

CGA Mining Limited
Level 5, BGC Centre
28 The Esplanade
Perth Western Australia 6000

Tel: +61 8 9263 4000
Fax: +61 8 9263 4020
Email: info@cgamining.com
www.cgamining.com

ABN: 88 009 153 128



INDEPENDENT EXPERT CONCLUDES THE SCHEME IS IN THE BEST INTERESTS OF CGA SHAREHOLDERS AND COURT ORDERS THE CONVENING OF THE SCHEME MEETING

ANNOUNCEMENT TO THE TORONTO STOCK EXCHANGE AND AUSTRALIAN SECURITIES EXCHANGE

23 NOVEMBER 2012

On 19 September 2012, CGA Mining Limited (**CGA**) and B2Gold Corp. (**B2Gold**) announced their intention to merge by way of a scheme of arrangement (**Scheme**).

The Supreme Court of Western Australia has today approved the issue of the Scheme Booklet and ordered the convening of a meeting of the shareholders of CGA to consider the Scheme (**Scheme Meeting**). The Scheme Meeting will be held at 10.00am (WST) on 24 December 2012 on the ground floor of The BGC Centre, 28 The Esplanade, Perth, Western Australia.

A copy of the Scheme Booklet, which includes the notice of Scheme Meeting, is attached to this announcement and will be dispatched to CGA shareholders no later than 25 November 2012. A copy of the Scheme Booklet is also available on CGA's website, www.cgamining.com.

CGA shareholders should carefully read the Scheme Booklet in its entirety.

Directors' Recommendations

The Board of CGA unanimously recommends that all CGA shareholders vote in favour of the Scheme in the absence of a superior proposal.

Independent Expert Report

The Independent Expert, BDO Corporate Finance (WA) Pty Ltd, has concluded that the Scheme is fair and reasonable to CGA shareholders and is therefore in their best interests and recommends that CGA shareholders vote in favour of the Scheme in the absence of a superior proposal. The Independent Expert's report is contained in Annexure A of the Scheme Booklet.

Timetable*

The indicative timetable for the next steps in relation to the Scheme Meeting is as follows.

Date and time	Event
10.00am, 22 December 2012	Time for determining eligibility to vote at the Scheme Meeting
10.00am, 22 December 2012	Latest time and date for lodgement of completed proxy form for the Scheme Meeting
10.00am, 24 December 2012	Time and date of the Scheme Meeting

* All stated dates and times are the times in Perth, Western Australia unless otherwise indicated and are indicative only. The actual timetable will depend on many factors outside the control of CGA, including the Court approval process and the satisfaction or waiver of the conditions precedent to the completion of the Scheme by each of CGA and B2Gold.

Enquiries

If you have any questions in relation to the Scheme or the Scheme Meeting, please contact the CGA Shareholder Information Line:

- in North America by telephone 1-888-605-7616 (toll free);
- international callers by telephone +61 3 9415 4371;
- in Australia by telephone 1300-628-472 (toll free); or
- by email at askus@georgeson.com,

or consult your legal, investment, taxation, financial or other professional advisor.

ABOUT CGA MINING LIMITED

CGA is listed on the Toronto Stock Exchange and ASX. The Masbate Gold Project in the Philippines was successfully constructed with first gold poured mid-2009. The project has a total measured and indicated resource base of 5.13M ounces of gold, total inferred resource base of 2.83M ounces of gold and a proven and probable reserve of 3.097M ounces of gold.

The 4Mtpa designed plant was constructed by Leighton Contractors Asia Limited ("Leighton") without any lost time injury. The mining contract for the Masbate Gold Project has been awarded to Leighton, the largest mining contractor in the world. CGA has completed a US\$12M investment program designed to upsize throughput to 6.5Mtpa at Masbate. The project is forecast to produce at a rate of over 200,000 ounces per annum (Year ended 30 June 2011: 190,033 ounces).

CGA has an aggressive exploration strategy. It is planned to undertake 100,000m of drilling as part of US\$20M expenditure over the next twelve months.

CGA has a disciplined acquisition program focused on acquiring new gold projects with a substantial initial resource with the capacity to grow materially and where the development and operational experience of CGA can be applied to enhance shareholder value.

ENQUIRIES

Australian Contact

President & CEO – Michael Carrick

Tel: +61 8 9263 4000
Fax: +61 8 9263 4020
Email: mcarrick@cgamining.com

US Contact

Independent Chairman – Mark Savage

Tel: +1 505 344 2822
Fax: +1 505 344 2922
Email: marksavage@comcast.net

NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR RELEASE TO US NEWS WIRE SERVICES

NATIONAL INSTRUMENT 43-101 AND JORC COMPLIANCE

Mr Mark Turner, BE Min(Hons), M.Aus.I.M.M.CP Man, CGA's Chief Operating Officer, is acting as the Qualified Person in compliance with NI 43-101 and JORC reporting requirements with respect to this announcement. He has prepared and or supervised the preparation of the scientific or technical information in this announcement and confirms compliance with NI 43-101 and JORC requirements.

The information in this news release that relates to the 2011 mineral resource estimate is based on information compiled by Mr. Andrew Vigar, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Vigar is a full time employee of Mining Associates Limited. Verification of the data included site visit, database validation of historical drill results and review of sampling and assaying protocols. Mr. Vigar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") and as a Qualified Person NI 43-101. Mr. Vigar consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this news release that relates to the 2011 mineral reserve estimate is based on information compiled by Mr. Stephen Jones, who is a Fellow of the Australasian Institute of Mining and Metallurgy. At the time of undertaking the mineral reserve estimate Mr. Jones was an employee of Golder Associates Pty Ltd. Verification of the data included a site visit, validation of operating procedures and equipment and the ability of the mine site to mine the reserves. Mr. Jones has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined by the JORC Code and as a Qualified Person under NI 43-101. Mr. Jones consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This announcement includes certain "forward-looking statements" within the meaning of Canadian securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding the proposed meeting date, statements regarding milestones related to the Masbate Gold Project, production estimates and CGA's future operating or financial performance, are forward-looking statements. Forward-looking statements involve various risks and uncertainties and are based on certain factors and assumptions. 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. Important factors that could cause actual results to differ materially from CGA's expectations include uncertainties related to fluctuations in gold and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates

and estimated economic return; the need for cooperation of government agencies in the development of CGA's mineral projects; the need to obtain additional financing to develop CGA's mineral projects; the possibility of delay in development programs or in construction projects and uncertainty of meeting anticipated program milestones for CGA's mineral projects; and other risks and uncertainties disclosed under the heading "Risk Factors" in CGA's Annual Information Form and in the Scheme Booklet for the year ended 30 June 2012 filed with the Canadian securities regulatory authorities on the SEDAR website at sedar.com.

Part 1 of Scheme Booklet

Questions and further assistance

If you have any questions about the information contained in this Scheme Booklet or require assistance in completing your proxy form, please contact CGA's Proxy Solicitation Agent at:



North American Shareholders

North American Toll Free Number: 1-888-605-7616

Email: askus@georgeson.com

Australian Shareholders

Australian Toll Free Number: 1300-628-472

For international callers: +61 3 9415 4371

Scheme Booklet for a scheme of arrangement implementing the proposed merger between CGA Mining Limited and B2Gold Corp. The Notice of Scheme Meeting is set out in Annexure H to this Scheme Booklet.

Your Directors unanimously recommend that, in the absence of a Superior Offer, you vote in favour of the Scheme.

This is Part 1 of the Scheme Booklet and you should make sure that you also receive and read Part 2 which accompanies this booklet. This document is important and requires your immediate attention. You should read Part 1 and Part 2 of this document before you decide whether to vote in favour of the Scheme. If you are in doubt as to what you should do, you should consult your legal, investment, taxation or other professional advisor.

Financial Advisors to CGA

BMO Capital Markets



Haywood Securities Inc.



Canadian Legal Advisor to CGA

Blake, Cassels & Graydon LLP



Australian Legal Advisor to CGA

Middletons



CONTENTS OF PART 1 AND PART 2

Part 1

Important notices	1
Letter from the Chairman of CGA	5
Letter from the President of B2Gold	7
Important dates and times for the Scheme	9
1 Summary of the Transaction	10
1.1 Introduction	10
1.2 What you will receive	10
1.3 Directors' recommendations	11
1.4 Independent Expert	11
1.5 An introduction to B2Gold	11
1.6 Implementation, timetable and procedures	11
1.7 Conditions to the Scheme	11
1.8 Scheme Meeting	11
1.9 Voting thresholds	12
1.10 Tax implications	12
1.11 What to do next	12
2 Reasons to vote in favour of or against the Scheme	13
2.1 Reasons to vote in favour of the Scheme	13
2.2 Reasons to vote against the Scheme	17
3 Frequently Asked Questions	21
4 Meeting and voting information	32
4.1 Scheme Meeting	32
4.2 Court and ASIC approval	33
4.3 Entitlement and ability to vote at the Scheme Meeting	33
4.4 CGA Shareholders - Voting at the Scheme Meeting	33
4.5 Voting by Canadian Beneficial Holders	35
4.6 Notice Record Date and Voting Record Date	36
4.7 Shareholder information line	37
4.8 Further information	37
5 Key considerations	38
5.1 Background	38
5.2 What you will receive under the Scheme	38
5.3 Competing Proposals	41
5.4 Directors' recommendation	41
5.5 Reasons to vote in favour of the Scheme	42
5.6 Possible disadvantages of the Scheme	44
5.7 Other relevant considerations	46
5.8 What are your options and what should you do?	48

6	Information about CGA	49
6.1	General	49
6.2	Organisation	49
6.3	Management structure	51
6.4	Masbate Project	51
6.5	Legal proceedings	54
6.6	Financial information	55
6.7	CGA's issued securities	59
6.8	Employee Option Scheme	59
6.9	Directors' Options	60
6.10	CGA Options	60
6.11	Further information	61
7	Information about B2Gold and the Merged Entity	62
7.1	Profile of B2Gold	62
7.2	Information about the merger of B2Gold and CGA	97
7.3	B2Gold financial information	103
7.4	Information about B2Gold's Shares	110
7.5	B2Gold reporting	116
8	Taxation considerations	117
8.1	Australian taxation considerations	117
8.2	Canadian taxation considerations	119
8.3	United States taxation considerations	125
9	Risk factors	130
9.1	Introduction	130
9.2	B2Gold risk factors	130
9.3	CGA risk factors	138
9.4	Scheme risk factors	144
10	Additional information	145
10.1	Merger Implementation Agreement	145
10.2	Conditions to the Transaction	145
10.3	Conditions to Transaction that have already been satisfied or waived	146
10.4	Exclusivity arrangements	146
10.5	Deed Poll	147
10.6	Scheme Meeting	147
10.7	Court approval of the Scheme	148
10.8	Canadian securities laws	148
10.9	Collateral benefits - Canadian disclosure requirements	149
10.10	US securities laws	151
10.11	Actions by CGA and B2Gold	152
10.12	Effective Date	153

10.13	De-listing of CGA	153
10.14	Termination of the Merger Implementation Agreement	153
10.15	CGA Reimbursement Fee Amount	155
10.16	Interests of Directors	156
10.17	Intentions of B2Gold after the Implementation Date	156
10.18	Relevant interests of B2Gold in CGA securities	157
10.19	Dealings in CGA securities	157
10.20	Material change in financial position of CGA	157
10.21	Lodgement of this Scheme Booklet	157
10.22	No unacceptable circumstances	157
10.23	Creditors of CGA	157
10.24	Interest of informed persons in material transactions	157
10.25	Interests of B2Gold Directors, advisors, experts and others	158
10.26	Consents	159
10.27	Information relating to Ore Reserves and Mineral Resources	161
10.28	Regulatory conditions and relief	162
10.29	Other material information	162
11	Glossary	163

Part 2

Important notices	1
Annexure A: Independent Expert's Report	2
Annexure B: Investigating Accountant's Report	120
Annexure C: Independent Technical Specialist's Report	126
Annexure D: Summary of Merger Implementation Agreement	199
Annexure E: Comparison of Australian and Canadian legal regimes	205
Annexure F: Scheme	234
Annexure G: Deed Poll	241
Annexure H: Notice of Scheme Meeting	246
Annexure I: Consent of PricewaterhouseCoopers LLP	247
Corporate Directory	248

Important notices

Date of this Scheme Booklet

This Scheme Booklet is dated 23 November 2012.

Defined terms and interpretation

Capitalised terms used in this Scheme Booklet are either defined in brackets when first used or are defined in the Glossary in **Section 11**. The Glossary also sets out some rules of interpretation which apply to this Scheme Booklet.

References to Scheme Booklet, Sections and Annexures

References to **Sections** and **Annexures** are to the named **Sections** and **Annexures** in this Scheme Booklet and except where otherwise expressly provided, references to this Scheme Booklet mean Part 1 and Part 2 of this scheme booklet that includes **Annexures A to I**.

Explanatory statement

This Scheme Booklet includes the explanatory statement for the Scheme required by Section 412(1) of Part 5.1 of the Corporations Act. The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which it will be implemented (if approved) and to provide information material to your decision whether to vote in favour of the Scheme.

Read this document

This Scheme Booklet is important. You should carefully read this Scheme Booklet before making a decision about how to vote on the Scheme Resolution to be considered at the Scheme Meeting.

No investment advice

The information contained in this Scheme Booklet does not constitute financial product advice and has been prepared without reference to individual investment objectives, financial situation, taxation position or particular needs. It is important that you read this Scheme Booklet before making any decision, including a decision on whether or not to vote in favour of the Scheme. If you are in doubt as to what you should do, you should consult your legal, investment, taxation or other professional advisor.

CGA Shareholders should consult their taxation advisor as to the applicable tax consequences of the Transaction. A summary of the Australian, Canadian and United States taxation considerations is set out in **Section 8**.

Responsibility for information

The CGA Information has been prepared by CGA and is the responsibility of CGA. B2Gold is not responsible for any information contained in this Scheme Booklet other than the B2Gold Information.

The B2Gold Information has been prepared by B2Gold and is the responsibility of B2Gold. CGA is not responsible for any B2Gold Information contained in the Scheme Booklet.

BDO has prepared, and is responsible for, the Independent Expert's Report contained in **Annexure A** in Part 2 of this Scheme Booklet. None of CGA, B2Gold, the Significant Interest Companies, their respective Related Entities or the directors, officers, employees or advisors of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Expert's Report.

PricewaterhouseCoopers Securities Ltd has prepared, and is responsible for, the Investigating Accountant's Report contained in **Annexure B** in Part 2 of this Scheme Booklet. None of CGA, B2Gold, the Significant Interest Companies, their respective Related Entities or the directors, officers, employees or advisors of any of those entities assumes any responsibility for the accuracy or completeness of the Investigating Accountant's Report.

Behre Dolbear has prepared, and is responsible for, the Independent Technical Specialist's Report contained in **Annexure C** in Part 2 of this Scheme Booklet. None of CGA, B2Gold, the Significant Interest Companies, their respective Related Entities or the directors, officers, employees or advisors of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Technical Specialist's Report.

Role of ASIC, ASX, TSX and the Court

A copy of this Scheme Booklet has been given to ASIC in accordance with Section 411(2) of the Corporations Act. ASIC has been requested to provide a statement, in accordance with Section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides the statement, then it will be produced to the Court at the time of the Second Court Date. Neither ASIC nor any of its officers take any responsibility for the accuracy or completeness of this Scheme Booklet.

A copy of this Scheme Booklet has been lodged with ASX. Neither ASX, nor any of its officers take any responsibility for the accuracy or completeness of this Scheme Booklet.

A copy of this Scheme Booklet has been filed with TSX and on SEDAR and with applicable Canadian securities regulatory authorities. The Scheme has not been approved or disapproved by TSX or any Canadian securities regulatory authority, nor has TSX or any Canadian securities regulatory authority passed on the fairness or merits of the Scheme or upon the accuracy or adequacy of the information contained in this Scheme Booklet and any representation to the contrary is unlawful. Neither TSX nor any of its officers take any responsibility for the accuracy or completeness of this Scheme Booklet.

Important notice associated with the Court order under Section 411(1) of the Corporations Act

A copy of this Scheme Booklet has been submitted to the Court to obtain an order of the Court approving the convening of the Notice of Scheme Meeting.

The fact that under Section 411(1) of the Corporations Act the Court has ordered that a meeting be convened and has approved the explanatory statement required to accompany the Notice of the Meeting does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme or as to how you should vote (on this matter, you must reach your own decision); or
- (b) has prepared, or is responsible for the content of, the explanatory statement.

Notice to CGA Shareholders in Ineligible Jurisdictions

This Scheme Booklet complies with Australian and Canadian disclosure requirements, and Australian and Canadian accounting standards. These disclosure requirements and accounting standards may be different to those in other countries.

Restrictions in the Ineligible Jurisdictions may make it impractical or unlawful for New B2Gold Shares to be issued under the Scheme to, or received under the Scheme by, CGA Shareholders in those jurisdictions. CGA Shareholders recorded on the Register as having an address within an Ineligible Jurisdiction should refer to **Section 5.2(b)** for more information.

This Scheme Booklet and the Scheme do not constitute an offer of securities in any place in which, or to any person whom, it would not be lawful to make such an offer.

Notice to CGA Shareholders in the United States

The solicitation of proxies made pursuant to this Scheme Booklet is not subject to the requirements of Section 14(a) of the US Exchange Act. Accordingly, this Scheme Booklet has been prepared in accordance with disclosure requirements applicable in Australia and Canada. CGA Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the US Securities Act and to proxy statements under the US Exchange Act.

The financial information relating to CGA included or incorporated by reference in this Scheme Booklet has been prepared in accordance with IFRS and is subject to Australian auditing and auditor independence standards and thus may not be comparable to financial statements of United States companies.

The financial information including pro-forma financial information relating to B2Gold included or incorporated by reference in this Scheme Booklet has been prepared in accordance with IFRS and is subject to Canadian auditing and auditor independence standards and thus may not be comparable to financial statements of United States companies.

CGA Shareholders who are resident in, or citizens of, the United States are advised to review the summary under *"United States tax considerations"* in **Section 8.3** and to consult their own tax advisors to determine the particular United States tax consequences to them of the Scheme in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction.

Exemption from United States registration requirements

The New B2Gold Shares to be issued under the Scheme have not been and will not be registered under the US Securities Act or applicable state securities laws.

B2Gold and CGA intend to rely on an exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof in connection with the implementation of the Scheme and the issue of New B2Gold Shares and intend to rely on exemptions from registration under applicable state securities laws. Approval of the Scheme by the Court will be relied upon by B2Gold and CGA and will constitute the basis for the New B2Gold Shares to be issued without registration under the US Securities Act in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10).

THIS SCHEME BOOKLET HAS NOT BEEN PREPARED IN ACCORDANCE WITH UNITED STATES SECURITIES LAWS AND REGULATIONS AND NONE OF THE SEC, ANY US STATE SECURITIES COMMISSION OR ANY OTHER US REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE SECURITIES ISSUABLE IN CONNECTION WITH THE SCHEME NOR HAVE ANY OF THEM PASSED UPON OR ENDORSED THE MERITS OF THE SCHEME OR THE ACCURACY, ADEQUACY OR COMPLETENESS OF THIS SCHEME BOOKLET. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that CGA and B2Gold are incorporated or organised outside the United States, that some or all of their respective officers and directors and the experts named in this Scheme Booklet are residents of a foreign country, and that all or a substantial portion of the assets of CGA and B2Gold and said persons are located outside the United States. As a result, it may be difficult or impossible for United States Shareholders to effect service of process within the United States upon CGA or B2Gold, their respective officers or directors or the experts named in this Scheme Booklet, or to realise against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. In addition, United States Shareholders should not assume that the courts of Canada or Australia: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. See **Section 10.10** for further information.

Forward looking statements

Certain statements in this Scheme Booklet are about future matters, including forward looking statements and information within the meaning of US securities legislation and the US Private Securities Litigation Reform Act of 1995. These forward looking statements and information, including statements and information relating to the Merged Entity and the transactions contemplated by the Merger Implementation Agreement, are not based solely on historical facts, but rather reflect the current expectations of CGA or, in relation to the B2Gold Information, B2Gold, concerning future results and events. These statements may sometimes be identified by the use of forward looking words or phrases such as if, when, believe, aim, will, expect, anticipate, intend, foresee, likely, should, could, plan, may, estimate, budget, forecast, envisage, target, potential or other similar words or phrases. Similarly, statements that describe CGA's or B2Gold's objectives, plans, goals or expectations, estimates of Mineral Reserves and Mineral Resources, and future costs are or may be forward-looking statements.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances or achievements of CGA, B2Gold or the Merged Entity to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which CGA, B2Gold and the Merged Entity will operate in the future, including the price of gold, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward looking statements include, among others, gold price volatility, discrepancies between actual and estimated production Mineral Reserves and Mineral Resources and metallurgical recoveries, mining operational and development risk, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), currency fluctuations, the speculative nature of gold exploration, the global economic climate, dilution, share price volatility, competition, loss of key employees, additional funding requirements and defective title to mineral claims or property. See **Section 9** for a discussion of potential risk factors underlying, and other information relevant to, the forward looking statements and information. Forward looking statements and information should, therefore, be construed in light of such risk factors and undue reliance should not be placed on them.

You should note that the historical performance of CGA and B2Gold is no assurance of their or the Merged Entity's future financial performance. Neither CGA, B2Gold and their respective directors, nor any other person, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements and information in this Scheme Booklet will actually occur.

The forward looking statements and information in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Subject to any continuing obligations under law, CGA, B2Gold and their respective directors disclaim any obligation or undertaking to disseminate after the date of this Scheme Booklet any updates or revisions to any forward looking statements and information to reflect any change in expectations in relation to them or any change in the events, conditions or circumstances on which they are based.

Mineral Reserves and Mineral Resources

B2Gold's and CGA's disclosure of Mineral Reserve and Mineral Resource information is governed by NI 43-101 and CIM Standards. CGA's disclosure of Mineral Reserve and Mineral Resource information to ASX is based on the reporting requirements of the JORC Code.

With the exception of slight differences in the terminology used (as outlined in Table 1.1 of the Independent Technical Specialist's Report set out in **Annexure C** in Part 2 of this Scheme Booklet), the Independent Technical Specialist would not expect that statements of Mineral Resources and Mineral Reserves prepared in accordance with the CIM definitions applicable under NI 43-101 would be materially different if prepared in accordance with the JORC Code. The Independent Technical Specialist has not made independent review of the B2Gold Mineral Reserve and Mineral Resource information.

There can be no assurance that those portions of such Mineral Resources that are not Mineral Reserves will ultimately be converted into Mineral Reserves. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

Cautionary note to US Shareholders concerning estimates of Mineral Reserves and Mineral Resources

This Scheme Booklet uses the terms "Probable Mineral Reserve", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource". US Shareholders are advised that while such terms are recognised and required by Canadian and Australian standards or regulations, the SEC does not recognise them. In particular, and without limiting the generality of this cautionary note, the term "Mineral Resource" does not equate to the term "Mineral Reserve". This Scheme Booklet also uses the terms "Probable Mineral Reserves" and "Proven Mineral Reserves" as such terms are used under NI 43-101, CIM Standards and the JORC Code, which standards differ from the standards that apply under SEC Industry Guide 7. Under US standards, mineralisation may not be classified as a "Mineral Reserve" unless the determination has been made that the mineralisation could be economically and legally produced or extracted at the time the reserve determination is made. As such, certain information contained in this Scheme Booklet concerning descriptions of mineralisation, resources and reserves under NI 43-101, CIM Standards and the JORC Code are not comparable to disclosures made by US reporting companies. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of a Probable Mineral Reserve, Measured Mineral Resource, Indicated Mineral Resource or an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian and Australian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **United States investors are cautioned not to assume that all or any part of Measured, Indicated or Inferred Mineral Resources will ever be converted into Mineral Reserves or that Mineral Reserves disclosed herein would comprise Mineral Reserves under United States standards. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.**

Disclosure of “contained ounces” is permitted disclosure under Canadian and Australian regulations; however, the SEC normally only permits issuers to report mineralisation that does not constitute reserve as in place tonnage and grade without reference to unit measures.

Notice to New Hampshire Residents

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955, AS AMENDED, OR “RSA,” WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet, including but not limited to those in respect of the Scheme Consideration, are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet, and any discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

Currency

All references in this Scheme Booklet to:

- “A\$”, “AUD”, “Australian dollars” and “cents” are to Australian currency;
- “C\$”, “CAD” and “Canadian dollars” and “cents” are to Canadian currency; and
- “US\$”, “USD” and “US dollars” and “cents” are to United States currency.

Privacy and personal information

CGA and B2Gold will need to collect personal information to implement the Transaction. The personal information may include the names, contact details and details of shareholdings of CGA Shareholders together with contact details of individuals appointed by CGA Shareholders as proxies, body corporate representatives or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

CGA Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and may contact the Australian Registrar or Canadian Registrar if they wish to exercise those rights.

The information may be disclosed to print and mail service providers, and to CGA and B2Gold and their respective advisors and agents to the extent necessary to effect the Scheme. If the information outlined above is not collected, CGA may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Transaction effectively, or at all.

CGA Shareholders who appoint an individual as their proxy, body corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

Persons are entitled, under Section 173 of the Corporations Act, to inspect and copy the Register. The Register contains personal information about CGA Shareholders.

IF YOU HAVE ANY QUESTIONS IN RELATION TO THE TRANSACTION, SCHEME OR THE SCHEME MEETING PLEASE CONTACT THE CGA SHAREHOLDER INFORMATION LINE:

- (i) IN NORTH AMERICA BY TELEPHONE 1-888-605-7616 (Toll Free);
- (ii) INTERNATIONAL CALLERS BY TELEPHONE +61 3 9415 4371;
- (iii) IN AUSTRALIA BY TELEPHONE 1300-628-472 (TOLL FREE); OR
- (iv) BY EMAIL AT askus@georgeson.com;

OR CONSULT YOUR LEGAL, INVESTMENT, TAXATION OR OTHER PROFESSIONAL ADVISOR.

A COPY OF THIS SCHEME BOOKLET CAN BE FOUND ON CGA'S WEBSITE AT WWW.CGAMINING.COM, UNDER CGA'S PROFILE ON SEDAR AT WWW.SEDAR.COM AND ASX AT WWW.ASX.COM.AU.

Letter from the Chairman of CGA

CGA Mining Limited
Level 5, BGC Centre
28 The Esplanade
Perth Western Australia 6000

Tel: +61 8 9263 4000

Fax: +61 8 9263 4020



Dear CGA Shareholder,

On 19 September 2012, CGA Mining Limited (**CGA**) announced an agreement under which B2Gold Corp. (**B2Gold**) will acquire, through a scheme of arrangement under Australian law, all of the issued shares of CGA. In this context, I am pleased to provide you with this Scheme Booklet for the proposed merger of CGA and B2Gold.

Since acquiring an interest in the Masbate Project in 2007, CGA has grown from a small gold exploration company, to a high-quality producing gold company with a market capitalisation of more than C\$854 million as of 17 September 2012. During this time, the Directors of CGA have remained committed to advancing the Masbate Project and to delivering exceptional value to our Shareholders. We see the merger with B2Gold as the next exciting step of this strategy.

Under the Scheme, B2Gold will acquire all of the outstanding CGA Shares on the basis of 0.74 New B2Gold Shares for each CGA Share. CGA Shareholders resident in an Ineligible Jurisdiction will not receive New B2Gold Shares but will receive the net proceeds of disposition of such New B2Gold Shares by the CGA Nominee to which the New B2Gold Shares will be issued. New B2Gold Shares issuable to Electing Small Scheme Participants (CGA Shareholders resident in Australia who would receive 1,000 or less New B2Gold Shares and who elect to have such New B2Gold Shares sold) will be issued to and sold by the B2Gold Nominee with the net proceeds of such sales being paid to those Electing Small Scheme Participants.

Your Directors believe that the Transaction is in the best interests of the CGA Shareholders and unanimously recommend that, in the absence of a Superior Offer, you vote in favour of the Scheme. Each of the Directors intends to vote on all CGA Shares held by them in favour of the Scheme, in the absence of a Superior Offer.

CGA has engaged the Independent Expert to review the terms of the Scheme. The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of the CGA Shareholders.

By receiving B2Gold Shares as Scheme Consideration, you will have the opportunity to participate in the benefits that an investment in the Merged Entity offers, including:

- rapidly expanding production profile – total estimated production of approximately 385,000 ounces of gold in 2013 from three operating mines, with projected growth to over 700,000 ounces of gold from five operating mines, assuming successful completion of the Otjikoto and Gramalote projects;
- geographic diversification of operations – core operating centers in Nicaragua and the Philippines and development assets in Namibia and Colombia, serving to mitigate collective operational and geopolitical risk;
- experienced management team - proven combined management and technical personnel with extensive exploration, mine development, operating and financial expertise;
- enhanced financial capacity - the Merged Entity should have cash and cash equivalents of approximately C\$130 million which, in addition to continued strong cash flow from operations and good access to debt capital markets, will allow the Merged Entity substantial flexibility for future development;

- Mineral Reserve and Mineral Resource base of the Merged Entity – Proven Mineral Reserves and Probable Mineral Reserves of 3.9 million ounces, Measured Mineral Resources and Indicated Mineral Resources of 9.6 million ounces and Inferred Mineral Resources of 4.7 million ounces; and
- increased liquidity, as demonstrated by the fact that 247 million CGA Shares (74% of CGA Shares listed on the registry maintained by the Canadian Registrar) have been traded since the Announcement Date across all Canadian exchanges.

The Directors of CGA believe that these benefits significantly outweigh the potential disadvantages of the Scheme which are outlined in **section 2.2**.

Your vote is important and we encourage you to vote at the Scheme Meeting. You have two methods of voting on the Scheme, either by attending the Scheme Meeting scheduled to be held on 24 December 2012 or by completing and returning the enclosed proxy form and/or the enclosed Voting Instruction Form.

I am confident that the proposed merger is in the best interests of CGA Shareholders and I would recommend that they vote in favour of the Scheme. As notified in the Notice of Annual General Meeting, I intend to retire from the Board, effective from the date of the Annual General Meeting of shareholders on 28 November 2012. I have been proud to be your Chairman and to oversee the successful development of CGA through to the proposed merger with B2Gold.

You should carefully read this Scheme Booklet in full. If you are unsure as to the action you should take, or the effect of the Scheme on your individual circumstances, we encourage you to consult your legal, investment, taxation or other professional advisor.

If you have any questions in relation to the Transaction, Scheme or the Scheme Meeting, please contact the CGA Shareholder Information Line:

- in North America by telephone 1-888-605-7616 (toll free);
- international callers by telephone +61 3 9415 4371;
- in Australia by telephone 1300-628-472 (toll free); or
- by email at askus@georgeson.com,

or consult your legal, investment, taxation, financial or other professional advisor.

On behalf of the Directors of CGA, I would like to take this opportunity to thank you for your support and for your belief in the success of CGA. Your vote for this Scheme will carry us forward to the next exciting stage for this company.

Yours sincerely,



Mark Savage
Chairman
CGA Mining Limited

Letter from the President of B2Gold



Dear CGA Shareholder,

On behalf of the B2Gold board of directors and management, I am pleased to write to you concerning the opportunity presented by the proposed merger transaction between CGA and B2Gold. The transaction will result in the creation of a global growth-oriented intermediate gold production, development and exploration company.

The merger capitalises on the strengths of both companies: B2Gold's low cost production, robust cash flow generation, its pipeline of excellent growth projects and proven exploration team, and CGA's steady gold production, gold reserves and resources and the exploration potential at its Masbate Project. Complimenting this is the B2Gold management and technical team with its proven history in exploration, mine development and operation, financing and the ability to create significant share value through mergers and acquisitions and exploration success. The intermediate gold producer platform delivered by the merger will form the bedrock of a future growth strategy focused on development, acquisitions and exploration.

Key benefits of the merger include diversification of gold production, with 2013 production expected to reach approximately 385,000 ounces from the Merged Entity's three mines. The Merged Entity will operate the La Libertad and Limon mines in Nicaragua and the Masbate mine in the Philippines, and intends to focus on the development of the new high grade Jabali deposit at La Libertad, the Otjikoto project in Namibia and the Gramalote project in Colombia. Adding these projects to the production portfolio is expected to result in an annual gold production rate of approximately 700,000 ounces, assuming completion of the Otjikoto and Gramalote projects. The Merged Entity's generation of substantial free cash flow will supply significant funding for the development of these projects and will lead to increased financing flexibility and access to capital.

Greater liquidity and market capitalization, combined with increased analyst and broker coverage, are expected to strengthen the capital markets profile of the Merged Entity. In addition, we believe the Merged Entity can benefit from those financial and operating synergies flowing from the transaction.

The Merged Entity will have a strong reserve and resource base, with approximately 3.9 million ounces of mineral reserves, approximately 9.6 million ounces of Measured Mineral Resources and Indicated Mineral Resources, and approximately 4.7 million ounces of Inferred Mineral Resources.

In addition, the Merged Entity will have enhanced financial capacity with cash and cash equivalents of approximately \$130 million which, in addition to continued strong cash flow from operations and good access to debt capital markets, will allow the Merged Entity substantial flexibility for future development.

B2GOLD CORP.

Suite 3100, Three Bentall Centre, 595 Burrard Street, PO Box 49143, Vancouver, British Columbia, Canada V7X 1J1
T. 604.681.8371 F. 604.681.6209 www.b2gold.com

The Transaction is unanimously supported by the B2Gold Directors, and B2Gold founders and executives who will vote their shares in favour of the Transaction at the B2Gold shareholder meeting on 20 December 2012. We encourage you to vote in favour of the merger at the Scheme Meeting being held on 24 December 2012.

B2Gold very much looks forward to the implementation of the merger and to our future relationship with you as a shareholder in our Merged Entity.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'CJ/Johnson', written in a cursive style.

Clive Johnson
President and Chief Executive Officer
B2Gold Corp.

Important dates and times for the Scheme⁽¹⁾

Date for determining CGA Shareholders listed on the registry maintained by the Canadian Registrar that will be provided with the Scheme Booklet and Voting Instruction Form (Notice Record Date)	19 November 2012
Time for determining eligibility to vote at the Scheme Meeting (Voting Record Date)	10.00am, 22 December 2012
Latest time and date for lodgement of completed proxy form for the Scheme Meeting	10.00am, 22 December 2012
Time and date of the Scheme Meeting	10.00am, 24 December 2012
Court hearing for approval of the Scheme	16 January 2013
Effective Date of the Scheme and last day of trading of the CGA Shares on ASX	16 January 2013
Last date of trading of the CGA Shares on TSX	18 January 2013
Record Date for determining entitlements to the Scheme Consideration (Record Date)	23 January 2013
Implementation Date for the Scheme and issue of the Scheme Consideration	31 January 2013
Dispatch of documents of title for the Scheme Consideration ⁽²⁾	7 February 2013

- (1) All stated dates and times are the times in Perth, Western Australia unless otherwise indicated and are indicative only. The actual timetable will depend on many factors outside the control of CGA, including the Court approval process and the satisfaction or waiver of the conditions precedent to the completion of the Scheme by each of CGA and B2Gold. Any changes to the above timetable will be announced to ASX and TSX and will be available under CGA's profile on ASX at www.asx.com.au and on SEDAR at www.sedar.com
- (2) Documents of title in respect of the Scheme Consideration are expected to be sent to holders of CGA Shares (except Ineligible Shareholders and Electing Small Scheme Participants) within 5 Business Days after the Implementation Date.

1. Summary of the Transaction

1.1 Introduction

This summary identifies key features of the Transaction but must be read in conjunction with the additional detailed information for CGA Shareholders set out in this Scheme Booklet. You are urged to read this Scheme Booklet in its entirety.

On 19 September 2012, CGA and B2Gold announced to ASX and TSX that they had entered into the Merger Implementation Agreement under which, subject to the satisfaction or waiver, as applicable, of defined conditions, B2Gold will acquire all of the CGA Shares through a scheme of arrangement in consideration of 0.74 New B2Gold Shares per CGA Share. The Scheme values the equity in CGA at approximately C\$1.1 billion based on the 17 September 2012 closing price of B2Gold Shares on TSX of C\$4.30.

If the Scheme is approved by the Requisite Majority of CGA Shareholders and by the Court, and if all other conditions to the Transaction are satisfied or waived (where applicable), all CGA Shares will be transferred to B2Gold with effect from the Implementation Date and without the need for any further act by the CGA Shareholders (other than acts required to be performed by CGA, its directors or officers, as attorney or agent for the CGA Shareholders). From the Implementation Date, CGA will become a wholly-owned Subsidiary of B2Gold. CGA Shares are expected to be delisted from TSX approximately three Business Days prior to the Record Date and from ASX shortly after the Implementation Date.

It is a condition of the Transaction that each CGA Option holder agrees to cancel their CGA Options with effect from the Implementation Date, in consideration for the issue of the Cancellation Consideration on the Implementation Date. Further details regarding the cancellation of the CGA Options are set out in **Section 6.10**.

A copy of the Scheme is set out in **Annexure F** in Part 2 of this Scheme Booklet.

1.2 What you will receive

If the Scheme is implemented, on the Implementation Date, Scheme Participants (other than Ineligible Shareholders) will be issued the Scheme Consideration for the transfer of the CGA Shares held by them at the Record Date.

If the Court makes an order approving the Scheme, CGA will send to each CGA Shareholder notice of that fact within 5 Business Days after the Implementation Date which (except in the case of an Ineligible Shareholder or an Electing Small Scheme Participant) will be accompanied by documents of title in respect of the New B2Gold Shares to which that CGA Shareholder is entitled.

If you are classified as an Ineligible Shareholder and the Scheme becomes Effective, your CGA Shares will be transferred to B2Gold and the New B2Gold Shares which would have been issued to you will be issued by B2Gold to the CGA Nominee. If you are an Ineligible Shareholder, CGA must procure that the CGA Nominee as soon as reasonably practicable sells, outside the United States, those New B2Gold Shares and remits the net sale proceeds to you in C\$ (minus applicable taxes, charges and brokerage costs).

If you are an Electing Small Scheme Participant and the Scheme becomes Effective, your CGA Shares will be transferred to B2Gold and the New B2Gold Shares which would have been issued to you will be issued by B2Gold to, and sold by, the B2Gold Nominee. If you are an Electing Small Scheme Participant, B2Gold must procure that the B2Gold Nominee immediately after the Implementation Date sells, outside the United States, those New B2Gold Shares and remits the net sale proceeds to you in A\$ (minus applicable taxes, charges and brokerage costs).

Further details about the Scheme Consideration, Ineligible Shareholders and Electing Small Scheme Participants are set out in **Section 5.2**.

1.3 Directors' recommendations

Your Directors have unanimously determined that the Scheme is in the best interests of CGA Shareholders and recommend that CGA Shareholders vote in favour of the Scheme in the absence of a Superior Offer. Each of the Directors will (in the absence of a Superior Offer) vote, or procure the voting of any CGA Shares held by or on behalf of that Director at the time of the Scheme Meeting, in favour of the Scheme at the Scheme Meeting.

The matters which the Directors have considered in making these recommendations are set out in **Section 5**.

The implications for CGA Shareholders if the Scheme does not proceed are set out in **Section 5.7(c)**.

1.4 Independent Expert

CGA has commissioned the Independent Expert, to prepare a report to ascertain whether the Scheme is in the best interests of CGA Shareholders.

The Independent Expert has concluded that, in the absence of a Superior Offer, the Scheme is fair and reasonable and in the best interests of CGA Shareholders.

The Independent Expert's Report is set out in **Annexure A** in Part 2 of this Scheme Booklet.

1.5 An introduction to B2Gold

B2Gold is a Vancouver, Canada based gold mining company, listed on the TSX, with a strategic focus on acquiring and developing interests in mineral properties with demonstrated potential for hosting economic mineral deposits with gold deposits as the primary focus. B2Gold conducts gold mining operations and exploration and drilling campaigns to define and develop Mineral Resources and Mineral Reserves on its properties with an intention of developing, constructing and operating mines on such properties. B2Gold's material properties are its La Libertad Mine and Limon Mine in Nicaragua, the Otjikoto gold project in Namibia and the Gramalote property in Colombia. B2Gold also owns or holds an interest in exploration properties in Uruguay, Nicaragua, Colombia and Costa Rica. B2Gold's corporate objective is to build an intermediate gold company through the development of gold properties and organic growth through exploration, and by capitalizing on its management experience through strategic acquisitions.

1.6 Implementation, timetable and procedures

If the Scheme is approved by CGA Shareholders and the Court, and all other conditions to the Transaction are satisfied or (where applicable) waived, it is expected that the Scheme will be fully implemented by 31 January 2013. The key dates and times in relation to the Scheme are set out at the beginning of this Scheme Booklet.

1.7 Conditions to the Scheme

Implementation of the Transaction is subject to a number of outstanding conditions precedent that are summarised in **Section 10.2**.

Details about the conditions to the Scheme that have been satisfied at the date of this Scheme Booklet are set out in **Section 10.3**. A description of all of the conditions to the Scheme is included in the Summary of the Merger Implementation Agreement set out in **Annexure D** in Part 2 of this Scheme Booklet.

1.8 Scheme Meeting

The Scheme Meeting to approve the Scheme is scheduled to be held on the ground floor, The BGC Centre, 28 The Esplanade, Perth, Western Australia on 24 December 2012 at 10.00am (WST). Voting eligibility for the Scheme Meeting will be determined as at 10.00am (WST) on the Voting Record Date, which is expected to be 22 December 2012.

Further details of the Scheme Meeting, including how to vote, are contained in **Section 4**. The Notice of Scheme Meeting is contained in **Annexure H** in Part 2 of this Scheme Booklet.

1.9 Voting thresholds

Scheme

The Scheme must be approved by:

- unless the Court orders otherwise, a majority in number (more than 50%) of CGA Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney) (**Headcount Test**); and
- at least 75% of the total number of votes which are cast at the Scheme Meeting.

As further described in **Section 4.1**, CGA has sought, and the Court has granted, an order permitting the number of Voting Canadian Beneficial Holders on the Scheme Resolution to be taken into account for the purposes of determining whether the Headcount Test has been satisfied.

Court Approval

If the Scheme is approved at the Scheme Meeting, and all other conditions of the Scheme have been satisfied or (where applicable) waived, the Court will be asked to approve the Scheme on the Second Court Date in accordance with Section 411(4)(b) of the Corporations Act. The Second Court Date is expected to be on or around 16 January 2013.

1.10 Tax implications

The transfer of your CGA Shares in accordance with the Scheme may have tax implications for you. **You should seek your own professional advice regarding your individual tax consequences.** A summary of relevant tax implications for Scheme Participants is contained in **Section 8**.

1.11 What to do next

Read the remainder of this Scheme Booklet

Read the remainder of this Scheme Booklet in full before making any decision on the Scheme.

Consider your options

CGA Shareholders should refer to **Section 5.5** and **Section 5.6** for further guidance on the expected advantages and disadvantages and consequences of the Scheme and **Section 9** for guidance on the risk factors associated with the Scheme.

If you have any questions in relation to the Transaction, the Scheme or the Scheme Meeting, please contact the CGA Shareholder Information Line:

- in North America by telephone 1-888-605-7616 (toll free);
- international callers by telephone +61 3 9415 4371;
- in Australia by telephone 1300-628-472 (toll free); or
- by email at askus@georgeson.com,

or consult your legal, investment, taxation, financial or other professional advisor.

Vote at the Scheme Meeting

Your Directors urge you to vote on the Scheme at the Scheme Meeting. The Scheme affects your shareholding and your vote at the Scheme Meeting is important in determining whether the Scheme proceeds.

Your Directors unanimously recommend that, in the absence of a Superior Offer, you vote in favour of the Scheme.

Canadian Beneficial Holders should refer to **Section 4.5** for information on how they can direct their CGA Shares to be voted at the Scheme Meeting.

2. Reasons to vote in favour of or against the Scheme

Set out below is a summary of some of the reasons why the CGA Board considers that you should vote in favour of the Scheme. These are addressed in more detail in **Section 5.5**. Also set out below is a summary of some of the reasons why you may decide to vote against the Scheme. These are addressed in more detail in **Section 5.6**. You should read the entire Scheme Booklet before deciding whether or not to vote in favour of the Scheme.

While your Directors acknowledge that there are reasons to vote against the Scheme, they believe the advantages of the Scheme significantly outweigh the disadvantages.

2.1 Reasons to vote in favour of the Scheme

<p>Your Directors recommend the Scheme.</p>	<p>Your Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Offer.</p>
<p>The Independent Expert, BDO, has concluded that the Scheme is fair and reasonable and in your best interests.</p>	<p>The Independent Expert, BDO, has concluded that, in the absence of a Superior Offer, the Scheme is fair and reasonable and in the best interests of CGA Shareholders.</p> <p>The Independent Expert's Report is set out in Annexure A in Part 2 of this Scheme Booklet.</p>
<p>The value of the Scheme Consideration represents a substantial premium over the pre-announcement trading prices of CGA Shares.</p>	<p>Based on the 17 September 2012 closing price of B2Gold Shares on TSX (the last TSX trading day before the announcement of the Transaction) of C\$4.30, the implied value of the Scheme Consideration was C\$3.18 per CGA Share, which represents:</p> <ul style="list-style-type: none"> • a 26% premium to CGA's closing price on TSX on 17 September 2012; and • a 22% premium to CGA's 20-day volume weighted average trading price on TSX as at 17 September 2012. <p>The implied value of the Scheme Consideration may increase or decrease prior to the Implementation Date based on movements in the B2Gold Share price.</p> <p>The A\$ value of the Scheme Consideration may increase or decrease prior to the Implementation Date based on movements in the C\$/A\$ exchange rate.</p>

<p>You have the opportunity to receive New B2Gold Shares and participate in the future performance of the Merged Entity.</p>	<p>Your Directors believe that ownership of New B2Gold Shares will provide you with a number of benefits, including:</p> <ul style="list-style-type: none"> • rapidly expanding production profile – total estimated production of approximately 385,000 ounces of gold in 2013 from three operating mines, with projected growth to over 700,000 ounces of gold from five operating mines, assuming completion of the Otjikoto and Gramalote projects; • geographic diversification of operations – core operating centres in Nicaragua and the Republic of the Philippines and development assets in Namibia and Colombia, serving to mitigate operational and geopolitical risk; • experienced management team – Proven combined management and technical personnel with extensive exploration, mine development, operating and financial expertise; • enhanced financial capacity – the Merged Entity should have cash and cash equivalents of approximately C\$130 million which, in addition to continued strong cash flow from operations and good access to debt capital markets, will allow the Merged Entity substantial flexibility for future development; and • significant Mineral Reserve and Mineral Resource base of the Merged Entity – Proven Mineral Reserves and Probable Mineral Reserves of 3.9 million ounces, Measured Mineral Resources and Indicated Mineral Resources of 9.6 million ounces and Inferred Mineral Resources of 4.7 million ounces.
<p>You will benefit from the greater liquidity and stronger capital market presence of B2Gold.</p>	<p>Greater liquidity and a stronger capital market presence will lead to increased interest from institutional investors and a greater following by the analyst community.</p>
<p>B2Gold brings a management team with an industry - leading track record.</p>	<p>The B2Gold management, mining and technical team bring an industry-leading track record of exploration, mine development and disciplined operating capabilities which could enhance the value of the Masbate Project, most importantly through the recognised strength of the B2Gold exploration team.</p>

<p>B2Gold brings diversification and scale.</p>	<p>As part of the Merged Entity CGA will diversify its operations to expand from being a 'one-mine' company, to a combined gold producer with operating centers in Nicaragua and the Philippines, and with additional development and exploration properties in Namibia, Colombia, Nicaragua and Uruguay. Your Directors believe that the Merged Entity should have enhanced access to capital driven by increased portfolio scale, operating diversification and strong free cash flow and should receive increased investor profile and awareness due to further diversification and scale.</p>
<p>Eligible CGA Shareholders who are Australian residents for taxation purposes who receive New B2Gold Shares should generally be able to obtain CGT scrip-for-scrip roll-over relief on any capital gains they would otherwise make on the disposal of their CGA Shares.</p>	<p>Eligible CGA Shareholders who are Australian residents for tax purposes and who would otherwise realise a capital gain on the disposal of their CGA Shares in return for New B2Gold Shares under the Scheme should generally be able to obtain CGT scrip-for-scrip roll-over relief.</p> <p>CGA Shareholders should refer to Section 8 for further details in relation to tax considerations.</p>
<p>Eligible Holders for Canadian tax purposes who receive New B2Gold Shares may be able to obtain a full or partial tax deferral.</p>	<p>Eligible Holders for Canadian tax purposes who receive New B2Gold Shares in exchange for their CGA Shares may be able to obtain a full or partial tax deferral in respect of the disposition of their CGA Shares.</p> <p>Further details in relation to tax considerations can be found in Section 8.</p>
<p>US Holders may be able to receive B2Gold Shares on a tax deferred basis.</p>	<p>While not free from doubt, US Holders who receive New B2Gold Shares in exchange for CGA Shares generally should not recognise gain or loss on the exchange for US federal income tax purposes. Further details in relation to the tax considerations can be found in Section 8. US Holders who have owned CGA Shares since 2009 or earlier should review Section 8.3(c) and consult their tax advisors.</p>

<p>CGA Shareholders will not be required to pay any brokerage costs on the disposition of CGA Shares.</p>	<p>CGA Shareholders will not be required to pay any brokerage or other costs in connection with the disposal of their CGA Shares under the Scheme. Brokerage and other costs may be deducted from the proceeds of sale of New B2Gold Shares.</p>
<p>You will have the opportunity to sell your New B2Gold Shares if you hold a small parcel of CGA Shares.</p>	<p>A Small Scheme Participant is a Scheme Participant with an Australian address in the Register whose entitlement to the Scheme Consideration would be 1,000 New B2Gold Shares or less.</p> <p>Each Small Scheme Participant may become an Electing Small Scheme Participant by electing to have all (and not only some) the New B2Gold Shares issuable to him, issued to and sold by the B2Gold Nominee immediately after the Implementation Date and to receive the proceeds of the sale in A\$.</p> <p>If you are likely to receive a Small Parcel of New B2Gold Shares if the Scheme is implemented, and you wish to make such an election, you should refer to Section 5.2(c) for further information about this facility.</p>
<p>If the Scheme is not implemented the CGA Share price may fall.</p>	<p>If the Scheme is not implemented, CGA will remain an independent company and will continue to mine, explore and advance the Masbate Project. Should this occur, your Directors expect that the CGA Share price will trade below its current trading levels in the near term (although it is difficult to predict the CGA Share price movement with any certainty).</p>

2.2 Reasons to vote against the Scheme

<p>You may disagree with your Directors' unanimous recommendation or the Independent Expert's conclusion.</p>	<p>Potential disadvantages of the Scheme include:</p> <ul style="list-style-type: none"> • exposure to a number of risks from its operations in other jurisdictions to which CGA is not currently exposed; • exposure to differences between applicable Canadian and Australian corporations and securities laws as on implementation of the Scheme you will hold shares in a company incorporated in British Columbia, Canada rather than a company incorporated in Australia; • there may be an opportunity for enhanced value by CGA remaining as an independent company; • uncertainty in the exact value of the Scheme Consideration on implementation of the Scheme; and • that New B2Gold Shares will not trade on ASX. <p>For these (or other) reasons you may not agree with the Directors' unanimous recommendation or the Independent Expert's conclusion.</p>
<p>The Merged Entity will be subject to a number of risks to which CGA is not currently exposed.</p>	<p>If the Scheme becomes Effective, Scheme Participants (other than Ineligible Shareholders) will be issued New B2Gold Shares. CGA Shareholders who receive and retain New B2Gold Shares under the Scheme may be subject to certain risks, including the following:</p> <ul style="list-style-type: none"> • foreign countries and mining risks – B2Gold's exploration, development and production activities are currently conducted in Nicaragua, Namibia, Colombia and Uruguay and, as such, B2Gold's operations are exposed to various levels of political, economic and other risks and uncertainties; • labour and employment matters – production at B2Gold's mining operations is dependent upon the efforts of B2Gold's employees and B2Gold's relations with its unionised and non-unionised employees; • joint ventures – certain assets in which B2Gold has an interest are the subject of joint venture arrangements with other mining companies and will be subject to the risks normally associated with the conduct of joint ventures; • property interests – B2Gold has certain obligations in order to acquire and maintain title to certain of its current properties and B2Gold must meet certain requirements. No guarantee can be given that B2Gold will be in a position to comply with all such conditions and obligations, or to require third parties to comply with their obligations with respect to such properties; • unknown liabilities in connection with acquisitions – as part of B2Gold's acquisitions, B2Gold has assumed liabilities and risks. While B2Gold has conducted comprehensive due diligence, there may be liabilities or risks that B2Gold failed, or was unable, to discover in the course of performing the due diligence investigations or for which B2Gold was not indemnified; and

	<ul style="list-style-type: none"> enforcement of civil liabilities – all of B2Gold’s assets are located outside of Australia and all of its directors and executive officers are resident outside of Australia. As a result, it may be difficult or impossible to enforce judgments granted by a court in Australia against the assets of B2Gold or the directors and officers of B2Gold. <p>Further details of these risks can be found in Section 9.</p>
<p>You will be exposed to differences between applicable corporations and securities laws.</p>	<p>CGA is incorporated in Australia and B2Gold is incorporated in British Columbia, Canada. If the Scheme becomes Effective, CGA Shareholders (other than Ineligible Shareholders and Electing Small Scheme Participants) whose rights are currently governed by the laws of Australia and the constitution of CGA will become holders of New B2Gold Shares. The rights of holders of New B2Gold Shares will be governed by British Columbian law and B2Gold’s articles of incorporation.</p> <p>Although some of the material differences between Australian company law and British Columbia company law as they relate to CGA and B2Gold respectively could be viewed as advantageous to CGA Shareholders, others could be viewed as disadvantageous to CGA Shareholders.</p> <p>Further details of the differences between applicable company laws can be found in Annexure E in Part 2 of this Scheme Booklet.</p>
<p>You may not want to change your current investment profile.</p>	<p>The operational profile, capital structure, size, share liquidity and geographic exposure of the Merged Entity will be different from that of CGA on a stand-alone basis.</p>
<p>You may prefer CGA to be exposed to the opportunity for increased value from remaining as an independent company.</p>	<p>Since acquiring the Masbate Project in 2007, CGA has grown from a small gold exploration company, to a high-quality producing gold company with a market capitalisation of more than C\$854 million as of 17 September 2012.</p> <p>You may believe that CGA will continue to grow and CGA Shareholders will have the opportunity for greater returns over the long term by continued investment in CGA as an independent company.</p> <p>In assessing and recommending the Scheme, your Directors evaluated the benefits of CGA continuing as an independent company against the value of the Transaction. In deciding that they should recommend the Transaction, your Directors determined that, on balance, the earlier and more certain value represented by the Transaction was more favourable to CGA Shareholders than the strategic options that might otherwise be available to CGA as an independent company.</p>

<p>A Superior Offer for CGA, if it were to continue as an independent company, may materialise in the future.</p>	<p>It is possible that, if CGA were to continue as an independent company, a Superior Offer for CGA which is more attractive for CGA Shareholders may materialise in the future.</p> <p>Until the Scheme becomes Effective, there is nothing preventing other parties from making unsolicited Competing Proposals for CGA.</p> <p>Your Directors may consider an unsolicited Competing Proposal that is or would reasonably be expected to result in a Superior Offer, but CGA may not solicit Competing Proposals. B2Gold has the right, but not the obligation, to match any Superior Offer.</p> <p>If a Superior Offer for CGA emerges prior to the Implementation Date or the Sunset Date (whichever occurs earliest) your Directors will carefully consider the proposal and will inform you of any material developments.</p> <p>Further details relating to Competing Proposals and Superior Offers are set out in Sections 5.3 and 10.4 and the Summary of the Merger Implementation Agreement set out in Annexure D in Part 2 of this Scheme Booklet.</p>
<p>The exact value of the Scheme Consideration upon implementation of the Scheme is not certain.</p>	<p>The exact value of the Scheme Consideration that would be realised by Scheme Participants upon implementation of the Scheme is not certain because it is dependent on the price at which B2Gold Shares trade on TSX at the Implementation Date and the C\$/A\$ exchange rate at the Implementation Date.</p>
<p>You will need to trade your New B2Gold Shares on TSX as the New B2Gold Shares will not trade on ASX.</p>	<p>New B2Gold Shares will be listed on TSX but will not be listed on ASX. If you receive New B2Gold Shares, you will only be able to trade your New B2Gold Shares on TSX.</p> <p>In order for Australian Scheme Participants to sell any New B2Gold Shares they receive, they will be required to establish an international trading account with an Australian broking firm and pay brokerage on the sale of the New B2Gold Shares.</p> <p>A Small Scheme Participant is a Scheme Participant with an Australian address in the Register whose entitlement to the Scheme Consideration would be 1,000 New B2Gold Shares or less. Each Small Scheme Participant may become an Electing Small Scheme Participant by electing to have all (and not only some) New B2Gold Shares issuable to him, issued to and sold by the B2Gold Nominee immediately after the Implementation Date and to receive the proceeds of the sale in A\$. If you are likely to receive a Small Parcel of New B2Gold Shares if the Scheme is implemented, and you wish to make such an election, you should refer to Section 5.2(c) for further information about this facility.</p> <p>Please see Section 5.2 for further information on trading New B2Gold Shares.</p>

<p>If you are an Ineligible Shareholder or an Electing Small Scheme Participant, your New B2Gold Shares will be issued to the CGA Nominee or the B2Gold Nominee, respectively, to be sold, which may result in a tax liability.</p>	<p>If the Scheme becomes Effective, New B2Gold Shares that would otherwise be issued to an Ineligible Shareholder, or on behalf of an Electing Small Scheme Participant, will be issued to either the CGA Nominee or the B2Gold Nominee, respectively, who will then sell those New B2Gold Shares and remit the proceeds (net of costs) to the Ineligible Shareholder or the Electing Small Scheme Participant. The sale of those New B2Gold Shares may result in a tax liability for the Ineligible Shareholder or the Electing Small Scheme Participant.</p>
---	--

3. Frequently Asked Questions

The following table provides brief answers to questions you may have in relation to the Transaction, but must be read in conjunction with the more detailed information included in this Scheme Booklet. You are urged to read this Scheme Booklet in its entirety.

Questions about the Transaction	
What is the Transaction?	<p>On 19 September 2012, CGA and B2Gold announced that they had entered into the Merger Implementation Agreement in relation to the Transaction. Pursuant to the Transaction, B2Gold will acquire all of the CGA Shares through a scheme of arrangement.</p> <p>If the Transaction is implemented, CGA will become a wholly-owned Subsidiary of B2Gold and CGA will be delisted from ASX and TSX.</p>
What is the Scheme?	<p>The Transaction will be implemented by way of a scheme of arrangement between CGA and the CGA Shareholders under which all of the CGA Shares will be transferred to B2Gold in consideration for the issue by B2Gold of 0.74 New B2Gold Shares for each CGA Share held.</p> <p>The Scheme requires the approval of both the Requisite Majority of CGA Shareholders at the Scheme Meeting and the Court.</p> <p>The terms of the Scheme are set out in full in Annexure F in Part 2 of this Scheme Booklet.</p>
What is the Scheme Consideration?	<p>If the Transaction proceeds, the Scheme Consideration, being 0.74 of a New B2Gold Share for each CGA Share you hold at the Record Date will be issued, unless you are an Ineligible Shareholder or an Electing Small Scheme Participant.</p>
What will be the effect of the Transaction?	<ul style="list-style-type: none"> • You will transfer all of your CGA Shares to B2Gold. • In exchange for the transfer of your CGA Shares to B2Gold, you will receive the Scheme Consideration for each CGA Share you hold, unless you are an Ineligible Shareholder. • CGA will become a wholly-owned Subsidiary of B2Gold and will be delisted from ASX and TSX.
What value does the Scheme imply for my CGA Shares?	<p>The Scheme Consideration is 0.74 New B2Gold Shares per CGA Share.</p> <p>The implied value of the Scheme Consideration may increase or decrease prior to the Implementation Date based on movements in the B2Gold Share price. Please refer to Section 7 for the recent price history of B2Gold Shares.</p> <p>The A\$ value of the Scheme Consideration may increase or decrease prior to the Implementation Date based on movements in the C\$/A\$ exchange rate.</p>

<p>Are there conditions that need to be satisfied before the Transaction can proceed?</p>	<p>Implementation of the Transaction is subject to satisfaction (or waiver in some cases) of a number of conditions contained in the Merger Implementation Agreement as described in the Summary of the Merger Implementation Agreement in Annexure D in Part 2 of this Scheme Booklet. A number of those conditions remain outstanding as at the date of this Scheme Booklet as described in Section 10.2. A description of the conditions that have already been satisfied or waived (where applicable) is included in Section 10.3.</p>
<p>What is the Directors' recommendation?</p>	<p>Your Directors have carefully considered the advantages and disadvantages of the Transaction and unanimously recommend that, in the absence of a Superior Offer, you vote in favour of the Scheme.</p>
<p>What are the reasons to vote in favour of the Scheme?</p>	<p>The Directors have described in Section 5.5 the advantages for CGA Shareholders if the Transaction is implemented which include:</p> <ul style="list-style-type: none"> • the substantial premium that the value of the Scheme Consideration represents over the pre-announcement trading prices of CGA Shares (subject to fluctuations in the value of the New B2Gold Shares); • that the Independent Expert has concluded that, in the absence of a Superior Offer, the Scheme is fair and reasonable and in the best interests of CGA Shareholders; • CGA will diversify its operations to expand from being a 'one-mine' company, to being part of the Merged Entity with operating centres in Nicaragua and the Philippines, and with additional development and exploration properties in Namibia, Colombia, Nicaragua and Uruguay; • the B2Gold management and technical team bring an industry-leading track record of exploration, mine development and disciplined operating capabilities which could enhance the value of the Masbate Project, most importantly through the recognised strength of the B2Gold exploration team; • the Merged Entity should have enhanced access to capital driven by increased portfolio scale, gold price leverage, operating diversification and strong free cash flow and is expected to receive increased investor profile and awareness due to greater liquidity and market capitalisation and enhanced diversification and scale; • eligible CGA Shareholders who are Australian residents for tax purposes and who would otherwise realise a capital gain on the disposal of their CGA Shares in return for New B2Gold Shares under the Scheme should generally be able to obtain CGT scrip-for-scrip roll-over relief; • that Eligible Holders for Canadian tax purposes who receive New B2Gold Shares may be able to obtain a full or partial tax deferral; • that Scheme Participants will not be required to pay any brokerage (unless you are an Ineligible Shareholder or an Electing Small Scheme Participant);

	<ul style="list-style-type: none"> • a Small Scheme Participant is a Scheme Participant with an Australian address in the Register whose entitlement to the Scheme Consideration would be 1,000 New B2Gold Shares or less. Each Small Scheme Participant may become an Electing Small Scheme Participant by electing to have all (and not only some) New B2Gold Shares issuable to him, issued to and sold by the B2Gold Nominee immediately after the Implementation Date and to receive the proceeds of the sale in A\$. If you are likely to receive a Small Parcel of New B2Gold Shares if the Scheme is implemented, and you wish to make such an election, you should refer to Section 5.2(c) for further information about this facility; and • that if the Scheme is not implemented, the CGA Share price may fall below its current trading levels in the near term (although it is difficult to predict the CGA Share price movement with any certainty).
<p>What are the reasons to vote against the Scheme?</p>	<p>The Directors have described in Section 5.6 the reasons why you may decide to vote against the Scheme which include:</p> <ul style="list-style-type: none"> • you may disagree with your Directors' unanimous recommendation or the Independent Expert's conclusion; • the Merged Entity will be subject to a number of risks to which CGA is not currently exposed; • you will be exposed to differences between applicable Canadian and Australian corporations and securities laws; • you may not want to change your current investment profile; • you may prefer CGA to enjoy the opportunity for increased value by remaining as an independent company; • if CGA were to continue as an independent company, a Superior Offer for CGA may materialise in the future; • the exact value of the Scheme Consideration on implementation of the Scheme is not certain; and • Scheme Participants will need to trade their New B2Gold Shares on TSX as the New B2Gold Shares will not trade on ASX.

<p>What are the risks for me if the Transaction is implemented?</p>	<p>If the Transaction is implemented, you will be entitled to receive the Scheme Consideration in the form of New B2Gold Shares (unless you are an Ineligible Shareholder).</p> <p>The value of New B2Gold Shares will be influenced by a range of factors, many of which will be beyond the control of the Merged Entity. CGA Shareholders who receive and retain New B2Gold Shares under the Scheme may be subject to certain risks, including risks associated with the following:</p> <ul style="list-style-type: none"> • financial matters; • business and operations; • acquisitions; and • the Merged Entity. <p>Exploration and mining are generally exposed to many of these risks. The CGA business which will form part of the Merged Entity faces many of these risks already and these are therefore risks to which you already have some exposure. However, the Merged Entity may be exposed to a number of risks that are new and the potential effect on the Merged Entity of certain risks could be potentially greater than is currently the case in relation to CGA. Your Directors draw your attention to the summary of these and other risks associated with the Merged Entity contained in Section 9.</p>
<p>Is there an independent expert's report?</p>	<p>CGA has commissioned the Independent Expert, BDO, to prepare a report to ascertain whether the Scheme is fair and reasonable and in the best interests of CGA Shareholders.</p> <p>The Independent Expert has concluded that, in the absence of a Superior Offer, the Scheme is fair and reasonable and in the best interests of CGA Shareholders.</p> <p>The Independent Expert's Report is set out in Annexure A in Part 2 of this Scheme Booklet.</p>
<p>If I wish to support the Scheme, what should I do?</p>	<p>Your Directors unanimously recommend that you vote in favour of the Scheme at the Scheme Meeting in the absence of a Superior Offer. If you are a registered CGA Shareholder and are unable to attend the Scheme Meeting you may be entitled to vote by proxy, corporate representative or attorney.</p> <p>Canadian Beneficial Holders should refer to Section 4.5 for information on how they can direct their CGA Shares to be voted at the Scheme Meeting.</p> <p>See Section 4 for directions on how to vote and important voting information generally.</p>
<p>If I wish to oppose the Transaction, what should I do?</p>	<p>If, despite your Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Transaction, you should vote against the Scheme at the Scheme Meeting. You may also oppose approval by the Court of the Scheme at the Court hearing.</p> <p>See Section 4 for directions on how to vote and important voting information generally and Section 4.2 for information about the Court approval of the Scheme.</p>

<p>What happens if I vote against the Scheme?</p>	<p>If the Scheme is approved by the Requisite Majority of CGA Shareholders and by the Court, and all other conditions to the Transaction are satisfied or waived (where applicable), your CGA Shares will be transferred to B2Gold in consideration for B2Gold issuing to you or the CGA Nominee or the B2Gold Nominee on your behalf, as applicable, the Scheme Consideration for your CGA Shares. This will occur even if you voted against the Scheme at the Scheme Meeting.</p> <p>If the Scheme is not approved by the Requisite Majority of CGA Shareholders or the Court, CGA will remain an independent company and you will remain a CGA Shareholder.</p>
<p>How will the Transaction be implemented?</p>	<p>If the Scheme becomes Effective, no further action is required on the part of the Scheme Participants in order to implement the Scheme. Under the Scheme, CGA is given authority to procure the delivery of a transfer in respect of all CGA Shares to effect the valid transfer of the CGA Shares to B2Gold and to enter the name of B2Gold in the Register as holder of the CGA Shares. If the Scheme becomes Effective, each CGA Shareholder (other than an Ineligible Shareholder) will be deemed to have agreed to become a shareholder of B2Gold and to have accepted the New B2Gold Shares issued to that holder, or in the case of Electing Small Scheme Participants, to the B2Gold Nominee, under the Scheme subject to, and to be bound by, B2Gold's constating documents and the BCBCA.</p>
<p>What happens if the Scheme is not approved?</p>	<p>If the Scheme is not approved by the Requisite Majority of CGA Shareholders and the Court, the Scheme will not be implemented.</p> <p>If any of the conditions to the Transaction are not satisfied or waived (where applicable), including if the Scheme is not approved by the Requisite Majority of CGA Shareholders and by the Court, the Merger Implementation Agreement may be terminated and the Transaction will not be implemented.</p> <p>The consequences of the Scheme not being implemented include:</p> <ul style="list-style-type: none"> • you will retain your CGA Shares, you will not be issued the Scheme Consideration, and you will continue to be exposed to the risks associated with your investment in CGA Shares; • the existing CGA Board and management will continue to operate CGA's business; • the expected benefits of the Transaction (as set out in Section 5.5) will not be realised; • the CGA Share price may fall; • CGA will have incurred significant costs and management time and resources for no outcome; and • subject to the approval of CGA Shareholders at the upcoming annual general meeting of CGA, the Loan Plan will be implemented and the EOS will be terminated. Further details on the Loan Plan are set out in Section 6.8.

<p>Is a Superior Offer likely? What happens if a Superior Offer emerges?</p>	<p>It is possible that, if CGA were to continue as an independent company, a Superior Offer for CGA may materialise in the future.</p> <p>Until the Implementation Date (if the Scheme is approved by the Requisite Majority of CGA Shareholders and the Court) or the Sunset Date (whichever occurs earlier), there is nothing preventing other parties from making unsolicited Competing Proposals for CGA.</p> <p>Your Directors may consider an unsolicited Competing Proposal that is or would reasonably be expected to result in a Superior Offer, but CGA may not solicit Competing Proposals. B2Gold has the right, but not the obligation, to match any Superior Offer.</p> <p>If a Superior Offer for CGA emerges your Directors will carefully consider the proposal and will inform you of any material developments.</p> <p>Further details regarding Competing Proposals and Superior Offers are set out in Sections 5.3 and 10.4.</p>
<p>What are the tax implications of the Transaction?</p>	<p>Section 8 provides a description of the general Australian, Canadian and United States tax implications of the Transaction.</p> <p>Eligible CGA Shareholders who are Australian residents for tax purposes and who would otherwise realise a capital gain on the disposal of their CGA Shares in return for New B2Gold Shares under the Scheme should generally be able to obtain CGT scrip-for-scrip roll-over relief.</p> <p>Eligible Holders for Canadian tax purposes and who receive New B2Gold Shares in exchange for their CGA Shares may be able to obtain a full or partial tax deferral in respect of the disposition of their CGA Shares.</p> <p>Whilst not free from doubt, US Holders who receive New B2Gold Shares in exchange for CGA Shares generally should not recognise gain or loss on the exchange for US federal income tax purposes.</p> <p>If you are an Ineligible Shareholder the New B2Gold Shares that you would otherwise have been entitled to will be issued to, the CGA Nominee who will then sell those New B2Gold Shares and remit the proceeds (net of costs) to you. If you are an Electing Small Scheme Participant, your New B2Gold Shares will be issued to the B2Gold Nominee immediately after the Implementation Date and the B2Gold Nominee will remit the proceeds of the sale to you in A\$ net of costs. The sale of those New B2Gold Shares may result in a tax liability for the Ineligible Shareholder or the Electing Small Scheme Participant (as the case may be). Further details in relation to tax considerations can be found in Section 8.</p>
<p>When will the results of the Scheme Meeting be available?</p>	<p>The results of the Scheme Meeting will be available shortly after the conclusion of the meeting and will be promptly announced to ASX and SEDAR. The results will also be available on CGA's website (www.cgamining.com) and under CGA's profile on SEDAR (www.sedar.com) and ASX (www.asx.com.au) shortly after the Scheme Meeting.</p>

Who will manage the Merged Entity following the implementation of the Transaction?	The Merged Entity's board of directors will consist of the current directors of B2Gold, with the addition of Michael Carrick. The senior executive officers of the Merged Entity will consist of the current senior executive officers of B2Gold. It is a condition of the Scheme that Mark Turner and Hannah Hudson will enter into consulting arrangements with the Merged Entity.
How do the Directors intend to vote in respect of their own CGA Shares?	Each Director will vote (in the absence of a Superior Offer), or procure the voting of, any CGA Shares held by or on behalf of a Director at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting. Your Directors collectively control the voting rights attaching to approximately 1.56% of the total number of CGA Shares on issue.
Questions about your entitlements	
Am I entitled to participate in the Transaction?	Each person who is a CGA Shareholder as at 5.00pm (WST) on the Record Date (other than B2Gold) (expected to be 23 January 2013) will be entitled to participate in the Scheme.
What will I receive if the Transaction proceeds?	If the Transaction proceeds, you will be issued the Scheme Consideration (unless you are an Ineligible Shareholder).
What if I am an Ineligible Shareholder?	If you are a CGA Shareholder whose address shown in the Register is in an Ineligible Jurisdiction which B2Gold has determined, acting reasonably, does not permit the issue of the New B2Gold Shares to that CGA Shareholder, B2Gold will be under no obligation to allot or issue, and will not issue, any New B2Gold Shares to you. Instead, the number of New B2Gold Shares that would otherwise have been issued to you under the Scheme will be issued to the CGA Nominee in trust for you as beneficial owner, who will sell those New B2Gold Shares, outside the United States in such a manner, or such financial market, at such price and on such other terms as the CGA Nominee determines in good faith. The CGA Nominee will then remit the proceeds of such sale to you in C\$, after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges. CGA, B2Gold and the CGA Nominee give no assurance as to the price that will be achieved for New B2Gold Shares sold for Ineligible Shareholders by the CGA Nominee. See Section 5.2(b) for further details.
What if I am a Small Scheme Participant?	A Small Scheme Participant is a Scheme Participant with an Australian address in the Register whose entitlement to the Scheme Consideration would be 1,000 New B2Gold Shares or less. Each Small Scheme Participant may become an Electing Small Scheme Participant by electing to have all (but not only some) of their holding of New B2Gold Shares sold by the B2Gold Nominee, outside the United States, immediately after the Implementation Date and to receive the proceeds of the sale in A\$, net of costs. If you are likely to receive a Small Parcel of New B2Gold Shares if the Scheme is implemented, and you wish to make such an election, you should refer to Section 5.2(c) for further information about this facility.

What happens if the market price of B2Gold Shares increases or decreases?	The implied value of the Scheme Consideration may increase or decrease prior to the Implementation Date based on movements in the B2Gold Share price.
How will fractional entitlements to New B2Gold Shares be treated?	If, pursuant to the calculation of your Scheme Consideration, you would be entitled to a fraction of a New B2Gold Share your fractional entitlement will be rounded down to the nearest whole number of New B2Gold Shares.
When will I be issued the Scheme Consideration?	If the Scheme is implemented, B2Gold must issue your New B2Gold Shares to you (or in the case of an Ineligible Shareholder or an Electing Small Scheme Participant, to the CGA Nominee or the B2Gold Nominee respectively) on the Implementation Date and register the holders of the New B2Gold Shares in the B2Gold Register. Documents of title for the New B2Gold Shares will be sent to you by CGA within 5 Business Days after the Implementation Date which is expected to be on 31 January 2013.
Will I have to pay brokerage fees on the disposal of my CGA Shares?	No brokerage fees or other costs are payable in connection with the issue of the Scheme Consideration. Where you are an Ineligible Shareholder or Electing Small Scheme Participant, the CGA Nominee or B2Gold Nominee (as applicable) will deduct brokerage or other costs from the sale of New B2Gold Shares and pay you the net amount.
How can I trade my B2Gold Shares?	B2Gold is listed on the TSX, but not on the ASX. If you wish to sell the New B2Gold Shares you receive under the Scheme, or purchase additional B2Gold Shares, you will need to instruct a stockbroker who is able to execute trades on the TSX.
Questions about voting	
Can I vote?	<p>If you are registered as a CGA Shareholder at the Voting Record Date you will be entitled to vote on the resolution to be proposed at the Scheme Meeting.</p> <p>In accordance with applicable Canadian securities legislation, CGA has elected to seek voting instructions directly from Canadian Beneficial Holders. If you are a Canadian Beneficial Holder on the Notice Record Date, you may provide voting instructions using the Voting Instruction Form sent to you. If you are a Canadian Beneficial Holder, in order to attend and vote at the Scheme Meeting you must be appointed by your applicable intermediary as a proxyholder. For further details, see Section 4.</p>
When and where will the Scheme Meeting be held?	<p>The Scheme Meeting to approve the Scheme is scheduled to be held on the ground floor of The BGC Centre, 28 The Esplanade, Perth, Western Australia on 24 December 2012 commencing at 10.00am (WST). Voting eligibility for the Scheme Meeting will be determined as at 10.00am (WST) on 22 December 2012.</p> <p>Further details of the Scheme Meeting, including how to vote are contained in Section 4. The Notice of Scheme Meeting is contained in Annexure H in Part 2 of this Scheme Booklet.</p>

<p>What vote is required to approve the Scheme?</p>	<p>The Scheme needs to be approved by the Requisite Majority which is:</p> <ul style="list-style-type: none"> • unless the Court orders otherwise, a majority in number (more than 50%) of CGA Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and • at least 75% of the total number of votes cast on the resolution at the Scheme Meeting. <p>As further described in Section 4.1, CGA has sought, and the Court has granted, an order permitting the number of Voting Canadian Beneficial Holders on the Scheme Resolution to be taken into account for the purposes of determining whether the Headcount Test has been satisfied.</p>
<p>Is voting compulsory?</p>	<p>No, voting is not compulsory. However, your vote is important. If you cannot attend the Scheme Meeting scheduled to be held on 24 December 2012 at 10.00am (WST) you should complete and return the proxy form enclosed with this Scheme Booklet.</p> <p>For further details regarding voting, submitting proxy forms and the votes of Canadian Beneficial Holders for the Scheme Meeting, see Section 4.</p>
<p>Why should I vote?</p>	<p>Your vote will be important in determining whether the Transaction will proceed.</p> <p>Your Directors unanimously recommend that, in the absence of a Superior Offer, the Scheme is in the best interests of CGA Shareholders and you vote in favour of the Scheme Resolution at the Scheme Meeting and approve the Scheme. Each Director will vote (in the absence of a Superior Offer), or procure the voting of, any CGA Shares held by or on behalf of a Director at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting.</p>
<p>What happens if I do not vote?</p>	<p>If the Scheme is approved by the Court, your CGA Shares will be transferred to B2Gold in consideration for B2Gold issuing to you the Scheme Consideration for your CGA Shares unless you are an Ineligible Shareholder, or an Electing Small Scheme Participant, in which case either the CGA Nominee or the B2Gold Nominee will sell your New B2Gold Shares and remit the proceeds to you, net of costs.</p> <p>If the Scheme is not approved, CGA will remain an independent company and you will remain a CGA Shareholder.</p>
<p>Can I attend the Court and oppose the Court approval of the Scheme?</p>	<p>If you wish to oppose approval by the Court of the Scheme at the Court hearing to be held on the Second Court Date, you may do so by filing with the Court, and serving on CGA, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on CGA at least one Business Day (in Perth, Western Australia) before the Second Court Date.</p>

Can I sell my CGA Shares now?	You can offer to sell your CGA Shares on market at any time before the close of trading on ASX on the Effective Date (WST) and on TSX three Business Days before the Record Date (Toronto time) at the prevailing market price, however you will not receive the Scheme Consideration and may have to pay brokerage fees.
Do I have to complete the proxy form or the Voting Instruction Form enclosed with this Scheme Booklet?	<p>If you are a CGA Shareholder (other than a Canadian Beneficial Holder), you need to complete the proxy form if you wish to vote by proxy at the Scheme Meeting. You do not need to complete the proxy form if you intend to vote in person, or to appoint a corporate representative or attorney to attend the Scheme Meeting.</p> <p>If you are a Canadian Beneficial Holder, you need to complete the Voting Instruction Form (or otherwise provide voting instructions as directed by your broker or intermediary).</p>
What are my options?	<p>You may:</p> <ul style="list-style-type: none"> • vote in favour of the Scheme at the Scheme Meeting; • vote against the Scheme at the Scheme Meeting; or • do nothing.
What if I cannot, or do not wish to, attend the Scheme Meeting?	If you cannot, or do not wish to, attend the Scheme Meeting, you may appoint a proxy, corporate representative or attorney to vote on your behalf. For further details regarding voting and submitting proxy forms for the Scheme Meeting, see Section 4 .
Questions about B2Gold	
Who is B2Gold?	<p>B2Gold is a Vancouver, Canada based gold mining company, listed on the TSX, with a strategic focus on acquiring and developing interests in mineral properties with demonstrated potential for hosting economic mineral deposits with gold deposits as the primary focus. B2Gold conducts gold mining operations and exploration and drilling campaigns to define and develop Mineral Resources and Mineral Reserves on its properties with an intention of developing, constructing and operating mines on such properties. B2Gold's material properties are its La Libertad Mine and Limon Mine in Nicaragua, the Otjikoto gold project in Namibia, and the Gramalote property in Colombia. B2Gold also owns or holds an interest in exploration properties in Uruguay, Nicaragua, Colombia and Costa Rica. B2Gold's corporate objective is to build an intermediate gold company through the development of gold properties and organic growth through exploration, and by capitalizing on its management experience through strategic acquisitions.</p>

<p>Why does B2Gold wish to implement the Transaction?</p>	<p>The B2Gold Board believes that the Transaction has significant benefits for B2Gold. A central aspect of B2Gold’s business strategy is to seek new mining and development opportunities in the mining industry through acquisition, in particular in the area of high quality gold assets. CGA’s key asset, the Masbate Project, is a high quality asset with significant exploration potential.</p> <p>The implementation of the Transaction will provide the Merged Entity with:</p> <ul style="list-style-type: none"> • increased annual production; • larger market capitalization with an industry leading growth profile; • intermediate-scale Mineral Reserve and Mineral Resource base; • strong financial position and access to capital to develop future growth projects; and • proven management, exploration, mine development and operations team.
<p>What are B2Gold’s intentions in relation to the Merged Entity if the Transaction proceeds?</p>	<p>B2Gold intends to operate the Merged Entity business in substantially the same manner as the businesses of B2Gold and CGA have been operated up to the date of this Scheme Booklet. The Merged Entity is expected to be a growth oriented intermediate gold producing company.</p>
<p>General questions</p>	
<p>What other information is available?</p>	<p>You should read the detailed information in relation to the Transaction provided in this Scheme Booklet.</p> <p>Further information in relation to CGA can be obtained from ASX or on its website www.asx.com.au, on CGA’s website www.cgamining.com or under CGA’s profile on SEDAR at www.sedar.com.</p>
<p>Who can help answer my questions about the Transaction?</p>	<p>If you have any questions in relation to the Transaction, Scheme or the Scheme Meeting please contact:</p> <ul style="list-style-type: none"> • in North America by telephone 1-888-605-7616 (toll free); • international callers by telephone +61 3 9415 4371; • in Australia by telephone 1300-628-472 (toll free); or • by email at askus@georgeson.com; <p>or consult your legal, investment, taxation or other professional advisor.</p>

4. Scheme Meeting and voting information

This Section contains information relating to voting entitlements and information on how to vote at the Scheme Meeting for CGA Shareholders and Canadian Beneficial Holders.

As CGA is a reporting issuer in the Province of Ontario, Canada, some of the following disclosures are required to be included in this Scheme Booklet under the requirements of National Instrument 51-102 - *Continuous Disclosure Obligations*.

4.1 Scheme Meeting

(a) Time and location

The Scheme Meeting to approve the Scheme is scheduled to be held on the ground floor of The BGC Centre, 28 The Esplanade, Perth, Western Australia on 24 December 2012 at 10.00am (WST).

(b) Requisite Majority

At the Scheme Meeting, the Scheme Resolution will be proposed to the Scheme Meeting which must be approved by:

- unless the Court orders otherwise, a majority in number (more than 50%) of CGA Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney) (the **Headcount Test**); and
- at least 75% of the total number of votes which are cast at the Scheme Meeting,

(the **Requisite Majority**), for the Scheme to become Effective. The Scheme Resolution is set out in the Notice of Scheme Meeting at **Annexure H** in Part 2 of this Scheme Booklet.

(c) Headcount Test and Canadian Beneficial Holders

Only holders of CGA Shares who are registered as members in the Register may vote at shareholder meetings of CGA, including the Scheme Meeting.

As at the date of the Scheme Booklet, approximately 301,896,218 CGA Shares (or over 89% of the total number of CGA Shares) are listed on the registry maintained by the Canadian Registrar in the name of CDS & Co. (**CDS**), the registration name for the Canadian Depository for Securities, which acts as the depository for most intermediary North American Brokerage firms. CDS is referred to as a "depository" because it holds CGA Shares on behalf of others and provides a clearing and settlement service for trades in those CGA Shares. The CGA Shares are held in CDS's name on behalf of approximately 2,200 Canadian Beneficial Holders.

The majority of intermediaries delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (**Broadridge**). Broadridge supplies a Voting Instruction Form, mails those forms to Canadian Beneficial Holders and asks those Canadian Beneficial Holders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the CGA Shares to be represented at the Scheme Meeting. A Canadian Beneficial Holder receiving a Voting Instruction Form from Broadridge cannot use that form to vote CGA Shares directly at the Scheme Meeting. Instead, the Voting Instruction Form must be returned to Broadridge or the alternative voting procedures must be completed well in advance of the Scheme Meeting in order to ensure such CGA Shares are voted.

The overwhelming majority of the CGA Shares on issue are held by a single CGA Shareholder (i.e. CDS) on behalf of approximately 2,200 Canadian Beneficial Holders (more than all the registered members of CGA). As a result, CGA is concerned that those shareholders who are Canadian Beneficial Holders and who wish to ensure that CDS votes their CGA Shares in accordance with their voting intentions at the Scheme Meeting by completing the Voting Instruction Form and returning it to their intermediary (**Voting Canadian Beneficial Holders**) will not be treated fairly by comparison to other CGA Shareholders who are registered as the holders of their CGA Shares (and are therefore "members" for the purposes of the Headcount Test) and are "present and voting" at the Scheme Meeting unless the Voting Canadian Beneficial Holders are also considered as members "present and voting".

Section 4.5 explains how those Canadian Beneficial Holders can direct CDS in respect of their voting intentions at the Scheme Meeting.

Accordingly, CGA has sought, and the Court has granted, an order permitting the number of Voting Canadian Beneficial Holders to be taken into account for the purposes of determining whether or not the Headcount Test has been satisfied. The effect of the Court order is that in order to demonstrate that the Headcount Test has been satisfied, the Court will need to be satisfied at the Second Court Date that a majority in number of:

- CGA Shareholders present and voting in person or by proxy, corporate representative or attorney at the Scheme Meeting; and
- the Voting Canadian Beneficial Holders,

voted in favour of the Scheme Resolution at the Scheme Meeting.

Section 4.4 explains how CGA Shareholders other than Canadian Beneficial Holders can vote at the Scheme Meeting, including if they are unable to attend the Scheme Meeting in person.

4.2 Court and ASIC approval

The date on which the Court hears CGA's application for approval of the Scheme is the Second Court Date. The Second Court Date is expected to be on or around 16 January 2013 and is open to all CGA Shareholders. If you wish to oppose approval by the Court of the Scheme at that Court hearing you may do so by filing with the Court, and serving on CGA, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on CGA at least one Business Day (in Perth, Western Australia) before the Second Court Date.

The Court may refuse to approve the Scheme, even if the Scheme is approved by the Requisite Majority of CGA Shareholders.

If the Scheme is not approved by the Requisite Majority of CGA Shareholders at the Scheme Meeting, the Scheme will not proceed and CGA will not apply to the Court for any further orders in connection with the Scheme.

ASIC will be asked to issue a written statement that it has no objection to the Scheme. ASIC would not be expected to issue such a statement until shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Scheme, the Court may still approve the Scheme provided it is satisfied that section 411(17)(a) of the Corporations Act is satisfied.

4.3 Entitlement and ability to vote at the Scheme Meeting

If you are registered as a CGA Shareholder as at 10.00am (WST) on 22 December 2012, you will be entitled to vote on the Scheme Resolution at the Scheme Meeting.

CGA Shareholders can vote on the Scheme Resolution at the Scheme Meeting:

- in person;
- by appointing a proxy to vote for you;
- by representative (if you are a corporate CGA Shareholder); or
- by attorney.

You will be counted as being present at the Scheme Meeting if you vote in any of the ways outlined above.

If you are a Canadian Beneficial Holder, see **Section 4.5** for voting instructions.

4.4 CGA Shareholders - Voting at the Scheme Meeting

If you are registered as a holder of CGA Shares and wish to attend and vote at the Scheme Meeting, you should read this section on instructions how to vote. Voting on the Scheme Resolution will be by poll.

- (a) Voting in person

If you wish to vote in person, you should attend the Scheme Meeting.

(b) Voting by proxy

Your personalised proxy form for the Scheme Meeting accompanies this Scheme Booklet. Separate proxy forms are provided for CGA Shareholders who hold their CGA Shares on the registers maintained by the Australian Registrar and the Canadian Registrar.

You can appoint a proxy by completing and returning to CGA the enclosed proxy form for the Scheme Meeting. The proxy form must be received by CGA by no later than 10.00am (WST) on 22 December 2012.

For Canadian resident CGA Shareholders: The persons named in the enclosed form of proxy as the chairman of the Scheme Meeting is a director of CGA. A CGA Shareholder has the right to appoint the chairman of the Scheme Meeting, or another person (who need not be a CGA Shareholder) to represent him, her or it at the Scheme Meeting and vote on the Scheme Resolution, by striking out the name of the chairman of the Scheme Meeting and inserting the name of his, her or its desired representative in the space provided for that purposes on the proxy form.

You must return the proxy form to CGA by either posting it in the reply paid envelope provided (only for use in Australia) or by sending, delivering or faxing it as follows:

Australian Registrar:

Mail to:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne, Victoria 3001
Australia

Fax to:

1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

Online:

www.intermediaryonline.com (for Intermediary Online subscribers only)

Canadian Registrar:

Mail to:

Computershare Investor Services Inc.
100 University Avenue, 9th Floor
Toronto, Ontario M5J 2Y1
Canada

Deliver to:

100 University Avenue, 9th Floor
Toronto, Ontario M5J 2Y1
Canada

Fax to:

1-866-249-7775 (within North America)
416-263-9524 (outside North America)

A CGA Shareholder who has given a proxy may revoke it by an instrument in writing executed by the CGA Shareholder or by the CGA Shareholder's attorney authorised in writing or, if the CGA Shareholder is a corporation, by a duly authorised officer or attorney of the corporation, and delivered either to CGA at the address above, at any time up to and including the last Business Day preceding the day of the Scheme Meeting or any adjournment of it or to the chairman of the Scheme Meeting on the day of the Scheme Meeting or any adjournment of it.

Only registered CGA Shareholders have the right to revoke a proxy. Non-registered holders who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf in accordance with any requirements of the intermediaries.

The solicitation of proxies made pursuant to this Scheme Booklet is not subject to the requirements of Section 14(a) of the US Exchange Act. Accordingly, this Scheme Booklet has been prepared in accordance with disclosure requirements applicable in Australia and Canada. CGA Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the US Securities Act and to proxy statements under the US Exchange Act.

(c) Undirected proxies

A CGA Shareholder who has submitted a proxy has the right to appoint the chairman of the Scheme Meeting, or another person (who need not be a CGA Shareholder) to represent him, her or it at the Scheme Meeting and vote on the Scheme Resolution, by inserting the name of his desired representative in the space provided for that purpose on the proxy form. A CGA Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half the votes.

Any instrument of proxy in which the name of the appointee is not filled in will be deemed to have been given in favour of the chairman of the Scheme Meeting.

The chairman of the Scheme Meeting intends to vote all undirected proxies in favour of the Scheme Resolution.

CGA has retained the Proxy Solicitation Agent to solicit proxies from CGA Shareholders.

(d) Voting by corporate representative

To vote in person at the Scheme Meeting a CGA Shareholder or proxy which is a body corporate may appoint an individual to act as its representative.

Unless otherwise specified in the appointment, a representative acting in accordance with his or her authority, until it is revoked by the body corporate CGA Shareholder, is entitled to exercise the same powers on behalf of that body corporate as that body corporate could exercise at a meeting or in voting on a resolution.

A certificate with or without the seal of the body corporate CGA Shareholder, signed by 2 directors of that body corporate or signed by one director and one secretary, or any other document as the chairman of the Scheme Meeting in his sole discretion considers sufficient, will be evidence of the appointment, or of the revocation of the appointment, as the case may be, of a representative.

(e) Voting by attorney

A CGA Shareholder may appoint a person (whether a CGA Shareholder or not) as its attorney to attend and vote at the Scheme Meeting.

An instrument appointing an attorney must be in writing executed under the hand of the appointor or the appointor's attorney duly authorised in writing, or if the appointor is a corporation, under its common seal (if any) or the hand of its duly authorised attorney or executed in a manner permitted by the Corporations Act. The instrument may contain directions as to the manner in which the attorney is to vote on a particular resolution(s) and subject to the Corporations Act, may otherwise be in any form as the Directors may prescribe or accept. A fax of a written power of attorney is valid provided it has been provided to CGA or the fax numbers in **Section 4.4(b)** by no later than 10.00am (WST) on 22 December 2012. Such fax will be deemed to have been served on CGA upon the receipt of a transmission report confirming successful transmission of that fax.

4.5 Voting by Canadian Beneficial Holders

If you are not registered as a CGA Shareholder but you are a Canadian Beneficial Holder and wish to attend and vote at the Scheme Meeting, you should read this Section for directions on how to vote. Other beneficial holders should consider **Section 4.4** and consult their nominee or trustee.

If you are a Canadian Beneficial Holder, you must be appointed by the applicable intermediary as a proxyholder to enable you to attend and vote in person at the Scheme Meeting.

Canadian Beneficial Holders who have not objected to their intermediary disclosing certain ownership information about themselves to CGA are referred to as "Non-Objecting Canadian Beneficial Shareholders". Those Canadian Beneficial Holders who have objected to their intermediary disclosing ownership information about themselves to CGA are referred to as "Objecting Canadian Beneficial Shareholders".

In accordance with Canadian securities legislation, CGA has distributed copies of the Scheme Booklet to intermediaries for distribution to all Canadian Beneficial Holders. Often, intermediaries will use a service company to forward such documents to Canadian Beneficial Holders. With the Scheme Booklet, the intermediaries will provide the Canadian Beneficial Holders with a Voting Instruction Form. The Voting Instruction Form is not a proxy and cannot be used as a proxy at the Scheme Meeting. When properly completed, the Voting Instruction Form will constitute voting instructions which the intermediary must follow.

The mechanisms described in **Section 4.4** for CGA Shareholders to vote at the Scheme Meeting cannot be used by Canadian Beneficial Holders and the instructions on the Voting Instruction Form must instead be followed. The Voting Instruction Form is provided instead of a personalised proxy form. By returning the Voting Instruction Form in accordance with its instructions, a Canadian Beneficial Holder (a **Voting Canadian Beneficial Holder**) is able to direct how his, her or its CGA Shares are to be voted at the Scheme Meeting. However, the Voting Instruction Form does not allow the Voting Canadian Beneficial Holder to attend the Scheme Meeting or to vote in person at the Scheme Meeting (except as described above).

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the Canadian Beneficial Holder with respect to the voting of certain CGA Shares or, where under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those CGA Shares on one or more of the matters that come before the Scheme Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter.

As further described in **Section 4.1**, CGA has sought, and the Court has granted, an order permitting the number of Voting Canadian Beneficial Holders on the Scheme Resolution to be taken into account for the purposes of determining whether the Headcount Test has been satisfied.

4.6 Notice Record Date and Voting Record Date

The Directors have fixed:

- 19 November 2012 as the Notice Record Date, which is the date for determining those CGA Shareholders listed in the registry maintained by the Canadian Registrar that will be provided with the Scheme Booklet and Voting Instruction Form; and
- 22 December 2012 as the Voting Record Date which entitles CGA Shareholders recorded on the Register at 10.00am (WST) on such date to vote at the Scheme Meeting.

Any person who becomes a CGA Shareholder on the registry maintained by the Canadian Registrar by acquiring CGA Shares between the Notice Record Date and the Voting Record Date and wishes to vote at the Scheme Meeting by proxy should contact the Canadian Registrar or Australian Registrar for further information on how to do so. Any person who becomes a Canadian Beneficial Holder between the Notice Record Date and the Voting Record Date and wishes to vote at the Scheme Meeting should contact their broker or intermediary for instructions on how to do so.

4.7 Shareholder information line

If, after reading this Scheme Booklet, you have any questions about the Scheme Resolution, Transaction, Scheme or the Scheme Meeting, please contact the CGA Shareholder Information Line:

- in North America by telephone 1-888-605-7616 (toll free);
- international callers by telephone +61 3 9415 4371;
- in Australia by telephone 1300-628-472 (toll free); or
- by email at askus@georgeson.com,

or consult your legal, investment, taxation or other professional advisor.

4.8 Further information

Further information relating to details of the Scheme Resolution is contained in the Notice of Scheme Meeting which is set out in **Annexure H** in Part 2 of this Scheme Booklet.

If you have any questions in relation to the Transaction, please contact your legal, taxation, financial or other professional advisor.

5. Key considerations

The purpose of this **Section 5** is to identify significant issues for you to consider in relation to the Scheme.

Before deciding how to vote at the Scheme Meeting, you should carefully consider the factors discussed below and the risk factors outlined in **Section 9**, as well as the other information contained in this Scheme Booklet.

