined to be effective can only provide reasonable assurance regarding the preparation and presentation of the Company's financial statements. There have been no changes in the Company's internal control over financial reporting in the first nine months of 2011 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

NON-IFRS MEASURES

Cash cost per ounce data 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.

	Three months ended September 30		Nine months ended September 30	
	2011	**2010**	**2011**	**2010**
	$ (000's)	**$ (000's)**	**$ (000's)**	**$ (000's)**
Production costs per consolidated financial statements	**15,350**	17,704	**54,078**	44,625
Royalties and production taxes	**3,126**	1,947	**8,746**	4,419
Inventory sales adjustment	**2,797**	(1,834)	**1,164**	(44)
	21,273	17,817	**63,988**	49,000
Gold production (in ounces)	**34,303**	30,675	**105,796**	71,864
Total cash costs per ounce of gold production ($/ounce)	**620**	581	**605**	682

Total cash costs per ounce is derived from amounts included in the Consolidated Statement of Operations and include mine site operating costs such as mining, processing, smelting, refining, transportation costs, royalties and production taxes, less silver by-product credits. The increase to total cash costs per ounce in the third quarter of 2011 compared to the same period in 2010 reflects higher royalties and production taxes in the quarter due to higher realized gold prices.

SUMMARY OF QUARTERLY RESULTS

	Q3 2011	Q2 2011	Q1 2011	Q4(2) 2010	Q3 2010	Q2 2010	Q1 2010	Q4(2) 2009
Gold revenue ($ in thousands)	50,459	54,498	53,501	47,013	40,191	23,266	17,051	3,544
Gold sold (ounces)	29,672	36,030	38,754	34,039	32,300	19,319	15,447	3,211
Average realized gold price ($/ ounce)	1,701	1,513	1,381	1,381	1,244	1,204	1,104	1,104
Gold produced (ounces)	34,303	36,760	34,733	36,824	30,675	24,924	16,265	3,577
Cash operating costs ($/ ounce gold)	529	507	531	535	517	648	772	1,115
Total cash costs ($/ ounce gold)	620	586	610	609	581	709	831	1,193
Net income (loss) & comprehensive income (loss) for the period ($ in thousands)	9,036	15,016	11,411	6,240	28,056	(8,057)	(4,305)	(17,254)
Earnings (loss) per share – basic ($)	0.03	0.05	0.03	0.02	0.09	(0.03)	(0.01)	(0.06)
Cash flows from operating activities ($ in thousands) – before changes in non-cash working capital	19,971	28,833	24,765	21,947	13,545	1,069	176	(743)

(2) Information for the fourth quarter of 2010 and 2009 is presented in the above table in accordance with Canadian GAAP and has not been restated in accordance with IFRS.

The positive increase in the quarterly results for 2011 and 2010 reflect higher gold production due to the commencement of commercial production at the Libertad Mine on February 1, 2010 and higher realized gold prices.

OUTLOOK

With another strong period of performance in the third quarter and positive results, B2Gold is well positioned to continue our growth through the exploration and development of our existing projects and pursuing accretive acquisitions.

Operations

Through the fourth quarter and beyond the Company’s operational team will continue to optimize production at La Libertad and Limon Mines in Nicaragua. We remain on track for our projected production of 135,000 ounces to 145,000 ounces of gold in 2011 with operating cash costs of approximately $540 to $560 per ounce.

Jabali Zone, La Libertad Mine

The 2011 Jabali development budget of $15.2 million is being used to fund engineering, environmental and permitting, haul roads and mobile mining equipment. The Jabali Zone is located approximately 10 km from La Libertad mill. The Company expects to be in a position to start hauling colluvium material late in the fourth quarter of 2011 with actual hard rock mining commencing mid to late 2012. The Jabali resource is 3.55 million tonnes at a gold grade of 4.58 g/t containing 522,000 ounces of gold. The new resource at Jabali will significantly increase Libertad’s seven year mine life and also deliver higher grade ore to the mill which will result in higher annual gold production and lower operating costs per ounce produced.

Based on the successful exploration drilling results to date on the Jabali Zone, the 2011 exploration budget for La Libertad property has been increased to $8.75 million to further explore the 20 km long gold belt and to drill the Jabali deposit to indicated resource status. The Company recently announced further positive drilling results increasing the size of the Jabali Zones.

Drilling at Jabali is focusing on the completion of the Central Zone indicated resource, Jabali Antenna indicated resource and continued exploration drilling. Further exploration drill results will be released later this year.

Gramalote Property, Colombia *(B2Gold 49% / AngloGold 51%)*

Drilling and prefeasibility work is well underway on the Gramalote Project in Colombia, with joint venture partner and project manager AngloGold. The Gramalote property is located 80 km northeast of Medellin in central Colombia.

Highlights from the 2011 prefeasibility and exploration work include positive metallurgical test results showing in excess of 90% recovery, encouraging drill results from the outside targets indicate the potential to increase gold resources and infill drilling on the Gramalote Ridge have returned consistent gold grades. In addition, exploration drill results indicate the Gramalote Ride Zone remains open.