5.1 Background

On 19 September 2012, B2Gold and CGA announced that they had entered into the Merger Implementation Agreement in relation to the Transaction. Under the Transaction, B2Gold will acquire all of the CGA Shares through a scheme of arrangement under Australian law.

The Scheme is subject to, among other things, approval by the Requisite Majority of CGA Shareholders at the Scheme Meeting, approval of the issue of the New B2Gold Shares by the requisite majority of B2Gold Shareholders at the B2Gold Shareholders' Meeting, approval by the Court pursuant to Section 411(4)(b) of the Corporations Act on the Second Court Date and the satisfaction or waiver (where applicable) of certain conditions.

If the Scheme becomes Effective, CGA will become a wholly-owned Subsidiary of B2Gold and will be delisted from ASX and TSX. CGA is expected to be delisted from the TSX approximately three Business Days prior to the Record Date and from ASX shortly following the Implementation Date. CGA Shareholders (except Ineligible Shareholders and Electing Small Scheme Participants) will be issued New B2Gold Shares as Scheme Consideration for the transfer of their CGA Shares to B2Gold, resulting in existing B2Gold Shareholders and CGA Shareholders owning approximately 61% and 39% of the B2Gold Shares respectively.

5.2 What you will receive under the Scheme

B2Gold has entered into the Deed Poll under which it has offered to acquire all of the CGA Shares held by Scheme Participants, that is, each person who is a CGA Shareholder at 5.00pm (WST) on the Record Date for the Scheme Consideration, being 0.74 New B2Gold Shares for every 1 CGA Share on issue in accordance with the terms of the Scheme and the Merger Implementation Agreement.

(a) New B2Gold Shares

If the Scheme becomes Effective, the New B2Gold Shares will be issued on the Implementation Date by B2Gold to Scheme Participants or to the B2Gold Nominee on behalf of the Electing Small Scheme Participants or to the CGA Nominee in respect of CGA Shares held by Ineligible Shareholders and B2Gold will register the holders of those New B2Gold Shares in the B2Gold Register. CGA will procure that documents of title are sent to CGA Shareholders (except Ineligible Shareholders and Electing Small Scheme Participants) in respect of the Scheme Consideration within 5 Business Days after the Implementation Date.

The New B2Gold Shares will be common shares in the share capital of B2Gold (the equivalent of "ordinary shares" in Australian companies) and will rank equally in all respects with all existing B2Gold Shares. Upon issue, the New B2Gold Shares will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

The New B2Gold Shares will be listed on TSX. Accordingly, Scheme Participants who wish to trade their New B2Gold Shares on the open market will need to do so on TSX. Such trades must be undertaken through a broker entitled to trade on TSX. New B2Gold Shares will be quoted and traded on TSX in C\$. The A\$ value of New B2Gold Shares will depend on the A\$/C\$ exchange rate for the time being.

The value of the New B2Gold Shares may increase or decrease after the Implementation Date based on movements in the C\$/A\$ exchange rates.

Further details in relation to tax considerations in relation to the Scheme Consideration can be found in **Section 8**.

(b) Ineligible Shareholders

Restrictions in certain foreign countries may make it impractical or unlawful for New B2Gold Shares to be offered or issued under the Scheme to CGA Shareholders in those countries.

Scheme Participants whose address is shown in the Register as being in an Ineligible Jurisdiction which B2Gold has determined, acting reasonably, does not permit the issue of the New B2Gold Shares to that CGA Shareholder either unconditionally or after compliance with terms that B2Gold reasonably regards as acceptable and practicable will be regarded as Ineligible Shareholders for the purposes of the Scheme.

B2Gold is under no obligation to issue and allot, and will not issue, any New B2Gold Shares to any Ineligible Shareholder. Instead, if the Scheme becomes Effective, B2Gold will issue the New B2Gold Shares to which the Ineligible Shareholder would otherwise have been entitled to the CGA Nominee in trust for the Ineligible Shareholder who will be the beneficial owner thereof.

CGA must then procure that the CGA Nominee:

- (i) as soon as reasonably practicable, but no more than 15 Business Days after the Implementation Date, sells, outside the United States, those New B2Gold Shares for the benefit of the Ineligible Shareholders;
- (ii) accounts to the Ineligible Shareholders for the net proceeds of sale (on an average basis so that all Ineligible Shareholders receive the same price per B2Gold Share, subject to rounding to the nearest whole C\$ cent), and any income referable to those B2Gold Shares, after deduction of any applicable brokerage, taxes and charges, at the Ineligible Shareholders' risk, in full satisfaction of the Ineligible Shareholders' rights under the Scheme; and
- (iii) remits the net proceeds of sale to the Ineligible Shareholders in C\$.

If you are an Ineligible Shareholder, you will receive the proceeds of the sale of your New B2Gold Shares by a cheque drawn on a bank considered appropriate by the CGA Nominee in C\$. You will receive this cheque by pre-paid airmail post sent to your address as it appears on the Register on the Record Date.

The CGA Nominee will sell the New B2Gold Shares in such manner, or such financial market (other than a financial market in the US), at such price and on such other terms as the CGA Nominee determines in good faith.

(c) Facility offered to Small Scheme Participants

If the number of New B2Gold Shares to be issued as Scheme Consideration to a Scheme Participant whose address in the Register is in Australia is equal to or less than 1,000 in aggregate (Small Parcel), that Scheme Participant (referred to as a Small Scheme Participant) may elect to have all (but not a portion only) of those New B2Gold Shares allotted to and sold by the B2Gold Nominee (referred to as an Electing Small Scheme Participant).

This Section describes how this sale facility will operate.

B2Gold will procure that the B2Gold Nominee:

- (i) as soon as practicable after the Implementation Date but no more than 15 Business Days after the Implementation Date, will arrange for the sale (outside the United States) of all the New B2Gold Shares allotted to it as B2Gold Nominee by all Electing Small Scheme Participants. The sales will be effected in such manner, at such price and on such other terms as the B2Gold Nominee determines in good faith and at the sole risk of the Electing Small Scheme Participants;
- (ii) converts the aggregate sale proceeds of all those New B2Gold Shares, net of applicable brokerage, stamp duty and other selling costs, taxes and charges, from C\$ to A\$, as soon as practicable after receipt of the proceeds, at the then prevailing C\$:A\$ exchange rate; and

- (iii) as soon as practicable after that conversion of sale proceeds, will account to each Electing Small Scheme Participant for his relevant portion of the aggregate sale proceeds by sending to the Electing Small Scheme Participant an A\$ cheque drawn on an Australian bank for the relevant amount.

Each Electing Small Scheme Participant will receive his proportionate share of the aggregate sale proceeds on an averaged basis so that all Electing Small Scheme Participants will receive the same A\$ equivalent price per New B2Gold Share (subject to rounding down to the nearest whole A\$ cent). The actual price received by an Electing Small Scheme Participant for a New B2Gold Share that is sold under the facility may be more or less than the actual price that is received by the B2Gold Nominee for that New B2Gold Share, less any applicable brokerage, stamp duty and other selling costs, taxes and charges in respect of those New B2Gold Shares.

Small Scheme Participants who wish to participate in this facility should note that neither CGA nor B2Gold can guarantee or confirm the price or prices at which any of the relevant B2Gold Shares will be sold, how long it will take the B2Gold Nominee to sell the New B2Gold Shares the subject of the facility, or the C\$:A\$ exchange rate at which the sale proceeds will be converted into A\$. The price or prices received for the New B2Gold Shares will depend on prevailing market conditions (including the prevailing market price of, and demand for, B2Gold Shares). Refer to **Section 7.4(g)** for details of the recent price history of B2Gold Shares and how to obtain up-to-date information on the market price of B2Gold Shares.

If you are likely to be a Small Scheme Participant, a form (**Sale Instruction Form**) describing the number of New B2Gold Shares which you may elect to have issued to the B2Gold Nominee to be sold on your behalf as described in this Section (being the Scheme Consideration to which you will be entitled if your holding of CGA Shares does not change prior to the Record Date) will be posted to you at your address in the Register on or immediately after the Effective Date. The Sale Instruction Form will irrevocably instruct the B2Gold Nominee to sell all (but not a portion only) of the New B2Gold Shares described in it.

If you are a Small Scheme Participant and wish to participate in this facility, you must sign and return the Sale Instruction Form to the Australian Registrar (in the stamped addressed envelope that will be provided) to be received by no later than 5.00pm (WST) on the Implementation Date.

Completed Sale Instruction Forms received after 5.00pm (WST) on the Implementation Date will not be accepted and will be ineffective to instruct the B2Gold Nominee to sell the New B2Gold Shares described in it. In these circumstances the relevant Electing Small Scheme Participant will receive the New B2Gold Shares.

If you return a completed Sale Instruction Form but are not a Small Scheme Participant on the Record Date, the B2Gold Nominee will not sell the New B2Gold Shares on your behalf. In these circumstances, you will receive the New B2Gold Shares to which you are entitled.

A completed Sale Instruction Form once received by the Australian Registrar may not be withdrawn or revoked and any attempt to do so will be ineffective.

If you believe that you are a Small Scheme Participant and have not received a Sale Instruction Form (for example, if you have sold or acquired CGA Shares between the Effective Date and the Record Date) you should immediately contact the CGA Shareholder Information Line to arrange for one to be sent to you. Neither CGA nor B2Gold has any responsibility to a Small Scheme Participant who, for any reason, does not receive a Sale Instruction Form or does not return it to the Australian Registrar by 5.00pm (WST) on the Implementation Date.

Small Scheme Participants who wish to be issued their New B2Gold Shares on implementation of the Scheme should disregard the Sale Instruction Form.

(d) Fractional entitlements

If, pursuant to the calculation of your Scheme Consideration, you would be entitled to a fraction of a New B2Gold Share, your entitlement will be rounded down to the nearest whole number of New B2Gold Shares.

(e) Register removal instructions

CGA Shareholders on the Register maintained by the Australian Registrar can move their CGA Shares to the Register maintained by the Canadian Registrar at any time following the Scheme Meeting and 48 hours prior to the Record Date. This will allow those CGA Shareholders (other than Ineligible Shareholders or Electing Small Scheme Participants) to have their Scheme Consideration issued directly into CDS, making it easier for a Canadian broker or bank custodian to manage their holding of New B2Gold Shares.

The last day to submit a removal instruction is 21 January 2013, being 48 hours prior to the Record Date. If a removal instruction is not received by this time New B2Gold Shares issued to Scheme Participants will be registered in the name in which they appear on the Register maintained by the Australian Registrar. For further information on this, contact the Australian Registrar as follows.

Custodians, Brokers and Market Participants

Removal instructions should be provided via the Australian Registrar's online portal, xSettle™, www-au.computershare.com/XSettle/

Retail Shareholders

Questions regarding the removal process may be directed to the Australian Registrar on 1300 850 505 (or if calling from outside Australia on +61 3 9415 4000).

5.3 Competing Proposals

During the Exclusivity Period, the Merger Implementation Agreement prohibits CGA and its Subsidiaries from soliciting, inviting, facilitating, encouraging or initiating or making available any information or entering into any agreement, arrangement or understanding in relation to, or which may reasonably be expected to lead to, a Competing Proposal and CGA must use its reasonable commercial endeavours to ensure that the Significant Interest Companies do not do the same.

If the Directors receive an unsolicited Competing Proposal from a third party that the CGA Board determines is a Superior Offer, CGA must give notice of the Superior Offer to B2Gold. B2Gold has the right, but not the obligation, within 5 Business Days of receipt of that notice to offer to amend the terms of the Scheme, make a takeover bid for CGA or propose any other form of transaction.

Your Directors will carefully consider any unsolicited Competing Proposal received from a third party (provided it does not breach the terms of the Merger Implementation Agreement) and inform you of any material developments. However, presently your Directors are not aware of any such proposals.

Further details on Competing Proposals are described in **Section 10.4**.

5.4 Directors' recommendation

The Directors believe that the Scheme is in the best interests of CGA Shareholders, and they unanimously recommend that CGA Shareholders vote in favour of the Scheme in the absence of a Superior Offer.

The Directors have formed their conclusion and made their recommendation on the Scheme based on the reasons outlined in **Section 5.5** below.

Each of the Directors (set out in **Section 6.3**) will vote (in the absence of a Superior Offer), or procure the voting of, any CGA Share (as applicable) held by or on behalf of a Director at the time of the Scheme Meeting, in favour of the Scheme at the Scheme Meeting.

5.5 Reasons to vote in favour of the Scheme

- (a) Your Directors recommend the Scheme

Your Directors unanimously recommend that, in the absence of a Superior Offer, you vote in favour of the Scheme.

- (b) The Independent Expert has concluded that the Scheme is in your best interests

The Independent Expert, BDO, has reviewed the terms of the Scheme and concluded that, in the absence of a Superior Offer, the Scheme is fair and reasonable, and in the best interests of CGA Shareholders.

The Independent Expert has assessed the fair value of CGA Shares to be in the range of US\$2.01 to US\$2.95 per CGA Share. The Independent Expert has estimated the value of the Scheme Consideration to be in the range of US\$1.92 to US\$2.90 on an undiluted basis and US\$1.90 to US\$2.85 on a fully diluted basis per CGA Share which is within the range of values of a CGA Share prior to Implementation of the Scheme. Accordingly, the Independent Expert has concluded that, in the absence of a Superior Offer, the Scheme is fair and reasonable, and in the best interests of CGA Shareholders.

CGA Shareholders should understand that the value of the Scheme Consideration could change, potentially significantly, as a result of changes in the gold price, exchange rates or the operational prospects for the assets of B2Gold and CGA, or for other reasons. More information in relation to these risks is set out in **Section 9** and in the Independent Expert's Report.

The Independent Expert's Report is set out in **Annexure A** in Part 2 of this Scheme Booklet and should be read in its entirety, including the assumptions on which the conclusions are based.

- (c) The value of the Scheme Consideration represents a substantial premium over the pre-announcement trading prices for CGA Shares

Based on the 17 September 2012 closing price of B2Gold Shares on TSX, the implied value of the Scheme Consideration was C\$3.18 per CGA Share, which represents:

- (i) a 26% premium to CGA's closing price on TSX on 17 September 2012; and
- (ii) a 22% premium to CGA's 20-day volume weighted average trading price on TSX as at 17 September 2012.

The implied value of the Scheme Consideration may increase or decrease prior to the Implementation Date based on movements in the B2Gold Share price.

The US\$ value of the Scheme Consideration may increase or decrease prior to the Implementation Date based on movements in the US\$/A\$ exchange rate.

The value of the New B2Gold Shares may increase or decrease after the Implementation Date based on movements in the US\$/A\$ exchange rates.

Based on the 16 November 2012 (Toronto) closing price of B2Gold Shares on TSX of C\$3.53 (the latest practicable date prior to the finalisation of this Scheme Booklet), and an exchange rate of C\$1 = US\$0.9972 the implied value of the Scheme Consideration was US\$2.60 per CGA Share. The implied value of the Scheme Consideration has been as high as US\$3.15 per CGA Share and as low as US\$2.51 per CGA Share between the Announcement Date and that date.

- (d) You have the opportunity to receive New B2Gold Shares

Your Directors believe that ownership of New B2Gold Shares will provide you with a number of benefits, including the following:

- (i) rapidly expanding production profile - total estimated production of approximately 385,000 ounces of gold in 2013 from three operating mines, with projected growth to over 700,000 ounces of gold from five operating mines assuming successful completion of the Otjikoto and Gramalote projects;
- (ii) geographic diversification of operations - core operating centres in Nicaragua and the Republic of the Philippines and development assets in Namibia and Colombia, serving to mitigate operational and geopolitical risk;

- (iii) experienced management team – proven combined management and technical personnel with extensive exploration, mine development, operating and financial expertise;
 - (iv) enhanced financial capacity – the Merged Entity should have cash and cash equivalents of approximately C\$130 million which, in addition to continued strong cash flow from operations and good access to debt capital markets, will allow the Merged Entity substantial flexibility for future development; and
 - (v) Mineral Reserve and Mineral Resource base of the Merged Entity – Proven Mineral Reserves and Probable Mineral Reserves of 3.9 million ounces, Measured Mineral Resources and Indicated Mineral Resources of 9.6 million ounces and Inferred Mineral Resources of 4.7 million ounces.
- (e) You have the opportunity to benefit from the B2Gold management team
- Your Directors believe that the B2Gold management and technical team bring an industry-leading track record of exploration, mine development and disciplined operating capabilities which could materially enhance the value of the Masbate Project, most importantly through the recognised strength of the B2Gold exploration team.
- (f) An investment in a diversified operation
- The Merged Entity will have geographically diversified operations with operating centres in Nicaragua and the Republic of the Philippines and with additional development and exploration properties in Namibia, Colombia, Nicaragua and Uruguay, serving to mitigate operational and geopolitical risk.
- (g) Merged Entity to have enhanced access to capital
- Your Directors believe that the Merged Entity should have cash and cash equivalents of approximately C\$130,000,000 which, in addition to continued strong cash flow from operations and good access to debt capital markets, will allow the Merged Entity substantial flexibility for future development.
- (h) Eligible CGA Shareholders who are Australian residents for taxation purposes should be able to obtain CGT scrip-for-scrip roll-over relief
- Eligible CGA Shareholders who are Australian residents for tax purposes and who would otherwise realise a capital gain on the disposal of their CGA Shares in return for New B2Gold Shares under the Scheme should generally be able to obtain CGT scrip-for-scrip roll-over relief.
- Further details in relation to tax considerations can be found in **Section 8**.
- (i) Eligible Holders for Canadian tax purposes who receive New B2Gold Shares may be able to obtain a full or partial tax deferral
- Eligible Holders for Canadian tax purposes who receive New B2Gold Shares in exchange for their CGA Shares may be able to obtain a full or partial tax deferral in respect of the disposition of their CGA Shares.
- Further details in relation to Australian, Canadian and US tax considerations can be found in **Section 8**.
- (j) CGA Shareholders will not be required to pay any brokerage costs.
- CGA Shareholders (other than Ineligible Shareholders and Electing Small Scheme Participants) will not be required to pay any brokerage or other costs in connection with the disposal of their CGA Shares under the Scheme.
- (k) US Holders may be able to receive B2Gold Shares on a tax deferred basis
- Whilst not free from doubt, US Holders who receive New B2Gold Shares in exchange for CGA Shares generally should not recognise gain or loss on the exchange for US federal income tax purposes. Further details in relation to the tax considerations can be found in **Section 8**. US Holders who have owned CGA Shares since 2009 or earlier should review **Section 8.3(c)** and consult their tax advisors.

- (l) If the Scheme is not implemented, the CGA Share price may fall

If the Scheme is not implemented, CGA will remain an independent company and will continue, through its interests in Subsidiaries and Significant Interest Companies, to operate, explore and advance the Masbate Project. Should this occur, your Directors expect that the CGA Share price will trade below its current trading levels in the near term (although it is difficult to predict the CGA Share price movement with any certainty).

5.6 Possible disadvantages of the Scheme

Your Directors have had regard to the reasons set out in **Section 5.5** in unanimously recommending that you vote in favour of the Scheme. The Independent Expert has concluded that, in the absence of a Superior Offer, the Scheme is fair and reasonable and in the best interests of CGA Shareholders. However, you are not obliged to accept the Directors' unanimous recommendation or the view of the Independent Expert. Some of the reasons why you may decide to vote against the Scheme are set out below. You should note that even if you decide to vote against the Scheme, it may still be implemented if it is approved by the Requisite Majority of CGA Shareholders at the Scheme Meeting and by the Court pursuant to Section 411(4)(b) of the Corporations Act, and the Transaction and the issue of the New B2Gold Shares is approved by the requisite majority of B2Gold Shareholders at the B2Gold Shareholders' Meeting.

- (a) You may disagree with your Directors' unanimous recommendation or the Independent Expert's conclusion

You may not agree with the Directors' unanimous recommendation or the Independent Expert's conclusion.

- (b) The Merged Entity may be subject to a number of risks to which CGA is not currently exposed

If the Scheme becomes Effective, Scheme Participants (other than Ineligible Shareholders) will be issued New B2Gold Shares. CGA Shareholders who receive and retain New B2Gold Shares under the Scheme may be subject to certain risks, including the following:

- (i) foreign countries and mining risks – B2Gold's exploration, development, mining and production activities are currently conducted in Nicaragua, Namibia, Colombia and Uruguay and, as such, B2Gold's operations are exposed to various levels of political, economic and other risks and uncertainties;
- (ii) labour and employment matters – production at B2Gold's mining operations is dependent upon the efforts of B2Gold's employees and B2Gold's relations with its unionised and non-unionised employees;
- (iii) joint ventures – certain properties in which B2Gold has an interest are the subject of joint venture arrangements with other mining companies and will be subject to the risks normally associated with the conduct of joint ventures;
- (iv) property interests – B2Gold has certain obligations in order to acquire and maintain title to certain of its current properties and B2Gold must meet certain requirements. No guarantee can be given that B2Gold will be in a position to comply with all such conditions and obligations, or to require third parties to comply with their obligations with respect to such properties;
- (v) unknown liabilities in connection with acquisitions – as part of B2Gold's acquisitions, B2Gold has assumed liabilities and risks. While B2Gold has conducted comprehensive due diligence, there may be liabilities or risks that B2Gold failed, or was unable, to discover in the course of performing the due diligence investigation or for which B2Gold was not indemnified; and
- (vi) enforcement of civil liabilities – all of B2Gold's assets are located outside of Australia and its directors and executive officers are resident outside of Australia. As a result, it may be difficult or impossible to enforce judgments granted by a court in Australia against the assets of B2Gold or the directors and officers of B2Gold.

Further details of these risks can be found in **Section 9**.

- (c) You will be exposed to differences between applicable corporations and securities laws
- CGA is incorporated in Australia and B2Gold is incorporated in British Columbia, Canada. If the Scheme is implemented, CGA Shareholders, whose rights are currently governed by the laws of Australia and the constitution of CGA, who receive the Scheme Consideration will become holders of New B2Gold Shares. The rights of holders of New B2Gold Shares will be governed by British Columbian law and B2Gold's articles of incorporation.
- Currently, Australian resident CGA Shareholders wishing to take action to enforce provisions of CGA's constitution or corporations or securities laws as they relate to CGA may take action in Australian courts, applying Australian laws. After implementation of the Transaction, such actions in relation to B2Gold will be determined in accordance with British Columbian law. An Australian shareholder would be entitled to seek enforcement of applicable laws in the same manner as a Canadian shareholder.
- Although some of the material differences between Australian company law and British Columbia corporate law as they relate to CGA and B2Gold respectively could be viewed as advantageous to CGA Shareholders, others could be viewed as disadvantageous to CGA Shareholders.
- A summary of the material differences between applicable company laws can be found in **Annexure E** in Part 2 of this Scheme Booklet.
- (d) You may not want to change your current investment profile
- The operational profile, capital structure, size, share liquidity and geographic exposure of the Merged Entity will be different from that of CGA on a stand-alone basis.
- It is possible that certain CGA Shareholders may wish to maintain an interest in CGA as an independent company because they are seeking an investment in a listed company with the specific characteristics of CGA.
- (e) You may prefer CGA to be exposed to the opportunity for increased value from remaining as a stand-alone entity
- You may believe that CGA will continue to grow and CGA Shareholders will have the opportunity for greater returns over the long term by continued investment in CGA as an independent company.
- In assessing and recommending the Transaction, your Directors evaluated the benefits of CGA continuing as an independent company with CGA's current business plan.
- In deciding that they should recommend the Scheme to CGA Shareholders, your Directors determined that, on balance, the earlier and more certain value represented by the Transaction was more favourable than the strategic options that might otherwise be available to CGA as an independent company.
- (f) A Superior Offer for CGA may materialise in the future
- It is possible that, if CGA were to continue as an independent company, a Superior Offer for CGA which is more attractive for CGA Shareholders than the Scheme may materialise in the future. Your Directors are not currently aware of any such proposals. The implementation of the Scheme would mean that you would not obtain the benefit of any such proposal.
- Until the earlier of the Implementation Date or the Sunset Date, there is nothing preventing third parties from making unsolicited Competing Proposals for CGA.
- Your Directors may consider an unsolicited Competing Proposal that is or would reasonably be expected to result in a Superior Offer, but CGA may not solicit, invite, facilitate, encourage or initiate Competing Proposals. B2Gold has the right, but not the obligation within 5 Business Days of receipt of notice of a Competing Proposal, to offer to amend the terms of the Scheme, make a takeover bid for CGA or propose any other form of transaction.
- If a Superior Offer for CGA emerges prior to the Scheme Meeting your Directors will carefully consider the proposal and will inform you of any material developments.
- Further details can be found in **Section 10.4**.

- (g) The exact value of the Scheme Consideration on implementation of the Scheme is not certain

The exact value of the Scheme Consideration that would be realised by Scheme Participants upon implementation of the Scheme is not certain because it is dependent on the price at which B2Gold Shares trade at the Implementation Date and the C\$/A\$ exchange rate at the Implementation Date.

If the market value of B2Gold Shares declines, the value of the Scheme Consideration received by Scheme Participants will decline as well. Variations in the price of B2Gold Shares may occur as a result of changes in, or market perceptions of changes in, the business, operations or prospects of B2Gold, regulatory considerations, general market and economic conditions, gold price changes, changes in currency exchange rates and other factors over which B2Gold has no control.

The value of CGA Shares is also subject to similar uncertainty as a result of, among other things, gold price changes, which are beyond the control of CGA.

- (h) You will need to trade your New B2Gold Shares on TSX as the New B2Gold Shares will not trade on ASX

New B2Gold Shares will be listed on TSX but will not be listed on ASX. If you receive New B2Gold Shares, you will only be able to trade your New B2Gold Shares on TSX.

In order for Australian resident Scheme Participants to sell any New B2Gold Shares they receive, they will be required to establish an international trading account with an Australian broking firm and pay brokerage on the sale of New B2Gold Shares.

A Small Scheme Participant is a Scheme Participant with an Australian address in the Register whose entitlement to the Scheme Consideration would be 1,000 New B2Gold Shares or less. Each Small Scheme Participant may become an Electing Small Scheme Participant by electing to have all (and not only some) New B2Gold Shares issuable to him, issued to and sold by the B2Gold Nominee immediately after the Implementation Date and to receive the proceeds of the sale in A\$, net of costs. If you are likely to receive a Small Parcel of New B2Gold Shares if the Scheme is implemented, and you wish to make such an election, you should refer to **Section 5.2(c)** for further information about this facility.

- (i) If you are an Ineligible Shareholder or an Electing Small Scheme Participant, your New B2Gold Shares will be issued to the CGA Nominee or the B2Gold Nominee, respectively, to be sold, which may result in a tax liability

If the Scheme becomes Effective, B2Gold will issue the New B2Gold Shares to which the Ineligible Shareholder or the Electing Small Scheme Participant would otherwise have been entitled, to the CGA Nominee or the B2Gold Nominee, respectively, who will then sell those New B2Gold Shares, outside the United States, and remit the proceeds (net of costs) to the Ineligible Shareholder or the Electing Small Scheme Participant (as the case may be). The sale of those New B2Gold Shares may result in a tax liability for the Ineligible Shareholder or the Electing Small Scheme Participant (as the case may be).

See **Section 5.2(b)** and **Section 5.2(c)** for further information in relation to Ineligible Shareholders and Electing Small Scheme Participants.

Further details in relation to tax considerations can be found in **Section 8**.

5.7 Other relevant considerations

- (a) The Scheme is conditional

The Scheme is conditional on approval by the Requisite Majority of CGA Shareholders and by the Court.

The issue of New B2Gold Shares is also conditional on the approval of the requisite majority of B2Gold Shareholders' at the B2Gold Shareholders' Meeting.

The Transaction is also conditional on a number of other conditions including regulatory approvals, which are set out in **Section 10.2**. As at the date of this Scheme Booklet, your Directors are not aware of any matter which they expect will result in a breach of, or lead to non-performance of, any of those conditions.

(b) All or nothing proposal

If the Scheme is approved by the Requisite Majority of CGA Shareholders and the Court and all of the other conditions to the Transaction are either satisfied or waived (where applicable):

- (i) the Scheme will bind all Scheme Participants, including those who do not vote on the Scheme Resolution and those who vote against it, meaning that all Scheme Participants will have their CGA Shares transferred to B2Gold and will receive the Scheme Consideration (or in the case of Ineligible Shareholders and Electing Small Scheme Participants, the net proceeds of sale of the relevant New B2Gold Shares);
- (ii) CGA will become a wholly-owned Subsidiary of B2Gold; and
- (iii) CGA will be delisted from both ASX and TSX.

If any of the conditions to the Transaction are not satisfied or waived (where applicable), the Merger Implementation Agreement may be terminated and the Transaction will not be implemented.

(c) What happens if the Scheme is not implemented?

The consequences of the Scheme not being implemented include:

- (i) Scheme Participants will retain their CGA Shares, will not receive the Scheme Consideration, and will continue to be exposed to the risks associated with their investment in CGA Shares;
- (ii) the existing CGA Board and management will continue to operate CGA's business;
- (iii) the expected benefits of the Transaction (as set out in **Section 5.5**) will not be realised;
- (iv) CGA will have incurred significant costs and management time and resources for no outcome;
- (v) CGA may be liable to pay the CGA Reimbursement Fee Amount (US\$10,000,000) to B2Gold (for further details in relation to the CGA Reimbursement Fee Amount, see **Section 10.15**); and
- (vi) subject to the approval of CGA Shareholders at the upcoming annual general meeting of CGA, the Loan Plan will be implemented and the EOS will be terminated (further details on the Loan Plan are set out in **Section 6.8**).

(d) Risks if the Transaction does not proceed

- (i) There can be no certainty that the Transaction will be completed. Failure to complete the Transaction could negatively impact the CGA Share price.

The completion of the Transaction is subject to a number of conditions precedent, certain of which are outside the control of CGA. There can be no certainty, nor can CGA provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied, when they will be satisfied. If the Transaction is not completed, the market price of CGA Shares may decline to the extent that the market price reflects an assumption that the Scheme will be completed.

- (ii) Transaction costs

If the Transaction does not proceed, CGA will incur significant transaction costs estimated at approximately US\$2 million, being US\$1 million for legal, accounting and taxation costs, and US\$1 million being a 25% break fee payable to Haywood Securities Inc.

- (iii) B2Gold costs may become payable

CGA may be required to pay the CGA Reimbursement Fee Amount (US\$10,000,000) in certain circumstances (see **Section 10.15** for more information in relation to the CGA Reimbursement Fee Amount).

5.8 What are your options and what should you do?

You have the following four options in relation to your CGA Shares. CGA encourages you to consider your personal risk profile, portfolio strategy, tax position and financial circumstances and seek professional advice before making any decision in relation to your CGA Shares.

- (a) Vote in favour of the Scheme at the Scheme Meeting

Your Directors unanimously recommend that, in the absence of a Superior Offer, you vote in favour of the Scheme. The reasons for your Directors' unanimous recommendation are set out in this **Section 5**.

To vote in favour of the Transaction, you need to vote in favour of the Scheme Resolution at the Scheme Meeting. For directions on how to vote at the Scheme Meeting, and important voting information generally (including for Canadian Beneficial Holders), please refer to **Section 4**.

- (b) Vote against the Scheme at the Scheme Meeting

If, despite your Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Transaction, you may vote against the Scheme Resolution at the Scheme Meeting.

However, you should note that if all of the conditions to the Transaction are satisfied or waived (where applicable), the Scheme will bind all CGA Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting or those who do not vote at all.

- (c) Sell your CGA Shares on ASX or TSX

The Transaction does not preclude you from selling your CGA Shares on market for cash, if you wish, provided you do so before close of trading in CGA Shares on ASX on the Effective Date (currently expected to be 16 January 2013) if the sale is to occur on ASX or if the sale is to occur on the TSX, before close of trading in CGA Shares on TSX three Business Days prior to the Record Date (currently expected to be 18 January 2013 Toronto time), when trading in CGA Shares will end.

Since the Announcement Date up to 2 November 2012, CGA shares have traded on ASX and TSX at prices above the closing share price on 17 September 2012.

If you are considering selling your CGA Shares on ASX or TSX you should have regard to the prevailing trading prices of CGA Shares at that time.

If you sell your CGA Shares on market for cash, you:

- (i) will not be entitled to receive the Scheme Consideration;
- (ii) may incur a brokerage charge; and
- (iii) will not be able to participate in a Superior Offer, if one emerges, noting that, as at the date of this Scheme Booklet, your Directors have not received notice from any third party of an intention to make any unsolicited Competing Proposal.

- (d) Do nothing

If, despite your Directors' unanimous recommendation and the conclusion of the Independent Expert, you decide to do nothing, you should note that if all of the conditions to the Transaction are satisfied or waived (where applicable), the Scheme will bind all CGA Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting or those who do not vote at all.

Remember, if you want to receive the Scheme Consideration, your vote is important. If the Scheme is not approved by the Requisite Majority of CGA Shareholders you will not be entitled to receive any Scheme Consideration.

6. Information about CGA

6.1 General

This **Section 6** contains information in relation to CGA.

The Independent Expert's Report in **Annexure A** in Part 2 of this Scheme Booklet contains further detailed information on CGA.

CGA is listed on both ASX and TSX. CGA is a “disclosing entity” for the purposes of the Corporations Act and a “reporting issuer” for Canadian securities law purposes and is subject to regular reporting and disclosure obligations under the Corporations Act, ASX Listing Rules and applicable Canadian securities laws. CGA is required to notify ASX and TSX (subject to certain exceptions) immediately after it becomes aware of any information concerning CGA which a reasonable person would expect to have a material effect on the price or value of CGA Shares.

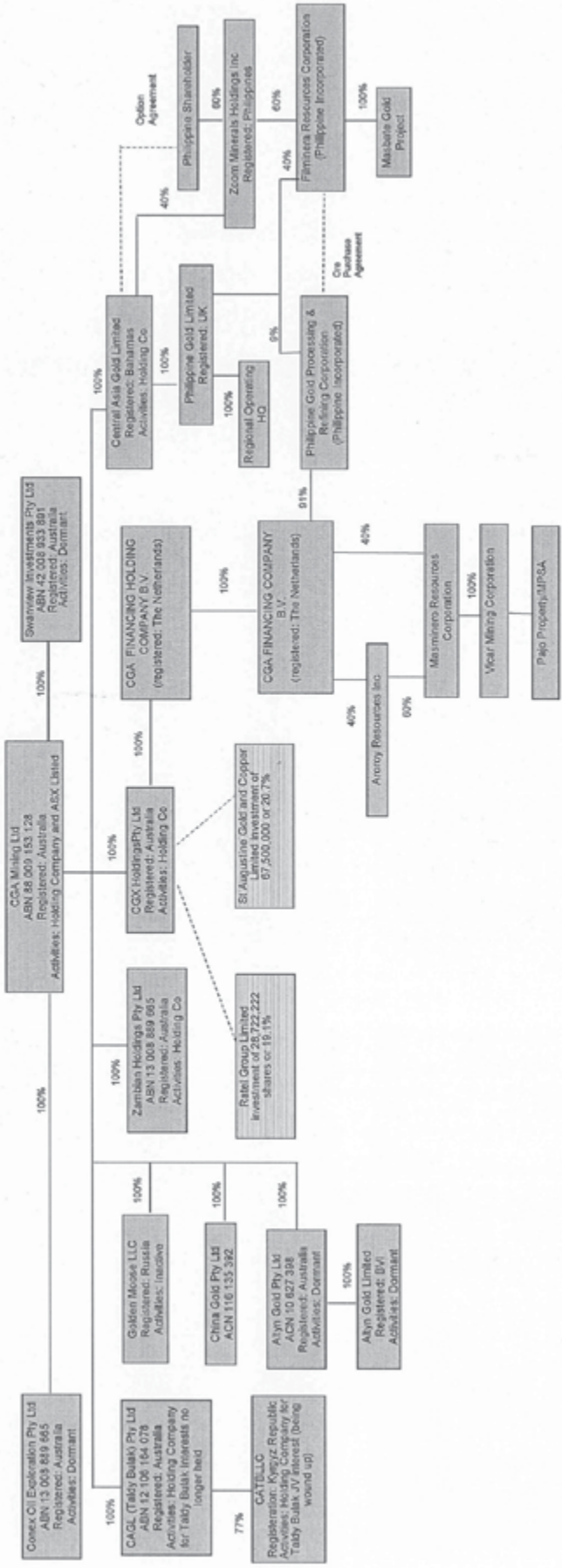
CGA's registered office for Australian law purposes is at Level 5, The BGC Centre, 28 The Esplanade, Perth, Western Australia, Australia 6000. Its records office for Canadian law purposes is at the same address. CGA has a regional office in Manila.

Copies of announcements made by CGA to ASX are available on ASX website (www.asx.com.au) and under CGA's profile on SEDAR (www.sedar.com).

6.2 Organisation

The following organisational chart illustrates CGA's principal Subsidiaries and the Significant Interest Companies, together with the governing law of each company and the percentage of voting securities beneficially owned or over which control or direction is exercised by CGA, as well as CGA's material mineral projects.

Diagram 1: CGA Organisational Chart



6.3 Management structure

The Directors and office holders of CGA at the date of this Scheme Booklet are:

Directors:

Mark Savage	Director and Chairman (Non-Executive) ³
Michael Carrick	Director (Executive), President and Chief Executive Officer
Justine Magee	Director (Executive) and Chief Financial Officer
Robert Scott	Director (Non-Executive)
Phill Lockyer	Director (Non-Executive)
David Cruse	Director (Non-Executive)

Senior Executives:

Mark Turner	Chief Operating Officer
Hannah Hudson	Company Secretary
Eliza Molloy	Mining Manager
Ray Mead	Processing Manager
Wayne Foote	General Manager

Section 7.2 provides a summary of B2Gold's current intentions in relation to CGA's employees after the Effective Date.

6.4 Masbate Project

(a) Background

The Masbate Project is located on the island of Masbate in the Philippines, approximately 360km southeast of the capital, Manila. The Masbate Project is owned by two Philippine registered companies, Filminera Resources Corporation (**FRC**) and Philippine Gold Processing and Refining Corp. (**PGPRC**).

FRC owns the Masbate Project tenements and is responsible for the mining, environmental, social and community relations on the project site. CGA has a direct and indirect interest of 64% in FRC and a direct and indirect interest of 64% in Vicar.

PGPRC is 100% owned by CGA and has a lease for that portion of the project area on which the processing facility is located. PGPRC has constructed and owns the processing plant and power plant and has an agreement to purchase and process all of the ore mined by FRC on the project area. PGPRC is also considering the option of purchasing material from sources other than the Masbate Project. The environmental, legal, financial and social responsibilities in connection with the processing and tailings treatment are shared with FRC.

The mining operation consists of multiple open pits and CGA, FRC and PGPRC executed a 6 year mining alliance contract with Leighton Contractors (Philippines) Inc. and Leighton Holdings Limited on 1 March 2011 whereby Leighton Contractors (Philippines) Inc. provides the full mining fleet and associated equipment, manpower and maintenance for the project, operating under the direction of FRC mining managers.

(b) Mineral Resource and Mineral Reserve estimates

During FY 2012, CGA updated the mineable Mineral Reserves.

As at 31 October 2011, total Proven Mineral Reserves were estimated to contain 0.139 million ounces and Probable Mineral Reserves have been estimated to contain 2.9 million ounces @ 0.83g/t resulting in 3.168 million ounces of gold (including 0.131 million ounces of stockpiles).

³ Note - Mark Savage has notified CGA that he intends to retire from the CGA Board, effective from the date of the Annual General Meeting of CGA Shareholders on 28 November 2012.

Table 1 below summarises the results of the upgrade of Probable Mineral Reserves.

Area	Ore Tonnes	Grade	Ounces
Main Vein	58,100,000	0.9	1,690,000
Colorado	45,000,000	0.8	1,106,000
Holy Moses Basalt East	6,300,000	0.8	168,000
Holy Moses Basalt West	1,200,000	1.4	54,000
Syndicate	600,000	1.0	20,000
Low Grade Stockpiles	7,400,000	0.6	130,000
Total	118,600,000	0.8	3,168,000

Table 1: Masbate Project Probable Ore Reserve estimate

The Proven Mineral Reserve and Probable Mineral Reserve are based on a gold price of US\$1,300 and also include a mining dilution of 5% and a mining recovery allowance of 97.5%. The Mineral Reserves will be sourced from 5 major independent pits and a number of smaller surrounding pits.

A computer based open pit optimisation routine was used to determine the appropriate mining limits (area and depth), taking account of all environmental requirements in connection with open pit mining and waste disposal.

CGA has announced, as of 31 October 2011, an increase in total Measured Mineral Resources to 0.16 million ounces and Indicated Mineral Resources to 4.84 million ounces (including stockpiles of 0.13 million ounces) increasing total contained gold to 5.13 million ounces, and Inferred Mineral Resources of 2.83 million ounces. After allowing for the ounces depleted from mining since production commenced, this represents an increase of 1.06 million ounces of contained gold, or 23.3%, from the previous NI 43-101 compliant Mineral Resource estimate.

The updated computation adopted a resource model based on ordinary kriging of all mineralisation styles.

The updated Mineral Resource estimate applies a cut off grade of 0.36g/t and has a resultant Mineral Resource block model with a parent block size for Measured Mineral Resource Category of 10m(E) by 10m(N) by 5m(RL) and for Indicated Mineral Resource Category of 20m(E) by 20m(N) by 10m(RL) and a sub-block size of 5m(E) by 5m(N) by 2.5m(RL).

Table 2 below summarises the results of the upgrade of Mineral Resources.

MASBATE		CUT OFF GRADE															
		0.0	0.1	0.2	0.3	0.36	0.4	0.5	0.6	0.7	0.8	0.9	1.0	1.2	1.5	1.7	2.0
Measured	Au (g/t)	0.46	0.49	0.58	0.70	0.77	0.82	0.94	1.06	1.19	1.31	1.43	1.56	1.79	2.10	2.30	2.62
	M tonnes	14.3	13.2	10.4	7.5	6.4	5.7	4.3	3.3	2.5	2.0	1.6	1.2	0.8	0.5	0.4	0.2
	Au (Moz)	0.21	0.21	0.19	0.17	0.16	0.15	0.13	0.11	0.10	0.08	0.07	0.06	0.05	0.03	0.03	0.02
Indicated	Au (g/t)	0.23	0.30	0.46	0.66	0.76	0.82	0.95	1.05	1.14	1.24	1.33	1.44	1.65	1.97	2.20	2.54
	M tonnes	1481.3	1038.5	503.0	261.3	197.8	170.7	126.6	101.9	83.0	66.7	53.6	42.5	26.1	13.0	8.1	4.2
	Au (Moz)	10.76	9.88	7.38	5.50	4.84	4.51	3.88	3.44	3.05	2.66	2.30	1.96	1.39	0.82	0.57	0.35
Total M + I	Au (g/t)	0.23	0.30	0.46	0.66	0.76	0.82	0.95	1.05	1.14	1.24	1.34	1.44	1.66	1.98	2.21	2.55
	M tonnes	1495.5	1051.7	513.4	268.8	204.3	176.4	130.9	105.2	85.5	68.7	55.2	43.8	26.9	13.5	8.4	4.4
	Au (Moz)	10.97	10.09	7.58	5.67	5.00	4.66	4.01	3.55	3.14	2.74	2.37	2.02	1.43	0.86	0.60	0.36
Inferred	Au (g/t)	0.35	0.45	0.64	0.81	0.86	0.89	0.94	0.99	1.07	1.16	1.27	1.40	1.65	2.09	2.51	3.08
	M tonnes	345.5	259.3	160.0	112.7	102.8	96.8	86.8	75.3	61.6	47.7	35.5	25.6	14.1	6.0	3.2	1.8
	Au (Moz)	3.93	3.77	3.30	2.93	2.83	2.76	2.61	2.41	2.12	1.79	1.45	1.15	0.75	0.40	0.26	0.17

Table 2: Mineral Resource estimate

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. For further information regarding the Masbate Project, refer to the Technical Report titled "NI 43-101 Technical Report Masbate Gold Project Republic of the Philippines October 2011" and authored by Mark Turner, Andrew Vigar and Stephen Jones dated 20 June 2012.

(c) Mining operations

The first gold pour from the Masbate Project was made on 12 May 2009. Since this date the project has produced 495,917oz of gold up to 30 June 2012 at an average cash operating cost of US\$637/oz. Commercial production commenced on 1 July 2009 and prior to commencement of commercial production, most costs were capitalised.

Mine production was 7,386,541 BCM for FY 2012 (FY 2011: 8,681,373 BCM). Tonnes milled for FY 2012 were 4,748,378 tonnes producing 142,771 ounces of gold. Cash operating costs (before taxes) for FY 2012 were US\$831/oz sold. Production during FY 2012 year was severely impacted by the failure of the rolling element of the SAG Mill. Mill production was reduced to an average of 40% of normal production for the first 6 months of the financial year. The SAG Mill was repaired and brought back on line on 25 December 2011 and has operated without problem since. CGA finalised the 6.5Mtpa plant upgrade at the Masbate Project, with the commissioning of the supplementary crusher occurring in September 2011.

	Jan-Jun 2012	Jul-Dec 2011	Jan-Jun 2011	Jul-Dec 2010
Milled (dry metric tonnes)	3,315,300	1,433,078	3,155,835	2,996,726
Feed (g/t)	1.08	1.01	1.05	1.21
Recovery (%)	84.8	89.9	85.4	84.7
Availability (%)	93.7	82.7	88.3	90.3
Production (ozs)	100,016	42,755	91,329	98,703
Cost/t Milled	US\$22.71	US\$32.43	US\$20.43	US\$18.57
Cash operating costs before taxes	US\$769	US\$951	US\$717	US\$601

Table 3: Production Statistics for FY 2012 and FY 2011

(d) Exploration and development

During the 2010 June quarter exploration activities commenced at the Masbate Project and US\$8 million was spent during FY 2011. The exploration program was continued during FY 2012 with an expenditure of US\$14.4 million. The FY 2012 work concentrated on the following areas:

- upgrading of Inferred Mineral Resources;
- resource infill drilling;
- resource drilling at Pajo Hill;
- close to mine targets outside current resources;
- grass roots regional exploration including surface mapping, stream sediment sampling, and rock chip sampling; and
- an induced polarisation survey over a Cu-Au porphyry target at Baleno.

Initially the exploration has been targeting both inferred extensions of the ore bodies and close to mine targets outside the current resource envelope.

(e) Safety

As of 30 June 2012, the Masbate Project had achieved 398 days without a lost time injury (**LTI**). The LTI frequency rate was 0 (rolling 12 month average).

(f) Community relations

The local communities continue to be a primary focus of CGA with the implementation of the Social Development Management Plan (**SDMP**) agreed with the local communities and government and continuing support and assistance in the areas of health, education, infrastructure and livelihood. A review of performance is conducted annually against the SDMP together with a presentation of the upcoming annual SDMP to the communities, local and regional government representatives in the impacted Barangays and Regional Government offices.

Community relations expenditure, in line with the SDMP, has concentrated on the implementation of projects and programs in infrastructure. On 30 June 2011, the Masbate Project received an award from the Department of Environment and Natural Resources (**DENR**) Region 5 in the Large Scale Industry category in recognition of its responsive and effective implementation of Environmental Management and Social Development Programs. At the same time a second award was presented to FRC by the Mines and Geosciences Bureau of the DENR Region 5 for achieving 4 million man hours without a lost time injury.

6.5 Legal proceedings

(a) SAG Mill claim

CGA lodged a claim with its insurers during FY 2012, in relation to the SAG Mill failure. The claim has not yet been granted indemnity by the insurers and CGA is currently in the process of entering into arbitration with the insurers. At this stage CGA is not in a position to advise on the outcomes of the proposed arbitration proceedings and hence the extent of any claim that may be payable to CGA, should the arbitration proceedings be successful.

(b) LCIA proceedings

CGA, as the former parent company of Ratel Gold Limited has been joined to proceedings in Ghana which have been stayed pending the outcome of arbitral proceedings in the London Court of International Arbitration (**LCIA**). The dispute involves joint venture partners Westchester Resources Limited (**Westchester**) and CAML Ghana Limited (**CAML Ghana**), both Ghanaian entities. Westchester is disputing CAML Ghana's claim that it holds a 51% interest in the joint venture property.

Whilst neither Westchester nor CAML Ghana are related to CGA, Westchester has sought to enjoin CGA in the dispute with CAML Ghana on the basis that Ratel Gold Limited was previously a subsidiary of CGA, despite CGA having never been a party to any related documents, companies or transactions. Ratel Gold Limited had, while still a subsidiary of CGA, entered into an agreement to acquire CAML Ghana. The interest was then moved to Ratel Group Limited as part of the spin out to Ratel Gold Limited shareholders. However as the ministerial consent required to complete the change of control of CAML Ghana was not obtained, the acquisition was ultimately terminated approximately 18 months later.

Subsequent to the proceedings in Ghana being stayed, CGA has joined the LCIA arbitration in order to take advantage of any decision of the LCIA. The parties, including CGA, will seek to have the LCIA decision enforced in Ghana in order to prevent Westchester recommencing proceedings in Ghana.

Subsequent to filing its Statement of Defence, Westchester has advised the LCIA that it has withdrawn from the proceedings. However, the proceedings are continuing and CGA believes its exposure is not material to CGA.

- (c) FRC's title to land required for mining operations at the Masbate Project

In general, FRC has valid title to or preferential rights to use and possess the parcels of land needed for its mining operations at the Masbate Project. However, the following are outstanding issues:

- (i) titles to three parcels of land are being judicially confirmed by applying for registration under the *Land Registration Act*; and
- (ii) three claimants have filed an action contesting the title of FRC to three parcels of land.

While FRC anticipates that these land issues will be resolved, no assurance can be given that the matters will be resolved in FRC's favour in a timely manner, or at all.

FRC is involved in a number of other small claims in connection with the Masbate Project, none of which are considered by FRC to involve material risks.

6.6 Financial information

- (a) Introduction

The selected historical financial information in this Section has been extracted from CGA's audited Annual Financial Report for the year ended 30 June 2012.

The information in this section is a summary only and has been prepared solely for inclusion in this Scheme Booklet. The full financial accounts for the financial year ended 30 June 2011 (inclusive of all notes) of CGA have been published in CGA's Annual Report 2011 and the audited Financial Report for the half year ended 31 December 2011 (inclusive of all notes) of CGA and the audited Annual Financial Report for 30 June 2012 (inclusive of all notes), together with CGA's Annual Report 2011 are available from CGA's website www.cgamining.com and under CGA's profile on SEDAR at www.sedar.com and on ASX at www.asx.com.au.

(b) Statement of consolidated comprehensive income

Set out below is CGA's audited Statement of Consolidated Comprehensive Income for the years ended 30 June 2012 and 2011. All amounts are in US Dollars, except per share amounts.

	2012 US\$	2011 US\$
Continuing Operations		
Revenue	187,694,928	238,481,332
Cost of sales	(147,855,451)	(158,112,878)
Gross profit	39,839,477	80,368,454
Administrative expenses	(4,236,998)	(4,896,938)
Finance costs	(3,781,558)	(5,042,470)
Movement in fair value of derivative financial instruments	(863,693)	493,491
Impairment of investments	(6,869,837)	-
Gain on deconsolidation	-	2,929,066
Share of loss of associate	(3,883,156)	(3,191,968)
SAG Mill expenses	(6,213,083)	-
Other expenses	(8,191,517)	(4,945,690)
Profit from continuing operations before income tax expense	5,799,635	65,713,945
Income tax (expense)/benefit	188,714	(353,827)
Net profit from continuing operations for the year	5,988,349	65,360,118
Discontinued Operations		
(Loss) from discounted operations after tax	-	(277,854)
Net profit for the year	5,988,349	65,082,264
Other comprehensive income		
Movement in available for sale investments net of tax	(1,374,944)	1,687,074
Cashflow hedges:		
Loss taken to equity net of tax	(16,271,080)	(25,275,045)
Loss transferred to profit/(loss) for the period, net of tax	46,750,961	15,147,482
Other comprehensive income/(loss) for the year, net of tax	28,654,937	(8,440,489)
Total comprehensive income/(loss) for the year	34,643,286	56,641,775
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company		
Basic earnings per share (cents)	1.79	19.64
Diluted earnings per share (cents)	1.78	19.31
Earnings per share for profit/(loss) attributable to the ordinary equity of holders of the company		
Basic earnings per share (cents)	1.79	19.56
Diluted earnings per share (cents)	1.78	19.23

Table 4: CGA's Statement of Consolidated Comprehensive Income for the year ended 30 June 2012

(c) Consolidated balance sheet

Set out below are CGA's consolidated balance sheets as at 30 June 2012 and 2011. All amounts are in US Dollars.

	2012 US\$	2011 US\$
ASSETS		
Current Assets		
Cash and cash equivalents	79,671,526	107,336,345
Trade and other receivables	2,115,475	704,291
Prepayments	5,999,955	7,849,902
Inventories	25,765,293	17,063,423
Derivative financial assets	-	1,759,748
Total Current Assets	113,552,249	134,713,709
Non-Current Assets		
Available for sale financial assets	2,806,732	4,181,703
Investment in associate	86,412,984	71,574,437
Plant and equipment	191,842,654	191,355,070
Intangible assets	36,223,732	38,278,394
Other assets	22,554,390	19,532,657
Total Non-current Assets	339,840,492	324,922,261
TOTAL ASSETS	453,392,741	459,635,970
LIABILITIES		
Current Liabilities		
Trade and other payables	13,151,694	12,697,346
Interest bearing loans and borrowings	27,578,868	22,077,574
Derivative financial liabilities	38,783,810	37,770,654
Provisions	1,843,891	527,119
Total Current Liabilities	81,358,263	73,072,693
Non-Current Liabilities		
Interest bearing loans and borrowings	26,485,296	46,953,180
Provisions	1,247,542	911,306
Derivative financial liabilities	17,543,273	49,482,368
Deferred Tax Liability	5,494,977	6,116,880
Total Non-Current Liabilities	50,771,088	103,463,734
TOTAL LIABILITIES	132,129,351	176,536,427
NET ASSETS	321,263,390	283,099,543
Equity		
Contributed equity	305,076,669	302,016,570
Reserves	(39,751,596)	(68,866,996)
Retained profits	55,938,318	49,949,969
TOTAL EQUITY	321,263,390	283,099,543

Table 5: CGA's consolidated balance sheet for year end 30 June 2012

(d) Consolidated statements of cash flows

Set out below is CGA's audited consolidated Statement of Cash Flows for the years ended 30 June 2012 and 2011. All amounts are in US Dollars.

	2012 US\$	2011 US\$
Cash flows from operating activities		
Receipts from customers	184,694,778	235,280,284
Payments to suppliers and employees	(150,225,407)	(149,213,447)
Exploration and evaluation expenditure	-	(277,854)
Interest received	88,885	594,723
Other taxes paid	(4,574,435)	(864,420)
Net cash inflow from operating activities	29,983,821	85,519,286
Cash flows from investing activities		
Payments for property, plant and equipment	(11,984,958)	(10,856,435)
Loans to associate	(17,780,275)	(10,784,737)
Loans to non-related parties	-	(14,461,394)
Repayment of loan from non-related parties	-	14,458,626
Investments in associates	(4,900,000)	(16,896,067)
Disposal of controlled entity	-	(166,882)
Investments in available for sale financial assets	-	(1,011,941)
Net cash outflow from investing activities	(34,665,233)	(39,718,830)
Cash flows from financing activities		
Proceeds from the issue of shares and exercise of warrants and options to acquire shares	3,060,099	2,469,125
Interest paid	(3,353,683)	(3,844,270)
Capital raising costs	-	(2,338)
Repayment of borrowings	(21,748,715)	(24,205,534)
Financing costs	(301,386)	(316,409)
Net cash inflow/(outflow) from financing activities	(22,343,687)	(25,899,426)
Net increase in cash and cash equivalents	(27,025,099)	19,901,030
Cash and cash equivalents at the beginning of the financial year	107,336,345	87,787,357
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies	(639,720)	(352,042)
Cash and cash equivalents at end of the financial year	79,671,526	107,336,345

Table 6: CGA's audited consolidated Statement of Cash Flows for year ended 30 June 2012

6.7 CGA's issued securities

As at the date of this Scheme Booklet, the issued securities of CGA comprise:

- 337,892,393 CGA Shares; and
- 5,804,583 CGA Options.

As at the date of the Scheme Booklet, Franklin Resources, Inc. and its Affiliates own approximately 10.24% of the CGA Shares. To the knowledge of the Directors and executive officers, no other person, as of the date of this Scheme Booklet, beneficially owned, directly or indirectly, or exercised control or direction over, CGA Shares carrying more than 10% of the voting rights attached to all issued CGA Shares (based on information available to CGA at the date of the Scheme Booklet).

Other than as set out below, CGA is under no obligation to issue further CGA Shares before the implementation of the Scheme.

All of the CGA Options referred to above are presently exercisable. If exercised, this would result in the issue of 5,804,583 CGA Shares. However, it should be noted that it is condition precedent to the Scheme becoming Effective that as at the Second Court Date, all holders of CGA Options must agree in writing, subject to the Scheme becoming Effective, to cancel all of their CGA Options for the Cancellation Consideration. CGA has obtained a waiver from ASX from the requirement to comply with Listing Rule 6.23.2 in relation to the cancellation of the CGA Options. CGA Option holders retain the right to exercise their CGA Options at any time on or before the Record Date, even where they have agreed to a cancellation pursuant to the Scheme.

The CGA Options include options issued under an Employee Option Scheme (**EOS**) established by CGA and options issued to Directors as described in more detail below. The CGA Options are not quoted on ASX or TSX.

Furthermore, CGA is prohibited, from the date of the Merger Implementation Agreement until the Implementation Date, from modifying the rules of the EOS in respect of, or the terms of issue of, the CGA Options.

6.8 Employee Option Scheme

An Employee Option Scheme (**EOS**) has been established where CGA, at the discretion of the Directors, may grant CGA Options to eligible employees and consultants of CGA. Directors are ineligible to participate. CGA has adopted this incentive plan to enable employees and consultants to acquire an ownership interest in CGA.

The CGA Options issued under the EOS are issued for nil consideration, for a defined exercise price and are only exercisable before a defined expiry date if CGA Shares have been quoted on ASX throughout the 12 month period immediately preceding the exercise of the CGA Options, without suspension during that period exceeding in total 2 trading days. Once exercised, the shares rank equally with the existing CGA Shares.

During the FY 2012, 100,000 CGA Options were exercised comprising of 50,000 CGA Options at an exercise price of A\$1.70 and 50,000 CGA Options at an exercise price of A\$0.65. Subsequent to 30 June 2012, 116,667 CGA Options were exercised comprising of 16,667 CGA Options at an exercise price of A\$1.70, 10,000 CGA Options at exercise price of A\$1.50, 40,000 CGA Options at an exercise price of A\$1.15 and 50,000 CGA Options at an exercise price of A\$0.90, 150,000 CGA Options at an exercise price of A\$0.90 expired and 250,000 CGA Options at an exercise price of A\$2.97 were cancelled.

At its upcoming annual general meeting (to be held on 28 November 2012), CGA is seeking shareholder approval for the adoption of an employee share plan known as the CGA Loan Funded Share Plan (**Loan Plan**). Under the Loan Plan employees and directors may be invited to subscribe for CGA Shares and to apply for a loan from the CGA to pay the subscription price for those shares. CGA takes security over the CGA Shares acquired under the Loan Plan until the loan provided for the subscription price for those shares is repaid in full. If the Loan Plan is approved by CGA Shareholders, it will replace the EOS. The Loan Plan will only be implemented if the Transaction does not proceed.

6.9 Directors' Options

In November 2008, CGA issued 3,000,000 CGA Options to Michael Carrick, a Director, with an exercise price of A\$1.50 and an expiry date of 28 November 2013. The CGA Options were sold by Mr Carrick in May 2012 to a related party in which Mr Carrick has no beneficial interest.

6.10 CGA Options

As at the date of this Scheme Booklet, 5,804,583 CGA Options were held by a total of 29 holders. The number of CGA Options on issue will reduce if any CGA Options are exercised or expire after this date. While each holder of the CGA Options generally retains the right to exercise the CGA Options up to the Implementation Date, if the Scheme is approved by the Requisite Majority of CGA Shareholders at the Scheme Meeting and the Scheme becomes Effective, the CGA Options will be cancelled and the Cancellation Consideration will be provided to those holders of CGA Options by B2Gold pursuant to the terms of the Merger Implementation Agreement.

Table 7 contains the details of CGA Options in CGA that remain unexercised at the date of this Scheme Booklet.

Exercise Price A\$	Issue date	Expiry date	Number of CGA Options	Cancellation Consideration (No. of New B2Gold Shares)
1.80	7/05/2008	31/03/2013	700,000	218,787
1.20	15/10/2008	15/10/2013	400,000	181,953
1.50	28/11/2008	28/11/2013	3,000,000	1,151,162
1.70	2/04/2009	2/04/2014	964,583	324,361
1.50	30/06/2009	30/06/2014	90,000	34,532
2.97	28/12/2010	27/12/2012	75,000	2,626
2.97	28/12/2010	31/12/2015	575,000	20,136

Table 7: Unexercised CGA Options

The Cancellation Consideration to be provided to holders of CGA Options is that number of New B2Gold Shares set out opposite each tranche of CGA Options as described in Table 7, calculated in respect of each tranche as follows:

$$[(A - B) / C] \times D$$

where

A = C\$3.18

B = C\$ value of the exercise price of CGA Option in the relevant tranche, at the exchange rate of A\$1 to C\$1.02 (being the same day value quoted by the Bank of Canada on 17 September 2012)

C = C\$4.30

D = the number of CGA Options in the relevant tranche

6.11 Further information

For further information relating to CGA, please visit CGA's website www.cgamining.com or CGA's profile on SEDAR at www.sedar.com and on ASX at www.asx.com.au.

The following documents relating to CGA are available on CGA's website:

- Annual Information Form for FY 2012, dated 28 September 2012;
- Annual Information Form for FY 2011, dated 27 September 2011;
- 2011 CGA Annual Report;
- 2010 CGA Annual Report;
- 2009 CGA Annual Report;
- Management Discussion and Analysis for the 3 month period ended 30 September 2012 dated 31 October 2012;
- Management Discussion and Analysis for the 3 month period ended 31 March 2012 dated 14 May 2012;
- Management Discussion and Analysis for the 3 month period ended 31 December 2011 dated 14 February 2012;
- Management Discussion and Analysis for the 3 month period ended 30 September 2011, dated 7 November 2011;
- Quarterly Report for 3 month period ended 30 September 2012, dated 30 October 2012;
- Quarterly Report for 3 month period ended 30 June 2012, dated 31 July 2012;
- Quarterly Report for 3 month period ended 30 March 2012, dated 16 April 2012; and
- Quarterly Report for 3 month period ended 31 December 2011, dated 30 January 2012.

Viewing of these documents and any others available under CGA's regular reporting and disclosure obligations is also available through CGA's registered office during business hours.

7. Information about B2Gold and the Merged Entity

The B2Gold Information, including the information in this section of the Scheme Booklet, has been prepared and provided by B2Gold and is the responsibility of B2Gold. None of CGA, its officers, employees or advisors assumes any responsibility for the accuracy or completeness of the B2Gold Information in this section.

7.1 Profile of B2Gold

(a) Overview of B2Gold

B2Gold was incorporated under the BCBCA on 30 November 2006. B2Gold's head office is located at Suite 3100, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1 and its registered office is located at Suite 1600, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2. B2Gold is listed on the TSX, the Namibian Stock Exchange and the OTCQX International and is a reporting issuer for the purposes of applicable provincial securities laws of Canada and as such is subject to regular reporting and disclosure obligations.

B2Gold is a Vancouver-based gold producer with mining operations in Nicaragua, exploration and development projects in Namibia and Colombia and a portfolio of exploration assets in Colombia, Nicaragua and Uruguay. Currently, B2Gold is operating La Libertad gold mine (formerly referred to as the Orosi mine) (**La Libertad Mine**) and the El Limon gold mine (the **Limon Mine**) in Nicaragua. B2Gold has a 92% interest in the Ojtikoto gold project in Namibia, a 49% interest in the Gramalote property in Colombia and an 80% interest in the Cebollati property in Uruguay, and owns or has an interest in the Trebol and Pavon properties in Nicaragua, the Bellavista property in Costa Rica and the Quebradona property in Colombia. B2Gold also has options to earn an interest in a joint venture in Nicaragua with Calibre Mining Corp. (**Calibre**) and two joint ventures in Nicaragua with Radius Gold Inc. (**Radius**). For further information regarding B2Gold, the development of its business and its business activities, see the B2Gold Annual Information Form (the **B2Gold AIF**), a copy of which is available under B2Gold's profile on the SEDAR website at www.sedar.com.

B2Gold's material assets are owned through subsidiary companies shown in the following organizational chart.

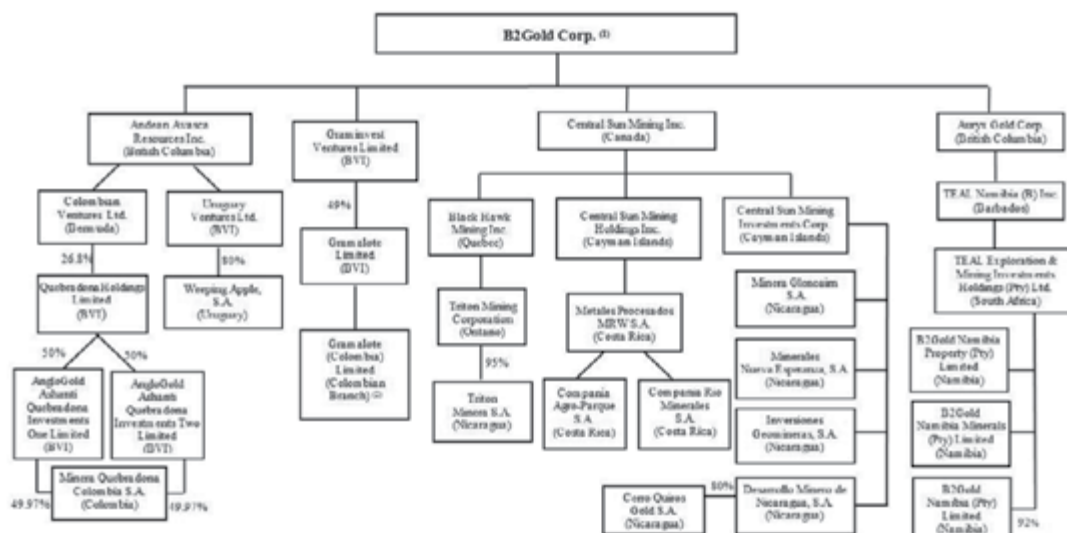


Diagram 2: B2Gold Organisational Chart

Notes:

- (1) All ownership of subsidiaries is 100% unless indicated. Certain subsidiaries are indirectly owned by B2Gold through wholly-owned subsidiaries not reflected above.
- (2) Colombian branches are not separate legal entities.

(b) Business of B2Gold

B2Gold is a gold mining company with a strategic focus on acquiring and developing interests in mineral properties with demonstrated potential for hosting economic mineral deposits with gold deposits as the primary focus. B2Gold conducts gold mining operations and exploration and drilling campaigns to define and develop Mineral Resources and Mineral Reserves on its properties with an intention of developing, constructing and operating mines on such properties. B2Gold's material properties are its La Libertad Mine and Limon Mine in Nicaragua, the Otjikoto gold project in Namibia, and the Gramalote property in Colombia. B2Gold also holds a material interest in the Cebollati Property in Uruguay, owns the Bellavista property in Costa Rica and the Trebol and Pavon properties in Nicaragua, and has an interest in the Quebradona property in Colombia. B2Gold also has options to earn an interest in two joint ventures in Nicaragua with Radius and one joint venture in Nicaragua with Calibre.

B2Gold's corporate objective is to build an intermediate gold company through the development of gold properties, organic growth through exploration, and by capitalizing on its management experience through strategic acquisitions.

La Libertad Mine

La Libertad Mine is located 110 kilometres east of Managua, the capital city of Nicaragua, approximately a two hour drive from B2Gold's office in Managua and a five hour drive from the Limon Mine. B2Gold holds an indirect 100% interest in Desarrollo Minero de Nicaragua S.A. (**Desminic**), which owns and operates La Libertad Mine. B2Gold, through Desminic, holds one exploitation and exploration concession covering 10,950 hectares, which has a term of 40 years expiring in August 2034, and two other exploitation and exploration concessions covering 3,546 hectares. The three concessions form one contiguous block. B2Gold also indirectly holds an 80% interest in the Cerro Quiroz concession covering 2,250 hectares, which is located contiguous with the eastern border of the La Libertad claim block.

In the fourth quarter of 2009, B2Gold completed the conversion of La Libertad Mine from a heap leach mine to a conventional milling operation. Ore processing at La Libertad Mine began on 15 December 2009 with the first doré bar produced on 5 January 2010. B2Gold projected in 2009 that La Libertad Mine would produce approximately 80,000 to 90,000 ounces of gold annually over an initial seven year mine life.

Total production for 2011 from La Libertad Mine was 99,567 ounces of gold. La Libertad Mine is projected to produce approximately 102,000 to 110,000 ounces of gold in 2012 at operating cash costs of approximately US\$550 to US\$575 per ounce. See "*La Libertad Mine*" below for additional information.

Limon Mine

The Limon Mine is located approximately 100 kilometres northwest of Managua and 20 kilometres from the Pan-American Highway. B2Gold holds an indirect 95% interest in Triton Minera S.A. (**Triton**), which owns and operates the Limon Mine, and holds eight other mineral concessions, all at an exploration stage. The remaining 5% of Triton is held by Inversiones Mineras S.A., a holding company representing unionised mine workers in Nicaragua. The Limon property consists of the 12,000 hectare "Mina El Limon" mineral concession, which has a term of 25 years expiring in January 2027. Triton directly owns or controls the surface rights for all the property on which the mining, milling, tailings or related facilities at Limon Mine are located.

The current operation at the Limon Mine is a 1,100 tonne per day underground and open pit gold mine, which currently has an estimated mine life of five years. Total production for 2011 from the Limon Mine was 45,037 ounces of gold. For 2012, the Limon Mine is projected to produce approximately 48,000 to 50,000 ounces of gold at operating cash costs of approximately US\$700 to US\$725 per ounce. See "*Limon Mine*" below for additional information.

Otjikoto Gold Project

The Otjikoto gold project (the **Otjikoto Project**) is located approximately 300 kilometres north of Namibia's capital city, Windhoek. B2Gold holds an indirect 92% interest in B2Gold Namibia (Pty) Ltd. (**B2Gold Namibia**), which holds the mineral interests relating to the Otjikoto Project, and a 100% interest in two additional exploration projects in Namibia. The Otjikoto Project is located in the 54,125 hectare "EPL 2410" prospecting license. B2Gold Namibia has submitted an application for a mining license covering an area of 6,934 hectares within EPL 2410.

The Otjikoto Project has forecast average annual production of over 100,000 ounces of gold over a ten year mine life based on the Otjikoto PEA released in September 2011. The Otjikoto Project hosts a NI 43-101 compliant Indicated Mineral Resource of 21.37 million tonnes grading 1.95 g/t gold for 1.34 million ounces of gold (on a 100% basis) and a NI 43-101 compliant Inferred Mineral Resource of 0.95 million tonnes grading 1.57 g/t gold for 0.05 million ounces of gold above a cut-off grade of 0.5 g/t gold. The Otjikoto Project benefits significantly from Namibia's well established infrastructure with paved highways, a railway, power grids, and process water all close by. Located in the western part of southern Africa, Namibia is one of the continent's most politically and socially stable jurisdictions.

B2Gold has a 2012 feasibility and development budget of US\$34.6 million to complete a feasibility study in the fourth quarter of 2012 and concurrently commence planning for mine construction at the Otjikoto Project. Feasibility work will include additional metallurgical drilling and test work, power studies, geohydrology, mine planning, engineering design, cost estimating and environmental and social studies. Included in the budget are costs for site preparation work and construction of a camp at site. The budget also contains US\$5.0 million for cash deposits associated with orders for long lead time items with a goal of commencing mining operations early in 2015. A further US\$8.9 million has been budgeted in 2012 for exploration, of which US\$4.3 million relates to 16,150 metres of feasibility study drilling. See "*Otjikoto Project*" below for additional information.

Gramalote Property

The Gramalote property is located approximately 230 kilometres northwest of the Colombian capital of Bogota and approximately 80 kilometres northeast of Medellin, the regional capital of the Department of Antioquia. B2Gold holds a 49% interest in Gramalote Limited, which is the company that holds the mineral interests relating to the Gramalote property. The Gramalote property area is covered by 31 contiguous claim blocks totalling 42,790.10 hectares. The claims presently include one exploitation license totalling 56.75 hectares, 26 registered concession contracts totalling 35,265.01 hectares and 4 applications totalling 7,468.34 hectares.

In April 2012, B2Gold reported a NI 43-101 compliant Mineral Resource estimate for the Gramalote Central Zone and Trinidad. Total Measured Mineral Resources and Indicated Mineral Resources at Gramalote Central at a 0.25 g/t gold cut-off, within a US\$1,600 per ounce gold optimised Whittle pit, consist of 97.1 million tonnes grading 0.81 g/t gold for a total of 2.54 million ounces of gold. The Gramalote Central and Trinidad Inferred Mineral Resource is 95.7 million tonnes grading 0.44 g/t gold for a total of 1.36 million ounces of gold using similar parameters as the Measured Mineral Resource and Indicated Mineral Resource.

The 2012 budget of US\$58.5 million for the Gramalote property includes diamond drilling for exploration of additional targets on the property, condemnation drilling and infill drilling. In addition, the budget will fund prefeasibility work including additional environmental studies, metallurgical test work, land purchases, social programs and engineering. Each of AngloGold Ashanti Limited (**AngloGold Ashanti**) and B2Gold will fund their pro rata share of the budget. A prefeasibility study is scheduled to be completed in the fourth quarter of 2012 and a final feasibility study is planned for the fourth quarter of 2013. See "*Gramalote Property*" below for additional information.

Other exploration properties and interests

Cebollati Property

The Cebollati Property is located in the Department of Lavalleja, 180 kilometres northeast of Montevideo in southern Uruguay and consists of ten claims totalling approximately 34,200 hectares. The claims are comprised of one exploration license totalling 163 hectares, one exploration application totalling 163 hectares, five prospection licenses totalling 14,808 hectares and three prospection license applications totalling 19,066 hectares. The Cebollati Property has excellent paved road access approximately 8 kilometres from a highway in rolling farm country. Under the terms of the Cebollati Option Agreement, B2Gold earned an 80% interest in the Cebollati Property by paying US\$1,000,000 in stages by 31 January 2012 and has agreed to fund all exploration work through feasibility. Additional obligations may include the completion of a feasibility study, a per ounce gold payment and a net smelter royalty for additional production. B2Gold has made all cash purchase payments under the Cebollati Option Agreement and has earned an 80% interest in the Cebollati Property.

Fifty two holes totalling 8,310 metres were completed on the Cebollati Property during the 2011 drill program. Concentrated drilling in the Southern and Windmill zones confirmed the existence of continuous, shallow, mineralised 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 mineralised system, which has been defined over greater than 2.2 kilometres in strike length. Highlights of the new drilling include hole UC11-019 with 11.15 metres grading 11.59 g/t gold within a broader 23.85 metres interval of mineralisation grading 5.69 g/t, UC11-032 with 7.55 metres grading 4.51 g/t gold, including 12.81 g/t gold over 2.30 metres, and UC11-037 with 4.00 metres grading 4.04 g/t gold and 8.00 metres at 2.84 g/t gold.

To increase the understanding of the mineralisation controls in the Southern zone, a 50 by 15 metre area was stripped and nine east-west continuous sample lines were completed for a total of 340 line metres. This area is located at the fold hinge of the main antiformal structure where a shallow north-northeast plunge was identified. The direction of the fold hinge is affected by west-northwest structures generating possible dilatational jogs controlling the high grade mineralisation. Similar structures were observed in the western limb of the antiform.

The 2012 exploration program for the Cebollati Property has a budget of US\$3.4 million, which includes 4,000 metres of drilling and the stripping of two 50 by 20 metre areas to understand the geology. The drilling program will continue on the Southern and Windmill zones following the successful 2011 exploration drilling program that confirmed the presence of significant gold bearing replacement style mineralisation within multiple zones. In addition, the 2012 exploration will continue on regional evaluation and project generation work.

Calibre Joint Venture – Borosi Property

Pursuant to an Option Agreement with Calibre dated 21 July 2009, as amended on 18 June 2010 and 19 October 2010, B2Gold has the right to earn up to a 65% interest in potential mining projects in the Borosi gold-silver-copper prospect in northeast Nicaragua. The initial Option Agreement provided that B2Gold could earn a 51% interest in eleven exploration and exploitation mineral concessions with terms ranging from 20 to over 35 years covering approximately 70,000 hectares by funding C\$8 million of exploration expenditures on the property by 1 July 2014, of which over C\$4.5 million was funded by 31 December 2011. The Option Agreement was amended on 18 June 2010 to include two additional concessions and a portion of a third concession with a total combined area of 32,234 hectares. B2Gold may increase its interest in specific project areas to 65% by funding a preliminary feasibility study of the viability of a mining project in that area. Under the terms of the Option Agreement, Calibre was the operator for the initial year of the program (2009/2010). B2Gold has now exercised its right under the Option Agreement to become the operator for the project.

The Borosi property is located in the Bonanza-Rosita-Siuna areas of northeast Nicaragua, the “Mining Triangle” of Nicaragua, which is estimated to have had historical production totalling more than 5 million ounces of gold, 4 million ounces of silver, 158,000 tonnes of copper and 106,000 tonnes of zinc. The initial exploration had focused on the Eastern Epithermal, Bonanza and Rosita Gold Camps with geological mapping, prospecting, soil surveying and trenching. B2Gold and Calibre recently announced drill results that discovered significant porphyry style gold and copper mineralisation at the Primavera project within the Borosi concessions in northeast Nicaragua. Assay results from the first three holes totalling 667.85 metres drilled in December 2011 have confirmed the presence of wide spread gold and copper values similar to those previously reported from surface trenching. Drill results include 276.8 metres grading 2146 parts per million (**ppm**) copper and 0.5 g/t gold in hole PR-11-001, 261.7 metres grading 2,966 ppm copper and 0.78 g/t gold in hole PR-11-002, and 123.85 metres grading 2,752 ppm copper and 0.65 g/t gold in holes PR-11-003. The drilling and trenching has thus far only tested approximately 250 metres of strike length within the original gold-copper soil anomaly of over 800 metres in length by 300 metres wide. The mineralisation at Primavera is open in all directions. The results received are consistent with “porphyry style” mineralisation within volcanic and intrusive rocks.

A total of 2,000 metres of diamond drilling totalling US\$1.5 million was planned for 2012 to define the extent of the porphyry system. Several other gold-copper anomalies were also identified on the Primavera concession. Positive drill results at the Primavera Gold and Copper Porphyry joint venture project include 146.5 metres of 0.65 g/t gold and 0.27% copper (PR-11-003), 46 metres of 0.48 g/t gold and 0.32% copper (PR-12-005) and 172.35 metres at 0.48 g/t gold and 0.24% copper (including 55.5 metres at 0.67 g/t gold and 0.36% copper) (PR-12-008).

Trebol and Pavon properties

Pursuant to a share purchase agreement with Radius dated 24 July 2012, B2Gold acquired a 100% interest in the Trebol and Pavon exploration properties in Nicaragua (six concessions with 25 year terms covering approximately 242,000 hectares), subject to making certain contingent payments to Radius that relate to the Mineral Reserves that are established on the Trebol property.

The Trebol property, located in north-eastern Nicaragua, is a low sulphidation epithermal hot springs district consisting of numerous strong gold anomalies spanning over 14 kilometres of strike length. In 2011, B2Gold drilled 37 holes totalling 3,208 metres on the Trebol property. The 2011 drilling campaign cut mineralisation in the Cerro Domingo, Paola and Trebol North zones with drill holes containing up to 1.96 g/t gold over 28.55 metres in hole TR-11-014 in the Cerro Domingo zone, up to 8.86 g/t gold over 7.75 metres in hole TR-11-028 in the Paola zone and up to 13.08 g/t gold over 7.00 metres in hole TR-11-047 in the Trebol North zone. B2Gold also received positive results from trenching at Trebol East located 3 kilometres east of the main Trebol trend. The new trench results appear to be outlining a north-south trending mineralised zone at least 1.5 kilometres long.

The Pavon property, located in central Nicaragua, is a low sulphidation system discovered by Radius in 2003. Seventy one (71) historical diamond drill holes totalling approximately 10,700 metres tested several veins occurring over a strike length of 6 kilometres, with results that include 10.3 g/t gold over 16.8 metres in hole PADH-005B in the north zone and up to 6.7 g/t gold over 11 metres in hole PADH-01 in the south zone. During 2009 and 2010, B2Gold further explored the Pavon north and south zones with 56 trenches totalling 1,608 metres. No work was conducted on the property in 2011.

The 2012 exploration budget of US\$4.0 million is to fund 5,000 metres of drilling on the Trebol and Pavon targets.

Bellavista Property

The Bellavista property is located within the Costa Rican “Gold Belt”, approximately 70 kilometres northeast of San José. B2Gold holds one exploitation concession covering a 7 square kilometre area. The Bellavista mine was previously operated by Glencairn Gold Corporation (**Glencairn**) as an open pit mine and heap leach operation. Mining operations were suspended by Glencairn in July 2007 due to indications of a potential massive ground movement, which in part were caused by water saturation due to abnormally high rainfall during the preceding several years. Immediately following the suspension of mining operations, Glencairn undertook a program of rinsing the heap leach with fresh water to remove cyanide from the heap, and a monitoring program to evaluate ground movement concerns. In October 2007, a landslide at the Bellavista mine occurred resulting in damage to the East side of the heap leach pad and the recovery plant. The preventative measures taken by Glencairn averted a potential environmental disaster.

Since October 2007, Glencairn and B2Gold have conducted a number of mitigation measures, extensive monitoring programs and site reclamation. Tetra Tech Inc. (**Tetra Tech**), working directly for the Secretaria Técnica Nacional Ambiental (**SETENA**), which is the lead regulatory agency in Costa Rica, recently completed environmental and closure audits that show that the landslide area has remained stable since the initial movement in October 2007 and there has been no contamination of surface and groundwater as a result of this incident. B2Gold’s reclamation activities continue with the planting of over 1,000 trees on portions of the waste dump area and with work programs focused on controlling runoff from rain storms and keeping water levels from building up in the slide area. B2Gold is investigating various alternatives relating to the Bellavista property, including the potential for re-opening the mine on the Bellavista property using different technologies, including a milling and carbon-in-leach process.

A conceptual study describing the potential new process, the preferred location of new facilities and a number of alternatives for using waste material to reinforce the landslide was submitted to SETENA in December 2009. Further development plans and the collection of baseline data were initiated. B2Gold has been actively working with the local municipality of Miramar and seven local communities in the area on a number of social programs, including potable water improvements for Miramar, improvements to local meeting halls and improvements and additions to local schools.

Although Costa Rica recently passed a new law prohibiting open pit mining, the new law states that the rights of existing operations will be protected and “grandfathered”. B2Gold has filed an application with SETENA that would establish the terms of reference for constructing a new beneficiation plant approximately seven kilometres from the existing plant site. This application has been rejected by SETENA and B2Gold’s administrative appeal was subsequently rejected by the Minister of Environment and Energy. B2Gold is now reviewing its legal options.

Quebradona Property

The Quebradona property is located approximately 220 kilometres northwest of Bogota and approximately 60 kilometres south-southwest of Medellin. The Quebradona property contains at least five gold bearing porphyry systems comprising the La Aurora, La Isabela, La Sola, El Chaquiro and El Tenedor zones. Surface exploration at the Quebradona property completed by AngloGold Colombia and B2Gold has returned anomalous gold values indicative of the presence of potentially economic porphyry-style gold mineralisation in each of the target areas. The Quebradona property is a joint venture between B2Gold and AngloGold pursuant to the terms of the Relationship, Farm-Out and Joint Venture Agreement dated 8 November 2006, as amended (the **Colombia JV Agreement**), between, among others, AngloGold and B2Gold.

AngloGold conducted a US\$772,000 soil geochemistry program in 2011 followed by a US\$4.8 million 11,000 metre diamond drill program on the Quebradona property. B2Gold funded its pro rata share of the initial soil geochemistry program but elected not to participate in the drill program. Accordingly, B2Gold’s interest in the Quebradona property was diluted in accordance with the terms of the Colombia JV Agreement. B2Gold’s interest in the Quebradona property as at 30 September 2012 is 26.8%, but will be subject to further dilution in the event that B2Gold elects not to participate in future exploration programs. Pursuant to the terms of the Colombia JV Agreement, B2Gold will be entitled to participate when future budgets are presented.

(c) History and ownership

Three Year History

Events of 2009

On 21 January 2009, B2Gold announced an Inferred Mineral Resource estimate for the Gramalote Ridge zone of the Gramalote property. The Inferred Mineral Resource estimate reported at a 0.5 g/t cut off, within a US\$1,000 per ounce gold optimised Whittle pit, consisted of 74.375 million tonnes grading 1.00 g/t of gold for a total of 2.39 million ounces of gold (on a 100% basis). B2Gold filed a technical report for the Inferred Mineral Resource estimate on 27 February 2009.

On 26 March 2009, B2Gold acquired 100% of the shares of Central Sun Mining Inc. (**Central Sun**) by way of plan of arrangement (the **CSM Arrangement**). The CSM Arrangement was carried out pursuant to the terms and conditions contained in an arrangement agreement (the **CSM Agreement**) dated 6 February 2009 between B2Gold and Central Sun. Pursuant to the terms of the CSM Agreement and the CSM Arrangement, on 26 March 2009, all of the issued and outstanding common shares of Central Sun were transferred to B2Gold in consideration for the issuance by B2Gold to former shareholders of Central Sun of 1.28 B2Gold Shares for each Central Sun common share held. B2Gold issued an aggregate of 80,638,705 common shares to the former Central Sun shareholders in connection with the CSM Arrangement. The outstanding stock options of Central Sun were exchanged for B2Gold stock options to acquire B2Gold Shares based on the 1.28 to 1 exchange ratio and having the same terms as the Central Sun options for which they were exchanged.

The acquisition by B2Gold of Central Sun added to B2Gold’s property portfolio two Nicaraguan mines, the 100% owned La Libertad Mine and the 95% owned Limon Mine. In addition, B2Gold also acquired interests in additional mineral properties including, in Nicaragua, the La India property and in Costa Rica, the Bellavista property.

On 22 July 2009, B2Gold completed a “bought deal public offering” of 33,340,000 common shares at a price of C\$0.75 per share for gross proceeds of C\$25,005,000. On 5 August 2009, the underwriters exercised the over-allotment option granted by B2Gold under the offering and on 7 August 2009 the underwriters acquired an additional 5,001,000 B2Gold Shares at a price of C\$0.75 per share for gross proceeds of C\$3,750,750.

B2Gold entered into an agreement relating to a US\$20,000,000 secured revolving credit facility (the **Credit Facility**) with Macquarie Bank Limited (**Macquarie**) on 6 November 2009. The term of the Credit Facility was for two years with a maturity date of 31 December 2011 and an interest rate of LIBOR plus 5.5%. In connection with the Credit Facility, B2Gold issued 11,063,565 share purchase warrants (in Australian terms, options to be issued shares) to Macquarie exercisable at a price of C\$0.97 per B2Gold Share for a period of three years. As at the date of this Scheme Booklet, all of the share purchase warrants have been exercised. Under the Credit Facility, B2Gold granted a general security agreement over its assets and the shares and assets of certain of B2Gold's material subsidiaries, and certain of B2Gold's material subsidiaries guaranteed the obligations of B2Gold relating to the Credit Facility. On 12 February 2010, B2Gold entered into an amending agreement relating to the Credit Facility pursuant to which the Credit Facility was increased to US\$25,000,000. On 28 March 2012, B2Gold entered into a further amendment to the Credit Facility that, among other things, extended the maturity date of the Credit Facility to 31 December 2013. As at the date hereof, the full amount of the Credit Facility is available for draw down by B2Gold.

Events of 2010

Ore processing at La Libertad Mine recommenced on 15 December 2009 with the first doré bar produced on 5 January 2010. The La Libertad mill was originally designed to process 3,500 tonnes of ore per day. A second ball mill, which was not included in the original plant design, was installed and commissioned at La Libertad Mine in 2010.

On 18 February 2010, B2Gold completed a bought deal public offering of 25,624,111 B2Gold Shares, which included 3,342,276 B2Gold Shares issued on exercise of the over-allotment option, at a price of C\$1.25 per share for gross proceeds of C\$32,030,138.75.

On 22 July 2010, B2Gold entered into an assignment, settlement and release agreement (the **Kupol Sale Agreement**) with Kinross Gold Corporation (**Kinross**), White Ice Ventures Limited (**White Ice**), 6674321 Canada Inc. (**6674321**) and BKWE Ventures Limited (**BKWE**), a wholly-owned subsidiary of B2Gold, pursuant to which B2Gold and BKWE agreed to assign to White Ice, a wholly-owned subsidiary of Kinross, all of B2Gold and BKWE's respective rights and interest in the East Kupol Licence and West Kupol Licence (together, the **Chukotka Licences**). Under the terms of a purchase and sale agreement dated 21 December 2006, as amended, between White Ice, 667321, Kinross and B2Gold (the **Initial Agreement**), B2Gold had the right to acquire half of Kinross' indirect interest in the Chukotka Licences.

Pursuant to the terms of the Kupol Sale Agreement, White Ice made a cash payment of US\$33 million to BKWE on closing of the transaction, and agreed to make contingent payments of US\$15 million for each incremental million ounces of Proven Mineral Reserves and Probable Mineral Reserves for gold, up to a maximum of US\$135 million, publicly disclosed by Kinross with respect to the area covered by the Chukotka Licences (the **Contingent Payments**). The gold Mineral Reserves are to be determined on the basis of a 100% interest in the Chukotka Licences area in accordance with NI 43-101. In addition, B2Gold will receive payments equal to 1.5% of net smelter returns from the commencement of production from the area covered by the Chukotka Licences (the **NSR Payments**). White Ice may at any time be released from making any further NSR Payments by making a cash payment to BKWE of US\$30 million. In certain circumstances, if Kinross' indirect percentage interest in the Chukotka Licences is reduced below 75%, the amount of any Contingent Payments and/or NSR Payments to be made after such reduction will be adjusted in accordance with the terms of the Kupol Sale Agreement.

On 12 August 2010, B2Gold and AngloGold entered into an agreement amending the Gramalote Shareholders Agreement (the **Gramalote Amending Agreement**) pursuant to which, AngloGold retained a 51% interest and became manager of the joint venture project and B2Gold retained a 49% interest, with each party having equal representation on the joint venture management committee.

On 2 September 2010, B2Gold entered into an agreement (the **Cebollati Option Agreement**) with Weeping Apple S.A. (**Weeping Apple**), a private Uruguayan company, to option the Cebollati gold property located in Uruguay (the **Cebollati Property**). Pursuant to the terms of the Cebollati Option Agreement, B2Gold earned an 80% interest in the Cebollati Property by paying an aggregate of US\$1 million. On 31 January 2012, B2Gold made the final cash payment under the Cebollati Option Agreement and now holds an 80% interest in the Cebollati Property. B2Gold is required to fund all exploration work through feasibility and is subject to the continuing obligations set out in the Cebollati Option Agreement.

Events of 2011

On 31 March 2011, B2Gold announced a 180% increase in Inferred Mineral Resources at La Libertad due to the new Mineral Resource outlined on the Jabali zone located approximately 10 kilometres east of the mill facility at La Libertad Mine. The new Inferred Mineral Resource was based on a total of 55 diamond drill holes totalling 9,660 metres. The drilling focused on the Antenna and Central zones at the Jabali zone. The new Inferred Mineral Resource totals 3.55 million tonnes at 4.58 g/t of gold containing 522,000 ounces of gold. B2Gold filed a technical report for the Inferred Mineral Resource estimate on 13 May 2011. Confirmation of the Inferred Mineral Resource with infill drilling could not only add several years to La Libertad's mine life but more importantly, allow the potential to deliver in the near term higher grade ore to the mill at La Libertad Mine.

The current average grade of ore being delivered to the 5,500 tonne per day La Libertad mill is 1.77 g/t gold. This includes approximately 70% from open pit mining at a grade of 1.91 g/t and approximately 30% from spent ore from the historic leach pads which has an average grade of 0.8 g/t. With the grade of the new Jabali Mineral Resource of 4.58 g/t gold there is an opportunity to delay processing of the 30% spent ore until later in the mine life and replace it by processing potentially higher grade from the Jabali zone. The result of this could be processing the same 5,500 tonnes per day but significantly increasing annual gold production and reducing operating costs per ounce, with minimal additional capital requirements.

On 22 December 2011, B2Gold acquired 100% of the shares of Auryx Gold Corp. (**Auryx**) by way of plan of arrangement (the **Auryx Arrangement**). The Auryx Arrangement was carried out pursuant to the terms and conditions contained in an arrangement agreement (the **Auryx Agreement**) dated 10 November 2011 between B2Gold and Auryx. The acquisition of Auryx added to B2Gold's property portfolio a 92% interest in the Otjikoto property located in Namibia.

Events subsequent to 2011

On 9 April 2012, B2Gold entered into a binding letter agreement with Radius to acquire a 100% interest in the Trebol and El Pavon gold properties in Nicaragua for consideration of C\$20 million, payable in B2Gold Shares. This transaction was completed in August 2012. In addition, B2Gold and Radius entered into a joint venture agreement on a 60% - 40% basis with respect to each of the San Jose and La Magnolia properties in Nicaragua, pursuant to which the parties agreed to continue jointly exploring the properties.

On 24 April 2012, B2Gold announced that AngloGold Ashanti completed a new Mineral Resource estimate for the Gramalote Central zone and Trinidad. The Gramalote property is a 51% - 49% AngloGold Ashanti - B2Gold joint venture, with AngloGold Ashanti as the manager, and is located 230 km northwest of Bogota and 80 km northeast of Medellin in central Colombia. Total Measured Mineral Resources and Indicated Mineral Resources at Gramalote Central at a 0.25 g/t gold cut-off, within a US\$1,600 per ounce gold optimised Whittle pit, consist of 97.1 million tonnes grading 0.81 g/t gold for a total of 2.54 million ounces of gold. The Gramalote Central and Trinidad Inferred Mineral Resource is 95.7 million tonnes grading 0.44 g/t gold for a total of 1.36 million ounces of gold using similar parameters as the Measured Mineral Resources and Indicated Mineral Resource. B2Gold filed a technical report for the Mineral Resource estimate on 11 June 2012.

(d) B2Gold's material mineral properties

B2Gold's material property interests are grouped geographically as follows:

- (i) La Libertad Mine and the Limon Mine, located in Nicaragua;
- (ii) the Otjikoto Project, located in Namibia; and
- (iii) the Gramalote property, located in Colombia.

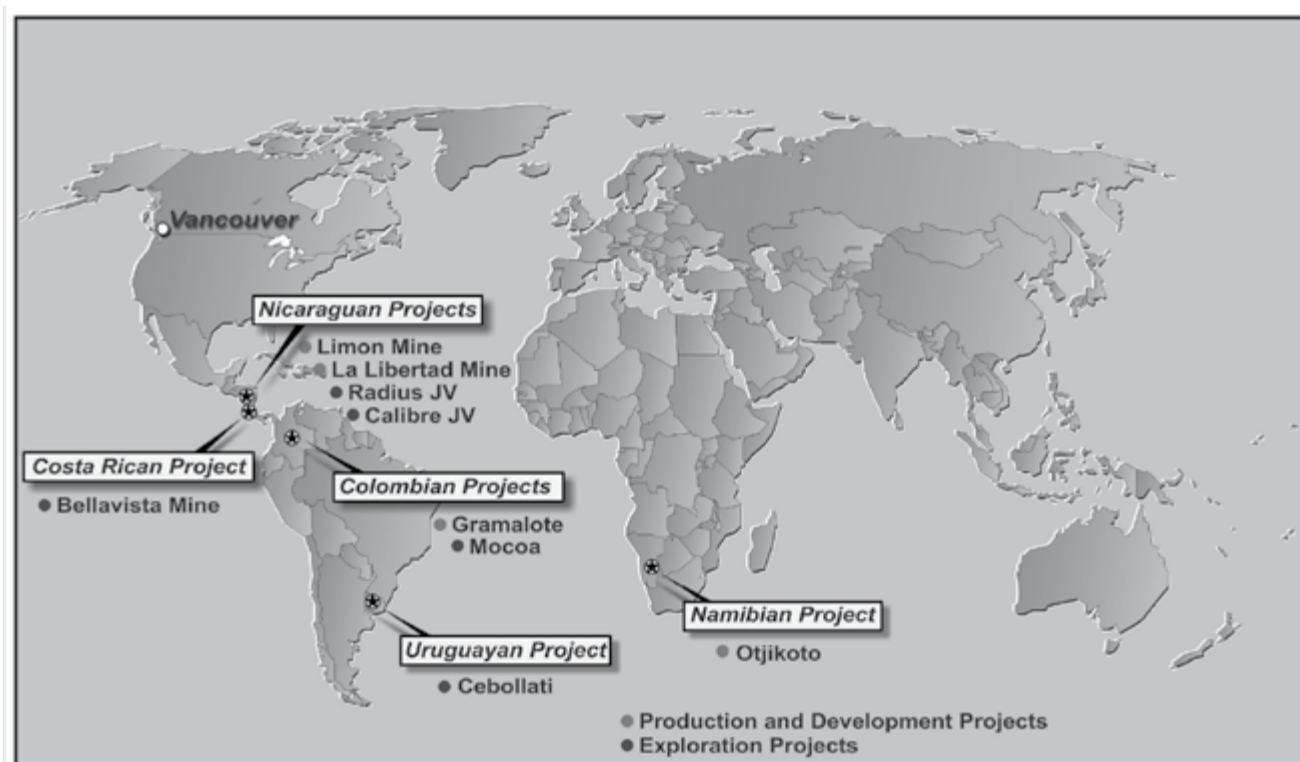


Diagram 3: Map of B2Gold's material property interests

More detailed information on B2Gold's material properties, including project description and location, climate, local resources, infrastructure, physiography, history, geological setting, exploration, mineralisation, drilling sampling, and Mineral Resource and Mineral Reserve estimates, can be found in the following technical reports. The reports listed in Items 1, 2, 3 and 7 below can be found under B2Gold's profile on SEDAR. The report listed in Item 4 can be found under Central Sun's profile on SEDAR and the reports listed in Items 5 and 6 can be found under Auryx's profile on SEDAR.