B2Gold and AngloGold are completing a 2011 prefeasibility and exploration budget of $37.6 million. This budget includes 29,000 metres of diamond drilling to explore additional targets on the property, infill drilling of the Gramalote deposit, drilling for metallurgical test samples and conducting engineering and environmental studies. Each joint venture partner is funding their share of expenditures pro rata. The two companies plan to continue exploration and conduct prefeasibility work for the remainder of 2011 and into 2012, with a goal of completing a prefeasibility study by June 2012 and a final feasibility study by October 2013.

B2Gold / Auryx Gold Corp. (“Auryx”) Business Combination

On October 11, 2011, the Company and Auryx announced that they have signed a binding agreement (the "B2Gold Transaction") to combine the two companies at the agreed exchange ratio of 0.23 B2Gold shares plus a cash payment of $0.001 per Auryx common share. Based on the 20 day volume weighted average share price of B2Gold of Cdn$3.81 per share, the transaction was valued at a total equity value of approximately Cdn$160 million based on the fully-diluted in-the-money shares outstanding of Auryx.

The combination of B2Gold and Auryx would result in a merged entity holding a 92% interest in the Otjikoto gold project in Namibia, Africa and a 100% interest in two additional exploration projects in Namibia. The Otjikoto gold project has forecast average annual production of over 100,000 ounces of gold over a ten year life of mine based on a Preliminary Economic Assessment released by Auryx in September 2011. Auryx's Otjikoto project hosts a National Instrument ("NI") 43-101 compliant indicated resource of 25 million tonnes grading 1.44 g/t gold for 1.2 million ounces of gold. Otjikoto also hosts a NI 43-101 compliant inferred resource of 16 million tonnes grading 1.31 g/t gold for 0.7 million ounces of gold.

The Auryx Board of Directors has approved the B2Gold Transaction and unanimously recommended that Auryx shareholders vote in favour of the B2Gold Transaction. The B2Gold Board of Directors has also unanimously approved the B2Gold Transaction.

Upon completion of the B2Gold Transaction, B2Gold will have approximately 381.9 million common shares issued and outstanding, with former Auryx shareholders holding approximately 13.5% of the fully-diluted in the- money shares outstanding of the combined company.

The B2Gold Transaction is subject to, among other things, the receipt of all necessary regulatory and court approvals, receipt of all necessary consents from the government of Namibia, and obtaining shareholder approval of the B2Gold Transaction at meeting of the Auryx shareholders to be held no later than December 21, 2011. Closing of the B2Gold Transaction is set to occur by no later than December 31, 2011.

Exploration Update

In addition to exploration at La Libertad and Limon properties and the Gramalote project, exploration is ongoing on the Trebol property in Nicaragua and the Cebollati project in Uruguay.

The Company has recently announced positive drilling and trenching results from exploration activities on the Trebol property. Drill results indicate numerous good grade gold bearing zones and trenching results have discovered a new zone to the east. Trenching and soil sampling is continuing and further drilling is scheduled to recommence in January 2012. The potential is for flat lying near surface deposits with low strip ratios and high grade feeder zones.

On the Cebollati property, recently announced positive drill results has confirmed the presence of significant gold bearing zones. B2Gold's management believes the Cebollati property has the potential to host multiple zones of potentially economic gold mineralization. Surface sampling, trenching and drilling is ongoing.

In total, B2Gold's combined 2011 exploration and pre-feasibility budgets total approximately $39 million and will fund approximately 84,000 metres of diamond drilling. Further exploration results will be released as they become available.

Financial

Our strong operational performance and solid gold prices enabled B2Gold to finish the third quarter of 2011 and with over $73 million in the treasury. The Company has no debt and no gold hedging.

Looking forward based on current gold prices we estimate that the Company's two operating mines should generate sufficient cash to fund our planned capital programs, exploration and general and administrative expenses and at the same time leave the Company in a strong cash position at the end of 2011.

Conclusion

In conclusion, given our proven technical team; strong operational and financial performance; and high quality development and exploration projects, B2Gold is well positioned to continue our growth as an intermediate gold producer from existing assets and potential acquisitions. With our strong cash position and impressive cash from operations, we can continue to advance all of our planned projects in 2011 without requiring further funding, and end the year in a strong financial position.

OUTSTANDING SHARE DATA

At November 9, 2011 there were 344,814,341 common shares outstanding. In addition, there were approximately 12.2 million stock options outstanding with exercise prices ranging between Cdn.$0.80 to Cdn.$3.45 per share. More information is disclosed in Note 6 of the Company's September 30, 2011 interim financial statements.

CAUTION ON FORWARD-LOOKING INFORMATION

This Management's Discussion and Analysis contains forward-looking statements within the meaning of applicable securities laws, which reflect management's expectations regarding the Company's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Wherever possible, words such as "plans", "expects" or "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this Management's Discussion and Analysis reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, the Company cannot be certain that actual results will be consistent with these forward-looking statements. A number of factors could cause actual results, performance, or achievements to differ materially from the results expressed or implied in the forward-looking statements including those listed in the "Risk Factors" section of this management's discussion and analysis. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause the Company's actual results, performance, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. Although the Company has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, shareholders should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this Management's Discussion and Analysis and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

Additional information on the Company, including its Annual Information Form is available under the Company's profile on SEDAR at www.sedar.com.