1. Technical Report on the Orosi Mine, Nicaragua: 2008 Exploration Program and Mineral Resource Estimate, San Juan Zone dated 14 March 2009, as amended 14 July 2009 (the **La Libertad Technical Report**);
2. NI 43-101 Technical Report, Jabali Project, La Libertad Region, Nicaragua dated 12 May 2011 (the **Jabali Technical Report**);
3. Technical Report of Mineral Resources and Mineral Reserves, Limon Mine and Mestiza-La India Areas, Nicaragua dated 14 March 2009 (the **2009 Limon Technical Report**);
4. Technical Report of Mineral Resources and Mineral Reserves, Limon Mine and Mestiza Areas, Nicaragua dated 31 March 2008 (the **2008 Limon Technical Report**);
5. Independent Technical Report on the Otjikoto Gold Project dated 31 March, 2010 (the **Otjikoto Technical Report**);
6. Otjikoto Gold Project, North-Central Namibia, NI 43-101 Technical Report Preliminary Economic Assessment dated 25 October 2011 (the **Otjikoto PEA**); and
7. NI 43-101 Technical Report on Resources, Gramalote Project, Providencia, Colombia dated 8 June 2012 (the **Gramalote Technical Report**).

Summary of Mineral Reserves and Mineral Resources estimates for material projects

Table 8 sets forth the estimated Mineral Reserves and Mineral Resources as at 31 December 2011 (except for the Gramalote property, which is as at 1 June 2012) of B2Gold's material properties: La Libertad Mine, the Limon Mine, the Otjikoto Project and the Gramalote property:

Mineral Reserves - Proven and Probable⁽¹⁾

Mine	Tonnes	Grade (g/t)	Gold (Ounces)
La Libertad ⁽²⁾	11,265,092	1.62	588,158
Limon ⁽²⁾	1,560,857	4.72	237,005
Total Proven and Probable Mineral Reserves			825,163

Mineral Resources - Measured and Indicated⁽¹⁾

Property	Tonnes	Grade (g/t)	Gold (Ounces)
La Libertad ⁽²⁾	6,890,126	2.79	619,119
Limon ⁽²⁾	1,057,372	4.38	148,754
Otjikoto ⁽³⁾	19,658,739	1.95	1,233,154
Gramalote ⁽⁴⁾	97,107,143	0.81	2,535,493
Total Measured and Indicated Mineral Resources			4,536,520

Mineral Resources - Inferred⁽¹⁾

Property	Tonnes	Grade (g/t)	Gold (Ounces)
La Libertad ⁽²⁾	5,258,582	1.90	320,600
Limon ⁽²⁾	1,088,484	5.21	182,373
Otjikoto ⁽³⁾	872,031	1.57	44,015
Gramalote ⁽⁴⁾	95,688,425	0.44	1,364,326
Total Inferred Mineral Resources			1,911,314

Table 8: B2Gold's estimated Mineral Reserves and Mineral Resources of material projects

Notes:

- (1) The Mineral Reserves and Mineral Resources reported herein are based on the CIM Standards. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Mineral Resources are in addition to Mineral Reserves.
- (2) The Mineral Reserve and Mineral Resource estimates for La Libertad and Limon projects were compiled and verified as of 31 December 2011 under the supervision of Brian Scott, P. Geo., B2Gold's Chief Geologist, and Peter Montano, P.E. (Colorado, USA), Senior Mine Engineer, both Qualified Persons as defined under NI 43-101. The estimates reflect the attributable Mineral Reserves and Mineral Resources based on B2Gold's 100% interest in La Libertad Mine and its 95% interest in the Limon Mine.
- (3) The Mineral Resource estimates for the Otjikoto Project were compiled and verified as of 31 December 2011 under the supervision of Brian Scott, P. Geo., B2Gold's Chief Geologist, a Qualified Person as defined under NI 43-101. The estimates reflect the attributable Mineral Resources based on B2Gold's 92% interest in the Otjikoto Project.
- (4) The Measured Mineral Resource and Indicated Mineral Resource and Inferred Mineral Resource estimate for the Gramalote property was prepared as of 8 June 2012 by Donald E. Hulse, P.E., a Qualified Person as defined under NI 43-101. B2Gold holds a 49% attributable interest in the Gramalote resources set forth in the table above.

La Libertad Mine

La Libertad Mine is located approximately 110 kilometres due east of Managua, the capital city of Nicaragua and 32 kilometres northeast of Juigalpa. The property is situated near the town of La Libertad in the La Libertad-Santo Domingo Region of the Department of Chontales in Central Nicaragua. B2Gold acquired its interest in the La Libertad Mine on 26 March 2009 from its acquisition of Central Sun pursuant to the CSM Arrangement.

Project description and location

B2Gold, indirectly through its subsidiary, Desminic, holds one exploitation concession covering 10,950 hectares, granted on 31 August 1994 for the term of 40 years pursuant to Ministerial Decree No. 032-RN-MC/94. This concession was granted and is regulated under the pre-2001 mining law. The principal obligations under the Ministerial Accord include the payment annually of surface taxes, and a net 3.0% royalty on gross production revenues payable to the government of Nicaragua, which may be used to offset income taxes payable. In 2007, Central Sun obtained an additional exploration concession, Extension WC de Oro, which covers 2,704 hectares of the potential extension of a mineralised structure northwest of the exploitation concession. The exploitation and exploration concessions form one contiguous block.

On 28 March 2008, the Nicaraguan Department of Environment issued Central Sun a full environmental permit for the construction, operation and maintenance of La Libertad Mine projects which includes process plant upgrade and tailing management facility.

La Libertad Mine is also subject to a royalty interest granted to IMISA, a Nicaraguan corporation formed to represent various groups of mine workers, equal to 2.0% of the value of total production of gold and silver from the La Libertad exploitation concession. The total royalty payable on La Libertad Mine production is 5.0%. In addition, under Nicaraguan law, small or artisanal miners have the right to exploit secondary veins up to a total surface area that may not exceed 1% of the total area granted under a concession. Artisanal mining activities continue on the concession.

Accessibility, climate, local resources, infrastructure and physiography

Access to the La Libertad property is 201 kilometres by paved road from Managua to Juigalpa, the capital city of the Department of Chontales. From Juigalpa, a newly paved road (paver stones) leads northeast for 30 kilometres to the town of La Libertad. Access to the mine site is along a five kilometre, secondary unsurfaced road that originates at the entrance to the town of La Libertad.

The most salient climatic characteristic of the region is pronounced wet and dry seasons. The wet season occurs in May through to November, with the highest precipitation occurring usually in June, July and August. Temperature variation in Nicaragua is mainly a function of altitude. Nationally, temperature varies between 21°C in the upper parts of the central mountain ranges to 29°C in the Pacific coastal regions. Statistical records indicate an annual average rate of evaporation of approximately 2,050 millimetres, higher than the average annual precipitation of approximately 1,876 millimetres. The highest monthly evaporation rates of approximately 235 millimetres coincide with the driest and hottest months (March and April).

The area is characterised by hilly terrain ranging in elevation from 400 metres to 835 metres above sea level. Cerro El Chamarro, located five kilometres northeast of the town of La Libertad, is the highest point on the concession at 835.2 metres above sea level. La Libertad Mine is situated in the western end of the exploitation concession, approximately four kilometres northwest of the town of La Libertad. The vein outcrops along the Cerro Mojón ridge. It is the highest point in the immediate area at approximately 630 metres above sea level. The surrounding topography is characterised by gently sloping terrain, reaching a low of approximately 500 metres above sea level. Vegetative cover is primarily second growth shrubs, small trees, and grasses.

Most of the non-professional staff at La Libertad Mine comes from the surrounding towns in the area. The town of La Libertad, some five kilometres by an unsurfaced secondary road, has a local population of just over 2,000. Several other small towns are located within close proximity of La Libertad Mine. The area has a long history of mining and ranching, and a local labour force skilled in small-scale mining is available. Many of the higher-skilled jobs, such as supervisory and professional designations, are filled by people from Managua as well as elsewhere in Central and South America. Most machinery and equipment required at La Libertad Mine is imported. The transportation network is well established.

History

Operations from 2001 to 2007 were mostly continuous, with some temporary shutdowns reported as being for maintenance purposes. Mine production has been largely from a series of pits along the main Mojón-Crimea structure. Significant production was also achieved from the Esmeralda structure located parallel to and immediately south of the Mojón pits. Mine production for 2001 to March 2007 totalled 6.7 million tonnes, at a grade of 1.66 g/t of gold, producing 207,000 ounces.

Ownership of Desminic passed through several companies as a result of mergers and acquisitions, until 6 July 2006, when Central Sun purchased a 100% interest in La Libertad Mine. In May 2007, a scoping study was completed following test work and a study of the potential for conversion of the heap leach process to conventional milling. Results of the study were positive, and open pit mining was halted in March 2007 in order to proceed with the process upgrade. In August 2007, Central Sun commissioned a feasibility study and investigated sources of mill equipment. B2Gold acquired Central Sun on 26 March 2009 and completed the construction of the mill in the fourth quarter of 2009 and commenced ore processing on 15 December 2009.

Exploration results

In 2009, B2Gold mapped and sampled a multitude of low sulphidation epithermal veins across the 20 kilometre long property position, such as the six kilometre long Jabali vein (partially mined historically for high grade vein material) with potential for both low grade, open pit stockwork mineralisation up to 50 metres wide and narrow, high grade mineralisation up to 194.6 g/t gold over 1.3 metres wide from B2Gold's surface sampling. The Los Angeles vein system offers similar potential and historical drilling intersected 13.1 g/t gold over 5.78 metres wide, while the El Carmen vein returned numerous high grade grab samples up to 25.75 g/t gold over 250 metres strike length.

B2Gold continued to explore the 20 kilometre long La Libertad gold belt during 2010 with 124 holes totalling 18,884 metres. The exploration program focused on infill drilling of Inferred Mineral Resources to Indicated Mineral Resource, exploring for extensions to existing Mineral Reserves and Mineral Resources and testing some of the numerous additional vein structures that exist along the La Libertad gold belt.

The Jabali epithermal vein system is currently being explored in two main zones, the Antenna and Central zones, as well as along strike of these areas. During 2010, a total of 55 drill holes (9,660 metres) were completed at Jabali resulting in an Inferred Mineral Resource of 3.55 million tonnes at 4.58 g/t gold (522,000 ounces gold), which encompassed both the Antenna and Central areas. This Mineral Resource indicated the potential for both open pit targets as well as shallow dipping, westward plunging, higher grade shoots that are approximately 100 metres true width.

During 2011, B2Gold completed a total of 47,436 metres of drilling in 332 holes on La Libertad vein structures. The objective of the program included further exploration drilling of the Jabali vein system, the completion of the Jabali Antenna and Central Indicated Mineral Resources, and drilling to expand the western margins of the Mojon and Crimea pits. This drilling included 281 holes (38,705 metres), which tested the two main zones of the Jabali vein system, the Antenna and Central zones (combined strike length of 3.2 kilometres), as well as along strike of these areas. The 2011 La Libertad drill program also included 36 holes totalling 5,282 metres, which tested the area immediately west of the Mojon open pit that is currently being mined.

Sampling and analysis

Core is moved from the drill site to a covered core handling facility located at La Libertad Mine. Geologists check depth intervals and box numbering, log and photograph the core, and mark sample intervals. Hardcopy logs record: core recovery, rock quality designation (**RQD**), sample intervals, colour, grain size, alteration, and lithology.

The type and amount of quartz veining or brecciation are the main criteria for sample interval selection. Intervals are commonly kept to greater than 30 centimetres and range up to 1.5 metres in less-altered material. Once marked, intervals are assigned a unique sample number and are cut longitudinally by a diamond core saw. One half of the cut core samples are placed directly into a plastic sample bag, which is marked and sealed for transport to the laboratory. The remaining half core is returned to the core box for storage at La Libertad Mine site.

Mineral Reserves and Mineral Resources

The 31 December 2011 Mineral Reserve and Mineral Resource statement for the La Libertad project area was completed in March 2012 by Company personnel under the supervision of Brian Scott, P.Geo., Chief Geologist, and Peter Montano, P.E. (Colorado, USA), Senior Mine Engineer, each a Qualified Person as defined under NI 43-101. The updated Mineral Reserve and Mineral Resource statement as at 31 December 2011 incorporates results from the in-fill diamond drilling completed in 2011. In 2011, 332 diamond drill holes were drilled on six targets, with the largest percentage focussed on drilling the Jabali vein system and infill drilling on the Mojon vein system.

Mineral Reserves are reported at a 100% basis on four vein targets plus the remaining heap leach material referred to as “spent ore”.

Mineral Reserves as of 31 December 2011 decreased from 642,293 ounces of gold in 31 December 2010 to 588,158 ounces as of 31 December 2011. The decrease in Mineral Reserve gold ounces is the result of mining in 2011 that removed 104,000 ounces. Additional ounces were added to the Mojon Mineral Reserve statement due to exploration successes at Mojon West in 2011 resulting in the addition of approximately 58,000 ounces of gold within a new design pit at Mojon. Reserves as of 31 December 2011 are reported within design pits above a cut-off grade defined by using a US\$1,250 gold price. Mineral Reserves are reported fully diluted and 100% attributable to B2Gold. Higher energy and processing costs resulted in slightly higher cut-off grades between 0.64 and 0.67 g/t. With the exception of Mojon West, the same design pits from the 31 December 2010 reporting period were carried over to the 31 December 2011 Mineral Reserve tabulation.

B2Gold anticipates that the new Indicated Mineral Resources for the Jabali vein system will be upgraded to Mineral Reserves upon receipt by B2Gold of the permit to mine.

Proven and Probable Reserves ^{1,2,3,4}

Target	Tonnes	Grade g/t gold	Ounces gold	Kg gold
Mojon	3,465,405	1.74	193,649	6,023
Crimea	2,005,733	1.77	114,337	3,556
Santa Maria	1,002,560	3.27	105,325	3,276
Spent Ore	4,615,458	0.87	128,509	3,997
San Juan	175,936	8.19	46,338	1,441
Total	11,265,092	1.62	588,158	18,294

Table 9: Proven Mineral Reserves and Probable Mineral Reserves for La Libertad Mine

Notes:

- 1) Mineral Reserves reported at a US\$1,250 per ounce gold price within design pits.
- 2) Cut-off grades and design pits based on 2012 budget costs.
- 3) Mineral Reserves reported are fully diluted. Average dilution for Mojon and Crimea deposits is 9%. At Santa Maria and San Juan, average dilution is 15%.
- 4) Mineral Reserves reported above a cut-off grade of 0.64g/t gold at Mojon, Crimea and Santa Maria. At San Juan, and within spent ore, a cut-off grade of 0.67 g/t gold was used.

Exploration drilling completed in 2011 at the west end of the Mojon Pit resulted in the addition of approximately 58,000 ounces of gold to a new design pit beyond the existing pit crest haul road. As of 31 December 2011, based on a cut-off grade of 0.64 g/t gold, the Mojon design pit contains 3,465,405 tonnes at an average grade of 1.74 g/t for a total of 193,649 ounces of gold. This is a 15% increase in contained ounces of gold over last year's Mineral Resource of 3.7 million mineralised tonnes at an average gold grade of 1.39 g/t for a total of 168,000 contained ounces of gold. Open pit activity in 2011 mined 517,009 tonnes at a grade of 1.68 g/t for 27,925 ounces of gold.

The Crimea design pit used for the 31 December 2010 reporting period remains the same for the 31 December 2011 reporting period. This design pit was based on Whittle pit shells at 2010 costs and US\$900/ounce gold price. Based on the 2012 cut-off grade (0.64 g/t), the Crimea pit as of 31 December 2011 contains 2,005,733 tonnes at an average grade of 1.77 g/t gold for 114,337 ounces of gold.

Open pit mining in the Crimea pit in 2011 removed 906,160 tonnes at an average grade of 2.09 g/t for 60,889 ounces of gold. Production grade in 2011 was 17% higher than modelled. The drop in Mineral Reserves at Crimea is attributed to depletion of last year's Mineral Reserves due to mining activity in 2011.

The St. Maria design pit used for the 31 December 2010 reporting period remains the same for the 31 December 2011 reporting period. The ramp exits the design pit on the north to meet the same haul road as the Crimea pit. As of 31 December 2011, the fully diluted Probable Mineral Reserves for Santa Maria are 1,002,560 tonnes grading 3.27 g/t for 105,325 ounces of gold. The slight change in contained metal (-2%) is the result of reporting above a higher cut-off grade of 0.64 g/t in 2012 due to higher operating costs.

There was no exploration conducted on the San Juan vein system in 2011 by B2Gold. The fully diluted Probable Mineral Reserve for San Juan as of 31 December 2011 is 175,936 tonnes grading 8.19 g/t for 46,338 ounces of gold. The average gold grade of 8.19 g/t is slightly higher than last year due to a reduction in low grade tonnes reported last year at a lower cut off grade (0.5 g/t). Reserves in 2012 are reported above a cut-off grade of 0.67 g/t.

Spent ore

Currently there are three spent ore stockpiles. The majority of the Probable Mineral Reserve and Inferred Mineral Resource tonnes are within a large stockpile that lies to the northwest of the La Libertad mill. Another small Inferred Mineral Resource stockpile is located to the northeast of the mill.

As of 31 December 2011, the spent ore Probable Mineral Reserves are 4,615,458 tonnes at an average grade of 0.87 g/t gold for 128,509 ounces of gold. In 2011, 489,469 tonnes of spent ore at an average grade of 0.92 g/t gold for 14,478 ounces of gold were processed through the Libertad mill.

The La Libertad Measured Mineral Resource, Indicated Mineral Resource and Inferred Mineral Resource statements as of 31 December 2011 are shown in the tables below. Mineral Resources are reported exclusive of Mineral Reserves and constrained within an optimised pit shell using a US\$1,350 per ounces gold price and reported above a cut-off grade of 0.57 to 0.70 g/t gold. Higher energy and processing costs compared to 2010 and similar metal prices combined to slightly reduce the size of the optimum pit shells. The reported resources are very similar to 2010 and are generally coincident within two model blocks/benches. Lost ounces in reported resources are mostly due to higher cut-off grades as a result of higher operating costs.

Measured Mineral Resources and Indicated Mineral Resources ^{1,2,3,4}

Target	Tonnes	Grade g/t gold	Ounces gold	Kg gold
Mojon	2,162,762	1.75	121,803	3,788
Crimea	287,890	1.51	13,998	435
Santa Maria	193,210	2.53	15,746	490
San Juan	59,411	5.61	10,709	333
Jabali	4,186,853	3.39	456,863	14,210
Total	6,890,126	2.79	619,119	19,257

Table 10: Measured Mineral Resources and Indicated Mineral Resources for La Libertad Mine

Indicated blocks that occur outside the design pit reported under Mineral Reserves are reported in the Mineral Resource table above (Table 10).

Inferred Mineral Resources ^{1,2,3,4}

Target	Tonnes	Grade g/t gold	Ounces gold	Kg gold
Mojon	119,995	1.36	5,255	163
Crimea	290,315	1.62	15,159	471
Santa Maria	42,796	2.30	3,169	99
Spent Ore	2,436,391	0.70	54,830	1,705
San Juan	474,103	3.65	55,577	1,729
Jabali	1,894,982	3.06	186,610	5,804
Total	5,258,582	1.90	320,600	9,972

Table 11: Inferred Mineral Resources for La Libertad Mine

Notes:

- 1) Mineral Resources are exclusive of Mineral Reserves.
- 2) Jabali, Antenna and Central zones are reported within US\$1,350 per ounce gold optimised Whittle pit shells above a cut-off grade of 0.70 g/t gold. Jabali Mineral Resources include resources reported outside optimised pit shells but above a cut-off grade of 3.0 g/t gold. Optimised Whittle pits are based on indicated and inferred blocks from a total block model that contains an Indicated Mineral Resource above a cut-off grade of 1.0 g/t gold of 4.50 million tonnes at a grade of 3.44 g/t gold for 497,014 ounces of gold and an Inferred Mineral Resource of 4.22 million tonnes at a grade of 2.34 g/t gold for 317,365 ounces of gold.
- 3) Mojon, Crimea, Santa Maria, and San Juan Mineral Resources are reported within US\$1,350 optimised pit shells above a cut-off grade of 0.57 g/t gold.
- 4) Mineral Resources that are not Mineral Reserves do not have a demonstrated economic viability. Due to the uncertainty which may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated Mineral Resource or Measured Mineral Resource as a result of continued exploration.

The principal changes to the 31 December 2011 Mineral Resource statement are attributed to infill drilling upgrading Inferred Mineral Resources to Indicated Mineral Resources at Jabali and an increase in the cut-off grade at all zones that resulted in slight reductions in ounces and increases of average grades.

In 2011, B2Gold drilled 281 diamond drill holes totalling 38,705 metres at Jabali, in addition to the 55 holes drilled in 2010. Sixteen holes from January and February 2012 were also used to calculate the Mineral Resource. Drill spacing is approximately 30 to 40 metres in the core of the Jabali zones and 60 to 70 metres along the margins. Trenching was used as a guide to zone interpretation but not for grade interpolation.

The Jabali epithermal vein/stockwork system trends approximately east-west and dips 60 to 80 degrees to the north. It has been intersected by drill holes over a 3.8 kilometre strike and to a depth of 300 metres below surface. The Jabali deposit is divided into two zones: the west 1.4 kilometre of strike length is the Antenna zone, and the east 2.8 kilometres is the Central zone. Vein width varies from 1 to 17 metres with a mean true width of approximately 5 metres. The vein remains open along strike and down-dip. Portions of the high-grade vein at Jabali have been previously mined and have either been backfilled or remain as void space. At Antenna, mined out areas extend on average 150 metres from surface while at Central they extend only 50 to 75 metres.

Three dimensional wireframes were created of the quartz-breccia/vein zones, quartz stockwork zones and previously mined areas. Composites were created within each zone based on assays that were capped using the following scheme:

Domain	Antenna gold capping levels (gold-g/t)	Central gold capping levels (gold-g/t)
Vein/Quartz Breccia	30 g/t as default 80 g/t in high grade shoots	20 g/t as default 35-40 g/t in high grade shoots
Stockwork	4 g/t	7 g/t
Previously mined (fill)	3 g/t	10 g/t

Table 12

Gold and silver grades of blocks within the stockwork, vein and previously mined zones were interpolated using inverse distance to the power of 3, nearest neighbour and ordinary kriging concurrently. At Central the ordinary kriging model was selected as the better model, and at Antenna the inverse distance to the power of 3 (ID3) was chosen. The other interpolation methods were used for comparison, validation, and sensitivity. Blocks were classified as indicated if they were estimated using at least two drill holes within a search ellipse of 60 x 10 x 45 metres (X,Y,Z) and at most 30 metres to the nearest drill hole. Inferred Mineral Resources were estimated with at least two drill holes within a search ellipse of 90 x 15 x 67.5 metres and at most 60 metres to the nearest drill hole. All fill zones, and discontinuous hanging wall and footwall veins are classified as inferred. No other Mineral Resource categories are defined at Jabali.

The resource model at Mojon was also updated due to additional infill drilling in the area immediately west of the current pit (Mojon West). The last model update at Mojon was in 2008. Since then, 6,457 metres in 41 diamond drill holes have been completed by B2Gold.

The Mojon epithermal vein system is approximately 2,800 metres in strike length. The vein has an average true thickness of approximately 10 to 15 metres and narrows at depth. A substantial halo of lower grade quartz stockwork exists around the high-grade veins. The system strikes on average 68 degrees and dips 75 to 85 degrees to the southeast.

Interpretations of vein and stockwork were completed on sections and reconciled on levels to create three dimensional wireframes of vein and stockwork. Gold composites were created within each zone based on assays capped at 5 g/t in stockwork and 25 g/t in vein.

At Mojon, gold and silver grades were estimated into vein and stockwork blocks using ordinary kriging. Inverse distance and nearest neighbour models were also completed for comparison and validation. Blocks were classified as indicated if they were estimated using at least two drill holes in a 55 x 15 x 40 metres search ellipse but less than 25 metres to the nearest single drill hole. Inferred Mineral Resources were estimated using at least two drill holes in an 110 x 30x 80 metre ellipse but less than 50 metres to the nearest single drill hole.

Increased confidence in the resource model and a revision of the mine design resulted in a portion of Mojon west being upgraded to Probable Mineral Reserves.

Mining operations

La Libertad Mine was historically a conventional surface mining operation utilizing small to mid-size equipment to drill, blast, excavate, and remove ore and waste from several active open pits.

Following the acquisition by B2Gold of Central Sun in March 2009, B2Gold commenced construction at La Libertad Mine in order to convert the processing facilities from heap leaching to conventional milling. B2Gold completed the conversion of La Libertad Mine and began processing ore on 15 December 2009, with the first doré bar being produced on 5 January 2010.

In February 2010, La Libertad mill exceeded B2Gold's projections and processed an average of approximately 3,900 tonnes of ore per day. The installation of a second ball mill, which was not included in the original plant design, was completed in August 2010 and the mine ramped up to 5,500 tonnes per day design throughput capacity in the fourth quarter of 2010.

Production

At La Libertad Mine, 2010 was a successful production ramp-up year with commercial production commencing in February 2010. The installation of a second ball mill was completed in August 2010 and the mine ramped up to the 5,500 tonnes per day design throughput capacity in the fourth quarter of 2010. Total production for 2011 from La Libertad was 99,567 ounces of gold. In the fourth quarter, 26,158 ounces of gold were produced. With the full production ramp-up completed, La Libertad Mine is projected to produce approximately 102,000 to 110,000 ounces of gold in 2012.

Exploration and development

The La Libertad gold district has been explored by prospectors, small scale miners, and mining companies for the last 150 years. Numerous pits, adits, trenches and small shafts throughout the district delineate a 20 kilometres long and five kilometres wide mineralised system. The La Libertad Mine area is the only segment of the district to have been explored at significant depth. B2Gold's land holdings offer an excellent opportunity to discover additional mineralisation at similar grades as has been mined at La Libertad Mine.

In 2011, B2Gold conducted an aggressive exploration drilling program on the large properties that surround La Libertad Mine, with a focus on infilling the Jabali Zone, testing potential extensions to the east, west and depth, and testing several other targets on the property.

In 2012, B2Gold expects to expend approximately US\$5.0 million to drill 5,500 metres to complete the infill drilling of the Jabali Antenna zone and further explore deposits that are open to the east and west and to explore the 20 kilometre La Libertad gold belt.

Limon Mine

The Limon Mine is located approximately 100 kilometres northwest of Managua and 20 kilometres from the Pan-American Highway. B2Gold holds an indirect 95% interest in Triton Minera S.A. (**Triton**), which owns and operates the Limon Mine, and holds eight other mineral concessions, all at an exploration stage. The remaining 5% of Triton is held by Inversiones Mineras S.A., a holding company representing unionised mine workers in Nicaragua. B2Gold acquired its interest in the Limon Mine on 26 March 2009 from its acquisition of Central Sun pursuant to the CSM Arrangement.

Project description and location

The Limon property consists of the 12,000 hectare "Mina El Limon" mineral concession that has a term of 25 years expiring in January 2027. Each mineral concession under the Nicaraguan Mining Code is subject to an agreement issued by the government of Nicaragua that includes the rights to explore, develop, mine, extract, export and sell the mineral commodities found and produced from the concession. B2Gold is required to submit annual reports of its activities and production statistics to the government. Escalating annual surface taxes are payable to the Nicaraguan government for the Limon mineral concession. The surface tax rate was US\$4.00 per hectare in 2009 and a maximum rate of US\$12.00 per hectare will be reached in 2012 and maintained through subsequent years.

The Limon Mine property is in north-western Nicaragua approximately 100 kilometres northwest of Managua, the capital of Nicaragua. The property straddles the boundary of the municipalities of Larreynaga and Telica of the Department of Leon and the municipalities of Chinandega and Villa Nueva of the Department of Chinandega.

Triton directly owns or controls the surface rights for all of the property upon which are located the current mining, milling, tailings and related facilities at the Limon Mine. Triton also owns a portion of the surface rights for the properties. As required, Triton has negotiated and entered into access agreements with individual surface right holders in respect of those properties for which it does not hold the surface rights within the concession. All of the permits required for exploration, mining and milling activities are in place for the Limon Mine.

Royal Gold, Inc. holds a 3% net smelter return (**NSR**) royalty on the gold production from the Limon Mine and certain other concessions. The revenue from the Limon Mine is also subject to a 3% NSR on gold production payable to the Government of Nicaragua.

Internacional de Comercial S.A. (**IDC**) holds a royalty equal to 5% of the net profit of Triton Mining (USA) LLC (**Triton USA**), an indirect subsidiary of B2Gold that holds a 47.5% interest in the Limon Mine. Net profit is defined as the excess of gross revenue (being all revenue received from the operation by Triton USA of its business) over expenses (being specified as costs incurred and charged as expenses by Triton USA arising from its business, including working capital and operating expenses, royalties paid, borrowing costs, taxes and general sales and administrative expenses).

Accessibility, climate, local resources, infrastructure and physiography

The property is readily accessed by paved highway and a 15 kilometre gravel mine road with a total road distance from Managua of 140 kilometres. There are three local villages, Limon, Santa Pancha and Minvah, with an aggregate population of approximately 10,000 people which includes many of the employees of the Limon Mine. Leon, the second largest city in Nicaragua, is approximately 45 kilometres to the southwest of the Limon Mine.

The Limon Mine operates year round and is not normally affected by the typical seasonal climatic variations. The climate is tropical with a hot, wet season from May through November and a hotter, dry season from December through April. The mean annual temperature is 27 degrees Celsius with an average annual precipitation of two metres. The mining operations are in an area of low to moderate relief with elevations from 40 to 300 metres above mean sea level and plenty of flat areas for mine infrastructure. The area is covered with sparse vegetation, consisting predominantly of grasslands and scrub brush with widely spaced trees.

In general, Nicaragua has a moderately developed infrastructure of telecommunications, roads, airports and seaports and there is a fairly high literacy rate among the population with an ample supply of skilled and unskilled labour. Electrical power for the Limon Mine is obtained from the national grid system with backup generators at the mine site. Water, both industrial and potable, is drawn from local sources.

History

Over the decades local artisanal miners, called “guiriceros”, have been active throughout north-western Nicaragua, using manual grinding mills and mercury to process and recover gold from material obtained from rudimentary surface workings, scavenged from the old mine workings and even alluvial sediments.

Gold mining in the Limon district began in the 1800s and commercial production began in 1918. Production from the Limon Mine has been continuous since 1941. From 1941 to 1979, Noranda Inc. controlled the Limon Mine and produced just over 2.0 million ounces of gold from 4.1 million tonnes of ore. Production rates in this period started at 200 tonnes per day and increased to 345 tonnes per day. In 1979, the Sandinistas confiscated and nationalised the mine. Production under government control is reported to have been 280,000 ounces of gold from an estimated 1.9 million tonnes of ore.

Exploration results

During 2010, B2Gold continued exploration on the El Limon property with up to three drills operating at any one time. Two drills were used to complete the Santa Pancha “Deep” infill drilling program and other open pit and mine definition programs while the third drill was dedicated to exploration of the 18,000 hectare Limon and Bonete-Limon concessions. Additional soil sampling, ground geophysics, trenching and mapping were also completed over a number of regional targets. During 2010, B2Gold drilled a total of 83 holes totalling 14,799 metres on the Limon property.

- LIM-10-3476 with 21.75 metres grading 9.13 g/t gold (Santa Pancha Deep Target);
- LIM-10-3484 with 33.75 metres grading 4.64 g/t gold (Santa Pancha Deep Target);
- LIM-10-3508 with 3.89 metres grading 23.75 g/t gold (Santa Pancha Deep Target);
- LIM-10-3502 with 7.55 metres grading 4.61 g/t gold (Santa Pancha Deep Target); and
- LIM-10-3515 with 1.5 metres grading 40.06 g/t gold with 226.12 g/t silver and 1.75 metres grading 21.85 g/t gold with 18.88 g/t silver (**Panteon target**).

The Limon property exploration program carried out by B2Gold in 2011 consisted of 92 drill holes totalling 8,297 metres. The program objectives were to expand near term open pit Mineral Reserves, as well as to explore for future Mineral Resources and Mineral Reserves to extend the mine life. Infill drilling was conducted to verify and expand the open pit and underground Mineral Reserves at Veta Nueva. Drilling on Santa Emilia Sur focused on the expansion of open pit Mineral Reserves and underground Mineral Resources. Santa Pancha Pozo 4 South exploration included infill drilling of open pit Mineral Reserves. Additionally, exploration drilling conducted at Chaparral, Tajo Norte, and Santa Pancha Pozo 5 North tested for open pit and underground Mineral Resource potential.

Sampling and analysis

Materials sampled for Mineral Resource and Mineral Reserve estimation include drill core and underground workings. Drill core recovery at the Limon Mine is generally very good. Mineralised drill core intervals to be sampled are identified and marked by a geologist. Visual indicators of the intervals to be sampled includes quartz veins, silicified breccias, silicified rock and other altered zones identified by the geologist. Sample intervals are selected based on changes in mineralisation style and are normally extended for two metres into unmineralised rock. Marked sample intervals are split or sawn in half. A technician collects a continuous sample of the split or sawn core; sample lengths vary from 0.5 metres to 1.5 metres.

Underground development workings that expose mineralised veins are routinely sampled using continuous chip samples taken at waist height perpendicular to vein contacts. Samples are taken for each round of advance, giving a sample spacing of approximately three metres along the vein strike. The complete width of the development drift is sampled. A sample is normally taken for each one metre of vein width; sample lengths may vary depending on the width of the vein and changes of geology. Sampling is by a trained technician under the supervision of the mine geologist. Materials sampled as part of ongoing exploration activities include soils, boulders, rock outcrops, trenches and drill core. A geologist either takes or supervises the taking of all samples. Exploration samples of rock outcrops and boulders are normally taken as discontinuous chip samples, while trench samples are taken as continuous chip samples. These exploration sample materials are used to detect the presence of precious metals for target identification and are not normally used for Mineral Resource estimation.

Mineral Resources and Mineral Reserves

The 31 December 2011 Mineral Resource and Mineral Reserve statement for the Limon Mine property was completed in March 2012 by Company personnel under the supervision of Brian Scott, P.Geo., Chief Geologist, and Peter Montano, P.E. (Colorado, USA), Senior Mine Engineer, each a Qualified Person as defined under NI 43-101. The updated Mineral Reserve and Mineral Resource estimate as of 31 December 2011 incorporates results from the diamond drilling completed in 2011.

Mineral Reserves and Mineral Resources are reported at a 95% ownership basis. Mineral Reserves as of 31 December 2011 are reported for three areas on the Limon property. These areas include the Santa Pancha, Veta Nueva and Santa Emilia Sur vein structures. The Santa Pancha structure includes both underground and open pit Mineral Reserve and Mineral Resources and contains approximately 70% of the reported Mineral Reserve ounces. An updated underground mine plan was completed on Santa Pancha Pozo 8-2-1 zone in 2011. Updated block models estimates were completed on the Pozo 4 South, Pozo 4 North and Pozo 5 zones on the Santa Pancha trend. The east-west trending Veta Nueva structure has both underground and open pit Mineral Reserves and Mineral Resources on an updated 2011 block model. Located northwest of Veta Nueva, the Santa Emilia Sur structure has an open pit Mineral Reserve and underground Mineral Resource based on a new block model estimate completed in 2011.

Mineral Resources for Babilonia, Tajo Norte and Talevera 3 located within the Limon project are also included in 2011 Mineral Resources. Mineral Reserves decreased from 31 December 2010 due to removal of 2010 stope blocks adjacent to historic mined out areas that were determined to have higher mining costs and risks than previously estimated in 2010. Additional contributing factors to the decrease in Mineral Reserves include depletion losses from 2011 mining, and increased operational costs resulting in higher cut off grades and the re-classification of Mineral Reserves to Mineral Resources. Open pit Mineral Reserves were depleted beyond the scheduled production as a result of more open pit mining in 2011 due to the temporary shutdown of the main Santa Pancha underground after a flooding incident.

Proven & Probable Reserves ^{1,2,3,4,5}

Zone	Cut-off Grade (g/t)	Tonnes	Gold g/t	Ounces gold	Kg gold
Santa Pancha 8-2-1 UG	3.2	1,042,173	4.46	149,398	4,647
Veta Nueva Main OP	1.9	81,085	6.05	15,779	491
Veta Nueva Main UG	3.2	244,509	5.13	40,328	1,254
Tajo Pozo 4 South	1.9	79,581	5.21	13,329	415
Tajo Pozo 4 North	1.9	35,719	4.20	4,823	150
Santa Emilia Sur	1.9	64,477	5.38	11,147	347
Pozo 2 OP	1.9	13,312	5.14	2,201	68
Grand Total	2.3	1,560,857	4.72	237,005	7,372

Table 13: Proven and Probable Mineral Reserves for Limon Mine

Notes:

- 1) Mineral Reserves reported at a US\$1,250 per ounce gold.
- 2) Cut-off grades and optimised design pits based on 2011 budget costs.
- 3) Mineral Reserves reported are fully diluted.
- 4) Mineral Reserves are reported above a series of variable cut-off grades based on haulage distance to mill facility and type of mining. Cut-off grades vary from 3.2 g/t gold for underground Mineral Reserves to 1.9 g/t gold for open pit Mineral Reserves.
- 5) Mineral Reserves reported based on 95% ownership.

Underground Mineral Reserves for 2012 are reported based on detailed cost analyses and budget reviews. The underground and open pit Mineral Reserves and Mineral Resources are based on the 2012 budget cost analysis.

An updated underground mine plan was completed on the Pozo 8-2-1 vein structure in 2011 by Limon engineering staff. Revised 3D stopes were generated from the 2010 Pozo 8-2-1 block model using MineSight and Mine 2-4D mining software. Stopes design to current Limon mine underground mining stope geometries, design rules and costs with dimensions of 20 metres length by 19 metres height. Stopes below elevation of -150 metres were modified to double height to reduce mining costs. A review of stopes adjacent to historic mined out areas resulted in removing some of the marginal 2010 Mineral Reserve stopes that were deemed to have higher costs and risk. The loss of these stopes coupled with the 2011 underground production and higher cut-off grades accounted for the reduction of the Mineral Reserves. Proven and Probable underground Mineral Reserves decreased in the Santa Pancha 8-2-1 zone from 1,401,729 tonnes grading 4.46 g/t gold for a total of 201,222 ounces at 31 December 2010 to 1,042,173 tonnes grading 4.46 g/t gold for a total of 149,398 ounces at 31 December 2011.

Underground block model Mineral Reserves at Veta Nueva Main structure were calculated using a 3D stope optimization method. Using Datamine Movable Stope Optimiser software, the Indicated Mineral Reserve block model was optimised based on stope geometry, design rules and costs provided by the Limon Mine engineering staff. Twenty metre by twenty metre 3D stope blocks were created with volume, tonnes and diluted grade that can be used directly for long term mine planning. The 2011 drilling at Veta Nueva was included in the updated Mineral Reserve estimate. A small reduction in ounces was due to the higher underground cut-off grade applied to the 31 December 2011 Mineral Reserve and Mineral Resource statement. Probable underground Mineral Reserves at Veta Nueva Main vein system decreased from 285,295 tonnes grading 4.88 g/t gold for a total of 44,793 ounces at 31 December 2010 to 244,509 tonnes grading 5.13 g/t gold for a total of 40,328 ounces at 31 December 2011.

The 31 December 2011 open pit Mineral Reserve calculations are based on a diluted grade model for ore selection as well as ore tonnage and grade. For the open pit Limon Mine models, the in-situ grade and tonnage were developed from trench, drilling, and underground samples. The in-situ model was converted to a diluted model to a maximum of 15% block grade dilution. In this method, the grade of blocks is diluted by the waste percent contained within the whole block to a maximum of 15%. The resulting diluted grade and tonnage is used for Mineral Reserve block selection and calculation.

Economic parameters were applied to develop the Whittle pit shells for the Veta Nueva, Tajo 2 and Tajo 4 South, Tajo 4 North, Santa Emilia Sur areas. These include using a US\$1,250 per ounce gold price, 90.58% process recovery and costs based on the 2011 budget costs. The designs include slopes that vary according to rock or soil type, benching, ramps and minimum mining widths, therefore several design iterations were generated with input from the Whittle pits and on-site operations personnel to determine the most profitable pit configurations. Tajo 2, Tajo 4 South and Tajo 4 North are limited by previous underground mining, natural grade breaks, and surface constraints such as ventilation shafts and old pits. Designed pits were developed for the Tajo 2, Tajo 4 South, Tajo 4 North and Veta Nueva pits.

Tajo 2 is located near and limited by the Pozo 2 ventilations shaft south of the Santa Pancha underground portal. A majority of Tajo 2 Mineral Reserve was mined in 2011 and will be completely mined out in 2012. Backfill material above cut-off grades and an unmined high grade pillar in an historic mined out area located in pit shell generated mining gains in 2011. Based on the 2011 cut-off grade (1.9 g/t gold), the remaining Mineral Reserves for Tajo 2 pit contains 13,312 tonnes at an average gold grade of 5.14 g/t for a total of 2,201 contained ounces.

Tajo 4 North Mineral Reserve pit is adjacent to the southern end of Tajo 5. It has been designed with access to Tajo 5 for waste disposal and access to the Santa Pancha surface roads for ore haulage. A majority of Tajo 4 North Mineral Reserves was mined in 2011. A southern extension to pit was added for 2011 year end to extend the life of pit. Based on the 2011 cut-off grade (1.9 g/t gold), the remaining Tajo 4 pit contains 35,719 tonnes at an average gold grade of 4.2 g/t for a total of 4,823 contained ounces.

Tajo 4 South is a newly designed open pit located between and limited by the Santa Pancha mine portal and Pozo 4 ventilation shaft. Tajo 4 South Mineral Reserve pit lies below a shallow historic pit that was mined and subsequently back-filled. Based on the 2011 cut-off grade (1.9 g/t gold), the Tajo 4 North pit contains 79,581 tonnes at an average gold grade of 5.21 g/t for a total of 13,329 contained ounces.

Veta Nueva has been designed with a 50 metre buffer from the crest of the river to the east. With access from the west and two adjacent pit cones it can maintain production from the western cone even if the eastern cone (near the river) is flooded during the rainy season. A change to a "partial block" dilution model from a "full block" dilution model used in 2010 resulted in lower tonnes and higher grade. Based on the 2011 cut-off grade (1.9 g/t gold), probable open pit Mineral Reserves at Veta Nueva Main vein system increased from 99,213 tonnes at an average gold grade of 4.83 g/t for a total of 15,419 contained ounces at 31 December 2010 to 81,085 tonnes grading 6.05 g/t gold for a total of 15,779 ounces at 31 December 2011.

Santa Emilia Sur open pit was newly designed in 2011 and is located northwest of Veta Nueva. A new block model estimate was created using drilling completed by B2Gold in 2011. For 2012 the Mineral Reserve pit is intentionally undersized and may be expanded following the current exploration. Based on the 2011 cut-off grade (1.9 g/t gold), the Santa Emilia Sur Mineral Reserve pit contains 64,477 tonnes at an average gold grade of 5.38 g/t for a total of 11,147 contained ounces.

Measured Mineral Resources and Indicated Mineral Resources ^{1,2,3,4,5}

Vein Structure	Avg COG	Tonnes	Grade g/t gold	Ounces gold	Kg gold
Santa Pancha 8-2-1 UG	3.00	545,024	4.19	73,429	2,284
Pozo 4 North	3.00	87,930	4.60	12,992	404
Pozo 4 South	3.00	178,497	4.77	27,378	852
Veta Nueva Main	3.00	99,206	4.17	13,316	414
Santa Emilia Sur	3.00	62,596	4.92	9,903	308
Veta Nueva West UG	3.00	69,565	4.43	9,903	308
Babilonia South	1.80	14,555	3.92	1,833	57
Grand Total	2.83	1,057,372	4.38	148,754	4,627

Table 14: Measured Mineral Resources and Indicated Mineral Resources for Limon Mine
Inferred Mineral Resources ^{1,2,3,4,5}

Vein Structure	COG	Tonnes	Gold g/t	Ounces gold	Kg gold
Santa Pancha 8-2-1 UG	3.00	111,412	3.97	14,236	443
Pozo 4 South	3.00	169,120	4.23	23,019	716
Pozo 4 North	3.00	190,454	5.97	36,577	1,138
Pozo 5	3.00	261,730	4.73	39,772	1,237
Santa Emilia Sur	3.00	147,898	6.42	30,535	950
Talavera UG	3.00	87,975	7.93	22,418	697
Veta Nueva Main	3.00	17,910	3.72	2,144	67
Veta Nueva West UG	3.00	7,189	3.61	835	26
Atravada	3.00	39,859	5.83	7,468	232
Tajo Norte	1.80	33,230	2.65	2,831	88
Babilonia South	1.80	21,708	3.64	2,538	79
Grand Total	2.78	1,088,484	5.21	182,373	5,672

Table 15: Inferred Mineral Resources for Limon Mine
Notes:

- 1) Mineral Resources are exclusive of Mineral Reserves.
- 2) Underground Mineral Resources are reported above a cut-off grade of 3.0 g/t gold
- 3) Open pit Mineral Resources (Tajo's) are reported above a cut-off grade of 1.8 g/t gold.
- 4) Mineral Resources that are not Mineral Reserves do not have a demonstrated economic viability. Due to the uncertainty which may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated Mineral Resource or Measured Mineral Resource as a result of continued exploration.
- 5) Mineral Reserves reported based on 95% ownership.

For the 31 December 2011 Limon block model resource estimates, the epithermal vein/breccia/stockwork zones were modelled on vertical cross sections and levels. Drill holes, trench data and underground sampling were used for geological interpretation and estimation. Three dimensional wireframes were created from these interpretations and filled with three dimensional blocks. The block size was 2 by 5 by 5 metres for all models. Assays were capped based on log probability plots and standard Limon capping practices. Pozo 8-2-1 and Pozo 4 North were capped at 25 g/t gold. Pozo 4 South capping ranged from 20 g/t to 28 g/t gold. Santa Emilia Sur capping ranged from 16 g/t to 42 g/t gold and the Babilonia model used a 13 g/t gold cap. The Veta Nueva model, which includes Veta Nueva West, Main and Atravesada had capping ranging from 20 g/t gold to 30 g/t gold. Assays were selected from within each wireframe and composited to 1.5 metres. The Pozo 5 block model estimated used only digitised underground samples points only. Grade was then estimated in rotated datamine block models using inverse distance cubed (ID3) except Pozo 4 South which used ordinary kriging. Specific gravity for vein/stockwork material was 2.6, 2.5 for fresh waste, and 2.2 to 2.37 for saprolite/saprock. A single grade indicator was used to help isolate the higher grade zones and limit overestimation of the high grade underground sampling in the Pozo 8-2-1 and Pozo 4 North model. Indicated Mineral Resources were classified as any block within 30 metres of a composite that was estimated by 2 drill holes while Inferred Mineral Resources were defined as any block that is within 60 metres that was estimated by at least 2 drill holes.

Measured and Indicated Mineral Resources as of 31 December 2011 increased 27% from 31 December 2010 to 1,057,372 tonnes grading 4.38 g/t for 148,754 ounces of gold. Mineral Resources are reported from open pit and underground targets from the Santa Pancha, Veta Nueva, Santa Emilia Sur veins. Infill drilling in 2011 on the aforementioned vein structures contributed to the increased Mineral Resource. Measured and Indicated Mineral Resources in the Pozo 8-2-1 vein system decreased from 607,495 tonnes grading 4.34 g/t gold for a total of 84,686 ounces at 31 December 2010 to 545,024 tonnes grading 4.19 for a total of 73,429 ounces at 31 December 2011. Inferred Mineral Resources in Pozo 8-2-1 vein system decreased from 134,126 tonnes grading 3.95 g/t gold for a total of 17,020 ounces at 31 December 2010 to 111,412 tonnes grading 3.97 g/t gold for a total of 14,236 ounces at 31 December 2011. The revised 2011 mine planning stopes and mine development files account for differences in Mineral Resource estimates.

Measured and Indicated Mineral Resources of the Santa Pancha 4-5 vein system increased from 120,937 tonnes grading 4.62 g/t gold for a total of 17,969 ounces of gold at 31 December 2010 to 266,427 tonnes grading 4.71 g/t gold for a total of 40,370 ounces of gold at 31 December 2011. Inferred Mineral Resources increased from 456,885 tonnes grading 5.09 g/t gold for a total of 79,641 ounces of gold at 31 December 2010 to 621,304 tonnes grading 4.97 g/t gold for a total of 99,368 ounces of gold at 31 December 2011. In 2010, all Mineral Reserves and Mineral Resources for the Pozo 4-5 zone were estimated by a single model. In 2011, three separate open pit and underground models (Pozo 4 South, Pozo 4 North and Pozo 5) were created. The updated geological interpretations and block models, infill drilling and digitised Pozo 5 underground samples account for the changes to the Mineral Resources. A significant portion of this area is classified as inferred due to a lower confidence in the data, and the underground sampling and down hole drill data not reconciling spatially. Further infill drilling and updating of the model is planned for 2012 with the goal of potentially increasing underground Mineral Reserves in this area.

Measured Mineral Resources and Indicated Mineral Resources at Veta Nueva vein system increased from 111,458 tonnes grading 4.16 g/t gold for a total of 14,902 ounces of gold at 31 December 2010 to 168,770 tonnes grading 4.28 g/t gold for a total of 23,219 ounces of gold at 31 December 2011. Inferred Mineral Resources at Veta Nueva decreased from 29,672 tonnes grading 4.25 g/t gold for a total of 4,056 ounces of gold at 31 December 2010 to 25,099 tonnes grading 3.69 g/t gold for a total of 2,979 ounces of gold at 31 December 2011. Infill drilling in Veta Nueva Main and Veta Nueva West included in the updated and expanded 2011 block model decreased Inferred Mineral Resource and increased Indicated Mineral Resources.

Santa Emilia Sur is a new resource zone for 2011 located northwest of Veta Nueva. A block model estimate was created using drilling completed by B2Gold in 2011 and resulted in Measured Mineral Resources and Indicated Mineral Resources at the Santa Emilia Sur of 62,596 tonnes grading 4.92 g/t gold for a total of 9,903 ounces of gold and Inferred Mineral Resources of 147,898 tonnes grading 6.42 g/t gold for a total of 30,535 ounces of gold.

Mining operations

The Santa Pancha vein system has become the primary source for underground exploitation of ore. Access for underground mining at Santa Pancha is provided for by a ramp system that branches at the 90 metre level into both north and central ramps. The deepest level of the mine is at approximately 170 metres below surface. The mining methods used are longitudinal open stoping for the primary stopes and sub-level retreat for the pillar recovery. Normally, stopes are backfilled with development waste. The Santa Pancha mining operation is fully mechanised and the existing mine equipment is replaced when maintenance costs dictate. Two raises support the mine ventilation system and also one of them serves as an emergency escapeway. Future mining at Santa Pancha will require deepening the mine and expanding the mine along strike. Dewatering is a critical component of mining at Santa Pancha and pumps are currently working in two of the existing shafts to ensure that water levels are maintained at safe levels below the deepest workings. Continued deep development in Santa Pancha and improvements in this dewatering system represent a significant portion of the capital estimate for the next few years.

The Limon mill is a nominal 1,000 tonnes per day CIP gold recovery plant. The mill throughput capacity has increased to 1,100 tonnes per day due to automation improvements made to the mill in 2011. Run of mine ore is hauled by truck from five small open pits (all of them located within a radius between 1 and 5 kilometres from the process plant) and the Santa Pancha Mine (6 kilometres from the process plant). Ore is stockpiled in front of the primary crusher or dumped directly into the 36-tonne capacity dump hopper feeding the jaw crusher. This stockpile is used to blend the various ore sources to maintain a consistent grade in the mill feed.

During 2011, B2Gold made improvements to the automation of the mill at the Limon Mine. The Limon Mine produced 45,037 ounces of gold during 2011, its most successful year in the past seven years. A new tailing impoundment, San Jose, was constructed in 2011. This facility has the potential to be expanded several times in the future.

Production

B2Gold reported gold production of 45,037 ounces in 2011. Production from the Limon Mine for 2011 and for each of the five previous years is as follows:

	Units	2011	2010	2009	2008	2007	2006
Mill Feed	('000 t)	381	343.0	260.5	289.0	287.7	295.6
Head Grade	(g/t gold)	4.1	4.2	4.4	4.9	5.1	4.4
Recovery	(%)	90.0	88.7	86.0	84.9	78.5	83.3
Gold Recovered	(ounce)	45,037	40,125	31,464	33,880	36,702	34,341

Table 16: Production for Limon Mine

Exploration and development

B2Gold expects to expend US\$4.6 million in 2012 and to continue exploration at the Limon Mine site with the intention of increasing the Mineral Reserves, Mineral Resources and mine life of the project. In 2012, B2Gold continued with its surface exploration program comprised of geophysics, soil geochemistry and geological mapping. B2Gold also plans to conduct a 14,000 metre drill program utilizing two drill rigs to target a combination of exploration and ore definition targets.

Otjikoto Project

Project description and location

The Otavi Exploration Area, which includes the Otjikoto Project, consists of four exclusive prospecting licences (**EPL**) that cover a surface area of approximately 2,753 square kilometres in the north-central part of Namibia. The Otjikoto Project is located halfway between the towns of Otjiwarongo and Otavi, approximately 300 kilometres due north of Windhoek, the capital of Namibia, which can be reached by direct commercial air travel from several countries.

In July 2011, the Namibian MME granted B2Gold five new EPLs covering approximately 500,000 hectares. The EPLs are issued by the MME for an initial term of three years and may be renewed twice, each for an additional two year term, and confer upon the holder the right to apply for a mining licence. With the additional licences, B2Gold now has eleven EPLs covering approximately 900,000 hectares. B2Gold has a 100% interest in all of the additional EPLs except one (EPL 4309 in the Otavi Exploration Area). B2Gold has been granted a 92% interest in EPL 4309 with B2Gold's local partner, EVI Gold (Pty) Ltd., having an 8% interest.

The remaining EPLs granted by the MME combined with certain of the EPLs previously granted to Auryx form two new distinct projects, namely the AccTer Project and the Top Hat Project. Both of these projects are located 250 kilometres due east of the Otjikoto gold deposit. The AccTer Project consists of five EPLs covering approximately 480,000 hectares. The ground was applied for on the same basis that the Otavi licences were applied for, it is in a prospective position from a tectonics perspective, it is distal to a known mining jurisdiction, but it has seen no previous work due to the lack of outcrop. The AccTer Project is considered by Auryx to be prospective for various styles of mineralisation including Sedex, Volcanogenic Massive Sulfide (**VMS**), Iron-Oxide Copper Gold (**IOCG**), and Otjikoto style gold deposits.

Accessibility, climate, local resources, infrastructure and physiography

The Otjikoto Project and the Otavi Exploration Area can be reached directly by a national road B1, which is a paved road in good condition and connects to Windhoek. Windhoek can be reached by direct commercial air travel from several European countries, South Africa and other African countries. The main national rail line also intersects the Otavi Exploration Area. This road and rail network acts as a good link from the Otavi Exploration Area to the deep-water port facility at Walvis Bay.

The nearby town of Otjiwarongo has a population of approximately 30,000 and possesses most modern amenities expected of a regional town serving a large agricultural community, including medical, dental, school and other services. Cellular and modern fixed line telecommunications are readily available in both Otjiwarongo and the town of Otavi. Cellular network coverage extends to the Otavi Exploration Area. Tsumeb, a mining and processing centre, is located along the B1 highway approximately 110 kilometres to the northeast of the Otjikoto Gold Project area. Tsumeb has a regional airport with scheduled and chartered flights to Windhoek. Namibia has a long history of mining and as such B2Gold anticipates that skilled labour will be available.

The climate of the Otavi Exploration Area is considered semi-arid, and as a result, the secondary roads within the Otavi Exploration Area are generally accessible year-round. Most of the country is located on a high plateau and the Otavi Exploration Area lies within the eastern part of the Central Western Plains situated 1,500 metres above sea level. The vegetation found on the Otavi Exploration Area is very dense and mainly comprises Black Thorn and Bastard Umbrella Thorn. Marble outcrops generally form topographical highs and shallow northeast and east-west elongated, valley-like features extend for kilometres throughout the Otavi Exploration Area.

History

A variety of mineral companies have explored the area for base metals in the mid-1960s to the mid-1980s, including mapping and drilling, all with limited success. There is no recorded history of gold focused exploration activity within or adjacent to the Otavi Exploration Area until Teal Namibia Inc. first acquired some of the current exploration licenses in 1997.

No knowledge or information exists as to any historic Mineral Resources or Mineral Reserves estimated for any mineral occurrences on the Otavi Exploration Area. In addition, no information with respect to any significant commercial mineral exploitation exists. Limited small-scale amethyst mining has taken place within certain of B2Gold's license areas, but not in the area of the Otjikoto Project.

Exploration

To date mineral exploration work throughout the Otavi Exploration Area and the Otjikoto Project has relied mainly on airborne and ground geophysical surveys to target drilling as the bedrock geology of the area is largely covered by 10 to 15 metre calcrete units. Most historic, regional exploration work focused on base metal exploration.

In 1997, Teal commissioned airborne magnetic surveys and a magnetic anomaly centred on the farm Otjikoto 573 was identified. Extensive follow-up exploration and drilling of this magnetic anomaly led to the discovery of vein hosted gold mineralisation. Since 1998, Teal has conducted airborne geophysics as well as field and photo-geological surveys of the Otavi Exploration Area. By 2003, Teal had completed diamond and reverse circulation resource drilling programs in excess of 15,000 metres that resulted in the first delineation of the inferred gold resource at the Otjikoto Project.

From 2003 to 2008, Teal continued drilling infill and expansion holes at the Otjikoto Project as well as drill testing targets regionally. By 2008, Teal had completed a mixture of diamond drillholes and reverse circulation boreholes totalling approximately 94,470 metres in 717 holes. In 2005 and 2007 Teal completed SPECTREM™ airborne electromagnetic surveys to assist with exploration and develop high priority targets in the area.

In 2010, and the first half of 2011, Auryx drill tested targets 900 metres to the northeast and 400 metres to the east of the resource area, as well as targets immediately proximal to the Mineral Resource. Three new zones of gold mineralisation were identified: the East 1 shoot, the West 1 shoot, and the south west hanging wall zone. The southwest hanging wall zone is a near surface, strata bound zone. The West 1 shoot is a narrow, structurally controlled zone parallel to the West shoot and the Main shoot, the main mineralised bodies of the Otjikoto Mineral Resource. Auryx drilled eight diamond drill holes to the immediate southeast of the resource area which intersected wide intercepts (10 metres to 40 metres) of low grade (0.4 g/t to 0.8 g/t) which represent a 900 metre strike extension to the East 1 (**E1**) shoot and, combined with twenty-one holes drilled by Teal, define the E1 zone as 1,400 metres long, 50 metres to 150 metres wide, and 10 metres to 40 metres thick.

This drilling also defined two distinct zones of massive iron-oxides (**Fe-oxides**) overlying and peripheral to the Otjikoto gold deposit. Both zones occur at and near surface and have been named the Main Magnetite Zone (**MMZ**) and the Magnetite 1 Zone (**M1Z**). The MMZ is a 5 metre to 30 metre thick unit of semi-massive to massive Fe-oxides. It is currently drill defined to dimensions of 400 metres long by 250 metres wide. It sub-crops on its western margin and extends to about 80 metres depth on its eastern “drill defined” margin. The Main Magnetite Zone is still open to the North, South and the M1Z is a 5 metre to 20 metre thick unit of semi-massive to massive Fe-oxides. It is currently drill defined to dimensions of 300 metres long by 250 metres wide and is still open to the east and south. M1Z lies within the modelled pit boundaries and overlies the down plunge extensions of gold mineralisation.

In September 2011, Auryx discovered a new zone, now called the Wolfshag, at the Otjikoto Project. The Wolfshag shoot occurs a few hundred meters to the northeast of the Otjikoto PEA pit and was intercepted in five drill holes representing 400 metres of strike/plunge and is open along strike and dip. The Wolfshag shoot is hosted in a different, lower stratigraphic unit than the Main and West shoots, which increases the number of potentially mineralised units at the Otjikoto Project. Furthermore, the fold controlled model increases the amount of stratigraphy deemed favourable for hosting mineralised shoots as the fold repeated horizons are expected to be intersected at depth beneath the Otjikoto PEA pit. The Wolfshag shoot is currently 400 metres long and open along strike and dip.

Drilling

In 2011, Auryx completed 35 reverse circulation and 189 diamond drill holes on targets within the Otavi Exploration Area. Reverse circular drilling was used to test exploration targets as part of the advanced exploration and evaluation of the Otjikoto Project. Diamond drilling was used to test both regional exploration targets and to provide detailed information on the vein mineralogy and geometry within the resource area at the Otjikoto Project. Experience from the initial exploration of the deposit indicated that a combination of reverse circulation drilling, HQ/TNW diamond drilling and NQ diamond drilling can be used successfully.

Sampling and analysis

Due to the coarse particulate nature of gold mineralisation, the evaluation program used large samples for assays. In addition, a screen fire assay method was employed for all the advanced exploration and evaluation sample assays. An orientation study on material from the Otjikoto Project was initially carried out to test the suitability of this assay method. Best practice international standards indicated that this method provides an appropriate technique

to produce representative gold determinations where significant coarse particulate gold occurs.

The three laboratories used for gold assay determination gave comparable results for the same size fraction. The coarse size fraction analysis indicated inferior repeatability for duplicate samples. This is due to the coarse particulate nature of the gold and not due to poor analyses by the laboratories. The three laboratories used were SGS Lakefield Research Africa (Pty) Ltd. and Moruo Analytical Services, all located in Johannesburg, South Africa and accredited with the South African National Accreditation System, and Genalysis Laboratory Services (Pty) Ltd., located in Perth, Western Australia and accredited with the National Association of Testing Facilities, Australia. Accredited laboratory, ALS Chemex, Johannesburg, South Africa is also used to assay core exploration samples. Currently, only Genalysis Laboratory Services (Pty) Ltd. is being used for the screen fire assay of core and reverse circulation samples.

Percussion sampling and analysis

Percussion drilling is used for regional geochemical sampling, employing short holes to penetrate surface cover. Samples are collected as two metre composites through a cyclone with a continuous splitter. Each two metre sample approximates 40 to 50 kilograms from which a representative 4 kilograms is split into quarters. A 3 kilogram sample is retained and stored as a reference sample. The remaining 1 kilogram sample is split 200 grams to 400 grams sub-samples, which are dispatched for analysis. All samples are analysed in Canada for gold by fire assay and for 31 other elements by the inductively coupled plasma method.

Where possible, percentage estimates are made of the regolith, bedrock, and any sulphides or oxides observed within the drill chips. This provides continuous geological control and holes are stopped when bedrock saprolite or weathered bedrock is intersected. In general, the deepest two to three samples (4 to 6 metres) of each hole are sampled for analysis.

Reverse circulation sampling and analysis

Each one metre intersection sample is weighed before splitting on site, allowing for immediate monitoring of sample recovery while drilling. Should sample recoveries fall below approximately 80%, drilling is suspended and equipment checked. Each one metre sample is riffle split once, then recombined and riffle split twice in sequence to homogenise the material and create four sub-samples. All rifflers are cleaned after splitting of each one metre sample. The four resulting sub-samples are then processed to provide material for geological logging, primary assay sample and full field duplicate sampling. Provision is also made to retain a reference sample for project audits and material for metallurgical test work.

Core sampling and analysis

Core is oriented and a low point-line placed on the core at the maximum dip of the prevalent dip of the fabric. A second reference line is also placed down the entire length of the core to ensure that a standard half (the top half) of the core is always sampled. Metre depth marks are placed on the core and any core losses are corrected as appropriate. The core is then geologically logged. The orientated core is split in half along the low point line with core cutting saws. Depths are then marked with a permanent-marking pen and samples are taken on a consecutive metre basis and labelled with the "depth to" metre number.

Mineral resources

The current Mineral Resource statement at the Otjikoto Project incorporates the results of 38,933 metres of drilling in 168 holes, which were drilled as part of an in-fill drilling program completed in 2011.

The updated resource model was completed by Bloy Resource Evaluation (**Bloy**) under the guidance and supervision of B2Gold in early 2012. The model is based on a total of 435 diamond drill holes (95,114 metres) and 400 reverse circulation holes (33,146 metres).

Drill Type	Number of holes	Total Metres
Reverse Circulation (Pre 2011)	376	30,119
Reverse Circulation (2011)	24	3,027
Diamond Drilling (Pre 2011)	291	59,208
Diamond Drilling (2011)	144	35,906
TOTAL RC	400	33,146
TOTAL DDH	435	95,114
TOTAL 2011	168	38,933
Grand Total	835	128,260

Table 17

Drill spacing is approximately 25 x 25 to 25 x 50 metres in the core of the deposit, and is haloed by an area of 50 x 50 to 50 x 100 metres drill spacing mainly to the south.

To create the resource model, grade shells at 0.4 and 0.8 g/t gold were built that approximate the highest density of veining at Otjikoto. One metre composites were created within these shells and were capped at 75 g/t gold.

Grade shells were filled with parent blocks with a dimension of 25 x 25 x 5 metres. Smaller sub-blocks down to a dimension of 12.5 x 6.25 x 2.5 metres were created along the margins of the zones as needed. Gold grade was estimated into parent blocks using ordinary kriging. Mineral Resources were estimated in conformance with the CIM definitions referred to in NI 43-101.

A database of 3031 specific gravity measurements was used to estimate tonnages within the four rock domains and two mineralisation domains. This includes hardpan (near surface material), mineralised weathered bedrock, unmineralised weathered bedrock, mineralised fresh rock, unmineralised fresh rock and OTB marble unit.

The 2012 block model is classified as indicated and inferred based on the combination of drill density and slope of regression analysis. Indicated blocks are defined by a drill density of 50 x 25 metres or less and a slope of regression of greater than 70%. Blocks were classified as inferred if grade was estimated into the block, but didn't meet the criteria for Indicated Mineral Resources described above. This is generally areas with drill spacing of 50 x 50 metres or greater up to a distance of approximately 100 metres along the margins of the drilled area. In addition, any of the smaller pods in the hanging wall to the main bodies of mineralisation were classified as Inferred Mineral Resources regardless of drill spacing.

Engineering Consultants VBKOM was contracted to constrain the Bloy resource block model using Whittle pit optimization software based on reasonable parameters for mining and processing provided by B2Gold in the table below. VBKOM was not mandated to and did not audit the Bloy Otjikoto Project resource model.

Parameter	Value
Gold Price	US\$1,350 per ounce
Exchange Rate	7.5 Namibian\$:USD
Plant throughput	2,400,000 tonnes per annum
Mining cost	US\$2.03 per tonne
Processing cost	US\$14,78 per tonne of ore
General and Administration	US\$7 million per annum
Gold Recovery	Oxide: 88% Sulphide: 91%
Pit Slope Angle	Oxide: 40° Fresh Rock: 50°
Mining Recovery	98%
Royalty	3%

Indicated Mineral Resources ^{1,2,3,4}

Tonnes	Grade g/t gold	Ounces gold	Kg gold
19,658,739	1.95	1,233,154	38,355

Inferred Mineral Resources ^{1,2,3,4}

Tonnes	Grade g/t gold	Ounces gold	Kg gold
872,031	1.57	44,015	1,369

Table 18

Notes:

- 1) Mineral Resources at the Otjikoto Project are reported within a US\$1,350 per ounce gold optimised pit shell above a cut-off grade of 0.5 g/t gold.
- 2) The estimates reflect the attributable Mineral Resources based on B2Gold's 92% interest in the Otjikoto Project.
- 3) Mineral Resources are not Mineral Reserves and do not have a demonstrated economic viability. Due to the uncertainty which may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated Mineral Resource or Measured Mineral Resource as a result of continued exploration.
- 4) Approximately 10% of the Mineral Resource occurs in oxidised rock, the other 90% occurs in fresh rock.

The Mineral Resource statement in Table 18 does not include mineralisation outside of optimised pits. The estimate of Mineral Resources may be materially affected by issues such as environmental, legal, permitting or other relevant market conditions.

The Mineral Resources reported above are based on a total block model Mineral Resource above a cut-off grade of 0.5 g/t gold of 30.283 million tonnes at a grade of 1.61 g/t gold for 1,566,366 ounces of gold of Indicated Mineral Resources and 18.269 million tonnes at a grade of 0.96 g/t gold for 561,706 ounces of gold of Inferred Mineral Resources. These Indicated Mineral Resources and Inferred Mineral Resources are quoted for comparison purposes to the Mineral Resources disclosed in 2011 by Auryx. Table 14.12 of the Otjikoto Technical Report outlines a Mineral Resource above a cut-off grade of 0.4 g/t gold of 25.12 million tonnes at a grade of 1.44 g/t gold for 1.16 million ounces of gold of Indicated Mineral Resources and 15.60 million tonnes at a grade of 1.31 g/t gold for 0.66 million ounces of gold of Inferred Mineral Resources. Mineral Resources are not Mineral Reserves and do not have a demonstrated economic viability. Due to the uncertainty which may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated Mineral Resource or Measured Mineral Resource as a result of continued exploration.

Metallurgy

Following acquisition of the Otjikoto Project, B2Gold initially completed metallurgical test work and a trade-off study evaluating flotation/leach and whole ore leach process options for treatment of the free milling gold ore. Both options included gravity recovery. The results of the trade-off study demonstrated that the whole ore leach process was the preferred treatment route because it produced the highest recoveries and best economics. Gold recoveries with gravity separation followed by whole ore leaching averaged 95%.

The whole ore leach process has been carried forward into the Otjikoto feasibility study to develop the final flowsheet for the process plant. New drill samples were collected for the feasibility study metallurgical testing to establish final design criteria for the process flowsheet as well as equipment sizing and selection. Feasibility study metallurgical work has included comminution, material flow characterization, gravity recovery, leach optimization, cyanide destruction and geometallurgical testing. Environmental and geotechnical testing have also been conducted on tailings samples. The primary laboratories used for the feasibility study metallurgical testing have been SGS Lakefield, CANMET, FLSmidth Knelson and Jenike and Johanson. The final flowsheet development is expected to result in a robust plant design able to treat all Otjikoto ore types.

Exploration and development

A 17,000 line kilometre helimag and radiometric survey was completed in 2011 on 50 metre line spacing on the southern half of EPL 2410 and the northern portion of newly granted EPL 4309. The survey includes all of the Otjikoto Project structure, a projected southern extension of the structure, and a similar structure on EPL 4309. The intent is to define more discreet targets for drill testing within these large, 10+ kilometre scale, features.

An aggressive 2012 feasibility and development budget of US\$34.6 million has been approved to complete a feasibility study in the fourth quarter of 2012 and concurrently commence planning for mine construction at the Otjikoto Project. Feasibility work will include additional metallurgical drilling and test work, power studies and geohydrology. Included in the budget are costs for site preparation work and construction of a camp at site. The budget also contains US\$5 million for cash deposits associated with orders for long lead time items with a goal of commencing mining operations in 2014. A further US\$8.9 million has been budgeted in 2012 for exploration of which US\$4.3 million relates to 16,150 metres of feasibility study drilling. Another 2,500 metres of drilling will be carried out to explore beyond the current Mineral Resource at the Otjikoto Project. Regional exploration work will also be conducted on the surrounding area.

Gramalote Property

Project description and location

The Gramalote property is located near the town of Providencia, Colombia within the municipalities of San Roque and San Jose del Nus, Department of Antioquia, Republic of Colombia, approximately 230 kilometres northwest of the Colombian capital of Bogota and approximately 110 kilometres northeast of Medellin.

Pursuant to the terms of the Shareholders' Agreement for an incorporated joint venture Gramalote Limited dated 15 May 2008 (the **Gramalote Shareholders Agreement**), if a feasibility study on the Gramalote property was not completed by B2Gold by 30 June 2010, the ownership percentages would be adjusted such that AngloGold and B2Gold would have a 51% and 49% interest, respectively, in the Gramalote property. B2Gold decided not to proceed with, or complete, a feasibility study on the Gramalote property by 30 June 2010, and the corresponding adjustments in ownership percentages became effective. On 12 August 2010, B2Gold and AngloGold entered into an amending agreement to the Gramalote Shareholders Agreement (the **Gramalote Amending Agreement**) pursuant to which AngloGold retained a 51% interest and became manager of the joint venture project. B2Gold retained a 49% interest and each party has equal representation on the joint venture management committee, which requires unanimous approval for each annual program and budget for exploration and development of the Gramalote property.

The project area is covered by 31 contiguous claim blocks totalling 42,790.10 hectares. The claims presently include one exploitation license totalling 56.75 hectares, twenty-six registered concession contracts totalling 35,265.01 hectares and four applications totalling 7,468.34 hectares.

The claims are registered, or are in the process of being registered, in the name of Gramalote (Colombia) Limited (**Gramalote Branch**), the Colombian branch of Gramalote BVI that has been formed to hold all of the Gramalote mineral claims. B2Gold has secured surface access agreements with the property owners in the area of planned exploration and drilling. Additional surface rights may be required for the establishment of a commercial mining project.

Accessibility, climate, local resources, infrastructure and physiography

The Gramalote project is situated along the valley of the Nus River, 1.5 kilometres southwest of the village of Providencia, Antioquia. Topography along the Nus valley is relatively subdued although locally steep and incised. Elevations in the Gramalote area range from 800 to 1,500 metres above sea level, while general elevations over the Antioquian plateau are generally between 2,300 and 2,500 metres above sea level. Climate at Gramalote is accordingly mildly tropical with daytime temperatures throughout the year averaging about 24 degrees Celsius. Yearly rainfall averages about 200 centimetres and falls mostly during punctuated rainy seasons extending from March to May and from September to December.

Infrastructure surrounding the Gramalote project is excellent with direct, paved highway access from Bogota, as well as from the city of Medellin. An historic freight/passenger railway line (presently inactive) and high tension electricity pass within one kilometre of the project area. The paved highway and railway continue to Puerto Berrio located on the Magdalena River some 55 kilometres to the east. Puerto Berrio provides direct fluvial access to a major open ocean port on the Caribbean coast at Barranquilla. Additionally, the Gramalote area is surrounded by gravel roads which connect a dense small town rural and farm population to the Nus Valley infrastructure, the Magdalena River to the east and Medellin to the west.

Based upon a Colombian entry point at the nation's capital in Bogota, access to the Gramalote property is achieved by travel to Medellin via commercial jet aircraft service from Bogota to Medellin (approximately 1 hour flight). The project is located approximately 110 kilometres along paved road west-northwest of Medellin via the town of Cisneros to the town of Providencia (approximately 3 hours).

History

Gold mining within the Gramalote property likely pre-dates the early Spanish colonial period (16th century), however, the early discovery of gold at Gramalote is not well documented. Continuous exploitation in the Gramalote Ridge area dates from the late 19th century with production from the region generally dominated by alluvial and hydraulic techniques. Modern day mineral titles covering part of the known mineralisation at Gramalote were owned by the Aristizabal family until 2005 when the existing title was ceded to the Grupo Nus and subsequently became part of the joint ventures with AngloGold and B2Gold.

Exploration results

B2Gold's and AngloGold's surface exploration and drilling programs have successfully outlined a significant gold system extending over an area of somewhat more than one square kilometre, centred about Gramalote Ridge. During 2011, 88 holes totalling 29,488 metres were drilled on the property. The exploration strategy was focused on infill drilling of Gramalote central with some exploration drilling in external areas with the aim to add new Inferred Mineral Resources to the project mainly in Monjas East, Monjas West, El Limon, El Topacio and Trinidad targets. Drilling in the Trinidad area was designed to test some of the regional soil anomalies located along strike from the Trinidad zone. As part of the AngloGold 2011 drill program, 23 holes totalling 8,995 metres were completed on the Gramalote property as infill drilling, 6 holes totalling 2,291 metres for geotechnical information, and 13 holes totalling 2,063 metres for infrastructure condemnation drilling. The remaining holes were drilled on satellite targets as discussed above.

Metallurgical testing of 17 tonnes of sample material obtained from new drilling of 2,811 metres (10 holes) as well as core rejects from 2008 Gramalote resource drilling is being conducted by SGS Lakefield Canada. Additionally six new geotechnical holes were drilled surrounding the actual pit limit and about 10 condemnation holes were completed in the Palestina area where the waste dump and tailings dump facilities will be placed.

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 area.

Sampling and analysis

The Gramalote property drill samples have been analysed for gold by ALS Chemex analytical laboratory in Lima, Peru. The analytical methods employed were fire assay fusion and atomic absorption spectroscopy on 50 gram of nominal sample weight (ALS Chemex internal code AU-AA24), and fire assay fusion and gravimetric analysis on 50 grams of nominal sample weight (ALS Chemex Internal code AU-GRA22).

Multi-element analysis included Hydrofluoric-Nitric-Perchloric acid digestion with HCl leach. The analytical methods employed were inductively coupled plasma - atomic emission spectroscopy (ICP - AES) and inductively coupled plasma - mass spectrometry (ICP-MS) (ALS Chemex internal codes ME-MS61 and ME-ICP61).

Mineral Resources

In February 2009, B2Gold 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 US\$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 ounces of gold.

On 24 April 2012, B2Gold announced that AngloGold Ashanti completed a new Mineral Resource estimate for the Gramalote Central Zone and Trinidad. Total Measured Mineral Resources and Indicated Mineral Resources at Gramalote Central at a 0.25 g/t gold cut-off, within a US\$1,600 per ounce gold optimised Whittle pit consists of 97.1 million tonnes grading 0.81 g/t gold for a total of 2.54 million ounces of gold (on a 100% basis). The Gramalote Central and Trinidad Inferred Mineral Resource is 95.7 million tonnes grading 0.44 g/t gold for a total of 1.36 million ounces of gold using similar parameters as the Measured Mineral Resources and Indicated Mineral Resource. B2Gold filed a technical report for the Mineral Resource estimate on 11 June 2012.

The new Gramalote Central Mineral Resource estimate is supported by 41,732 metres of diamond drilling in 126 drill holes completed in 2007 to 2011 and 441 metres of sampling from an underground tunnel. A total of 7,019 metres of diamond drilling in 20 holes drilled by B2Gold in 2008 was used in the Trinidad resource calculation. Average drill hole spacing used in the Mineral Resource was 25 metres x 25 metres for Measured Mineral Resource, 50 metres x 50 metres for Indicated Mineral Resource and 100 metres x 100 metres for Inferred Mineral Resource. AngloGold Ashanti monitored the quality assurance/quality control program of the data they collected in 2010 and 2011.

Exploration and development

The 2012 joint venture prefeasibility and exploration budget of US\$58.5 million for the Gramalote property includes diamond drilling for exploration of additional targets on the property, and infill drilling. In addition, the budget will fund prefeasibility work including additional environmental studies, metallurgical test work, land purchases, social programs including the relocation of small miners and engineering. Each of AngloGold and B2Gold will fund their pro rata share of the budget. A prefeasibility study is scheduled to be completed in the first quarter of 2013 and a final feasibility study is planned for the first quarter of 2014.

- (e) Directors, executive officers and corporate governance

Directors and executive officers

Table 19 sets forth the name, municipality, province or state of residence, position held with B2Gold, the date of appointment of each director and executive officer, principal occupation within the immediately preceding five years and the shareholdings of each director and executive officer of B2Gold. The statement as to securities beneficially owned, or controlled or directed, directly or indirectly, by the directors and executive officers named below is in each instance based upon information furnished by the person concerned and is as at the date hereof. Directors of B2Gold hold office until the next annual general meeting of the shareholders or until their successors are duly elected or appointed.

Name and Municipality of Residence	Position with B2Gold	Principal Occupation During Past Five Years	Director/Officer Since	Number of Voting Securities ⁽¹⁾
Clive Johnson ⁽⁷⁾ British Columbia, Canada	Director, President & Chief Executive Officer	President & Chief Executive Officer of B2Gold; formerly the Chairman, President & Chief Executive Officer of Bema Gold Corporation ("Bema")	17 December 2006	8,580,570 ⁽²⁾
Robert Cross ⁽⁵⁾⁽⁶⁾ British Columbia, Canada	Director, Chairman	Serves as independent director and, in some cases, non-executive Chairman of public companies, principally in the resource sector	22 October 2007	2,399,593
Robert Gayton ⁽⁴⁾⁽⁵⁾ British Columbia, Canada	Director	Consultant to various public companies since 1987; formerly Vice President of Finance with Western Silver Corporation from 1995 to 2004	22 October 2007	453,000
Barry Rayment ⁽⁴⁾ ⁽⁵⁾⁽⁷⁾ California, USA	Director	Mining industry consultant; formerly President of Mining Assets Corporation from 1993 to 2010	22 October 2007	600,000 ⁽³⁾
John Ivany ⁽⁴⁾ Alberta, Canada	Director	Retired; formerly Executive Vice President of Kinross Gold Corporation from 1995 to 2006	20 November 2007	800,000
Jerry Korpan ⁽⁷⁾ London, England	Director	Executive Director of Emergis Capital S.A. based in Antwerp, Belgium; formerly Managing Director of Yorkton Securities in London, England	20 November 2007	1,000,000
Bongani Mtshisi Johannesburg, South Africa	Director	CEO of BSC Resources Ltd. from October 2005 to present	22 December 2011	37,600
Roger Richer British Columbia, Canada	Executive Vice President, General Counsel and Secretary	Executive Vice President, General Counsel and Secretary of B2Gold; formerly the Vice President of Administration, General Counsel and Secretary of Bema	17 December 2006	5,433,582 ⁽²⁾

Name and Municipality of Residence	Position with B2Gold	Principal Occupation During Past Five Years	Director/Officer Since	Number of Voting Securities ⁽¹⁾
Mark Corra British Columbia, Canada	Senior Vice President of Finance and Chief Financial Officer	Senior Vice President of Finance and Chief Financial Officer of B2Gold; formerly the Vice President of Finance of Bema	17 December 2006	5,687,332 ⁽²⁾
Tom Garagan British Columbia, Canada	Senior Vice President of Exploration	Senior Vice President of Exploration of B2Gold; formerly the Vice President of Exploration of Bema	8 March 2007	5,693,582 ⁽²⁾
Dennis Stansbury Nevada, USA	Senior Vice President of Development and Production	Senior Vice President of Development and Production of B2Gold; formerly the Vice President of Development and Production of Bema	8 March 2007	3,949,132
George Johnson Washington, USA	Senior Vice President of Operations	Senior Vice President of Operations of B2Gold; formerly the Senior Vice President of Operations of Bema	11 August 2009	569,832

Table 19: Directors and Executive Officers of B2Gold

Notes:

- (1) The information as to the nature of B2Gold Shares beneficially owned, or controlled or directed, directly or indirectly, by the directors and executive officers, not being within the knowledge of B2Gold, has been furnished by such directors and officers.
- (2) Messrs. Johnson, Richer, Corra and Garagan are the trustees of the Incentive Trust that holds 3,455,000 B2Gold Shares. These B2Gold Shares are held pursuant to a declaration of trust dated 29 June 2007 between B2Gold and the trustees, which was established to hold options and B2Gold Shares to be allocated to directors, officers, employees and service providers of B2Gold as determined by the trustees.
- (3) 600,000 B2Gold Shares are held through the Barry D. Rayment and Celia M. Rayment Trust, of which Mr Rayment is a trustee.
- (4) Member of the Audit Committee.
- (5) Member of the Compensation Committee.
- (6) Member of the Corporate Governance and Nominating Committee.
- (7) Member of the Health, Safety, Environment & Social Committee.

As at the date of this Scheme Booklet, the directors and executive officers of B2Gold, as a group, beneficially owned, or controlled or directed, directly or indirectly, 35,024,223 B2Gold Shares, representing approximately 8.9% of the issued and outstanding B2Gold Shares.

Qualifications and experience of B2Gold Directors

Robert Cross

Robert Cross has more than 20 years of experience as a financier in the mining and oil & gas sectors. He is a co founder and Non-Executive Chairman of Bankers Petroleum Ltd., co-founder and Chairman of Petrodorado Energy Ltd., and until October 2007, was the Non-Executive Chairman of Northern Orion Resources Inc. Between 1996 and 1998, Mr Cross was Chairman and Chief Executive Officer of Yorkton Securities Inc. From 1987 to 1994, he was a Partner, Investment Banking with Gordon Capital Corporation in Toronto. Mr Cross has an Engineering Degree from the University of Waterloo and received his MBA from Harvard Business School in 1987.

Robert Gayton

Robert Gayton is a Chartered Accountant and has acted as a consultant to various public companies since 1987. He was Chief Financial Officer with Western Silver Corporation from 1995 to 2004 and was a director of Western Silver Corporation from 2004 to 2006 and a director of Bema from 2003 to 2007. He was a director of Northern Orion Resources Inc. from 2004 to 2007. Each of these companies was subsequently acquired by way of takeover. Mr Gayton is currently a director of Nevsun Resources Ltd., Amerigo Resources Limited, Palo Duro Energy Inc., Western Copper Corporation, Silvercorp Metals Inc., Eastern Platinum Ltd and Transnational Minerals Inc.

John Ivany

John Ivany retired from Kinross in 2006 having served as Executive Vice President since 1995. Prior to this, Mr Ivany held executive positions with several resource companies including Noranda Inc., Hemlo Gold Mines Ltd., Prime Resources Corp. and International Corona Corporation. He is currently a director of Allied Nevada Gold Corp. and Eurogas International Inc. and an advisor to Canaccord Genuity Corp.

Jerry Korpan

Jerry Korpan is based in London, England. He was Managing Director of Yorkton Securities UK until 1999 and a director of Bema from 2002 to 2007 and was the Executive Director of Emergis Capital S.A., a company operating out of Antwerp, Belgium until 2011. Mr Korpan is currently a director of Mitra Energy Limited, an independent oil company operating in South East Asia, and Midas Gold Corporation.

Barry Rayment

Dr Barry Rayment is a mining geologist with 35 years of experience in base and precious metal exploration and development. Dr Rayment obtained his Ph.D. in Mining Geology at the Royal School of Mines, London. He is the former President of Bema from 1990 to 1993 and a director of Bema from 1988 to 2007. Dr Rayment was the President of Mining Assets Corporation, a private company, which provided consulting services to the mining industry between 1993 and 2010. He is currently a mining industry consultant based in Laguna Beach, California. Dr Rayment is currently a director of Golden Predator Corp.

Bongani Mtshisi

Bongani Mtshisi is a Mining Engineer by training with more than 12 years of experience working in key commodity sectors such as platinum, gold, diamond, nickel and copper (Anglo Platinum, Debeers/HUF joint venture and Sub Nigel Gold). Mr Mtshisi is currently the CEO of BSC Resources Ltd. (**BSC**), a company that is involved in the exploration and development of copper and nickel commodities in South Africa. Mr Mtshisi was also a founding member of Auryx, a leader in Namibian gold exploration and development, focused on generating shareholder value through the acquisition, discovery, growth, and development of gold resources. Mr Mtshisi has a National diploma in Metalliferous Mining and a National Certificate in Project Management from The Technikon Witwatersrand in South Africa.

Senior management of B2Gold, Vancouver, British Columbia, Canada

Clive Johnson, President, Chief Executive Officer and Director

Clive Johnson was involved with Bema and its predecessor companies since 1977. When Bema was created by the amalgamation of three Bema group companies in 1988, Mr Johnson was appointed the President and Chief Executive Officer. Mr Johnson was instrumental in Bema's transition from a junior exploration company to an international intermediate gold producer. Mr Johnson oversees the long-term strategy and development as well as the day-to-day activities of B2Gold.

Roger Richer, Executive Vice President, General Counsel and Secretary

Roger Richer has 25 years of experience in mining law, corporate finance and international business transactions and practices. He has a Bachelor of Arts and a Bachelor of Law degree from the University of Victoria. Mr Richer was with Bema since its inception in 1987. Until June 2008, Mr Richer had also served as the President of Consolidated Puma Minerals Corp., a TSX-V listed company. Mr Richer manages the legal affairs, corporate records and corporate governance of B2Gold.

Mark Corra, Senior Vice President of Finance and Chief Financial Officer

Mark Corra has over 30 years mining experience. Mr Corra is a Certified Management Accountant, with a diploma in financial management from the British Columbia Institute of Technology. Mr Corra was with Bema since 1990, initially as Controller and subsequently as Vice President of Finance. Prior to Bema, Mr Corra spent 11 years in accounting at Placer Dome. Mr Corra oversees the financial reporting, cash management and tax planning of B2Gold and financial compliance and reporting to the regulatory authorities.

Tom Garagan, Senior Vice President of Exploration

Tom Garagan is a geologist with over 32 years of experience. Mr Garagan was with Bema since 1991 and was appointed Vice President of Exploration in 1996. He has worked in North and South America, East and West Africa and Russia. Mr Garagan was instrumental in several discoveries, including the Cerro Casale and Kupol deposits. Mr Garagan has a Bachelor of Science (Honours) degree in geology from the University of Ottawa. Mr Garagan is responsible for all aspects of B2Gold's exploration, including technical review of new acquisitions.

Dennis Stansbury, Senior Vice President of Development and Production

Dennis Stansbury is a mining engineer with over 35 years of engineering, construction, production and management experience at surface and underground mines in eight different countries. After working for a number of gold mining companies in South America and the United States, he joined Bema as Vice President South America in 1994 and was appointed Vice President of Development and Production in 1996.

George Johnson, Senior Vice President of Operations

George Johnson is a mining engineer with over 35 years of experience in underground and open pit mine construction and operations management. He joined Bema in 1999 after 16 years with Hecla Mining Company and following the takeover of Bema by Kinross, Mr Johnson managed the construction and completion of the Kupol mine in North-eastern Russia. Mr Johnson has a degree in mining engineering from the University of Washington. Mr Johnson is responsible for overseeing all of the development and production activities of B2Gold.

7.2 Information about the merger of B2Gold and CGA

(a) Merger benefits

The Merged Entity is expected to have a combined production of approximately 385,000 ounces of gold in 2013 from three operating mines in Nicaragua and the Philippines. The size of the combined operations presents the opportunity to benefit from economies of scale, particularly in the areas of financing, purchasing and administration.

The Merged Entity is well positioned for gold production growth. Assuming positive construction decisions on two current development projects, the Otjikoto Project in Namibia (92% interest) and Gramalote gold project in Colombia (49% interest), the Merged Entity is projected to produce over 700,000 ounces of gold annually, assuming completion of the Otjikoto and

Gramalote projects. The Merged Entity will have an extensive exploration portfolio and the internal cashflow to support exploration programs in highly prospective regions of Nicaragua, Namibia, Uruguay, Colombia, and the Philippines. It is also anticipated that the Merged Entity would benefit from improved access to the international capital markets facilitated by the increased market capitalization of the group and the additional stock market liquidity expected. The anticipated increased capitalization and share liquidity is expected to present a more attractive investment opportunity to larger institutional investors.

The Merged Entity will also benefit from the ability to implement strategic growth opportunities in a diverse geographic setting with production and development assets spanning three continents and located in high-growth emerging economies, serving to mitigate collective operation and geopolitical risk. The Merged Entity will also benefit from a strong financial position with cash and cash equivalent assets of approximately C\$130 million and continued strong cash flow from operations.

It is anticipated these benefits will result in improved shareholder value.

(b) Post-merger intentions of B2Gold

This **Section 7.2(b)** sets out B2Gold's current intentions in relation to:

- the continuation of business of CGA;
- the board of CGA;
- any major changes to the business of CGA and any redeployment of the fixed assets of CGA;
- the future employment of the current employees of CGA; and
- its ownership of CGA,

if B2Gold acquires all of the CGA Shares on issue through the approval and implementation of the Scheme.

These intentions are based on the information concerning CGA, its business and the general business environment that is known to B2Gold at the time of the preparation of this Scheme Booklet, which is limited to publicly available information and a due diligence review of certain non-public information provided by CGA.

Final decisions in relation to the ongoing prospects for CGA will only be reached after B2Gold has had an opportunity to undertake a detailed review of CGA's operations. Accordingly, the statements set out in this section 7.2 are statements of current intention only which may change as new information becomes available or circumstances change.

Delisting

If the Scheme becomes effective, CGA will be obliged to request ASX and TSX to remove CGA from their respective official lists.

The board of CGA

B2Gold has a right under the Merger Implementation Agreement to reconstitute the boards of each of CGA and its Subsidiaries with representatives appointed by B2Gold. B2Gold intends that the existing CGA Directors will resign as directors of CGA and be replaced by B2Gold nominees.

Business continuity / major changes

If the Scheme is implemented, B2Gold will own all business operations currently conducted by CGA.

B2Gold intends to continue CGA's business in substantially the same manner it has been conducted as at the date of this Scheme Booklet. B2Gold does not intend on making any major changes to CGA's business and will continue to develop and operate the Masbate Project.

Employees

Subject to a full review post-acquisition, it is B2Gold's current intention to maintain the current workforce at CGA's Philippines operations. It is currently intended that CGA head office operations in Australia will be terminated.

Ownership of CGA

If the Scheme is implemented, B2Gold will own 100% of CGA.

(c) Interest in CGA Shares

No dealings in CGA Shares in previous four months

Except for the consideration to be provided under the Scheme, neither B2Gold nor any of its Associates has provided, or agreed to provide, consideration for any CGA Shares under any purchase or agreement during the four months before the date of this Scheme Booklet.

Benefits to holders of the CGA Shares

During the four months before the date of this Scheme Booklet, neither B2Gold nor any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate of that other person, to:

- (i) vote in favour of the Scheme; or
- (ii) dispose of CGA Shares,

and which is not offered to all CGA Shareholders.

Benefits to current CGA Directors

Except for the consideration to be provided under the Scheme, B2Gold will not make any payment or give any benefit to any current member of the CGA Board as compensation or consideration for, or otherwise in connection with, their resignation from the CGA Board, if the Scheme becomes effective and the CGA Board is accordingly reconstituted.

Board composition after implementation of Scheme

If the Scheme proceeds, the current members of the B2Gold Board will continue to form the board of B2Gold with the addition of Michael Carrick, who is a Director as at the date of this Scheme Booklet.

Pro-forma financial information

Set out below is an unaudited pro-forma consolidated balance sheet of the Merged Entity which has been prepared based on the unaudited consolidated balance sheet of B2Gold as at 30 June 2012 (as shown in **Section 7.3**) and the audited consolidated balance sheet of CGA as at 30 June 2012 (as shown in **Section 6.6**), including pro-forma adjustments and reclassifications to account for the acquisition of CGA by B2Gold as though it had occurred on 30 June 2012.

The Merged Entity pro-forma financial information is presented in an abbreviated form and does not include all the disclosures required by IFRS applicable to financial reports.

The Merged Entity pro-forma financial information has been reviewed by PricewaterhouseCoopers Securities Ltd, whose Investigating Accountant's Report is contained in **Annexure B** in Part 2 of this Scheme Booklet. Shareholders should note the scope and limitations of the Investigating Accountant's Report.

Note 1. Basis of presentation

The unaudited pro-forma consolidated balance sheet of B2Gold as at 30 June 2012 has been prepared by the management of B2Gold in accordance with IFRS for illustrative purposes only, to show the effect of the Merger Implementation Agreement entered into with CGA, more fully described in Note 3, pursuant to which B2Gold agreed to acquire all of the issued and outstanding securities of CGA, resulting in the acquisition of CGA by B2Gold.

The unaudited pro-forma consolidated balance sheet has been prepared as if the business combination described in Note 3 had occurred on 30 June 2012 using the unaudited consolidated balance sheet of B2Gold as at 30 June 2012 and the audited consolidated balance sheet of CGA as at 30 June 2012.

It is management's opinion that this unaudited pro-forma consolidated balance sheet presents in all material respects, the transactions, assumptions and adjustments described in Notes 3 and 4, in accordance with IFRS. Actual amounts recorded upon consummation of the transaction will likely differ from those recorded in the unaudited pro-forma consolidated balance sheet. Any potential synergies that may be realised and integration costs that may be incurred upon consummation of the transaction have been excluded from the unaudited pro-forma consolidated balance sheet.

The unaudited pro-forma consolidated balance sheet should be read in conjunction with the historical financial statements and notes thereto of B2Gold and CGA.

B2GOLD CORP.
PRO FORMA CONSOLIDATED BALANCE SHEET
(Unaudited)
As at 30 June 2012
(Expressed in thousands of United States dollars)

	B2Gold (Unaudited)	CGA (Audited)	Pro Forma Adjustments	Notes	Pro Forma Consolidated
Assets					
Current					
Cash & cash equivalents	\$ 77,338	\$ 79,672	\$ (18,500)	4(a)	\$ 129,510
Restricted cash	-	-	(9,000)	4(h)	9,000
Accounts receivable/prepays	7,660	8,115	9,000	4(h)	15,775
Current value-added & other tax receivables	17,745	-	-		17,745
Inventories	27,989	25,765	20,668	4(c)	74,422
Other	326	-	-		326
	<u>131,058</u>	<u>113,552</u>	<u>2,168</u>		<u>246,778</u>
Available-for-sale investments	3,104	2,807	-		5,911
Investment in associates	-	86,413	1,069	4(d)	87,482
Mining interests	464,169	191,843	743,068	4(b)	1,399,080
Intangible assets	-	36,224	(36,224)	4(e)	-
Value-added tax	-	21,505	-		21,505
Other assets	1,183	1,049	(1,049)	4(f)	1,183
	<u>\$ 599,514</u>	<u>\$ 453,393</u>	<u>\$ 709,032</u>		<u>\$ 1,761,939</u>
Liabilities					
Current					
Accounts payable & accrued liabilities	\$ 16,102	\$ 13,151	-		\$ 29,253
Current taxes payable	2,794	1,027	-		3,821
Current debt	-	27,579	-		27,579
Current derivative liabilities	-	38,784	-		38,784
Current mine restoration provisions	1,376	-	-		1,376
Other	72	817	-		889
	<u>20,344</u>	<u>81,358</u>	<u>-</u>		<u>101,702</u>
Debt	-	26,485	-	4(g)	26,485
Derivative liabilities	-	17,543	-		17,543
Deferred income taxes	31,780	5,495	-		37,275
Mine restoration provisions	24,106	1,064	-		25,170
Other liabilities	4,487	184	-		4,671
	<u>80,717</u>	<u>132,129</u>	<u>-</u>		<u>212,846</u>
Shareholders' Equity					
Share capital	449,655	305,077	1,048,796	4(b)	1,498,451
			(305,077)	4(b)	
Contributed surplus	28,580	6,323	(6,323)	4(b)	28,580
Accumulated comprehensive loss	(3,447)	(46,074)	46,074	4(b)	(3,447)
Retained earnings	40,114	55,938	(55,938)	4(b)	21,614
			(18,500)	4(a)	
Non-controlling interest	3,895	-	-		3,895
	<u>518,797</u>	<u>321,264</u>	<u>709,032</u>		<u>1,549,093</u>
	<u>\$ 599,514</u>	<u>\$ 453,393</u>	<u>\$ 709,032</u>		<u>\$ 1,761,939</u>

The accompanying notes form an integral part of the unaudited pro forma consolidated balance sheet.

Table 20: B2Gold's pro-forma consolidated balance sheet as at 30 June 2012

2. Significant accounting policies

The accounting policies used in the preparation of the unaudited pro-forma consolidated balance sheet are those as set out in B2Gold's audited consolidated financial statements for the year ended 31 December 2011. In preparing the unaudited pro-forma consolidated balance sheet, a review was undertaken to identify CGA accounting policy differences where the impact was potentially material and could be reasonably estimated. No potentially material accounting policy differences were identified. Further accounting policy differences may be identified after completion of the proposed acquisition. The significant accounting policies of CGA are believed to conform in all material respects to those of B2Gold.

Certain elements of CGA's consolidated balance sheet have been reclassified to provide a consistent classification format.

3. Business combination

On 18 September 2012, B2Gold and CGA entered into the Merger Implementation Agreement, the terms of which provide that CGA Shareholders will receive 0.74 New B2Gold Shares for each existing CGA Share held. B2Gold will also acquire all of the outstanding CGA Options and issue New B2Gold Shares as consideration for the cancellation of the CGA Options based on the in-the-money amount of such CGA options and the closing price of the CGA Shares on 17 September 2012.

Upon completion of the Scheme, existing B2Gold Shareholders and CGA Shareholders will own approximately 61% and 39%, respectively, of the B2Gold Shares.

There are currently 337.9 million CGA Shares and B2Gold expects to issue an aggregate of approximately 250 million New B2Gold Shares in connection with the Scheme. In addition, it is expected that the acquisition of the CGA Options will result in the issuance of approximately 2 million New B2Gold Shares.

The Scheme is subject to regulatory, Court, shareholder, and third party approvals, together with other customary conditions. Regulatory approvals include approval by the Australian Foreign Investment Review Board, and ASX and TSX approvals in respect of the issue of New B2Gold Shares under the Scheme and as the Cancellation Consideration. The transaction is expected to close on or prior to 31 January 2013.

The business combination will be accounted for using the acquisition method, with B2Gold as the acquirer of CGA.

The unaudited pro-forma consolidated financial information assumes that the cost of acquisition will total approximately US\$1,049 million, the fair value of B2Gold Shares issued, based on the issuance of 252 million B2Gold Shares at C\$4.08 per share (the closing share price on the TSX on 4 October 2012) and a foreign exchange rate of C\$0.9805 to US\$1. Under IFRS the actual measurement date of the purchase price will occur on the Effective Date. Consequently, the value of the purchase price for accounting purposes will differ from the amount assumed in the unaudited pro-forma consolidated balance sheet due to any future changes in the market price of B2Gold Shares or in the number of CGA Shares.

B2Gold has not yet determined the fair value of all identifiable assets acquired and liabilities assumed or the amount of the purchase price that may be allocated to goodwill. The pro-forma purchase adjustments reflect B2Gold's preliminary assessment of the fair value of CGA's assets and liabilities that would have been acquired as at 30 June 2012 and the impact of applying purchase accounting. The excess of the estimated purchase consideration over the book values of CGA's assets acquired and liabilities assumed has been presented as "mining interests", which is defined in B2Gold's audited consolidated financial statements to include property, plant and equipment, mineral properties, equity accounted investments in joint ventures and other mining related corporate assets.

B2Gold is currently undergoing a process whereby the fair value of all identifiable assets acquired and liabilities assumed, including the components of mining interests as well as any goodwill and deferred income taxes arising upon the acquisition will be determined. Following completion of the Scheme and the fair value assessment of all assets acquired and liabilities assumed, an adjustment will be required to the carrying amount of mining interests and to recognise any other identified finite life intangible assets, goodwill or deferred income taxes arising upon the acquisition.

The preliminary purchase price allocation is subject to change and is summarised as follows:

Preliminary purchase price:

252,045,209 B2Gold Shares issued on acquisition	1,048,796
Net assets acquired:	
Current assets	134,220
Available-for-sale investments	2,807
Investment in associates	87,482
Mining interests	934,911
Value-added tax	21,505
Current liabilities	(81,358)
Debt	(26,485)
Derivative liabilities	(17,543)
Deferred income taxes	(5,495)
Mine restoration provisions	(1,064)
Other liabilities	(184)
Total net assets acquired	1,048,796

Table 21: Preliminary purchase price allocation

4. Pro-forma assumptions and adjustments

Pro-forma adjustments to the consolidated balance sheet:

- a) To decrease cash and cash equivalents and retained earnings for the recording of B2Gold's estimated Transaction expenses totalling US\$6.5 million and CGA's estimated Transaction expenses totalling US\$12 million.
- b) To record the acquisition of CGA at an assumed purchase price of US\$1,049 million, including a preliminary assessment of the fair value of the assets acquired including mining interests and liabilities assumed, as detailed in Note 3 and to eliminate the book value of CGA's shareholders' equity accounts.
- c) To adjust CGA's inventory to its estimated fair value based on the spot price of gold as at 30 June 2012, less related costs to complete.
- d) To adjust CGA's investment in St Augustine Gold & Copper Limited and in Ratel Group Limited to their estimated fair values using the 30 June 2012 close of markets share prices.
- e) To reclassify the carrying value of CGA's intangible asset, relating to CGA's contractual rights to exclusively purchase mineral ore from the Masbate Project at a specified price, to mining interests.
- f) To reclassify the carrying value of CGA's deferred stripping costs to mining interests.
- g) No pro-forma adjustment has been made to the terms and conditions and related balance sheet classification of CGA's BNP Paribas project financing loan facility based on the assumption that BNP Paribas will provide the Company with certain consents and waivers relating to the change of control of CGA.
- h) To reclassify restricted cash held with BNP Paribas to be consistent with B2Gold's accounting policies.

7.3 B2Gold financial information

(a) Introduction

The selected historical financial information in this section has been extracted from B2Gold's audited financial statements for the year ended 31 December 2011 and the unaudited interim financial statements for the six month period ended 30 June 2012.

The information in this section is a summary only and has been prepared solely for inclusion in this Scheme Booklet. The full financial accounts for the financial year ended 31 December 2011 (inclusive of all notes) of B2Gold have been published in B2Gold's audited financial statements for the year ended 31 December 2011 and the unaudited interim financial statements for the six month period ended 30 June 2012 of B2Gold and are available under B2Gold's profile on SEDAR at www.sedar.com.

(b) Consolidated statements of operations and comprehensive income

Set out below are B2Gold's audited Consolidated Statements of Operations and Comprehensive Income for the years ended 31 December 2011 and 2010 and the unaudited Consolidated Statements of Operations and the unaudited Consolidated Statements of Comprehensive Income for the three and six month periods ended 30 June 2012 and 2011.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31

(Expressed in thousands of United States dollars, except shares and per share amounts)

	2011	2010
Gold revenue	\$ 225,352	\$ 127,521
Cost of sales		
Production costs	(75,229)	(62,762)
Depreciation and depletion	(26,175)	(14,739)
Royalties and production taxes	(12,229)	(7,178)
Other	(692)	-
Total cost of sales	(114,325)	(84,679)
Gross profit	111,027	42,842
General and administrative	(16,635)	(13,044)
Share-based payments	(6,190)	(1,943)
Accretion of mine restoration provisions	(1,267)	(1,192)
Foreign exchange (loss)/ gains	(114)	1,208
Gain on sale of interest in Kupol EW licenses	-	24,062
Write-off of mining interests	-	(2,841)
Other	(1,127)	(3,274)
Operating income (loss)	85,694	45,818
Interest and financing costs	(611)	(4,704)
Loss on derivative warrant liability	-	(9,984)
Community relations	(4,042)	(933)
Other	(532)	(1,387)
Income before withholding and other taxes	80,509	28,810
Current income tax, withholding and other taxes	(6,292)	(2,240)
Deferred income tax	(17,917)	(6,539)
Net income and comprehensive income for the year	\$ 56,300	\$ 20,031
Attributable to:		
Shareholders of the Company	\$ 56,300	\$ 20,031
Non-controlling interests	-	-
Net income and comprehensive income for the year	\$ 56,300	\$ 20,031
Earnings per share (attributable to shareholders of the Company)		
Basic	\$ 0.17	\$ 0.07
Diluted	\$ 0.16	\$ 0.06
Weighted average number of common shares outstanding (in thousands)		
Basic	338,541	307,068
Diluted	344,812	313,572

Table 22: B2Gold's audited Consolidated Statements of Operations and Comprehensive Income for the years ended 31 December 2011 and 2010.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in thousands of United States dollars, except shares and per share amounts)
(Unaudited)

	<i>For the three months ended June 30, 2012</i>	<i>For the three months ended June 30, 2011</i>	<i>For the six months ended June 30, 2012</i>	<i>For the six months ended June 30, 2011</i>
Gold revenue	\$ 57,330	\$ 54,498	\$ 121,203	\$ 107,999
Cost of sales				
Production costs	(20,751)	(18,188)	(43,087)	(38,728)
Depreciation and depletion	(7,436)	(6,485)	(14,054)	(12,529)
Royalties and production taxes	(666)	(2,881)	(3,881)	(5,620)
Total cost of sales	(28,853)	(27,554)	(61,022)	(56,877)
Gross profit	28,477	26,944	60,181	51,122
General and administrative	(4,726)	(3,653)	(9,079)	(9,258)
Share-based payments	(6,939)	(662)	(10,803)	(1,232)
Accretion of mine restoration provisions	(447)	(256)	(893)	(554)
Foreign exchange gains	112	344	544	1,166
Other	(1,389)	240	(1,717)	671
Operating income	15,088	22,957	38,233	41,915
Community relations	(1,258)	(562)	(2,159)	(1,140)
Derivative gains – net	126	-	126	-
Interest and financing costs	(65)	(62)	(65)	(482)
Other	65	(53)	167	410
Income before withholding and other taxes	13,956	22,280	36,302	40,703
Current income and withholding taxes	389	(964)	(4,677)	(1,879)
Deferred income tax	(2,408)	(6,300)	(5,142)	(12,397)
Net income for the period	\$ 11,937	\$ 15,016	\$ 26,483	\$ 26,427
Attributable to:				
Shareholders of the Company	\$ 11,937	\$ 15,016	\$ 26,483	\$ 26,427
Non-controlling interests	-	-	-	-
Net income for the period	\$ 11,937	\$ 15,016	\$ 26,483	\$ 26,427
Earnings per share (attributable to shareholders of the Company)				
Basic	\$ 0.03	\$ 0.05	\$ 0.07	\$ 0.08
Diluted	\$ 0.03	\$ 0.05	\$ 0.07	\$ 0.08
Weighted average number of common shares outstanding (in thousands)				
Basic	382,167	334,724	380,923	334,930
Diluted	388,883	341,587	388,371	341,374

Table 23: B2Gold's unaudited Consolidated Statements of Operations for the three and six periods ended 30 June 2012 and 2011

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of United States dollars, except shares and per share amounts)

(Unaudited)

	<i>For the three months ended June 30, 2012</i>	<i>For the three months ended June 30, 2011</i>	<i>For the six months ended June 30, 2012</i>	<i>For the six months ended June 30, 2011</i>
Net income for the period	\$ 11,937	\$ 15,016	\$ 26,483	\$ 26,427
Other comprehensive income (loss)				
Cumulative translation adjustment	(5,630)	-	(1,483)	-
Unrealized loss on investment	(1,964)	-	(1,964)	-
Comprehensive income (loss) for the period	(7,594)	-	(3,447)	-
Total comprehensive income for the period	4,343	15,016	23,036	26,427

Table 24: B2Gold's unaudited Statement of Comprehensive Income for the three and six month periods ended 30 June 2012 and 2011

(c) Consolidated balance sheets

Set out below are B2Gold's audited Consolidated Balance Sheets as at 31 December 2011, 31 December 2010 and 1 January 2010 and the unaudited Consolidated Balance Sheets as at 30 June 2012 and 31 December 2011.

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of United States dollars)

	As at December 31, 2011	As at December 31, 2010	As at January 1, 2010
Assets			
Current			
Cash and cash equivalents	\$ 102,292	\$ 70,012	\$ 2,924
Accounts receivable and prepaids	6,372	4,962	4,925
Value-added and other tax receivables	14,149	6,168	3,173
Inventories	26,695	19,438	10,263
Marketable securities	-	483	369
Note receivable	-	-	1,700
	<u>149,508</u>	<u>101,063</u>	<u>23,354</u>
Mining interests	412,537	232,535	213,335
Other assets	996	1,056	1,780
	<u>\$ 563,041</u>	<u>\$ 334,654</u>	<u>\$ 238,469</u>
Liabilities			
Current			
Accounts payable and accrued liabilities	\$ 22,610	\$ 10,581	\$ 9,554
Current taxes payable	6,254	4,422	497
Current portion of mine restoration provisions	1,376	1,389	658
Related party loans	81	102	1,061
Derivative warrant liability	-	-	6,276
	<u>30,321</u>	<u>16,494</u>	<u>18,046</u>
Credit Facility	-	-	8,642
Mine restoration provisions	26,731	18,714	14,930
Deferred income taxes	26,638	6,539	-
Employee benefits accrual	4,017	2,776	2,022
Other liabilities	-	-	475
	<u>87,707</u>	<u>44,523</u>	<u>44,115</u>
Equity			
Shareholders' equity			
Share capital			
Issued:			
- 382,494,656 common shares (Dec 31, 2010 - 337,570,170)	435,048	312,829	233,842
Contributed surplus	22,712	19,971	23,212
Retained earnings/ (accumulated deficit)	13,631	(42,669)	(62,700)
	<u>471,391</u>	<u>290,131</u>	<u>194,354</u>
Non-controlling interests	3,943	-	-
	<u>475,334</u>	<u>290,131</u>	<u>194,354</u>
	<u>\$ 563,041</u>	<u>\$ 334,654</u>	<u>\$ 238,469</u>
Approved by the Board	<u>"Clive T. Johnson"</u>	Director	<u>"Robert J. Gayton"</u> Director

Table 25: B2Gold's audited Consolidated Balance Sheets as at 31 December 2011, 31 December 2010 and 1 January 2010

CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of United States dollars)
(Unaudited)

	<i>As at June 30, 2012</i>	<i>As at December 31, 2011</i>
Assets		
Current		
Cash and cash equivalents	\$ 77,338	\$ 102,292
Accounts receivable and prepaids	7,660	6,372
Value-added and other tax receivables	17,745	14,149
Inventories	27,989	26,695
Unrealised fair value of derivative assets	326	-
	<hr/> 131,058	<hr/> 149,508
Mining interests	464,169	412,537
Investment (carried at quoted market value)	3,104	-
Other assets	1,183	996
	<hr/> \$ 599,514	<hr/> \$ 563,041
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 16,102	\$ 22,610
Current taxes payable	2,794	6,254
Current portion of mine restoration provisions	1,376	1,376
Related party loans	72	81
	<hr/> 20,344	<hr/> 30,321
Mine restoration provisions	24,106	26,731
Deferred income taxes	31,780	26,638
Employee benefits accrual	4,487	4,017
	<hr/> 80,717	<hr/> 87,707
Equity		
Shareholders' equity		
Share capital		
Issued: 387,747,463 common shares (Dec 31, 2011 – 382,494,656)	449,655	435,048
Contributed surplus	28,580	22,712
Accumulated other comprehensive income	(3,447)	-
Retained earnings	40,114	13,631
	<hr/> 514,902	<hr/> 471,391
Non-controlling interests	3,895	3,943
	<hr/> 518,797	<hr/> 475,334
	<hr/> \$ 599,514	<hr/> \$ 563,041

Table 26: B2Gold's unaudited Consolidated Balance Sheets as at 30 June 2012 and 31 December 2011

(d) Consolidated statements of cash flows

Set out below are B2Gold's audited Consolidated Statements of Cash Flows for the years ended 31 December 2012 and 2011 and the unaudited Consolidated Statements of Cash Flows for the three and six month periods ended 30 June 2012 and 2011.

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31**

(Expressed in thousands of United States dollars)

	2011	2010
Operating activities		
Net income for the year	\$ 56,300	\$ 20,031
Mine restoration provisions settled	(1,049)	(1,417)
Non-cash charges (credits)		
Depreciation and depletion	26,175	14,739
Deferred income tax expense	17,917	6,539
Share based payments	6,190	1,943
Accretion of mine restoration provisions	1,267	1,192
Amortization of deferred financing costs	358	3,703
Gain on sale of interest in Kupol EW licenses	-	(24,062)
Write-off of mining interests	-	2,641
Loss on derivative warrant liability	-	9,984
Other	1,772	1,330
Cash provided by operating activities before changes in non-cash working capital	108,930	36,823
Changes in non-cash working capital		
Accounts receivable and prepaids	(1,179)	(680)
Value-added and other tax receivables	(6,820)	(2,352)
Inventories	(6,795)	(7,327)
Accounts payable and accrued liabilities	6,379	4,911
Income and other taxes payable	1,832	3,925
Cash provided by operating activities after changes in non-cash working capital	102,347	35,300
Financing activities		
Common shares issued for cash	7,943	57,116
Interest and commitment fees paid	(301)	(974)
Related party loans, repayments	(21)	(959)
Credit Facility loan, repayments	-	(21,000)
Credit Facility, draw downs	-	7,500
Cash provided by financing activities	7,621	41,683
Investing activities		
Cash proceeds from sale of interest in Kupol EW licenses	-	33,000
Libertad Mine, development and sustaining capital	(28,098)	(18,769)
Libertad Mine, Jabali development	(7,834)	-
Libertad, exploration	(10,747)	(5,010)
Limon Mine, development and sustaining capital	(20,784)	(6,558)
Limon Mine, exploration	(3,299)	(3,392)
Gramalote, exploration and development	(14,890)	(3,019)
Cebollati, exploration	(4,185)	(1,008)
Radius, exploration	(2,865)	(1,633)
Auryn Gold Arrangement, net cash acquired	17,821	-
Calibre, exploration	(1,340)	(2,839)
Other	(1,467)	(667)
Cash used in investing activities	(77,688)	(9,895)
Increase in cash and cash equivalents	32,280	67,088
Cash and cash equivalents, beginning of year	70,012	2,924
Cash and cash equivalents, end of year	\$ 102,292	\$ 70,012
Supplementary cash flow information		

Table 27: B2Gold's audited Consolidated Statements of Cash Flows for the years ended 31 December 2012 and 2011

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of United States dollars)

(Unaudited)

	<i>For the three months ended June 30, 2012</i>	<i>For the three months ended June 30, 2011</i>	<i>For the six months ended June 30, 2012</i>	<i>For the six months ended June 30, 2011</i>
Operating activities				
Net income for the period	\$ 11,937	\$ 15,016	\$ 26,483	\$ 26,427
Mine restoration provisions settled	(1,253)	(289)	(2,893)	(531)
Non-cash charges (credits)				
Depreciation and depletion	7,436	6,485	14,054	12,529
Share-based payments	6,939	662	10,803	1,232
Deferred income tax expense	2,408	6,300	5,142	12,397
Accretion of mine restoration provisions	447	256	893	554
Unrealized derivative gains	(326)	-	(326)	-
Amortization of deferred financing costs	-	-	-	358
Other	203	403	701	632
Cash provided by operating activities before changes in non-cash working capital	27,791	28,833	54,857	53,598
Changes in non-cash working capital	(11,330)	(4,265)	(13,089)	(2,903)
Cash provided by operating activities after changes in non-cash working capital	16,461	24,568	41,768	50,695
Financing activities				
Common shares issued for cash	3,588	4,114	7,213	4,985
Interest & commitment fees paid	-	(63)	(64)	(174)
Repayment of related party loans	(9)	-	(9)	-
Cash provided by (used by) financing activities	3,579	4,051	7,140	4,811
Investing activities				
Purchase of long-term investment	(5,068)	-	(5,068)	-
Libertad Mine, development & sustaining capital	(10,257)	(10,118)	(17,365)	(17,873)
Libertad Mine, Jabali development	(3,138)	-	(4,653)	-
Libertad, exploration	(2,214)	(2,803)	(4,674)	(4,048)
Limon Mine, development & sustaining capital	(3,621)	(7,052)	(11,442)	(11,412)
Limon, exploration	(1,313)	(843)	(2,438)	(1,602)
Otjikoto, exploration and development	(5,131)	-	(12,243)	-
Gramalote, exploration and development	(5,205)	(2,824)	(8,844)	(6,201)
Calibre, exploration	(1,571)	(329)	(2,146)	(697)
Mocoa, exploration	(1,002)	(125)	(1,635)	(173)
Radius, exploration	(946)	(1,034)	(1,528)	(1,439)
Cebollati, exploration	(378)	(1,389)	(1,196)	(2,240)
Other	(606)	(43)	(630)	(969)
Cash used by investing activities	(40,450)	(26,560)	(73,862)	(46,654)
Increase (decrease) in cash and cash equivalents	(20,410)	2,059	(24,954)	8,852
Cash and cash equivalents, beginning of period	97,748	76,805	102,292	70,012
Cash and cash equivalents, end of period	\$ 77,338	\$ 78,864	\$ 77,338	\$ 78,864

Table 28: unaudited Consolidated Statements of Cash Flows for the three and six month periods ended 30 June 2012 and 2011

7.4 Information about B2Gold's Shares

(a) Description of capital structure

B2Gold's authorised share capital consists of an unlimited number of common shares and an unlimited number of preferred shares. As at the date of this Scheme Booklet, 393,261,542 common Shares and no preferred shares are issued and outstanding (416,357,520 on a fully diluted basis).

Common shares

As at the date of this Scheme Booklet, all B2Gold Shares are common shares. Registered holders of common shares are entitled to receive notice of and attend all meetings of shareholders of B2Gold, and are entitled to one vote for each common share held. In addition, holders of common shares are entitled to receive on a *pro rata* basis dividends if, as and when declared by the B2Gold Board and, upon liquidation, dissolution or winding-up of B2Gold, are entitled to receive on a *pro rata* basis the net assets of B2Gold after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares, including preferred shares, ranking in priority to, or equal with, the holders of the common shares.

Preferred shares

Preferred shares without par value may at any time and from time to time be issued in one or more series. The B2Gold Board may from time to time by resolution determine the maximum number of preferred shares of any such series or determine there is no maximum, determine the designation of the preferred shares of that series and amend the articles of B2Gold to create, define and attach, and if permitted by the BCBCA, alter, vary or abrogate, any special rights and restrictions to be attached to the preferred shares of that series. Except as provided in the special rights and restrictions attaching to the preferred shares, the holders of preferred shares will not be entitled to receive notice of, attend or vote any meeting of the shareholders of B2Gold. Holders of preferred shares will be entitled to preference with respect to payment of dividends on such shares over the common shares, and over any other B2Gold Shares ranking junior to the preferred shares with respect to payment of dividends. In the event of liquidation, dissolution or winding-up of B2Gold, holders of preferred shares will be entitled to preference with respect to distribution of the property or assets of B2Gold over the common shares and over any other B2Gold Shares ranking junior to the preferred shares with respect to the repayment of capital paid up on, and the payment of any or all accrued and unpaid cumulative dividends whether or not earned or declared, or any or all declared and unpaid non-cumulative dividends, on the preferred shares.

(b) Issued and outstanding securities

Upon implementation of the Scheme and the acquisition by B2Gold of all outstanding CGA Options, B2Gold will have the following securities on issue:

common shares issued and outstanding	645,235,469
common shares issuable upon exercise of warrants	515,775
common shares issuable upon exercise of options	22,580,203
Total	668,331,447

Table 29: B2Gold's issued and outstanding securities

(c) Details of Current Substantial Holders of B2Gold Shares

Name of Shareholder	Number of Shares	Percentage
Fidelity ⁽¹⁾	46,352,233	11.80%
Resolute Funds Ltd.	33,800,000	8.61%
Van Eck Associates Corporation	28,506,005	7.25%

Table 30: Details of current substantial holders of B2Gold Shares

Note:

(1) The B2Gold Shares reflected in the table above are held by Fidelity through Fidelity Management & Research Company, Pyramis Global Advisors, LLC, Pyramis Global Advisors Trust Company, Strategic Advisors Incorporated and FIL Limited

(d) Substantial B2Gold Shareholders

As of the date of this Scheme Booklet, to the knowledge of the directors and senior officers of B2Gold, no individual or corporation beneficially owns, directly or indirectly, or exercises control or direction over greater than five per cent (5%) of the issued and outstanding securities of B2Gold other than as set out above.

(e) B2Gold's stock option plan

The B2Gold Board has adopted the B2Gold stock option plan, as amended, dated 6 May 2011 (the B2Gold Option Plan) for the benefit of officers, directors, employees and consultants of B2Gold and any Associated, Affiliated, controlled or Subsidiary company. The purpose of the B2Gold Option Plan is to provide eligible persons with an opportunity to purchase B2Gold Shares and to benefit from the appreciation in the value of such B2Gold Shares. The B2Gold Option Plan will increase B2Gold's ability to attract individuals of exceptional skill by providing them with the opportunity, through the exercise of share options, to benefit from the growth of B2Gold.

The B2Gold Board has the authority to determine the directors, officers, employees and consultants to whom options will be granted, the number of options to be granted to each person and the price at which B2Gold Shares may be purchased, subject to the terms and conditions set forth in the B2Gold Option Plan.

Key provisions of the B2Gold Option Plan include:

- (i) the eligible participants are any director, officer, employee, or consultant of B2Gold or any of its associated affiliated, controlled or subsidiary companies;
- (ii) the maximum number of B2Gold Shares issuable pursuant to options granted under the B2Gold Option Plan will be a number equal to 7.5% of the issued and outstanding B2Gold Shares on a non-diluted basis at any time;
- (iii) a restriction that no more than 7.5% of the total number of issued and outstanding B2Gold Shares may be issuable to insiders of B2Gold pursuant to options granted to insiders under the B2Gold Option Plan, together with all of B2Gold's other previously established and outstanding or proposed share compensation arrangements;
- (iv) a restriction that no more than 5% of the total number of issued and outstanding B2Gold Shares may be issuable to any one individual within a one-year period pursuant to options granted under the B2Gold Option Plan, together with all of B2Gold's other previously established and outstanding or proposed share compensation arrangements, unless B2Gold has obtained disinterested shareholder approval;
- (v) a restriction that no more than 1% of the total number of issued and outstanding B2Gold Shares may be issuable to the non-employee directors of B2Gold, as a group, within a one-year period pursuant to options granted to the non-employee directors under the B2Gold Option Plan, together with all of B2Gold's other previously established and outstanding or proposed share compensation arrangements;
- (vi) the vesting period of all options shall be determined by the B2Gold Board;

- (vii) options may be exercisable for a period of up to a maximum term of ten years, such period to be determined by the B2Gold Board and the options are non-transferable and non-assignable;
- (viii) the B2Gold Board shall fix the exercise price of each option at the time the option is granted, provided that such price is not lower than the closing market price on the trading day prior to the grant of such options, or such other minimum price as may be required by the TSX;
- (ix) options held by optionees who are terminated without cause are subject to an accelerated expiry term for those options which requires that options held by those individuals expire on the earliest of: (i) the original expiry term of such options; (ii) 90 days after the optionee ceases active employment with B2Gold, (iii) 90 days after the date of delivery of written notice of retirement, resignation or termination; or (iv) the expiration date fixed by the B2Gold Board;
- (x) options held by an individual who ceases to be employed by B2Gold for cause or is removed from office or becomes disqualified from being a director will terminate immediately;
- (xi) in the event that the expiry date of an option falls within a “black-out period” (a period during which certain persons cannot trade B2Gold Shares pursuant to a policy of B2Gold respecting restrictions on trading), or immediately following a black-out period, the expiration date is automatically extended to the date which is the tenth business day after the end of the black-out period;
- (xii) in the event of death of an optionee, any option held as at the date of death is immediately exercisable for a period of 12 months after the date of death or prior to the expiry of the option term, whichever is sooner;
- (xiii) upon the announcement of a transaction which, if completed, would constitute a change of control of B2Gold and under which B2Gold Shares are to be exchanged, acquired or otherwise disposed of, including a takeover bid, all options that have not vested will be deemed to be fully vested and exercisable, solely for the purposes of permitting the optionees to exercise such options in order to participate in the change of control transaction;
- (xiv) options that expire unexercised or are otherwise cancelled will be returned to the B2Gold Option Plan and may be made available for future option grant pursuant to the provisions of the B2Gold Option Plan; and
- (xv) the B2Gold Board may, from time to time, subject to applicable law and prior shareholder approval, if required, of the TSX or any other applicable regulatory body, suspend, terminate discontinue or amend the B2Gold Option Plan; and
- (xvi) the B2Gold Board, without prior approval of the shareholders of B2Gold and the TSX or any regulatory body having authority of B2Gold, will not be entitled to: (i) increase the maximum percentage of B2Gold Shares issuable by B2Gold pursuant to the B2Gold Option Plan; (ii) amend an option grant for an option held by an insider to effectively reduce the exercise price or extend the expiry date of such options; (iii) make a change of eligible participants which would have the potential of broadening or increasing participation by insiders; (iv) add any form of financial assistance; (v) add a deferred or restricted share unit or any other provision that results in an eligible participants receiving B2Gold Shares while no cash consideration is received by B2Gold; or (vi) amend any of the amendment provisions of the B2Gold Option Plan.

As at the date of this Scheme Booklet, the following options were outstanding under the B2Gold Option Plan, each exercisable to purchase one B2Gold Share:

Number	Exercise Price (\$)	Expiry Date
289,200	1.41-1.57	4 February 2013 - 1 July 2013
2,759,163	2.18-4.00	13 February 2013 - 2 July 2016
3,090,450	0.80	3 August 2014
80,400	1.27	21 January 2015
210,000	1.25	8 February 2015
195,000	1.33	7 March 2015
170,000	1.44	2 June 2015
20,000	1.63	10 August 2015
47,200	1.85	4 October 2015
200,000	1.97	19 October 2015
1,625,500	2.45	7 November 2015
241,200	2.57	30 November 2015
718,625	2.31	20 January 2016
728,750	3.11	30 May 2016
175,000	3.19	28 June 2016
815,000	3.08	4 August 2016
365,000	3.24	23 October 2016
9,444,715	3.10	18 January 2017
400,000	3.93	4 March 2017
180,000	3.06	11 May 2017
390,000	3.18	12 July 2017
435,000	3.92	8 October 2017

Table 31: B2Gold Options

Restricted Share Unit Plan

On 6 May 2011, B2Gold's Board of Directors approved a Restricted Share Unit Plan (the **B2Gold RSU Plan**), subject to the receipt of shareholder and regulatory approvals, which approvals were obtained by 10 June 2011. Adoption of the B2Gold RSU Plan was part of B2Gold's continuing effort to build upon and enhance long term shareholder value. The B2Gold RSU Plan reflects B2Gold's commitment to a long term incentive compensation structure that aligns the interests of its employees with the interests of its shareholders.

Restricted share units (the **RSUs**) may be granted by a committee, which has been appointed to administer the B2Gold RSU Plan (**Compensation Committee**) to directors, executive officers and employees of B2Gold (the **Designated Participants**). The Compensation Committee is entitled to exercise its discretion to restrict participation under the B2Gold RSU Plan. As at the date of this Scheme Booklet, B2Gold has granted 2,401,008 RSU's under the B2Gold RSU Plan. Accordingly, 5,598,992 RSU's remain available for grant under the B2Gold RSU Plan.

The following is a summary of the key features of the B2Gold RSU Plan:

Awarding RSUs

- The number of RSUs granted will be credited to the Designated Participant's account effective on the grant date.
- The Compensation Committee will have the discretion to credit a Designated Participant with additional RSUs equal to the aggregate amount of any dividends that would have been paid to the Designated Participant if the RSUs had been B2Gold Shares, divided by the market value of the B2Gold Shares on the date immediately preceding the date on which the B2Gold Shares began to trade on an ex-dividend basis.
- 8 million B2Gold Shares will be reserved for issuance under the B2Gold RSU Plan.
- The maximum number of B2Gold Shares issuable to insiders, at any time, pursuant to the B2Gold RSU Plan, together with all of B2Gold's other security based compensation arrangements, is 7.5% of B2Gold's issued and outstanding B2Gold Shares at any time.
- The maximum number of B2Gold Shares issuable to insiders within any one year period pursuant to the B2Gold RSU Plan, together with all of B2Gold's other security based compensation arrangements, is 7.5% of B2Gold's issued and outstanding common shares.
- The maximum number of B2Gold Shares issuable to non-employee directors pursuant to the B2Gold RSU Plan, together with all of B2Gold's other security based compensation arrangements, is 1% of B2Gold's issued and outstanding common shares at any time.
- Any rights with respect to RSUs will not be transferable or assignable other than for normal estate settlement purposes.

Vesting

- Unless otherwise determined by the Compensation Committee, one-third (1/3) of the RSUs will vest on each of the first, second and third anniversaries of the date that the RSUs are granted.
- In the event that a Designated Participant dies, retires, becomes disabled or is terminated without cause prior to the vesting of the RSUs, the RSUs will vest on a pro rata basis based on the date that employment is terminated and the time remaining until the applicable vesting date.
- If a Designated Participant is terminated for cause or resigns without good reason, his or her RSUs will immediately expire as of the date of termination.

Redemption

- Each RSU entitles the holder, subject to the terms of the B2Gold RSU Plan, to receive a payment in fully-paid B2Gold Shares and will be redeemed 5 days after the RSU is fully vested. Each RSU will be redeemed for one common share.

Change of Control

- If there is a corporate transaction that results in any person or group of persons acquiring more than 20% of B2Gold Shares or substantially all of B2Gold's assets, or the incumbent members of the B2Gold Board no longer constitute a majority of the board, a change of control will have occurred for the purposes of the B2Gold RSU Plan. If the Scheme becomes Effective, the issue of New B2Gold Shares will not constitute a Change of Control for the purposes of the B2Gold RSU Plan.
- In the event of a change of control, for Designated Participants whose employment thereafter ceases for any reason other than resignation without good reason or termination for cause, the RSUs will immediately be deemed to vest and B2Gold shall, at its option, issue B2Gold Shares or pay a cash amount equal to the market value of such vested RSUs to the Designated Participant.
- In the event of a change of control, should the person or group acquiring B2Gold Shares not agree to assume all of the obligations of B2Gold under the B2Gold RSU Plan, all unvested RSUs held by Designated Participants will immediately be deemed to vest and B2Gold shall, at its option, issue B2Gold Shares or pay a cash amount equal to the market value of such vested RSUs to the Designated Participant.

Amendment

- The B2Gold Board may amend, suspend or terminate the B2Gold RSU Plan at any time without shareholder approval, unless shareholder approval is required by law or by the rules, regulations and policies of the TSX, provided that, without the consent of a Designated Participant, such amendment, suspension or termination may not in any manner adversely affect the Designated Participant's rights.
- Subject to the terms of the B2Gold RSU Plan, the B2Gold Board may approve amendments relating to the B2Gold RSU Plan, without obtaining shareholder approval, to the extent that such amendment is (i) of a typographical, grammatical, clerical or administrative nature or is required to comply with applicable regulatory requirements; (ii) an amendment relating to administration of the B2Gold RSU Plan and eligibility for participation under the B2Gold RSU Plan; (iii) changes the terms and conditions on which RSUs may be or have been granted pursuant to the B2Gold RSU Plan, including change to the vesting provisions of the RSUs; (iv) changes the termination provisions of an RSU or the B2Gold RSU Plan; or (v) is an amendment of a "housekeeping nature".
- Shareholder approval will be required for: (i) increasing the number of securities issuable under the B2Gold RSU Plan; (ii) making a change to the class of Designated Participants that would have the potential of broadening or increasing participation by insiders; (iii) amending the restriction on transferability of RSUs; (iv) permitting awards other than RSUs to be made under the B2Gold RSU Plan; and (v) deleting or reducing the amendments that require shareholders' approval under the B2Gold RSU Plan.

(f) Dividends

B2Gold has not declared any dividends or distributions on its securities since its incorporation. B2Gold intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends or distributions in the foreseeable future. The B2Gold Board may declare from time to time such cash dividends or distributions out of the monies legally available for dividends or distributions as the B2Gold Board considers advisable. Any future determination to pay dividends or make distributions will be at the discretion of the B2Gold Board and will depend on the capital requirements of B2Gold, results of operations and such other factors as the B2Gold Board considers relevant.

(g) Market for securities

The B2Gold Shares are listed for trading on the TSX under the symbol "BTO". Table 25 sets out the market price range and trading volumes of the B2Gold Shares on the TSX for the periods indicated.

Year		High (C\$)	Low (C\$)	Volume (no. of shares)
	October	4.24	3.77	60,000,368
	September	4.38	3.67	95,364,600
	August	4.13	3.16	25,632,535
	July	3.51	3.09	27,053,615
	June	3.76	2.85	43,656,114
	May	3.85	2.64	66,835,623
	April	4.55	3.28	48,532,395
	March	4.31	3.71	50,376,623
	February	4.32	3.60	48,680,084
2012	January	3.69	2.71	23,164,921
	December	4.05	3.18	26,959,781
	November	4.02	3.07	37,716,340
	October	4.45	3.41	27,678,579
	September	4.03	2.80	31,176,489
2011	August	3.58	3.04	47,366,033

Table 32: Price range and trading volumes of B2Gold Shares

The closing price of the B2Gold Shares on the TSX on 17 September 2012, the last trading day before the public announcement of the Scheme, was C\$4.30. The closing price of the B2Gold Shares on the TSX on 16 November, 2012, the latest practicable trading day prior to the finalisation of this Scheme Booklet, was C\$3.53.

7.5 B2Gold reporting

B2Gold is subject to the continuous disclosure requirements of the TSX and the various Canadian Securities Commissions. B2Gold's continuous disclosure filings are reflected on the following websites:

Website	Information Filed
www.sedar.com	Annual information form, Annual and quarterly financial statements, news releases, material change reports, technical reports, notice of meetings, management information circulars, certifications of filings, management discussions and analysis reports and code of conduct
www.sedi.ca	Insider reports

8. Taxation considerations

8.1 Australian taxation considerations

The following is a general summary regarding the Australian income tax implications for Australian tax resident CGA Shareholders who participate in the Scheme and subsequently hold B2Gold Shares.

The statements contained in this section are necessarily general in nature, and do not take in to consideration the specific circumstances of each CGA Shareholder. In particular, the summary below is based on the assumption that all CGA Shares were acquired by CGA Shareholders after 21 September 1999 and are held on capital account. That is, the summary does not consider the tax implications arising in respect of any CGA Shareholders who are engaged in a business of trading or investment, tax exempt entities, life insurance companies, CGA Shareholders who otherwise hold their CGA Shares on revenue account or as trading stock, nor CGA Shareholders who are subject to Division 230 of the Income Tax Assessment Act 1997. This summary also does not consider CGA Shareholders who acquired their CGA Shares in respect of their employment with CGA as they may be subject to different tax consequences applicable to their circumstances.

In addition, this summary specifically excludes consideration of the tax implications arising to holders of CGA Options.

The statements contained in this section extend only to Australian tax resident CGA Shareholders and do not apply to any foreign resident shareholders (including any Canadian resident CGA Shareholders). CGA Shareholders who are non-Australian residents for tax purposes should take into consideration both the taxation laws in their place of residence, but also the Australian tax implications which may apply to them.

The comments in this summary are limited to the Australian income tax implications, and do not extend to any foreign income taxes which may be applicable to the transactions contemplated by the Scheme, nor to any other Australian taxes such as Goods and Services Tax or stamp duty.

Due to the general and limited nature of the comments, CGA Shareholders should not rely on the comments contained in this section, and should seek professional tax advice which is specific to their individual facts and circumstances.

Finally, the following summary is based on the Australian taxation law and administrative practice as at the date of the Scheme Booklet and it is possible that relevant tax law changes may be made subsequently which impact the tax implications of the Scheme.

(a) Capital gains tax on disposal of CGA Shares to B2Gold

The disposal of CGA Shares to B2Gold will give rise to a CGT event for CGA Shareholders at the time of the disposal.

CGA Shareholders will prima facie derive a capital gain on the disposal of their CGA Shares to the extent that the market value of the capital proceeds received exceeds the cost base of the CGA Shares.

Conversely, CGA Shareholders will incur a capital loss on the disposal of those shares to the extent that the capital proceeds received is less than the reduced cost base of the CGA Shares held.

In this respect, as all Australian resident CGA Shareholders will receive New B2Gold Shares as consideration for their CGA Shares under the Scheme, the capital proceeds will be equal to the market value of the New B2Gold Shares received under the Scheme.

The cost base of the CGA Shares held by each CGA Shareholder will generally include any consideration paid to acquire those shares plus certain related costs of acquisition, including incidental costs of acquisition such as brokerage costs and stamp duty. The reduced cost base of shares is determined similarly, though there are some limitations on including certain related costs.

Each CGA Shareholder should seek separate tax advice to confirm the cost base or reduced cost base of their CGA Shares and hence to determine the extent of any capital gain or loss arising on the disposal of the CGA Shares to B2Gold.

(b) CGT rollover relief on disposal of CGA Shares

CGA Shareholders who make a capital gain on the disposal of their CGA Shares to B2Gold may be eligible to elect for CGT rollover relief in respect of that gain.

A CGA Shareholder who makes a capital loss on the disposal of their CGA Shares to B2Gold cannot choose CGT rollover relief (that is, the CGA Shareholder cannot elect to defer the capital loss they incur as a result of the Scheme).

If a CGA Shareholder is eligible and makes an election to apply CGT rollover relief, any capital gain on the disposal of the CGA Shares to B2Gold would be disregarded (that is, taxation of the capital gain is effectively deferred until the B2Gold Shares are sold).

Where the CGT rollover relief is elected, the CGT cost base of the CGA Shareholder's interests in the CGA Shares would effectively transfer to the New B2Gold Shares acquired. That is, the cost base of the CGA Shares will become the cost base of the New B2Gold Shares acquired. This will be relevant for any future disposal of the New B2Gold Shares by those CGA Shareholders.

To choose CGT rollover relief, a CGA Shareholder must make a choice before lodging their income tax return for the income year in which the disposal date occurs. The way in which a CGA Shareholder prepares their income tax return is evidence of making the choice (that is by not including the disregarded capital gain in their assessable income). There is no need for the CGA Shareholder to lodge a notice with the Australian Taxation Office evidencing the election to choose CGT rollover relief.

(c) Tax implications where CGT rollover relief either not available, or not elected

If a CGA Shareholder is either ineligible for CGT rollover relief, or does not elect to apply the CGT rollover relief, any capital gain arising on disposal of the CGA Shares to B2Gold will not be disregarded.

In these circumstances, the amount of any taxable capital gain will be based on the cost base of the CGA Shares and the market value of the New B2Gold Shares acquired, as determined on the Implementation Date.

CGA Shareholders who are either individuals, superannuation funds or trusts may be entitled to a CGT discount where those CGA Shares had been held by the CGA Shareholder for more than 12 months. The CGT discount for individuals and trusts is 50%, and for superannuation funds is 33 ¹/₃%.

The amount of any taxable gain to any CGA Shareholder would also be subject to the recoupment of any other taxable losses during the relevant income year.

Where CGT rollover relief is not applied, for any future disposal of the acquired New B2Gold Shares acquired, the cost base of the New B2Gold Shares acquired will be equal to the market value of those B2Gold Shares on the Implementation Date.

(d) Tax implications for Small Scheme Participants

Small Scheme Participants who validly elect to have their New B2Gold Shares sold by the B2Gold Nominee (**Electing Small Scheme Participants**):

- (i) may be eligible to choose rollover relief with respect to the issue of New B2Gold Shares, however such shareholders will be subject to CGT upon the subsequent sale of those shares for cash proceeds by the B2Gold Nominee; and
- (ii) who do not choose rollover relief will be subject to CGT upon both the issue of the New B2Gold Shares and the subsequent sale of those shares by the B2Gold Nominee, the difference being the CGT discount is not likely to be available in relation to the subsequent sale of the New B2Gold Shares by the B2Gold Nominee.

(e) Assessability of future dividend income received from B2Gold Shares

Dividends received by CGA Shareholders in respect of the New B2Gold Shares will be assessable to those CGA Shareholders, including any foreign withholding taxes withheld from those dividends.

Where dividends are subject to any foreign withholding taxes, those taxes may be creditable as a foreign income tax offset (**FITO**) against the CGA Shareholder's Australian tax liability. However, the amount of the FITO will be limited to the greater of AUD\$1,000 and the Australian

income tax payable on the CGA Shareholder's assessable foreign income for the income year (less allowable deductions).

Notwithstanding the above, if the CGA Shareholder is a company and it holds more than a 10% interest in B2Gold, any dividends received by the CGA Shareholder should not be subject to tax in Australia.

(f) Future disposal of New B2Gold Shares

Any future disposal of New B2Gold Shares would trigger an Australian CGT event. The determination of any capital gain or loss should prima facie be calculated as discussed above depending on whether or not the CGA Shareholder elected to apply a CGT rollover relief.

That is, if CGT rollover relief has been elected, the calculation of any capital gain or loss on any future disposal of New B2Gold Shares will be based on the historical cost base to the CGA Shareholder of their original CGA Shares which were disposed of on the Implementation Date.

Alternatively, if CGT rollover relief was not elected then any future capital gain or loss would be determined based on a cost base for the New B2Gold Shares equal to the market value of those shares on the Implementation Date.

A CGA Shareholder who is an individual, complying superannuation fund or trust may be entitled to apply the CGT discount in respect of any capital gain referable to the sale of the New B2Gold Shares.

In order to be entitled to the CGT discount, the New B2Gold Shares must be held for more than 12 months before the disposal.

For CGA Shareholders who are individuals, superannuation funds or trusts, and who elected to apply the CGT rollover relief on the disposal of their CGA Shares, the 12 month holding period in respect of the New B2Gold Shares would be deemed to commence at the date of acquisition of the original CGA Shares which were disposed of on the Implementation Date.

Conversely, for those CGA Shareholders who do not elect for CGT rollover relief to apply on the disposal of the CGA Shares, the 12 month holding period would commence at the Implementation Date.

If the CGT discount is available, any net capital gain on disposal of B2Gold Shares is reduced by 50% for individuals and trusts, and by 33 1/3% for complying superannuation entities.

If the CGA Shareholder is a company that has held a direct voting percentage of 10% or more in B2Gold throughout a 12 month period during the two years before the disposal it may be able to reduce the capital gain or loss, in certain circumstances, where B2Gold carries on an active business.

If a capital gain is subject to any foreign taxes, those taxes may be creditable as a FITO against the CGA Shareholder's Australian tax liability. However, the amount of the FITO will be limited to the greater of AUD\$1,000 and the Australian tax payable on the CGA Shareholder's assessable foreign income for the income year (less allowable deductions).

8.2 Canadian taxation considerations

This section describes the principal Canadian federal income tax considerations generally applicable under the Canadian Tax Act to a Canadian Scheme Participant.

(a) General

Generally speaking CGA Shares and New B2Gold Shares will be considered to be capital property to a Canadian Scheme Participant provided the Canadian Scheme Participant does not hold the shares in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Canadian Scheme Participant: (i) that is a "financial institution", as defined in the Canadian Tax Act for purposes of the market provisions of the Canadian Tax Act; (ii) an interest in which would be a "tax shelter investment" as defined in the Canadian Tax Act; (iii) that is a "specified financial institution" as defined in the Canadian Tax Act; (iv) in relation to which CGA is a "foreign affiliate" as defined in the Canadian Tax Act; or (v) that has made a functional currency reporting election under the Canadian Tax Act. In addition, this

summary does not address all issues relevant to Canadian Scheme Participants who acquired their CGA Shares on the exercise of an employee stock option or the deductibility of interest by a Canadian Scheme Participant who borrowed money to acquire CGA Shares. This summary is also not applicable to a Canadian Scheme Participant that:

- (i) is a corporation resident in Canada; and
- (ii) is, or becomes a part of a transaction or event or series of transactions or events that includes the acquisition of B2Gold Shares, controlled by a non-resident corporation for the purposes of the foreign affiliate dumping rules in proposed section 212.3 of the Canadian Tax Act.

Such Canadian Scheme Participants should consult their own tax advisors.

This summary is based on the current provisions of the Canadian Tax Act, and the current published administrative practices and assessing policies of the Canada Revenue Agency (the **CRA**) publicly announced prior to the date hereof. This summary also takes into account all specific proposals to amend the Canadian Tax Act and announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Scheme Booklet (the **Proposed Amendments**) and assumes that all Proposed Amendments will be enacted in the form proposed, although no assurances can be given in this regard. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental, regulatory, or judicial action or decision, or changes in the administrative practices of the CRA, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not, and should not be construed as, legal, business or tax advice to any particular Canadian Scheme Participant and no representations with respect to the tax consequences to any particular Canadian Scheme Participant are made. Accordingly all Canadian Scheme Participants should consult their own tax advisors regarding the Canadian federal income tax consequences of the Scheme applicable to their particular circumstances.

For purposes of the Canadian Tax Act, all amounts related to the disposition of CGA Shares, (including adjusted cost base and proceeds of disposition) must be expressed in C\$. Amounts denominated in a foreign currency must be converted to an amount expressed in C\$ based on the exchange rates as determined in accordance with the Canadian Tax Act.

- (b) Exchange of CGA Shares for Scheme Consideration – No Section 85 Election.

A Canadian Scheme Participant whose CGA Shares are exchanged for the Scheme Consideration, and who does not make a valid Section 85 Election jointly with B2Gold with respect to the exchange, will be considered to have disposed of those CGA Shares for proceeds of disposition equal to the fair market value, at the time of the exchange, of the New B2Gold Shares received on the exchange. As a result, the Canadian Scheme Participant will generally realise a capital gain (or capital loss) to the extent that such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Canadian Scheme Participant's CGA Shares immediately before the exchange. See section 8.2(f) below for a general discussion of the treatment of capital gains and capital losses under the Canadian Tax Act.

The cost to the Canadian Scheme Participant of the New B2Gold Shares acquired on the exchange will equal the fair market value of those shares as at the time of the exchange. If the Canadian Scheme Participant separately owns other B2Gold Shares as capital property at that time, the adjusted cost base of all B2Gold Shares owned by the Canadian Scheme Participant as capital property immediately after the exchange will be determined by averaging the cost of each New B2Gold Share acquired on the exchange with the adjusted cost base of those other B2Gold Shares.

(c) Exchange of CGA Shares for the Scheme Consideration – Section 85 Election

The following applies to a Canadian Scheme Participant who is an “Eligible Holder”. An Eligible Holder who elects the Scheme Consideration may obtain a full or partial tax deferral in respect of the disposition of CGA Shares by filing with the CRA (and, where applicable, with a provincial tax authority) an election (the **Section 85 Election**) under subsection 85(1) of the Canadian Tax Act or, in the case of a partnership, under section 85(2) of the Canadian Tax Act (and the corresponding provisions of any applicable provincial tax legislation) provided all members of the partnership jointly elect with B2Gold.

The Eligible Holder may select an elected amount (the **Elected Amount**) so as to fully or partially defer realising a capital gain for the purposes of the Canadian Tax Act as a result of the Scheme. The Elected Amount means the amount selected by the Eligible Holder, subject to the limitations described below, in the Section 85 Election, to be treated as the proceeds of disposition of the CGA Shares. In general, the Elected Amount may not be:

- (i) less than the lesser of (A) the Eligible Holder’s adjusted cost base of the CGA Shares and (B) the fair market value of the CGA Shares, in each case determined at the time of the exchange; or
- (ii) greater than the fair market value of the CGA Shares at the time of the exchange.

An Elected Amount which does not comply with these limitations will automatically be adjusted under the Canadian Tax Act so that it is in compliance.

B2Gold has agreed to make the Section 85 Election with an Eligible Holder at the amount determined by such Eligible Holder, subject to the limitations set out in subsections 85(1) and 85(2) of the Canadian Tax Act (or any applicable provincial tax legislation).

Where a valid Section 85 Election is filed:

- (i) CGA Shares that are the subject of the Section 85 Election will be deemed to be disposed of for proceeds of disposition equal to the Elected Amount. If the Elected Amount is equal to the aggregate of the adjusted cost base of such CGA Shares immediately before the disposition and any reasonable costs of disposition, no capital gain or capital loss will be realised by the Eligible Holder. Where the Elected Amount in respect of such CGA Shares exceeds (or is less than) the aggregate of the adjusted cost base and any reasonable costs of disposition, such holder will realise a capital gain (or a capital loss). See **Section 8.2(f)** below.
- (ii) The aggregate cost to the Eligible Holder of the New B2Gold Shares received will be equal to the Elected Amount. The adjusted cost base of such New B2Gold Shares received will be determined by averaging the cost of such New B2Gold Shares with the adjusted cost base of any other B2Gold Shares held by the Eligible Holder at that time as capital property.

An Eligible Holder interested in making a Section 85 Election should indicate that intention on the Election Form notifying B2Gold that such Eligible Holder wishes to make a Section 85 Election (**Section 85 Notification**). Upon receipt of the Section 85 Notification, B2Gold will promptly deliver a tax instruction letter (and a tax instruction letter for any applicable provincial tax legislation, if applicable), explaining the election process, together with the relevant tax election forms (including any applicable provincial tax election forms, if applicable) to the Eligible Holder. A Section 85 Election will be valid only if it meets all other applicable requirements under the Canadian Tax Act, and meeting these requirements will be the sole responsibility of the Eligible Holder.

The relevant federal tax election form is CRA form T2057 (or, in the event the Eligible Holder is a partnership, CRA form T2058). For Eligible Holders required to file in Québec, Québec form TP518V (or, in the event the Eligible Holder is a partnership, Québec form TP529V) will also be required. Certain other provincial jurisdictions may require that a separate joint election be filed for provincial income tax purposes. Eligible Holders should consult their own tax advisors to determine whether they must file separate election forms with any provincial taxing jurisdiction. It is the responsibility of each Eligible Holder who wishes to make an election for provincial income tax purposes to obtain any other necessary provincial election forms.

Where the CGA Shares are held in joint ownership and two or more of the coowners wish to elect, one of the coowners designated for such purpose must file one copy of Form T2057 (and where applicable, the corresponding provincial forms) on behalf of each coowner with a list of all coowners electing under section 85 of the Canadian Tax Act, and their addresses and social insurance or business numbers. Where the CGA Shares are held as partnership property, a partner designated by the partnership must file one copy of Form T2058, (and, where applicable, the corresponding provincial forms), on behalf of all members of the partnership. Form T2058 must be accompanied by a list containing the name, address, social insurance number or business number of each partner and written authorisation signed by each partner authorising the designated partner to complete and file the form. Eligible Holders should consult their own tax advisors to determine which filing requirements, if any, there are under provincial legislation applicable in their particular circumstances.

In order to make a Section 85 Election, an Eligible Holder must ensure that two signed copies of the necessary election forms are returned to a representative of B2Gold in accordance with the procedures set out in the tax instruction letter on or before 90 days after the Effective Date. The information will include the number of CGA Shares transferred, the consideration received and the applicable Elected Amount for the purposes of such election. Subject to the information complying with the provisions of the Canadian Tax Act (and any applicable provincial income tax law), a copy of the election form containing the information provided will be signed by B2Gold and returned to the Eligible Holder for filing with the CRA (or the applicable provincial tax authority). **Each Eligible Holder is solely responsible for ensuring the Section 85 Election is completed correctly and filed with the CRA (and any applicable provincial income tax authorities) by the required deadline.**

B2Gold will make a Section 85 Election only with an Eligible Holder, and at the amount selected by the Eligible Holder subject to the limitations set out in the Canadian Tax Act (and any applicable provincial tax legislation). B2Gold agrees only to execute any election form containing information provided by the Eligible Holder which complies with the provisions of the Canadian Tax Act (and any applicable provincial tax law) and to return such election form to the Eligible Holder for filing with the CRA (and any applicable provincial tax authority). At its sole discretion, B2Gold may accept and execute an election form that is not received within the 90 day period; however, no assurances can be given that B2Gold will do so. Accordingly, all Eligible Holders who wish to make a joint election with B2Gold should give their immediate attention to this matter. **With the exception of execution of the election form by B2Gold, compliance with the requirements for a valid Section 85 Election will be the sole responsibility of the Eligible Holder making the election.** Accordingly, B2Gold will not be responsible or liable for taxes, interest, penalties, damages or expenses resulting from the failure by anyone to provide information necessary for the election in accordance with the procedures set out in the tax instruction letter, to properly complete any election or to properly file it within the time prescribed and in the form prescribed under the Canadian Tax Act (or the corresponding provisions of any applicable provincial tax legislation).

In order for the CRA (and where applicable the provincial revenue authorities) to accept a Section 85 Election without a late filing penalty being paid by an Eligible Holder, the election form must be received by such revenue authorities on or before the day that is the earliest of the days on or before which either B2Gold or the Eligible Holder is required to file an income tax return for the taxation year in which the disposition occurs. B2Gold's 2012 taxation year is scheduled to end on 31 December 2012, although B2Gold's taxation year could end earlier as a result of an event such as an amalgamation, and its tax return is required to be filed within six months from the end of the taxation year. Eligible Holders are urged to consult their own advisors as soon as possible respecting the deadlines applicable to their own particular circumstances. However, regardless of such deadlines, information necessary for an Eligible Holder to make a Section 85 Election must be received by B2Gold in accordance with the procedures set out in the tax instruction letter no later than 90 days after the Effective Date.

Any Eligible Holder who does not ensure that information necessary to make a Section 85 Election has been received in accordance with the procedures set out in the tax instruction letter on or before 90 days after the Effective Date will not be able to benefit from the tax deferral provisions of the Canadian Tax Act (or the corresponding provisions of any applicable provincial tax legislation) and therefore may realise a capital gain. Accordingly, all Eligible Holders who wish to enter into a Section 85 Election with B2Gold should give their immediate attention to this matter. The instructions for requesting a tax instruction letter are set out in the Section 85 Notification. Eligible Holders are referred to Information Circular 76-19R3 and Interpretation Bulletin IT-291R3 issued by the CRA for further information respecting the election. Eligible Holders wishing to make the Section 85 Election should consult their own tax advisors.

(d) Dividends on New B2Gold Shares

In the case of a New B2Gold Shareholder who is an individual, dividends received or deemed to be received on the New B2Gold Shares will be included in computing the individual's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations including the enhanced dividend tax credit rules applicable to any dividends designated by B2Gold as "eligible dividends", as defined in the Canadian Tax Act.

In the case of a New B2Gold Shareholder that is a corporation, dividends received or deemed to be received on the New B2Gold Shares will be included in computing the corporation's income and will generally be deductible in computing its taxable income. A "private corporation" (as defined in the Canadian Tax Act), or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) may be liable to pay a refundable tax of 33 $\frac{1}{3}$ % under Part IV of the Canadian Tax Act on dividends received or deemed to be received on the New B2Gold Shares to the extent such dividends are deductible in computing the corporation's taxable income.

(e) Disposition of New B2Gold Shares

The disposition or deemed disposition of New B2Gold Shares by a New B2Gold Shareholder will generally result in a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the holder of those shares immediately before the disposition. See **Section 8.2(f)** below for a general description of the treatment of capital gains and losses under the Canadian Tax Act.

(f) Taxation of capital gains and capital losses

One-half of any capital gain (a **taxable capital gain**) realised by a holder in a taxation year will be included in the holder's income for the year. One-half of any capital loss (an **allowable capital loss**) realised by the holder in a year may be deducted against taxable capital gains realised in the year. Allowable taxable losses in excess of taxable capital gains realised in a taxation year may be carried back up to three taxation years or carried forward indefinitely and deducted against net taxable capital gains in those other years, to the extent and in the circumstances specified in the Canadian Tax Act.

If the holder is a corporation, the amount of any capital loss arising from a disposition or deemed disposition of a share may be reduced by the amount of certain dividends received or deemed to be received by the corporation on the share, to the extent and under circumstances specified by the Canadian Tax Act. Similar rules may apply where the corporation is a member of a partnership or a beneficiary of a trust that owns shares, or where a partnership or trust of which the corporation is a member or beneficiary is a member of a partnership or a beneficiary of a trust that owns shares.

Foreign tax, if any, levied on any capital gain realised on the disposition of CGA Shares may be eligible for a foreign tax credit or deduction to the extent and under the circumstances described in the Canadian Tax Act. **Holders to whom these rules may be relevant should consult their own tax advisors.**

(g) Alternative minimum tax on individuals

Capital gains realised and dividends received or deemed received by individuals and certain trusts may give rise to alternative minimum tax under the Canadian Tax Act.

(h) Additional refundable tax on Canadian-controlled private corporations

A holder that is a “Canadian-controlled private corporation” (as defined in the Canadian Tax Act) may be liable to pay an additional refundable tax of $6\frac{2}{3}\%$ on certain investment income, including amounts in respect of net taxable capital gains and dividends or deemed dividends not deductible in computing taxable income.

(i) Eligibility for investment

New B2Gold Shares will be qualified investments under the Canadian Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts at any particular time provided that, at that time, the New B2Gold Shares are listed on a designated stock exchange (which currently includes the TSX). New B2Gold Shares will generally not be a “prohibited investment” for a registered retirement savings plan, registered retirement income fund or tax-free savings account, as the case may be, if the holder of the tax-free savings account or annuitant of the registered retirement savings plan or registered retirement income fund deals at arm’s length with B2Gold for the purposes of the Canadian Tax Act and does not have a significant interest (within the meaning of the Canadian Tax Act) in B2Gold or a corporation, partnership or trust with which B2Gold does not deal at arm’s length for the purposes of the Canadian Tax Act.

(j) Canadian taxation considerations – Non-Canadian Scheme Participant

In addition to the comments set out in **Section 8.2(a)** “General”, this section describes the principal Canadian federal income tax considerations generally applicable under the Canadian Tax Act and the regulations thereunder to a Non-Canadian Scheme Participant.

(i) Dividends on New B2Gold Shares

Dividends paid or deemed to be paid to a Non-Canadian Scheme Participant on New B2Gold Shares will be subject to non-resident withholding tax at the rate of 25% unless the rate is reduced under the provisions of an applicable tax treaty. For example, where the Non-Canadian Scheme Participant is a resident of the United States entitled to benefits of the Canada-United States Tax Convention (1980) and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%. Non-Canadian Scheme Participants should consult their own tax advisors

(ii) Disposition of New B2Gold Shares

A Non-Canadian Scheme Participant will generally not be liable to Canadian income tax on a disposition or deemed disposition of New B2Gold Shares unless the Non-Canadian Scheme Participant’s New B2Gold Shares are, or are deemed to be, taxable Canadian property to the Non-Canadian Scheme Participant at the time of disposition and the Non-Canadian Scheme Participant is not entitled to relief under an applicable tax treaty.

As long as the New B2Gold Shares are listed on the TSX at the time of disposition, the New B2Gold Shares generally will not constitute taxable Canadian property of a Non-Canadian Scheme Participant unless at any time during the 60 month period immediately preceding the disposition: (i) the Non-Canadian Scheme Participant, persons with whom the Non-Canadian Scheme Participant did not deal at arm’s length, or the Non-Canadian Scheme Participant together with all such persons, owned 25% or more of the issued shares of any class or series of shares of B2Gold; and (ii) more than 50% of the fair market value of the New B2Gold Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Canadian Tax Act), timber resource properties (as defined in the Canadian Tax Act) or an option, an interest in, or for civil law rights in, such property.

A Non-Canadian Scheme Participant's capital gain (or capital loss) in respect of New B2Gold Shares that constitute or are deemed to constitute taxable Canadian property (and where the Non-Canadian Scheme Participant is not entitled to relief under an applicable tax treaty) will generally be computed in the manner described in **Section 8.2(f)** "Taxation of capital gains and taxable losses".

Non-Canadian Scheme Participants whose New B2Gold Shares are taxable Canadian property should consult their own tax advisors.

8.3 United States taxation considerations

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, US HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF US FEDERAL TAX ISSUES IN THIS SCHEME BOOKLET IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY US HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) THIS DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS DISCUSSED HEREIN; AND (C) INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

(a) General

The following general discussion sets forth the anticipated material US federal income tax consequences of the Scheme to US Holders (as defined below) of CGA Shares. The following discussion is based on existing US federal income tax law, including the provisions of the Internal Revenue Code (the **Code**), the Treasury Regulations thereunder (whether final, temporary, or proposed), Internal Revenue Service (**IRS**) rulings, judicial decisions and other administrative pronouncements, all as in effect on the date of this Scheme Booklet. Any change in the US federal income tax law or interpretation thereof could apply retroactively. Neither CGA nor B2Gold will seek any opinion of counsel or advance income tax ruling from the IRS regarding the tax consequences of the Scheme, and neither CGA nor B2Gold can assure you that the IRS will agree with the statements expressed herein or that the statements expressed herein will be sustained by a US court if challenged.

This discussion is addressed only to US Holders that exchange CGA Shares for New B2Gold Shares pursuant to the Scheme. Further, this discussion addresses only those US Holders that hold their CGA Shares as a capital asset under the Code (generally, property held for investment).

This discussion does not address all aspects of US federal income taxation that may be important to particular investors in light of their individual circumstances, and does not address the tax consequences to investors subject to special tax rules, including, for example, investors that are: (a) a non-US person or entity; (b) a tax-exempt organization or entity, a financial institution, a mutual fund or other regulated investment company, a dealer or broker in securities or an insurance company; (c) a trader who elects to mark-to-market its securities; (d) a person who holds CGA Shares as part of an integrated investment such as a straddle, hedge, constructive sale, conversion transaction or other risk reduction transaction; (e) a person who holds CGA Shares in an individual retirement or other tax-deferred account; (f) a person whose functional currency is not the US dollar; (g) former citizens or residents of the United States; (h) an individual who received CGA Shares, or who acquires New B2Gold Shares, pursuant to the exercise of employee stock options or otherwise as compensation or in connection with the performance of services; (i) a partnership or other flow-through entity and persons who hold an interest in such entities; (j) a person subject to the alternative minimum tax or Medicare contribution tax; or (k) a person who owns directly, indirectly, or constructively 5% or more of CGA's shares or will own 5% or more of B2Gold Shares.

If a partnership (including an entity treated as a partnership for US federal income tax purposes) holds CGA Shares, the tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. A partner of a partnership holding CGA Shares should consult the partner's tax advisor regarding the US federal income tax consequences to such partner of the Scheme and of ownership of the New B2Gold Shares.

For purposes of this discussion, the term "**US Holder**" means a beneficial owner of CGA Shares that is for US federal income tax purposes: (1) an individual resident or citizen of the United

States; (2) a corporation (or other entity taxable as a corporation for US federal income tax purposes) created in or organized under the laws of the United States or any political subdivision thereof; (3) an estate the income of which is subject to US federal income tax without regard to its source; or (4) a trust if: (a) a court within the United States is able to exercise primary supervision over its administration and one or more US persons have the authority to control all of the substantial decisions of the trust; or (b) the trust has made a valid election to be treated as a US person for US federal income tax purposes.

US Holders are urged to consult their tax advisors regarding the US federal income tax consequences of the Scheme, including the income tax consequences arising from their unique facts and circumstances, and as to any estate, gift, state, local or non-US tax consequences arising out of the Scheme and the ownership and disposition of New B2Gold Shares.

(b) Certain US Federal income tax consequences of the Scheme

The following discussion assumes that the Scheme will be consummated as described in the Merger Implementation Agreement and the Scheme Booklet. While not free from doubt, CGA believes that the Scheme should qualify as a reorganization within the meaning of Section 368(a)(1) of the Code.

Assuming the Scheme qualifies as a reorganization under Section 368(a)(1) of the Code and assuming neither CGA nor B2Gold is or has been a PFIC (see “Passive Foreign Investment Company (PFIC) Considerations” in **Section 8.3(c)** below), a US Holder will not recognise gain or loss upon its exchange of CGA Shares for New B2Gold Shares. Accordingly: (1) the aggregate tax basis of the New B2Gold Shares a US Holder receives in the Scheme will be the same as the aggregate tax basis of the CGA Shares, respectively, the US Holder surrenders in exchange therefor; and (2) the holding period of the New B2Gold Shares the US Holder receives in the Scheme will include the holding period of the CGA Shares, respectively, that the US Holder surrenders in exchange therefor.

If the Scheme does not qualify as a reorganization under Section 368(a)(1) of the Code, a US Holder would be required to recognise gain or loss with respect to the CGA Shares surrendered in the Scheme equal to the difference between the US Holder’s adjusted tax basis in the surrendered shares and the fair market value, as of the effective time of the Scheme, of the New B2Gold Shares received or to be received in the Scheme. Generally, in such event, a US Holder’s tax basis in the New B2Gold Shares received would equal their fair market value as of the date of the Scheme, and the US Holder’s holding period for the New B2Gold Shares would begin on the day after the date of receipt. If CGA has been a PFIC with respect to a US Holder in any taxable year, then any gain recognised by that US Holder generally would be taxed under the “excess distribution” regime discussed below under “PFIC Considerations as Applied to the Scheme” in **Section 8.3(c)(ii)**.

(c) General Passive Foreign Investment Company (PFIC) considerations

The US federal income tax consequences to a US Holder with respect to the Scheme depend on whether: (i) CGA was treated as a PFIC with respect to any year in which that US Holder owned CGA Shares; and (ii) whether B2Gold is treated as a PFIC with respect to that US Holder for the current taxable year. In general, a non-US corporation will be treated as a PFIC for any taxable year during which either: (i) 75% or more of its gross income is passive income; or (ii) 50% or more of the average value of its assets produce or are held for the production of passive income.

CGA believes, and the following discussion assumes, that it will not be treated as a PFIC for the current taxable year, it was not a PFIC for its taxable year ended June 30, 2012, 2011, or 2010, but that it likely was a PFIC for its 2009 taxable year and may have been a PFIC in some or all of its preceding taxable years. Based on its current income, assets and activities, B2Gold believes, and the following discussion assumes, that it is not currently a PFIC and will not be treated as a PFIC for the current taxable year or the foreseeable future. However, there is no assurance that the IRS would agree with this treatment, and no opinion of legal counsel or ruling from the IRS concerning the status of either CGA or B2Gold as a PFIC has been obtained, and none will be requested.

(i) Status of proposed treasury regulations regarding PFICs

The discussion below is based in large part upon proposed Treasury regulations that, if finalised in their current form, would be effective for transactions occurring on or after April 11, 1992. If the proposed Treasury regulations are adopted in their current form, the US federal income tax consequences to a US Holder, which owned its CGA Shares during a period in which CGA was classified as a PFIC, would be as set forth in the following paragraphs. However, because the proposed Treasury regulations have not yet been adopted in final form, they are not currently effective and there is no assurance that they will be adopted in the form and with the effective date proposed. Nevertheless, the IRS has announced that, in the absence of final Treasury regulations, taxpayers may apply reasonable interpretations of the Code provisions applicable to PFICs and that it considers the rules set forth in the proposed Treasury regulations to be reasonable interpretations of those Code provisions. The PFIC rules are complex, and the implementation of certain aspects of the PFIC rules requires the issuance of Treasury regulations which in many instances have not been promulgated and which, when promulgated, may have retroactive effect. There can be no assurance that any of these proposals will be enacted or promulgated and, if so, the form they will take or the effect that they may have on this discussion. In the absence of the proposed Treasury regulations being finalised in their current form, the US federal income tax consequences to a US Holder are set out above in the discussion under “Certain US Federal Income Tax Consequences of the Scheme” in **Section 8.3(b). US Holders, whose holding period in CGA Shares includes a period in which CGA was classified as a PFIC, should consult their tax advisors as to the tax consequences of exchanging CGA Shares for New B2Gold Shares.**

(ii) PFIC considerations as applied to the Scheme

Transfers of stock in a PFIC in a non-recognition transaction, such as a reorganisation under Section 368(a) of the Code, result in gain recognition to the extent provided in regulations. Under the proposed Treasury regulations discussed in “Status of the Proposed Treasury Regulations Regarding PFICs” above in **Section 8.3(c)(i)**, if CGA has been a PFIC with respect to a US Holder in any taxable year, the US Holder will recognise gain on the exchange to the extent that (i) the fair market value, determined in US dollars, of the New B2Gold Shares received by the US Holder exceeds (ii) the adjusted tax basis, determined in US dollars, of the US Holder in the CGA Shares exchanged for such New B2Gold Shares. A US Holder will not recognise capital loss, if any, upon the exchange of CGA Shares for the New B2Gold Shares.

Any gain recognised by a US Holder on the exchange of its CGA Shares pursuant to the proposed Treasury regulations will be taxed under the PFIC “excess distribution” regime. Under that regime, gain realised by a US Holder who disposes of CGA Shares pursuant to the Scheme will be allocated ratably to each day of the US Holder’s holding period with respect to such shares. Gain allocated to the year of disposition will be treated as arising in the year of disposition and taxed at ordinary US federal income tax rates. Gain allocated to each of the other years will be taxed at the highest ordinary US federal income tax rate in effect for each of those years, and interest will be added to the tax determined for those years. The sum of the taxes and interest calculated for all other years will be an addition to the tax for the year in which the disposition of such CGA Shares occurs. A US Holder that is not a corporation must treat the interest as non-deductible personal interest.

A US Holder that recognises gain under the excess distribution regime will have a tax basis in the New B2Gold Shares received pursuant to the Scheme equal to the fair market value, determined in US dollars, of such New B2Gold Shares at the time of their receipt. The US Holder’s holding period for the New B2Gold Shares received pursuant to the Scheme will commence on the day after the date of receipt.

A US Holder's gain, if any, from the disposition of CGA Shares pursuant to the Scheme will be treated as US source income for purposes of the foreign tax credit limitations, and such characterization may limit a US Holder's ability to claim a foreign tax credit for any foreign taxes withheld pursuant to the Scheme. Because the Code applies various complex limitations on the amount of foreign taxes that may be claimed as a credit by US taxpayers, US Holders should consult their tax advisors with respect to the amount of foreign taxes that can be claimed as a credit.

A US Holder that realises a loss upon the exchange of CGA Shares for the New B2Gold Shares (a Loss Shareholder) will have a tax basis in the New B2Gold Shares received equal to the adjusted tax basis of the US Holder in the CGA Shares exchanged. A Loss Shareholder's holding period for New B2Gold Shares will include the holding period of CGA Shares surrendered in exchange therefor. However, pursuant to proposed Treasury regulations, for purposes of the PFIC rules, a Loss Shareholder's holding period for New B2Gold Shares will commence on the day after the date of the exchange.

The tax consequences of the Scheme for a US Holder that has made a mark-to-market election under Section 1296 of the Code with respect to its CGA Shares are uncertain and may differ from those described above. Such US Holders are urged to consult their tax advisors regarding the tax consequences of the exchange of CGA Shares for the New B2Gold Shares.

(d) US Federal Income Tax Consequences Related to the Ownership and Disposition of New B2Gold Shares

(i) Distributions on New B2Gold Shares

In general, subject to the PFIC rules discussed below, the gross amount of any distributions made to a US Holder on the New B2Gold Shares (including amounts withheld to pay Canadian withholding taxes) will constitute a dividend for US federal income tax purposes to the extent paid out of B2Gold's current or accumulated earnings and profits, as determined for US federal income tax purposes. Distributions in excess of B2Gold's current and accumulated earnings and profits will be treated as a return of capital to the extent of the US Holder's adjusted tax basis in its New B2Gold Shares, and thereafter as capital gain. B2Gold may not maintain calculations of earnings and profits in accordance with US federal income tax principles, and each US Holder should therefore assume that any distribution by B2Gold with respect to the New B2Gold Shares will constitute ordinary dividend income.

A distribution on the New B2Gold Shares will generally constitute foreign-source "passive category" income for US foreign tax credit purposes. A US Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any Canadian withholding taxes imposed on dividends received on the New B2Gold Shares. A US Holder who does not elect to claim a foreign tax credit for foreign income tax withheld may instead deduct the taxes withheld, but only for a year in which the holder elects to do so for all creditable foreign income taxes. The foreign tax credit rules are complex, and US Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit based on their particular circumstances.

Dividends on New B2Gold Shares will not be eligible for the dividends received deduction generally available to US Holders that are corporations.

The amount of any dividend paid to US Holders in Canadian dollars (including amounts withheld to pay Canadian withholding taxes) will be includible in income in a US dollar amount calculated by reference to the exchange rate in effect on the date of receipt, regardless of whether the dividend is in fact converted into US dollars. If the dividend is converted into US dollars on the date of receipt, a US Holder should not be required to recognise foreign currency exchange gain or loss in respect of the dividend income. A US Holder may have foreign currency exchange gain or loss if the dividend is converted into US dollars after the date

of receipt. In general, foreign currency exchange gain or loss will be treated as US-source ordinary gain or loss for foreign tax credit purposes.

(ii) Sale, Redemption, or other Taxable Disposition of New B2Gold Shares

In general, a US Holder will recognise gain or loss upon the sale, redemption, or other taxable disposition of the New B2Gold Shares equal to the difference between the amount realised and the US Holder's adjusted tax basis in its New B2Gold Shares. Gain or loss recognised by a US Holder will generally be treated as US-source gain or loss. Subject to the PFIC rules discussed below, gain or loss on the disposition of New B2Gold Shares will be capital gain or loss and will be long-term capital gain or loss if the US Holder held the New B2Gold Shares for more than one year. An individual US Holder may be entitled to preferential rates of taxation for net long-term capital gains; the deductibility of capital losses is limited under the Code.

(iii) PFIC Rules as applied to B2Gold

Certain adverse consequences could apply to a US Holder if B2Gold is treated as a PFIC under the rules described in "General Passive Foreign Investment Company (PFIC) Considerations" above in **Section 8.3(c)**, for any taxable year during which the US Holder holds B2Gold Shares. Based on its current income, assets and activities, B2Gold believes that it is not currently, and is not likely to become in the near future, a PFIC. However, the determination of whether B2Gold is or will be a PFIC must be made annually as at the close of each taxable year. There can be no assurances that B2Gold will not be considered to be a PFIC for any taxable year. Certain elections may be available (including a mark-to-market election) to US Holders that may mitigate some of the adverse consequences resulting from B2Gold's treatment as a PFIC.

If B2Gold were to be classified as a PFIC, a US Holder generally would be required to report any gain on the disposition of any New B2Gold Shares as ordinary income, rather than as capital gain, and to compute the tax liability on the gain and any "excess distribution" in the manner described under "*PFIC Considerations as Applied to the Scheme*" above in **Section 8.3(c)(ii)**. US Holders should consult their tax advisors regarding the application of PFIC rules to their investments in New B2Gold Shares.

(iv) Information reporting with respect to foreign financial assets

Certain US Holders may be required to report information relating to an interest in New B2Gold Shares, subject to exceptions (including an exception for shares held in accounts maintained by certain financial institutions), by attaching a completed IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold those shares. US Holders are urged to consult their tax advisors regarding information reporting requirements relating to their ownership of New B2Gold Shares.

9. Risk factors

9.1 Introduction

Given that B2Gold Shares will be issued as the consideration pursuant to the Scheme, CGA Shareholders should be aware of the risk factors that B2Gold currently faces with respect to its business and operations.

Furthermore, given that B2Gold will acquire the Masbate Project if the Scheme becomes Effective, CGA Shareholders should also be aware of the risks known to CGA, that B2Gold will face with respect to those operations.

The mining, 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 B2Gold, CGA and the Merged Entity. The risk factors that should be taken into account in assessing B2Gold's and CGA's (and if the Scheme is approved, the Merged Entity's) activities include, but are not limited to, those set out elsewhere in this Scheme Booklet.

Additional risks and uncertainties not presently known to B2Gold or that B2Gold currently considers immaterial may also impair the business, operations and future prospects of B2Gold. If any such risks were to occur, the business of B2Gold may be harmed and its financial condition and results of operations may suffer significantly.

Additional risks and uncertainties not presently known to CGA or that CGA currently considers immaterial may also impair the business, operations and future prospects of CGA and the Masbate Project. If any such risks were to occur, the business of CGA may be harmed and its financial condition and results of operations may suffer significantly.

If the Scheme is approved by the Requisite Majority of CGA Shareholders and by the Court and becomes Effective, then the Merged Entity will be subject to the B2Gold Risk Factors outlined in **Section 9.2** and the CGA Risk Factors outlined in **Section 9.3**.

Scheme Participants in doubt about how to act, should seek independent professional advice before deciding on how to vote on the Scheme.

9.2 B2Gold risk factors

(a) Exploration, development and operating risks

Mining operations generally involve a high degree of risk. B2Gold'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 steps to minimise risk are being taken, milling operations are subject to hazards such as fire, equipment failure or failure of retaining dams around tailings disposal areas that may result in environmental pollution and consequential liability.

The exploration for and development of mineral deposits involves significant risks that 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 B2Gold 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 B2Gold not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by B2Gold towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

(b) Uncertainty in the estimation of Mineral Reserves and Mineral Resources

The figures for Mineral Reserves and Mineral Resources contained in this Scheme Booklet are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realised or that Mineral Reserves can be mined or processed profitably. There are numerous uncertainties inherent in estimating Mineral Reserves and Mineral Resources, including many factors beyond B2Gold's control. Such estimation is a subjective process, and the accuracy of any Mineral Reserve or Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors relating to the Mineral Reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Fluctuation in gold prices, results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimates. The volume and grade of Mineral Reserves mined and processed and the recovery rates may not be the same as currently anticipated. Any material reductions in estimates of Mineral Reserves and Mineral Resources, or of B2Gold's ability to extract these Mineral Reserves, could have a material adverse effect on B2Gold's operations, financial condition and results of operations.

Inferred Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Due to uncertainty that may attach to Inferred Mineral Resources, there is no assurance that Inferred Mineral Resources will be upgraded to Measured Mineral Resources and Indicated Mineral Resources or Proven Mineral Reserves and Probable Mineral Reserves as a result of continued exploration.

(c) Commodity prices

The profitability of B2Gold'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 B2Gold. 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 jewelry 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.

B2Gold's future 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 B2Gold's control.

(d) Foreign countries and mining risks

B2Gold's exploration, development and production activities are currently conducted in Nicaragua, Namibia, Colombia and Uruguay and, as such, B2Gold'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 or require equity participation by local citizens.

B2Gold has interests in exploration and development properties that are located in developing countries, including Nicaragua, Namibia, Colombia and Uruguay, and the mineral exploration and mining activities of B2Gold may be affected in varying degrees by political instability and governmental legislation and regulations relating to foreign investment and the mining industry. Changes, if any, in mining or investment policies or shifts in political attitude in Nicaragua, Namibia, Colombia or Uruguay may adversely affect B2Gold'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 or other 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 thereunder, 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 B2Gold 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 B2Gold's business, financial condition and results of operations.

Environmental compliance

B2Gold's operations are subject to local laws and regulations regarding environmental matters, the use or abstraction of water, and the discharge of mining wastes and materials. Any changes in these laws could affect B2Gold'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 B2Gold. B2Gold 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 B2Gold's business or financial condition.

B2Gold 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 B2Gold's operations in the future. While B2Gold believes it does not currently have any material unsatisfied environmental obligations, exploration activities may give rise in the future to significant liabilities on B2Gold's part to the government and third parties and may require B2Gold to incur substantial costs of remediation. Additionally, B2Gold does not maintain insurance against environmental risks. As a result, any claims against B2Gold may result in liabilities B2Gold will not be able to afford, resulting in the failure of B2Gold'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 B2Gold and cause increases in expenditures and costs or require abandonment or delays in developing new mining properties.

Institution of restrictions on repatriation of earnings

There are currently no restrictions on the repatriation from the countries in which B2Gold operates of earnings to foreign entities. However, there can be no assurance that restrictions on repatriations of earnings from these countries will not be imposed in the future. Exchange control regulations require that any proceeds in foreign currency originated on exports of goods from Colombia (including minerals) be repatriated to Colombia. However, purchase of foreign currency is allowed through any Colombian authorised financial entities for purposes of payments to foreign suppliers, repayment of foreign debt, payment of dividends to foreign stockholders and other foreign expenses.

Currency risks

B2Gold's operations in foreign countries are subject to currency fluctuations and such fluctuations may materially affect B2Gold's financial position and results. B2Gold reports its financial results in US dollars and incurs expenses in US dollars, Canadian dollars, Nicaraguan córdobas, Namibian dollars and Colombian pesos. As the exchange rates between the Nicaraguan córdoba, Namibian dollar, Colombian peso and C\$ fluctuate against the US dollar, B2Gold will experience foreign exchange gains and losses.

Colombian economic environment

The status of Colombia as a developing country may make it difficult for B2Gold to obtain any required financing for B2Gold's projects. Notwithstanding the progress achieved in restructuring Colombian political institutions and revitalizing its economy, the present administration, or any successor government, may not be able to sustain the progress achieved. While the Colombian economy has experienced growth in recent years, such growth may not continue in the future at similar rates or at all. If the economy of Colombia fails to continue its growth or suffers a recession, B2Gold's exploration efforts may be affected.

Further, Colombia has in the past experienced a difficult security environment as well as political instability. In particular, various illegal groups that may be active in and around regions in which B2Gold is present may pose a credible threat of terrorism, extortion and kidnapping, which could have an adverse effect on B2Gold's operations in such regions. In the event that continued operations in these regions compromise B2Gold's security or business principles, B2Gold may withdraw from these regions on a temporary or permanent basis, which in turn, could have an adverse impact on B2Gold's results of operations and financial condition. No assurances can be given that B2Gold's plans and operations will not be adversely affected by future developments in Colombia. Any changes in regulations or shifts in political attitudes are beyond the control of B2Gold and may adversely affect B2Gold's business.

Namibian economic environment

The Namibian economy is highly dependent on the mining sector, which, in 2010, was estimated at about 11% of gross domestic product (**GDP**). This makes the Namibian economy vulnerable to adverse commodity price fluctuations. Namibia is also highly dependent on foreign imports, particularly in relation to food and fuel. In addition, Namibia is a member of the Southern African Customs Union (**SACU**), which provides for a common external tariff and guarantees free movement of goods between its member states. A high proportion of Namibia's trade is conducted with SACU members, and, in 2011, SACU revenue accounted for approximately 25% of Namibia's total government revenue. Accordingly, the Namibian Government is highly dependent on SACU revenue, but Namibia's share of the SACU revenue is expected to gradually decline in the foreseeable future, as a result of which the Namibian government may be compelled to introduce additional taxes or increase current tax rates.

(e) Production and cost estimates

B2Gold has prepared estimates of future production, operating costs and capital costs for La Libertad Mine and the Limon Mine. B2Gold cannot give any assurance that such production or cost estimates will be achieved. Actual production and costs may vary from the estimates depending on a variety of factors, many of which are not within B2Gold's control. These factors include, but are not limited to, actual ore mined varying from estimates of grade, tonnage, dilution, and metallurgical and other characteristics; short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades from those planned; mine failures, slope failures or equipment failures; industrial

accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; exchange rate and commodity price fluctuations; shortages of principal supplies needed for operations, including explosives, fuels, water and equipment parts; labour shortages or strikes; civil disobedience and protests; and restrictions or regulations imposed by governmental or regulatory authorities or other changes in the regulatory environments. Failure to achieve production or cost estimates or material increases in costs could have a material adverse impact on B2Gold's future cash flows, profitability, results of operations and financial condition.

(f) Labour and employment matters

Production at B2Gold's mining operations is dependent upon the efforts of B2Gold's employees and B2Gold's relations with its unionised and non-unionised employees. In addition, relations between B2Gold and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in those jurisdictions in which B2Gold carries on business. Changes in such legislation or in the relationship between B2Gold and its employees may have a material adverse effect on B2Gold's business, financial condition and results of operations.

The Limon Mine has experienced labour issues in the past, including work stoppages or suspension of operations due to legal or illegal strikes or illegal road blockades. Although there were no work stoppages in 2011, they remain a potential issue for B2Gold and time may be lost to strikes (legal and illegal). B2Gold is continuing to seek a permanent solution to these disruptions; however, there can be no assurance that a permanent solution will be found and B2Gold will not have to suspend operations again.

In Namibia, due to high levels of unemployment, and restrictive immigration policies applied by the Namibian Ministry of Home Affairs, it may be difficult for B2Gold to obtain employment permits for skilled personnel that may be required in exploration or mining operations. In addition, Namibia suffers from high levels of poverty and unemployment. Although Namibia spends a significant proportion (the highest single budget amount) on education, education initiatives and program may take time to take effect. Currently, a significant proportion of the Namibian work-force can be classified as unskilled or semi-skilled labourers, as a result of which it may be difficult to find skilled personnel for specialised tasks.

(g) Environmental and other regulatory requirements

The activities of B2Gold are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving towards stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. An environmental assessment of a proposed project carries a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The current mining and exploration activities of B2Gold require permits from various governmental authorities and such operations are, and will be, governed by laws and regulations governing exploration, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety, mine permitting and other matters. Companies engaged in mining and exploration activities generally experience increased costs and delays as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits that B2Gold may require for mining and exploration will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project that B2Gold may undertake. B2Gold believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. However, there may be unforeseen environmental liabilities of B2Gold resulting from exploration and/or mining activities and these may be costly to remedy.

(h) Joint ventures

A number of the properties in which B2Gold has an interest are the subject of joint venture arrangements with other mining companies and will be subject to the risks normally associated with the conduct of joint ventures. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the viability of B2Gold's interests held through joint ventures, which could have a material adverse impact on B2Gold's results of operations and financial conditions:

- inability to exert influence over certain strategic decisions made in respect of joint venture properties;
- disagreement with joint venture participants on how to develop and operate mines efficiently;
- inability of participants to meet their obligations to the joint venture or third parties; and
- litigation between participants regarding joint venture matters.

(i) Additional funds

Future exploration, development, mining, and processing of minerals from B2Gold's properties could require substantial additional financing. No assurances can be given that B2Gold will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. To meet such funding requirements, B2Gold may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may involve certain restrictions on operating activities or other financings. There is no assurance that such equity or debt financing will be available to B2Gold or that they would be obtained on terms favourable to B2Gold, if at all, which may adversely affect B2Gold's business and financial position. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development, or production on any or all of B2Gold's properties, or even a loss of property interests.

(j) Principal properties located in adverse climates

Certain of B2Gold's operations are located in remote areas and are affected by adverse climate issues, resulting in technical challenges for conducting both geological exploration and mining operations. Although B2Gold benefits from modern mining technology for operating in such areas with adverse climate, B2Gold may sometimes be unable to overcome problems related to weather and climate either expeditiously or at a commercially reasonable cost, which could have a material adverse effect on B2Gold's business and results of operations.

(k) Infrastructure

Mining, development and exploration activities depend on adequate infrastructure, including reliable roads, power sources and water supply. B2Gold's inability to secure adequate water and power resources, as well as other events outside of its control, such as unusual weather, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely affect B2Gold's operations and financial condition.

In Namibia, although there has not yet been any electric power blackouts, Namibia may, in the short term, experience electricity shortages, inter alia on account of the: (i) demand for electricity is increasing, both on account of growth in GDP as well as on account of increased mining operations; (ii) the contracts for the supply of electricity with neighbouring countries (particularly South Africa) may expire between 2012 and 2015, and may not be renewed due to electricity shortages in these neighbouring countries; and (iii) projects for addressing electricity demand are in the preliminary stages, may take several years to complete, may not be financed easily or at all, and may experience delays or cancellations. In addition, Namibia is an arid country, and water resources are scarce. Although the government of Namibia currently pursues a seawater desalination project, Namibia may in the short term experience water shortages, inter alia, on account of the following: (i) demand for water is increasing, both on account of growth in GDP as well as on account of increased mining operations; and (ii) the seawater desalination project pursued by the government may take several years to complete, may not be financed easily or at all, and may experience delays or cancellations.

(l) Property interests

The ability of B2Gold to carry out successful mineral exploration and development activities and mining operations will depend on a number of factors. **Section 7.4(d)** entitled “Profile of B2Gold – B2Gold’s material mineral properties” identifies B2Gold’s obligations with respect to acquiring and maintaining title to B2Gold’s interest in certain of its current properties. No guarantee can be given that B2Gold will be in a position to comply with all such 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 B2Gold or, if they are granted, that B2Gold will be in a position to comply with all conditions that are imposed. A number of B2Gold’s interests are the subject of pending applications to register assignments, extend the term, and increase the area or to convert licenses to concession contracts and there is no assurance that such applications will be approved as submitted.

B2Gold is satisfied based on due diligence conducted by B2Gold that its interests in the properties are valid and exist as set out in this Scheme Booklet. There can be no assurances, however, that the interests in B2Gold’s properties are free from defects or that the material contracts between B2Gold and the entities owned or controlled by foreign governments will not be unilaterally altered or revoked. There is no assurance that B2Gold’s rights and title interests will not be revoked or significantly altered to the detriment of B2Gold. There can be no assurances that B2Gold’s rights and title interests will not be challenged or impugned by third parties. B2Gold’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 B2Gold’s property interests are also the subject of joint ventures that give B2Gold the right to earn an interest in the properties. To maintain a right to earn an interest in the properties, B2Gold may be required to make certain expenditures in respect of the property maintenance by paying government claim and other fees. If B2Gold fails to make the expenditures or fails to maintain the properties in good standing, B2Gold may lose its right to such properties and forfeit any funds expended to such time.

(m) Loss of or inability to acquire mineral properties

If B2Gold loses or abandons its interest in one or more of its properties, there is no assurance that it will be able to acquire other mineral properties of merit, whether by way of option or otherwise, should B2Gold wish to acquire any additional properties.

(n) Dependence on key personnel

The success of B2Gold will be largely dependent upon the performance of its key officers, employees and consultants. Locating and developing mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration, development and production personnel involved. The success of B2Gold is largely dependent on the performance of its key personnel. Failure to retain key personnel or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon B2Gold’s success. B2Gold has not purchased any “key-man” insurance with respect to any of its directors, officers or key employees and has no current plans to do so.

(o) Conflicts of interest

Certain directors and officers of B2Gold are or may become associated with other mining and mineral exploration industry companies which may give rise to conflicts of interest. In accordance with the BCBCA, directors who have a material interest in any person who is a party to a material contract or a proposed material contract with B2Gold are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of B2Gold. However, circumstances (including with respect to future corporate opportunities) may arise which are resolved in a manner that is unfavourable to B2Gold.

(p) Insurance and uninsured risks

The business of B2Gold is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of B2Gold or others, delays in mining, monetary losses and possible legal liability.

Although B2Gold maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all risks and B2Gold may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to B2Gold or to other companies in the mining industry on acceptable terms. Losses from these events may cause B2Gold to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

(q) Unknown liabilities in connection with acquisitions

As part of B2Gold's acquisitions, B2Gold has assumed liabilities and risks. While B2Gold conducted due diligence, there may be liabilities or risks that B2Gold failed, or was unable, to discover in the course of performing the due diligence investigations or for which B2Gold was not indemnified. Any such liabilities, individually or in the aggregate, could have a material adverse effect on B2Gold's financial position and results of operations.

(r) Competition

The mining industry is intensely competitive in all of its phases, and B2Gold competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, and the recruitment and retention of qualified employees and other persons to carry out its mineral production and exploration activities. Competition in the mining industry could adversely affect B2Gold's prospects for mineral exploration in the future.

(s) No history of dividends

B2Gold has not paid a dividend on B2Gold Shares since incorporation. B2Gold intends to continue to retain earnings and other cash resources for its business. Any future determination to pay dividends will be at the discretion of the B2Gold Board and will depend upon the capital requirements of B2Gold, results of operations and such other factors as the B2Gold Board considers relevant.

(t) Price volatility in publicly traded securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. The price of B2Gold Shares is subject to market trends and conditions generally, notwithstanding any potential success of B2Gold in creating revenues, cash flows or earnings.

In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could materially and adversely harm B2Gold and its financial position.

(u) Litigation risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the litigation process could take away from management time and effort and the resolution of any particular legal proceeding to which B2Gold may become subject could have a material effect on B2Gold's financial position, results of operations or B2Gold's property development.

(v) Enforcement of civil liabilities

A substantial part of the assets of B2Gold are located outside of Canada and certain of the directors and officers of B2Gold are resident outside of Canada. As a result, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of B2Gold or the directors and officers of B2Gold residing outside of Canada.

9.3 CGA risk factors

As a mining company, CGA faces the financial, operational, political and environmental risks inherent to the nature of its activities. These risks may affect CGA's profitability and level of operating cash flow. CGA also faces risks stemming from other factors, such as fluctuations in gold prices, oil prices, interest rates, exchange rates, tax or royalty rates or the adoption of new interpretations relating thereto and financial market conditions in general. The Directors have identified the following risk factors that CGA currently faces with respect to its business and operations and those of the Significant Interest Companies. In this **Section 9.3**, references to "CGA" should be read and construed in each case as a reference to CGA and, where applicable, each Significant Interest Company.

(a) Fluctuation in gold prices

The profitability of CGA's operations will be significantly affected by changes in the market price of gold. Gold production from mining operations and the willingness of third parties, such as central banks, to sell or lease gold affects the gold supply. Demand for gold can be influenced by economic conditions, gold's attractiveness as an investment vehicle and the strength of the US dollar and local investment currencies. Other factors include the level of interest rates, exchange rates, inflation and political stability. The aggregate effect of these factors is impossible to predict with accuracy. Gold prices are also affected by worldwide production levels. In addition, the price of gold has on occasion been subject to very rapid short-term changes because of speculative activities. Fluctuations in gold prices may adversely affect CGA's financial performance and results of operations.

(b) Uncertainty of Mineral Reserve and Mineral Resource estimates

The figures for Mineral Reserves and Mineral Resources presented are estimates based on limited information acquired through drilling and other sampling methods. No assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realised. The ore grade actually recovered may differ from the estimated grades of the Mineral Reserves and Mineral Resources. Such figures have been determined based upon assumed gold prices and operating costs. Future production could differ dramatically from Mineral Reserve estimates for, amongst others, the following reasons:

- mineralisation or formations could be different from those predicted by drilling, sampling and similar examinations;
- increases in operating mining costs and processing costs could adversely affect Mineral Reserves;
- the grade of the Mineral Reserves may vary significantly from time to time and there is no assurance that any particular level of gold may be recovered from the Mineral Reserves; and
- declines in the market price of gold may render the mining of some or all of the Mineral Reserves uneconomic.

Any of these factors may require CGA to reduce its Mineral Reserves estimates or increase its costs. Short-term factors, such as the need for the additional development of a deposit or the processing of new different grades, may impair CGA's profitability. Should the market price of gold fall, CGA could be required to materially write down its investment in mining properties or delay or discontinue production or the development of any new projects.

(c) Production

No assurance can be given that the intended or expected production schedules or the estimated direct operating cash costs will be achieved in respect of the Masbate Project. Many factors may cause delays or cost increases, including, without limitation, labour issues, disruptions in power, transportation or supplies, and mechanical failure. The revenues of CGA from the Masbate Project will depend on the extent to which expected operating costs in respect thereof are achieved. In addition, short-term operating factors, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause a mining operation to be unprofitable in any particular period.

(d) Depletion of CGA's Mineral Reserves

CGA must continually replace Mineral Reserves depleted by production to maintain production levels over the long term. This is done by expanding known Mineral Reserves or by locating or acquiring new mineral deposits. There is, however, a risk that depletion of Mineral Reserves will not be offset by future discoveries of Mineral Reserves. Exploration for minerals is highly speculative in nature and involves many risks. Many projects are unsuccessful and there are no assurances that current or future exploration programs will be successful. Further, significant costs are incurred to establish Mineral Reserves, open new pits and construct mining and processing facilities. Development projects have no operating history upon which to base estimates of future cash flow and are subject to the successful completion of feasibility studies, obtaining necessary government permits, obtaining title or other land rights and the availability of financing. In addition, assuming discovery of an economic mine or pit, depending on the type of mining operation involved, many years may elapse before commercial operations commence. Accordingly, there can be no assurances that CGA's current programs will result in any new commercial mining operations or yield new Mineral Reserves to replace and/or expand current Mineral Reserves.

(e) Uncertainty relating to Inferred Mineral Resources

Inferred Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to Inferred Mineral Resources, there is no assurance that Inferred Mineral Resources will be upgraded to Mineral Resources with sufficient geological continuity to constitute Proven Mineral Reserves and Probable Mineral Reserves as a result of continued exploration.

(f) Exchange rate fluctuations

The operations of CGA in the Philippines are subject to currency fluctuations and such fluctuations may materially affect the financial position and results of CGA. Gold is currently sold in US dollars and although the majority of the costs of CGA are also in US dollars, certain costs are incurred in other currencies. The appreciation of non-US dollar currencies against the US dollar can increase the cost of exploration and production in US dollar terms, which could materially and adversely affect CGA's profitability, results of operations and financial condition.

(g) Access to capital markets

To fund its growth, CGA is often dependent on securing the necessary capital through loans or permanent capital. The availability of this capital is subject to general economic conditions and lender and investor interest in CGA's projects.

(h) Nature of mineral exploration and mining

CGA's profitability is significantly affected by CGA's exploration and development programs. The exploration and development of mineral deposits involves significant financial risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a gold-bearing structure may result in substantial rewards, few properties explored are ultimately developed into mines. Major expenses may be required to establish and replace Ore Reserves by drilling, and to construct

mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on CGA's exploration properties will result in profitable commercial mining operations.

CGA's operations are, and will continue to be, subject to all of the hazards and risks normally associated with the exploration, development and production of gold, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. CGA's activities may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which CGA has interests. Hazards, such as unusual or unexpected formations, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While CGA may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which CGA cannot insure or against which it may elect not to insure. The potential costs which may be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting CGA's earnings and competitive position in the future and, potentially, its financial position and results of operations.

Whether a gold deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of gold, revenue repatriation and environmental protection. The effects of these factors cannot be accurately predicted, but the combination of these factors may result in CGA not receiving an adequate return on invested capital.

(i) Licences and permits

CGA requires licences and permits from various governmental authorities. CGA believes that it holds all necessary licences and permits under applicable laws and regulations in respect of its properties and that it is presently complying in all material respects with the terms of such licences and permits. Such licences and permits, however, are subject to change in various circumstances and regularly expire and need to be renewed. There can be no guarantee that CGA will be able to obtain or maintain all necessary licences and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost.

(j) Competition

The mineral exploration and mining business is competitive in all of its phases. CGA competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than CGA, in the search for and the acquisition of attractive mineral properties and, increasingly, human resources. There is no assurance that CGA will continue to be able to compete successfully with its competitors in acquiring properties or prospects and in attracting and retaining human resources.

(k) Cash operating cost of gold production

CGA's cash operating cost to produce an ounce of gold is dependent on a number of factors, including the grade of Ore Reserves, recovery and plant throughput. In the future, the actual performance of CGA may differ from the estimated performance. As these factors are beyond CGA's control, there can be no assurance that CGA's cash operating cost will continue at historical levels or perform as forecast.

(l) Title matters

While CGA has no reason to believe that the existence and extent of any mining property in which it has a participating interest is in doubt, title to mining properties is subject to potential claims by third parties. The failure to comply with all applicable laws and regulations, including failure to pay taxes and carry out and file assessment work, may invalidate title to the properties where the mineral rights are held by CGA.

(m) Outside contractor risk

CGA's mining and exploration activities are conducted by outside contractors. As a result, CGA's operations at these sites will be subject to a number of risks, some of which will be outside CGA's control, including:

- negotiating agreements with contractors on acceptable terms;
- the inability to replace a contractor and its operating equipment in the event that either party terminates the agreement;
- reduced control over such aspects of operations that are the responsibility of the contractor;
- failure of a contractor to perform under its agreement with CGA;
- interruption of operations in the event that a contractor ceases its business due to insolvency or other unforeseen events;
- failure of a contractor to comply with applicable legal and regulatory requirements, to the extent that it is responsible for such compliance; and
- problems of a contractor with managing its workforce, labour unrest or other employment issues.

In addition, CGA may incur liability to third parties as a result of the actions of a contractor. The occurrence of one or more of these risks could have a material adverse effect on CGA's business, results of operations and financial condition.

(n) Safety and other hazards

The mining industry is characterised by significant safety risks. To minimise these risks, CGA has established an Occupational Health Safety & Environment Management Plan (**OHS&E**). CGA provides OHS&E training and awareness programs to its employees and contractors to continuously improve work practices and the work environment. However there are no guarantees that this will prevent safety issues, accidents or other hazards.

(o) Political risks

CGA currently holds interests in gold projects in the Philippines, which may be considered to have high political and sovereign risk. CGA also has its head office operations located in Australia. Any material adverse changes in government policies or legislation of Australia, Nigeria, the Republic of Zambia (given CGA's investment in Ratel Group) or the Philippines or any other country that CGA has economic interests in that affect mineral exploration activities, may affect the viability and profitability of CGA.

While the government in the Philippines has historically supported the development of its natural resources by foreign companies, there is no assurance that the government will not in the future adopt different policies or interpretations respecting foreign ownership of mineral resources, royalties rates, taxation, rates of exchange, environmental protection, labour relations, repatriation of income or return of capital or the obligations of CGA under its respective mining codes. The possibility that the government may adopt substantially different policies or interpretations, which might extend to the expropriation of assets, may have a material adverse effect on CGA. Political risk also includes the possibility of civil disturbances and political instability.

(p) Environmental risks and hazards

All phases of CGA's operations are subject to environmental regulation. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Environmental hazards which are unknown to CGA at present and which have been caused by previous or existing owners or operations of the properties may exist on CGA's properties. Failure to comply with applicable environmental laws and regulations may result in enforcement actions thereunder and may include corrective measures that require capital expenditures or remedial actions. There is no assurance that future changes in environmental laws and regulations and permits governing operations and activities of mining companies, if any, will not materially adversely affect CGA's operations or result in substantial costs and liabilities to CGA in the future.

Production at the Masbate Project involves the use of sodium cyanide which is a toxic material. Should sodium cyanide leak or otherwise be discharged from the containment system, CGA may become subject to liability for clean up work that may not be insured. While all reasonable steps have been taken to prevent discharges of pollutants into ground water and the environment, CGA may become subject to liability for hazards that it may not be insured against.

(q) Hedging risk

CGA is exposed to movements in the gold price, other commodities and interest rates. As part of the risk management policy of CGA and in compliance with the conditions required by CGA's financiers, a variety of financial instruments (such as gold forward sales contracts and gold put options) are used from time to time to reduce exposure to unpredictable fluctuations in the project life revenue streams. Within this context, the hedging programs undertaken are structured with the objective of retaining as much upside to the gold price as possible, but in any event, by limiting hedging commitments to no more than 50% of the CGA Group's gold Ore Reserves. CGA has also entered into a number of other derivative instruments including interest rate swaps and fuel hedging contracts. In the event that CGA cannot deliver into these contracts due to insufficient gold production at the Masbate Project, CGA could be exposed to material market adjustments which could cause material liquidity requirements which may not be able to be funded from the cashflow from operations.

(r) Dependence on key management personnel and executives

CGA will be dependent upon the continued support and involvement of a number of key management personnel. The loss of the services of one or more of such personnel could have a material adverse effect on CGA. CGA's ability to manage its exploration and development activities and, hence, its success, will depend in large part on the efforts of these individuals. CGA faces intense competition for qualified personnel and there can be no assurances that CGA will be able to attract and retain personnel.

(s) Concentration of share ownership

Majority or significant shareholders may be able to exercise significant influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions, and such parties may not act in the best interests of CGA.

(t) Fluctuation in oil prices

Because CGA uses diesel and heavy fuel oil to power its mining equipment and power stations to supply its mining operations, CGA's operating results and financial results may be adversely affected by rising petroleum prices. A portion of the costs until April 2012 were the subject of fuel hedges.

(u) Small scale miners

Small scale miners have been operating in the municipality of Aroroy, Masbate since the time Atlas Consolidated Mining and Development Corporation operated in the area. While their processing operations are not on FRC's property, there has been evidence of contamination from tailing and effluent discharges within CGA's boundary. Although FRC is not liable for their contamination, CGA has been diligent in attempting to limit the activities of these miners and informing the public about the risk of contamination. In line with attempts to limit and control their activities CGA, in coordination with local and national governments, is endeavouring to enter into agreements with small scale miners. The agreements will form local cooperatives to legally work on some areas of CGA's mineral tenements outside of its operations that are not suitable for large scale mining. There is also a natural conflict in objectives between small scale miners and CGA and FRC, as the small scale miners have no legal rights to mine and are keen to access as much ore as possible. In contrast, CGA and FRC have a stated position of allowing some level of activity; however, they require it to be contained to nominated areas only. Accordingly, there are risks that conflicts can arise which could materially adversely affect the operations of CGA and/or FRC.

(v) Community relations with local small scale miners

At the Masbate Project, community support is critical to the continued successful operation of the project, including equitable and sensible co-operation with local small scale mining activities. The Philippines operates on a relatively decentralised system and accordingly, all constituents potentially have an impact on the operations of the project and may have interests that conflict with those of the project, which may have a material adverse effect on the project and CGA.

(w) Land holdings

In general, FRC has valid title to or preferential rights to use and possess the parcels of land needed for its mining operations at the Masbate Project. The following are outstanding issues:

- (i) titles to three parcels of land are being judicially confirmed by applying for registration under the Land Registration Act; and
- (ii) three claimants have filed an action contesting the title of FRC to three parcels of land.

While FRC anticipates that these land issues will be resolved, no assurance can be given that the matters will be resolved in FRC's favour in a timely manner, or at all.

(x) Inter-company loans

In 2005 and 2006, a restructuring of the inter-company loans was undertaken on the advice of tax consultants. Some inter-company loans were converted into interest-bearing loans, and a portion of the inter-company loans were converted into "additional paid-in capital". There is a risk that the past and current structure of the inter-company loans may have adverse tax consequences to CGA.

(y) Banking covenants

Construction of the Masbate Project has in part been financed by project finance from commercial banks which have representations, financial commitments, banking ratios and other covenants which must be satisfied at all times. Given the risks to operating cashflow as described above, CGA is exposed to potential events of default which could make all amounts due and payable immediately or expose CGA to working capital needs which may not be able to be funded by proceeds from operations. Such exposures can also cause cross-defaults on other debt facilities, making those also due and payable immediately, and which may not be able to be funded from cash reserves.

(z) Regulations in the Republic of the Philippines

The constitution of the Republic of the Philippines provides that all natural resources are owned by the state which may enter into a co-production, joint venture or production sharing agreements with citizens of the Philippines or corporations or associations whose capital is at least 60% owned by Philippine citizens.

Commonwealth Act No. 108, as amended (the **Anti-Dummy Act**), provides penalties for, amongst others: (a) Filipinos who permit aliens to use them as nominees or dummies so that the aliens could enjoy privileges otherwise reserved for Filipinos or Filipino corporations, and (b) aliens or foreigners who profit from the adoption of these dummy relationships. It also penalises the act of falsely simulating the existence of minimum stock or capital as owned by citizens of the Philippines or any other country in cases in which a constitutional or legal provision requires that, before a corporation or association may exercise or enjoy a right, franchise or privilege, not less than a certain percentage of its capital must be owned by such citizens.

The Anti-Dummy Act likewise prohibits aliens from intervening in the management, operation, administration or control of nationalised business or enterprises, whether as officers, employees or labourers, with or without remuneration, except that aliens may take part in technical aspects only, provided: (a) no Filipino can do such technical work; and (b) it is with express authority from the Secretary of Justice. The Anti-Dummy Act also allows the election of aliens as members of the boards of directors or governing bodies of corporations or associations engaged in partially nationalised activities in proportion to their allowable participation or share in the capital of such entities. Although CGA believes its structure complies with all Philippine regulations, there is a risk that, given the limited precedents to date in the country, it could be changed or challenged.

(aa) SAG Mill arbitration

CGA lodged a claim with its insurers during FY2012, in relation to the SAG Mill failure. The claim has not yet been granted indemnity by the insurers and CGA is currently in the process of entering into arbitration with the insurers. At this stage CGA is not in a position to advise on the outcomes of the proposed arbitration proceedings and hence the extent of any claim that may be payable to CGA, should the arbitration proceedings be successful. If the arbitration proceedings are unsuccessful, there is a risk that CGA could be required to pay substantial legal costs.

9.4 Scheme risk factors

- (a) The New B2Gold Shares issued in connection with the Scheme may have a market value different than expected.

Pursuant to the Scheme, each CGA Shareholder will be entitled to receive 0.74 New B2Gold Shares for each CGA Share held. The market value of the B2Gold Shares at the Implementation Date may vary significantly from the market value of the B2Gold Shares immediately prior to the announcement of the Scheme and at the date of this Scheme Booklet. If the market value of B2Gold Shares declines, the value of the Scheme Consideration received by CGA Shareholders will decline as well. Variations may occur as a result of changes in, or market perceptions of changes in, the business, operations or prospects of B2Gold, CGA and the Merged Entity, regulatory considerations, general market and economic conditions, changes in metal prices and other factors over which neither CGA nor B2Gold has control.

- (b) Completion of the Scheme is subject to several conditions that must be satisfied or waived.

Completion of the Scheme is subject to a number of conditions. There can be no certainty, nor can CGA provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, there are a number of other conditions precedent to the Scheme which are outside the control of CGA or B2Gold, including, but not limited to, approval of the Scheme by the Requisite Majority of CGA Shareholders, approval by the B2Gold Shareholders of the Transaction and required regulatory and third party approvals and consents (see **Annexure D** in Part 2 of this Scheme Booklet).

If for any reason the conditions to the Scheme are not satisfied or waived (where applicable) and the Scheme is not completed, the market price of CGA Shares may be adversely affected.

- (c) The Merger Implementation Agreement may be terminated by CGA or B2Gold in certain circumstances, in which case CGA may not be able to solicit an alternative transaction.

Each of CGA and B2Gold has the right to terminate the Merger Implementation Agreement in certain circumstances. Accordingly, there is no certainty that the Merger Implementation Agreement will not be terminated by either CGA or B2Gold before the implementation of the Scheme.

If the Merger Implementation Agreement is terminated, there is no assurance that the CGA Board will be able to find a party willing to pay an equivalent or greater price for CGA Shares than the price to be paid pursuant to the terms of the Merger Implementation Agreement.

- (d) The issuance of a significant number of B2Gold Shares could adversely affect the market price of B2Gold Shares.

If the Scheme is implemented, a significant number of additional B2Gold Shares will be available for trading in the public market. The increase in the number of B2Gold Shares may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, B2Gold Shares.

10. Additional information

This Scheme Booklet, including the additional information contained in this Section, has been prepared for the purposes of Section 412(1) of the Corporations Act to explain the effect of the proposed Scheme to be considered at the Scheme Meeting. The Scheme is set out in **Annexure F** in Part 2 of this Scheme Booklet.

10.1 Merger Implementation Agreement

CGA and B2Gold have entered into the Merger Implementation Agreement in connection with the proposed Scheme. The Merger Implementation Agreement sets out the obligations of CGA and B2Gold in relation to the Scheme.

A summary of the key terms of the Merger Implementation Agreement is contained in **Annexure D** in Part 2 of this Scheme Booklet.

10.2 Conditions to the Transaction

The Scheme and the obligations of CGA and B2Gold to implement the Transaction are subject to the following outstanding conditions precedent being satisfied or, where applicable, waived, in accordance with the terms of the Merger Implementation Agreement on or prior to the Second Court Date:

- (a) any consents and approvals from ASIC, ASX or TSX necessary to implement the Transaction being obtained;
- (b) approval of the Scheme by the Requisite Majority of CGA Shareholders and, if necessary, approval by the Requisite Majority of CGA Shareholders of the cancellation of the outstanding CGA Options in consideration of the Cancellation Consideration in accordance with Listing Rule 6.23.2;
- (c) approval by B2Gold Shareholders of the issuance of New B2Gold Shares under the Scheme and comprising the Cancellation Consideration in accordance with applicable TSX requirements at the B2Gold Shareholders' Meeting by the requisite majority of B2Gold Shareholders;
- (d) the B2Gold Board unanimously recommending that B2Gold Shareholders vote in favour of the B2Gold Resolutions;
- (e) no order or legal restraint preventing the implementation of the Scheme being issued or made by any court or regulatory Authority;
- (f) Court approval of the Scheme in accordance with Section 411(4)(b) of the Corporations Act;
- (g) no CGA Material Adverse Event occurring;
- (h) no CGA Prescribed Occurrence occurring;
- (i) the representations and warranties made by CGA being true and correct in all material respects;
- (j) no B2Gold Material Adverse Event occurring;
- (k) no B2Gold Prescribed Occurrence occurring;
- (l) the representations and warranties made by B2Gold being true and correct in all material respects;
- (m) each of Mark Turner and Hannah Hudson entering into consulting arrangements with B2Gold, on terms and conditions agreed between those parties; and
- (n) BNP Paribas providing its consent under Part B: Facility Agreement of the Omnibus Agreement (a facility established to provide project finance for the Masbate Project), to the change of Control of CGA.

10.3 Conditions to Transaction that have already been satisfied or waived

- (a) As at the date of this Scheme Booklet, the following conditions to the Transaction have been satisfied:
- (i) there are no objections under Australia's foreign investment policy to the acquisition by B2Gold of the CGA Shares under the Scheme;
 - (ii) B2Gold obtaining reasonably satisfactory confirmation that all of the mineral production sharing agreements and the mining lease contract held by the relevant Significant Interest Companies are validly existing and registered in the name of a Significant Interest Company, in good standing and the provisions thereof comply with applicable laws;
 - (iii) the receipt of an Independent Expert Report concluding that the Transaction is in the best interest of the Scheme Participants;
 - (iv) the CGA Board unanimously recommending that CGA Shareholders vote in favour of the Scheme, in the absence of a Superior Offer or the Independent Expert finding that the Scheme is not in the best interests of the CGA Shareholders; and
 - (v) all holders of CGA Options agreeing with CGA in writing, subject to the Scheme becoming Effective, to cancel all of their CGA Options for the Cancellation Consideration.
- (b) For the purposes of **Section 10.2(b)**, ASX has granted a waiver from compliance with Listing Rule 6.23.2 and as a result, approval of the Requisite Majority of CGA Shareholders of the cancellation of the outstanding CGA Options in consideration of the Cancellation Consideration is not necessary. See **Section 10.28** for further details of the ASX waiver.
- (c) As at the date of this Scheme Booklet, none of the conditions to the Transaction have been waived by CGA or B2Gold.

10.4 Exclusivity arrangements

The Merger Implementation Agreement contains exclusivity arrangements that, during the Exclusivity Period, prevent CGA and its Subsidiaries from, and impose an obligation upon CGA to use its reasonable endeavours to prevent the Significant Interest Companies, or any of its or their Representatives from, directly or indirectly:

- (a) No shop
- soliciting, inviting, facilitating, encouraging or initiating any enquiries, negotiations, discussions or proposals;
 - providing or making available any information (including by way of providing information and access to perform due diligence on the CGA Group);
 - entering into any agreement, arrangement or understanding (whether or not in writing and whether or not legally binding); or
 - communicating any intention to do any of the above,
- in relation to, or which may reasonably be expected to lead to, a Competing Proposal.
- (a) No talk
- initiating, negotiating or entering into or participating in negotiations or discussions with any person; or
 - communicating any intention to any of these things above,
- in relation to, or which may reasonably be expected to lead to:
- a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, encouraged or initiated by CGA or any of its Representatives or the person has publicly announced the Competing Proposal; or
 - the Transaction not completing.

(b) Due diligence information

- soliciting, inviting, initiating, encouraging or facilitating any party other than B2Gold to undertake due diligence investigations on the CGA Group or the Significant Interest Companies or their respective businesses and operations; or
- making available to any other person or permitting any other person to receive (in the course of due diligence investigations or otherwise) any non-public information relating to CGA, any member of the CGA Group or the Significant Interest Companies or their respective businesses and operations.

Certain of these restrictions are subject to CGA's right to engage with third parties in connection with a bona fide, written Competing Proposal where the Directors have determined that, among other things, such a Competing Proposal is a Superior Offer. However, B2Gold has the right, but not the obligation within 5 Business Days of receipt of a notice from CGA of a Superior Offer, to offer to amend the terms of the Scheme, make a takeover bid or propose any other form of transaction.

For more information refer to the Summary of the Merger Implementation Agreement set out in **Annexure D** in Part 2 of this Scheme Booklet.

10.5 Deed Poll

B2Gold has executed a Deed Poll in favour of the Scheme Participants, by which it offers to acquire all of the CGA Shares held by Scheme Participants. In consideration of the acceptance of that offer and (subject to the Scheme becoming Effective) the transfer of each CGA Share to B2Gold, B2Gold undertakes in favour of each Scheme Participant (other than Ineligible Shareholders) to issue the Scheme Consideration for each CGA Share being 0.74 New B2Gold Shares for every one CGA Share held by the Scheme Participant (other than Ineligible Shareholders) in accordance with the terms of the Scheme and the Merger Implementation Agreement. B2Gold will issue the New B2Gold Shares that Electing Small Scheme Participants are entitled to, to the B2Gold Nominee who will sell those New B2Gold Shares and remit the funds from that sale net of costs to the Electing Small Scheme Participant in A\$.

A copy of the Deed Poll is set out in **Annexure G** in Part 2 of this Scheme Booklet.

10.6 Scheme Meeting

The Court has ordered that a meeting of CGA Shareholders be held at 10.00am (WST) on 24 December 2012 to consider the Scheme.

The fact that under Section 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved this Scheme Booklet does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how CGA Shareholders should vote (on this matter CGA Shareholders must reach their own decision); or
- has prepared, or is responsible for, the content of the Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

The Scheme is conditional, among other things, on approval of the Scheme Resolution by the Requisite Majority of CGA Shareholders. If the Scheme Resolution is not approved by the Requisite Majority of CGA Shareholders, it will not be implemented and CGA will not apply to the Court for any further orders in connection with the Scheme.

Further details of the consequences of the Scheme not being implemented are set out in **Section 5.7(c)**.

10.7 Court approval of the Scheme

CGA will apply to the Court for orders approving the Scheme if:

- (a) the Scheme Resolution is approved by the Requisite Majority of CGA Shareholders at the Scheme Meeting; and
- (b) all other conditions to the Transaction are satisfied or waived (where applicable).

The date on which the Court hears CGA's application is the Second Court Date.

As further described in **Section 4.1**, CGA has sought, and the Court has granted, an order permitting the number of Voting Canadian Beneficial Holders on the Scheme Resolution to be taken into account for the purposes of determining whether the Headcount Test has been satisfied.

For the purposes of US securities laws and as is further explained in **Section 10.10(a)** below, the Court will have been advised of the intention to rely on the exemption from the registration requirements of the US Securities Act provided in Section 3(a)(10) thereof based on the Court's approval of the Scheme.

The Court may refuse to grant the orders referred to above even if the Scheme Resolution is approved by the Requisite Majority of CGA Shareholders.

If the Scheme Resolution is not approved by the Requisite Majority of CGA Shareholders, the Scheme will not proceed and CGA will not apply to the Court for any further orders in connection with the Scheme.

The Rules of the Supreme Court of Western Australia provide a procedure for CGA Shareholders to oppose the approval by the Court of the Scheme or make representations to the Court in relation to the Scheme. If you wish to oppose approval by the Court of the Scheme at the Court hearing you may do so by filing with the Court, and serving on CGA, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on CGA at least one Business Day (in Perth, Western Australia) before the Second Court Date. That date is currently scheduled to occur on or around 16 January 2013. Any change to this date will be announced through ASX and TSX and will be available on ASX's website, www.asx.com.au and from SEDAR on its website www.sedar.com. Alternatively, if you wish to make representations to the Court in relation to the Scheme, the Court may grant you leave to be heard at the hearing without becoming a party to the proceeding.

Additional requirements regarding Court approval of the Scheme are set out in **Section 4.2**.

10.8 Canadian securities laws

This Scheme Booklet sets out the necessary disclosure for the purposes of meeting the applicable Australian law requirements.

Solely for the purposes of complying with Canadian securities laws, and in accordance with, and as required by Canadian securities laws, information has been incorporated by reference in this Scheme Booklet from documents filed with the securities commissions or similar authorities in Canada. Any statement contained in this Scheme Booklet which is inconsistent with the disclosure contained in any of the documents incorporated by reference shall be deemed to have modified, replaced or superseded such disclosure. Any statement so modified or superseded shall not be deemed, except as so modified, replaced or superseded, to constitute a part of this Scheme Booklet. The modifying, replacing or superseding statement need not state that it has modified, replaced or superseded a prior statement or include any other information set out in the document that it modifies, replaces or supersedes. The making of a modifying, replacing or superseding statement shall not be deemed an admission for any purposes that the modified, replaced or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

The following documents of CGA are specifically incorporated by reference in, and form an integral part of this Scheme Booklet:

- (a) Annual Information Form for FY 2012 of CGA dated 28 September 2012;
- (b) consolidated annual financial statements of CGA as at and for FY 2011 and FY 2012, together with the notes thereto and the auditor's report thereon;
- (c) management discussion and analysis of the results of operations and financial condition of CGA for FY 2011 and 2012;
- (d) unaudited interim consolidated financial statements of CGA as at 30 September 2012 and for the three month period ended 30 September 2012;
- (e) management discussion and analysis of the results of operations and financial condition of CGA as at 30 September 2012 and for the three month period ended 30 September 2012;
- (f) management information circular of CGA dated 26 October 2012 distributed in connection with the annual meeting of shareholders to be held on 28 November 2012; and
- (g) material change report filed 21 September 2012 in respect of the Transaction.

The following documents of B2Gold are specifically incorporated by reference in, and form an integral part of, this Scheme Booklet:

- (a) annual information form of B2Gold dated 30 March 2012, for the fiscal year ended 31 December 2011;
- (b) consolidated annual financial statements of B2Gold as at and for the years ended 31 December 2011 and 2010, together with the notes thereto and the auditor's report thereon;
- (c) management discussion and analysis of the results of operations and financial condition of B2Gold for the years ended 31 December 2011 and 2010;
- (d) unaudited interim consolidated financial statements of B2Gold as at 30 September 2012 and for the three and nine month periods ended 30 September 2012;
- (e) management discussion and analysis of the results of operations and financial condition of B2Gold as at 30 September 2012 and for the three and nine month periods ended 30 September 2012;
- (f) management information circular of B2Gold dated 11 May 2012 distributed in connection with the annual meeting of shareholders held on 8 June 2012;
- (g) material change report filed 20 September 2012 in respect of the Transaction; and
- (h) business acquisition report dated 23 February 2012.

Any other documents of the type described above, or other disclosure documents required to be incorporated by reference into a prospectus filed under NI 44-101, that are filed by B2Gold or CGA with the securities commissions or similar authorities in any province or territory of Canada subsequent to the date of this Scheme Booklet and prior to the Scheme Meeting shall be deemed to be incorporated by reference into this Scheme Booklet.

Copies of the CGA documents incorporated by reference in this Scheme Booklet may be obtained on request without charge from CGA's headquarters at Level 5, The BGC Centre, 28 The Esplanade, Perth, Western Australia, telephone number +61 8 9263 4000 and is also available electronically at www.sedar.com. The filings of CGA through SEDAR are not incorporated by reference in this Scheme Booklet except as specifically set out in this Scheme Booklet.

Copies of the B2Gold documents incorporated by reference in this Scheme Booklet may be obtained on request without charge from the Corporate Secretary of B2Gold at 595 Burrard Street, Three Bentall Centre, Suite 3100, Vancouver, BC, CA, V7X 1J1, telephone number (604) 601-2962, and are also available electronically at www.sedar.com. The filings of B2Gold through SEDAR are not incorporated by reference in this Scheme Booklet except as specifically set out in this Scheme Booklet.

10.9 Collateral benefits - Canadian disclosure requirements

If any "related party" (which includes the directors and executive officers of CGA) is entitled to

receive a “collateral benefit” (as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions (MI 61-101)*) in connection with the Scheme, the Scheme will constitute a “business combination” for the purposes of MI 61-101 and the Scheme Resolution will require “minority approval” in accordance with MI 61-101. If “minority approval” is required, the Scheme Resolution will have to be approved by a majority of the votes cast by the CGA Shareholders, excluding those votes attaching to CGA Shares beneficially owned, or over which control or direction is exercised, by the Directors and executive officers of CGA who can be considered to be receiving a “collateral benefit” in connection with the Scheme. This approval is in addition to any other shareholder approval required by applicable law.

Certain of the Directors and executive officers of CGA have employment agreements with CGA, and pursuant to the terms of such agreements CGA has determined it will terminate the employment of these executives by means of redundancy. Under the executives’ employment agreements and the applicable Australian legislation, the redundancies will result in the executives being entitled to certain termination payments.

In addition, pursuant to the Transaction, the CGA Options will be cancelled for the Cancellation Consideration. The receipt of both the termination payments and the Cancellation Consideration may be considered to be “collateral benefits” received by the applicable Directors and executive officers of CGA for the purposes of MI 61-101. MI 61-101 expressly excludes benefits from being “collateral benefits” if such benefits are received solely in connection with the related party’s services as an employee, director or consultant under certain circumstances, including that the benefits are disclosed in the disclosure for the transaction, and, at the time the transaction is agreed to, the related party and its “associated entities” (as defined in MI 61-101) beneficially own, or exercise control or direction over, less than 1% of the outstanding equity securities (being, in the case of CGA, the CGA Shares).

No Director or executive officer of CGA, to its knowledge, who is entitled to termination payments or the Cancellation Consideration, beneficially owns in excess of 1% of the issued and outstanding CGA Shares. Consequently, minority approval is not required.

Disclosure concerning certain benefits

In 2004, Michael Carrick commenced employment with CGA under a standard contract of employment and on 25 June 2010, CGA entered into an employment agreement with Mr Carrick for the performance of certain management services. Under the terms of the employment agreement and the applicable Australian legislation, upon being made redundant, Mr Carrick will be entitled to receive: 12 months remuneration at his full rate of pay, in lieu of notice of termination; 14 weeks pay at his base rate, as compensation for redundancy; and payment at his full rate, for annual leave and long service leave that he has accrued with CGA, but not taken, as at his termination date.

In 2004, Justine Magee commenced employment with CGA under a standard contract of employment and on 25 June 2010, CGA entered into an employment agreement with Ms Magee for the performance of certain management services. Under the terms of the employment agreement and the applicable Australian legislation, upon being made redundant, Ms Magee will be entitled to receive: 6 months remuneration at her full rate of pay, in lieu of notice of termination; 14 weeks pay at her base rate, as compensation for redundancy; and payment at her full rate, for annual leave and long service leave that she has accrued with CGA, but not yet taken, as at her termination date.

On 8 August 2008, CGA entered into a contract with Mark Turner that expressly incorporated the terms and conditions of the current employment agreement regarding the performance of certain management services. Under the terms of the employment agreement and the applicable Australian legislation, upon being made redundant, Mr Turner will be entitled to receive: 12 months remuneration at his full rate of pay, in lieu of notice of termination and as compensation for redundancy; and payment at his full rate, for annual leave and long service leave that he has accrued with CGA, but not taken, as at his termination date.

On 27 June 2007, CGA entered into the current employment agreement with Hannah Hudson for the performance of certain management services and in August 2012, CGA appointed Hannah Hudson as Company Secretary. Under the terms of the employment agreement and the applicable Australian legislation, upon being made redundant, Ms Hudson will be entitled to

receive: 8 weeks remuneration at her full rate of pay, in lieu of notice of termination; 10 weeks payment at her base rate, as compensation for redundancy; and payment at her full rate, for annual leave that she has accrued with CGA but not yet taken, as at her termination date.

The individuals named above will be made redundant for the purposes of the above employment agreements and any termination payments that they may receive as a consequence are considered to be “collateral benefits” of the Scheme for the purposes of MI 61-101.

10.10 US securities laws

The following discussion is a general overview of certain requirements of United States federal securities laws that may be applicable to United States Shareholders. All United States Shareholders are urged to consult with their own legal counsel to ensure that any subsequent resale of New B2Gold Shares issued to them under the Scheme complies with applicable securities legislation.

The following discussion does not address the Canadian or Australian securities laws that will apply to the issue of New B2Gold Shares or the resale of these securities by United States Shareholders within Canada. United States Shareholders selling their New B2Gold Shares in Canada must comply with Canadian securities laws.

(a) Section 3(a)(10) exemption from United States registration

The New B2Gold Shares to be issued under the Scheme have not been, and will not be, registered under the US Securities Act, or the securities laws of any other jurisdiction, and may not be offered or sold in the United States unless the securities are registered under the US Securities Act, or an exemption from the registration requirements of the US Securities Act and applicable securities laws of any State of the United States is available.

Any New B2Gold Shares issued under the Scheme will be issued in reliance on the exemption from the registration requirements of the US Securities Act provided in Section 3(a)(10) of the US Securities Act based on the approval of the Scheme by the Court. The Court’s approval is required for the Scheme to become Effective. The Court will be required to satisfy itself as to the fairness of the Scheme to the CGA Shareholders and each CGA Shareholder will have the right to appear before the Court at the hearing to give approval of the Scheme. If the Court approves the Scheme, its approval will constitute the basis for the New B2Gold Shares to be issued without registration under the US Securities Act, in reliance on the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10). The Court will have been advised of the intention to rely on a Section 3(a)(10) of the US Securities Act exemption based on the Court’s approval of the Scheme.

The New B2Gold Shares received under the Scheme by any person who may be deemed to be an “affiliate” of B2Gold under Rule 144 under the US Securities Act (**Rule 144 Affiliate**) within 90 days of the implementation of the Scheme or after the implementation of the Scheme, including, without limitation, directors and certain executive officers, may not be resold except in accordance with the provisions of Rule 144 under the US Securities Act, outside of the United States in reliance upon Regulation S under the US Securities Act, or as otherwise permitted by the US Securities Act.

(b) United States resale of New B2Gold Shares

The New B2Gold Shares to be issued under the Scheme to CGA Shareholders will be freely transferable under United States federal securities laws, except by Rule 144 Affiliates, of B2Gold within 90 days of the implementation of the Scheme or after implementation of the Scheme.

New B2Gold Shares issued under the Scheme to any person deemed to be a Rule 144 Affiliate of B2Gold within 90 days of the implementation of the Scheme, or following implementation of the Scheme under Rule 144 of the US Securities Act, may not be resold except in a transaction permitted by Rule 144 of the US Securities Act, outside the United States in reliance upon Regulation S under the US Securities Act or as otherwise permitted by the US Securities Act. Persons who are deemed to be a Rule 144 Affiliates of an issuer generally include individuals or entities that directly or indirectly control, are controlled by, or are under common control with, that issuer and may include officers and directors of an issuer, as well as beneficial owners of

10% or more of any class of capital stock of an issuer.

- (i) *Affiliates — Rule 144:* In general, under Rule 144, persons who are Rule 144 Affiliates of B2Gold within 90 days prior to or after the Scheme will be entitled to sell in the United States, during any three-month period, a portion of the New B2Gold Shares that they receive in connection with the Scheme, provided that the number of such shares sold does not exceed the greater of one percent of the then outstanding securities of such class or, if such securities are listed on certain United States securities exchanges, the average weekly trading volume of such securities during the four-week period preceding the date of sale, subject to specified restrictions on manner of sale, notice requirements, aggregation rules and the availability of current public information about B2Gold. Persons who are Rule 144 Affiliates of B2Gold within 90 days prior to or after the Scheme will continue to be subject to the sale restrictions described in this paragraph until 3 months after they cease to be Rule 144 Affiliates of B2Gold.
- (ii) *Affiliates — Regulation S:* In general, under Regulation S, persons who are Rule 144 Affiliates of B2Gold solely by virtue of their status as an officer or director of B2Gold, may sell their New B2Gold Shares outside the United States in an “offshore transaction” (which would include a sale through the TSX) if neither the seller nor any person acting on its behalf engages in “directed selling efforts” in the United States. In the case of a sale of New B2Gold Shares by an officer or director who is a Rule 144 Affiliate of B2Gold solely by virtue of holding such position, there would be an additional requirement that no selling commission, fee or other remuneration is paid in connection with such sale other than a usual and customary broker’s commission. For purposes of Regulation S, “directed selling efforts” means “any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered” in the sale transaction. Certain additional restrictions are applicable to a holder of New B2Gold Shares who is a Rule 144 Affiliate of B2Gold after the Scheme other than solely by virtue of his or her status as an officer or director of B2Gold.

10.11 Actions by CGA and B2Gold

If Court orders approving the Scheme are obtained, the Directors and the B2Gold Board will take or procure the taking of the steps required for the Transaction to be implemented. These will include the following:

- (a) CGA will lodge with ASIC and ASX an office copy of the Court order approving the Scheme under Section 411(10) of the Corporations Act and the Scheme will become Effective;
- (b) on the close of trade on the Effective Date, CGA Shares will be suspended from trading on ASX;
- (c) three Business Days prior to the Record Date, CGA will be delisted from TSX;
- (d) on the Implementation Date, all of the CGA Shares held by Scheme Participants on the Record Date will be transferred to B2Gold and in exchange, each Scheme Participant (other than Ineligible Shareholders and Electing Small Scheme Participants) will be issued the Scheme Consideration;
- (e) on the Implementation Date, B2Gold will issue the Scheme Consideration in respect of the CGA Shares held by all Ineligible Shareholders as at the Record Date to the CGA Nominee. CGA will procure that the CGA Nominee sells, outside the United States, those New B2Gold Shares and remits the net proceeds of the sale of those New B2Gold Shares (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) to the Ineligible Shareholders in C\$;
- (f) on the Implementation Date, B2Gold will issue the Scheme Consideration in respect of the CGA Shares held by Electing Small Scheme Participants as at the Record Date to the B2Gold Nominee. B2Gold will procure that the B2Gold Nominee sells, outside the United States, those New B2Gold Shares and remits the net proceeds from the sale of those New B2Gold Shares to the Electing Small Scheme Participants in A\$;
- (g) on the Implementation Date, B2Gold will register the holders of the New B2Gold Shares

- in the B2Gold Register;
- (h) on the Implementation Date (but with effect from the Record Date) CGA will enter the name of B2Gold in the Register as the holder of the CGA Shares;
 - (i) on the Implementation Date, B2Gold will ensure that each holder of the CGA Options at 5.00pm (WST) on the Record Date will be issued the Cancellation Consideration in respect of the CGA Options held by him or her and CGA will ensure that those CGA Options will be cancelled;
 - (j) within 5 Business Days after the Implementation Date, CGA will send to each holder of CGA Shares notice of receipt of Court orders approving the Scheme which will (except in the case of an Ineligible Shareholder or an Electing Small Scheme Participant) be accompanied by documents of title in respect of the Scheme Consideration to which the holder of CGA Shares is entitled;
 - (k) on the Implementation Date, CGA will apply to be removed from the official list of ASX which is expected to occur shortly following that date; and
 - (l) on the Implementation Date, each of the Directors of CGA and each of CGA's nominee directors on the boards of each CGA Group member and the Significant Interest Companies will resign and be replaced by directors nominated by B2Gold.

10.12 Effective Date

The Scheme will become Effective on the date upon which the office copy of the order of the Court under Section 411(10) of the Corporations Act approving the Scheme is lodged with ASIC or such earlier date as the Court determines or specifies in the order.

If the Scheme becomes Effective, CGA will immediately give notice of the event to ASX and TSX. CGA Shares will be suspended from trading on ASX on the Effective Date.

Once the Scheme becomes Effective, CGA and B2Gold will become bound to implement the Scheme in accordance with its terms.

10.13 De-listing of CGA

Following implementation of the Scheme, it is intended that CGA will request that ASX remove CGA from the official list of ASX. The CGA Shares will be delisted from TSX three Business Days prior to the Record Date.

10.14 Termination of the Merger Implementation Agreement

The Merger Implementation Agreement may be terminated (in this **Section 10.14 "terminate"**) in certain circumstances, including:

- (a) If Scheme fails to become Effective before the Sunset Date.
CGA or B2Gold may terminate if the Sunset Date has passed before the Transaction has been implemented (other than as a result of a breach by the terminating party of its obligations under the Merger Implementation Agreement).
- (b) If there is a material breach of the Merger Implementation Agreement.
Either B2Gold or CGA, with notice, may terminate if the other is in material breach of the Merger Implementation Agreement at any time prior to the Second Court Date and the material breach is not remedied within 5 Business Days.
- (c) If the Scheme is not approved by CGA Shareholders.
Either B2Gold or CGA may terminate, if the Scheme is not approved by the Requisite Majority of CGA Shareholders.
- (d) If the B2Gold Resolutions are not approved by B2Gold Shareholders.
Either B2Gold or CGA may terminate, if the B2Gold Resolutions are not approved by the required majority of B2Gold Shareholders.
- (e) If the Court or regulatory authority restrains the Transaction.

Either B2Gold or CGA may terminate, if the Court or other regulatory authority has issued an order, decree or ruling or taken other action which permanently restrains or prohibits the Transaction and that order, decree, ruling or other action has become final and cannot be appealed.

(f) Conditions Precedent.

Either B2Gold or CGA may terminate, if there is a breach or non-fulfilment of a condition precedent which is not waived and there is failure to agree on an alternative means of completing the Transaction.

(g) CGA breaches any representation or warranty.

B2Gold may terminate, if CGA breaches any representation or warranty contained in the Merger Implementation Agreement at any time prior to the Second Court Date, the breach cannot be remedied prior to the Second Court Date and the breach amounts to a CGA Material Adverse Event.

(h) A Director fails to recommend the Scheme or Transaction.

B2Gold may terminate, if at any time prior to the Second Court Date, a Director fails to recommend the Scheme or the Transaction or makes or withdraws his recommendation that CGA Shareholders vote in favour of the Scheme or makes a public statement indicating that he or she no longer supports the Scheme.

(i) A CGA Prescribed Occurrence occurs.

B2Gold may terminate, if a CGA Prescribed Occurrence occurs prior to the Second Court Date.

(j) The B2Gold Reimbursement Fee Amount becomes payable.

B2Gold may terminate, if the B2Gold Reimbursement Fee Amount (US\$ 10,00,000) is payable by B2Gold and has been paid in full to CGA. The B2Gold Reimbursement Fee Amount will become payable where:

- the B2Gold Board fails to unanimously recommend, or recommends against, qualifies their support of or withdraws its recommendation or approval of, the B2Gold Resolutions, in each case other than as a result of the fact that a CGA Material Adverse Event has occurred and is continuing;
- the Court fails to approve the Scheme as a result of a material non-compliance by B2Gold with any of its obligations under the Merger Implementation Agreement;
- the Effective Date of the Scheme has not occurred prior to the Sunset Date, as a consequence of non-compliance by B2Gold with any of its obligations under the Merger Implementation Agreement;
- a proposal or offer in respect of B2Gold is announced before the date of the B2Gold Shareholders' Meeting and as contemplated by the proposal, a third party acquires the voting power of 50% or more of B2Gold within 12 months of the proposal being announced; or
- CGA terminates the Merger Implementation Agreement due to:
 - a material breach of the Merger Implementation Agreement by B2Gold which continues for more than 5 Business Days following notice of such breach; or
 - B2Gold's breach of its representations and warranties which cannot be remedied prior to the Second Court Date.

For further information regarding the B2Gold Reimbursement Fee Amount, see **Annexure D** in Part 2 of this Scheme Booklet.

- (k) The CGA Board recommends a Superior Offer.
B2Gold may terminate, if the CGA Board recommends a Superior Offer for CGA at any time before the Second Court Date.
- (l) A Competing Proposal emerges.
B2Gold may terminate, if a Competing Proposal for CGA is announced, made, or becomes open for acceptance, and pursuant to that Competing Proposal for CGA, the bidder for CGA acquires the voting power of 50% or more of CGA and that Competing Proposal is free from any defeating conditions.
- (m) B2Gold breaches any representation or warranty.
CGA may terminate, if B2Gold breaches any representation or warranty contained in the Merger Implementation Agreement at any time prior to the Second Court Date, that breach cannot be remedied prior to the Second Court Date and the breach amounts to a B2Gold Material Adverse Event.
- (n) A majority of CGA Directors change withdraw or modify their recommendation.
CGA may terminate, if at any time prior to the date of the Scheme Meeting, a majority of the CGA Directors have changed, withdrawn or modified their recommendation because a Superior Offer has been received.
- (o) A B2Gold director fails to recommend the Scheme or Transaction.
CGA may terminate, if a B2Gold Director fails to recommend the B2Gold Resolutions or the Transaction or makes or withdraws his or her recommendation that B2Gold Shareholders vote in favour of the B2Gold Resolutions or makes a public statement indicating that he or she no longer supports the B2Gold Resolutions or the Transaction.
- (p) A Superior Offer is recommended.
CGA may terminate, in order to permit the CGA Board to recommend a Superior Offer.
- (q) B2Gold Prescribed Occurrence occurs
CGA may terminate, if a B2Gold Prescribed Occurrence occurs prior to the Second Court Date.

10.15 CGA Reimbursement Fee Amount

CGA has agreed to pay to B2Gold the CGA Reimbursement Fee Amount (US\$10,000,000) if:

- (a) the CGA Board fails to unanimously recommend the Transaction to the CGA Shareholders, other than as a result of the Independent Expert opining that the Scheme is not in the best interests of the CGA Shareholders or the fact that a B2Gold Material Adverse Event has occurred or is continuing;
- (b) any Director recommends or promotes a Competing Proposal;
- (c) the Court fails to approve the Scheme as a result of any non-compliance by CGA of any of its obligations under the Merger Implementation Agreement;
- (d) the Scheme does not become Effective prior to the Sunset Date as a result of any non-compliance by CGA of any of its obligations under the Merger Implementation Agreement or the Scheme Meeting not being held in an expeditious manner due to CGA delaying the Scheme Meeting as a result of a Competing Proposal;
- (e) a Competing Proposal is announced before the date of the Scheme Meeting, the CGA Shareholders do not approve the Scheme at the Scheme Meeting and, as contemplated by the Competing Proposal, a third party acquires the voting power of 50% or more of CGA within 12 months of the Competing Proposal being announced; or
- (f) B2Gold terminates the Merger Implementation Agreement due to:
 - (i) a material breach of the Merger Implementation Agreement by CGA which continues for more than 5 Business Days following notice of such breach; or
 - (ii) CGA's breach of its representations and warranties which cannot be remedied

prior to the Second Court Date.

However, the CGA Reimbursement Fee Amount (US\$10,000,000) is not payable by CGA once the Scheme becomes Effective or if the CGA Shareholders do not approve the Scheme at the Scheme Meeting.

10.16 Interests of Directors

The Directors have no interest in the outcome of the Scheme, except as provided for in this Scheme Booklet.

(a) CGA marketable securities

The number, description and amount of CGA marketable securities held by or on behalf of each Director as at the date of this Scheme Booklet are:

Director	CGA Shares	CGA Options
Mark Savage ¹	5,073,880	-
Justine Magee ¹	1,115,000	-
Michael Carrick ¹	1,113,333	3,000,000 ²
Phillip Lockyer	-	-
Robert Scott	-	-
David Cruse	119,600	-

¹ These amounts include 1,100,000 CGA Shares held by a non-Related Entity, for which Mr Carrick, Ms Magee and Mr Savage are directors and have no beneficial interest. Note, Mark Savage has notified CGA that he intends to retire from the CGA Board, effective from the date of the Annual General Meeting of CGA Shareholders on 28 November 2012.

² These CGA Options are held by a related party of Mr Carrick in which he has no beneficial interest.

Table 26: Marketable securities held by directors as at date of Scheme Booklet

(b) B2Gold marketable securities

There are no marketable securities of B2Gold held by or on behalf of any Directors as at the date of this Scheme Booklet.

(c) Agreements or arrangements with Directors in connection with or conditional upon outcome of the Scheme.

It is a condition precedent to the implementation of the Scheme that Mark Turner (Chief Operating Officer of CGA) and Hannah Hudson (Company Secretary of CGA) enter into consulting arrangements with B2Gold on terms and conditions agreed by both parties.

Other than these arrangements and the proposed appointment of Michael Carrick to the B2Gold Board, no Director has any interest in the Scheme.

(d) Interests of Directors in contracts entered into by B2Gold

None of the Directors have any interests in contracts entered into by B2Gold.

10.17 Intentions of B2Gold after the Implementation Date

If the Scheme is implemented, it will be a matter for B2Gold to formulate its intentions in relation to:

- the continuation of the business of CGA;
- any major changes to be made to the business of CGA; and
- the future employment of the present employees of CGA.

The current intentions of B2Gold in relation to the Merged Entity are set out in **Section 7.2(b)**.

10.18 Relevant interests of B2Gold in CGA securities

As at the date of this Scheme Booklet, no CGA Shares or CGA Options are held by or on behalf of any B2Gold directors and B2Gold has no relevant interest in any CGA Shares and does not hold any CGA Options.

10.19 Dealings in CGA securities

Neither B2Gold nor any Associate has provided, or agreed to provide, consideration for any CGA Shares under a purchase or agreement during the four months ended on the day immediately before the date of this Scheme Booklet.

During the period of four months ended on the day immediately before the date of this Scheme Booklet, neither B2Gold nor any Associate has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to:

- vote in favour of the Scheme; or
- dispose of CGA Shares,

and the benefit has not been offered to all CGA Shareholders.

10.20 Material change in financial position of CGA

To the knowledge of the Directors, there has been no material change to the financial position of CGA since 30 September 2012, being the date of the last published balance sheet of CGA. However the Directors are aware of the following circumstance which may have an impact on the financial position of CGA.

CGA has lodged an insurance claim to compensate for costs incurred in relation to the repair of the SAG Mill, with costs incurred to date totalling US\$6.2 million, together with a claim for loss of revenue as a result of the breakdown of the SAG Mill. The insurance claim has not yet been granted indemnity, and potential insurance proceeds have not yet been quantified, and accordingly an asset has not been recognised in relation to the potential insurance proceeds that may be received. Should indemnity be granted, CGA would expect the claim to be somewhere in the order of US\$45 million.

CGA also holds investments in listed entities. The investments in the listed associate entities are carried on the balance sheet at its historical cost, however are subject to impairment write downs if their carrying value exceeds their market values at balance date. Investments held as available for sale are subject to mark to market revaluation at each balance date, hence may be written up or downwards.

10.21 Lodgement of Scheme Booklet

This Scheme Booklet was given to ASIC on 5 November 2012 in accordance with Section 411(2)(b) of the Corporations Act.

10.22 No unacceptable circumstances

The Directors believe that the Scheme does not involve any circumstances in relation to the affairs of any CGA Shareholder that could reasonably be characterised as constituting “unacceptable circumstances” for the purposes of Section 657A of the Corporations Act.

10.23 Creditors of CGA

The Scheme, if implemented, is not expected to materially prejudice CGA’s ability to pay its creditors as the Scheme involves the acquisition of CGA Shares for consideration provided by a third party, rather than the acquisition of CGA’s underlying assets. No material new liability (other than Transaction costs) is expected to be incurred by CGA as a consequence of the Transaction. CGA has paid and is paying all of its creditors within normal terms of trade and is solvent and trading in an ordinary commercial manner.

10.24 Interest of informed persons in material transactions

For Canadian securities disclosure requirements, other than as disclosed in this Scheme

Booklet, since the commencement of CGA's most recently completed financial year (1 July 2012) there were no transactions and there are no proposed transactions that have materially affected or would materially affect CGA or any of its Subsidiaries in which any informed person of CGA or any Associate or Affiliate of any informed person has any material interest (direct or indirect).

10.25 Interests of B2Gold Directors, advisors, experts and others

(a) Interests of B2Gold Directors, advisors and others

Other than as set out in this **Section 10.25** or elsewhere in this Scheme Booklet, no:

- (i) B2Gold Director or proposed director of B2Gold;
- (ii) person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet;
- (iii) promoter of B2Gold;
- (iv) financial services licensee named in this Scheme Booklet as a financial services licensee involved in the Scheme,

holds, or held at any time during the last two years before the date of this Scheme Booklet, any interest in:

- (v) the formation or promotion of B2Gold;
- (vi) any property acquired or proposed to be acquired by B2Gold in connection with its formation or promotion or the offer for allotment of the New B2Gold Shares; or
- (vii) the offer for allotment of New B2Gold Shares.

Other than as set out in this **Section 10.25** or elsewhere in this Scheme Booklet, no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given:

- (i) to a director or proposed director of B2Gold to induce him to become, or to qualify him as, a director of B2Gold; or
- (ii) for services provided in connection with the formation or promotion of B2Gold or the offer of B2Gold Shares under the Scheme by any director or proposed director of B2Gold, any person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet, any promoter of B2Gold, or any financial services licensee named in this Scheme Booklet as a financial services licensee involved in the issue of B2Gold Shares under the Scheme.

(b) Experts and fees

The persons performing a function in a professional or advisory capacity in connection with the Scheme and with the preparation of this Scheme Booklet are:

- (i) Middletons as legal advisor in relation to Australian law to CGA;
- (ii) Blake, Cassels & Graydon LLP as legal advisor in relation to Canadian law and Canadian taxation advisor to CGA;
- (iii) Skadden, Arps, Slate, Meagher & Flom LLP as legal advisor in relation to United States law and United States taxation advisor to CGA;
- (iv) BMO Capital Markets and Haywood Securities Inc. as Financial Advisors to CGA;
- (v) Haywood Securities Inc. as the CGA Nominee;
- (vi) Georgeson Shareholder Communications Canada, Inc. as the Proxy Solicitation Agent;
- (vii) BDO as the author of the Independent Expert's Report;
- (viii) Behre Dolbear as the author of the Independent Technical Specialist's Report;

- (ix) PricewaterhouseCoopers Securities Ltd as the author of the Investigating Accountant's Report;
- (x) Ernst & Young as auditor to CGA; and
- (xi) Ernst & Young as the author of the Australian taxation considerations in **Section 8.1**.

Each of them will be entitled to receive professional fees charged in accordance with their normal basis of charging.

The fee for professional services paid or payable to the Independent Expert which has provided the Independent Expert's Report is estimated at A\$120,000 (plus GST). The fee for professional services paid or payable to the Independent Technical Specialist which has provided the Independent Technical Specialist's Report is A\$120,000 (plus GST). The fee for professional services paid or payable to the Investigating Accountant which has provided the Investigating Accountant's Report is C\$175,000 (plus GST).

The fee payable to the Proxy Solicitation Agent is a fixed fee of C\$75,000 plus out-of-pocket expenses plus a fee for each contact with CGA Shareholders which will be borne directly by CGA.

There is no fee payable to the CGA Nominee by CGA but the CGA Nominee will charge commission at the rate of C\$0.05 per New B2Gold Share sold by the CGA Nominee. This will be borne by the Ineligible Shareholders.

Notwithstanding the foregoing, each of BMO Capital Markets and Haywood, as a full-service Canadian investment dealer, in the ordinary course (i) each acts as a trader of, and dealer in, securities both as principal and on behalf of clients and, as such, may have had, and may in the future have, long or short positions in the securities of B2Gold and/or CGA, their Affiliates, predecessor or successor companies, (ii) conducts research on securities and provides investment advice to clients on investment matters and may, in the ordinary course of business, provide research reports and advice with respect to B2Gold and/or CGA, their Affiliates, predecessor or successor companies and (iii) may have provided, or in the future provide, other financial services which may include financial advisory services to B2Gold and/or CGA, their Affiliates, predecessor or successor companies.

CGA estimates that its transaction costs in connection with the Transaction will be approximately US\$12 million, including filing fees, legal and accounting fees, fees to the Independent Expert and Independent Technical Specialist, fees to its Financial Advisers, regulatory fees, employee termination costs and mailing costs.

10.26 Consents

- (a) The following parties have given and have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn their written consent to be named in this Scheme Booklet in the form and context in which they are named:
 - (i) BMO Capital Markets as Financial Advisor to CGA;
 - (ii) Haywood Securities Inc. as Financial Advisor to CGA;
 - (iii) Haywood Securities Inc. as the CGA Nominee;
 - (iv) Computershare Investor Services Pty Ltd as the Australian Registrar;
 - (v) Computershare Investor Services Inc. as the Canadian Registrar;
 - (vi) Middletons as CGA's Australian legal advisor;
 - (vii) Blake, Cassels & Graydon LLP as CGA's Canadian legal counsel and taxation advisor;
 - (viii) Georgeson Shareholder Communications Canada, Inc. as the Proxy Solicitation Agent and the operator of the CGA Shareholder Information Line;
 - (ix) BDO as the author of the Independent Expert's Report;
 - (x) Behre Dolbear as the author of the Independent Technical Report;
 - (xi) PricewaterhouseCoopers Securities Ltd as the author of the Investigating Accountant's Report;

- (xii) PricewaterhouseCoopers LLP, Chartered Accountants, as the auditor of B2Gold and the author of the consent in **Annexure I** in Part 2 of this Scheme Booklet;
 - (xiii) Ernst & Young as the author of the Australian taxation considerations in **Section 8.1** and as Australian Taxation Specialist;
 - (xiv) Ernst & Young as auditor to CGA; and
 - (xv) Skadden, Arps, Slate, Meagher & Flom LLP as United States taxation advisor to CGA and United States legal advisor.
- (b) BDO has given and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn its written consent to the inclusion of the Independent Expert's Report in **Annexure A** in Part 2 of this Scheme Booklet and the references to that Independent Expert Report in the form and context in which they are included in this Scheme Booklet.
 - (c) PricewaterhouseCoopers Securities Ltd has given and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn its written consent to the inclusion of the Investigating Accountant's Report in **Annexure B** in Part 2 of this Scheme Booklet and the references to that Investigating Accountant's Report in the form and context in which they are included in this Scheme Booklet.
 - (d) Behre Dolbear has given and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn its written consent to the inclusion of the Independent Technical Report in **Annexure C** in Part 2 of this Scheme Booklet and the references to that Independent Technical Report in the form and context in which they are included in this Scheme Booklet.
 - (e) Ernst & Young, as author of the Australian taxation considerations in **Section 8.1**, has given and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn its written consent to the inclusion of the Australian taxation considerations set out in **Section 8.1** and the references to those Australian taxation considerations throughout the Scheme Booklet.
 - (f) Ernst & Young, as auditor to CGA, has given and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn its written consent to the incorporation by reference in the Scheme Booklet of the consolidated annual financial statements of CGA as at and for the financial years ending 30 June 2011 and 30 June 2012 together with the notes thereto and Ernst & Young's auditor's report thereon.
 - (g) Blake, Cassels & Graydon LLP, as Canadian taxation advisor to CGA, has given and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn its written consent to the inclusion of the Canadian taxation considerations set out in **Section 8.2** and the references to those Canadian taxation considerations throughout the Scheme Booklet.
 - (h) Skadden, Arps, Slate, Meagher & Flom LLP, as United States taxation advisor to CGA, has given and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn its written consent to the inclusion of the United States taxation considerations set out in **Section 8.3** and the references to those United States taxation considerations throughout the Scheme Booklet.
 - (i) Each person referred to in this **Section 10.26**:

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than as specified in this **Section 10.26**; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Scheme Booklet other than a reference to its name and the statements (if any) included in this Scheme Booklet with the consent of that person as specified in this **Section 10.26**.

10.27 Information relating to Ore Reserves and Mineral Resources

(a) CGA

Information in this Scheme Booklet relating to Mineral Resources (as defined in the JORC Code or NI 43-101 as the case requires) in respect of the CGA Information is based on information compiled by Mr Mark Turner, BE Min(Hons), M.Aus.I.M.M.CP Man. Mr Turner is a full-time employee of CGA in Perth, Western Australia, and in the capacity of a qualified person, he has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a 'competent person' (as defined by the JORC Code). Mr Turner is a Qualified Person under NI 43101. Mr Turner has consented to inclusion of this information in the form and context in which it appears in this Scheme Booklet, and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn that consent.

The information in this Scheme Booklet that relates to the 2011 Mineral Resource estimate is based on information compiled by Mr Andrew Vigar, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Vigar is a full time employee of Mining Associates Pty Ltd. Verification of the data included site visit, database validation of historical drill results and review of sampling and assaying protocols. Mr Vigar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined the 2004 Edition of the JORC Code and as a Qualified Person under NI 43-101. Mr Vigar consents to the inclusion in this report of the matters based on his information in the form and context in which it appears and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn that consent.

The information in this Scheme Booklet that relates to the 2011 Mineral Reserve estimate is based on information compiled by Mr Stephen Jones, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Jones was an employee of Golder Associates Pty Ltd. Verification of the data included site visit, validation of operating procedures and equipment and the ability of the mine site to mine the Ore Reserves. Mr Jones has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined by the JORC Code and as a Qualified Person under NI 43-101. Mr Jones consents to the inclusion in this report of the matters based on his information in the form and context in which it appears and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn that consent.

(b) B2Gold

Information in this Scheme Booklet relating to Mineral Reserves and Mineral Resources (as defined under NI 43-101) in respect of the 31 December 2011 Mineral Reserve and Mineral Resource statement for the La Libertad project area and the 31 December 2011 Mineral Resource and Mineral Reserve statement for the Limon Mine property were completed in March 2012 by B2Gold personnel under the supervision of Brian Scott, P.Geo., Chief Geologist, and Peter Montano, P.E. (Colorado, USA), Senior Mine Engineer, each a Qualified Person as defined under NI 43-101. Mr Scott and Mr Montano have consented to inclusion of this information in the form and context in which it appears in this Scheme Booklet, and have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn that consent.

Information in this Scheme Booklet relating to Mineral Resources (as defined under NI 43-101) in respect of the Mineral Resource statement for the Otjikoto Project was reviewed by Mr Tom Garagan, Senior Vice President of B2Gold, and a Qualified Person

as defined under NI 43-101. Mr Garagan has consented to inclusion of this information in the form and context in which it appears in this Scheme Booklet, and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn that consent.

Information in this Scheme Booklet relating to Mineral Resources (as defined under NI 43-101) in respect of the Mineral Resource statement for the Gramalote property was reviewed by Donald E. Hulse, P.E., of Gustavson Associates, LLC, a Qualified Person as defined under NI 43-101. Mr Hulse has consented to inclusion of this information in the form and context in which it appears in this Scheme Booklet, and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn that consent.

(c) Experts

Each person referred to in this **Section 10.27**:

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than as specified in this **Section 10.27**; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Scheme Booklet other than a reference to its name and the statements (if any) included in this Scheme Booklet with the consent of that person as specified in this **Section 10.27**.

10.28 Regulatory conditions and relief

ASX Listing Rule 6.23.2 provides that a change which has the effect of cancelling an option for consideration can only be made if shareholders approve the change. The ASX has granted CGA a waiver from ASX Listing Rule 6.23.2 to allow for the cancellation of any CGA Options without the need to obtain CGA Shareholder approval. The waiver is conditional on the Scheme being approved by the Requisite Majority of CGA Shareholders and by the Court, and that full details of the cancellation of the CGA Options are clearly set out in the Scheme Booklet.

10.29 Other material information

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Director or Related Entity of CGA which has not previously been disclosed to CGA Shareholders.

11. Glossary

In this Scheme Booklet (and **Annexures D, E and H** in Part 2 of this Scheme Booklet), unless the context requires otherwise:

Accounting Standards has the meaning given to it in Section 9 of the Corporations Act.

Affiliate has the meaning given to it in Section 1.3 of National Instrument 45-106 "Prospectus and Registration Exemptions" of the Canadian Securities Administrators.

Annexure means an **annexure** to this Scheme Booklet included in Part 2 of this Scheme Booklet.

Announcement Date means the date on which B2Gold and CGA announced to ASX that they had entered into the Merger Implementation Agreement, being 19 September 2012.

Aroroy means Aroroy Resources Inc., a company duly organised and existing under the laws of the Republic of the Philippines and having company registration number CS201008702.

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning given to it in the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as appropriate.

Australian Registrar means Computershare Investor Services Pty Ltd.

B2Gold means B2Gold Corp.

B2Gold Board means the board of directors of B2Gold.

B2Gold Costs means:

- (a) significant external advisory costs;
- (b) out of pocket expenses including air fares and hotel accommodation;
- (c) commitment fees and other financing costs; and
- (d) reasonable opportunity costs incurred by B2Gold in pursuing the Transaction or in not pursuing other alternative acquisitions or strategic initiatives,

incurred by B2Gold in relation to the Transaction.

B2Gold Diligence Materials means the information provided by B2Gold to CGA and its Representatives in the B2Gold data room hosted by Lawson Lundell LLP and any additional information that has been provided by B2Gold in writing in response to a request by CGA.

B2Gold Director means a member of the B2Gold Board.

B2Gold Disclosure Letter means the letter dated the date of the Merger Implementation Agreement delivered by B2Gold to CGA in a form accepted by CGA with respect to certain matters in the Merger Implementation Agreement.

B2Gold Group means B2Gold and its Related Entities as at the date of this Scheme Booklet.

B2Gold Information means all the information contained in this Scheme Booklet prepared by or on behalf of B2Gold, including all information in relation to B2Gold, the Merged Entity (including the prospects and risks of the Merged Entity), the Scheme Consideration, the New B2Gold Shares, the letter from the B2Gold President, **Annexure E** in Part 2 of this Scheme Booklet (references to B2Gold's articles of incorporation) and the information in the Sections or parts of those Sections described below:

- (a) **Section 1.5;**
- (b) **Section 2.2:** the bullet points under the heading, "*The Merged Entity will be subject to a number of risks to which CGA is not currently exposed*";
- (c) **Section 3:**
 - the fourth bullet point under the heading, "*What are the reasons to vote in favour of the Scheme?*";
 - under the heading, "*Who will manage the Merged Entity following the implementation of the Transaction?*";
 - under the part named, "Questions about B2Gold"

- (d) **Section 5.1:** the third paragraph;
- (e) **Section 5.5(e);**
- (f) **Section 5.5(f);**
- (g) **Section 5.5(g);**
- (h) **Section 5.6(b)(i)-(vi);**
- (i) **Section 7;**
- (j) **Section 9.1:** the fourth paragraph;
- (k) **Section 9.2;**
- (l) **Section 10.8:** the paragraph starting "*The following documents of B2Gold are specifically incorporated by reference in, and form an integral part of this Scheme Booklet*" and ending at subparagraph (h), and the last paragraph;
- (m) **Section 10.17;**
- (n) **Section 10.18;**
- (o) **Section 10.19;**
- (p) **Section 10.25(a);**
- (q) **Section 10.27(b);** and
- (r) **Section 11:** the following definitions contained in the Glossary :
 - B2Gold;
 - B2Gold Group;
 - B2Gold Share; and
 - B2Gold Shareholder,

except in each case to the extent that information is based on information provided or prepared by or on behalf of CGA.

B2Gold Material Adverse Event means one or more changes, events, occurrences, facts or matters (including for the avoidance of doubt any actions of Regulatory Authorities) which, whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind, has had or is reasonably likely to have:

- (a) the effect of diminution in the consolidated gross assets of the B2Gold Group, taken as a whole from that shown on B2Gold's balance sheet as at 31 December 2011 (calculated on the basis of Canadian GAAP), of at least US\$30,000,000; or
- (b) the result that the business, trading or financial position, assets and material licences of the B2Gold Group are materially adversely affected; provided that, there will only be a material adverse effect under this paragraph (b) if the relevant change, event, occurrence, fact or matter is reasonably likely to have an effect over a material period of time (and for the avoidance of doubt, a mere diminution in the value of consolidated gross assets below US\$30,000,000 (as calculated under paragraph (a) above) will not, of itself, be a B2Gold Material Adverse Event),

other than those changes, events, occurrences or matters:

- (c) required or permitted by the Merger Implementation Agreement, the Scheme or transactions contemplated by them;
- (d) that took place with the written consent of CGA;
- (e) that B2Gold fully and fairly disclosed in the B2Gold Diligence Materials or in the B2Gold Disclosure Letter; or

- (d) that are or that arise from:
- changes in world gold prices or exchange rates; or
 - general changes in economic, political or business conditions; or
 - changes in law, regulation or policy of Regulatory Authorities in jurisdictions in which B2Gold Group operates, in each case, which impact producers of gold in a similar matter, but excluding for the avoidance of doubt, changes in government, civil disorder, political coup, a declaration of a state of emergency, and changes in law, regulation or policy of Regulatory Authorities in jurisdictions in which B2Gold Group operates which are directed at the B2Gold Group's existing operations or which changes affect the B2Gold Group disproportionately more than other similar entities; or
- (e) arising from changes to Canadian GAAP or the interpretation of those principles by any professional body or Regulatory Authority.

For the avoidance of doubt, a fall in B2Gold's share price will not of itself alone constitute a B2Gold Material Adverse Event.

B2Gold Nominee means the nominee appointed by B2Gold to whom New B2Gold Shares that an Electing Small Scheme Participant would otherwise be entitled to, will be issued in trust for the Electing Small Scheme Participant who is the beneficial owner thereof.

B2Gold Prescribed Occurrence means other than:

- (a) as required by the Merger Implementation Agreement, the Scheme or the Deed Poll;
- (b) matters which have been fully and fairly disclosed in:
- the B2Gold Diligence Materials; or
 - the B2Gold Disclosure Letter; or
- (c) as agreed in writing by CGA,

the occurrence of any one of the following between the date of the Merger Implementation Agreement (18 September 2012) and 8.00am on the Second Court Date:

- (d) B2Gold converting all or any of the B2Gold Shares into a larger or smaller number of shares;
- (e) any member of the B2Gold Group (other than a direct or indirect wholly-owned subsidiary of B2Gold) resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (f) any member of the B2Gold Group (other than a direct or indirect wholly-owned subsidiary of B2Gold):
- entering into a buy-back agreement; or
 - resolving to approve the terms of a buy-back agreement;
- (g) any member of the B2Gold Group declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its shareholders (other than a direct or indirect wholly-owned subsidiary of B2Gold declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to B2Gold or to another direct or indirect wholly-owned subsidiary of B2Gold);
- (h) except as disclosed in the B2Gold budget that has been provided to CGA, a member of the B2Gold Group:
- entering into any contract or commitment (including in respect of Financial Indebtedness) requiring payments by the B2Gold Group in excess of US\$5,000,000 (individually or in aggregate) other than any payment required by law; or
 - (without limiting the foregoing) incurring or agreeing to incur capital expenditure of more than US\$5,000,000 (individually or in aggregate);
- (i) a member of the B2Gold Group entering into a contract or commitment that materially restrains that member of the B2Gold Group from competing with any person or conducting activities in any material market;

- (j) a member of the B2Gold Group issuing B2Gold securities (including with rights of conversion to B2Gold Shares), other than an issue of B2Gold Shares that is:
- (along with all other issues under this exclusion) up to C\$100,000,000;
 - at a price per B2Gold Share or security that is not less than the volume weighted average price of B2Gold Shares on TSX over the 30 day trading period prior to the date of the Merger Implementation Agreement;
 - announced on or before the Second Court Date,
- and in all cases excluding an issue of any shares or other securities:
- by a direct or indirect wholly-owned subsidiary of B2Gold to B2Gold or to another direct or indirect wholly-owned subsidiary of B2Gold;
 - upon or pursuant to the exercise of an option referred to in the B2Gold Disclosure Letter;
 - to B2Gold's directors, officers and employees under an existing securities compensation plan in the ordinary course of business; or
 - as CGA consents in writing;
- (k) B2Gold making any change to its notice of articles or articles without the consent of CGA (such consent not to be unreasonably withheld or delayed);
- (l) a material member of the B2Gold Group disposing, or agreeing to dispose of the whole, or a substantial part, of its business or property; or
- (m) the occurrence of a B2Gold Insolvency Event.

B2Gold Reimbursement Fee Amount means US\$10,000,000.

B2Gold Resolutions means the resolutions of the B2Gold Shareholders required to approve the issuance of New B2Gold Shares under the Scheme and comprising the Cancellation Consideration in accordance with applicable TSX requirements at the B2Gold Shareholders' Meeting.

B2Gold Share means one fully paid common share issued in the capital of B2Gold.

B2Gold Shareholder means a person registered in the register of members of B2Gold maintained in accordance with the BCBCA as the holder of B2Gold Shares.

B2Gold Shareholders' Meeting means the special meeting of B2Gold Shareholders held to consider and approve the B2Gold Resolutions.

BCBCA means the *Business Corporations Act* (British Columbia).

BCM means bank cubic metres.

BDO means BDO Corporate Finance (WA) Pty Ltd.

Behre Dolbear means Behre Dolbear Australia Pty Ltd.

BMO Capital Markets means BMO Nesbitt Burns Inc. of 885 West Georgia Street Vancouver, Canada.

Business Day means:

- (a) for receiving a notice under the Merger Implementation Agreement, Monday to Friday inclusive except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other date that ASX or TSX declares is not a business day; and
- (b) for all other purposes, a day that is not a Saturday, Sunday, bank holiday or public holiday in Vancouver, British Columbia or Western Australia.

Canadian Beneficial Holder means a person or entity that:

- (a) is beneficially entitled to CGA Shares but not registered as the holder of those CGA Shares in the register maintained by the Canadian Registrar; and
- (b) is considered a "beneficial owner" of CGA Shares under Canadian National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer.

Canadian GAAP means generally accepted accounting principles in Canada.

Canadian Registrar means Computershare Investor Services Inc. of 100 University Avenue, 11th Floor, Toronto, Ontario, Canada.

Canadian Scheme Participant means a Scheme Participant and any other beneficial owner of CGA Shares who, for purposes of the Canadian Tax Act and at all relevant times:

- (a) is resident or deemed to be resident in Canada;
- (b) deals at arm's length with CGA and B2Gold;
- (c) is not affiliated with CGA or B2Gold; and
- (d) holds CGA Shares, and will hold all New B2Gold Shares acquired pursuant to the Scheme as capital property.

Canadian Securities Authorities means the securities regulatory authorities in the provinces of Canada.

Canadian Tax Act means the *Income Tax Act (Canada)*, as amended and the regulations thereunder, as amended.

Cancellation Consideration means the consideration to be provided to holders of CGA Options, being that number of B2Gold Shares set out opposite each tranche of CGA Options for the cancellation of the CGA Options as described by the table below, calculated in respect of each tranche as follows:

$$(A - B) / C \times D$$

where:

A is C\$3.18, being the value of the Scheme Consideration for one CGA Share calculated by reference to the closing prices of B2Gold Shares on the second trading day immediately preceding the announcement of the Transaction to ASX and TSX (**Calculation Time**) and the exchange rate ratio set out in the Merger Implementation Agreement;

B is the C\$ value of the exercise price of the CGA Option in the relevant tranche, at the exchange rate for conversion of A\$ to C\$ at the same day value rate quoted by B2Gold's principal Canadian banker at the Calculation Time;

C is C\$4.30, being the closing price of B2Gold Shares at the Calculation Time; and

D is the number of CGA Options in the relevant tranche.

Where the number of New B2Gold Shares to be issued to each tranche of CGA Options or individual holdings within each tranche is not a whole number, the number of B2Gold Shares to be offered will be rounded down to the nearest whole number.

CGA Option in the relevant tranche

Exercise Price (A\$)	Issue date	Expiry date	Number of CGA Options
1.80	7/05/2008	31/03/2013	700,000
1.20	15/10/2008	15/10/2013	400,000
1.70	2/04/2009	2/04/2014	964,583
1.50	30/06/2009	30/06/2014	90,000
2.97	28/12/2010	27/12/2012	75,000
2.97	28/12/2010	31/12/2015	575,000
1.50	28/11/2008	28/11/2013	3,000,000

CGA means CGA Mining Limited, ACN 009 153 128.

CGA Board means the board of directors of CGA.

CGA Costs means:

- (a) significant external advisory costs;
- (b) out of pocket expenses including air fares and hotel accommodation; and
- (c) reasonable opportunity costs incurred by CGA in pursuing the Transaction or in not pursuing other alternative strategic initiatives,

incurred by CGA in relation to the Transaction.

CGA Diligence Materials means the information provided by CGA to B2Gold and its Representatives in the CGA data room hosted by CGA and any additional information that has been provided in writing by CGA in response to a request by B2Gold.

CGA Disclosure Letter means the letter dated the date of the Merger Implementation Agreement delivered by CGA to B2Gold in a form accepted by B2Gold with respect to certain matters in the Merger Implementation Agreement.

CGA Group means CGA and its Related Entities, but excluding for the avoidance of doubt, the Significant Interest Companies.

CGA Information means the information contained in this Scheme Booklet other than the B2Gold Information, the Independent Expert's Report in **Annexure A** in Part 2 of this Scheme Booklet, the Investigating Accountant's Report in **Annexure B** in Part 2 of this Scheme Booklet, and the Independent Technical Specialist's Report in **Annexure C** in Part 2 of this Scheme Booklet.

CGA Material Adverse Event means one or more changes, events, occurrences, facts or matters (including for the avoidance of doubt any actions of Regulatory Authorities) which, whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind, has had or is reasonably likely to have:

- (a) the effect of diminution in the consolidated gross assets of the CGA Group and the Significant Interest Companies, taken as a whole from that shown on CGA's balance sheet as at 30 June 2012 (calculated on the basis of applicable accounting principles), of at least A\$30,000,000; or
- (b) the result that the business, trading or financial position, assets and material licences of a member of the CGA Group or the Significant Interest Companies are materially adversely affected; provided that, there will only be a material adverse effect under this paragraph (b) if the relevant change, event, occurrence, fact or matter is reasonably likely to have an effect over a material period of time (and for the avoidance of doubt, a mere diminution in the value of consolidated gross assets below A\$30,000,000 (as calculated under paragraph (a) above) will not, of itself, be a CGA Material Adverse Event),

other than those changes, events, occurrences or matters:

- (c) required or permitted by the Merger Implementation Agreement, the Scheme or transactions contemplated by them;
- (d) that took place with the written consent of B2Gold;
- (e) that CGA fully and fairly disclosed in the CGA Diligence Materials or in the CGA Disclosure Letter; or
- (f) that are or that arise from:
 - changes in world gold prices or exchange rates;
 - general changes in economic, political or business conditions; or

- changes in law, regulation or policy of Regulatory Authorities in jurisdictions in which CGA Group operates, in each case, which impact producers of gold in a similar matter, but excluding for the avoidance of doubt, changes in government, civil disorder, political coup, a declaration of a state of emergency, and changes in law, regulation or policy of Regulatory Authorities in jurisdictions in which CGA Group operates which are directed at the CGA Group's or the Significant Interest Companies' existing operations or which changes affect the CGA Group or the Significant Interest Companies disproportionately more than other similar entities; or
- (g) arising from changes to any generally accepted accounting principles in Australia or the interpretation of those principles by any professional body or Regulatory Authority.

For the avoidance of doubt, a fall in CGA's share price will not itself constitute a CGA Material Adverse Event.

CGA Nominee means Haywood Securities Inc., the nominee appointed by CGA to whom New B2Gold Shares that an Ineligible Shareholder would otherwise be entitled to, will be issued in respect of the CGA Shares acquired from that Ineligible Shareholder, and which will sell such New B2Gold Shares as described in **Section 5.2(b)**.

CGA Option means an option to acquire a CGA Share.

CGA Prescribed Occurrence means other than:

- (a) as required by the Merger Implementation Agreement or the Scheme;
- (b) matters which have been fully and fairly disclosed in:
 - the CGA Diligence Materials; or
 - the CGA Disclosure Letter; or
- (c) as agreed in writing by B2Gold,

the occurrence of any one of the following between the date of the Merger Implementation Agreement (18 September 2012) and the Second Court Date:

- (d) CGA converting all or any of the CGA Shares into a larger or smaller number of shares;
- (e) any member of the CGA Group or Significant Interest Company resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (f) any member of the CGA Group or Significant Interest Company:
 - entering into a buy-back agreement; or
 - resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (g) any member of the CGA Group or Significant Interest Company declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members;
- (h) a member of the CGA Group or a Significant Interest Company issuing securities, including without limitation shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option, (other than to CGA or to a direct or indirect wholly-owned subsidiary of CGA or pursuant to the exercise of an option disclosed to ASX prior to the date of the Merger Implementation Agreement), including pursuant to a dividend reinvestment or other share plan;
- (i) a member of the CGA Group or a Significant Interest Company issuing or agreeing to issue securities convertible into shares, including pursuant to a dividend reinvestment or other share plan;
- (j) a member of the CGA Group or a Significant Interest Company making any change to its constitution;
- (k) a member of the CGA Group or a Significant Interest Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;

- (l) a member of the CGA Group or the Significant Interest Companies:
- acquiring, leasing or disposing of;
 - agreeing to acquire, lease or dispose of; or
 - irrevocably offering, proposing, announcing a bid or tendering for, any business, assets, entity or undertaking, the value of which exceeds A\$5,000,000 (individually or in aggregate);
- (m) a member of the CGA Group or the Significant Interest Companies entering into a contract or commitment that materially restrains that member from competing with any person or conducting activities in any material market;
- (n) a member of the CGA Group or the Significant Interest Companies creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due;
- (o) except as disclosed in the CGA budget that has been provided to B2Gold, a member of the CGA Group or the Significant Interest Companies:
- entering into any contract or commitment (including in respect of financial indebtedness) requiring payments by the CGA Group or a Significant Interest Company, as applicable, in excess of A\$5,000,000 (individually or in aggregate) other than any payment required by law;
 - (without limiting the foregoing) incurring or agreeing to incur capital expenditure from the date of the Merger Implementation Agreement of more than A\$5,000,000 (individually or in aggregate);
 - waiving any material third party default where the financial impact on the CGA Group or a Significant Interest Company will be in excess of A\$2,000,000 (individually or in aggregate);
 - other than with respect to any matter set out in the CGA Disclosure Letter, accepting as a compromise of a matter less than the full compensation due to a member of the CGA Group or a Significant Interest Company, as applicable, where the result of the compromise is that the member will receive an amount which is more than A\$2,000,000 (individually or in aggregate) less than the amount of full compensation; or
 - other than with respect to any matter set out in the CGA Disclosure Letter, otherwise waiving, releasing, granting or transferring any rights with a value of more than A\$2,000,000 (individually or in aggregate);
- (p) other than pursuant to commitments that existed prior to the date of the Merger Implementation Agreement, a member of the CGA Group or a Significant Interest Company providing financial accommodation other than to members of the CGA Group or a Significant Interest Company (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of A\$2,000,000 (individually or in aggregate);
- (q) a member of the CGA Group or a Significant Interest Company entering into any agreement, arrangement or transaction with respect to derivative instruments which relate to the price of gold or to interest rates (including, but not limited to, swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments;
- (r) an Insolvency Event in relation to a member of the CGA Group;
- (s) an Insolvency Event in relation to a Significant Interest Company;
- (t) a member of the CGA Group or a Significant Interest Company entering into or resolving to enter into a transaction with any related party of CGA (other than a related party which is a member of the CGA Group) as defined in Section 228 of the Corporations Act which would require shareholder approval under Chapter 2E of the Corporations Act or under Chapter 10 of the Listing Rules (or which would require such approval if the Significant Interest Company were a public company for the purposes of Chapter 2E);

- (u) a member of the CGA Group or a Significant Interest Company being deregistered as a company or otherwise dissolved except in the case of a member of the CGA Group or the Significant Interest Companies with less than A\$1,000,000 (individually or in aggregate) in net assets as at the date of the Merger Implementation Agreement;
- (v) a member of the CGA Group amending in any material respect any arrangements with its Financial Advisors or entering into arrangements with new Financial Advisors which arrangements with such new Financial Advisor may involve the payment of fees of in excess of A\$500,000 (individually or in aggregate) in respect of the Transaction; or
- (w) a member of the CGA Group or a Significant Interest Company changing any accounting policy applied by them to report their financial position other than any change in policy required by a change in Accounting Standards.

CGA Reimbursement Fee Amount means US\$10,000,000.

CGA Share means a fully paid ordinary share issued in the capital of CGA.

CGA Shareholder means a person registered in the Register as the holder of CGA Shares.

CGA Shareholder Information Line means the information line maintained by Georgeson Shareholder Communications Canada, Inc.:

- in North America by telephone 1-888-605-7616 (toll free);
- international callers by telephone +61 3 9415 4371;
- in Australia by telephone 1300-628-472 (toll free); or
- by email at askus@georgeson.com.

CGT means capital gains tax.

CIM or **CIM Standards** means Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council on 20 August 2000.

Competing Proposal means any proposal or offer received by CGA, any member of the CGA Group, a Significant Interest Company or a CGA Shareholder from a third party (other than B2Gold or its Related Entities) to evaluate or enter into any transaction that is similar to the Transaction or under which (other than as required or contemplated by the Scheme):

- (a) other than with respect to on-market purchases of CGA Shares with no involvement by CGA (or a Related Entity of CGA), a person would acquire a relevant interest or voting power in 10% or more of CGA Shares or of the securities of any member of the CGA Group or a Significant Interest Company;
- (b) a person would enter into, buy, dispose of, terminate or otherwise deal with any cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to 10% or more of CGA Shares or of the securities of any member of the CGA Group or a Significant Interest Company;
- (c) a person would directly or indirectly acquire or obtain an interest (including an economic interest) in all or a substantial part or material part of the business conducted by, or property of, CGA or any member of the CGA Group or a Significant Interest Company;
- (d) a person would acquire Control of CGA or any member of the CGA Group or a Significant Interest Company;
- (e) a person may otherwise acquire, or merge with, CGA or any member of the CGA Group or a Significant Interest Company (including by way of a takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure or joint venture); or
- (f) CGA will issue, on a fully diluted basis, 10% or more of its capital as consideration for the assets or share capital or another person,

or any proposal by CGA to implement any material reorganisation of capital or dissolution. The variation of a proposal or offer constitutes a proposal or offer for the purposes of this definition.

Control has the meaning given to that term in Section 50AA of the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia or the Supreme Court of Western Australia, as appropriate.

CRA means the Canada Revenue Agency.

Deed Poll means the Deed Poll dated 22 November 2012 executed by B2Gold, and set out in **Annexure G** in Part 2 of this Scheme Booklet.

Directors mean the directors of CGA.

Effective means when used in relation to a Scheme, the order of the Court made under Section 411(4)(b) of the Corporations Act in relation to the Scheme comes into effect pursuant to Section 411(10) of the Corporations Act.

Effective Date means the date on which the Scheme becomes Effective.

Elected Amount means, in respect of a Canadian Scheme Participant who is an Eligible Holder, an elected amount so as to fully or partially defer realising a capital gain for the purposes of the Canadian Tax Act as a result of the Scheme.

Electing Small Scheme Participant has the meaning given to it in **Section 5.2(c)**.

Eligible Holder means a Scheme Participant who is:

- (a) a person who is a resident of Canada for the purposes of the Canadian Tax Act or, in the case of a partnership, a partnership that is a "Canadian partnership" for the purposes of the Canadian Tax Act; and
- (b) not exempt from tax under Part I of the Canadian Tax Act, or in the case of a partnership, a partnership none of the partners of which is exempt from tax under Part I of the Canadian Tax Act.

Ernst & Young means Ernst & Young of 11 Mounts Bay Road, Perth, Western Australia, Australia.

EOS has the meaning given to it in **Section 6.8**.

Exclusivity Period means the period commencing on 18 September 2012 and ending on the earlier of the date that the Merger Implementation Agreement is terminated, the Implementation Date or the Sunset Date.

Financial Advisors means the advisors retained by CGA in relation to the Scheme or a Competing Proposal, and at the date of this Scheme Booklet means BMO Capital Markets and Haywood Securities Inc.

Financial Indebtedness means any debt or other monetary liability (whether actual or contingent) in respect of moneys borrowed or raised or any financial accommodation including under or in respect of any:

- (a) bill, bond, debenture, note or similar instrument;
- (c) acceptance, endorsement or discounting arrangement;
- (d) guarantee;
- (e) financial or capital lease;
- (f) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service; or
- (g) obligation to deliver goods or provide services paid in advance by any financier, other than in the ordinary course of business.

FRC means Filminera Resources Corporation, a company duly organised and existing under the laws of the Philippines and having company registration number 170096.

FY 2011 means the financial year commencing 1 July 2010 and ending 30 June 2011.

FY 2012 means the financial year commencing 1 July 2011 and ending 30 June 2012.

g/t means grams per tonne.

GST means a goods and services tax or similar value added tax levied or imposed under the GST Law.

GST Law has the meaning given to it in the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*.

Haywood Securities Inc. means Haywood Securities Inc. of 700-200 Burrard Street, Vancouver, British Columbia V6C 3L6.

Headcount Test has the meaning given to it in **Section 4.1**.

IFRS means International Financial Reporting Standards as issued by the International Accounting Standards Board.

Implementation Date means the fifth Business Day after the Record Date, or such other date agreed to in writing by CGA and B2Gold.

Independent Expert means BDO.

Independent Expert's Report means the report of BDO set out in **Annexure A** in Part 2 of this Scheme Booklet.

Independent Technical Specialist means Behre Dolbear.

Independent Technical Specialist's Report means the report of Behre Dolbear set out in **Annexure C** in Part 2 of this Scheme Booklet.

Indicated Mineral Resource means:

- (a) for the purposes of the CIM Standards, that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and texting information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed; and
- (b) for the purposes of the JORC Code, the meaning given to that term in the JORC Code.

Ineligible Jurisdiction means any of Brunei Darussalam, Channel Islands, Fiji, Gibraltar, Greece, Ireland, United Kingdom, Malaysia, Netherlands, Norway and Papua New Guinea.

Ineligible Shareholder means a CGA Shareholder whose address shown in the Register is in an Ineligible Jurisdiction.

Inferred Mineral Resource means:

- (a) for the purposes of the CIM Standards, that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity, The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pit, workings and drill holes; and
- (b) for the purposes of the JORC Code, the meaning given to that term in the JORC Code.

Insolvency Event means in relation to a person:

- (a) the person is or becomes unable to pay its debts as and when they fall due within the meaning of the Corporations Act or such other corresponding law in the jurisdiction which that person is subject to or is otherwise presumed to be insolvent under the Corporations Act or such other corresponding law in the jurisdiction which that person is subject to, or would be presumed to be insolvent if that act applied;
- (b) the person suspends or threatens to suspend payment of its debts generally;
- (c) the calling of a meeting to consider a resolution to wind up the person (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the person) or the making of an application or the making or any order, or the passing of any resolution, for the winding up, liquidation or bankruptcy of the party other than where the application or order (as the case may be) is set aside within 14 days;
- (d) the appointment of a provisional liquidator, liquidator, receiver or a receiver and manager or other insolvency official (whether under Australian law or foreign law) to the person or to the whole or a substantial part of the property or assets of the person;
- (e) the appointment of an administrator to the person;
- (f) the entry by a person into any compromise or arrangement with creditors; or

(g) the person ceases or threatens to cease to carry on business.

Investigating Accountant means PricewaterhouseCoopers Securities Ltd.

Investigating Accountant's Report means the report of PricewaterhouseCoopers Securities Ltd set out in **Annexure B** in Part 2 of this Scheme Booklet.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 edition.

Listing Rules means the official listing rules of ASX.

Loan Plan has the meaning given to it in **Section 6.8**.

Masbate Project means CGA's Masbate gold-silver project located in the Masbate Province, the Republic of the Philippines.

Masminero means Masminero Resources Corporation, a corporation duly organised and existing under the laws of the Republic of the Philippines and having company registration number CS201008703.

Measured Mineral Resource means:

- (a) for the purposes of the CIM Standards, that part of a Mineral Resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity; and
- (b) for the purposes of the JORC Code, the meaning given to that term in the JORC Code.

Merged Entity means B2Gold and its Subsidiaries following implementation of the Transaction (when CGA will be a Subsidiary of B2Gold).

Merger Implementation Agreement means the Merger Implementation Agreement dated 18 September 2012 between CGA and B2Gold as amended pursuant to the Amendment Deed dated 1 November 2012, the key terms of which are summarised in **Annexure D** in Part 2 of this Scheme Booklet.

Mineral Reserve means, for the purposes of the CIM Standards, the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined.

Mineral Resource means:

- (a) for the purposes of CIM Standards, a concentration or occurrence of natural, solid, inorganic or fossilised organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are subdivided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories; and
- (b) for the purposes of the JORC Code, the meaning given to that term in the JORC Code.

New B2Gold Share means a common share in the capital of B2Gold to be issued under the Scheme.

Non-Canadian Scheme Participant means a Scheme Participant and any other beneficial owner of CGA Shares who, for purposes of the Canadian Tax Act and at all relevant times:

- (a) has not been and is not resident in Canada or deemed to be resident in Canada at any time while they hold their New B2Gold Shares received pursuant to the Scheme;
- (b) deals at arm's length with CGA and B2Gold;
- (c) is not affiliated with CGA or B2Gold;

- (d) holds all New B2Gold Shares acquired pursuant to the Scheme as capital property;
- (e) does not carry on an insurance business in Canada and elsewhere; and
- (f) does not use or hold, and is not deemed to use or hold, New B2Gold Shares in carrying on a business in Canada.

Notice of Scheme Meeting means the notice convening the Scheme Meeting together with the proxy form for that meeting as set out in **Annexure H** in Part 2 of this Scheme Booklet.

Notice Record Date means 19 November 2012, being the date for determining which CGA Shareholders listed on the registry maintained by the Canadian Registrar that will be provided with the Notice of Scheme Meeting and Voting Instruction Form.

Ore Reserve has the meaning given to that term in the JORC Code.

ozs or **ounces** means troy ounces.

Part 1 and **Part 2** mean the separate parts of the Scheme Booklet called Part 1 and Part 2 for identification purposes which together comprise the Scheme Booklet for the Scheme.

Probable Mineral Reserve means, for the purposes of the CIM Standards, the economically mineable part of an Indicated Mineral Resource and, in some circumstances, a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information in mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

Probable Ore Reserve has the meaning given to that term in the JORC Code.

Proved/Proven Mineral Reserve means, for the purposes of the CIM Standards, the economically mineable part of a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

Proxy Solicitation Agent means Georgeson Shareholder Communications Canada, Inc.

Record Date means 5.00pm (WST) on the fifth Business Day following the Effective Date or such other date (after the Effective Date) as CGA and B2Gold may agree in writing.

Register means the share register of CGA Shareholders kept pursuant to the Corporations Act.

Regulatory Authorities includes:

- (a) a government or governmental, semi-governmental, administrative, fiscal or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government;
- (c) any regulatory organisation established under statute; and
- (d) in particular, ASX, ASIC, TSX and the Canadian Securities Authorities.

Related Entity means, in relation to a party, any entity that is related to that party within the meaning of Section 50 of the Corporations Act or which is an economic entity (as defined in any approved Australian accounting standard) that is Controlled by that party.

Requisite Majority means in relation to the Scheme Resolution, a resolution passed by:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of CGA Shareholders (as the case may be), who are present and voting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative; and
- (b) passed by at least 75% of the votes cast on the resolution.

As further described in **Section 4.1**, CGA has sought, and the Court has granted, an order permitting the number of Voting Canadian Beneficial Holders on the Scheme Resolution to be taken into account for the purposes of determining whether the Headcount Test has been satisfied.

Representatives means in relation to an entity:

- (a) each of the entity's Related Entities; and
- (b) each of its and its Related Entities' directors, officers, employees, contractors, advisors (including legal, financial and other expert advisors) and agents, but excluding the Independent Expert, the Investigating Accountant and the Independent Technical Specialist.

Rule 144 Affiliate has the meaning given to it in **Section 10.10(b)**.

Rules of the Supreme Court of Western Australia means the *Rules of the Supreme Court of Western Australia 1971 (WA)*.

Sale Instruction Form has the meaning given to it in **Section 5.2(c)**.

Scheme means the proposed scheme of arrangement between CGA and CGA Shareholders, set out in **Annexure F** in Part 2 of this Scheme Booklet, together with any alterations or conditions made or required by the Court under Section 411(6) of the Corporations Act and approved in writing by CGA and B2Gold.

Scheme Booklet means this scheme booklet comprising Part 1 and Part 2.

Scheme Consideration means the consideration to be issued by B2Gold to Scheme Participants (or to the CGA Nominee, in respect of CGA Shares held by Ineligible Shareholders or the B2Gold Nominee, on behalf of the Electing Small Scheme Participants) for the transfer of each CGA Share under the terms of the Scheme being 0.74 New B2Gold Shares for every CGA Share held at the Record Date.

Scheme Meeting means the meeting of CGA Shareholders convened by the Court in relation to the Scheme pursuant to Section 411(1) of the Corporations Act, to be held at 10.00am on 24 December 2012 and includes any adjournment of that meeting.

Scheme Participant means each person who is a CGA Shareholder as at 5.00pm (WST) on the Record Date (other than B2Gold).

Scheme Resolution means the resolution to be proposed to the CGA Shareholders at the Scheme Meeting to approve the Scheme, set out in the Notice of Scheme Meeting.

Scheme Share means a CGA Share held by a Scheme Participant.

SEC means the US Securities and Exchange Commission.

Second Court Date means the day on which an application made to the Court for an order pursuant to Section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned or appealed application is heard.

Section 85 Election means an election under subSection 85(1) of the Canadian Tax Act or, in the case of a partnership, under subSection 85(2) of the Canadian Tax Act (and the corresponding provisions of any applicable provincial tax legislation) provided all members of the partnership jointly elect with B2Gold.

Section 85 Notification has the meaning given in **Section 8.2(c)**.

SEDAR means System for Electronic Document Analysis and Retrieval, the mandatory document filing and retrieval system for Canadian public companies.

Significant Interest Companies means Zoom, FRC, Vicar, Masminero and Aroroy or any of them, as the case may be.

Small Parcel has the meaning given to it in **Section 5.2(c)**.

Small Scheme Participant has the meaning given to it in **Section 5.2(c)**.

Subsidiary has the meaning given to that term in Section 9 of the Corporations Act.

Sunset Date means 28 February 2013 or such later date as agreed to in writing between CGA and B2Gold.

Superior Offer means a bona fide Competing Proposal that the CGA Board, acting reasonably and in good faith, and after taking advice from its legal and Financial Advisors, determines:

- (a) is reasonably capable of being valued and completed on a timely basis, taking into account all aspects of the Competing Proposal and the person making it, including without limitation having regard to legal, regulatory and financial matters and any conditions precedent; and

- (b) would or would be reasonably likely, if completed in accordance with its terms, to be more favourable to CGA Shareholders than the Scheme, after taking into account all of the terms and conditions of, and the identity, reputation and standing of the person making, the Competing Proposal.

Transaction means the acquisition by B2Gold of all of the CGA Shares by means of the Scheme in accordance with the terms of the Merger Implementation Agreement and the cancellation of the CGA Options for the Cancellation Consideration.

TSX means the Toronto Stock Exchange.

TSX Company Manual means the official Toronto Stock Exchange Company Manual published by TSX.

United States or **US** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

United States Shareholder means a holder of CGA Shares in the United States.

US Exchange Act means the *United States Securities Exchange Act of 1934*, as amended.

US Person has the meaning given to it in Regulation S of the US Securities Act.

US Securities Act means the *United States Securities Act of 1933*, as amended.

Vicar means Vicar Mining Corporation, a corporation duly organised and existing under the laws of the Republic of the Philippines and having company registration number 0000120228.

Voting Canadian Beneficial Holder means a Canadian Beneficial Holder who has lodged a valid Voting Information Form (or otherwise provided valid voting instructions to a broker or intermediary).

Voting Instruction Form means the voting instruction form (or other means of requesting voting instructions) sent to Canadian Beneficial Holders seeking voting instructions on the Scheme Resolution in relation to their CGA Shares in accordance with applicable Canadian securities laws.

Voting Record Date means the date on which CGA Shareholders need to be recorded in the Register in order to be entitled to vote at the Scheme Meeting (as at the date of this Scheme Booklet, which is expected to be 10.00am, 22 December 2012).

Whittle is a trademark of GEMCOM Software International Inc.

Zoom means Zoom Minerals Holdings Inc., a corporation duly organised and existing under the laws of the Republic of the Philippines and having company registration number CS200702326.

In this Scheme Booklet (and in **Annexures D, E and H** in Part 2 of this Scheme Booklet):

- all dates and times are Perth, Western Australia times unless otherwise indicated;
- words and phrases not otherwise defined in this Scheme Booklet (excluding the **Annexures** in Part 2 of this Scheme Booklet) have the same meaning (if any) as is given to them by the Corporations Act;
- the singular includes the plural and vice versa. A reference to a person includes a reference to a corporation;
- headings are for ease of reference only and do not affect the interpretation of this Scheme Booklet; and
- a reference to a **Section** is to a Section in this Scheme Booklet unless stated otherwise.

Part 2 of Scheme Booklet

Questions and further assistance

If you have any questions about the information contained in this Scheme Booklet or require assistance in completing your proxy form, please contact CGA's Proxy Solicitation Agent at:



North American Shareholders

North American Toll Free Number: 1-888-605-7616

Email: askus@georgeson.com

Australian Shareholders

Australian Toll Free Number: 1300-628-472

For international callers: +61 3 9415 4371

Your Directors unanimously recommend that, in the absence of a Superior Offer, you vote in favour of the Scheme.

This booklet contains important information including a copy of the Independent Expert's Report, the Investigating Accountant's Report, the Independent Technical Specialist's Report, a Summary of the Merger Implementation Agreement, a copy of the Scheme and the Notice of Scheme Meeting. A full list of the contents is included on page 1.

This is Part 2 of the Scheme Booklet and you should make sure that you also receive and read Part 1 which accompanies this booklet. This document is important and requires your immediate attention. You should read Part 1 and Part 2 of this document before you decide whether to vote in favour of the Scheme. If you are in doubt as to what you should do, you should consult your legal, investment, taxation or other professional advisor.

Financial Advisors to CGA

BMO Capital Markets



Haywood Securities Inc.



Canadian Legal Advisor to CGA

Blake, Cassels & Graydon LLP



Australian Legal Advisor to CGA

Middletons



CONTENTS OF PART 2

Important notices	1
Annexure A: Independent Expert's Report	2
Annexure B: Investigating Accountant's Report	120
Annexure C: Independent Technical Specialist's Report	126
Annexure D: Summary of Merger Implementation Agreement	199
Annexure E: Comparison of Australian and Canadian legal regimes	205
Annexure F: Scheme	234
Annexure G: Deed Poll	241
Annexure H: Notice of Scheme Meeting	246
Annexure I: Consent of PricewaterhouseCoopers LLP	247
Corporate Directory	248

Important notices

This is Part 2 of the Scheme Booklet and you should make sure that you also receive and read Part 1 that accompanies it.

Commencing on page 1 of Part 1 are the important notices that also apply to this Part 2 and you should read those important notices carefully.

Defined terms and interpretation

Capitalised terms used in this Scheme Booklet are either defined in brackets when first used or are defined in the Glossary in **Section 11** of Part 1. The Glossary also sets out some rules of interpretation which apply to this Scheme Booklet.

References to Scheme Booklet, Sections and Annexures

References to **Sections** and **Annexures** are to the named **Sections** and **Annexures** in this Scheme Booklet and except where otherwise expressly provided, references to this Scheme Booklet mean Part 1 and Part 2 of this scheme booklet that includes **Annexures A to I**

Annexure A: Independent Expert's Report

CGA MINING LIMITED Independent Expert's Report

5 November 2012





Financial Services Guide

5 November 2012

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 (“we” or “us” or “ours” as appropriate) has been engaged by CGA Mining Limited (“CGA”) to provide an independent expert’s report on the proposed acquisition of all the issued shares of CGA by B2Gold Corp. (“B2Gold”). The acquisition will be implemented by way of a scheme of arrangement (“the Scheme”). You will be provided with a copy of our report as a retail client because you are a shareholder of CGA.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$120,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from CGA for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service (“FOS”). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact details

You may contact us using the details set out at the top of our letterhead on page 1 of our report.

TABLE OF CONTENTS

1.	Introduction	1
2.	Summary and Opinion	1
3.	Scope of the Report	5
4.	Outline of the Scheme	7
5.	Profile of CGA	9
6.	Profile of B2Gold	18
7.	Proposed Merged Entity	30
8.	Economic analysis	33
9.	Industry analysis	35
10.	Valuation approach adopted	38
11.	Valuation of CGA	41
12.	Valuation of the Proposed Merged Entity	61
13.	Is the Scheme fair?	80
14.	Is the Scheme reasonable?	80
15.	Conclusion	87
16.	Sources of information	88
17.	Independence	88
18.	Qualifications	89
19.	Disclaimers and consents	89

Appendix 1 - Glossary of Terms

Appendix 2 - Valuation Methodologies

Appendix 3 - Discount Rate

Appendix 4 - Resource Multiples

Appendix 5 - Independent Technical Specialist Valuation Report

5 November 2012

The Directors
CGA Mining Limited
Level 5, BGC Centre
28 The Esplanade
PERTH WA 6000

Dear Sirs

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 19 September 2012, CGA Mining Limited (“CGA” or “the Company”) announced the proposed merger between CGA and B2Gold Corp. (“B2Gold”). If approved by CGA shareholders, the proposed merger will be implemented by way of a scheme of arrangement (“the Scheme”) and each CGA shareholder will receive 0.74 B2Gold shares for each CGA share held.

2. Summary and Opinion

2.1 Purpose of the report

The directors of CGA have requested that BDO Corporate Finance (WA) Pty Ltd (“BDO”) prepare an independent expert’s report (“our Report”) to express an opinion as to whether or not the Scheme is in the best interests of the shareholders of CGA (“Shareholders”).

Our Report is prepared pursuant to section 411 of the Corporations Act 2001 Cth and is to be included in a scheme booklet for CGA to be sent to all Shareholders (“Scheme Booklet”) in order to assist them in their decision whether to approve the Scheme.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (“ASIC”) Regulatory Guide 60 (“RG 60”) ‘Schemes of Arrangements’, Regulatory Guide 111 (“RG 111”), ‘Content of Expert’s Reports’ and Regulatory Guide 112 (“RG 112”) ‘Independence of Experts’.

In arriving at our opinion, we have assessed the terms of the Scheme as outlined in the body of this report. We have considered:

- A post merger analysis
- How the value of a CGA share prior to the Scheme compares to the value of 0.74 shares in the combined entity of CGA and B2Gold following the implementation of the Scheme
- The likelihood of a superior alternative offer being available to CGA

- Other factors which we consider to be relevant to the Shareholders in their assessment of the Scheme
- The position of Shareholders should the Scheme not proceed.

2.3 Opinion

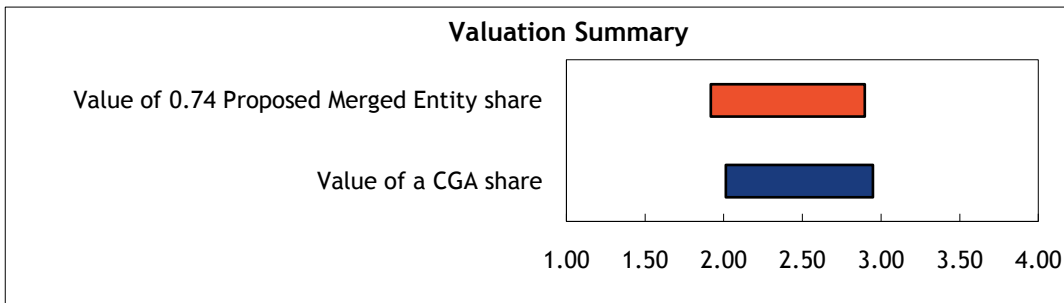
We have considered the terms of the Scheme as outlined in the body of this report and have concluded that, in the absence of a superior offer, the Scheme is fair and reasonable to Shareholders. Therefore, in the absence of any higher bid, we conclude that the Scheme is in the best interest of Shareholders.

2.4 Fairness

In section 13 we determined that the value of 0.74 shares of the combined entity of CGA and B2Gold following the implementation of the Schemes (“**Proposed Merged Entity**”), received as consideration under the Scheme to Shareholders compares to the value of one CGA share on a control basis prior to the implementation of the Scheme on both a diluted and undiluted basis, as detailed hereunder.

Undiluted basis	Section	Low US\$	Preferred US\$	High US\$
Value of a CGA share	11.8	2.01	2.45	2.95
Value of a Proposed Merged Entity share	12.2.9	2.59	3.22	3.92
Value of 0.74 Proposed Merged Entity shares		1.92	2.38	2.90

The above valuation range is graphically depicted as follows:

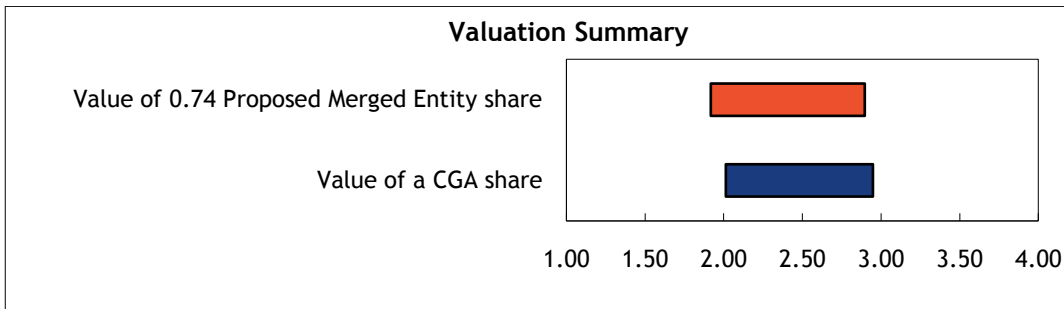


On a fully diluted basis:

Fully diluted basis	Section	Low US\$	Preferred US\$	High US\$
Value of a CGA share	11.8	2.01	2.45	2.95
Value of a Proposed Merged Entity share	12.2.9	2.57	3.18	3.86
Value of 0.74 Proposed Merged Entity shares		1.90	2.36	2.85

Source: BDO analysis

The above valuation range is graphically depicted as follows:



The above pricing indicates that, in the absence of any other relevant information, and a superior offer, the Scheme is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in Section 14 of this report, in terms of both

- advantages and disadvantages of the Scheme; and
- alternatives, including the position of Shareholders if the Scheme does not proceed.

In our opinion, the position of Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved. Accordingly, in the absence of any other relevant information and/or a superior proposal we believe that the Scheme is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
14.1.1	The Scheme is fair	14.2.1	Shareholders' interests will be diluted
14.1.2	Creation of a combined group with: <ul style="list-style-type: none"> a. stronger financial position b. increased size by market capitalisation c. increased gold reserve and resource positions d. increased annual production from mining operations e. increased free cash flows 	14.2.2	New B2Gold shares will only be traded on the TSX and not on ASX
14.1.3	Creation of a company with greater growth potential	14.2.3	Some ineligible Shareholders may not be able to receive B2Gold shares

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
14.1.4	Creation of a company with a larger and more diversified portfolio of assets through: <ul style="list-style-type: none"> a. geographical diversification b. asset diversification 		
14.1.5	Broader expertise and increased strength of management team		
14.1.6	Likelihood of increased liquidity in the shares of the Proposed Merged Entity		

Other key matters we have considered include:

Section	Description
14.3.1	The likelihood of an alternative proposal
14.3.2	Consequences of not approving the Scheme include: <ul style="list-style-type: none"> a. a potential decline in CGA's share price b. potential decline in the liquidity of CGA shares
14.3.3	Change in jurisdiction
14.3.4	Comparable shareholder protection and regulations
14.3.5	Shareholders' investment profile will change
14.3.6	Tax implications

3. Scope of the Report

3.1 Purpose of the Report

The Scheme is to be implemented pursuant to section 411 of the Corporations Act 2001 Cth (“the Act”). Part 3 of Schedule 8 to the Corporations Act Regulations (“Regulations”) prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to section 411 of the Act (“Section 411”).

Schedule 8 of the Act requires an independent expert’s report if:

- The corporation that is the other party to the scheme has a common director or directors with the company which is the subject of the scheme; or
- The corporation that is the other party is entitled to more than 30% of the voting shares in the subject company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interest of the members of the company the subject of the scheme and setting out his or her reasons for that opinion.

B2Gold does not hold any shares in CGA and there are no common directors, hence an independent expert’s report is not specifically required in relation to the Scheme. However, the directors of CGA have requested that BDO prepare this report as if it were an independent expert’s report pursuant to section 411, and to provide an opinion as to whether the Scheme is in the best interest of Shareholders.

The requirement for an independent expert’s report is also a precondition in the merger implementation agreement between CGA and B2Gold dated 18 September 2012 (“Merger Implementation Agreement”), which states that for the Scheme to proceed, the independent expert’s report must conclude that the Scheme is in the best interests of Shareholders.

3.2 Regulatory guidance

Neither the Act nor the Regulations defines the term ‘in the best interests of’. In determining whether the Scheme is in the best interests of Shareholders, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover bid and is therefore representative of a change of ‘control’ transaction.

In the circumstance of a scheme that achieves the same outcome as a takeover bid, RG 111 suggests that the form of the analysis undertaken by the independent expert should be substantially the same as for a takeover. Independent expert reports required under the Act in the circumstance of a takeover are required to provide an opinion as to whether or not the takeover bid is ‘fair and reasonable’. While there is no definition of ‘fair and reasonable’, RG 111 provides some guidance as to how the terms should be interpreted in a range of circumstances.

RG 111 suggests that an opinion as to whether transactions are fair and reasonable should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to effect the transaction.

Schemes of arrangement pursuant to section 411 can encompass a wide range of transactions. Accordingly, “in the best interests” must be capable of a broad interpretation to meet the particular circumstances of each transaction. This involves a judgment on the part of the expert as to the overall commercial effect of the transaction, the circumstances that have led to the transaction and the alternatives available. The expert must weigh up the advantages and disadvantages of the proposed transaction and form an overall view as to whether shareholders are likely to be better off if the proposed transaction is implemented than if it is not. This assessment is the same as that required for a ‘fair and reasonable’ assessment in the case of a takeover. If the expert would conclude that a proposal was ‘fair and reasonable’; if it was in the form of a takeover bid, the expert will also be able to conclude that the scheme is in the best interests of shareholders. An opinion of ‘in the best interests’ does not imply the best possible outcome for shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being ‘not fair’ the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in three parts:

- A comparison between the value of a CGA share including a premium for control prior to the Scheme and the value of 0.74 shares in the combined entities of CGA and B2Gold following the implementation of the Scheme on a minority interest basis (fairness - see Section 13 “Is the Scheme Fair?”)
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Scheme, after reference to the value derived above (reasonableness - see Section 14 “Is the Scheme Reasonable?”)
- A consideration of whether the Scheme is in the best interests of Shareholders.

RG 111 states that if a transaction is fair and reasonable then the expert can conclude that the transaction is in the best interests of shareholders; if a transaction is not fair but reasonable an expert can still conclude that the transaction is in the best interests of shareholders; if a transaction is neither fair nor reasonable then the expert would conclude that the transaction is not in the best interests of shareholders.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 ‘Valuation Services’ (“APES 225”).

A Valuation Engagement is defined by APES 225 as follows:

“an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.”

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Scheme

On 19 September 2012, B2Gold and CGA jointly announced that they had entered into a Merger Implementation Agreement whereby B2Gold will acquire all the issued ordinary shares of CGA by way of a scheme of arrangement under the Act. Under the proposed Scheme, Shareholders will receive 0.74 B2Gold common shares for each existing CGA ordinary share they hold. B2Gold shareholders will continue to hold their existing B2Gold common shares. It is expected that, upon the completion of the Scheme, B2Gold shareholders and CGA shareholders will own approximately 62% and 38% respectively, on a fully diluted basis, of the issued common shares of the Proposed Merged Entity.

B2Gold also proposes to acquire all outstanding CGA options and issue B2Gold shares as consideration for the cancellation of the options. The consideration will be based on the in-the-money amount of such CGA options and the closing price of the CGA shares on 17 September 2012 (“Cancellation Consideration”).

The Scheme and the various obligations of the parties, B2Gold and CGA, are conditional upon, but not limited to the following:

- Regulatory approvals of the Foreign Investment Review Board (“FIRB”), ASIC, the Australian Securities Exchange (“ASX”), the Toronto Stock Exchange (“TSX”)
- Approval of the Scheme by the requisite majority (under the Act) of Shareholders, and if necessary, the cancellation of the CGA options in consideration of the Cancellation Consideration, at the Shareholders’ scheme meeting
- Approval of B2Gold shareholders to approve the Scheme and the issuance of B2Gold shares under the Scheme and comprising the Cancellation Consideration in accordance with applicable TSX requirements at the B2Gold shareholders’ meeting by the requisite majority of the B2Gold shareholders
- CGA Board unanimously recommending that Shareholders vote in favour of the Scheme, in the absence of a more superior offer and in the absence of the independent expert finding that the Scheme is not in the best interests of Shareholders
- B2Gold Board unanimously recommending that B2Gold shareholders vote in favour of the Scheme and the issuance of B2Gold shares under the Scheme
- Court approval of the Scheme in accordance with section 411(4)(b) of the Act
- The independent expert’s report concluding that the Scheme is in the best interest of Shareholders
- Agreement by all option holders with CGA in writing, to cancel their CGA options for the Cancellation Consideration in accordance with ASX Listing Rule 6.23.2
- Consent provided by BNP Paribas under Part B: Facility Agreement of the Omnibus Agreement, to the change of control of CGA
- Agreement of Mark Turner and Hannah Hudson entering into a consulting arrangement with B2Gold
- B2Gold obtaining reasonably satisfactory confirmation that all the mineral production sharing agreements and the mining lease contract held by the relevant Significant Interest Companies (as defined under the Merger Implementation Agreement) are validly existing and registered in the name of a Significant Interest Company in good standing.

Further disclosure of the conditions precedent to the Scheme is included in the Scheme Booklet.

A summary of the Scheme is set out in the tables below:

Shares	Number
Number of shares CGA has on issue (as at 17 September 2012)	337,865,726
Exchange ratio, number of B2Gold shares for each CGA share	0.74
Total number of CGA shares and options outstanding	250,020,637
Number of B2Gold shares issued as Cancellation Consideration for CGA option holders	1,945,998
Maximum number of B2Gold shares to be issued	251,966,635
Proposed Merged Entity after the Scheme	
Number of shares B2Gold has on issue	392,585,651
Maximum number of shares to be issued to Shareholders and option holders under the Scheme	251,966,635
Maximum number of shares on issue on completion of the Scheme	644,552,286
Interest held by Shareholders	39.1%
Interest held by existing B2Gold shareholders	60.9%
	100.00%
On a fully diluted basis:	
Proposed Merged Entity after the Scheme	
Number of shares B2Gold has on issue (as at 17 September 2012)	392,585,651
Number of options B2Gold has on issue (as at 17 September 2012)	22,542,878
Total number of B2Gold shares on a fully diluted basis	415,128,529
Maximum number of shares to be issued to Shareholders and Option holders under the Scheme	251,966,635
Maximum number of shares on issue on completion of the Scheme	667,095,164
Interest held by Shareholders	37.8%
Interest held by existing B2Gold shareholders	62.2%
	100.00%

Source: CGA's share and option registers, B2Gold's share and option registers, Merger Implementation Agreement and BDO analysis

We have also set out the potential position of the Proposed Merged Entity after the Scheme on a fully diluted basis as all of the options that B2Gold has on issue are in-the-money as at the date of our Report. We refer to section 6.5 of our Report for further details on the options outstanding in B2Gold.

The Cancellation Consideration (in the form of the number of new B2Gold shares) to be provided to holders of CGA options is determined based on each tranche of CGA options as follows:

$$[(A - B) / C] \times D$$

where: **A** = C\$3.18 (0.74 of the closing price of B2Gold shares traded on the TSX on 17 September 2012)

B = C\$ value of the exercise price of CGA option in the relevant tranche, at the exchange rate of A\$1 to C\$1.02 (being the exchange rate quoted by the Bank of Canada on 17 September 2012)

C = C\$4.30 (the closing price of B2Gold shares traded on the TSX on 17 September 2012)

D = the number of CGA options in the relevant tranche.

5. Profile of CGA

5.1 History

CGA, through its subsidiaries, is a producing gold mining company with its principal asset being the 200,000+ ounce per annum Masbate gold mine in the Philippines. CGA was incorporated on 16 October 1985 as Conex Australia NL. The Company later changed its name to Sapphire Mines NL in August 1989 and subsequently to Sapphire Mines Limited when it became a company limited by shares on 8 February 2002. Following another name change to Central Asia Gold Limited on 27 November 2002, it finally adopted its current name on 22 November 2006.

CGA is domiciled in Australia with its registered and corporate head office in Perth and a regional office in Manila, Philippines. The Company is listed on both the ASX (since April 1991) and TSX (since February 2005). CGA's flagship project is the Masbate gold project located in the Philippines ("**Masbate Gold Project**"), which it acquired in March 2007 through the acquisition of 100% of Thistle Mining Inc's interest in the Masbate Gold Project. Within two years of its acquisition, CGA had successfully developed and commissioned the Masbate Gold Project which achieved its first gold pour in May 2009. The Masbate Gold Project is now the largest operating gold project in the Philippines.

Major events of the Company's history in the last six years to date are summarised in the following table.

Year	Highlights
2007	On 31 January 2007, CGA entered into a sale and purchase agreement for the acquisition of 100% of Thistle Mining Inc's interest in the Masbate gold project located in the Philippines. The agreed purchase consideration was US\$51 million and the transaction was completed on 19 March 2007 through an issue of 40,985,538 shares and cash payments of US\$25 million.
2008	<p>Awarded a six-year mining contract for the Masbate Gold Project to Leighton Contractors to carry out the construction and development of the open pit mining operations.</p> <p>Completed a private placement of 21,212,000 ordinary shares at C\$1.65 per share, raising C\$35 million.</p> <p>Undertook a US\$80 million project finance facility arranged by BNP Paribas (as a syndicated facility) to part fund the construction of the Masbate Gold Project, including the acquisition of a power plant and general working capital.</p> <p>SAG mill arrives at site for the Masbate Gold Project and five units of power generators purchased were also delivered to site to be installed.</p>
2009	<p>Completed a private placement of 20,000,000 ordinary shares at C\$1.25 per share for a total capital raising of C\$25 million. In a separate private capital raising in the same year, the Company issued an additional 14,815,000 ordinary shares at C\$1.35 per share, raising C\$20 million. The proceeds, in combination with existing cash reserves, were utilised to supplement working capital during the initial months of production at the Masbate gold mine.</p> <p>Achieved its first gold pour on 12 May 2009.</p> <p>Completed a further private placement of 14,705,000 ordinary shares at C\$1.70 per share for a total capital raising of C\$25 million. These funds were utilised to fund further enhancements to the plant and exploration activities at the Masbate gold mine.</p>

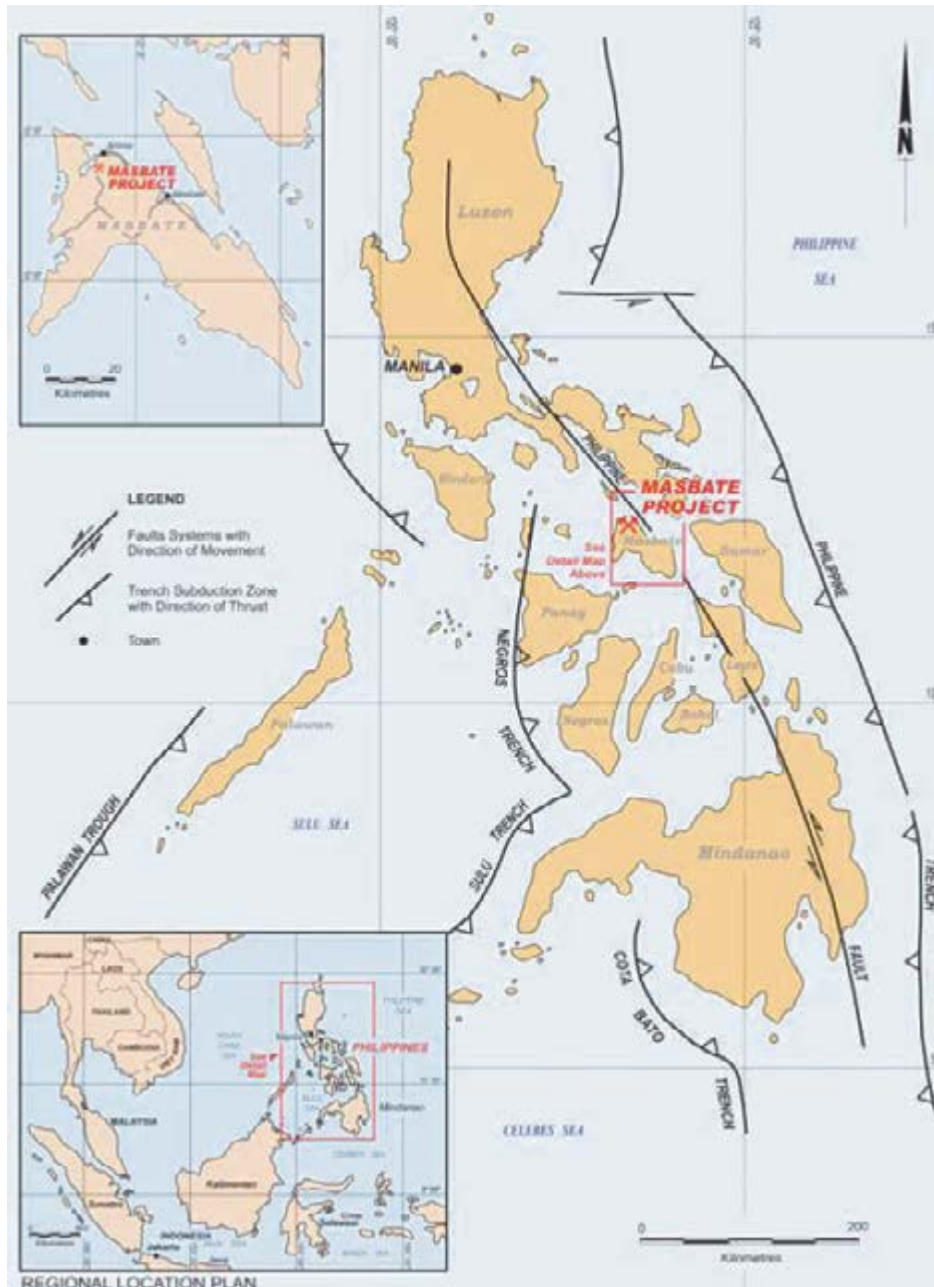
Year	Highlights
2010	<p>Completion of a private placement on a bought deal basis of 39,100,000 ordinary shares at C\$2.20 per share for a total gross proceed of C\$86 million. The net proceeds from the sale of shares were used to repay indebtedness, increase exploration activity at the Masbate gold mine and for general corporate purposes.</p> <p>Entered into a strategic alliance with Sierra Mining Limited which holds prospective gold exploration interests in the Philippines and increased its holding in Sierra Mining Limited to approximately 8.5%.</p> <p>Spun off CGA's African assets through the incorporation and listing of a new entity, Ratel Gold Limited, which held these African assets, resulting in CGA holding a 19.4% in Ratel Gold Limited and the African assets that CGA once owned. These assets are no longer controlled nor consolidated into the Company's financial statements.</p> <p>Participation in a placement of shares by Ratel Gold Limited and the acquisition of interests in the King-kong Copper-Gold Project in the Philippines.</p>
2011	<p>Through a restructuring of Ratel Gold Limited, CGA now holds a 19.1% interest in the Ratel Group which is listed on the TSX.</p> <p>Achieved project completion under its project finance facility for the Masbate Gold Project, resulting in lower margins for its borrowing facility, release of guarantees and the ability to flow all excess funds to any other entity within the CGA group.</p> <p>Mill throughput continued to improve with a ninth consecutive quarterly record set in the June 2011 quarter along with the commissioning of a fourth mining fleet to support further throughput improvements, including the 6.5 million tonnes per annum ("Mtpa") plant upgrade which was completed during the December 2011 quarter.</p> <p>Cracks were detected in the SAG mill at the Masbate Gold Project which had to be shut down to be repaired. Following the repair and successful recommissioning of the SAG mill in December 2011, production has remained strong.</p>
2012	<p>Achieved production of 100,016 ounces in the six-month period from January to June 2012.</p> <p>\$14.4 million was spent on exploration, reserve definition and sterilisation programmes, while 31,572 metres of diamond core drilling and 44,035 metres of reverse circulation drilling was completed.</p> <p>Announced an updated resource and reserve statement for the Masbate Gold Project on 7 May 2012.</p> <p>Entered into a merger implementation agreement with B2Gold on 18 September 2012 to combine the two companies at an agreed exchange ratio of 0.74 B2Gold common shares for each CGA share held by a CGA shareholder.</p>

Source: CGA's website, press releases and presentations

5.2 The Masbate Gold Project

Location

The Masbate Gold Project is located near the northern tip of the island of Masbate, 360 kilometres south-east of Philippines' capital city, Manila. The Masbate Gold Project covers a contiguous set of mining or exploration claims and applications that together cover an area of approximately 116 square kilometres.



Source: CGA's website

Previous operation

The Masbate Gold Project was originally operated for 14 years (from 1980 to 1994) by Atlas Group. The mining and production operations were subsequently closed due to the forced closure of the Atlas Group operations as a result of falling commodity prices and the inability of the Masbate Gold Project to cover group overheads from other operations of the company at that time. Historical production during this period was over one million ounces.

Geology

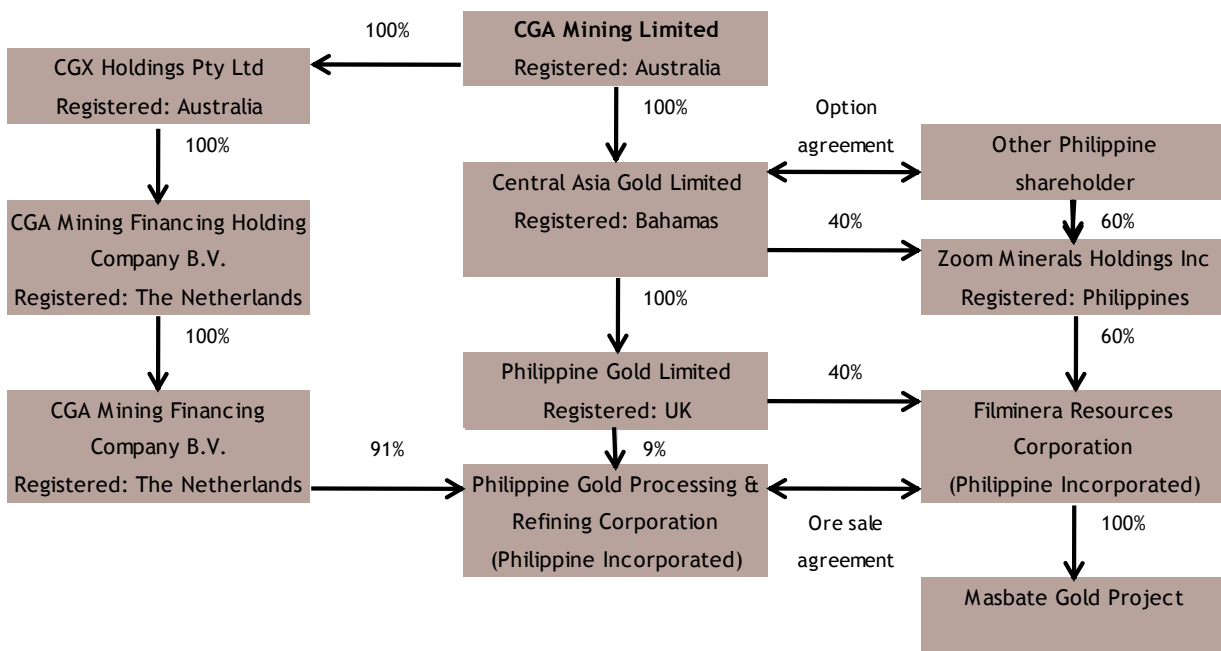
The Masbate Gold Project has a measured resource base of 0.16 million ounces (“Mozs”) of gold and an indicated resource base of 4.84 Mozs of gold, for a total measured and indicated gold resource of 5.13 Mozs (including 0.13 Mozs of stockpiles). The inferred resource base is estimated at 2.83 Mozs of gold, giving a total gold resource (measured, indicated and inferred) of 7.96 Mozs.

Out of this, there is a proven reserve of 0.14 Mozs of gold and a probable reserve of 2.9 Mozs of gold, for a total of proven and probable reserves of 3.17 Mozs ounces of gold (including 0.13 Mozs of stockpiles).

Ownership

Filminera Resources Corporation (“FRC”) holds the mineral tenements that include the deposits of the Masbate Gold Project. Philippine Gold Processing and Refining Corp. (“PGPRC”) developed, owns and operates the process plant and is responsible for the sale of all gold. PGPRC and FRC have a contractual relationship which includes PGPRC purchasing ore from FRC whilst maintaining joint financial and legal liability for the social and environmental obligations under Philippine law.

CGA indirectly owns the Masbate Gold Project through its 100% ownership of Philippine Gold Limited, which owns 40% of FRC, and through its 100% ownership of PGPRC. The remaining 60% of FRC is owned by a Philippine registered company, Zoom Mineral Holdings Inc (“Zoom Minerals”), in which CGA has a 40% interest. CGA also has an option to acquire the remaining 60% of Zoom Minerals. A more complete organisational structure of CGA can be found in the Scheme Booklet.



Source: CGA’s website, announcements and presentations

5.3 Historical Statement of Financial Position

	Audited as at 30-Jun-12 US(\$000)	Audited as at 30-Jun-11 US(\$000)	Audited as at 30-Jun-10 US(\$000)
CURRENT ASSETS			
Cash and cash equivalents	79,672	107,336	87,645
Trade and other receivables	2,115	704	138
Prepayments	6,000	7,850	2,982
Inventories	25,765	17,063	11,197
Derivative financial assets	-	1,760	753
Assets of disposal group classified as held for sale	-	-	546
TOTAL CURRENT ASSETS	113,552	134,713	103,261
NON-CURRENT ASSETS			
Available for sale financial assets	2,807	4,182	1,480
Investment in associate	86,413	71,574	43,583
Plant and equipment	191,843	191,355	182,923
Intangible assets	36,224	38,278	41,013
Derivative financial assets	-	-	629
Other assets	22,554	19,533	21,387
TOTAL NON-CURRENT ASSETS	339,841	324,922	291,015
TOTAL ASSETS	453,393	459,635	394,276
CURRENT LIABILITIES			
Trade and other payables	13,152	12,697	6,715
Interest bearing loans and borrowings	27,579	22,078	23,933
Derivative financial liabilities	38,784	37,771	21,879
Provisions	1,844	527	124
TOTAL CURRENT LIABILITIES	81,359	73,073	52,651
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	26,485	46,953	56,868
Provisions	1,248	911	775
Derivative financial liabilities	17,543	49,482	55,362
Deferred Tax Liability	5,495	6,117	5,525
TOTAL NON-CURRENT LIABILITIES	50,771	103,463	118,530
TOTAL LIABILITIES	132,130	176,536	171,181

	Audited as at 30-Jun-12 US(\$000)	Audited as at 30-Jun-11 US(\$000)	Audited as at 30-Jun-10 US(\$000)
NET ASSETS	321,263	283,099	223,095
EQUITY			
Contributed equity	305,077	302,016	299,576
Reserves	(39,752)	(68,867)	(61,348)
Accumulated losses	55,938	49,950	(15,133)
TOTAL EQUITY	321,263	283,099	223,095

Source: CGA's financial statements as at 30 June 2012, 30 June 2011 and 30 June 2010

We comment on the statement of financial position as follows.

- As at 30 June 2012 CGA has a sizeable cash and cash equivalents balance of US\$79.7 million. However cash and cash equivalents decreased from US\$107.3 million as at 30 June 2011. Lower gold revenue and lower receipts from customers for FY2012 contributed to the net decrease in cash and cash equivalents of US\$27.6 million.
- Inventory increased by approximately US\$8.7 million from 30 June 2011 to 30 June 2012. Gold on hand, gold in circuit, consumables, and ore stockpiles are higher as at 30 June 2012 when compared to 30 June 2011. Inventory is recorded using the lower of cost and net realisable value.
- Investments in associates increased from US\$71.6 million as at 30 June 2011 to US\$86.4 million as at 30 June 2012. This was primarily driven by a net increase in loans of \$16.8 million during the period to FRC. FRC holds mineral tenements in the Philippines including the Masbate Gold Project.
- Non-current interest bearing loans and borrowings decreased from US\$47.0 million as at 30 June 2011 to US\$26.5 million as at 30 June 2012. This is largely the result of CGA making principal payments of US\$16.2 million on the BNP Paribas project financing facility. The solvency of the Company has improved. This is reflected by the total debt to total shareholder equity ratio, which has reduced from 24.4% as at 30 June 2011 to 16.8% as at 30 June 2012.
- Current and non-current derivative financial liabilities relate to gold forward sales contracts and interest rate swaps which are represented on the balance sheet at fair value. Non-current derivative financial liabilities decreased significantly from US\$49.5 million as at 30 June 2011 to US\$17.5 million as at 30 June 2012. This change in the effective portion of the fair value of the derivative financial liabilities is reflected by a similar decrease recognised in the reserves account.

5.4 Historical Statement of Comprehensive Income

Statement of Comprehensive Income	Audited for the	Audited for the	Audited for the
	year ended	year ended	year ended
	30-Jun-12	30-Jun-11	30-Jun-10
	US(\$000)	US(\$000)	US(\$000)
Revenue	187,695	238,481	158,024
Cost of Sales	(147,855)	(158,113)	(110,657)
Gross Profit	39,840	80,368	47,367
Administrative expenses	(4,237)	(4,897)	(1,045)
Finance costs	(3,782)	(5,042)	(14,466)
Movement in fair value of derivative financial instruments	(864)	494	(7,091)
Impairment of investments	(6,870)	-	-
Gain on deconsolidation	-	2,929	-
Share of loss of associate	(3,883)	(3,192)	(184)
S & G Mill expenses	(6,213)	-	-
Other expenses	(8,192)	(4,946)	(5,726)
Profit from continuing operations before income tax	5,799	65,714	18,855
Income tax (expense)/benefit	189	(354)	93
Net profit from continuing operations after income tax	5,988	65,360	18,948
(Loss) from discontinued operations after tax	-	(278)	(2,956)
Net profit for the year	5,988	65,082	15,992
Other comprehensive income			
Movement in available for sale investments net of tax	(1,375)	1,687	447
Cashflow hedges:			-
Loss taken to equity net of tax	(16,721)	(25,275)	(54,050)
Loss transferred to profit/(loss) for the year, net of tax	46,751	15,148	1,600
Other comprehensive income/(loss) for the year net of tax	28,655	(8,440)	(52,003)
Total comprehensive income/(loss) for the year	34,643	56,642	(36,011)

Source: CGA's financial statements for the years ended 30 June 2012, 30 June 2011 and 30 June 2010

We comment on the statement of comprehensive income as follows.

- Revenue from the sale of metals decreased significantly from US\$235.3 million for the year ended 30 June 2011 to US\$184.3 million for the year ended 30 June 2012. The balance of revenue is made up of management fee and interest revenue. The decrease in sale of metals revenue is attributable to the failure of the SAG mill which affected the first six months of operations.

- The gross profit margin achieved by the Company was 21.2% for the period ended 30 June 2012 compared to 33.7% for the period ended 30 June 2011. The cost of consumables and supplies as well as other production overheads were both approximately US\$3.0 million higher for the period ended 30 June 2012 compared to the period ended 30 June 2011.
- The Company's net profit from continuing operation after tax declined by 90.8% in the period ended 30 June 2012. The following are key factors that contribute to the decline in profitability achieved by the Company:
 - The Company recorded a lower gross profit margin as explained above.
 - SAG Mill expenses of approximately US\$6.2 million were incurred for the period ended 30 June 2012. SAG Mill expenses for the period ended 30 June 2012 relate to legal, consulting and other costs incurred in relation to the repair of the SAG Mill.
 - The Company expensed US\$6.9 million relating to the impairment of its investment in St Augustine Gold & Copper Limited.
 - Other expenses increased by approximately US\$3.2 million for the period ended 30 June 2012. Other expenses for the period ended 30 June 2012 includes a provision for other transaction duties of approximately US\$1.0 million.
- Other comprehensive income of US\$28.7 million was recorded for the period ended 30 June 2012 compared to other comprehensive loss of US\$8.4 million for the period ended 30 June 2011.

5.5 Capital Structure

We have analysed the capital structure of CGA from the perspectives of shares separately listed on the TSX and ASX as well as on a combined basis.

The share structure of CGA as at the date of our Report is outlined below:

	ASX	TSX	Combined
Total ordinary shares on issue	20,347,173	317,518,553	337,865,726
% of total combined shares	6.02%	93.98%	100.00%
Top 20 shareholders	15,785,622	215,987,458	231,773,080
Top 20 shareholders - % of shares on issue	77.58%	68.02%	68.60%

Source: Thomson Reuters report and BDO Analysis

The range of shares held in CGA as at the date of our Report is as follows:

Range of Shares	ASX			TSX		
	No. of	No. of	% Issued	No. of	No. of	% Issued
1-1,000	-	-	0.00%	1	250	0.00%
1,001-5,000	-	-	0.00%	2	6,000	0.00%
5,001-10,000	2	16,245	0.08%	-	-	0.00%
10,001-100,000	23	1,205,360	5.92%	14	1,118,707	0.35%
100,001 over	22	17,642,271	86.71%	127	303,213,867	95.49%
TOTAL	47	18,863,876	92.71%	144	304,338,824	95.85%

Source: Thomson Reuters report and BDO Analysis

The range of shares held in CGA as at the date of our Report is as follows:

Range of Shares held	No. of Ordinary Shareholders	No. of Ordinary shares	% Issued Capital
1-1,000	1	250	0.00%
1,001-5,000	2	6,000	0.00%
5,001-10,000	-	-	0.00%
10,001-100,000	32	2,244,306	0.66%
100,001 over	141	320,902,144	94.98%
TOTAL	176	323,152,700	95.65%

Source: Thomson Reuters report and BDO Analysis

Note: The Thompson & Reuters report contains a breakdown of 92.71% and 95.85% of the total number of shares on issue on the ASX and the TSX respectively. The remaining percentage of shares on issue is classified as being unanalysed data.

The most significant shareholders of CGA as at the date of our Report are detailed below:

Combined Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Frankin Resources Inc, and its affiliates	34,608,750	10.24%
Deans Knight Capital Management Ltd	25,916,925	7.67%
Van Eck Associates Corporation	24,497,367	7.25%
FMR LLC & FIL	23,453,800	6.94%
Portland House Group Pty. Ltd.	17,848,889	5.28%
Mackenzie Financial	16,555,420	4.90%
Mason Hill Advisors, LLC	15,908,363	4.71%
Libra Advisors, LLC	13,714,376	4.06%
Haywood Securities	11,218,011	3.32%
Subtotal	183,721,901	54.38%
Others	154,143,825	45.62%
Total ordinary shares on issue	337,865,726	100.00%

Source: Thomson Reuters report and BDO Analysis

Outstanding options issued by CGA and held by 26 holders as at the date of our Report are outlined below.

Issue date	Number of Options	Exercise Price (A\$)	Expiry Date
07-May-08	700,000	1.80	31-Mar-13
15-Oct-08	400,000	1.20	15-Oct-13
28-Nov-08	3,000,000	1.50	28-Nov-13
02-Apr-09	981,250	1.70	02-Apr-14
30-Jun-09	100,000	1.50	30-Jun-14
28-Dec-10	75,000	2.97	27-Dec-12
28-Dec-10	575,000	2.97	31-Dec-15
	5,831,250		

Source: CGA's options register

6. Profile of B2Gold

6.1 History

B2Gold is a company listed on the TSX and is a Vancouver based gold producer with two operating mines in Nicaragua and a strong portfolio of development and exploration assets in Nicaragua, Colombia and Namibia. B2Gold was incorporated on 30 November 2006 by the former executive and management team of Bema Gold Corporation which was built from inception in 1988 and grew from a junior explorer to an international gold producer with a market capitalisation of C\$3.5 billion by 2007. The existing management team of B2Gold has a proven track record in the acquisition, exploration, financing and development of mining projects worldwide.

The corporate objective of B2Gold is to build an intermediate gold company through the development of gold properties, organic growth through exploration and by capitalising on its management experience through strategic acquisitions.

Major events of B2Gold's history in the last six years to date are summarised in the following table.

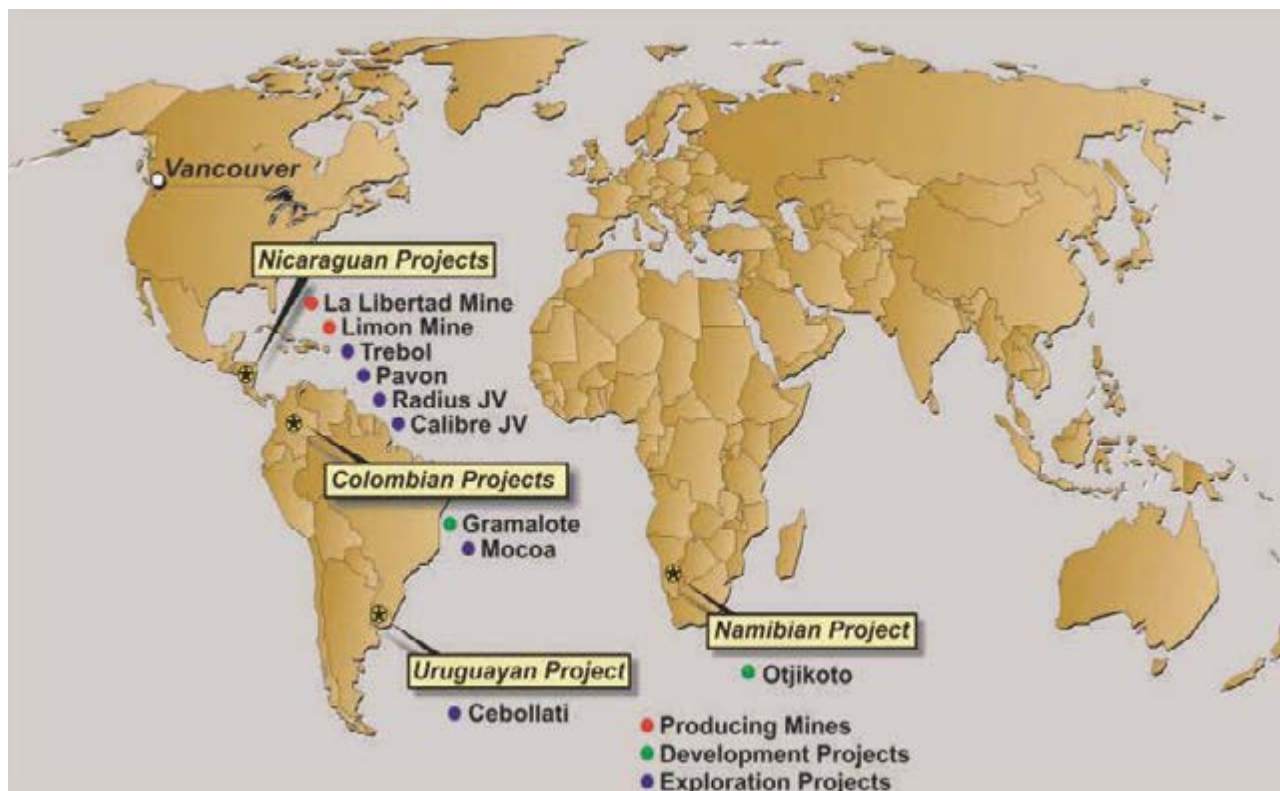
Year	Highlights
2007	Completed an initial public offering of 40,000,000 common shares at C\$2.50 per share and commences trading on the TSX Venture Exchange on 6 December 2007. Initial assets of B2Gold were interests in three projects in Colombia, namely, Gramalote, Quebradona and Miraflores and an interest in one project in far east Russia, Kupol East and West. Except for B2Gold's outright interest ownership of 25% in the Gramalote property, the remaining projects were only rights to earn an interest in those properties.
2008	Drilling programmes were carried out at the Quebradona gold property, Gramalote gold property, Mocoa Copper-Molybdenum Project and Kupol East and West gold and silver mine. Shares commence trading on TSX on 23 October 2008, following the delisting of its shares from the TSX Venture Exchange.
2009	Acquired 100% of the shares of Central Sun Mining Inc on 26 March 2009 by way of plan of arrangement. The acquisition of Central Sun Mining Inc added to B2Gold's property portfolio via two Nicaraguan mines, namely, the 100% owned La Libertad mine and the 95% owned Limon mine. B2Gold also acquired interests in additional mineral properties including the La India property in Nicaragua, and the Bellavista property in Costa Rica. Completed a bought deal public offering of 33,340,000 common shares at a price of C\$0.75 per share for gross proceeds of C\$25 million in July 2009. Subsequently, another 5,001,000 common shares at C\$0.75 per share were issued raising further gross proceeds of C\$3.75 million. Secured a revolving credit facility with Macquarie Bank Limited of US\$20 million, including an issue of 11,063,565 share purchase warrants to Macquarie Bank Limited exercisable at C\$0.97 per share, connection with the facility. The revolving credit facility was subsequently increased to US\$25 million. Ore processing at the La Libertad mine recommenced on 15 December 2009 with the first doré bar produced on 5 January 2010.

Year	Highlights
2010	<p>Completion of a bought deal public offering of 25,624,111 common shares and 3,342,276 options exercisable at C\$1.25 per share, for total gross proceeds of approximately C\$32 million.</p> <p>Entered into an assignment, settlement and release agreement with Kinross Gold Corporation and its subsidiary, to assign its rights and interests in the East Kupol and West Kupol licences, receiving cash, contingent payments and royalty payments.</p> <p>Entered into an agreement to earn an 80% interest in the Cebollati property, which B2Gold subsequently settled in January 2012.</p>
2011	<p>Announced a 180% increase in inferred resources at La Libertad mine due to the new resource outlined on the Jabali zone located approximately 10 kilometres east of the mill facility at the La Libertad mine. Confirmation of this inferred resource added several years to the La Libertad's mine life and allowed the potential to deliver, in the near term, higher grade ore to the mill at the La Libertad mine.</p> <p>Acquired 100% of the shares of Auryx Gold Corp by way of plan of arrangement on 22 December 2011. Auryx Gold Corp owns 92% interest in Auryx Gold Namibia (Pty) Ltd, which holds the mineral interests relating to the Otjikoto project and 100% interest in two additional exploration projects in Namibia.</p>
2012	<p>Acquired an additional 40% interest in Radius Gold Inc. to acquire 100% interest in the Trebol and El Pavon gold properties in Nicaragua for a share consideration of C\$20 million. B2Gold had previously earned a 60% interest in the Trebol and El Pavon properties by expending a total of US\$4 million on exploration, resulting in a 60%-40% B2Gold-Radius joint venture. The share consideration consisted of the issue of approximately 4.8 million common shares of B2Gold at C\$4.15 per share. B2Gold also agreed to make contingent payments to Radius Gold Inc. of US\$10 per ounce of gold on 40% of any proven and probable mineral reserves in excess of 500,000 ounces (on a 100% basis) on the Trebol property. The transaction was completed on 8 August 2012.</p> <p>B2Gold and Radius Gold Inc. have terminated all other aspects of the existing option and joint venture arrangements entered into between the parties in December 2009 in respect of the Trebol, El Pavon and San Pedro exploration properties.</p> <p>B2Gold and Radius Gold Inc. entered into a joint venture agreement on a 60%-40% basis with respect to each of the San Jose and La Magnolia properties in Nicaragua and continue jointly exploring the properties with B2Gold and Radius Gold Inc. contributing 60% and 40% respectively of the exploration expenditures of each joint venture.</p> <p>Acquired 10.6% of the issued and outstanding common shares of Calibre Mining Corp, including warrants, which if assumed full exercise, would take B2Gold's interest in Calibre Mining Corp to 15.2%.</p> <p>Entered into a merger implementation agreement with CGA on 18 September 2012 to combine the two companies at an agreed exchange ratio of 0.74 B2Gold common shares for each CGA held by a CGA shareholder.</p>

Source: B2Gold's website, press releases and presentations

6.2 Projects

The project map of B2Gold's key mining assets is depicted below.



Source: B2Gold's website, press releases and presentations

Projects	Interest	Stage of development	Country
La Libertad	100%	Producing mine	Nicaragua
Limon	95%	Producing mine	Nicaragua
Otjikoto	92%	Development project	Namibia
Gramalote	49%	Development project	Colombia
Cebollati	80%	Exploration project	Uruguay
Mocoa	100%	Exploration project	Colombia
Trebol	100%	Exploration project	Nicaragua
Pavon	100%	Exploration project	Nicaragua
Quebradona	35%	Exploration project	Colombia
San Jose (Radius Gold JV)	60%	Exploration project	Nicaragua
Borosi (Calibre Mining JV)	-	Right to earn up to 65% interest	Nicaragua
Bellavista	100%	Rebuilding a previously operating mine	Costa Rica

Source: B2Gold website and press releases



La Libertad Mine

The La Libertad mine is an open pit gold mine located 110 kilometres east of the Nicaraguan capital of Managua. B2Gold holds an indirect 100% interest in Desarrollo Minero de Nicaragua S.A. (“Desminic”), which owns and operates the La Libertad mine. Through Desminic, B2Gold also holds one exploitation and exploration concession covering 10,950 hectares and two other exploitation and exploration concessions covering 3,546 hectares. These three concessions form one contiguous block. B2Gold also indirectly holds an 80% interest in the Cerro Quiroz concession covering 2,250 hectares, which is located contiguous with the eastern border of the La Libertad claim block.

Following B2Gold’s acquisition of the La Libertad mine, it converted it from a heap leach mine to a conventional milling operation. Ore processing at the La Libertad mine commenced in December 2009 with the first doré bar produced in January 2010. Two mills, processing up to 5,500 tonnes per day produced 99,567 ounces of gold in 2011.

B2Gold plans to undertake capital expenditures of approximately US\$25.6 million to develop its Jabali resources. It is expected that the current resources of Jabali will be upgraded to reserves once mining permits are received, which is expected to occur in 2012.

Limon Mine

The Limon mine is an open and underground pit located approximately 100 kilometres northwest of Managua, the capital city of Nicaragua. B2Gold holds an indirect 95% interest in Triton Minera S.A. (“Triton”), which owns and operates the Limon mine. The remaining 5% of Triton is held by Inversiones Mineras S.A., a holding company representing unionised mine workers in Nicaragua. B2Gold also holds eight other mineral concessions, all at exploration stage.

The Limon property consists of the 12,000 hectare ‘Mina El Limon’ mineral concession. Triton directly owns or controls the surface rights for all the property on which the mining, milling, tailings or related facilities at the Limon mine are located.

The Limon mine concession has historically produced approximately three million ounces of gold since commencement of production in 1941. This mine has an estimated remaining mine life of five years. Processing capacity is 1,100 tonne per day and total production for 2011 was 45,037 ounces of gold.

B2Gold plans to undertake capital expenditures of approximately US\$19 million to access deeper ore, thereby adding approximately three years to production.

Otjikoto project

The Otjikoto gold project is located approximately 300 kilometres north of Namibia’s capital city, Windhoek. B2Gold holds an indirect 92% interest in Aurix Gold Namibia (Pty) Ltd which holds the mineral interests relating to the Otjikoto project, and a 100% interest in two additional exploration projects in Namibia.

A feasibility study is scheduled to be completed in the fourth quarter of 2012 and planning for mine construction would also commence concurrently. The Otjikoto project is estimated to have a ten-year mine life and expected to achieve an average annual production of over 100,000 ounces of gold from National Instrument (“NI”) 43-101 compliant indicated resource of 1.34 Mozs of gold and a NI43-101 compliant inferred resource of 0.05 Mozs of gold above a cut-off grade of 0.5 g/t gold, on a 100%

ownership basis. It is expected that the resources of Otjikoto will be upgraded to reserves once mining permits are received, which is expected to occur in 2012.

It is anticipated that the Otjikoto project will be able to leverage on Namibia's well established infrastructure and politically and socially stable jurisdictions.

Gramalote project

The Gramalote property is located approximately 230 kilometres northwest of Bogota, the capital of Colombia. B2Gold holds a 49% interest in Gramalote Limited, which is the company that holds the mineral interests relating to the Gramalote property. The other 51% is held by AngloGold Ashanti joint venture, with AngloGold as the operator.

The Gramalote property area is covered by 31 contiguous claim blocks totalling 42,790 hectares. These claims include one exploitation licence, one exploration licence, 19 registered concession contracts, six non-registered concession contracts and four mineral applications.

In April 2012, B2Gold announced new resource estimates that significantly increased the size of the Gramalote resources. The joint venture parties are funding an exploration, feasibility and development budget totalling US\$36.9 million for 2012 on a pro rata basis. A pre-feasibility study is scheduled for completion in 2012 and the feasibility study is scheduled to be completed in the fourth quarter of 2013.

The Gramalote project is anticipated to become a large scale open pit gold mine producing between 300,000 and 400,000 ounces per year, commencing in 2016.

Cebollati project

The Cebollati property is located in the Department of Lavalleja, 180 kilometres northeast of Montevideo in southern Uruguay. B2Gold earned an 80% interest in the Cebollati property after meeting all its cash purchase payments totalling US\$1 million (in stages) by 31 January 2012 under an option agreement. B2Gold has further obligations to fund all exploration work and completion of a feasibility study.

The Cebollati property consists of ten claims totalling approximately 34,200 hectares. The claims comprise one exploration licence, one exploration application, five prospection licences and three prospection licence applications.

Following the successful 2011 exploration drilling programme that confirmed the presence of significant gold bearing replacement style mineralisation within multiple zones, drilling programme will continue on an exploration budget of US\$3.4 million for 2012.

Mocoa property

The Mocoa property is located approximately 465 kilometres southwest of the Colombian capital of Bogota and ten kilometres north of the town of Mocoa, an agricultural centre and the capital of the Department of Putumayo. B2Gold acquired a 100% interest in the Mocoa copper-molybdenum porphyry deposit at this property from AngloGold Ashanti.

The Mocoa property consists of four contract claims totalling 7,830 hectares and two claim applications totalling 3,960 hectares. Drilling has shown encouraging copper-molybdenum values at depth and shows the deposit to be open to the north and northeast.

Quebradona property

The Quebradona property is located approximately 220 kilometres northwest of Bogota and approximately 60 kilometres south-southwest of Medellin in Colombia. This property contains at least five gold bearing porphyry systems comprising the La Aurora, La Isabela, La Sola, El Chaquiro and El Tenedor zones. Surface exploration has been completed, returning anomalous gold values indicative of the presence of potentially economic porphyry-style gold mineralisation in each of the target areas.

The Quebradona property is a joint venture between B2Gold and AngloGold Ashanti, with B2Gold owning 35% interest. B2Gold is required to participate in future exploration programmes on a pro rata basis in order to maintain its 35% interest in the Quebradona property.

Trebol and Pavon properties

The Trebol property is located in northeastern Nicaragua consisting of numerous strong gold anomalies spanning over 14 kilometres of strike length. 37 holes totalling 3,208 metres have been drilled.

The Pavon property is located in central Nicaragua and was discovered by Radius Gold Inc. in 2003. A strike length of six kilometres has been explored with 74 trenches and 71 diamond drill holes totalling approximately 10,700 metres. The drilling programme incorporates an evaluation of the viability of open pit mining portions of the veins and shipping the ore to the mill at the Limon mine.

B2Gold had previously earned a 60% interest in the Trebol and Pavon properties by expending a total of US\$4 million on exploration, resulting in a 60%-40% B2Gold-Radius joint venture. B2Gold recently acquired an additional 40% interest from Radius Gold Inc. to own 100% interest in the Trebol and Pavon gold properties in Nicaragua.

San José and La Magnolia properties

B2Gold and Radius Gold Inc. have entered into a joint venture agreement on a 60%-40% basis with respect to each of the San Jose and La Magnolia properties in Nicaragua and continue jointly exploring the properties with B2Gold and Radius Gold contributing 60% and 40% respectively of the exploration expenditures of each joint venture. The La Magnolia property has not yet been awarded.

Borosi property

The Borosi property is located in the Bonanza-Rosita-Siuna areas of northeast Nicaragua, the “Mining Triangle” of Nicaragua, which is estimated to have had historical production totalling more than five million ounces of gold, four million ounces of silver, 158,000 tonnes of copper and 106,000 tonnes of zinc.

A total of 2,000 metres of diamond drilling totalling US\$1.5 million is planned and several other gold-copper anomalies identified on the Primavera concession remain untested and will be evaluated.

B2Gold is progressively earning a 51% interest with a right to earn up to a 65% interest in specific project areas which include two concessions and a portion of a third concession with a total combined area of 32,234 hectares by funding a preliminary feasibility study of the viability of a mining project in that area.

Bellavista property

The Bellavista property is located within the Costa Rican “Gold Belt”, approximately 70 kilometres northeast of San José. B2Gold owns 100% interest in this property, which consists of one exploitation concession covering a seven square kilometre area.



The Bellavista mine was previously operated by Glencairn Gold Corporation as an open pit mine and heap leach operation. Mining operations were suspended in July 2007 due to indications of a potential massive ground movement. Shortly after, a landslide occurred resulting in damage to the East side of the heap leach pad and the recovery plant. Since then, a number of mitigation measures, extensive monitoring programmes and site reclamation have been conducted.

B2Gold is investigating various alternatives relating to the Bellavista property, including the potential for re-opening the mine using different technologies, including a milling and carbon-in-leach process.

6.3 Historical Statement of Financial Position

Statement of Financial Position	Unaudited as at 30-Jun-12 US(\$000)	Audited as at 31-Dec-11 US(\$000)	Audited as at 31-Dec-10 US(\$000)
CURRENT ASSETS			
Cash and cash equivalents	77,338	102,292	70,012
Accounts receivable and prepaids	7,660	6,372	4,962
Value-added and other tax receivables	17,745	14,149	6,168
Inventories	27,989	26,695	19,438
Unrealised fair value of derivative assets	326	-	-
Marketable securities	-	-	483
TOTAL CURRENT ASSETS	131,058	149,508	101,063
NON-CURRENT ASSETS			
Mining Interests	464,169	412,537	232,535
Investment	3,104	-	-
Other Assets	1,183	996	1,056
TOTAL NON-CURRENT ASSETS	468,456	413,533	233,591
TOTAL ASSETS	599,514	563,041	334,654
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	16,102	22,610	10,581
Current taxes payable	2,794	6,254	4,422
Current portion of mine restoration provisions	1,376	1,376	1,389
Related party loans	72	81	102
TOTAL CURRENT LIABILITIES	20,344	30,321	16,494
NON-CURRENT LIABILITIES			
Mine restoration provisions	24,106	26,731	18,714
Deferred income taxes	31,780	26,638	6,539
Employee benefits accrual	4,487	4,017	2,776
TOTAL NON-CURRENT LIABILITIES	60,373	57,386	28,029
TOTAL LIABILITIES	80,717	87,707	44,523

Statement of Financial Position	Unaudited as at 30-Jun-12 US(\$000)	Audited as at 31-Dec-11 US(\$000)	Audited as at 31-Dec-10 US(\$000)
NET ASSETS	518,797	475,334	290,131
EQUITY			
Share capital issued	449,655	435,048	312,829
Contributed Surplus	28,580	22,712	19,971
Accumulated other comprehensive income	(3,447)		
Retained earnings	40,114	13,631	(42,669)
	514,902	471,391	290,131
NON-CONTROLLING INTERESTS	3,895	3,943	-
TOTAL EQUITY	518,797	475,334	290,131

Source: B2Gold's unaudited financial statements as at 30 June 2012 and audited financial statements as at 31 December 2011 and 31 December 2010

We have not undertaken a review of B2Gold's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 "Review of Historical Financial Information" and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We comment on the statement of financial position as follows.

- The cash and cash equivalents position of B2Gold as at 30 June 2012 is healthy comprising of US\$73.3 million. The decrease from \$US102.2 million as at 30 June 2011 is predominantly the result of greater investment activity. This includes US\$12.2 million spent in the six months ended 30 June 2012 relating to the exploration and development of the Otjikoto project. Another significant cash flow for the six months ended 30 June 2012 relates to B2Gold's C\$5 million long term investment in Calibre Mining Corp. ("Calibre"). The increase in the cash and cash equivalents balance between 31 December 2010 and 31 December 2011 is driven by higher net income achieved for the period 31 December 2011.
- As at 30 June 2012, B2Gold's investment in Calibre has been recorded as a non-current asset at its fair market value of US\$3.1 million dollars. Unrealised losses from the investment have been excluded from earnings and reported as other comprehensive losses.
- The mining interests of B2Gold increased by approximately \$US180.0 million from 31 December 2010 to 31 December 2011. A significant proportion of this increase relates to the Company's acquisition of Auryx Gold. The combination of the two companies was by way of a plan of arrangement and resulted in B2Gold acquiring a 92% interest in the Otjikoto Gold Project in Namibia. The increase in B2Gold's mining interest between 31 December 2011 and 30 June 2012 is largely driven by additions to property, plant and equipment at their Libertad and Limon projects.
- The increase in inventories from 31 December 2010 to 31 December 2011 is predominantly relating to an increase in materials and supplies of approximately US\$4.3 million.

6.4 Historical Statement of Comprehensive Income

Statement of Comprehensive Income	Unaudited for the six months	Audited for the year	Audited for the year
	ended 30-Jun-12	ended 31-Dec-11	ended 31-Dec-10
	US(\$000)	US(\$000)	US(\$000)
Gold Revenue	121,203	225,352	127,521
Cost of Sales			
Production costs	(43,087)	(75,229)	(62,762)
Depreciation and depletion	(14,054)	(26,175)	(14,739)
Royalties and production taxes	(3,881)	(12,229)	(7,178)
Other	-	(692)	-
Gross Profit	60,181	111,027	42,842
Expenses			
General and administrative	(9,079)	(16,635)	(13,044)
Share-based payments	(10,803)	(6,190)	(1,943)
Accretion of mine restoration provisions	(893)	(1,267)	(1,192)
Foreign exchange (loss)/gains	544	(114)	1,208
Gain on sale of interest in Kupol EW licenses	-	-	24,062
Write-off of mining interests	-	-	(2,841)
Other	(1,717)	(1,127)	(3,274)
Operating Income	38,233	85,694	45,818
Community relations	(2,159)	(4,042)	(933)
Derivative gains/(loss) - net	126	-	(9,984)
Interest and financing costs	(65)	(611)	(4,704)
Other comprehensive Income	167	(532)	(1,387)
Income before withholding and other taxes	36,302	80,509	28,810
Current income and withholding taxes	(4,677)	(6,292)	(2,240)
Deferred income tax	(5,142)	(17,917)	(6,539)
Total comprehensive income for the year	26,483	56,300	20,031

Source: B2Gold's reviewed financial statements for the half-year ended 30 June 2012 and audited financial statements for the years ended 31 December 2011 and 31 December 2010

We have not undertaken a review of B2Gold's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 "Review of Historical Financial Information" and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We comment on the statement of comprehensive income as follows.

- The gross profit margins achieved by B2Gold improved considerably from 33.6% the period ended 31 December 2010 to 49.3% for the period ended 31 December 2011. The relatively low gross profit margin for the year ended 31 December 2010 was caused by low gold revenues. For the six months ended 30 June 2012 B2Gold has recorded a gross profit margin of 49.6% which is consistent with the previous year results.
- The gain of approximately US\$24.0 million for the period ended 31 December 2010 relates the sale of the B2Gold's right to acquire an interest in the Kupol East and Kupol West Licenses. B2Gold sold these rights to Kinross Gold Corporation ("Kinross") and the sale resulted in a gain of \$US24.1 million in the third quarter of 2010.

6.5 Capital Structure

As at the date of our report B2Gold had 392,585,651 ordinary shares and 22,542,878 options on issue.

The common shares held by the most significant shareholders are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
CDS & CO	234,512,597	59.74%
Fidelity	46,352,233	11.81%
Resolute Funds Ltd	33,800,000	8.61%
Van Eck Associates Corporation	28,506,005	7.26%
Clive Johnson	8,580,570	2.19%
CEDE & Co	7,325,351	1.87%
Tom Garagan	5,693,582	1.45%
Mark Corra	5,687,332	1.45%
Roger Richer	5,433,582	1.38%
Radius Gold Inc.	4,815,894	1.23%
Dennis Stansbury	3,949,132	1.01%
Robert Cross	2,399,593	0.61%
Total shareholding of significant shareholders	387,055,871	98.59%
Others	5,529,780	1.41%
Total ordinary shares on Issue	392,585,651	100.00%

Source: B2Gold share registry

We note that there is a large proportion of shares are registered by the Canadian Registry in the names of various intermediary North American brokerage firms and registered in the name of CDS & Co, the registration name for the Canadian Depository for Securities, which acts as a the nominee for most intermediaries in Canada.

CEDE & Co, on the other hand, are shares held by beneficial shareholders who maintain their ownership through a brokerage, and are issued in "street name" to facilitate subsequent transactions. "Street name" holders are not registered holders.

We understand that the directors and executive officers of B2Gold, as a group, beneficially owned, controlled or directed, directly or indirectly, 35,224,223 B2Gold shares, representing approximately 9% of the issued and outstanding B2Gold Shares.

The range of options held in B2Gold as at the date of our Report is as follows:

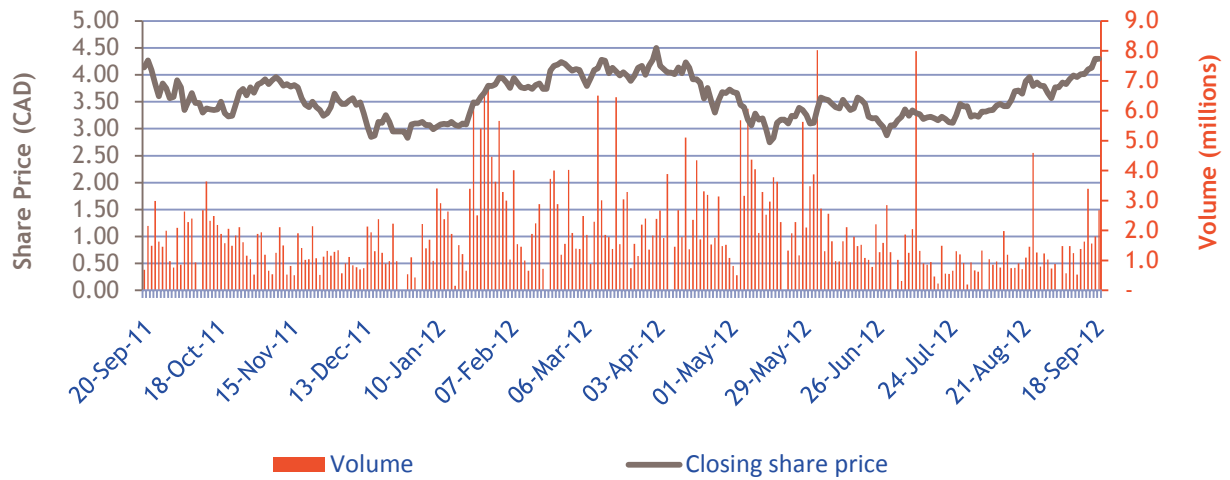
Grant Date	Number of Options	Exercise Price (C\$)	Expiry Date	Cash Raised if Exercised (C\$)
13-Jul-12	390,000	3.18	12-Jul-17	1,240,200
9-May-12	180,000	3.06	11-May-17	550,800
5-Mar-12	400,000	3.93	4-Mar-17	1,572,000
9-Jan-12	9,459,565	3.1	18-Jan-17	29,324,652
23-Dec-11	15,525	2.18	13-Feb-13	33,845
23-Dec-11	1,946,813	2.4	13-Jul-15	4,672,351
23-Dec-11	115,000	2.4	18-Aug-15	276,000
23-Dec-11	74,750	4	13-Sep-15	299,000
23-Dec-11	97,750	3.57	11-Apr-16	348,968
23-Dec-11	92,000	2.96	2-May-16	272,320
23-Dec-11	707,250	2.4	2-Jul-16	1,697,400
24-Oct-11	365,000	3.24	23-Oct-16	1,182,600
5-Aug-11	815,000	3.08	4-Aug-16	2,510,200
29-Jun-11	175,000	3.19	28-Jun-16	558,250
31-May-11	728,750	3.11	30-May-16	2,266,413
21-Jan-11	735,125	2.31	20-Jan-16	1,698,139
1-Dec-10	241,200	2.57	30-Nov-15	619,884
8-Nov-10	1,625,500	2.45	7-Nov-15	3,982,475
20-Oct-10	200,000	1.97	19-Oct-15	394,000
5-Oct-10	53,600	1.85	4-Oct-15	99,160
11-Aug-10	20,000	1.63	10-Aug-15	32,600
3-Jun-10	170,000	1.44	2-Jun-15	244,800
8-Mar-10	215,000	1.33	7-Mar-15	285,950
9-Feb-10	310,000	1.25	8-Feb-15	387,500
22-Jan-10	80,400	1.27	21-Jan-15	102,108
4-Aug-09	3,040,450	0.8	3-Aug-14	2,432,360
26-Mar-09	6,400	1.41	4-Feb-13	9,024
26-Mar-09	204,800	1.57	25-Jun-13	321,536
26-Mar-09	78,000	1.57	1-Jul-13	122,460
	22,542,878			57,536,993

Source: B2Gold option registry

6.6 Share price and volume trading analysis

The following chart provides a summary of the share price movement over the 12 months to 18 September 2012, for B2Gold shares traded on the TSX, which was the last trading day prior to the announcement of the Scheme.

B2Gold share price and trading volume history



Source: Bloomberg and BDO analysis

The chart above indicates that closing share price of B2Gold has consistently traded within a range of C\$3.00 and C\$4.00 over the 12 months to 18 September 2012. The volume of B2Gold shares that have been traded over the 12 months to 18 September 2012 has been consistently high and this is supported by the data in the table below.

	Share price low C\$	Share price high C\$	Cumulative volume traded	As a % of Issued capital
1 Day	4.240	4.380	2,678,697	0.68%
10 Days	3.900	4.380	12,991,013	3.31%
30 Days	3.560	4.380	31,566,794	8.04%
60 Days	3.090	4.380	49,176,943	12.53%
90 Days	2.850	4.380	81,459,328	20.75%
180 Days	2.640	4.550	236,101,346	60.14%
1 Year	2.640	4.550	490,809,493	125.02%

Source: Bloomberg and BDO analysis

This table indicates that B2Gold's shares listed on the TSX display a high level of liquidity and deep market in the shares, with 125.02% of the Company's capital currently issued on the TSX being traded in a twelve month period.

7. Proposed Merged Entity

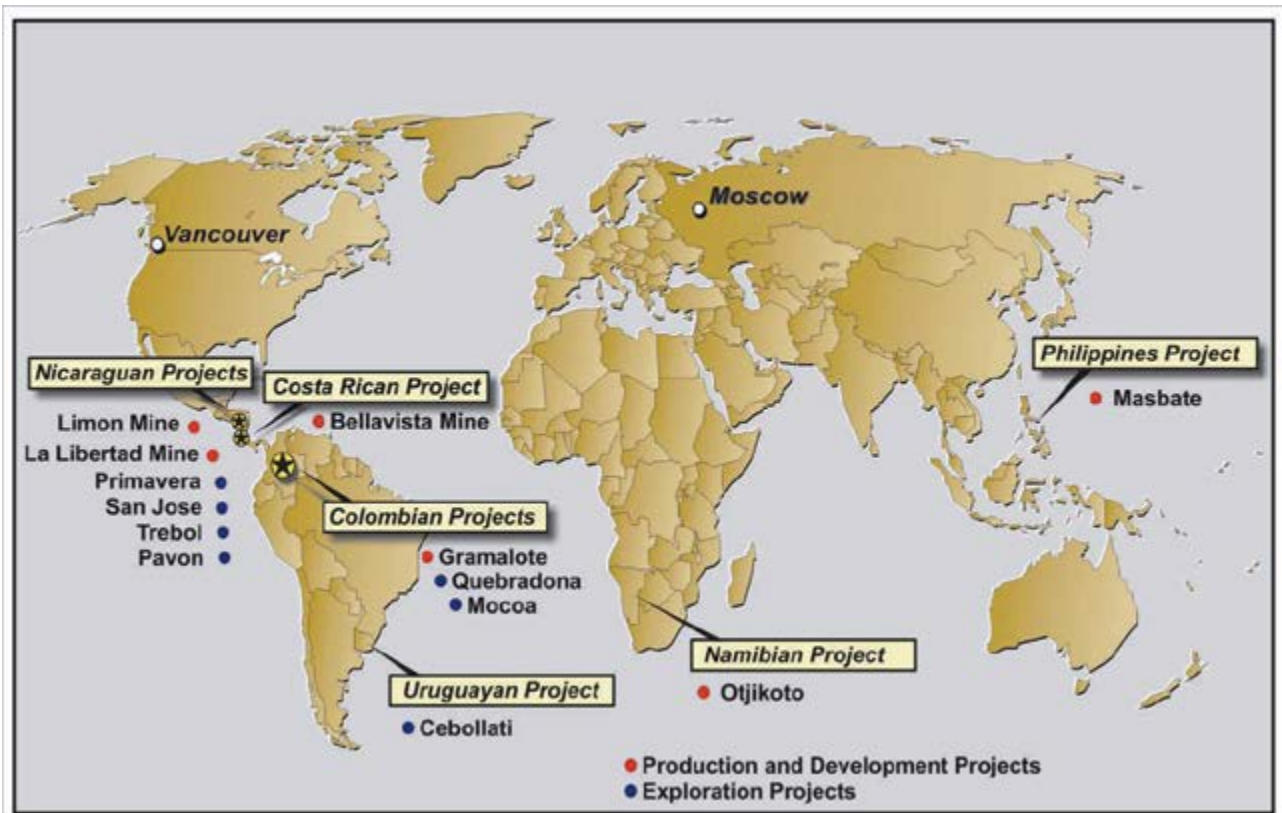
Upon completion of the Scheme, B2Gold will own 100% of CGA. The Proposed Merged Entity will represent the combined assets of CGA and B2Gold.

CGA has its flagship Masbate operating mine which is currently producing 200,000 ounces of gold per year with total resources of 7.83 Mozs as well as additional surrounding areas which have not yet been explored. B2Gold has a broader portfolio of assets including two operating mines, namely La Libertad and Limon, significant exploration ground and options to earn interests in three joint ventures subject to specified exploration spend requirements.

The Proposed Merged Entity is expected to have a reserve base of 4.0 Mozs, total measured and indicated resources of 9.3 Mozs and additional inferred resources of 4.0 Mozs. Annual production is expected to be approximately 385,000 ounces in 2013, increasing to approximately 700,000 ounces by 2016 from five geographically diverse mines assuming successful completion of the Otjikoto and Gramalote projects.

CGA had cash and bullion balance of US\$110 million as at 30 June 2012 which will provide further funding for B2Gold's existing exploration and development activities.

The project map of the Proposed Merged Entity's key mining assets is depicted below.



Source: B2Gold's management presentations

7.1 Key Assets

The key combined assets of the Proposed Merged Entity will include:

- 100% interest in Masbate operating mine producing 200,000 ounces of gold per year with total resources of 7.83 Mozs
- 100% interest in La Libertad operating mine producing 105,000 ounces of gold per year, increasing to 130,000 ounces in 2013 and increasing to beyond 150,000 ounces in future years, with total resources of 1.5 Mozs
- 95% interest in Limon operating mine producing 50,000 ounces of gold per year with total resources of 0.6 Mozs
- 92% interest in the Otjikoto Project with total resources of 1.3 Mozs with an expected start up in 2015 and to subsequently produce 100,000 ounces of gold per year
- 49% interest in the Gramalote Project with total resources of 1.9 Mozs with an expected start up in 2016 and to subsequently produce 150,000 ounces of gold per year
- 100% interest in the Mocoa copper-molybdenum porphyry deposit/property
- 100% interest in the Trebol and Pavon properties in Nicaragua
- 80% interest in the Cebollati property comprising ten claims over approximately 34,200 hectares
- 35% of the Quebradona property (exploration stage) in Colombia
- 60% interest in a joint venture with Radius Gold Inc. with respect to the San José and La Magnolia properties although the La Magnolia property has not yet been awarded
- Right to earn up to a 65% interest in the Primavera Gold-Copper Project at the Borosi property
- One exploitation concession covering a seven square kilometre area of the Bellavista property
- Cash and cash equivalents of approximately US\$130 million at 30 June 2012.

7.2 Strength of the Proposed Merged Entity

The Proposed Merged Entity will combine B2Gold being/with:

- A growing low cost producer with strong cash flows
- Proven exploration and operational capabilities
- Portfolio of mining assets ranging from projects with options to earn an interest, early stage and advanced exploration assets, pre-development projects, to producing assets
- Management with a track record for creating significant shareholder value through mergers and acquisitions

and CGA with:

- A strong steady state production of approximately 200,000 ounces of gold a year
- 3.17 Mozs of gold reserves; 5.13 Mozs of total measured and indicated resources and 2.8 Mozs of inferred resources
- Significant exploration upside in the area surrounding the Masbate Gold Project.

7.3 Capital structure

Under the Scheme, Shareholders will receive 0.74 B2Gold shares for every CGA share held.

All the CGA options will be acquired by B2Gold through the issue of B2Gold shares as consideration for the cancellation of the options based on the in-the-money amount of such CGA options and the closing price of the CGA shares on 17 September 2012.

B2Gold shareholders will continue to hold their existing B2Gold common shares and B2Gold option holders will continue to hold their existing B2Gold options. The capital structure following the implementation of the Scheme is set out in the table below:

Shares	Number
Number of shares CGA has on issue (as at 17 September 2012)	337,865,726
Exchange ratio, number of B2Gold shares for each CGA share	0.74
Total number of CGA shares and options outstanding	250,020,637
Number of B2Gold shares issued as Cancellation Consideration for CGA option holders	1,945,998
Maximum number of B2Gold shares to be issued	251,966,635
Proposed Merged Entity after the Scheme	
Number of shares B2Gold has on issue	392,585,651
Maximum number of shares to be issued to Shareholders and option holders under the Scheme	251,966,635
Maximum number of shares on issue on completion of the Scheme	644,552,286
Interest held by Shareholders	39.1%
Interest held by existing B2Gold shareholders	60.9%
	100.00%
On a fully diluted basis:	
Proposed Merged Entity after the Scheme	
Number of shares B2Gold has on issue (as at 17 September 2012)	392,585,651
Number of options B2Gold has on issue (as at 17 September 2012)	22,542,878
Total number of B2Gold shares on a fully diluted basis	415,128,529
Maximum number of shares to be issued to Shareholders and Option holders under the Scheme	251,966,635
Maximum number of shares on issue on completion of the Scheme	667,095,164
Interest held by Shareholders	37.8%
Interest held by existing B2Gold shareholders	62.2%
	100.00%

Source: CGA's share and option registers, B2Gold's share and option registers, Merger Implementation Agreement and BDO analysis

We have also set out the potential position of the Proposed Merged Entity after the Scheme is implemented on a fully diluted basis as all of the options that B2Gold has on issue are in-the-money as at the date of our Report. We refer to section 6.5 of our Report for further details on the options outstanding in B2Gold.

The resulting number of securities upon completion of the Scheme is as follows:

Capital structure	Shares	Options
B2Gold shareholders	392,585,651	22,542,878
CGA Shareholders	251,996,635	-
Total	644,552,286	22,542,878

Source: BDO analysis

7.4 Board of the Proposed Merged Entity

Under the Merger Implementation Agreement, B2Gold has the right to reconstitute the boards of each of CGA and its subsidiaries with representatives appointed by B2Gold. It intended that the existing CGA directors resign as directors of CGA and be replaced by B2Gold nominees. The Proposed Merged Entity's board will consist of the current directors of B2Gold, with the addition of Michael Carrick.

7.5 Australian head office operations

Subject to a full review post acquisition, it is intended that the current workforce at CGA's Philippines operations will be maintained. However, CGA's head office operations in Australia will be terminated. Therefore, all head office operations of the Proposed Merged Entity will be run from B2Gold's Canadian office.

7.6 Stock exchange listing

Following the implementation of the Scheme, CGA will be delisted from both ASX and TSX. New B2Gold shares received by Shareholders will be listed on TSX but will not be listed on ASX.

8. Economic analysis

8.1 Global economy

The outlook for growth in the world economy has softened over recent months, with estimates for global GDP being edged down, and risks to the outlook still seen to be on the downside. Economic activity in Europe is contracting, while growth in the United States remains modest. Growth in China has also slowed, and uncertainty about near-term prospects is greater than it was some months ago. Around Asia generally, growth is being dampened by the more moderate Chinese expansion and the weakness in Europe.

Key commodity prices for Australia remain significantly lower than earlier in the year, even though some have regained some ground in recent weeks. The terms of trade have declined by over 10% since the peak last year and will probably decline further, though they are likely to remain historically high.

Financial markets have responded positively over the past few months to signs of progress in addressing Europe's financial problems, but expectations for further progress remain high. Low appetite for risk has seen long-term interest rates faced by highly rated sovereigns, including Australia, remain at exceptionally low levels. Nonetheless, capital markets remain open to corporations and well-rated banks, and Australian banks have had no difficulty accessing funding, including on an unsecured basis. Share markets have generally risen over recent months.

Source: www.rba.gov.au Statement by Glenn Stevens, Governor: Monetary Policy Decision 2 October 2012

8.2 Australian economy

In Australia, most indicators suggest that growth has been running close to trend, led by very large increases in capital spending in the resources sector. Consumption growth was quite firm in the first half of 2012, though some of that strength was temporary. Investment in dwellings has remained subdued, though there have been some tentative signs of improvement, while non-residential building investment has also remained weak. Looking ahead, the peak in resource investment is likely to occur next year, and may be at a lower level than earlier expected. As this peak approaches it will be important that the forecast strengthening in some other components of demand starts to occur.

Labour market data have shown moderate employment growth and the rate of unemployment has thus far remained low. The Reserve Bank of Australia's assessment, though, is that the labour market has generally softened somewhat in recent months.

Inflation has been low, with underlying measures near 2% over the year to June, and headline CPI inflation lower than that. The introduction of the carbon price is affecting consumer prices in the current quarter, and this will continue over the next couple of quarters. Moderate labour market conditions should work to contain pressure on labour costs in sectors other than those directly affected by the current strength in resources. This and some continuing improvement in productivity performance will be needed to keep inflation low as the effects of the earlier exchange rate appreciation wane. The Reserve Bank of Australia's assessment remains, at this point, that inflation will be consistent with the target over the next one to two years.

Interest rates for borrowers have, for some months, been a little below their medium-term averages. There are tentative signs of this starting to have some of the expected effects, though the impact of monetary policy changes takes some time to work through the economy. However, credit growth has softened of late and the exchange rate has remained higher than might have been expected, given the observed decline in export prices and the weaker global outlook.

Source: www.rba.gov.au Statement by Glenn Stevens, Governor: Monetary Policy Decision 2 October 2012

8.3 Canadian economy

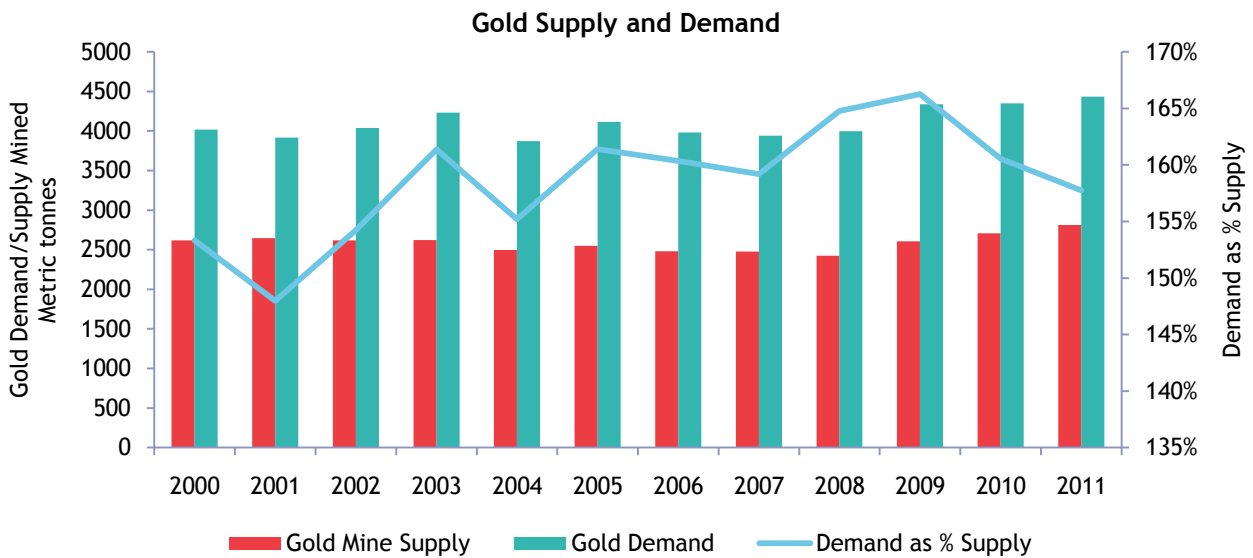
The pace of growth of the Canadian economy is expected to be moderate going forward despite uncertainty about the global economic and financial environment. The Canadian economy is expected to grow in line with its production potential in the short run, with the Bank of Canada estimating that the economy will grow by 2.1 per cent in 2012, 2.3 per cent in 2013 and 2.5 per cent in 2014. The economy is expected to reach full capacity in the second half of 2013. Consumption and business investment are expected to drive growth in the economy. Net exports are expected to contribute little to growth and are projected to remain below their pre-recession peak until the beginning of 2014. This reflects moderate foreign demand and ongoing competitiveness challenges, including the persistent strength of the Canadian dollar. In addition housing activity is expected to slow down. The Bank of Canada estimates that core inflation is expected to remain steady at approximately 2.0 per cent between 2012 and 2014. Total CPI inflation however is expected to fall as low as 1.5 per cent in the first half of 2013 given the recent drop in gasoline prices and with futures prices suggesting persistently lower oil prices. Total CPI inflation is expected to return to the target level of 2.0 per cent in the second half of 2013.

Source: <http://www.bankofcanada.ca> Monetary Policy Report Summary July 2012

9. Industry analysis

Gold is both a commodity and an international store of monetary value. Once mined, gold continues to exist indefinitely, often melted down and recycled to produce alternative or replacement products. This characteristic means that gold demand is supported by both mine production and gold recycling.

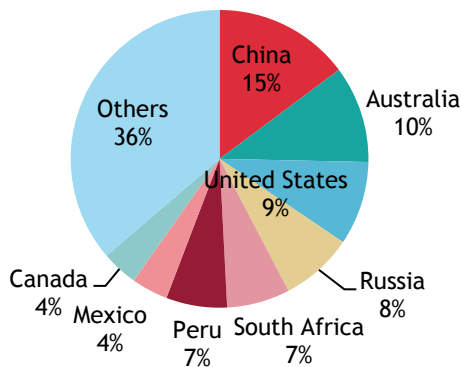
As illustrated in the chart below, gold mine production was approximately 2,812 metric tonnes in 2011 and gold consumption was 4,436 metric tonnes. Demand for gold has consistently exceeded supply over the last 10 years, and the escalated level of economic and financial uncertainty during the past 24 months has caused investors to move capital from risky assets to gold assets, which are perceived to be a good store of monetary value. As a result, total gold demand increased by 8% between 2009 and 2011, with demand as a percentage of supply remaining at over 150% for the same period.



Source: Bloomberg and BDO Analysis

Until the late 1980's, South Africa produced approximately half of the total gold produced. More recently however, gold production has become geographically segmented, as shown in the chart below, with production dominated by China and Australia.

Production by Country - Year to August 2012



Source: Bloomberg and BDO Analysis

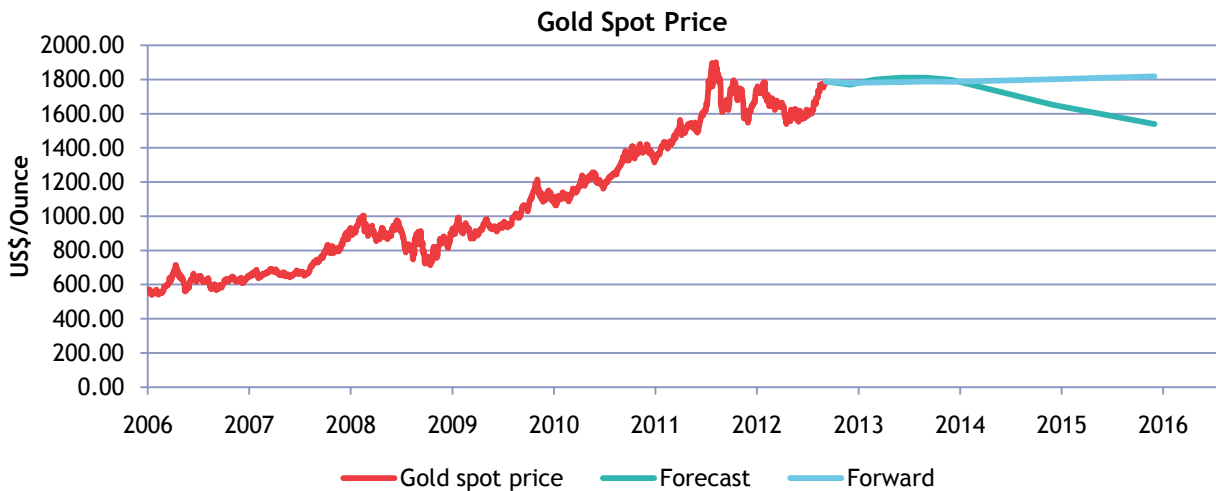
Gold prices

The price of gold fluctuates on a daily basis depending on global demand and supply factors. The price trend over the last two years is reflective of weak global economic conditions driving demand.

As can be seen in the graph below, the value of gold peaked at US\$1,900 per ounce on 5 September 2011. This peak was largely caused by the recent debt market crisis in Europe, but it was also driven by the Standard and Poor's downgrade of the US credit rating. This sent global stock markets tumbling and a flood of investors towards safer havens such as gold.

Prices contracted in December 2011 reaching a low of US\$1,545 per ounce. However, 2012 has seen the gold price recover reaching US\$1,777 on 27 September 2012.

Gold prices are forecast to fall over the next three years to approximately US\$1,400 per ounce in 2016. Nevertheless, growth in global money supply, U.S. dollar depreciation and overall uncertainty in global financial markets may continue to drive investors toward using precious metals as a store of value. This could be further fuelled by the rapidly increasing appetite for precious metals from China.



Source: Bloomberg, Consensus Economics and BDO Analysis

Recent gold transactions

The emergence of a new generation of mid-tier miners and the resurgent gold price has been driving the increase in the number of announced gold acquisitions in 2012. In April 2012, Zijin Mining Group announced that it had made a cash offer to acquire its remaining 83.02% share in Norton Gold Fields Ltd for A\$198 million.

Recently, six other large deals have been announced to the Australian market:

- On 29 June 2012 it was announced that Allied Gold Mining Plc and St Barbara Ltd had reached an agreement in which the two companies would merge, worth A\$594 million.
- On 6 August 2012, Silver Lake Resources announced it planned to merge with Integra Mining Ltd in a deal worth A\$417 million.
- On 9 August 2012, Regis Resources Ltd announced it had executed a letter of agreement to acquire the McPhillamys Gold Project from joint venture owners, Newmont Exploration Pty Ltd

and Alkane Resources Ltd. The consideration to be paid is A\$150 million to be satisfied by the issue of Regis Resources Ltd shares based on an issue price of A\$4.20 per share.

- On 20 September 2012, Focus Minerals Ltd announced it had entered into an agreement with Shandong Gold International Mining Corporation Ltd, under which Shandong Gold International Mining Corporation Ltd agreed to subscribe to new fully paid shares to raise A\$227.5 million.
- On 27 September 2012, Noble Mineral Resources Ltd announced that a major non-government Chinese mining and investment group, Zhongrun, will invest A\$84.7 million in Noble Mineral Resources Ltd via a placement of shares.
- On 28 September 2012, Cortona Resources Ltd and Unity Mining Ltd announced they had agreed to a merger via a Scheme of Arrangement in which Cortona Resources Limited shareholders will receive 0.734 Unity Mining Ltd shares for every one share they hold.
- On 24 October 2012, Resolute Mining Ltd announced it executed conditional share sale agreements to acquire 19.99% of Noble Mineral Resources Ltd, in competition with Zhongrun, in a A\$85 million financing offer.

The Canadian market has also seen some transactional activity in the last six months with the announcement of the following deals:

- On 1 October 2012, Lupaka Gold Corp. announced that it has acquired all of the outstanding common shares of Andean American Gold Corp where Andean American Gold Corp shareholders received 0.245 of a common share of Lupaka Gold Corp for each share held.
- On 18 June 2012, Yamana Gold Inc. announced that it had entered into a definitive agreement with Extorre Gold Mines Ltd whereby Extorre Gold Mines Ltd shareholders will receive C\$4.26 per share comprised of C\$3.50 in cash and 0.0467 of a Yamana Gold Inc. common share for each Extorre Gold Mines Ltd common share held. The transaction value, net of cash and on a basic shares outstanding basis, is approximately C\$395 million.
- On 21 June 2012, IAMGOLD Corporation announced the completed acquisition of all of the issued and outstanding common shares of Trelawney Mining and Exploration Inc.. The consideration paid was approximately C\$608 million based on an issue price of C\$3.30 per share.
- On 2 May 2012, Elgin Mining Inc. and Gold-Ore Resources Ltd jointly announced completion of the business combination which took effect May 1, 2012, whereby Elgin Mining Inc. acquired all of the issued and outstanding common shares of Gold-Ore wherein Gold-Ore Resources Ltd shareholders received one Elgin Mining Inc. common share and one half of one common share purchase warrant of Elgin Mining Inc. exercisable at a strike price of \$1.30 per Elgin Mining Inc. share until 1 May 2014.
- On 3 April 2012, PanTerra Gold Limited announced that it has completed the acquisition of Vancouver based Novus Gold Corp, by the issue of 18,412,632 PanTerra Gold Limited shares to Novus Gold Corp. shareholders in a one for three exchange.

10. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings (“FME”)
- Discounted cash flow (“DCF”)
- Quoted market price basis (“QMP”)
- Net asset value (“NAV”)
- Market based assessment.

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

10.1 Valuation of CGA

In our assessment of the value of CGA shares, we have chosen to employ the following methodologies:

- Sum-of-parts method, as our primary method, which estimates the market value of a company by separately valuing each asset and liability of the company. The value of each asset may be determined using different methods. The component parts of CGA are valued using the NAV method
- QMP approach as our secondary method.

Sum-of-parts

We have employed the sum-of-the-parts method in estimating the fair market value of CGA by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the following:

- Value of CGA’s interest in the Masbate operating mine (applying the DCF method)
- Value of CGA’s interest in the exploration potential of the Masbate mine (having reliance on an independent specialist valuation report)
- Value of other assets and liabilities of CGA (applying the cost approach under the NAV method).

Methodologies adopted

We have chosen these methodologies for the following reasons:

- As CGA has one flagship project which is its Masbate operating mine in the Philippines, its core value is in the future cash flows from this mine
- Cash flows from the Masbate operating mine have a finite life and these cash flows may vary substantially from year to year. The Masbate operating mine is also an established mine with proven and probable mineral reserves. Therefore, the DCF method is most appropriate in valuing the Masbate operating mine
- Other component parts of CGA are valued using NAV method
- CGA is listed on both the ASX and the TSX which provide an indication of the market value where an observable market for the securities exists.

Technical expert

In performing our valuation of CGA's Masbate operating mine using the DCF method, we have relied on the independent technical specialist valuation report prepared by Behre Dolbear Australia Pty Ltd ("BDA") dated 2 November 2012 ("Independent Technical Specialist Valuation Report") based on BDA's review of the technical project assumptions contained in the cash flow models of the Masbate operating mine. We also instructed BDA to value all of the resources of the Masbate Mine under the Valmin Code that are not included in the DCF valuation of the Masbate operating mine, which represents the exploration potential of the Masbate mine. A copy of BDA's Independent Technical Specialist Valuation Report is attached in Appendix 5.

10.2 Valuation of the Proposed Merged Entity

In our assessment of the value of the Proposed Merged Entity, we have chosen to employ the following methodologies:

- Sum-of-parts method, as our primary method, which estimates the market value of a company by separately valuing each asset and liability of the company. The value of each asset may be determined using different methods. The component parts of the Proposed Merged Entity are valued using NAV as our primary methodology
- QMP as our secondary method, which analyses the trading activity of CGA shares on the ASX following the announcement of the Scheme.

Sum-of-parts

We have employed the sum-of-the-parts method in estimating the fair market value of the Proposed Merged Entity by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the following:

- Value of CGA's interest in the Masbate operating mine (applying the DCF method)
- Value of CGA's interest in the exploration potential of the Masbate operating mine (having reliance on an independent specialist valuation report)
- Value of other assets and liabilities of CGA (applying the cost approach under the NAV method)
- Value of 100% interest in the La Libertad operating mine (applying the DCF method)
- Value of 100% interest in the exploration potential of the La Libertad operating mine (having reliance on an independent specialist valuation report)
- Value of 95% interest in the Limon operating mine (applying the DCF method)
- Value of a 95% interest in the exploration potential of the Limon operating mine (having reliance on an independent specialist valuation report)
- Value of 92% interest in the Otjikoto project which is currently still an exploration asset as no proven and probable mineral reserves have been announced (having reliance on an independent specialist valuation report)
- Value of 49% interest in the Gramalote project which is currently still an exploration asset as no proven and probable mineral reserves have been announced (having reliance on an independent specialist valuation report)

- Value of other mining assets (including less developed exploration assets and options to earn an interest in a project) held by B2Gold (having reliance on an independent specialist valuation report)
- Value of royalties and rights held by B2Gold (having in part reliance on an independent specialist valuation report)
- Value of other assets and liabilities of B2Gold (applying the cost approach under the NAV method)
- The resulting number of shares (on a diluted and undiluted basis) upon completion of the Scheme.

Technical expert

In performing our valuation of CGA's Masbate operating mine and B2Gold's La Libertad and Limon operating mines using the DCF method, we have relied on the Independent Technical Specialist Valuation Report prepared by BDA based on BDA's review of the technical project assumptions contained in the cash flow models of the three operating mines. A copy of BDA's Independent Technical Specialist Valuation Report is attached in Appendix 5.

Independent specialist valuation

In valuing B2Gold's development and exploration assets (including Otjikoto and Gramalote development assets), we have relied on the independent specialist valuation performed by BDA in accordance with the Code of Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports ("the Valmin Code") and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). BDA has used:

- The comparable market value method which analyses resource bases in conjunction with comparable transactions, to derive a dollar value per ounce of contained gold to apply to the mineral resources; and
- The comparable market value method which analyses areas of exploration, prospecting and mining licences in conjunction with comparable transactions, to derive dollar values per square kilometre to apply to the areas of exploration, granted prospecting licences and mining licences.

We are satisfied with the valuation methodologies adopted by BDA which we believe are in accordance with industry practices and compliant with the requirements of the Valmin Code. A copy of BDA's Independent Technical Specialist Valuation Report is attached in Appendix 5.

10.3 Assessing non-cash consideration in control transactions

When assessing non-cash consideration in control transactions, RG 111.31 suggests that a comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity's securities, assuming 100% of the securities are available for sale. This comparison reflects the fact that:

- (a) the acquirer is obtaining or increasing control of the target
- (b) the security holders in the target will be receiving scrip constituting minority interests in the combined entity.

RG 111.32 suggests that if we use the quoted market price of securities to value the offered consideration, then we must consider and comment on:

- (a) the depth of the market for those securities

(b) the volatility of the market price

(c) whether or not the market value is likely to represent the value if the takeover bid is successful.

Under RG 111.34 it is noted that if, in a scrip bid, the target is likely to become a controlled entity of the bidder, the bidder's securities can also be valued using a notionally combined entity. However, it should still be noted that the accepting holders are likely to hold minority interests in that combined entity. Therefore we have assessed the value of the Proposed Merged Entity share on a minority interest basis.

11. Valuation of CGA

We have employed the sum-of-the-parts method in estimating the fair market value of CGA by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the following:

- Value of CGA's interest in the Masbate operating mine (on the basis of CGA's 40% interest in FRC and 100% interest in PGPRC)
- Value of other assets and liabilities of CGA.

We used the QMP approach as our secondary valuation method. CGA is listed on both the ASX and the TSX which provide an indication of the market value where an observable market for the securities exists.

11.1 Valuation of the Masbate operating mine

We elected the DCF approach in valuing the Masbate operating mine ("Masbate Mine"). The DCF approach estimates the fair market value by discounting the future cash flows arising from the Masbate Mine to their net present value. In performing a DCF valuation, a determination of the following is required:

- The expected future cash flows that the Masbate Mine is expected to generate
- An appropriate discount rate to apply to the cash flows of the Masbate Mine to convert them to present value equivalent.

The key assumptions adopted in our valuation are summarised as follows.

(All in nominal terms)	2013F	2014F	2015F	2016F	2017F on
Gold price US\$/oz	1,850	1,700	1,550	1,400	1,325
Silver price US\$/oz	35	32	27	24	22
Inflation	2%	2%	2%	2%	2%
Ore processed (Mt)	6,500	6,700	6,800	7,000	7,000
Grade processed (g/t)	1.10	1.00	1.01	1.01	0.86*
Gold sales (koz)	198.7	185.1	194.2	199.1	166.5*
Life of mine	15 years plus a 5-year life of mine extension				
Discount rate (nominal post-tax)	10% to 12%				
*Note: represents average for the rest of the term					

11.1.1 DCF Valuation - Future cash flows

Life of mine

A cash flow model was prepared by CGA to reflect future cash flows expected from the life of mine of the Masbate Mine (“**Masbate Mine Model**”). The Masbate Mine Model estimates the future cash flows expected from operating and producing at the Masbate Mine based on determined JORC compliant reserves for the remaining life of mine of 15 years and a life of mine extension of five years to include resources that have a reasonable potential for conversion to reserves at the end of the current mine life (“**Masbate Mine Projections**”).

The Masbate Mine Model depicts Masbate Mine Projections of real, after-tax cash flows over the life of mine on a monthly, quarterly and annual basis.

The main assumptions underlying the Masbate Mine Model include:

- Mining and production volumes
- Commodity prices
- Operating costs
- Capital expenditure
- Royalties
- Tax
- Discount rate.

We undertook the following analysis on the Masbate Mine Model:

- Appointed BDA as technical expert to review and where required, provided changes to the technical assumptions underlying the Masbate Mine Model
- Conducted independent research on certain economic and other inputs such as commodity prices, foreign exchange rates, inflation, taxation assumptions and discount rate applicable to the future cash flows of the Masbate Mine
- Held discussions with CGA’s management regarding the preparation of the Masbate Mine Projections in the Masbate Mine Model and its views
- Adjusted the Masbate Mine Model to reflect any changes to the technical assumptions as a result of BDA’s review and any changes to the economic and other input assumptions from our research.

Appointment of a technical expert

BDA, an independent mining expert, was engaged to prepare a report providing a technical assessment of technical project assumptions underlying the Masbate Mine Model. BDA’s assessment involved the review and provision of input on the reasonableness of the following assumptions adopted in the Masbate Mine Model, including but not limited to the following:

- Mining physicals (including ounces mined and grade)
- Processing assumptions (including products and recovery, scheduling and plant utilisation)
- Operating costs (comprising direct operating expenditure and certain fixed costs)



- Capital expenditure
- Other relevant assumptions

A copy of BDA's Independent Technical Specialist Valuation Report is contained in Appendix 5.

Limitations

Since Masbate Mine Projections relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the plans on which the Masbate Mine Projections are based. Accordingly, actual results may vary materially from the Masbate Mine Projections, as it is often the case that some events and circumstances frequently do not occur as expected, or are not anticipated, and those differences may be material.

Economic assumptions

Foreign exchange rate

All commodity prices are stated in United States Dollars ("US\$") and the Masbate Mine Projections in the Masbate Mine Model are also in US\$. Therefore, no currency conversions were undertaken.

Inflation

As the Masbate Mine Projections are presented in real terms, we adopted inflation rate assumptions to convert the cash flows from real to nominal terms. We have considered that the local inflation rate movements (in the Philippines) are expected to be accounted for in the exchange rate movements (between the Philippine peso and the US\$). Therefore, we have adopted the expected inflation rate of 2% in the United States in converting the US\$ denominated cash flows into nominal terms.

Revenue assumptions

The Masbate Mine generates gold as its primary saleable product. Revenue has been estimated as the product of annual saleable ounces of gold and gold prices. Approximately 80koz is sold forward at a contracted rate of approximately \$900 per ounce over the first two years of production. The balance of the gold produced over the life of the mine has been recognised at the prices stated above.

Commodity prices

We obtained projected commodity prices for gold having considered:

- Historical spot and forward prices
- Most recent Consensus Economics price forecasts
- Bloomberg data source
- No sales agreement entered into for gold as at the date of our Report.

Mining physicals

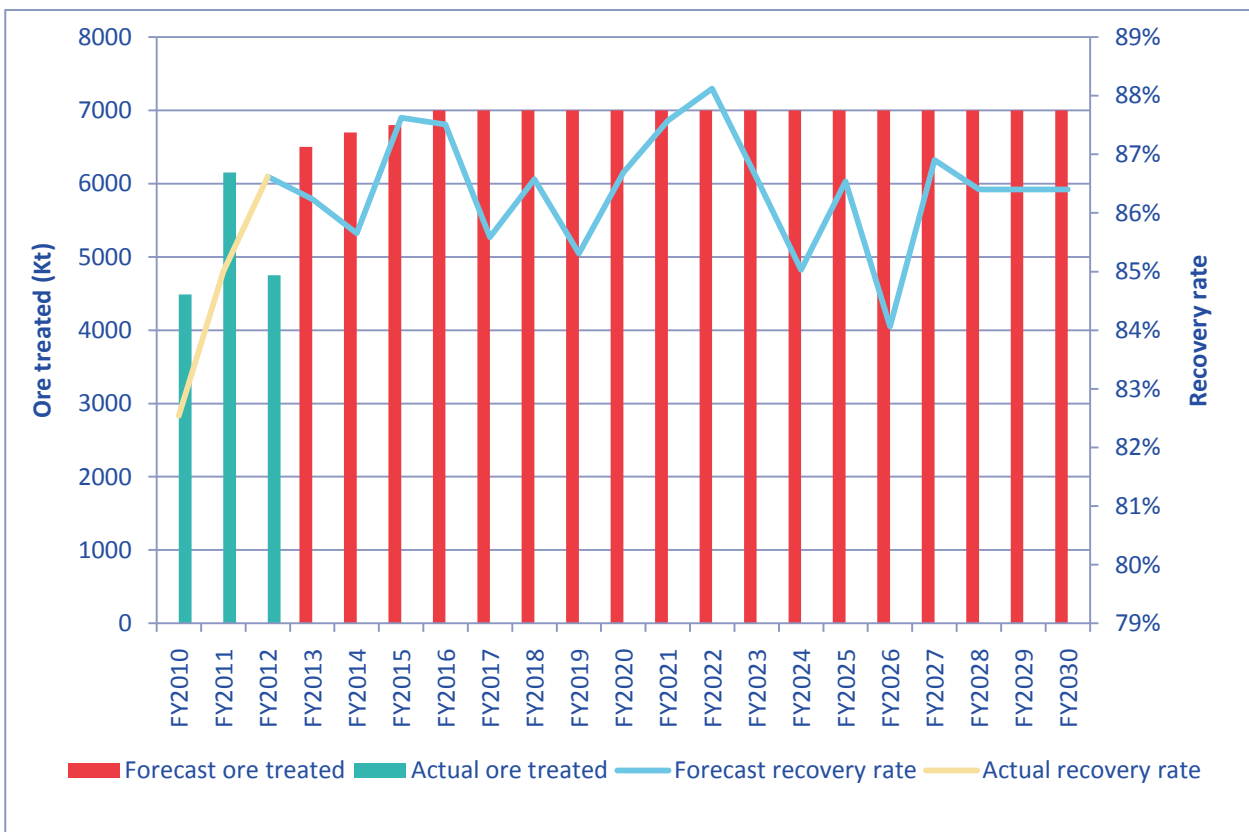
The Masbate Gold Project has a measured resource base of 0.16 Mozs of gold and an indicated resource base of 4.84 Mozs of gold, for a total measured and indicated gold resource of 5.13 Mozs (including 0.13 Mozs of stockpiles). The inferred resource base is estimated at 2.83 Mozs of gold, giving a total gold resource (measured, indicated and inferred) of 7.96 Mozs.

Out of this, there is a proven reserve of 0.14 Mozs of gold and a probable reserve of 2.9 Mozs of gold, for a total of proven and probable reserves of 3.17 Mozs ounces of gold (including 0.13 Mozs of stockpiles).

Resources	Total Moz	Reserves	Total Moz
Measured	0.16	Proven	0.14
Indicated	4.84	Probable	2.90
Inferred	2.83	Add: Stockpiles	0.13
Total	7.83	Total proven and probable	3.17
Add: Stockpiles	0.13		
Total gold resources	7.96		

The Masbate Mine Model estimates the future cash flows expected from operating and producing at the Masbate Mine based on determined JORC compliant reserves for the remaining life of mine of 15 years and a life of mine extension of five years to include resources that have a reasonable potential for conversion to reserves.

The graph below shows the actual tonnes of ore treated and gold recovery percentage for FY2010, FY2011 and FY2012 as well as the forecast tonnes of ore to be treated and gold recovery percentages over the remaining life of mine.



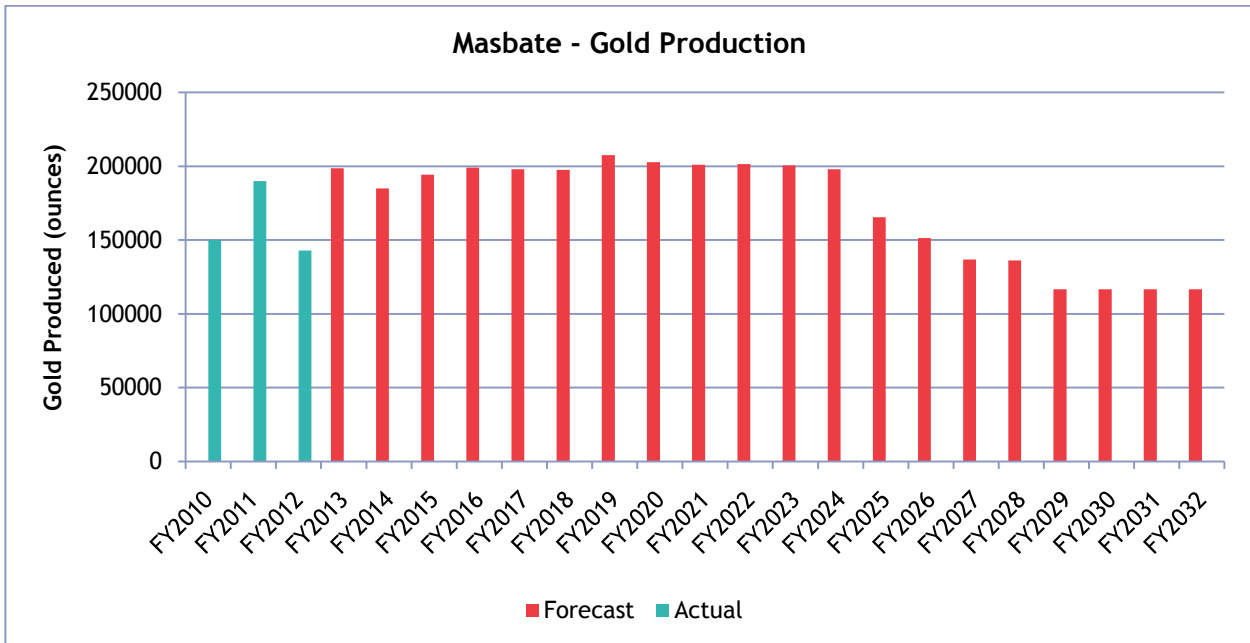
Source: Masbate Mine Model

Processing assumptions

The graph below shows the actual ounces of gold from mill production for FY2010, FY2011 and FY2012 as well as the forecast annual ounces of gold from mill production over the remaining life of mine. The

forecast ounces of gold from mill production from FY2028 to FY2030 represents the extension of the life of mine based on the inferred resource to reserve conversion.

We note that the forecasts for FY2013 to FY2015 are in line with the actual results for FY2012, with the estimated amount to be milled tapering off at the end of the mine’s life.



Source: Masbate Mine Model

Note: Production in FY2012 was impacted by a SAG mill failure in the first half of the year

Operating costs

The Masbate Mine Model includes the following operating costs:

- Mining costs
- Processing and treatment charge
- Administration costs

Other operating costs in the Masbate Mine Model include:

- Excise tax
- Value Added tax payments (“VAT”)
- Real property tax
- Custom duties
- Business tax
- Makati Office costs

Sustaining capital expenditure

As the Masbate Mine is already an operating and producing mine, there is no significant upfront capital expenditure. All capital expenditure stated in the Masbate Mine Model is sustaining capital expenditure, which is approximately US\$7.9 million per year.

Closure costs

The Masbate Mine Model did not include a provision for closure costs. Based on BDA's recommendations, we have included closure costs of US\$25 million over two years after the completion of production.

Taxes

The Masbate Mine model includes the following taxes:

- Excise Tax
- Business Tax
- Real Property Tax
- Value Added Tax
- Income Tax

The Company is required to pay income tax at a rate of 30%. The Masbate Mine Model considers that there are several deductions allowed before determining the Company's taxable income.

Funding

The Masbate Mine is funded primarily by equity and has minimal debt outstanding. The Masbate Mine is able to meet all its sustaining capital expenditure and working capital requirements for the life of mine of the project.

Future Expansion

The company has an expansion strategy plan for the Masbate Mine. The Company is committed to making the necessary investment in capital with the aim of increasing production from 200,000 ounces of gold to 260,000 ounces of gold per year. Our DCF valuation does not take the Company's expansion strategy into consideration. Whilst it is possible that this expansion may occur and through this some future production will be brought forward it has not been committed and implemented.

11.1.2 DCF Valuation - Discount rate

We have selected a nominal after tax discount rate in the range of 10% to 12% per annum to discount the Masbate Mine Projections to their present value. We have used a discount rate of 10% in our base case.

In selecting this range of discount rates we considered the following:

- The rates of return for comparable listed Australian gold companies
- The debt to equity ratios of comparable listed Australian gold companies
- An appropriate cost of debt
- An appropriate target debt to equity ratio.

Given that we have assumed that the Masbate Mine is fully equity funded, our discount rate reflects the required cost of equity return to an equity investor.

Details on our discount rate determination are provided in Appendix 3.

11.1.3 DCF Valuation - Discounted cash flows

The estimated value of the Masbate Mine is derived under the DCF approach. Our valuation is highly sensitive to changes in the forecast commodity prices and the discount applied to benchmark commodity prices. We have therefore included an analysis to consider the value of the Masbate Mine under various pricing scenarios and in applying:

- A change of +/- 20% to commodity prices
- A change of +/- 20% to gold grade
- A change of +/- 20% to operating costs
- A change of +/- 20% to capital expenditure
- A discount rate in the range of 8% to 15%.

The following table sets out the valuation outcomes from our DCF analysis.

Flex	NPV (US\$m)	NPV (US\$m)	NPV (US\$m)	NPV (US\$m)
	Gold Grade	Gold Price	OPEX	CAPEX
-20%	117.15	46.19	659.19	479.70
-15%	201.95	144.24	608.48	473.86
-10%	286.74	245.29	557.77	468.02
-5%	371.54	349.32	507.06	462.18
0%	456.34	456.34	456.34	456.34
5%	541.13	566.34	405.61	450.50
10%	625.93	679.33	354.89	444.66
15%	710.73	795.30	304.15	438.82
20%	795.52	914.26	253.42	432.98

Source: BDO Analysis

Discount rate sensitivity									
Discount Rate post-tax (%)	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	
NPV (US\$m)	491.92	473.56	456.34	440.16	424.96	410.64	397.16	384.44	

Source: BDO Analysis

We note that the value of the Masbate Mine is most sensitive to changes in gold price and gold grade.

Considering the valuation outcomes above, we estimate the fair market value of CGA's interest in the Masbate Mine to be in the range of US\$370.0 million to US\$560.0 million, with a preferred value of US\$456.0 million.

Summary of valuation assessment Masbate Mine	Low US\$m	Preferred US\$m	High US\$m
DCF value of CGA's interest in the Masbate Mine	370.0	456.0	560.0

11.1.4 Valuation of exploration assets

We instructed BDA to value all of the resources of the Masbate Mine under the Valmin Code that are not included in the Masbate Mine Model, which represents the exploration potential of the Masbate Mine. In valuing this exploration potential, BDA used the Yardstick methodology (as defined in the BDA report), which use ratios to gold projects based on dollars per ounce of gold in resources or reserves, based on their 'quality' of ounces.

The value of the exploration assets not included in the DCF valuation is shown below.

	Low	Preferred	High
Value of exploration assets of the Masbate Mine in A\$	203.8	254.8	305.8
Valuation of exploration assets of the Masbate Mine in US\$	211.4	264.3	317.2

BDA concluded that the value of the exploration assets of the Masbate Mine is between US\$211.4 million and US\$317.2 million with a preferred value of US\$264.3 million.

Therefore, the value of CGA's interest in the Masbate Mine is as follows:

Summary of valuation assessment Masbate Mine	Low US\$m	Preferred US\$m	High US\$m
DCF value of the CGA's interest in Masbate Mine	370.0	456.0	560.0
Value of the CGA's interest in the exploration assets of the Masbate Mine	211.4	264.3	317.2

11.2 NAV multiple

The value per share of gold mining companies is often lower than the value of the trading price per share when valued using the DCF and/or NAV valuation methodologies. It is common practice to apply a NAV multiple to the DCF and/or NAV values to arrive at the value of a company.

Possible reasons for a difference between the DCF and/or NAV value per share and the traded price are:

- The potential upside at existing operating or development sites that would allow for an extension of the life of mine and higher volumes, outside of the announced reserve and resource
- The potential for actual gold prices exceeding the long-term forecast prices used in the DCF valuations
- Gold being perceived as a safe asset investment
- The value attributable to the strong management of a company.

We have analysed a number of broker reports reporting on ASX listed gold companies with their main operations in Australia. The broker reports indicated that NAV multiples range between 0.85 times and 1.53 times.

In determining an appropriate NAV multiple to apply to CGA, we have had regard to:

- CGA's low volatility and stable history as a producing gold company
- Country where CGA's main operations are carried out relative to Australia
- CGA's low risk profile, carrying minimal debt.

Based on the results of our analysis, we consider a NAV multiple of 1.1 times to be appropriate for CGA's mineral assets.

CGA	Low US\$m	Preferred US\$m	High US\$m
DCF value of CGA's interest in the Masbate Mine	370.0	456.0	560.0
Valuation of exploration potential of the Masbate Mine	211.4	264.3	317.2
	581.4	720.3	877.2
NAV multiple	1.1	1.1	1.1
Value of CGA's mineral assets	639.5	792.3	964.9

Source: BDO analysis

11.3 Valuation of Other Assets and Liabilities

Other assets and liabilities represent the assets and liabilities which have not been specifically adjusted. From review of these other assets and liabilities, outlined in the table below, we do not believe that there is a material difference between their book value and their fair value unless an adjustment has been noted below. The table below represents a summary of the assets and liabilities identified:

CGA		Audited as at 30-Jun-12 US(\$000)	Value of other assets & liabilities as at 30-Jun-12 US(\$000)
Statement of Financial Position	Note		
CURRENT ASSETS			
Cash and cash equivalents		79,672	79,672
Trade and other receivables		2,115	2,115
Prepayments		6,000	6,000
Inventories	(a)	25,765	48,877
TOTAL CURRENT ASSETS		113,552	136,664
NON-CURRENT ASSETS			
Available for sale financial assets	(b)	2,807	2,828
Investment in associate	(c)	86,413	19,398
Plant & equipment	(d)	191,843	320
Intangible assets	(e)	36,224	-
Other assets (VAT)		22,554	22,554
TOTAL NON-CURRENT ASSETS		339,841	45,100

CGA		Audited as at	Value of other
Statement of Financial Position		30-Jun-12	assets & liabilities
	Note	US(\$000)	as at 30-Jun-12
		US(\$000)	US(\$000)
TOTAL ASSETS		453,393	181,764
CURRENT LIABILITIES			
Trade and other payables		13,152	13,152
Interest bearing loans and borrowings		27,579	27,579
Derivative financial liabilities	(f)	38,784	-
Provisions		1,844	1,844
TOTAL CURRENT LIABILITIES		81,359	42,575
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings		26,485	26,485
Provisions	(g)	1,248	184
Derivative financial liabilities	(f)	17,543	-
Deferred Tax Liability		5,495	5,495
TOTAL NON-CURRENT LIABILITIES		50,771	32,164
TOTAL LIABILITIES		132,130	74,739
NET ASSETS		321,263	107,025

Source: BDO Analysis

We have been advised that there has not been a significant change in the net assets of CGA since 30 June 2012 and that the above value of assets and liabilities represent their fair market values apart from the adjustments discussed below:

Note:

- (a) Adjusted for the fair market values of gold on hand and gold-in-circuit as at 30 June 2012
- (b) Adjusted for the fair market value of CGA's investment interest in 19,733,333 shares of ASX-listed entity Sierra Mining Ltd at US\$0.14329 per share as at 30 June 2012
- (c) Adjusted for the fair market value of CGA's investment interest in 67,500,000 shares of ASX-listed entity St Augustine Gold and Co at US\$0.1129 per share and 28,722,222 shares of ASX-listed entity Ratel Group Ltd at US\$0.07849 per share as at 30 June 2012. We also removed the value of CGA's investment in FRC as this investment value is included in our DCF analysis
- (d) The majority of plant and equipment form an integral part in the value of the Masbate Gold Project; the balance included here relates to office plant and equipment
- (e) Intangible assets represent the value of contractual rights of PGPRC to purchase mineral ore from FRC is incorporated in our DCF analysis of the Masbate Gold Project
- (f) Derivative financial liabilities relate to gold forward contracts for hedging and these have been accounted for in the DCF value of the Masbate Gold Project

(g) Rehabilitation provisions of US\$1,064,354 were removed as they are accounted for in the DCF value of the Masbate Gold Project.

11.4 Corporate costs

CGA advised that corporate costs relating to its Australian head office is estimated to be between US\$7 million and US\$8 million per year. We calculated the corporate costs over 18 years, approximately the life of mine of the Masbate Gold Project on US\$7 million and US\$8 million per annum, inflating these costs at 2% per annum over the entire period. The net present value of CGA's corporate costs is in the range of US\$66.3 million and US\$75.8 million.

11.5 Shares on issue

In determining a valuation per share for CGA, we applied the number of CGA shares on issue of 337,865,726 prior to the Scheme.

11.6 Sum-of-parts valuation assessment

The fair market value of CGA is summarised as follows:

CGA	Low US\$m	Preferred US\$m	High US\$m
Value of CGA's mineral assets	639.5	792.3	964.9
Add: Other assets (non-mineral)	107.0	107.0	107.0
Less: Corporate costs	(66.3)	(71.1)	(75.8)
Equity value	680.2	828.2	996.1
Shares on issue (million)	337.9	337.9	337.9
Value per share (US\$)	2.01	2.45	2.95

Source: BDO analysis

Based on the sum-of-parts valuation above, we estimate the fair market value of a CGA share to be in the range of US\$2.01 to US\$2.95, with a preferred value of US\$2.45 per share.

11.7 Quoted Market Prices for CGA Securities

To provide a comparison to the valuation of CGA in section 11.6, we have also assessed the quoted market price for a CGA share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.11 suggests that when considering the value of a company's shares for the purposes of a control transaction, the expert should consider the value of the company's shares assuming 100% ownership of the target including a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction
- access to underlying cash flows

- control over dividend policies
- access to potential tax losses.

RG 111.13 states that the expert can then consider an acquirer’s practical level of control when considering reasonableness. Reasonableness has been considered in section 14.

Therefore, our calculation of the quoted market price of a CGA share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of a CGA share is based on the pricing prior to the announcement of the Scheme. This is because the value of a CGA share after the announcement may include the effects of any change in value as a result of the Scheme. However, we have considered the value of a CGA share following the announcement when we have considered reasonableness in section 14.

Information on the Scheme was announced to the market on 19 September 2012. Therefore, the following chart provides a summary of the share price movement over the 12 months to 18 September 2012, for shares traded on the ASX and shares traded on the TSX, which was the last trading day prior to the announcement.



Source: Bloomberg

For CGA shares traded on the ASX, the daily price from 18 September 2011 to 18 September 2012 has ranged from a low of A\$1.555 on 17 May 2012 to a high of A\$2.750 on 22 September 2011.

CGX share price and trading volume history- TSX



Source: Bloomberg

For CGA shares traded on the TSX, the daily price from 18 September 2011 to 18 September 2012 has ranged from a low of C\$1.530 on 16 May 2012 to a high of C\$2.980 on 7 November 2011.

CGA shares traded on the ASX and on the TSX have exhibited similar trends in prices, both peaking towards the beginning of the period analysed and hitting lows on 17 May 2012 and 16 May 2012 respectively. After hitting lows, the daily price CGA shares traded on the ASX and on the TSX displayed an upwards trend and recovered considerably. As at 18 September 2012, CGA shares traded on the TSX had recovered by 73% after reaching a low of C\$1.530. Similarly, CGA shares traded on the ASX had recovered by 64% after reaching its low for the period analysed.

The charts above illustrate significant differences in trading volumes of CGA shares listed on the ASX compared to CGA shares listed on the TSX. The number of CGA shares traded on the ASX did not exceed 100,000 over the measurement period. In contrast, there were numerous days on which the number of CGA shares traded on TSX exceeded 1 million. This is reflective of a deeper market for CGA shares traded on the TSX compared to CGA shares traded on the ASX.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement (Movement)		Closing Share Price Three Days After Announcement (Movement)	
		ASX (A\$)	TSX (C\$)	ASX (A\$)	TSX (C\$)
31/08/2012	Preliminary Final Report/CGA Announces a NPAT of US 5.99 million	2.060 (▸ Nil)	2.420 (▲ 14.2%)	2.360 (▲ 14.6%)	2.420 (▸ Nil)
3/08/2012	CGA Announces 500,000oz Milestone at Masbate Gold Project	2.070 (▲ 1.0%)	2.220 (▲ 2.8%)	2.100 (▲ 1.4%)	2.220 (▸ Nil)
1/08/2012	Quarterly Activities Report	2.040 (▲ 2.0%)	2.190 (▲ 6.3%)	2.100 (▲ 2.9%)	2.220 (▲ 1.4%)

Date	Announcement	Closing Share Price Following Announcement (Movement)		Closing Share Price Three Days After Announcement (Movement)	
		ASX (A\$)	TSX (C\$)	ASX (A\$)	TSX (C\$)
12/07/2012	Record Production of 50,813oz for the June 2012 Quarter	1.840 (▶ Nil)	1.810 (▲ 1.7%)	1.880 (▲ 2.2%)	1.900 (▲ 5.0%)
22/06/2012	CGA Files NI43-101 Report on Masbate Gold Project	1.865 (▼ 4.4%)	1.780 (▲ 0.6%)	1.850 (▼ 0.8%)	1.850 (▲ 3.9%)
6/06/2012 ^{a)}	CGA Announces Record Monthly Ounce and Throughput Production	1.900 (▶ Nil)	1.940 (▲ 3.2%)	1.905 (▲ 0.3%)	1.950 (▲ 0.5%)
16/05/2012	March 2012 Managements Discussion and Analysis	1.750 (▼ 5.7%)	1.530 (▼ 5.0%)	1.625 (▼ 7.1%)	1.670 (▲ 9.2%)
8/05/2012	Release of an Updated Resource and Reserve Statement	2.000 (▶ Nil)	1.750 (▼ 5.4%)	1.855 (▼ 7.3%)	1.860 (▲ 6.3%)
17/04/2012	Quarterly Activities Report	2.040 (▶ Nil)	2.070 (▲ 5.6%)	1.850 (▼ 9.3%)	2.010 (▼ 2.9%)
10/04/2012	77% Increase in Production to 49,199oz For March Quarter	2.100 (▶ Nil)	1.990 (▲ 4.2%)	2.040 (▼ 2.9%)	2.100 (▲ 5.5%)
15/02/2012	Appendix 4D	2.090 (▼ 4.6%)	2.180 (▼ 0.5%)	2.050 (▼ 1.9%)	2.130 (▼ 2.3%)
6/02/2012	CGA Announces a 71% Increase in Production	2.380 (▶ Nil)	2.490 (▼ 2.0%)	2.310 (▼ 2.9%)	2.580 (▲ 3.6%)
31/01/2012	Quarterly Activities Report	2.400 (▼ 5.9%)	2.530 (▼ 2.7%)	2.380 (▼ 0.8%)	2.490 (▼ 1.6%)
30/12/2011	CGA Announces Resumption of Full Production	1.990 (▲ 11.5%)	2.050 (▲ 3.5%)	1.990 (▶ Nil)	2.050 (▶ Nil)
25/11/2011	CGA Announces an Update on the SAG Mill Repairs	2.400 (▲ 4.8%)	2.290 (▼ 0.4%)	2.400 (▶ Nil)	2.280 (▼ 0.4%)
31/10/2011 ^{b)}	September 2011 Quarterly Report	2.350 (▶ Nil)	2.480 (▼ 1.2%)	2.510 (▲ 6.8%)	2.800 (▲ 12.9%)
21/09/2011 ^{c)}	CGA Announces Acquisition of a Further Interest in Pajo	2.680 (▲ 1.1%)	2.850 (▲ 8.4%)	2.500 (▼ 6.7%)	2.600 (▼ 8.8%)
20/09/2011	CGA Announces Commissioning of Supplementary Crusher	2.650 (▼ 1.1%)	2.850 (▲ 8.4%)	2.700 (▲ 1.9%)	2.600 (▼ 8.8%)

Notes:

The dates in the table above reflect the date the announcement was made on the ASX

- a) Announcement was made on 3/02/2012 on the TSX
- b) Announcement was made on 29/10/2011 on the TSX
- c) Announcement was made on 20/09/2011 on the TSX

On 31 August 2012 the Company released a preliminary final report and announced a net profit after tax of US\$5.99 million. The share price of CGA shares traded on the TSX closed 14.2% higher on the day of the announcement. In contrast, the share price of CGA shares traded on the ASX did not respond on the day of the announcement but increased by 14.6% in the three days that followed. The movement in the share price of CGA following the announcement is what we would expect the sentiment in the market to reflect given the information contained within it. However, the delay in the movement of the share price of CGA shares traded on the ASX when compared to CGA shares traded on TSX may be explained by a deeper market for CGA shares traded on the TSX.

On 12 July 2012 the Company announced record levels of gold production from the plant of 50,817 ounces. The share price of CGA shares traded on the TSX closed 1.7% higher on the day of the announcement and increased a further 5.0% over the next three days. In comparison, CGA shares traded on the ASX did not respond on the day of the announcement and increased only 2.2% over the next three days.

On 22 June 2012 the Company announced that it had filed a technical report on its Masbate Gold Project, which is located in the Philippines, pursuant to NI43-101 Standards of Disclosure for Mineral Projects. The announcement included confirmation of the increase in reserves at the Masbate Gold Project. The share price of CGA shares traded on the TSX closed higher on the day of the announcement and increased further in the following three days. In contrast, the share price of CGA shares traded on the ASX closed 4.4% lower on the day of the announcement and decreased further over the next three days. Given the nature of the information contained in the announcement, we consider the negative correlation between movement of the CGA share price on the ASX relative to the TSX to be significant and unexplained.

In relation to the aforementioned announcement, on 8 May 2012 the Company released an updated resource and reserves statement to the public. The price of CGA shares traded on the ASX did not respond on the day of the announcement and declined further over the next three days. This is a movement which we consider to be significant and unexplained. The price of CGA shares traded on the TSX closed weaker on the day of the announcement but recovered over the next three days.

On 6 February 2012 the Company announced that production during the month of January 2012 was 71% higher than the results achieved in December 2011. The price of CGA shares traded on the ASX did not react to this positive news and fell further over the next three days. The share price of CGA shares traded on the TSX fell 2.0% lower on the day of the announcement but recovered over the next three days to be higher than what was achieved on the close of the day prior to the announcement.

On 30 December 2011, the Company announced that it had resumed full production at the Masbate Gold Project. The share price of CGA shares traded on the ASX closed 11.5% higher on the day of the announcement. The share price of CGA shares traded on the TSX also responded positively, closing 3.5% higher on the day of the announcement.

On 21 September 2011 the Company announced that it had agreed to acquire 100% of the interest of Bloomsbury Holdings Limited (“**Bloomsbury**”) in the companies owning a direct and indirect interest in the highly prospective Pajo MPSA. The closing price of CGA shares traded on the ASX increased 1.1% on the day of the announced but fell considerably by 6.7% over the next three days.

On 20 September 2011, the Company announced that a Supplementary Crushing Circuit had been completed. The Supplementary Crushing Circuit was commissioned to ensure that 6.5mtpa throughput was maintained whilst the SAG mill was being brought back online. The closing share price of CGA shares decreased on the day of the announcement but increased over the next three days. Holders of CGA shares trading on the TSX received information regarding the Company’s increased interest in Pajo MPSA and the

commissioning of the Supplementary Crushing Circuit on 20 September 2011. The combined response of the share price of CGA shares traded on the TSX was an increase by 8.4% at the close of the day of the announcement and an almost equal decline in the closing share price over the next three days.

To provide further analysis of the market prices for an CGA share, we have also considered the volume weighted average price (“VWAP”) for 10, 30, 60 and 90 day periods to 18 September 2012.

	18 -Sep - 2012	10 Days	30 Days	60 Days	90 Days
<u>ASX (A\$)</u>					
Closing Price	2.550				
VWAP		2.506	2.360	2.243	2.196
<u>TSX (C\$)</u>					
Closing Price	2.650				
VWAP		2.556	2.407	2.325	2.196

The above weighted average prices are prior to the date of the announcement of the Scheme, to avoid the influence of any increase in price of CGA shares that has occurred since the Scheme was announced.

An analysis of the volume of trading in CGA shares for the twelve months to 18 September 2012 is set out below:

	Share price low		Share price high		Cumulative Volume traded		As a % of Issued capital	
	ASX (A\$)	TSX (C\$)	ASX (A\$)	TSX (C\$)	ASX	TSX	ASX	TSX
1 day	2.550	2.530	2.550	2.660	-	325,065	0.00%	0.10%
10 days	2.410	2.410	2.560	2.700	30,775	4,190,742	0.15%	1.32%
30 days	2.060	2.110	2.560	2.700	194,554	16,656,198	0.95%	5.25%
60 days	1.840	1.890	2.560	2.700	294,872	23,311,291	1.44%	7.35%
90 days	1.750	1.730	2.560	2.700	336,019	31,925,470	1.64%	10.06%
180 days	1.555	1.530	2.560	2.700	631,641	71,272,476	3.09%	22.46%
1 year	1.555	1.530	2.750	2.980	1,578,987	159,299,127	7.72%	50.20%

Source: Bloomberg, BDO analysis

This table indicates that CGA’s shares listed on the ASX display a low level of liquidity, with 7.72% of the Company’s capital currently issued on the ASX being traded in a twelve month period. CGA’s shares listed on the TSX display a moderate to high level of liquidity, with 50.20% of the Company’s capital currently issued on the TSX being traded in a twelve month period. For the quoted market price methodology to be reliable there needs to be a ‘deep’ market in the shares. RG 111.69 indicates that a ‘deep’ market should

reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'deep', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of CGA, we do not consider there to be a deep market for the Company's shares listed on the ASX. We consider the market for CGA's shares listed on the TSX to be considerably deeper in comparison and therefore a more reliable measure of the value of a minority interest in the Company. This is supported by 50.20% of the Company's capital currently issued on the TSX being traded in a twelve month period as well as fewer unexplained movements in CGA's share price observable on the TSX.

Our assessment is that a range of values for CGA's shares based on market pricing, after disregarding post announcement pricing and taking into account relevant exchange rates, is between US\$2.20 and US\$2.50.

Control Premium

The concept of a premium for control reflects the additional value that attaches to a controlling interest. In determining whether including a control premium is appropriate in this instance, we believe there are two key considerations. Firstly, we believe it is appropriate to consider the level of control currently held by B2Gold and what additional level of control/ability to influence the Company that B2Gold would gain if the Scheme is approved and whether a premium for control is appropriate given the current position of the Company.

We have reviewed control premiums paid by acquirers of gold mining companies, both listed and unlisted in Australia and Canada for the period from 1 January 2006 to date. We have summarised our findings below:

Australian gold mining targets			
Year	Number of Transactions	Average Deal Value (US\$m)	Average Control Premium
2012	2	286.92	81.91
2011	3	154.56	45.40
2010	9	520.54	57.77
2009	6	245.84	14.11
2008	3	446.27	28.54
2007	7	253.09	24.69
2006	7	75.38	11.92
	Median	253.09	28.54
	Mean	283.23	37.76

Source: BDO Analysis and Bloomberg

Canadian gold mining targets			
Year	Number of Transactions	Average Deal Value (US\$m)	Average Control Premium
2012	6	159.59	30.35
2011	15	379.31	46.49
2010	19	547.24	42.46
2009	24	105.99	34.38
2008	14	269.63	33.99
2007	18	247.58	30.14
2006	13	1100.52	42.73
	Median	269.63	34.38
	Mean	401.41	37.22

Source: BDO Analysis and Bloomberg

We have also reviewed the announced control premiums paid by acquirers for target mining companies, both listed and unlisted in Australia and Canada for the period from 1 January 2006 to date. A summary of the control premiums is noted in the table below:

Australian general mining targets			
Year	Number of Transactions	Average Deal Value (US\$m)	Average Control Premium
2012	7	106.25	66.66
2011	18	625.86	19.55
2010	21	398.86	45.51
2009	23	108.12	39.13
2008	8	553.76	38.87
2007	21	356.91	24.52
2006	19	71.35	25.47
	Median	356.91	38.87
	Mean	317.30	37.10

Source: BDO Analysis and Bloomberg

Canadian general mining targets			
Year	Number of Transactions	Average Deal Value (US\$m)	Average Control Premium
2012	21	122.26	43.21
2011	37	425.60	45.14
2010	39	361.09	34.50
2009	58	84.67	38.73
2008	41	163.62	57.06
2007	50	1451.33	31.80
2006	35	1522.16	30.28
	Median	361.09	38.73
	Mean	590.10	40.10

Source: BDO Analysis and Bloomberg

In arriving at an appropriate control premium to apply, we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer’s business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree’s securities.

The long-term average control premium paid by acquirers of gold mining targets in Australia and Canada is very similar and falls in the range of 37.22% and 37.76%. There is a noticeable difference between the long-term median control premium in Australia and Canada. The difference can be partially explained by the relatively smaller sample size of transactions in Australia. In a sample where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. In 2012 to date there have only been two gold transactions with announced control premia. The announced control premia for these transactions, of which the targets were Allied Gold Mining PLC (“Allied Gold”) and Castlemaine Goldfields Ltd (“Castlemaine”), had announced control premiums of 78.90% and 84.91% respectively. Excluding the transactions involving Allied Gold and Castlemaine, the long term average and median control premium paid by acquirers of gold mining targets in Australia would be 26.61% and 30.40% respectively.

Our analysis indicates that the long-term median and average control premium paid by acquirers of general mining targets falls within a similar range in Australia and Canada. We note that mean control premia is slightly higher in Canada, 41.10% compared to 37.10% in Australia. We also note that the sample size for acquisitions of general mining companies with control premiums is also larger in Canada.

Based on our research above we believe that an appropriate control premium to apply in our valuation of CGA shares listed on the ASX and the TSX is between 25% and 35%.

Quoted market price including control premium

Applying a control premium to CGA’s quoted market share price results in the following quoted market price value including a premium for control:

	Low US\$	Midpoint US\$	High US\$
Quoted market price value	2.200	2.350	2.500
Control premium	25%	30%	35%
Quoted market price valuation including a premium for control	2.750	3.055	3.375

Therefore, our valuation of a CGA’s share based on the quoted market price method and including a premium for control is between US\$2.750 and US\$3.375, with a midpoint value of US\$3.055.

11.8 Assessment of CGA Value

The results of the valuations performed are summarised in the table below:

	Low US\$	Preferred US\$	High US\$
Sum-of-parts (section 11.6)	2.01	2.45	2.95
Quoted market price (section 11.7)	2.750	3.055	3.375

Our QMP valuation overlaps with our sum of the parts valuation, but is generally a higher value range. We consider that our sum of the parts value to be the most appropriate value to adopt. Our principal factors in determining this are that:

- trading in CGA shares demonstrates a low level of liquidity;
- for most of the past year CGA's shares have traded at lower price levels which would be more consistent with our sum of the parts value. This is demonstrated by the 90 day VWAP (on both ASX and TSX) being considerably lower than both the closing price on 18 September 2012 and the 10 day VWAP.

Therefore, we selected the value of CGA derived from our sum-of-parts analysis to be between US\$2.01 and US\$2.95 per share, with a preferred value of US\$2.45 per share.

12. Valuation of the Proposed Merged Entity

We have employed the sum-of-the-parts method in estimating the fair market value of the Proposed Merged Entity by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the following:

Assets (interest in)	Owner	Type of asset	Valuation approach	Section
Masbate operating mine	CGA	Operating	DCF	11.1.3
Exploration potential of Masbate	CGA	Exploration	Reliance on independent specialist	11.1.4
Other assets and liabilities of CGA	CGA	Other	NAV - Cost approach	11.3
La Libertad operating mine (100%)	B2Gold	Operating	DCF	12.2.1
Exploration potential of La Libertad	B2Gold	Exploration	Reliance on independent specialist	12.2.1
Limon operating mine (95%)	B2Gold	Operating	DCF	12.2.2
Exploration potential of Limon	B2Gold	Exploration	Reliance on independent specialist	12.2.2
Otjikoto project (92%)	B2Gold	Exploration	Reliance on independent specialist	12.2.3
Gramalote project (49%)	B2Gold	Exploration	Reliance on independent specialist	12.2.3
Bellavista, Cebollati, Mocoa, Radius Gold JV, Calibre Mining JV	B2Gold	Other mining	Reliance on independent specialist	12.2.3
Brucejack, Kupol East & West	B2Gold	Royalties/Rights	DCF and contractual	12.2.4
Other assets and liabilities of B2Gold	B2Gold	Other	NAV - Cost approach	12.2.6

We considered the trading activity of CGA shares on the ASX and TSX following the announcement of the Scheme to assess the financial market's perceived value of the Proposed Merged Entity. This assumes an efficient financial market where the traded share price of CGA reflects the value of the combined entities of CGA and B2Gold immediately following the announcement of the proposed merger, with all other factors held constant.

12.1 Valuation of the underlying assets of CGA

The value of CGA's interest in the Masbate Mine and the value of other assets and liabilities of CGA are set out in section 11 of our Report.

12.2 Valuation of the La Libertad and Limon operating mines

We elected the DCF approach in valuing the La Libertad operating ("La Libertad Mine") mine and the Limon operating mine ("Limon Mine"). The DCF approach estimates the fair market value by discounting the future cash flows arising from the La Libertad Mine and Limon Mine to their net present values. In performing a DCF valuation, a determination of the following is required:

- The expected future cash flows that the La Libertad Mine and Limon Mine are expected to generate
- An appropriate discount rate to apply to the cash flows of the La Libertad Mine and Limon Mine to convert them to present value equivalent.

The key assumptions adopted in our valuation are summarised as follows.

La Libertad						
(All in nominal terms)	2012	2013	2014	2015	2016	2017 on
Gold price US\$/oz	1,750	1,850	1,700	1,550	1,400	1,325
Silver price US\$/oz	30	35	32	27	24	22
Inflation	2%	2%	2%	2%	2%	2%
Ore processed (Kt)	2,013	2,012	2,005	2,012	2,012	2149*
Grade processed (g/t)	1.77	2.27	2.33	2.25	2.88	2.10*
Gold sales (koz)	103.0	133.0	136.0	132.0	168.0	126.0*

Life of mine 9.5 years plus a 3-year life of mine extension

Discount rate (nominal post-tax) 10% to 12%

*Note: represents average for the rest of the term

Source: The La Libertad Mine Model

Limon						
(All in nominal terms)	2012	2013	2014	2015	2016	2017 on
Gold price US\$/oz	1,750	1,850	1,700	1,550	1,400	1,325
Silver price US\$/oz	30	35	32	27	24	22
Inflation	2%	2%	2%	2%	2%	2%
Ore processed (Kt)	388	400	400	400	400	400
Grade processed (g/t)	4.24	4.29	4.45	3.92	4.46	4.78*
Gold sales (koz)	48.0	50.0	52.0	46.0	52.0	56.0*

Life of mine 4.5 years plus a 3-year life of mine extension

Discount rate (nominal post-tax) 10% to 12%

*Note: represents average for the rest of the term

Source: The Limon Mine Model

Life of mine

A cash flow model was prepared by B2Gold to reflect future cash flows expected from the life of mine of the La Libertad Mine (“**La Libertad Mine Model**”). A separate cash flow model was also prepared by B2Gold to reflect future cash flows expected from the life of mine of the Limon Mine (“**Limon Mine Model**”). The La Libertad Mine Model and the Limon Mine Model are collectively referred to as “**B2Gold Models**”.

La Libertad Mine Model: The La Libertad Mine Model estimates the future cash flows expected from operating and producing at the La Libertad Mine based on determined JORC compliant reserves for the remaining life of mine of nine and a half years and a life of mine extension of three years to include resources that have reasonable potential for conversion to reserves (“**La Libertad Mine Projections**”). The La Libertad Mine Model depicts La Libertad Mine Projections of real, after-tax cash flows over the life of mine on an annual basis.

Limon Mine Model: The Limon Mine Model estimates the future cash flows expected from operating and producing at the Limon Mine based on determined JORC compliant reserves for the remaining life of mine of four and a half years and a life of mine extension of three years to include resources that have reasonable potential for conversion to reserves at the end of the current mine life (“**Limon Mine Projections**”). The Limon Mine Model depicts Limon Mine Projections of real, after-tax cash flows over the life of mine on an annual basis.

The La Libertad Mine Projections and Limon Mine Projections are collectively referred to as “**B2Gold Projections**”.

The main assumptions underlying the B2Gold Models include:

- Mining and production volumes
- Commodity prices
- Operating costs
- Capital expenditure
- Royalties
- Tax
- Discount rate.

We undertook the following analysis on the B2Gold Models:

- Appointed BDA as technical expert to review and where required, provided changes to the technical assumptions underlying the B2Gold Models
- Conducted independent research on certain economic and other inputs such as commodity prices, foreign exchange rates, inflation, taxation assumptions and discount rate applicable to the future cash flows of the La Libertad Mine and the Limon Mine
- Held discussions with B2Gold’s management regarding the preparation of the B2Gold Projections and its views
- Adjusted the B2Gold Models to reflect any changes to the technical assumptions as a result of BDA’s review and any changes to the economic and other input assumptions from our research.

Appointment of a technical expert

BDA, an independent mining expert, was engaged to prepare a report providing a technical assessment of technical project assumptions underlying the B2Gold Models. BDA’s assessment involved the review and provision of input on the reasonableness of the following assumptions adopted in the B2Gold Models, including but not limited to the following:

- Mining physicals (including tonnes mined and grade)
- Processing assumptions (including products and recovery, scheduling and plant utilisation)
- Mining costs (comprising direct operating expenditure and certain fixed costs)
- Capital expenditure
- Other relevant assumptions



A copy of BDA's Independent Technical Specialist Valuation Report is included in Appendix 5.

Limitations

Since B2Gold Projections relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the plans on which the B2Gold Projections are based. Accordingly, actual results may vary materially from the B2Gold Projections, as it is often the case that some events and circumstances frequently do not occur as expected, or are not anticipated, and those differences may be material.

Economic assumptions

Foreign exchange rate

All commodity prices are stated in US\$ and the B2Gold Projections in the B2Gold Models are also in US\$. Therefore, no currency conversions were undertaken.

Inflation

As the B2Gold Projections are presented in real terms, we adopted inflation rate assumptions to convert the cash flows from real to nominal terms. We have considered that the local inflation rate movements (in Nicaragua) are expected to be accounted for in the exchange rate movements (between the Nicaraguan currency and the US\$). Therefore, we have adopted the expected inflation rate of 2% in the United States in converting the US\$ denominated cash flows into nominal terms.

Revenue assumptions

The La Libertad Mine and Limon Mine generate gold as their primary saleable product. Revenue has been estimated as the product of annual saleable ounces of gold and gold prices.

Commodity prices

We obtained projected commodity prices for gold having considered:

- Historical spot and forward prices
- Most recent Consensus Economics price forecasts
- Bloomberg data source

12.2.1 Valuation of the La Libertad Mine

DCF Valuation - Future cash flows

Mining physicals

The La Libertad Mine has a measured and indicated resource base of 619,000 ounces of gold and an inferred resource base of 321,000 ounces of gold. The inferred resource base includes stockpiles.

The La Libertad Mine also has a total of 588,000 ounces of gold classified as probable reserves.

Resources	Total Koz
Measured & Indicated	619
Inferred (includes stockpile)	321
Total gold resources	940

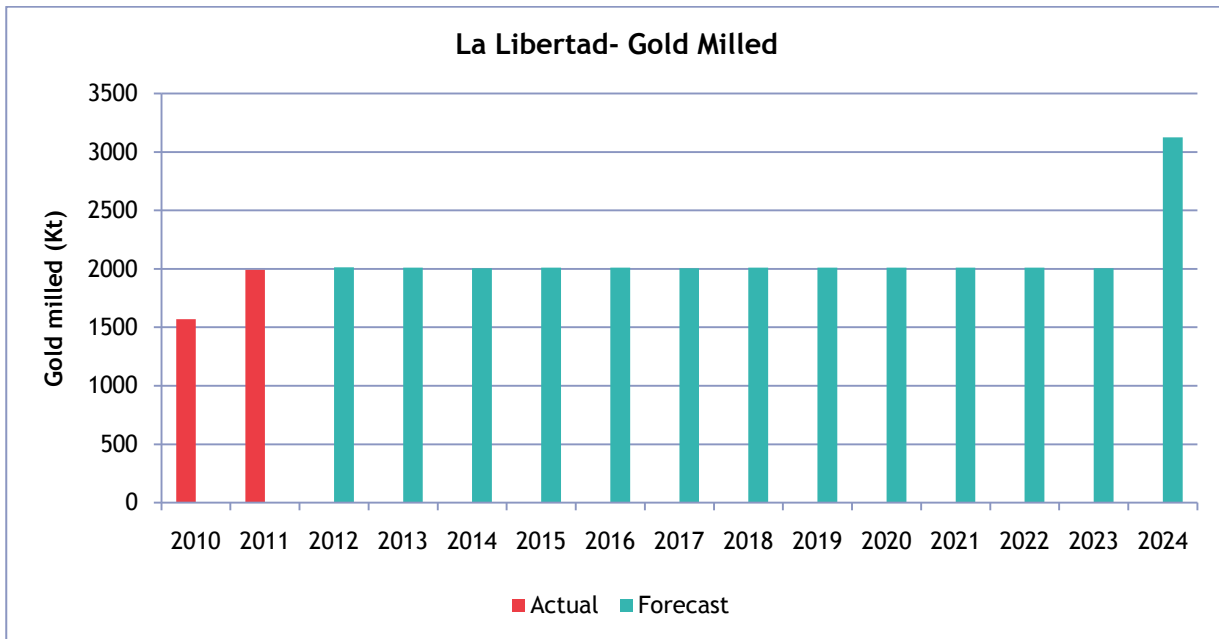
Reserves	Total Koz
Proven	-
Probable	588
Total proven and probable	588

The La Libertad Mine has an estimated life of mine of nine and half years and a life of mine extension of three years to include approximately 489,000 ounces of gold resources for which BDA believe there are reasonable grounds for conversion to reserves. The La Libertad Mine has been producing in the years 2010, 2011 and 2012 to date.

BDA recommended that a sensitivity to gold grade of -25% be tested for the period 2016 to 2019 to consider that the mining schedule includes the underground production from Jabali where there are limited resources.

The graph below shows the actual tonnes of gold milled for 2010 and 2011, as well as the forecast tonnes of gold to be milled annually over the remaining life of mine.

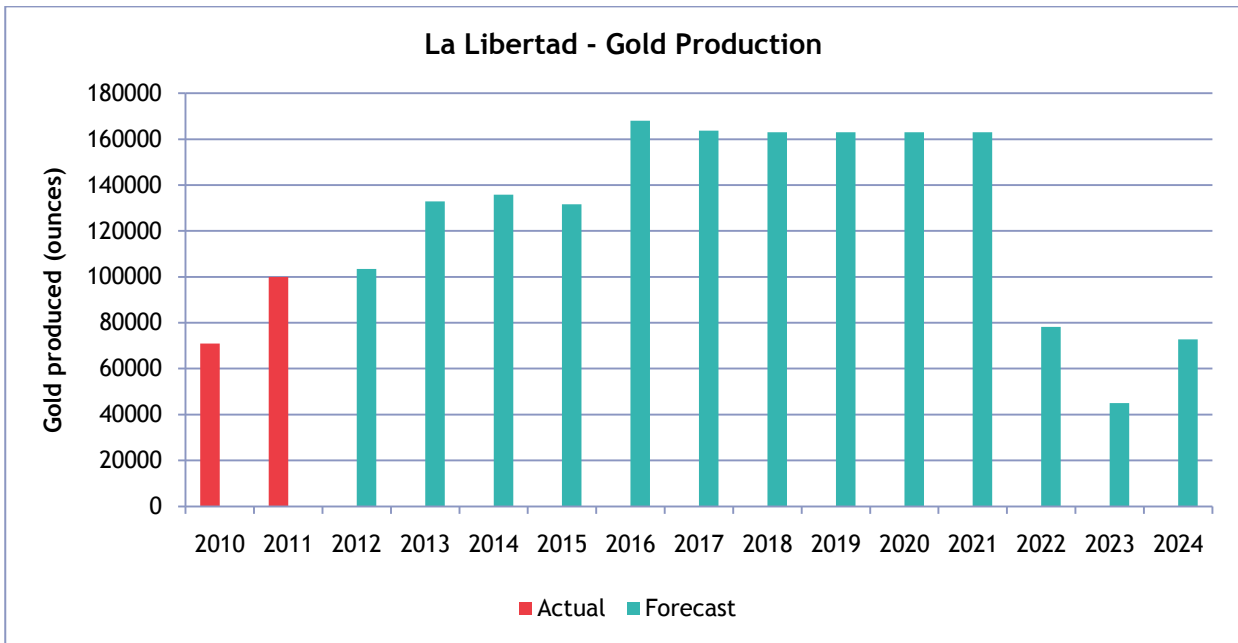
We note that the forecasts for 2012 to 2015 are in line with the actual results for the year 2012 to date.



Source: La Libertad Mine Model

Processing assumptions

Based on the quantity of contained metal within the total ore mined, the number of gold ounces mined is depicted in the graph below.



Source: La Libertad Mine Model

A level product recovery rate of 90.35% has been used in the La Libertad Mine Model.

Operating costs

The La Libertad Mine Model includes the following operating costs:

- Surface mining costs
- Underground mining costs

Other operating costs include Managua office costs, royalties and various taxes which are detailed further below.

Capital expenditure

As the La Libertad Mine is already an operating and producing mine, there is no significant upfront capital expenditure. Capital expenditure included in the La Libertad Mine Model is broadly defined as either deferred development costs, discretionary capital costs and pre-stripping costs. Capital expenditure in the La Libertad model is equal to an average of US\$18.1 million per year.

Closure costs

The La Libertad Mine Model did not include a provision for closure costs. Based on the Independent Technical Specialist Valuation Report, we have included closure costs of US\$10 million over two years after the completion of production.

Taxes

The La Libertad Mine Model assumes that B2Gold pays an annual surface tax royalty of US\$0.1 million and a net 3% royalty on gross product revenue. The La Libertad Mine Model also assumes that B2Gold is required to pay another royalty interest, to a corporation formed by La Libertad workers (“IMISA”), equal to 2% of the total production of gold and silver.

The La Libertad Mine Model makes the following assumptions relating to taxes:

- AMT tax = 1% of gold and silver revenue only.
- Advalorem tax = [gold and silver revenue - (dore transportation, security and insurance)] * 3%
- Income tax = 30% of EBIT - AMT tax - Advalorem tax.

We note that the Limon Mine Model assumes that income tax will always be a minimum amount equal to the AMT tax.

Funding

The La Libertad Mine is currently fully funded by equity as it has run down all its debt from the positive cash flows that it is generating. The La Libertad Mine is able to meet all its sustaining capital expenditure and working capital requirements for the life of mine of the project.

DCF Valuation - Discount rate

We have selected a nominal after tax discount rate in the range of 10% to 12% per annum to discount the La Libertad Mine Projections to their present value. We have used a discount rate of 10% in our base case:

In selecting the range of discount rate, we considered the following:

- The rates of return for comparable listed Canadian gold companies
- The debt to equity ratios of comparable listed Canadian gold companies
- An appropriate cost of debt
- An appropriate target debt to equity ratio.

Given that we have assumed that the La Libertad Mine is fully equity funded, our discount rate reflects the required cost of equity return to an equity investor.

Details on our discount rate determination are provided in Appendix 3.

DCF Valuation - Discounted cash flows

The estimated value of the La Libertad Mine is derived under the DCF approach. Our valuation is highly sensitive to changes in the forecast commodity prices and the discount applied to benchmark commodity prices. We have therefore included an analysis to consider the value of the La Libertad Mine under various pricing scenarios and in applying:

- A change of +/- 20% to commodity prices
- A change of +/- 20% to gold grade
- A change of +/- 20% to operating costs
- A change of +/- 20% to capital expenditure
- A discount rate in the range of 8% to 15%.

The following table sets out the valuation outcomes from our DCF analysis.

Flex	NPV (US\$m)	NPV (US\$m)	NPV (US\$m)	NPV (US\$m)
	Gold Grade	Gold Prices	OPEX	CAPEX
-20%	303.42	229.70	568.82	513.52
-15%	348.50	290.52	547.56	506.08
-10%	393.59	353.14	526.30	498.64
-5%	438.68	417.56	505.03	491.21
0%	483.77	483.77	483.77	483.77
5%	528.86	551.78	462.51	476.33
10%	573.95	621.58	441.25	468.90
15%	619.04	694.04	419.98	461.46
20%	664.13	766.35	398.72	454.02

Source: BDO Analysis

Discount rate sensitivity									
Discount Rate (%)	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	
NPV (US\$m)	532.01	507.02	483.77	462.10	441.89	423.02	405.37	388.85	

Source: BDO Analysis

We note that the value of the La Libertad Mine is most sensitive to changes in gold price and gold grade.

Considering the valuation outcomes above, we estimate the fair market value of CGA's interest in the La Libertad Mine to be in the range of US\$420.0 million to US\$550.0 million, with a preferred value of US\$483.0 million.

Summary of valuation assessment La Libertad Mine	Low US\$m	Preferred US\$m	High US\$m
DCF value of the La Libertad Mine	420.0	483.0	550.0
Value of B2Gold's interest in the La Libertad Mine (100%)	420.0	483.0	550.0

The value of B2Gold's 100% interest in the La Libertad Mine is in the range of US\$420 million to US\$550 million, with a preferred value of US\$483 million.

Valuation of exploration potential

We instructed BDA to value all of the resources of the La Libertad under the Valmin Code that are not included in the La Libertad Mine Model, which represents the exploration potential of the La Libertad Mine. In valuing this exploration potential, BDA used the Yardstick methodology (as defined in the BDA report), which use ratios to gold projects based on dollars per ounce of gold in resources or reserves, based on their 'quality' of ounces.

The exploration potential of the La Libertad Mine not included in the DCF valuation is shown below.

	Low	Preferred	High
Value of exploration potential of the La Libertad Mine in A\$	44.3	55.7	67.0
Valuation of exploration potential of the La Libertad Mine in US\$	45.9	57.8	69.5

BDA concluded that the value of the exploration potential of the La Libertad Mine is between US\$45.9 million and US\$69.5 million with a preferred value of US\$57.8 million.

Therefore, the values of B2Gold's interest in the La Libertad Mine are as follows:

Summary of valuation assessment La Libertad Mine	Low US\$m	Preferred US\$m	High US\$m
DCF value of the B2Gold's interest in La Libertad Mine	420.0	483.0	550.0
Value of the B2Gold's interest in the exploration potential of the La Libertad Mine (100%)	45.9	57.8	69.5

12.2.2 Valuation of the Limon Mine

DCF Valuation - Future cash flows

Mining physicals

The Limon Mine has an indicated resource base of 157,000 ounces of gold and an inferred resource base of 192,000 ounces of gold, for a total indicated and inferred gold resource of 349,000 ounces. The inferred resource base is estimated at 2,830,000 ounces of gold, giving a total gold resource (measured, indicated and inferred) of 7,960,000 ounces.

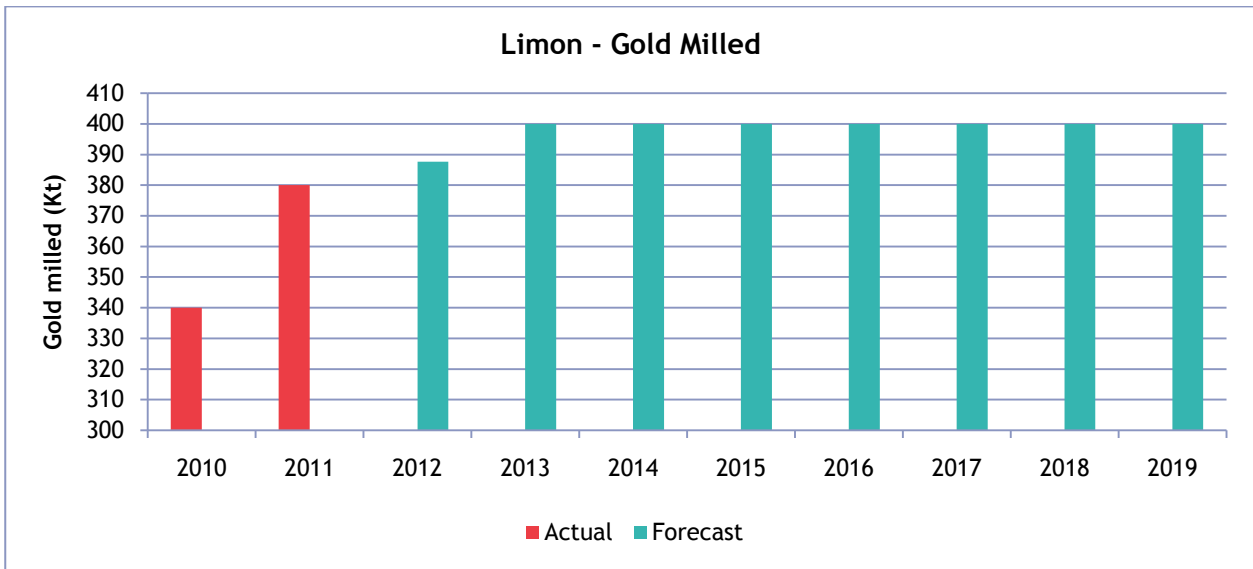
The Limon Mine has a total of 249,000 ounces of gold classified as probable reserves.

Resources	Total Koz	Reserves	Total Koz
Measured	-	Proven	-
Indicated	157	Probable	249
Inferred	192	Total proven and probable	249
Total gold resources	349		

The Limon Mine has an estimated life of mine of four and half years and a life of mine extension of three years to include approximately 167,000 ounces of gold resources for which BDA believes there are reasonable grounds for conversion to reserves. The Limon Mine has been producing in the years 2010, 2011 and 2012 to date.

Based on the BDA's recommendation, we adjusted the Limon Mine Model to reduce the mill throughput of 0.42 Mtpa forecast by five per cent to make it consistent with what has been previously achieved.

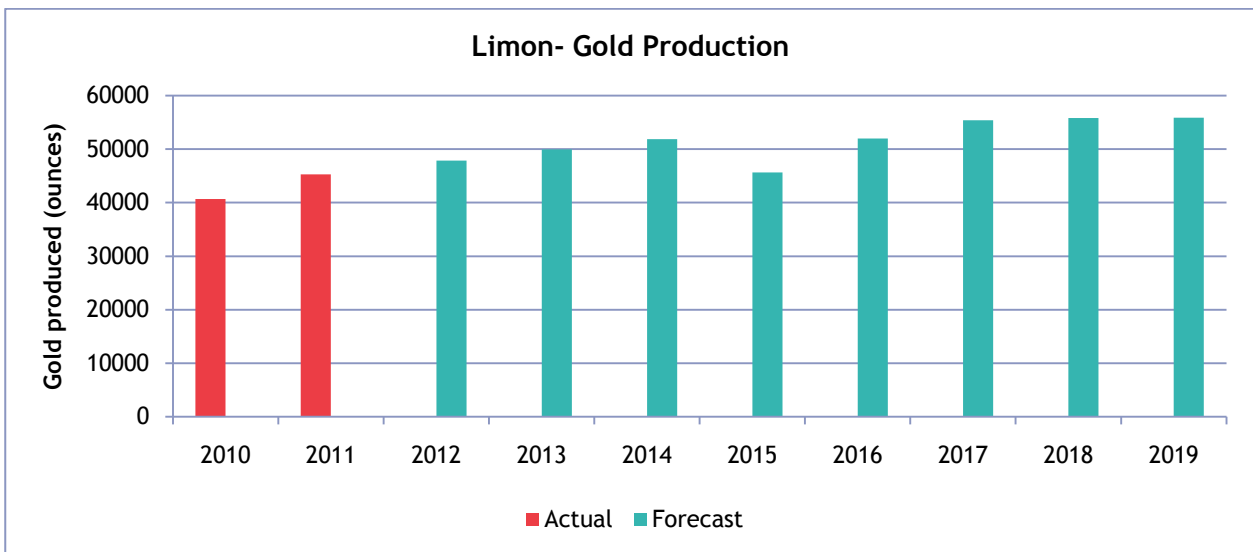
The graph below shows the actual tonnes of gold milled in the years 2010 and 2011, as well as the forecast tonnes of gold to be milled annually over the remaining life of mine. The tonnes to be milled in 2017, 2018 and 2019 includes the extension of the life of mine based on the inferred resource to reserve conversion.



Source: Limon Mine Model

Processing assumptions

Based on the quantity of contained metal within the total ore mined, the number of gold ounces mined is depicted in the graph below.



Source: Limon Mine Model

A level product recovery rate of 90.60% has been used in the Limon Mine Model.

Operating costs

The Limon Mine Model includes the following operating costs:

- Surface mining costs
- Underground mining costs

Other operating costs include Managua office costs, royalties and various taxes which are detailed further below.

Capital expenditure

As the Limon Mine is already an operating and producing mine, there is no significant upfront capital expenditure. Capital expenditure included in the Limon Mine Model is broadly defined as either underground development costs or discretionary capital costs. Capital expenditure in the La Libertad model is equal to an average of US\$6.9 million per year

Closure costs

The Limon Mine Model did not include a provision for closure costs. Based on the Independent Technical Specialist Valuation Report, we have included closure costs of US\$10 million over two years after the completion of production.

Royalties and taxes

The Limon Mine Model assumes that royalties paid are calculated as 2.85% of gold and silver revenue plus a fixed cost of US\$0.3million.

The Limon Mine Model makes the following assumptions relating to taxes:

- AMT tax = 1% of gold and silver revenue only.
- Advalorem tax = [gold and silver revenue - (dore transportation, security and insurance)]* 3%
- Income tax = 30% of EBIT - AMT tax - Advalorem tax.

We note that the Limon Mine Model assumes that income tax will always be a minimum amount equal to the AMT tax.

Funding

The Limon Mine is currently fully funded by equity as it has run down all its debt from the positive cash flows that it is generating. The Limon Mine is able to meet all its sustaining capital expenditure and working capital requirements for the life of mine of the project.

DCF Valuation - Discount rate

We have selected a nominal after tax discount rate in the range of 10% to 12% per annum to discount the Limon Mine Projections to their present value. We have used a discount rate of 10% in our base case.

In selecting the range of discount rate, we considered the following:

- The rates of return for comparable listed Canadian gold companies
- The debt to equity ratios of comparable listed Canadian gold companies
- An appropriate cost of debt
- An appropriate target debt to equity ratio.

Given that we have assumed that the Limon Mine is fully equity funded, our discount rate reflects the required cost of equity return to an equity investor.

Details on our discount rate determination are provided in Appendix 3.

DCF Valuation - Discounted cash flows

The estimated value of the Limon Mine is derived under the DCF approach. Our valuation is highly sensitive to changes in the forecast commodity prices and the discount applied to benchmark commodity prices. We have therefore included an analysis to consider the value of the Limon Mine under various pricing scenarios and in applying:

- A change of +/- 20% to commodity prices
- A change of +/- 20% to gold grade
- A change of +/- 20% to operating costs
- A change of +/- 20% to capital expenditure
- A discount rate in the range of 8% to 15%.

The following table sets out the valuation outcomes from our DCF analysis.

Flex	NPV (US\$m)	NPV (US\$m)	NPV (US\$m)	NPV (US\$m)
	Gold Grade	Gold Prices	OPEX	CAPEX
-20%	38.90	39.94	166.51	134.90
-15%	62.20	62.98	157.23	132.74
-10%	84.82	85.34	146.79	130.58
-5%	106.10	106.35	136.31	128.42
0%	126.27	126.27	126.27	126.27
5%	145.28	145.04	115.48	124.11
10%	164.89	164.47	104.87	121.95
15%	182.20	181.59	93.78	119.79
20%	198.85	198.07	82.24	117.64

Source: BDO Analysis

Discount rate sensitivity								
Discount Rate (%)	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00
NPV (US\$m)	133.414	129.755	126.267	122.938	119.760	116.725	113.824	111.049

Source: BDO Analysis

We note that the value of the Limon Mine is most sensitive to changes in gold price and gold grade.

Considering the valuation outcomes above, we estimate the fair market value of the Limon Mine to be in the range of US\$100.0 million to US\$150.0 million, with a preferred value of US\$126.0 million.

Summary of valuation assessment Limon Mine	Low US\$	Preferred US\$m	High US\$m
DCF value of the Limon Mine	100.0	126.0	150.0
Value of B2Gold's interest in the Limon Mine (95%)	95.0	119.7	142.5

The value of B2Gold's 95% interest in the Limon Mine is in the range of US\$95.0 million to US\$142.5 million, with a preferred value of US\$119.7 million.

Valuation of exploration potential

We instructed BDA to value all of the resources of the Limon under the Valmin Code that are not included in the Limon Mine Model, which represents the exploration potential of the Limon Mine. In valuing this exploration potential, BDA used the Yardstick methodology (as defined in the BDA report), which use ratios to gold projects based on dollars per ounce of gold in resources or reserves, based on their ‘quality’ of ounces.

The exploration potential of the Limon Mine not included in the DCF valuation is shown below.

	Low	Preferred	High
Value of exploration potential of the Limon Mine in A\$	38.4	48.1	57.8
Valuation of exploration potential of the Limon Mine in US\$	39.8	49.9	60.0

BDA concluded that the value of B2Gold’s interest in the exploration potential of the Limon Mine is between US\$39.8 million and US\$60.0 million with a preferred value of US\$49.9 million.

Therefore, the values of B2Gold’s interest in the Limon Mine are as follows:

Summary of valuation assessment Limon Mine	Low US\$m	Preferred US\$m	High US\$m
DCF value of B2Gold’s interest in the Limon Mine	95.0	119.7	142.5
Value of B2Gold’s interest in the exploration potential of the Limon Mine (95%)	39.8	49.9	60.0

12.2.3 Development and exploration assets

We instructed BDA to prepare a specialist valuation of B2Gold’s development and exploration assets, including the Otjikoto and Gramalote development assets which are likely to start up in the near future. The DCF approach was not used in valuing these two projects as no proven and probable mineral reserves have been announced to-date, which is a requirement under RG111.

BDA has assessed the values for B2Gold’s development and exploration assets in the range of A\$333.5 million to A\$483.1 million, with a preferred value of A\$408.4 million as detailed in the table below:

Summary of valuation assessment Exploration assets	Low A\$m	Preferred A\$m	High A\$m
Value of B2Gold’s interest in the Otjikoto project (92%)	93.9	117.6	141.2
Value of B2Gold’s interest in the Gramalote project (49%)	113.9	145.0	176.0
Value of B2Gold’s interest in the Mocoa asset (100%)	33.4	43.7	54.1
Value of B2Gold’s interest in the Cebollati asset (80%)	22.0	25.2	28.4
Value of B2Gold’s interest in the Bellavista asset (100%)	-	-	-
Value of B2Gold’s interest in the Radius JV (60%)	58.2	63.6	69.0
Value of B2Gold’s interest in the Calibre JV (100%)	12.1	13.3	14.4
	333.5	408.4	483.1

Source: BDA’s Independent Technical Specialist Valuation Report dated 2 November 2012

We converted these values to US\$ at the relevant exchange rate as follows.

B2Gold	Low US\$m	Preferred US\$m	High US\$m
Value of B2Gold's interest in the Otjikoto project (92%)	97.4	122.0	146.5
Value of B2Gold's interest in the Gramalote project (49%)	118.1	150.4	182.6
Value of B2Gold's interest in the Mocoa asset (100%)	34.6	45.3	56.1
Value of B2Gold's interest in the Cebollati asset (80%)	22.8	26.1	29.5
Value of B2Gold's interest in the Bellavista asset (100%)	-	-	-
Value of B2Gold's interest in the Radius JV (60%)	60.4	66.0	71.6
Value of B2Gold's interest in the Calibre JV (100%)	12.6	13.8	14.9
	345.9	423.6	501.2

Source: BDA's Independent Technical Specialist Valuation Report dated 2 November 2012 and BDO analysis

The value of B2Gold's development and exploration assets is between US\$345.9 million and US\$501.2 million with a preferred value of US\$423.6 million.

12.2.4 Royalties and rights

B2Gold also has a right to earn a net smelter returns ("NSR") royalty on two properties that it sold, namely, the Brucejack property and the Kupol East and West property. BDA used the DCF methodology and valued the NSR royalty relating to the Brucejack property in the range of US\$24.7 million and US\$37.1 million, with a preferred value of US\$30.9 million. Further details are set out in the Independent Technical Specialist Valuation Report in Appendix 5.

On 22 July 2010, B2Gold reached an agreement with Kinross to sell to a subsidiary of Kinross, its right to acquire an interest in the Kupol East and West licences. Included in the consideration for this sale are contingent payments of C\$15 million for each incremental million ounces of gold of NI43-101 compliant proven and probable reserves contained in the Kupol East and West licence areas, up to a maximum of nine million ounces of gold (100% basis). In addition, B2Gold will receive payments equal to 1.5% of NSR from the commencement of production subject to a right for Kinross to repurchase the royalty for C\$30 million. On this basis, we have valued this right at C\$30 million or US\$30.1 million.

12.2.5 NAV multiple

The value per share of gold mining companies is often lower than the value of the trading price per share when valued using the DCF and/or NAV valuation methodologies. It is common practice to apply a NAV multiple to the DCF and/or NAV values to arrive at the value of a company.

Possible reasons for a difference between the DCF and/or NAV value per share and the traded price are:

- The potential upside at existing operating or development sites that would allow for an extension of the life of mine and higher volumes, outside of the announced reserve and resource
- The potential for actual gold prices exceeding the long-term forecast prices used in the DCF valuations
- Gold being perceived as a safe asset investment
- The value attributable to the strong management of a company.

We have analysed a number of broker reports reporting on listed gold companies. The broker reports indicated that NAV multiples range between 0.85 times and 1.53 times.

In determining an appropriate NAV multiple for the Proposed Merged Entity, we have had regard to:

- B2Gold's low volatility and stable history as a producing gold company
- The diversity of countries where The Proposed Merged Entity's main operations are carried out
- The number of advanced exploration areas that B2 Gold contributes to the Proposed Merged Entity which has the potential to make the Proposed Merged Entity a long lived mining house
- The Proposed Merged Entity's low risk profiles, carrying minimal debt
- The strong and stable management team that B2 Gold contributes to the Proposed Merged Entity with a history of bringing mines into production and extending their lives.

Based on the results of our analysis, we consider a NAV multiple of 1.3 times to be appropriate for the Proposed Merged Entity's mineral assets.

	Low	Preferred	High
Proposed Merged Entity	US\$m	US\$m	US\$m
DCF value of CGA's interest in the Masbate Gold Project	370.0	456.0	560.0
Value of CGA's interest in Masbate exploration potential	211.4	264.3	317.2
DCF value of B2Gold's interest in the La Libertad project (100%)	420.0	483.0	550.0
Value of B2Gold's interest in La Libertad exploration potential (100%)	45.9	57.8	69.5
DCF value of B2Gold's interest in the Limon project (95%)	95.0	119.7	142.5
Value of B2Gold's interest in Limon exploration potential (95%)	39.8	49.9	60.0
Value of B2Gold's interest in the Otjikoto project (92%)	97.4	122.0	146.5
Value of B2Gold's interest in the Gramalote project (49%)	118.1	150.4	182.6
Value of B2Gold's interest in the Mocoa asset (100%)	34.6	45.3	56.1
Value of B2Gold's interest in the Cebollati asset (80%)	22.8	26.1	29.5
Value of B2Gold's interest in the Bellavista asset (100%)	-	-	-
Value of B2Gold's interest in the Radius JV (60%)	60.4	66.0	71.6
Value of B2Gold's interest in the Calibre JV (100%)	12.6	13.8	14.9
Value of B2Gold's NSR royalty - Brucejack	24.7	30.9	37.1
Value of B2Gold's rights - Kupol East & West	30.1	30.1	30.1
	1,582.8	1,915.3	2,267.6
NAV multiple	1.3	1.3	1.3
Value of Proposed Merged Entity's mineral assets	2,057.6	2,489.9	2,947.9

Source: BDO analysis

12.2.6 Other assets and liabilities

Other assets and liabilities represent the assets and liabilities which have not been specifically adjusted. From review of these other assets and liabilities, outlined in the table below, we do not believe that there

is a material difference between their book value and their fair value unless an adjustment has been noted below. The table below represents a summary of the assets and liabilities identified:

B2Gold		Unaudited as at 30-Jun-12	Value of other assets & liabilities as at 30-Jun-12
Statement of Financial Position	Note	US(\$000)	US(\$000)
CURRENT ASSETS			
Cash and cash equivalents		77,338	77,338
Accounts receivable and prepaids		7,660	7,660
Value-added and other tax receivables		17,745	17,745
Inventories	(a)	27,989	36,657
Unrealised fair value of derivative assets		326	326
Marketable securities		-	-
TOTAL CURRENT ASSETS		131,058	139,726
NON-CURRENT ASSETS			
Mining Interests	(b)	464,169	-
Investment	(c)	3,104	2,945
Other Assets		1,183	1,183
TOTAL NON-CURRENT ASSETS		468,456	4,128
TOTAL ASSETS		599,514	143,854
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		16,102	16,102
Current taxes payable		2,794	2,794
Current portion of mine restoration provisions	(d)	1,376	-
Related party loans		72	72
TOTAL CURRENT LIABILITIES		20,344	18,968
NON-CURRENT LIABILITIES			
Mine restoration provisions		24,106	-
Deferred income taxes		31,780	31,780
Employee benefits accrual		4,487	4,487
TOTAL NON-CURRENT LIABILITIES		60,373	36,267
TOTAL LIABILITIES		80,717	55,235
NET ASSETS		518,797	88,619

Source: BDO Analysis

Note:

- (a) Adjusted for the fair market values of gold and silver bullion as well as in-process inventory as at 30 June 2012.
- (b) Mining interests have been separately valued and included in the overall valuation of the Proposed Merged Entity.
- (c) Adjusted for the fair market value of B2Gold's investment interest in 20,000,000 shares of TSX-listed entity Calibre Mining Corp. at US\$0.14726 per share as at 30 June 2012.
- (d) Mine restoration provisions were removed as they are accounted for in the DCF value of the La Libertad and Limon projects.

12.2.7 Corporate costs and cost synergies

B2Gold advised that its corporate costs are estimated to be between US\$17 million and US\$18 million per year. We calculated the corporate costs over 18 years based on US\$7 million and US\$8 million per annum, inflating these costs at 1.2% per annum over the entire period. The net present value of B2Gold's corporate costs is in the range of US\$151.9 million and US\$160.9 million.

B2Gold has also advised that the majority of CGA's corporate costs relating to its Australian head office will be removed following the implementation of the Scheme, which is expected to bring about cost savings of US\$6 million to US\$7 million per year. The net present value of these cost synergies is in the range of US\$53.6 million and US\$62.6 million.

12.2.8 Shares on issue

In determining a valuation per share for the Proposed Merged Entity, we applied the expected total number of shares outstanding following the completion of the Scheme, being 667,227,624 as referred to in section 4 of our Report.

12.2.9 Sum-of-parts Valuation Assessment

The fair market value of the Proposed Merged Entity is summarised as follows:

	Low	Preferred	High
Proposed Merged Entity	US\$m	US\$m	US\$m
Value of Proposed Merged Entity's mineral assets	2,057.6	2,489.9	2,947.9
Add: Other assets (combined non-mineral assets of CGA and B2Gold)	195.6	195.6	195.6
Less: Corporate costs	(218.2)	(227.4)	(236.7)
Add: Cost synergies	53.6	58.1	62.6
Equity value	2,088.6	2,516.2	2,969.4

Source: BDO Analysis

Based on the sum-of-parts valuation above, we estimate the fair market value of the Proposed Merged Entity to be in the range of US\$2,088.6 million to US\$2,969.4 million, with a preferred value of US\$2,516.2 million.

Minority Discount

The value of a share of the Proposed Merged Entity derived under the sum-of-parts method is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the company which allows them to have an individual influence in the operations and value of that company. However, if the Scheme is successful, the accepting holders, being the Shareholders, will hold minority interests in the Proposed Merged Entity, meaning that their individual holding will not be considered significant enough to have an individual influence in the operations and value of that company. In order to reflect this and the requirement under RG 111.34, we need to adjust our sum-of-parts value to reflect a minority interest.

We applied a minority discount in the range of 15% to 20%. Minority discount is usually determined as an inverse of the control premium. We note that CGA's shares are held largely by institutions and over a broad investor base, with holdings that were not considered significant enough to have an individual influence in the operations and value of CGA prior to the Scheme. This is also expected to be the case if the Scheme is successfully implemented as Shareholders will hold minority interests in the Proposed Merged Entity. Therefore, we have used the lower end of the minority discount range.

Our valuation of the Proposed Merged Entity on a minority interest basis is set out below:

Proposed Merged Entity Minority interest value	Low US\$m	Preferred US\$m	High US\$m
Value of the Proposed Merged Entity on a control basis	2,088.6	2,516.2	2,969.4
Minority discount	20%	17.5%	15%
Value of the Proposed Merged Entity on a minority interest basis	1,670.9	2,075.9	2,524.0
Shares on issue (million)	644.6	644.6	644.6
Value per share (US\$)	2.59	3.22	3.92

Source: BDO analysis

The value of a Proposed Merged Entity share using the sum-of-parts method and on a minority interest basis is between US\$2.59 per share and US\$3.92 per share with a preferred value of US\$3.22 per share.

Our valuation of the Proposed Merged Entity on a minority interest basis (fully diluted) is set out below:

Proposed Merged Entity Minority interest value and fully diluted scenario	Low US\$m	Preferred US\$m	High US\$m
Value of the Proposed Merged Entity on a control basis	2,088.6	2,516.2	2,969.4
Add: Cash on the exercise of B2Gold options	57.7	57.7	57.7
Value of the Proposed Merged Entity on a control basis (fully diluted)	2,146.3	2,573.9	3,027.1
Minority discount	20%	17.5%	15%
Value of the Proposed Merged Entity on a minority interest basis	1,717.1	2,123.5	2,573.0
Shares on issue (million)	667.2	667.2	667.2
Value per share (US\$)	2.57	3.18	3.86

Source: BDO analysis

We consider the value of a Proposed Merged Entity share using the sum-of-parts method and on a minority interest basis and fully diluted scenario to be between US\$2.57 per share and US\$3.86 per share, with a preferred value of US\$3.18 per share.

12.3 Resource multiple valuation

As a cross check to the sum-of parts valuation of the Proposed Merged Entity, we have analysed the reserve and resource trading and transaction multiples observed for comparable companies listed on the TSX and ASX with gold projects outside of Australia and primarily in developing countries. Our analysis can be found in Appendix 4.

We consider that reserve multiples and transaction multiples based on Canadian companies and Canadian transactions are most relevant to the Scheme and for providing a crosscheck to our valuation of the Proposed Merged Entity.

The median and average trading multiples, or enterprise value per unit of resource, of TSX listed comparable companies are US\$209.7 per ounce and US\$211.7 per ounce (on a controlling interest basis) respectively. The average and weighted average transaction multiples of the two largest Canadian transactions (of comparable size to the Proposed Merged Entity) analysed were US\$206.7 per ounce and US\$211.3 per ounce. We have applied a resource multiple in the range of US\$206.7 per ounce and US\$211.7 per ounce.

Applying a resource multiple of between US\$206.7 per ounce and US\$211.7 per ounce of the combined resource ounces of the Proposed Merged Entity, the implied value of the Proposed Merged Entity is between US\$2,745.9 million and US\$2,812.4 million. This compares with the value of the Proposed Merged Entity we derived based on the sum-of-parts method of between US\$2,088.6 million and US\$2,969.4 million.

Value of the Proposed Merged Entity on a controlling interest basis	Low US\$	Preferred US\$	High US\$
Sum-of-parts method	2,088.6	2,516.2	2,969.4
Resource multiple cross check	2,745.9	2,779.2	2,812.4

Source: BDO analysis

The above table shows that the value of the Proposed Merged Entity share obtained from our sum-of-parts method is comparable to the value implied using the resource multiple cross check.

13. Is the Scheme fair?

We determined that the value of 0.74 shares in the Proposed Merged Entity (both on an undiluted and fully diluted basis) to be received as consideration by Shareholders is within the range of values of a CGA share prior to the implementation of the Scheme. Therefore, we conclude that the Scheme is fair to Shareholders.

Undiluted basis		Low	Preferred	High
	Section	US\$	US\$	US\$
Value of a CGA share	11.8	2.01	2.45	2.95
Value of a Proposed Merged Entity share	12.2.9	2.59	3.22	3.92
Value of 0.74 Proposed Merged Entity shares		1.92	2.38	2.90

Fully diluted basis		Low	Preferred	High
	Section	US\$	US\$	US\$
Value of a CGA share	11.8	2.01	2.45	2.95
Value of a Proposed Merged Entity share	12.2.9	2.57	3.18	3.86
Value of 0.74 Proposed Merged Entity shares		1.90	2.36	2.85

Source: BDO analysis

14. Is the Scheme reasonable?

14.1 Advantages of approving the Scheme

The implementation of the Scheme is expected to bring a number of benefits to Shareholders as well as to the Proposed Merged Entity as a combined group. We set out the key advantages below.

14.1.1 The Scheme is fair

Our analysis in section 13 concludes that the Scheme is fair to Shareholders. RG 111 states that an offer is reasonable if it is fair.

14.1.2 Creation of a combined group with a stronger position

The merger of CGA and B2Gold will result in a stronger financial position and an increase in the scale of operations, size and diversification of asset portfolio and free cash flows.

Stronger financial position

The implementation of the Scheme will bring about a combined group with a strong financial position with a combined:

- Cash position of approximately US\$130 million as at 30 June 2012 and minimal debt (in this respect, CGA will be merged into B2Gold which has no gold hedges and no debt)
- Net asset position of over US\$840 million as at 30 June 2012

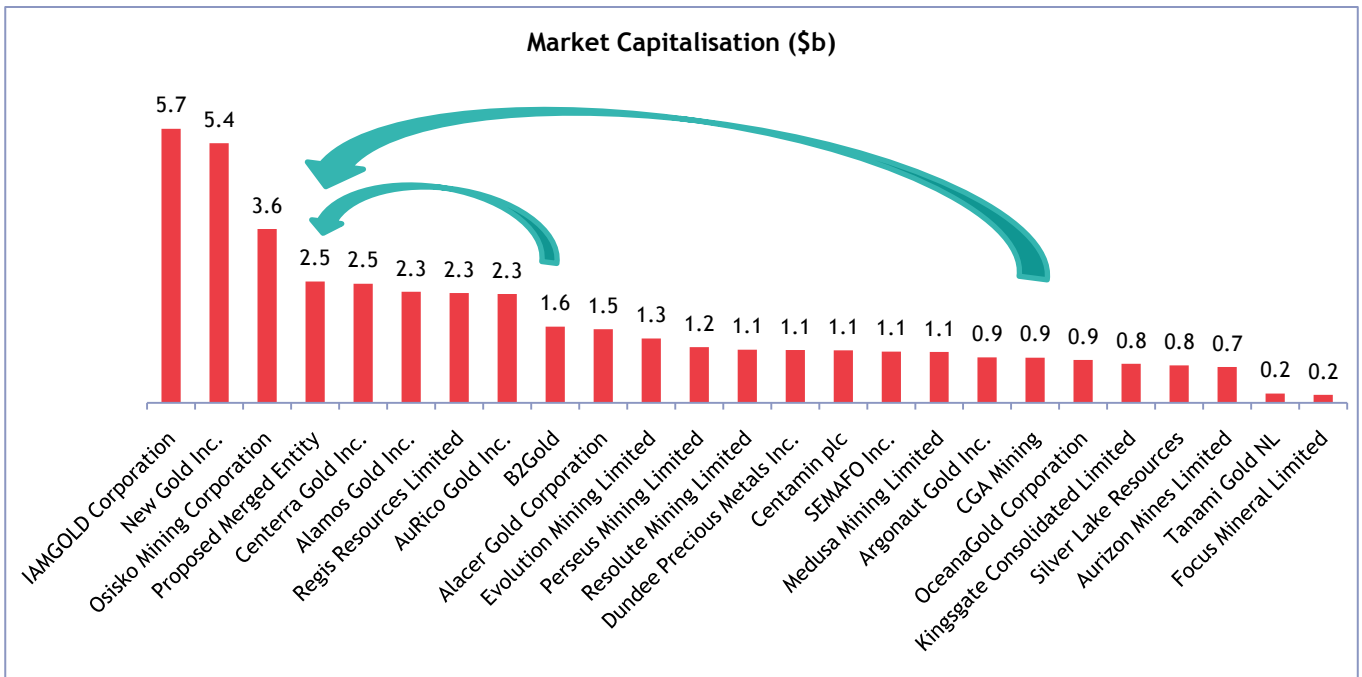
- Market capitalisation based on ASX closing prices for the two companies on 26 October 2012 of approximately C\$2.5 billion or approximately US\$2.5 billion converted at an exchange rate of US\$1 to C\$0.9969 as at 26 October 2012.

The strong cash position will enable the Proposed Merged Entity to be well financed through the next phase of exploration and resource definition work. It will also provide the Proposed Merged Entity with the ability to pursue future growth opportunities when they arise.

A stronger financial position and increased market capitalisation is expected to give the Proposed Merged Entity increased media coverage, a greater ability to obtain debt and equity finance, including an increased level of investment interest in the financial markets and possibly an access to a wider range of investors.

Increased size by market capitalisation

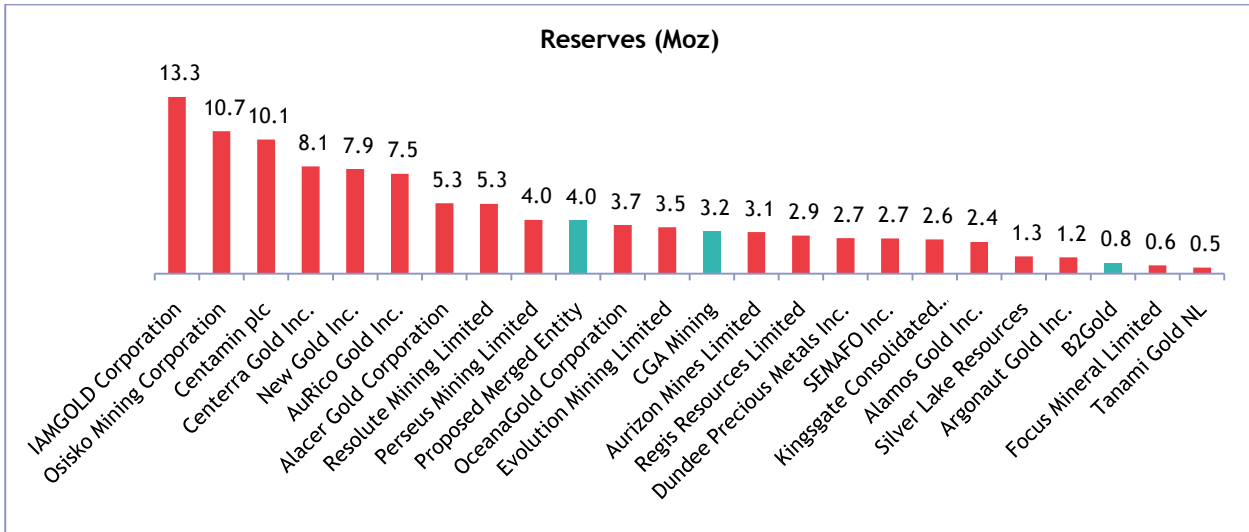
The combined market capitalisation of B2Gold and CGA based on the closing prices of comparable TSX and ASX listed companies as at 26 October 2012 is expected to be C\$2.5 billion, which ranks the Proposed Merged Entity in fourth position by market capitalisation, behind IAMGOLD Corporation, New Gold Inc. and Osisko Mining Corporation.



Source: Bloomberg and BDO analysis

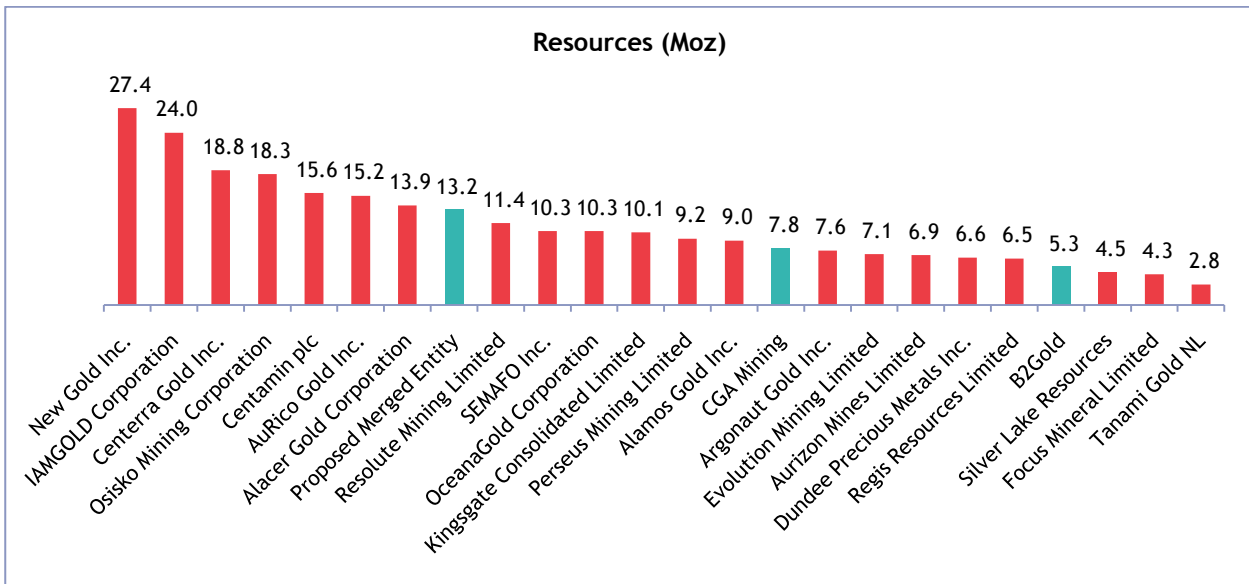
Increased gold reserves and resources positions

The combined gold proven and probable reserves of CGA and B2Gold would increase from 3.2 Mozs and 0.8 Mozs respectively, to 4.0 Mozs, ranking the Proposed Merged Entity in tenth position relative to comparable TSX and ASX listed companies as represented in the graph below.



Source: Bloomberg and BDO analysis

The combined gold measured, indicated and inferred resources (inclusive of reserves) of CGA and B2Gold would increase from 7.83 Mozs and 5.3 Mozs respectively, to 13.2 Mozs, ranking the Proposed Merged Entity in eighth position relative to comparable TSX and ASX listed companies as represented in the graph below.



Source: Bloomberg and BDO analysis

Overall, the Proposed Merged Entity is expected to have a reserve base of 4.0 Mozs, total measured, indicated and inferred resources (inclusive of reserves) of 13.2 Mozs.

Increased annual production from mining operations

Annual production of B2Gold and CGA would increase from approximately 185,000 ounces and 200,000 ounces respectively, to approximately 385,000 ounces in 2013. Annual production of the Proposed Merged Entity is expected to increase to approximately 700,000 ounces by 2016 from five geographically diverse mines.

Increased free cash flows

The combination of three operating mines is expected to increase the free cash flows to the Proposed Merged Entity, which will support the development of new projects. The development of new projects to commercial production stage (as indicated above) will further increase free cash flows to the Proposed Merged Entity in the future.

Cost synergies of approximately US\$7 million per year (referred to in section 12.2.6 of our Report), which are expected to arise from the merger of the two companies, will further contribute to the increase in free cash flows of the Proposed Merged Entity.

14.1.3 Creation of a company with greater growth potential

CGA has its flagship Masbate operating mine which is currently producing 200,000 ounces of gold per year with total resources of 8.0 Mozs as well as additional surrounding areas which have not yet been explored. The Masbate Gold Project spans approximately 116 square kilometres. Based on CGA's Canadian NI43-101 technical report dated October 2011, the total area under commercial operations is approximately four square kilometres. Therefore, there is high exploration prospectivity in the surrounding exploration permit areas and limited funds have historically been directed to resource and reserve expansion. The combined cash position of approximately US\$190 million in the Proposed Merged Entity and B2Gold's exploration capabilities will provide opportunities to progress further exploration activities at the Masbate mine which has been underexplored for the past 20 years.

B2Gold has a broader portfolio of assets including two operating mines, namely La Libertad and Limon, significant exploration ground and options to earn interests in two joint ventures subject to specified exploration spend requirements. Included in B2Gold's portfolio are two growth projects, the Otijkoto and Gramalote mines, which are advanced exploration assets that are expected to complete feasibility studies by the end of 2012 and commence operations in the near future. There are also exploration targets both around existing mines as well as in Nicaragua and Uruguay.

14.1.4 Creation of a company with a larger and more diversified portfolio of assets

Geographical diversification

If successful, the Scheme will result in CGA progressing from a "one-mine" company into an expanded operating company with a global footprint via core operating centres in Nicaragua, Philippines and potentially Namibia and Colombia in the future.

Asset diversification

The Proposed Merged Entity will have a larger and more diversified portfolio which balances a producing asset portfolio with near-term development opportunities as well as longer-term exploration stage assets.

14.1.5 Broader expertise and increased strength of management team

The B2Gold management and technical team have a track record in the acquisition, exploration, financing and development of mining projects worldwide. This has been demonstrated by the role that the executive and management team undertook in building the previous Bema Gold Corporation from inception as a junior explorer to an international gold producer with a market capitalisation of C\$3.5 billion in less than 20 years.

The B2Gold management and technical team are expected to strengthen CGA’s capabilities in exploration activities which the Company has historically not undertaken. B2Gold’s exploration capabilities are expected to add significant value to the Masbate Gold Project, particularly given the significant exploration potential available in the surrounding areas of the Masbate mine.

The directors of CGA believe that a good management team is of critical important to manage projects in a country like the Philippines. In the opinion of the directors of CGA, B2Gold’s existing projects in a country like Nicaragua bear similar risks to that of the Philippines. On this basis, it is believed that the management and technical teams at B2Gold are likely to be a good fit for CGA.

14.1.6 Likelihood of increased liquidity in the shares of the Proposed Merged Entity

The shares of CGA are listed on both the ASX and the TSX. We note that the liquidity of the shares on the ASX was low in the period that we analysed, primarily due to a large unmarketable parcel of shares held by a family trust. Trading volumes on the TSX are higher than that on the ASX but CGA shares are still considered thinly traded with less than 1% of the Company’s shares traded on a weekly basis.

On the other hand, the liquidity of the shares of B2Gold was significantly higher over the period that we analysed, showing 2.4% of B2Gold shares traded on a weekly basis. The trading of B2Gold’s shares represent a deeper and a more liquid and active market for its shares.

Therefore, it is anticipated that Shareholders will benefit from the greater liquidity of B2Gold’s shares.

We further analysed the liquidity of the shares of CGA since the Scheme was announced. We considered the volume of shares traded for both companies over the 1-day, 10-day and 30-day periods following the announcement date as follows.

	Share price low		Share price high		Cumulative Volume traded		As a % of Issued capital	
	ASX (A\$)	TSX (C\$)	ASX (A\$)	TSX (C\$)	ASX	TSX	ASX	TSX
1 day	2.670	2.710	2.700	2.950	47,867	34,029,521	0.24%	10.72%
10 days	2.520	2.640	2.970	3.160	312,910	101,006,882	1.54%	31.81%
30 days	2.520	2.640	2.970	3.160	780,409	122,445,542	3.84%	38.56%

Source: Bloomberg and BDO analysis

We also analysed the liquidity of the shares of B2Gold since the Scheme was announced. We considered the volume of shares traded for both companies over the 1-day, 10-day and 30-day periods following the announcement date as follows.

	Share price low		Share price high		Cumulative Volume traded		As a % of Issued capital	
	TSX (C\$)		TSX (C\$)		TSX		TSX	
1 day	3.780		4.030		26,991,455		6.88%	
10 days	3.670		4.270		77,589,779		19.76%	
30 days	3.670		4.270		114,199,115		29.09%	

Source: Bloomberg and BDO analysis

The tables indicate that the shares of both CGA and B2Gold displayed an increased level of liquidity over the 30-day period post announcement of the Scheme.

The “one-mine” company position and underexplored assets of CGA may be one of the reasons for low trading liquidity of CGA’s shares. An expanded operating company with a global footprint and greater diversity in assets is likely to increase the attractiveness of the Proposed Merged Entity’s shares and bring about an increase in the depth of liquidity in those shares.

14.2 Disadvantages of approving the Scheme

We set out the key disadvantages of the Scheme to Shareholders below.

14.2.1 Shareholders’ interests will be diluted

If the Scheme is approved, Shareholders will hold 39% of the Proposed Merged Entity whilst B2Gold shareholders will hold 61% of the Proposed Merged Entity. On a diluted basis, the shareholding interests of Shareholders and B2Gold shareholders changes to 38% and 62% respectively.

14.2.2 New B2Gold shares will only be traded on TSX and not on ASX

Following the implementation of the Scheme, CGA will be delisted from both ASX and TSX. New B2Gold shares received by Shareholders will be listed on TSX but will not be listed on ASX, and therefore, Shareholders will only be able to trade their new B2Gold shares on TSX.

14.2.3 Some ineligible Shareholders may not be able to receive B2Gold shares

Restrictions in certain foreign countries may make it impractical or unlawful for new B2Gold shares to be offered or issued under the Scheme to Shareholders in those countries. An ineligible shareholder for the purpose of the Scheme is a Shareholder whose addresses as shown on the share register of CGA is in a jurisdiction of any of Brunei Darussalam, Channel Islands, Fiji, Gibraltar, Greece, Ireland, British Isles, Malaysia, Netherlands, Norway and Papua New Guinea, which B2Gold has determined, acting reasonably, does not permit the issue of new B2Gold shares to that Shareholder either unconditionally or after compliance with terms that that B2Gold reasonably regards as acceptable and practical will be regarded as an ineligible shareholder for the purpose of the Scheme.

Without incurring undue expense in preparing a disclosure document in the relevant jurisdiction, some ineligible shareholders may not be able to receive B2Gold shares due to their local securities laws. The B2Gold shares to which those ineligible shareholders would be otherwise entitled to receive under the Scheme will be issued to a nominee, who will sell those shares and pay out the sale proceeds, after deducting any brokerage, stamp duty and other taxes and charges, to those ineligible shareholders.

14.3 Other Considerations

14.3.1 Alternative Proposal

CGA has been exploring merger opportunities with various parties over the past three years. Negotiations of merger implementation agreements with four different parties over this period have all been unsuccessful due to various reasons beyond the control of CGA.

The directors of CGA consider that this proposed merger with B2Gold should be put to Shareholders.

We are unaware of any alternative proposal that might offer the Shareholders of CGA a premium over the value ascribed to, resulting from the Scheme.

14.3.2 Consequences of not approving the Scheme

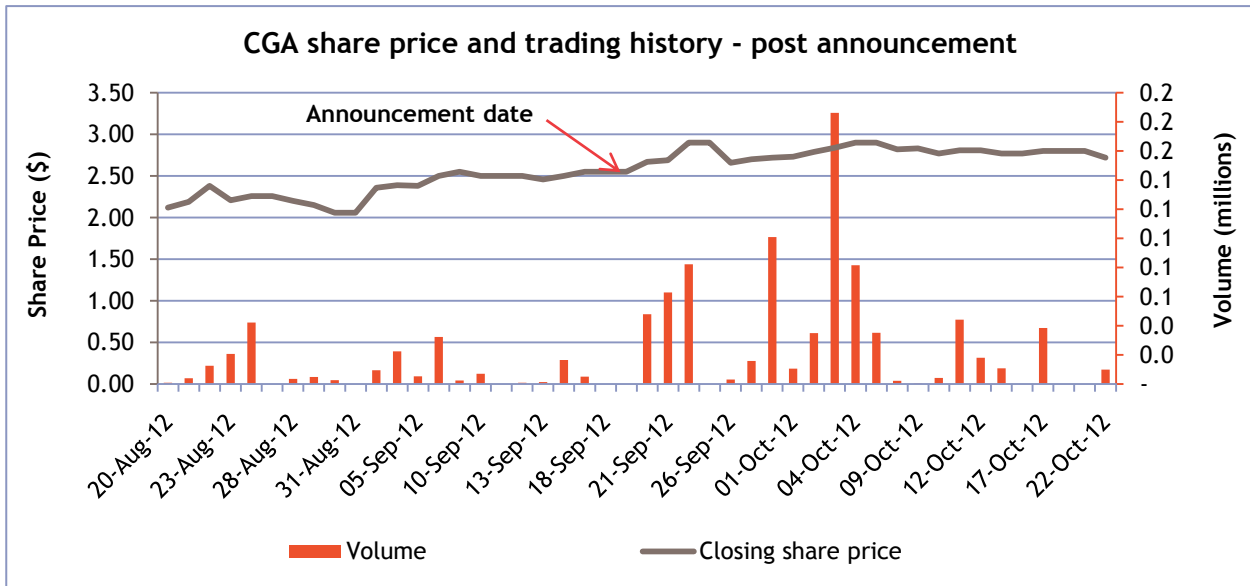
Potential decline in the liquidity of a CGA share

Our QMP analysis in section 11.7 indicates that the shares of CGA were thinly traded in the one month prior to the announcement of the Schemes, with only 0.95% of the total shares traded on ASX and 5.25% of the total shares traded on TSX being traded. This low level of liquidity can imply a degree of non-marketability for the existing CGA shares. Following the announcement, the volume of CGA shares traded increased as is evidenced by the turnover of 38.56% of the total shares traded on the TSX for the one month following the announcement. Relative to the TSX, trading on the ASX continued to be thin in the same period although there was still an increase in turnover to from 0.95% to 3.84% of the total shares traded following the announcement.

Due to the increased size and the expected activities of the Proposed Merged Entity, the shares of the Proposed Merged Entity are likely to be more liquid than the shares of CGA without the implementation of the Scheme. As such, if the Scheme does not proceed, then Shareholders are likely to experience a decrease in the marketability of their shares.

Potential decline in share price

We have analysed movements in CGA's share price since the Scheme was announced. A graph of CGA's share price leading up to and following the announcement is set out below.



Source: Bloomberg

Following the announcement of the Scheme on 19 September 2012, CGA's share price increased from a weighted average of \$2.360 over the past month to \$2.710 as at the close of 19 October 2012, an increase of 14.8%. This indicates that the Scheme has been well received by the market. Given the above analysis, it is possible that if the Scheme is not approved, then CGA's share price may decline back to pre-announcement levels.

14.3.3 Change in jurisdiction

If the Scheme is approved, Shareholders will become shareholders in B2Gold. Shareholders will be exposed to differences between applicable corporations and securities laws. CGA is incorporated in Australia and B2Gold is incorporated in British Columbia, Canada. Following the implementation of the Scheme, the rights of Shareholders who receive new B2Gold shares will be governed by British Columbian law (in particular, British Columbia Business Corporations Act (“BCBCA”) and B2Gold’s articles of incorporation.

B2Gold, as a company incorporated in Canada, will not be subject to all of the provisions of the Corporations Act to which CGA is currently subject to, which Shareholders are familiar. Whilst the Canadian provisions are broadly similar to the provisions of the Corporations Act, some Shareholders may not be familiar with the Canadian provisions to which B2Gold will be subject. A summary of differences of the rights of Shareholders between holdings shares in a company incorporated under the Corporations Act and the CBCA is set out in Annexure E of the Scheme Booklet.

14.3.4 Comparable shareholder protection and regulations

Canadian and Australian takeovers laws are broadly similar with a 20% shareholding threshold triggering the requirement for a takeover bid in both countries and the benchmark for compulsory acquisition being 90%. We do not consider this to be an advantage or a disadvantage to Shareholders as there will not be a significant impact.

14.3.5 Shareholders’ investment profile will change

The Proposed Merged Entity may be subject to a number of risks that CGA is not currently exposed to. Therefore, Shareholders’ investment profile of their investment will change. This may include differences between the operational profile, capital structure, size, share liquidity and geographic exposure between CGA prior to the implementation of the Scheme and the Proposed Merged Entity.

14.3.6 Tax implications

Shareholders are directed to section 8 of the Scheme Booklet for a more detailed explanation of the tax implications of the Scheme for Shareholders. We emphasise that the tax circumstances of each shareholder can differ significantly and individual shareholders are advised to obtain their own specific advice.

15. Conclusion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that, in the absence of a superior offer, the Scheme is fair and reasonable and is in the best interests of the Shareholders of CGA.

16. Sources of information

This report has been based on the following information:

- Draft Scheme Booklet on or about the date of our Report;
- Cash flow model based on the life of mine of the Masbate Mine prepared by the management of CGA
- Cash flow model based on the life of mine of the La Libertad Mine prepared by the management of B2Gold
- Cash flow model based on the life of mine of the Limon Mine prepared by the management of B2Gold
- Audited financial statements of CGA for the years ended 30 June 2012, 30 June 2011 and 30 June 2010
- Audited financial statements of B2Gold for the years ended 31 December 2011 and 31 December 2010
- Reviewed financial statements of B2Gold for the half-year ended 30 June 2012
- Independent Technical Specialist Valuation of the mineral assets of CGA and B2Gold dated 2 November 2012 performed by BDA
- Thomson Reuters report and share registry information of CGA
- Share registry information of B2Gold
- Information in the public domain
- Discussions with Directors and Management of CGA and B2Gold.

17. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$120,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by CGA in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the CGA, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to CGA and B2Gold and any of their respective associates with reference to ASIC Regulatory Guide 112 "Independence of Experts". In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of CGA and B2Gold and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd have had, within the past two years any professional relationship with CGA, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to CGA and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

18. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of the Institute of Chartered Accountants in Australia. He has over twenty five years experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 200 public company independent expert's reports under the Corporations Act or ASX Listing Rules. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of BDO in Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Natural Resources Leader for BDO in Australia.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 14 years in the Audit and Assurance and Corporate Finance areas. Adam has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

19. Disclaimers and consents

This report has been prepared at the request of CGA for inclusion in the Scheme Booklet which will be sent to all CGA Shareholders. CGA engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposed merger of CGA and B2Gold on the basis of the issue of 0.74 B2Gold shares for every one CGA share held.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than this report.

We have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to B2Gold.

BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts provided to BDO Corporate Finance (WA) Pty Ltd by CGA and B2Gold and their advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance (WA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actual be achieved. BDO Corporate Finance (WA) Pty Ltd disclaims any possible liability in respect of these forecasts. We note that the forecasts provided do not include estimates as to the effect of any future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Scheme, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of CGA, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by CGA and B2Gold.

The independent technical specialist engaged for the mineral asset valuation, BDA, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation are appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Sherif Andrawes
Director



Adam Myers
Director

Appendix 1 - Glossary of Terms

Reference	Definition
The Act	The Corporations Act
Allied Gold	Allied Gold Mining PLC
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
A\$	Australian dollar
BDA	Behre Dolbear Australia Pty Ltd
B2Gold	B2Gold Corp.
B2Gold Projections	The La Libertad Mine Projections and Limon Mine Projections collectively
BDO	BDO Corporate Finance (WA) Pty Ltd
Bloomsbury	Bloomsbury Holdings Limited
BCBCA	British Columbia Business Corporations Act
Calibre	Calibre Mining Corp.
CAPM	Capital asset pricing model
Cancellation Consideration	B2Gold proposition to acquire all outstanding CGA options and issue B2Gold shares as consideration for the cancellation of the options based on the in-the-money amount of such CGA options and the closing price of the CGA shares on 17 September 2012
Castlemaine	Castlemaine Goldfields Ltd
CGA	CGA Mining Limited
The Company	CGA Mining Limited
C\$	Canadian dollar
DCF	Discounted Future Cash Flows

Reference	Definition
Desminic	Desarrollo Minero de Nicaragua S.A.
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FIRB	Foreign Investment Review Board
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
Kinross	Kinross Gold Corporation
IMISA	A corporation formed by La Libertad workers
Independent Technical Specialist Valuation Report	An independent technical specialist valuation report prepared of the mineral assets of CGA and B2Gold by BDA dated 2 November 2012
La Libertad Mine	The La Libertad operating mine located 178 kilometres east of the Nicaraguan capital of Managua.
La Libertad Mine Model	The Limon Mine Model depicts Limon Mine Projections of real, after-tax cash flows over the life of mine on an annual basis
La Libertad Mine Projections	The future cash flows expected from operating and producing at the La Libertad Mine
Limon Mine	The Limon operating mine located in north-western Nicaragua approximately 100 kilometres north of Managua and 20 kilometres from the Pan-American Highway.
Limon Mine Model	The La Libertad Mine Model depicts La Libertad Mine Projections of real, after-tax cash flows over the life of mine on an annual basis
Limon Mine Projections	The future cash flows expected from operating and producing at the Limon Mine
Masbate Gold Project	CGA's flagship project located in the Philippines which it acquired in March 2007 through the acquisition of 100% of Thistle Mining Inc's interest in the Masbate Gold Project.
Masbate Mine	Masbate operating mine

Reference	Definition
Masbate Mine Model	A cash flow model prepared by CGA to reflect future cash flows expected from the life of mine of the Masbate Mine
Masbate Mine Projections	The future cash flows expected from operating and producing at the Masbate Mine
Merger Implementation Agreement	The Scheme agreement between CGA Mining Limited and B2Gold Corporate dated 18 September 2012
Mtpa	Million tonnes per annum
Mozs	Million ounces
NAV	Net Asset Value
NI	National Instrument
NSR	Net smelter returns
Our Report	This Independent Expert's Report prepared by BDO
PGPRC	Philippine Gold Processing and Refining Corp.
Proposed Merged Entity	The combined entity of CGA Mining Limited and B2Gold Corporate following the implementation of the Scheme
Regulations	The Corporations Act Regulations
QMP	Quoted market price basis
RG60	Schemes of Arrangements (March 2011)
RG111	Content of expert reports (March 2011)
RG112	Independence of experts (March 2011)
The Scheme	The proposed merger of B2Gold and CGA implemented by way of a scheme of arrangement
Scheme Booklet	The booklet issued in relation to the Scheme to be sent to all shareholders of CGA in order to assist them in their decision as to whether to approve the Scheme
Section 411	Section 411 of the Corporations Act 2001 Cth
Shareholders	Shareholders of CGA Mining Limited
Triton	Triton Minera S.A.

Reference	Definition
TSX	Toronto Stock Exchange
The Valmin Code	The Code of Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports
US\$	United States Dollar
VAT	Value Added Tax
VWAP	Volume Weighted Average Price
WACC	Weighted average cost of capital
Zoom Minerals	Zoom Mineral Holdings Inc

Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value (“NAV”)*

Asset based methods estimate the market value of an entity’s securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity’s valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity’s value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity’s assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis (“QMP”)*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a “deep” market in that security.

3 *Capitalisation of future maintainable earnings (“FME”)*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax (“EBIT”) or earnings before interest, tax, depreciation and amortisation (“EBITDA”). The capitalisation rate or “earnings multiple” is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows (“DCF”)

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 - Discount Rate

Determining the correct discount rate, or cost of capital, for a business requires the identification and consideration of a number of factors that affect the returns and risks of a business, as well as the application of widely accepted methodologies for determining the returns of a business.

The discount rate applied to the forecast cash flows from a business represents the financial return that will be before an investor would be prepared to acquire (or invest in) the business.

The capital asset pricing model (“CAPM”) is commonly used in determining the market rates of return for equity type investments and project evaluations. In determining a business’ weighted average cost of capital (“WACC”) the CAPM results are combined with the cost of debt funding. WACC represents the return required on the business, whilst CAPM provides the required return on an equity investment.

We have determined the discount rates relevant to each of the Masbate, La Libertad and Limon projects. In alignment with the purpose of this report, we have determined that the discount rate applied to the the Masbate Gold Project should reflect the financial return an investor in Australia would require in order to be prepared to invest in it. With regards to the La Libertad and Limon projects we have determined that the discount rate should reflect the financial return an investor in Canada would require in order to invest in it.

Cost of Equity and Capital Asset Pricing Model

CAPM is based on the theory that a rational investor would price an investment so that the expected return is equal to the risk free rate of return plus an appropriate premium for risk. CAPM assumes that there is a positive relationship between risk and return, that is, investors are risk averse and demand a higher return for accepting a higher level of risk.

CAPM calculates the cost of equity and is calculated as follows:

CAPM

$$K_e = R_f + \beta \times (R_m - R_f)$$

Where:

K_e = expected equity investment return or cost of equity in nominal terms

R_f = risk free rate of return

R_m = expected market return

$R_m - R_f$ = market risk premium

β = equity beta

The individual components of CAPM are discussed below.

Risk Free Rate (R_f)

The risk free rate is normally approximated by reference to a long term government bond with a maturity equivalent to the timeframe over which the returns from the assets are expected to be received. Having regard to the period of operations for CGA’s and B2Gold’s projects, the table below summaries the risk-free rate we have used in our calculation of the cost of equity:

Project	Risk-free security	Risk-free rate
Masbate	10 yr Australian Government bond	3.11%
La Libertad & Limon	10 yr Canadian Government bond	1.85%

Note: The risk free rate has been determined as 22 October 2012

Market Risk Premium ($R_m - R_f$)

The market risk premium represents the additional return that investors expect from an investment in a well-diversified portfolio of assets. It is common to use a historical risk premium, as expectations are not observable in practice.

Australia

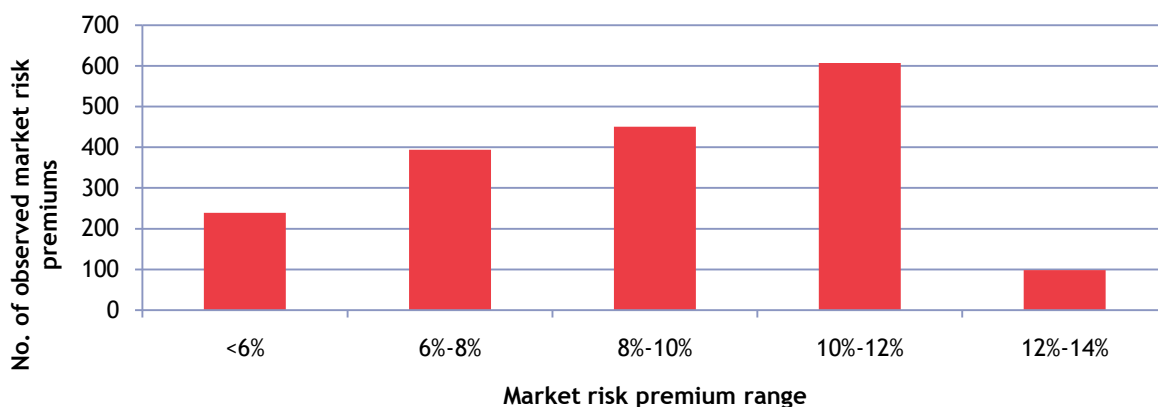
We have noted that the current market risk premium in Australia is 8%. This has been sourced from Bloomberg. The market risk premium is derived on the basis of capital weighted average return of all members of the S&P 200 Index minus the risk free rate which is dependent on the ten year Australian government bond rates. For the purpose of our report we have adopted a market risk premium in Australia of 6% to 8%.

Canada

We have noted that the current market risk premium in Canada is approximately 10.5%. This has been sourced from Bloomberg. The market risk premium is derived on the basis of capital weighted average return of all members of the S&P/Toronto Stock Exchange composite index minus the risk free rate which is dependent on the ten year Canadian government bond rates.

In order to determine an appropriate range for the market risk premium in Canada we analysed historical data. Our sample of data included daily historical market risk premiums in Canada over the past ten years. Our research indicated the market risk premium Canada had ranged from a low of 4.28% to a high of 13.38%. The mean and median market risk premium in Canada is 8.85% and 9.27% respectively.

10 yr Historical Spread - Canadian Market Risk Premiums



Source: Bloomberg and BDO analysis

The graph above describes the frequency of observations of the Canadian market risk premium over the past 10 years. The graph indicates that a high proportion of the sample data for Canadian market risk

premiums lies in the range of 8% to 12%. Having considered the aforementioned mean and median statistics, we have adopted a market risk premium in Canada of 8% to 10%.

Equity Beta

Beta is a measure of the expected correlation of an investment's return over and above the risk free rate, relative to the return over and above the risk free rate of the market as a whole. A beta greater than one implies that an investment's return will outperform the market's average return in a rising market and underperform the market's average return in a falling market. On the other hand, a beta less than one implies that the business' performance compared to that of a business whose beta is greater than one will provide an inverse relationship in terms of the market's average return.

Equity betas are normally either an historical beta or an adjusted beta. The historical beta is obtained from the linear regression of a stock's historical data and is based on the observed relationship between the security's return and the returns on an index. An adjusted beta is calculated based on the assumption that the relative risk of the past will continue into the future, and hence derived from the historical data. It is then modified by the assumption that a stock will move towards the market over time, taking into consideration the industry risk factors which make the operating risk of the investment project greater or less risky than comparable listed companies when assessing the equity beta for an investment project.

It is important to note that it is not possible to compare the equity betas of different companies without having regard to their gearing levels. Thus, a more valid analysis of betas can be achieved by "ungearing" the equity beta (β_a) by applying the following formula:

$$\beta_a = \beta / (1 + (D/E \times (1-t)))$$

In order to assess the appropriate equity beta for the CGA's and B2Gold's projects we have also had regard to the equity betas of listed companies involved in similar activities in similar industry sectors. The geared betas below have been calculated using weekly data over a two-year period.

CGA Masbate Gold Project

Company	Market Capitalisation (\$)	Geared Beta (β)	Gross Debt/Equity (%)	Ung geared Beta (β_a)
Evolution Mining Ltd	1,323,853,394	0.91	3%	0.89
Perseus Mining Ltd	1,186,121,826	1.27	17%	1.14
Resolute Mining Ltd	1,144,050,171	1.34	2%	1.32
Medusa Mining Ltd	1,093,753,662	1.28	0%	1.28
Kingsgate Consolidated Ltd	842,183,899	1.29	20%	1.13
OceanaGold Corporation	855,655,945	1.29	47%	0.97
Kingsrose Mining Ltd	310,419,006	1.08	1%	1.08
Red 5 Ltd	202,554,565	-0.32	0%	-0.32
Mean	869,824,059	1.02	11.30%	0.93
Median	974,704,803	1.27	2.71%	1.10

B2Gold's La Libertad and Limon Project

Company	Market Capitalisation (\$)	Geared Beta (B)	Gross Debt/Equity (%)	Ungeared Beta (Ba)
IAMGOLD Corporation	5,725,657,715	1.21	0%	1.21
New Gold Inc.	5,421,099,609	1.24	11%	1.15
Osisko Mining Corporation	3,627,906,494	1.10	21%	0.96
Centerra Gold Inc.	2,489,039,551	1.11	0%	1.11
Alamos Gold Inc.	2,316,477,783	1.08	0%	1.08
AuRico Gold Inc.	2,271,182,129	1.19	11%	1.11
Alacer Gold Corp.	1,534,780,029	1.20	14%	1.09
Centamin plc	1,740,207,275	1.62	0%	1.62
Dundee Precious Metals Inc.	1,100,170,532	1.22	11%	1.13
Argonaut Gold Inc	947,744,507	1.18	2%	1.17
Aurizon Mines Limited	749,729,919	1.13	0%	1.13
Mean	2,538,545,049	1.21	6.40%	1.16
Median	2,271,182,129	1.19	1.90%	1.13

Selected Beta (B)

In selecting an appropriate Beta for the CGA's and B2Gold's projects, we have considered the similarities between the projects and the comparable companies selected above. The comparable similarities and differences noted are:

- the comparable companies' mining and exploration assets have varying risk profiles depending on the maturity of the assets and the stages of production;
- several companies having been producing for a considerable time period;
- several comparable companies are still in the prefeasibility and evaluation stage; and
- several companies above have been the subject of significant corporation actions.

Having regard to the above we consider that an appropriate ungeared beta to apply to CGA and B2Gold's projects as reflected in the table below:

Project	Beta range
Masbate	0.90-1.10
La Libertad	1.10-1.20
Limon	1.10-1.20

As we have assumed that the CGA's and B2Gold's projects will be entirely funded by equity there is no need for regearing the project beta for these projects.

Cost of Equity

On this basis we have assessed the cost of equity to be:

Input	Masbate		La Libertad & Limon	
	Low	High	Low	High
Risk free rate of return	3.11%	3.11%	1.85%	1.85%
Equity market risk premium	6.00%	8.00%	8.00%	10.00%
Beta	0.90	1.10	1.10	1.20
Cost of Equity	10.31%	14.14%	10.65%	13.85%

Based on the calculations above we have adopted a preferred cost of equity of between 10% and 12% for the Masbate Gold Project as well as for the La Libertad and Limon projects.

Weighted Average Cost of Capital

The WACC represents the market return required on the total assets of the undertaking by debt and equity providers. WACC is used to assess the appropriate commercial rate of return on the capital invested in the business, acknowledging that normally funds invested consist of a mixture of debt and equity funds. Accordingly, the discount rate should reflect the proportionate levels of debt and equity relative to the level of security and risk attributable to the investment.

In calculating WACC there are a number of different formulae which are based on the definition of cash flows (i.e., pre-tax or post-tax), the treatment of the tax benefit arising through the deductibility of interest expenses (included in either the cash flow or discount rate), and the manner and extent to which they adjust for the effects of dividend imputation. The commonly used WACC formula is the post-tax WACC, without adjustment for dividend imputation, which is detailed in the below table.

CAPM

$$\text{WACC} = \frac{E}{E+D} K_e + \frac{D}{D+E} K_d (1 - t)$$

Where:

- K_e = expected return or discount rate on equity
- K_d = interest rate on debt (pre-tax)
- T = corporate tax rate
- E = market value of equity
- D = market value of debt
- $(1 - t)$ = tax adjustment

Gearing

Before WACC can be determined, the proportion of funding provided by debt and equity (i.e., gearing ratio) must be determined. The gearing ratio adopted should represent the level of debt that the asset can reasonably sustain (i.e., the higher the expected volatility of cash flows, the lower the debt levels which can be supported). The optimum level of gearing will differentiate between assets and will include:

- the variability in earnings streams;
- working capital requirements;
- the level of investment in tangible assets; and
- the nature and risk profile of the tangible assets.

As described earlier, we have assumed that CGA's and B2Gold's projects will be entirely funded by equity. As such, there is not element of debt that needs to be reflected in the WACC. The appropriate discount rate for CGA's and B2Gold's projects therefore consists entirely of the cost of equity.

Calculation of WACC

Based on the above inputs we have calculated the WACC for the Masbate Gold Project to be between 10.3% and 14.1% based on 100% equity funding and adopted a preferred WACC of between 10% and 12%. We have calculated the WACC for the La Libertad and Limon projects to be between 10.6% and 13.9% based on 100% equity funding and adopted a preferred WACC of between 10% and 12%.

Comparable ASX Company - Masbate	Description
Evolution Mining Ltd	Evolution Mining Ltd is an Australian gold company that owns and operates four gold producing mines in Queensland and Western Australia, producing 347,000 ounces of gold in the financial year ended 30 June 2012. The company is developing a fifth gold operation in Queensland. Construction at the Mt Carlton Gold-Silver-Copper Project in Queensland commenced in 2011 and is expected to be completed and commissioned in December 2012.
Perseus Mining Ltd	Perseus Mining Ltd is a gold mining company listed on the TSX and ASX with 650 square kilometres of tenements on the Ashanti Gold Belt in Ghana. The company commenced production of its lead project, Edikan gold mine, in August 2011. The Sissingué gold project is a development mine which is expected to commence production in 2013 and a third project to commence construction in 2014. Perseus Mining also has other exploration targets including 2,724 square kilometres of tenement holding in Côte d'Ivoire.
Resolute Mining Ltd	Resolute Mining Ltd is a gold mining company listed on the ASX. The company has three operating assets across Australia and South Africa producing approximately 400,000 ounces of gold in the financial year ended 30 June 2012. The company's operating projects are Syama gold mine in Mali, Golden Pride gold mine in Tanzania and Ravenswood gold mine in Queensland, Australia. Resolute Mining Ltd also has a pipeline of development and exploration targets in Mali, Côte d'Ivoire, Tanzania and Australia.
Medusa Mining Ltd	Medusa Mining Ltd is a gold producing company listed on the ASX and LSE. The company is a gold producer with a focus solely in the Philippines. The Company has completed the two-phase of its high grade Co-O Mine operations to a production level of 100,000 annualised ounces.
Kingsgate Consolidated Ltd	Kingsgate Consolidated Ltd is a mid-tier ASX listed gold producer listed on the TSX. The company owns and operates the Chatree gold mine in central Thailand, the Challenger underground gold mine in South Australia and is undertaking feasibility studies on its two advanced development projects in the Nueva Esperanza Project in the Maricunga Gold Belt in central Chile and the Bowdens silver project in New South Wales, Australia.
OceanaGold Corporation	OceanaGold Corporation is an Asia Pacific gold producer with three operating gold mines and a portfolio of development and exploration assets in the South Island of New Zealand and the northern Philippines. The company produced approximately 252,500 ounces of gold in 2011. OceanaGold Corporation is listed on three exchanges, namely,

Comparable ASX Company - Masbate	Description
	the TSX, ASX and New Zealand Stock Exchange.
Kingsrose Mining Ltd	Kingsrose Mining Ltd is a specialist high grade, narrow vein underground gold miner and is listed on the ASX. The Company has an 85% interest in the Way Lingo Project in South Sumatra. Production in the financial year 2012 reached 37,650 ounces of gold.
Red 5 Ltd	Red 5 Ltd is listed on the ASX and its major asset, the Siana Gold Project, is located in the Philippines. The Siana development comprises of an open pit operation which will be followed by an underground mine. Production has commenced and the mine is expected to produce 75,000 ounces of gold for 2012/2013.
Comparable TSX Company - La Libertad and Limon	Description
IAMGOLD Corporation	IAMGOLD is a mid-tier gold mining company producing approximately one million ounces of gold annually from its five gold mines (including current joint ventures) on three continents, namely, West Africa, South America and regions of Canada. The company is listed on the TSX and the New York Stock Exchange and has a pipeline of development and exploration projects.
New Gold Inc.	New Gold Inc. is an intermediate gold mining company with a portfolio of four producing assets in four countries, namely, Canada, United States, Mexico and Australia. The company expects to produce approximately 405,000 to 445,000 ounces of gold in 2012. New Gold Inc. has two significant development projects in Chile and Canada, and is listed on the TSX and the New York Stock Exchange.
Osisko Mining Corporation	Osisko Mining Corporation is gold mining company listed on the TSX and the Deutsche Boerse with two key projects in Canada. Its flagship project is the Canadian Malartic Gold Project in the Quebec province, which commenced commercial production in May 2011, producing approximately 200,000 ounces in 2011 and anticipated gold production of between 610,000 to 670,000 ounces in 2012. Osisko also has other exploration projects including the Hammond Reef Gold Project in Northern Ontario, which is expected to commence production in 2016, to potentially make Osisko a one million ounce per year gold producer by then.
Centerra Gold Inc.	Centerra Gold Inc. is a Canadian based gold mining and exploration company listed on the TSX. The company has two producing mines, the Kumtor mine in Kyrgyz Republic (former Soviet Union) and the Boroo mine in Mongolia. Centerra Gold Inc. also has a development project in Mongolia and other exploration properties in Kyrgyz Republic, Mongolia, Turkey, Russia and China.
Alamos Gold Inc.	Alamos Gold Inc. is a mid-tier gold producer, listed on the TSX, with one producing mine, Mulatos mine in Mexico, tracking to produce over 200,000 ounces of gold in 2012. The company also has an advanced stage development project in Turkey which is expected to commence production in 2014.
Alacer Gold Corp.	Alacer Gold Corp. is an intermediate gold producer listed on the TSX and ASX, with a

Comparable ASX Company - Masbate	Description
	<p>portfolio of producing mines in Turkey and Australia. Production in 2012 is estimated to be 400,000 ounces, with approximately 160,000 ounces from its Copler mine in Turkey and the remaining 240,000 ounces from its South Kalgoorlie and Higginsville mines in Australia.</p>
<p>AuRico Gold Inc.</p>	<p>AuRico Gold Inc. is a mid-tier gold producer listed on the TSX and New York Stock Exchange. The company has three producing mines estimated to produce 248,000 to 278,000 ounces in 2012 from its Ocamp and El Chanate mines in Mexico and Young-Davidson mine in Canada. AuRico Gold also has other exploration assets in Mexico and in the province of British Columbia in Canada.</p>
<p>Centamin plc</p>	<p>Centamin plc is an exploration, development and mining company listed on the TSX and London Stock Exchange. Its principal asset is the Sukari gold mine in Egypt which commenced production in 2009. The Sukari gold mine is estimated to produce approximately 250,000 ounces of gold in 2012, with a substantially higher target production rate of 500,000 ounces of gold in the future. Centamin plc also has other exploration targets in Ethiopia.</p>
<p>Argonaut Gold Inc.</p>	<p>Argonaut Gold Inc. is a mid-tier TSX listed gold producer with operating assets in Mexico producing approximately 100,000 ounces of gold. Its assets include the operating El Castillo mine in the State of Durango, the La Colorada mine in the State of Sonora, the advanced exploration stage San Antonio project in the State of Baja California Sur, and several exploration stage projects, all of which are located in Mexico. Argonaut Gold Inc. recently announced the acquisition of Prodigy Gold Inc by way of a plan of arrangement, adding to its asset portfolio the Magino gold project, a development project located in Ontario.</p>
<p>Dundee Precious Metals Inc.</p>	<p>Dundee Precious Metals Inc. is a Canadian-based gold-silver-copper mining company listed on the TSX. The company has two producing mines, namely, Chelopech mine in Bulgaria and Kapan mine in Southern Armenia, producing a total of 132,000 to 145,000 ounces of gold in 2012. It also has a development project, Krumovgrad in Bulgaria with construction expected to be completed in 2014, and other exploration and exploitation properties in Serbia.</p>
<p>Aurizon Mines Limited</p>	<p>Aurizon Mines Ltd is a mid-tier gold producer listed on the TSX and the New York Stock Exchange, focussing on developing its existing projects in the Abitibi region of north-western Quebec in Canada. Aurizon Mines has eight properties in Quebec including its flagship property, Casa Berardi, an operating gold mine producing approximately 164,000 ounces. Other properties include the Heva and Hosco West extension areas located within the Joanna gold project, and a growing project pipeline.</p>

APPENDIX 4 - Resource Multiples

Appendix 4 of this Report is set out as follows:

- Section 4.A sets out our producing trading multiples analysis
- Section 4.B sets out our producing transaction multiples analysis.

4.A Trading Multiples Analysis

We have had regard to the enterprise value to total JORC reserves and resources trading multiples when considering the value of producing companies in our Report.

The multiples referred to in our Report relate to multiples calculated for broadly comparable companies whose value can be estimated having regard to exchange traded securities and publicly available information.

4.A.1 Methodology Used to Calculate Trading Multiples

The methodology that we adopted to complete our comparable trading multiples analysis includes the following work:

- Identify Australian gold producing companies that are listed and have operations outside Australia and primarily in the developing world
- Identify Canadian gold producing companies that are listed and have operations outside Canada and primarily in the developing world
- Collect information about total reserves and resources for each broadly comparable company
- Calculate an enterprise value to total reserves and total resource ratios for each broadly comparable company
- Segment the reserves and resources multiples separately between Australian and Canadian gold producing companies.

The table below sets out the enterprise value as a multiple of reserves and resources for the broadly comparable gold producing companies as at 26 October 2012. We note that reserves and resources of Australian listed companies are generally reported in compliance with the JORC Code and the reserves and resources of Canadian listed companies are generally reported in compliance with NI43-101.

Implied reserves and resource multiples of broadly comparable Australian gold producing companies

Company	Enterprise Value as at 26-Oct-12 (A\$m)	Mineral reserves (Au)(ounces) (000's)	EV/Reserves	Mineral resources (incl reserves) (Au)(ounces) (000's)	EV/Resources	Market Capitalisation as at 26-Oct-12 (A\$m)	Location of producing asset
CGA Mining	1,200.42	3,170	378.68	7,830	153.31	942.65	Philippines
Medusa Mining Limited	1,370.41	568	2,412.69	3,119	439.37	1,063.53	Philippines
Perseus Mining Limited	1,466.33	4,035	363.40	9,234	158.80	1,163.22	Ghana
Resolute Mining Limited	1,370.98	5,250	261.14	11,420	120.05	1,109.29	Australia, South Africa
Kingsgate Consolidated Limited	1,124.28	2,570	437.46	10,100	111.31	813.35	Thailand, Australia
OceanaGold Corporation	1,379.76	3,650	378.02	10,290	134.09	889.88	New Zealand, Philippines
Evolution Mining Limited	1,642.68	3,487	471.09	7,075	232.18	1,345.09	Australia
Focus Mineral Limited	226.53	623	363.62	4,268	53.08	164.19	Australia
Regis Resources Limited	3,011.00	2,870	1,049.13	6,471	465.31	2,294.06	Australia
Tanami Gold NL	273.03	453	602.71	2,829	96.51	194.54	Australia
Silver Lake Resources	960.71	1,300	739.01	4,500	213.49	782.46	Australia
Minimum			261.14		53.08		
Maximum			2412.69		465.31		
Median			437.46		153.31		
Average			677.90		197.95		

Source: Bloomberg, Company annual reports and ASX announcements

Implied reserves and resource multiples of broadly comparable Canadian gold producing companies

Company	Enterprise Value as at 26-Oct-12 (C\$m)	Mineral reserves (Au)(ounces) (000's)	EV/Reserves	Mineral resources (incl reserves) (Au)(ounces) (000's)	EV/Resources	Market Capitalisation as at 26-Oct-12(C\$m)	Location of producing asset
B2Gold	2,001.32	825	2,425.85	5,284	378.75	1,590.38	Nicaragua
Aurizon Mines Limited	765.92	3,120	245.49	6,940	110.36	749.73	Canada
IAMGOLD Corporation	7,126.40	13,300	535.82	24,000	296.93	5,725.66	West Africa, South America, Canada
New Gold Inc.	7,221.56	7,863	918.42	27,417	263.40	5,421.10	Canada, US, Mexico, Australia
Osisko Mining Corporation	4,971.94	10,710	464.23	18,260	272.29	3,627.91	Canada
Centerra Gold Inc.	2,947.21	8,065	365.43	18,777	156.96	2,489.04	Kyrgyz Republic, Mongolia
Alamos Gold Inc.	2,738.39	2,388	1,146.73	8,958	305.69	2,316.48	Mexico
Alacer Gold Corporation	1,888.12	5,300	356.25	13,850	136.33	1,534.78	Turkey, Australia
AuRico Gold Inc.	3,191.57	7,500	425.54	15,220	209.70	2,271.18	Mexico, Canada
Centamin plc	1,969.95	10,100	195.04	15,610	126.20	1,098.09	Egypt
Dundee Precious Metals Inc.	1,390.45	2,660	522.73	6,590	210.99	1,100.17	Bulgaria, Armenia
SEMAFO Inc.	1,275.21	2,652	480.85	10,315	123.63	1,070.97	Guinea
Argonaut Gold Inc.	1,220.09	1,231	991.14	7,586	160.83	947.74	Mexico
Minimum			195.04		110.36		
Maximum			2425.85		378.75		
Median			480.85		209.70		
Average			697.96		211.70		

Source: Bloomberg, Company annual reports and ASX announcements

4.B Transaction multiples analysis

We have had regard to the deal value to total JORC and NI43-101 compliant resources transaction multiple when considering the value of gold producing companies in our Report.

The transaction multiples calculated in our Report have been estimated from transactions where adequate information on the transaction has been disclosed to calculate relevant multiples.

The methodology that we have adopted to complete our comparable transaction multiple analysis includes the following:

- Identify transactions over the period of 30 June 2010 to 30 September 2012 involving the purchase of gold assets which we consider to be broadly comparable to CGA and B2Gold
- Collection information for each broadly comparable transaction on the following:
 - Deal value
 - Total resources
- Calculate a deal value to total resources ratio for each broadly comparable transaction.

The table below sets out the enterprise value to resource multiples for broadly comparable merger and acquisition transactions we have identified from 30 June 2010 to 30 September 2012.

Implied resource multiples of comparable Australian transactions

Bidder	Target	Date Announced	Deal Enterprise Value (A\$000')	Percentage Interest Acquired	Attributable Resources (Koz)	Adjusted Resources for percentage acquired (Koz)	EV/Resources Inc 30% CP*
Unity Mining Ltd	Cortona Resources Ltd	28/09/2012	20,300	100%	560	560	36.25
Shandong Gold	Focus Minerals Ltd	20/09/2012	227,500	51%	3,890	1,984	114.67
Regis Resources Limited	McPhillamys Gold Project	9/08/2012	150,000	100%	7,425	7,425	20.20
Silver Lake Resources Ltd	Integra Mining Ltd	6/08/2012	417,000	100%	6,600	6,600	63.18
Zijin Mining Group	Norton Gold Ltd	18/07/2012	232,600	83%	4,949	4,108	56.63
St Barbara Ltd	Allied Gold Mining PLC	29/06/2012	545,170	100%	7,600	7,600	71.73
LionGold Corp Ltd	Castlemaine Goldfields Ltd	16/04/2012	28,670	100%	734	734	39.06
Zhongrun	Nobel Mineral Resources	27/12/2011	84,700	42%	1,214	510	215.95
Catalpa Resources Ltd	Conquest Mining Ltd	15/06/2011	252,000	100%	2,570	2,570	98.05
Baiyin Consortium	Gold One International Ltd	16/05/2011	444,900	100%	1,850	1,850	13.97
Gryphon Minerals	Shield Mining	30/06/2010	22,900	100%	1,100	1,100	20.82
TOTAL			2,425,740		68,492	65,040	
Median							56.63
Average							68.23
Weighted Average							37.69

* CP refers to control premium

Source: Bloomberg, Mergermarket, Company Annual Reports and ASX Announcements

Implied resource multiples of comparable Canadian transactions

Bidder	Target	Date Announced	Deal Enterprise Value (C\$'000)	Percentage Interest Acquired	Attributable Resources (Koz)	Adjusted Resources for percentage acquired (Koz)	EV/Resources
Lupaka Gold Corp	Andean American Gold Corp	5/07/2012	14,320	54.7%	1,203	658	21.76
Yamana Gold Inc	Extorre Gold Mines Ltd	18/06/2012	60,290	100%	2,409	2,409	149.56
IAMGOLD Corp	Trelawney Mining and Exploration Inc	27/04/2012	98,100	100%	7,000	7,000	71.16
Elgin Mining Inc	Gold-Ore Resources Ltd	1/02/2012	79,490	100%	920	920	86.40
Eldorado Gold Corp	European Goldfields Ltd	19/12/2011	2,555,760	100%	11,300	11,300	226.17
B2Gold Corp	Aurynx Gold Corp	11/10/2011	121,130	100%	1,500	1,500	80.75
Heatherdale Resources Ltd	Niblack Mineral Development Inc	5/10/2011	9,000	100%	9,000	9,000	1.00
Detour Gold Corp	Trade Winds Ventures Inc	26/09/2011	84,880	100%	1,165	1,165	72.86
Agnico-Eagle Mines Ltd	Grayd Resource Corp	19/09/2011	265,290	94.77%	26,800	25,398	10.45
AuRico Gold Inc	Northgate Minerals Corp	29/08/2011	1,310,420	100%	7,000	7,000	187.20
TOTAL			5,298,680		68,297	66,350	
Median							76.81
Average							90.73
Weighted Average							79.86
Average of top two largest deals							206.69
Weighted average of top two largest deals							211.27

Source: Bloomberg, Company Annual Reports and ASX Announcements

The table below sets out a description of the transactions identified above.

Target	Description
Cortona Resources Ltd	Unity Mining Ltd announced that it had entered into a Scheme Implementation Arrangement with Cortona Resources Ltd to acquire all of the outstanding common shares of Cortona Resources Ltd via a Scheme of arrangement in which Cortona Resources Ltd shareholders will receive 0.734 Unity Mining Ltd shares for every one share they hold.
Focus Minerals Ltd	Focus Minerals Ltd announced it had entered into an agreement with Shandong Gold International Mining Corporation Ltd, under which Shandong Gold agreed to subscribe to new fully paid shares to raise A\$227.5 million. The transaction would give Shandong Gold International Mining Corporation Ltd a 51% stake in Focus Minerals Ltd.
McPhillamys Gold Project	Regis Resources Limited announced it had executed a letter of agreement to acquire the McPhillamys Gold Project from joint venture owners, Newmont Exploration Pty Ltd and Alkane Resources Limited. The consideration to be paid is A\$150 million to be satisfied by the issue of Regis shares based on an issue price of A\$4.20 per share.
Integra Mining Ltd	Silver Lake Resources entered an agreement to acquire Integra Mining Ltd in exchange for 1 new Silver Lake share for every 6.28 Integra shares, valuing the transaction at A\$426 million, or \$0.452 per Integra share. The transaction would be implemented by a court sanctioned scheme of arrangement under Australian law between Integra Mining Ltd and its shareholders.
Norton Gold Ltd	Jinyu (H.K.) International Mining Company Ltd, a wholly-owned subsidiary of Zijin Mining Group Corp. Ltd acquired all of the issued and outstanding common shares of Norton Gold Fields Ltd through a plan of arrangement. Under the plan of arrangement, former shareholders of Norton Gold Fields Ltd were entitled to A\$0.25 in cash for each common share of Norton Gold Fields Ltd held.
Allied Gold Mining PLC	<p>St Barbara Ltd acquired all shares in Allied Gold Mining PLC for A\$1.025 in cash and gave Allied Gold Mining PLC shareholders 0.8 St Barbara Ltd shares for each share in Allied Gold Mining PLC. The offer valued Allied Gold Mining PLC at A\$556 million and its shares at A\$2.72, a 90% premium on its ASX closing price Thursday of A\$1.435 a share.</p> <p>Allied Gold Mining PLC became a wholly-owned subsidiary of St Barbara Ltd, with current St. Barbara Ltd shareholders owning 67%, and Allied Gold Mining PLC shareholders owning 33%, of the new group.</p>
Castlemaine Goldfields Ltd	LionGold Corporation Ltd acquired 97.69% stake in Castlemaine Goldfields Ltd in an off market takeover bid in April 2012, offering Castlemaine Goldfields Ltd shareholders two of its own shares for every nine Castlemaine Goldfields Ltd share held. This valued Castlemaine Goldfields Ltd A\$55.3 million. By September 2012, Castlemaine Goldfields Ltd notified Singapore's LionGold Corporation Ltd that it will now move to acquire the remainder of the shares in the company after amassing the 97.69% stake
Nobel Mineral Resources	Noble Mineral Resources announced that a major non-government Chinese mining and investment group, Zhongrun, will invest A\$84.7 million in Noble via a placement of shares. The transaction would see Zhongrun Mining Investment take a 41.5 per cent stake in Noble

Target	Description
	Mineral Resources, rising to 51.6 per cent if options were converted.
Conquest Mining Ltd	Catalpa Resources Ltd acquired all shares in Conquest Mining Ltd in exchange for issuing 0.3 New Company Shares for each Conquest Mining Ltd share. The merged entity will be renamed Evolution Mining Ltd. Catalpa Resources Ltd purchased 70% of the Cracow gold project and 100% of the Mt Rawdon gold project from Newcrest Mining Ltd in exchange for New Catalpa Shares, giving Newcrest an initial interest in Evolution Mining of 38%.
Gold One International Ltd	The acquisition of Gold One International Ltd by BCX Gold Investment Holdings (which comprises of Baiyin) was conducted via a cash offer for 82.3% stake pursuant to the pre-bid agreement for acquisition of 17.7%. The terms were A\$0.55 per Gold One International Ltd share.
Shield Mining	Gryphon Minerals acquired all the issued and outstanding securities in Shield Mining through a plan of arrangement. Under the plan of arrangement former Shield Mining shareholders received one Gryphon Minerals share for every three Shield shares held and one ordinary Gryphon Minerals share for every eleven August 2011 option held.
Andean American Gold Corp	Lupaka Gold Corp. acquired all of the outstanding common shares of Andean American Gold Corp. pursuant to a statutory plan of arrangement. Each Andean American Gold Corp share was exchanged for 0.245 of a common share of Lupaka Gold.
Extorre Gold Mines Ltd	Yamana Gold Inc. announced that it had entered into a definitive agreement with Extorre Gold Mines Limited whereby Extorre Gold Mines Limited shareholders will receive C\$4.26 per share comprised of C\$3.50 in cash and 0.0467 of a Yamana common share for each Extorre common share held.
Trelawney Mining and Exploration Inc	IAMGOLD Corp acquired all of the issued and outstanding common shares of Trelawney through a plan of arrangement. Under the plan of arrangement, former shareholders of Trelawney were entitled to C\$3.30 in cash for each common share of Trelawney held.
Gold-Ore Resources Ltd	Elgin Mining Inc. and Gold-Ore Resources Ltd jointly announced completion of the business combination which took effect May 1, 2012, whereby Elgin Mining acquired all of the issued and outstanding common shares of Gold-Ore wherein Gold-Ore shareholders received one Elgin Mining Inc. common share and one half of one common share purchase warrant of Elgin Mining Inc. exercisable at a strike price of \$1.30 per Elgin Mining Inc. share until May 1, 2014
European Goldfields Ltd	Eldorado Gold Corp. acquired all the issued and outstanding securities in European Goldfields Ltd through a plan of arrangement. Under the plan of arrangement former European Goldfield Ltd shareholders received 0.85 of an Eldorado Gold Corp. share and C\$0.0001 in cash for Each European Goldfields Ltd share
Auryx Gold Corp	B2Gold Corp. and Auryx Gold Corp. completed a business combination by way of a plan of arrangement. Under the plan of arrangement, each Auryx Gold Corp. share was transferred to B2Gold in consideration for the issuance of 0.23 of a common share of B2Gold and a cash payment of C\$0.001.
Niblack Mineral Development Inc	Heatherdale Resources Ltd acquired all of the outstanding common shares of Niblack Mineral Development Inc. Former shareholders of Niblack Mineral Development Inc. received 0.50

Target	Description
	common shares of Heatherdale for each common share of Niblack Mineral Development Inc.
Trade Winds Ventures Inc	Detour Gold Corp. acquired all of the outstanding common shares of Trade Winds Ventures Inc. Each Trade Winds Ventures Inc. common share was exchanged for 0.0142 of one Detour Gold Corp. common share and C\$0.0001 in cash.
Grayd Resource Corp	Agnico-Eagle Mines Ltd acquired approximately 94.77 percent of the outstanding shares of Grayd Resource Corp. Grayd Resource Corp. shareholders could opt for \$C2.80 per share or 0.04039 of an Agnico-Eagle share and C\$0.05 in cash, subject to pro ration.
Northgate Minerals Corp	AuRico Gold Inc. acquired all of the issued and outstanding common shares of Northgate on the basis of 0.365 of an AuRico Gold Inc. common share for each common share of Northgate.

Source: Bloomberg, Company Annual Reports, Company websites and ASX Announcements



APPENDIX 5 - Independent Technical Specialist Valuation Report

See Annexure C of the Scheme Booklet: Independent Technical Specialist's Report

Annexure B: Investigating Accountant's Report



The Directors
B2Gold Corp.
Suite 3100, 595 Burrard Street
Vancouver, BC
Canada V7X 1J1

1 November 2012

Dear Directors

Investigating Accountant's Report and Financial Services Guide

PricewaterhouseCoopers Securities Ltd has been engaged by the Directors of B2Gold Corp. ("B2Gold") to prepare this report on historical financial information for inclusion in a Scheme Booklet dated on or about 1 November 2012 ("the Scheme Booklet") relating to the acquisition of CGA Mining Limited ("CGA") by B2Gold to be effected through a scheme of arrangement ("the Scheme") to form the Merged Entity.

Expressions defined in the Scheme Booklet have the same meaning in this report.

The nature of this report is such that it should be given by an entity which holds an Australian Financial Services Licence under the Corporations Act 2001. PricewaterhouseCoopers Securities Ltd, which is wholly owned by PricewaterhouseCoopers, holds the appropriate Australian Financial Services Licence. This report is both an Investigating Accountant's Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Scope

B2Gold has requested PricewaterhouseCoopers Securities Ltd to prepare this investigating accountant's report ("the Report") covering the unaudited pro forma consolidated balance sheet of the Merged Entity as at 30 June 2012 including pro forma transactions to account for the acquisition of CGA ("the Pro Forma Transactions") as if it had occurred on 30 June 2012, as set out in Section 7.2 of the Scheme Booklet (collectively, "the Merged Entity Pro Forma Balance Sheet").

This Report has been prepared for inclusion in the Scheme Booklet. We disclaim any assumption of responsibility for any reliance on this Report or on the Merged Entity Pro Forma Balance Sheet to which this Report relates for any purposes other than the purpose for which it was prepared.

PricewaterhouseCoopers Securities Ltd, ACN 003 311 617, ABN 54 003 311 617, Holder of Australian Financial Services Licence No 244572
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au



Limitation of scope of review of the Merged Entity Pro Forma Balance Sheet

The Merged Entity Pro Forma Balance Sheet has been compiled from the financial information on B2Gold and CGA set out in Sections 7.3 and 6.6 of the Scheme Booklet respectively. The Directors of CGA are responsible for the preparation of the financial information of CGA. The Directors of B2Gold are responsible for the preparation of the financial information of B2Gold and the Merged Entity Pro Forma Balance Sheet utilising financial information on CGA provided by the Directors of CGA.

In preparing the Merged Entity Pro Forma Balance Sheet, the Directors of B2Gold have made only preliminary adjustments to the fair values of acquired assets and liabilities in accordance with IFRS 3 Business Combinations as described in Section 7.2 of the Scheme Booklet. Accordingly, the Merged Entity Pro Forma Balance Sheet does not necessarily contain all of the adjustments to the reported amounts of assets and liabilities that will be required to reflect their fair values at acquisition date.

Scope of work on the Merged Entity Pro Forma Balance Sheet

The Merged Entity Pro Forma Balance Sheet has been derived from the unaudited financial statements of B2Gold as at 30 June 2012 and the audited financial statements of CGA as at 30 June 2012. The CGA financial statements for the year ended 30 June 2012 were audited by Ernst & Young who issued an unmodified audit opinion on them. The Merged Entity Pro Forma Balance Sheet incorporates such adjustments as the Directors of B2Gold considered necessary to present the Merged Entity Pro Forma Balance Sheet on a basis consistent with the Scheme.

The Directors of B2Gold are responsible for the preparation and presentation of the Merged Entity Pro Forma Balance Sheet including the adjustments to the historical balance sheets and the Pro Forma Transactions on which the Merged Entity Pro Forma Balance Sheet is based, except that the Directors of CGA are responsible for the financial information regarding CGA provided to B2Gold to prepare the Merged Entity Pro Forma Balance Sheet.

We have conducted our review of the Merged Entity Pro Forma Balance Sheet in accordance with Australian Auditing Standards applicable to review engagements. We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a review of work papers, accounting records and other documents;
- a review of the adjustments included in the Merged Entity Pro Forma Balance Sheet;
- a review of the assumptions (including the Pro Forma Transactions) used to compile the Merged Entity Pro Forma Balance Sheet;



- a comparison of consistency in application of the recognition and measurement principles of International Financial Reporting Standards, and the accounting policies adopted by B2Gold and CGA disclosed in Sections 7.3 and 6.6 of the Scheme Booklet; and
- enquiry of Directors, management and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Merged Entity Pro Forma Balance Sheet.

Review statement on the Merged Entity Pro Forma Balance Sheet

Based on our review, which is not an audit, except for the limitation of scope described above, nothing has come to our attention which causes us to believe that:

- the Merged Entity Pro Forma Balance Sheet has not been properly prepared on the basis of the Pro Forma Transactions;
- the Pro Forma Transactions do not form a reasonable basis for the Merged Entity Pro Forma Balance Sheet; and
- the Merged Entity Pro Forma Balance Sheet, assuming completion of the Pro Forma Transactions, as set out in Section 7.2 of the Scheme Booklet, does not present fairly the Merged Entity Pro Forma Balance Sheet of B2Gold (post CGA acquisition) as at 30 June 2012, in accordance with the recognition and measurement principles of International Financial Reporting Standards.

Subsequent events

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief no material transactions or events outside of the ordinary course of business of B2Gold and CGA have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

Independence or disclosure of interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of the Scheme other than the preparation of this Report for which normal professional fees will be received.



Liability

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this Report in the Scheme Booklet in the form and context in which it is included. The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this Report in the Scheme Booklet.

PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or any omissions from, the Scheme Booklet.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to our Report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our Report.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Roger Port', with a small flourish at the end.

Roger Port
Authorised Representative
PricewaterhouseCoopers Securities Ltd



Appendix A – Financial Services Guide

PRICEWATERHOUSECOOPERS SECURITIES LTD

FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 1 November 2012

1. About us

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) ("PwC Securities") has been engaged by B2Gold Corp. ("B2Gold") to provide a report in the form of an Investigating Accountant's Report ("the Report") in relation to the Merged Entity Pro Forma Balance Sheet for inclusion in the Scheme Booklet, dated on or about 1 November 2012 to be issued by CGA Mining Limited ("CGA") relating to the proposed acquisition of CGA by B2Gold to be effected through a scheme of arrangement ("the Scheme").

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2. This Financial Services Guide

This Financial Services Guide ("FSG") is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian Financial Services Licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

4. General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.



5. Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are charged on an hourly basis and as at the date of this Report amount to \$175,000.

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6. Associations with issuers of financial products

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business. The Canadian firm of PricewaterhouseCoopers is currently B2Gold's auditor.

7. Complaints

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Service ("FOS"), an external complaints resolution service. FOS can be contacted by calling 1300 780 808. You will not be charged for using the FOS service.

8. Contact Details

PwC Securities can be contacted by sending a letter to the following address:

Roger Port
PricewaterhouseCoopers Securities Ltd
GPO Box D198
Perth WA 6840

Annexure C: Independent Technical Specialist's Report



ACN No. 065 713 724

Level 9, 80 Mount Street
North Sydney, NSW 2060
Australia

Tel: 612 9954 4988
Fax: 612 9929 2549
Email: bdaus@bigpond.com

ABN 62 065 713 724

2 November 2012

Mr Sherif Andrawes
Director
BDO Corporate Finance (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Dear Sir

INDEPENDENT TECHNICAL SPECIALIST VALUATION OF THE MINERAL ASSETS OF CGA MINING LIMITED AND B2GOLD CORP.

1.0 INTRODUCTION

The directors of CGA Mining Limited ("CGA") have engaged BDO Corporate Finance (WA) Pty Ltd ("BDO Corporate Finance") to prepare an Independent Expert's Report ("IER") in relation to a proposed transaction with B2Gold Corp. ("B2Gold"). A Merger Implementation Agreement was announced by CGA and B2Gold on 19 September 2012 whereby CGA shareholders would receive 0.74 B2Gold common shares for each CGA share held. This represented a purchase price of approximately Canadian dollars ("C\$") 3.18 per CGA share and a 26% premium over the CGA share price, based on the closing share price of each company as of 17 September 2012, or a 22% premium based on the 20 day volume-weighted share price of each respective company. The transaction valued CGA at approximately C\$1.1 billion. Both CGA and B2Gold are public companies listed on the Toronto Stock Exchange Limited ("TSX"); CGA is also listed on the Australian Stock Exchange ("ASX").

It is proposed that the merger will be implemented by way of a Scheme of Arrangement ("the Scheme") under the Australian Corporations Act 2001. The Scheme will require approval by CGA shareholders; the issue of the additional shares pursuant to the Scheme will require approval of B2Gold shareholders.

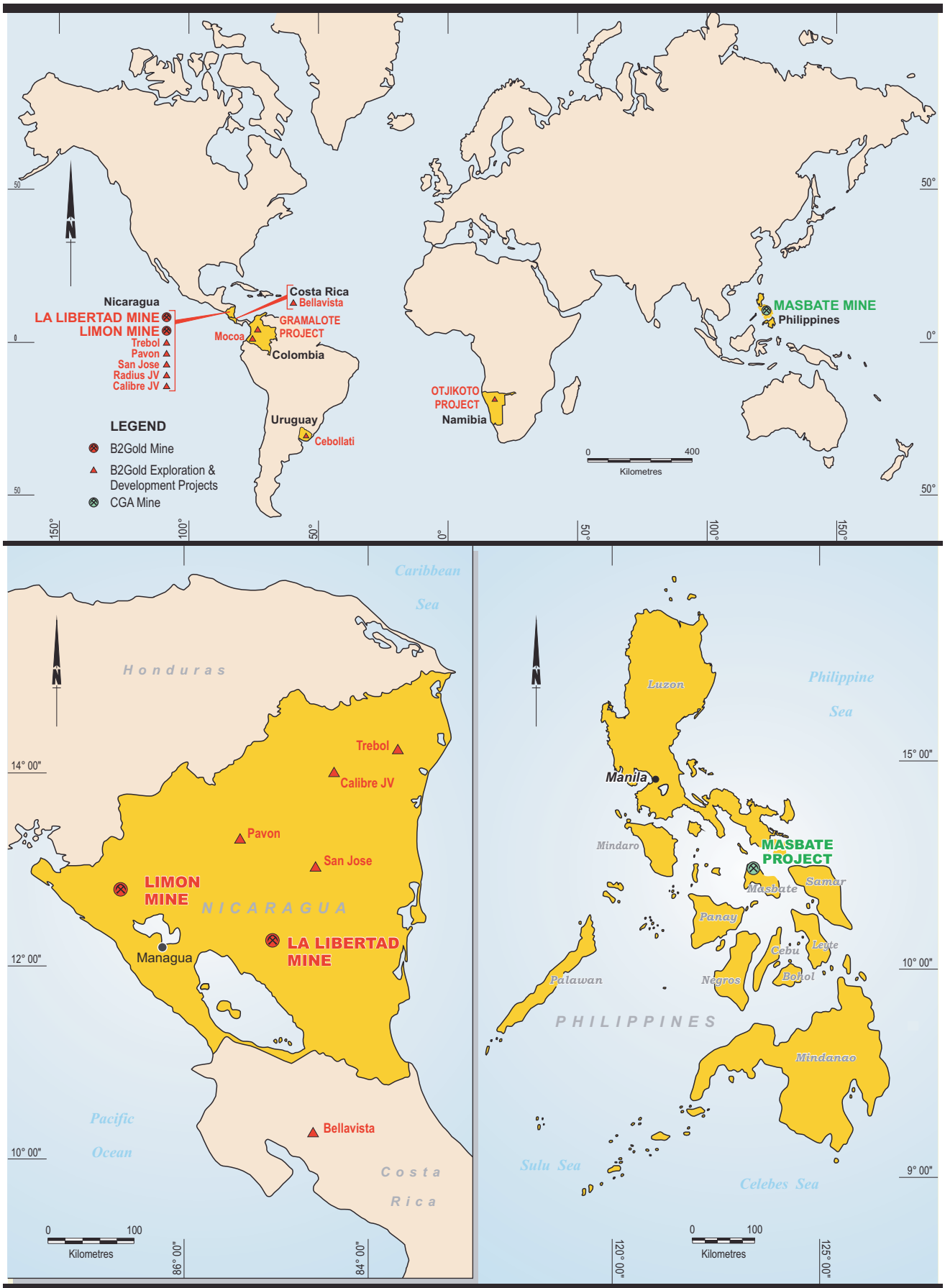
BDO Corporate Finance has requested Behre Dolbear Australia Pty Limited ("BDA") to undertake an Independent technical valuation of the mining and exploration assets of CGA and B2Gold and prepare an Independent Technical Specialist's Report. BDO has advised that the relevant mining and exploration assets held by CGA and B2Gold (Figure 1) comprise:

CGA Mineral Assets

- Masbate gold mine on the island of Masbate in the Philippines
- Exploration potential within the Masbate tenements.

B2Gold Mineral Assets

- Limon gold mine in Nicaragua
- La Libertad gold mine in Nicaragua
- Otjikoto gold project in Namibia
- Gramalote joint venture gold project in Colombia
- Exploration prospects in Nicaragua, Uruguay, Costa Rica and Colombia.



CGA/B2Gold Merger

CGA and B2Gold Principal Mineral Assets

Figure 1

PROJECT LOCATIONS

BDA - 0158/001 (Oct. 2012)

Behre Dolbear Australia Pty Ltd

BDA is the Australian subsidiary of Behre Dolbear & Company Inc. (“BDCI”), an international minerals industry consulting group which has operated continuously in North America and worldwide since 1911, with offices in Denver, London, New York, Sydney, Toronto, Vancouver, Hong Kong and Guadalajara. Behre Dolbear specialises in mineral evaluations, due diligence studies, independent expert valuation reports, independent engineer certification, strategic planning and technical geological, mining and process consulting. The Sydney office of BDA has undertaken the technical review work for this report.

BDA has visited the Masbate project of CGA a number of times as part of independent reviews it has undertaken for the bank lenders to CGA; the most recent visit was in July 2012. Consultants from the Denver office of BDCI visited the Limon and La Libertad Nicaraguan gold mining operations of B2Gold in September 2012. These consultants have worked with BDA in preparing this Technical Specialist Valuation Report. BDA has not visited the remainder of the exploration projects. CGA and B2Gold have provided data on exploration results, Mineral Resource and Ore Reserve estimates, operating and development plans, production schedules and operating and capital costs. BDA has also held discussions with technical and managerial staff as part of this review.

BDA has reviewed the Mineral Resources and Ore Reserves in the context of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2004 Edition (“the JORC Code”).

In this report references to reserves and resources have been set out in compliance with JORC Code reporting standards. The requirements of the JORC Code are consistent with the requirements for reporting under the Canadian Securities Act National Instrument 43-101 (“NI43-101”), however, there are slight differences in terminology as outlined in Table 1.1 below.

Table 1.1
Resource and Reserve Terminology - JORC Code and NI43-101 Standards

JORC CODE	NI 43-101
Ore Reserves	Mineral Reserves
Proved Ore Reserves	Proven Mineral Reserves
Probable Ore Reserves	Probable Mineral Reserves
Mineral Resources	Mineral Resources
Measured Mineral Resources	Measured Mineral Resources
Indicated Mineral Resources	Indicated Mineral Resources
Inferred Mineral Resources	Inferred Mineral Resources

The valuation assessment of the mining and exploration properties has been conducted in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (“the Valmin Code”) as issued in 1995 and updated in 2005. BDO has undertaken the valuation of the operating mines; BDA has reviewed the life of mine (“LOM”) plans and the production and cost projections and has opined on these projections to assist BDO Corporate Finance in its valuations. Where mine or mill production tonnages or annual gold production ounces are referenced, these have typically been rounded to the nearest 100,000 tonnes (“t”) or 1,000 ounces (“ozs”) except where specifically stated.

BDA confirms that it is independent of all parties in the proposed transaction and has no interest in the assets or parties involved. BDA understands that BDO Corporate Finance will rely on the BDA Technical Specialist Valuation Report and that BDA’s report, or a summary thereof, will be appended to the BDO Corporate Finance Independent Expert Report.

BDA has not undertaken an audit of the data or re-estimated the Mineral Resources or Ore Reserves. BDA has not independently verified the current ownership status and legal standing of the material tenements of B2Gold or CGA that are the subject of this report. CGA and B2Gold have advised that all material tenements are in good standing, and have provided independent tenement search and certification data for BDA’s review. All mine operations, processing, infrastructure, waste dumps and tailings dams are sited within granted mining leases or prospecting licences. Exploration ground away from the mine areas is generally held under prospecting licences or the equivalent, generally renewable provided exploration and expenditure commitments are met

This report contains forecasts and projections based on data provided by CGA and B2Gold. BDA’s assessment of the most likely production schedule, the projected capital and operating costs and the estimate of remaining mine life are based on technical reviews of project data and discussions with technical personnel. However,

these forecasts and projections cannot be assured and factors both within and beyond the control of CGA and B2Gold could cause the actual results to be materially different from BDA's assessments and estimates contained in this report.

The sole purpose of this BDA report is for use by BDO Corporate Finance and the independent directors of CGA and their advisors in connection with the proposed transaction and should not be used or relied upon for any other purpose. A draft copy of the report has been provided to CGA and B2Gold for correction of any material errors or omissions. Neither the whole nor any part of this report nor any reference thereto may be included in or with or attached to any document or used for any other purpose, without our written consent to the form and context in which it appears.

2.0 EXECUTIVE SUMMARY

2.1 Overview

A summary of the assets to be valued is set out below. The principal project locations are shown in Figure 1.

CGA Mineral Assets

- Masbate gold mine on the island of Masbate in the Philippines
- Exploration potential within the Masbate tenements.

B2Gold Mineral Assets

- La Libertad gold mine in Nicaragua
- Limon gold mine in Nicaragua
- Otjikoto gold project in Namibia
- Gramalote joint venture gold project in Colombia
- Exploration prospects in Nicaragua, Uruguay, Costa Rica and Colombia.

BDA has reviewed the technical and financial data provided by CGA and B2Gold for each of the assets. For the producing operations where Ore Reserves, Mineral Resources, production schedules and capital and operating costs are reasonably well defined, BDA has reviewed the various projections and has assisted BDO Corporate Finance in preparing a ‘most likely’ case together with an assessment of potential upside and downside and appropriate sensitivities. BDO Corporate Finance has prepared discounted cash flow models and has determined the net present value of the mining operations.

For exploration projects, or projects at an earlier stage of development where future production and cost projections are less well defined, BDO Corporate Finance has requested that BDA determine an appropriate valuation. BDA has considered a range of alternative means of valuation including exploration expenditure, comparable transactions, yardstick values, and joint venture terms. The valuation principles adopted are reviewed in Section 3 and the information relied upon for the assessments is listed in Section 4. The CGA assets are described in Section 5, the B2Gold assets are described in Section 6, and the valuation of the assets is discussed in Section 7.

2.2 CGA Mineral Assets

The Masbate gold project is located on the north coast of the island of Masbate in the Central Philippines, approximately 360 kilometres (“km”) south of the capital, Manila (Figure 2). An airstrip suitable for light aircraft is located at the mine site, and there are daily commercial flights between Manila and Masbate City, approximately 70km south of the mine.

The Masbate project was operated from 1980-1994 by Atlas Consolidated Mining and Development Corporation (“Atlas”). Approximately 17.4 million tonnes (“Mt”) of open pit and underground ore were mined and processed during this period at an average grade of around 2.1 grams per tonne gold (“g/t Au”) producing approximately 1.1 million ounces (“Mozs”) of gold.

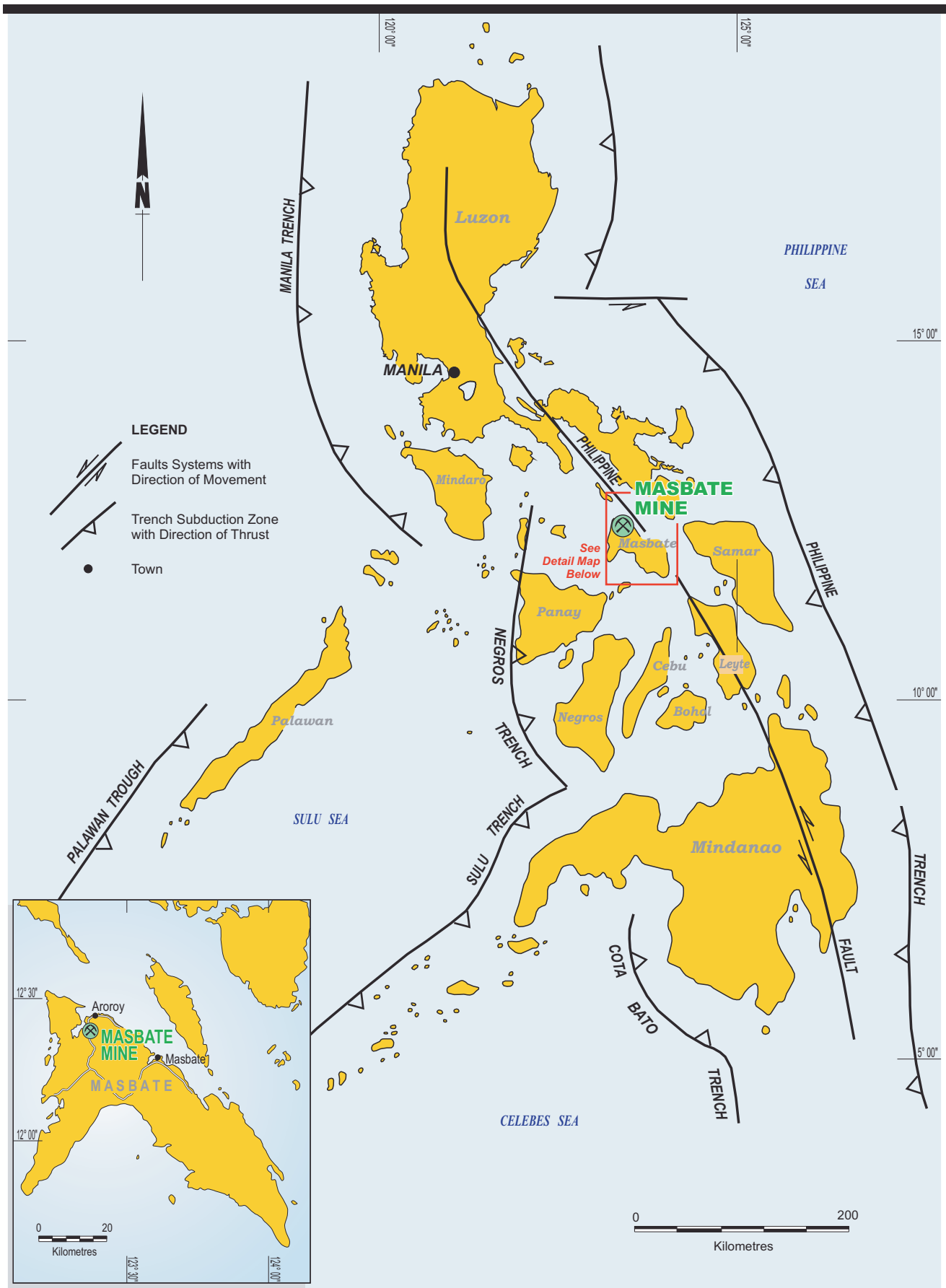
CGA acquired its interest in the project in 2007. After completing a feasibility study the decision was made to re-develop the project. A new plant was constructed and operations commenced in 2009, based on open pit mining. Initial plant throughput was planned at 4.5 million tonnes per annum (“Mtpa”) with target gold production of around 150-200,000ozs per annum. In financial year 2010 Masbate produced 150,000ozs; in 2011 this increased to 190,000ozs and the processing plant was expanded to 6.5Mtpa throughput. In 2012 a failure of the semi-autogenous grinding mill (“SAG mill”) severely restricted ore throughput, and annual gold production reduced to 143,000ozs. The SAG mill repairs were successfully completed and the gold production target for 2013 is 198,000ozs. Masbate is now the largest operating gold mine in the Philippines.

Table 2.1

Masbate Production - 2009 to 2012

Year	Tonnes (Mt)	Mill Production Grade (g/t)	Gold Ozs
2009/10	4.486	1.26	150,000
2010/11	6.153	1.13	190,000
2011/12	4.748	1.08	142,800
Total	15.387	1.15	482,800

Note: Financial Years July to June; 2011/12 production was impacted by a SAG mill failure in the first half of the year - second half throughput and production was equivalent to an annualised rate of 6.5Mtpa and 200,000ozs



CGA/B2Gold Merger

CGA Masbate Project

Figure 2

REGIONAL MAP

BDA - 0158/001 (Oct. 2012)

Behre Dolbear Australia Pty Ltd

The Masbate tenements cover a total of 11,593 hectares (“ha”) and are shown in Figure 3. The rights to explore and mine for gold, silver and other minerals are based on a Mineral Production Sharing Agreement (“MPSA”). The principal MPSA covering all the current mining areas was granted in July 1997 for a term of 25 years with an option to extend for a further 25 years.

The project is owned and operated by three separate Philippine registered companies, Filminera Resources Corporation (“FRC”), Vicar Mining Corporation (“VMC”) and Philippines Gold Processing and Refining Corporation (“PGPRC”). FRC and VMC hold mineral tenements and operating permits, FRC manages the open pit operations and PGPRC processes the ore sold to it by FRC and, potentially in the future, by VMC. CGA indirectly owns 100% of PGPRC and has a direct and indirect interest of 64% in FRC and VMC. The details of the corporate structure are described in the BDO Corporate Finance report.

FRC has been granted an Environmental Compliance Certificate (“ECC”) by the Department of Environment and Natural Resources (“DENR”) and an Environmental Protection and Enhancement Programme (“EPEP”) and Social Development and Management Programme (“SDMP”) have been approved. A Mineral Processing Permit has been granted to PGPRC by the DENR. These regulatory approvals provide the development consent, which enables the project to proceed, subject to the ECC conditions.

The Masbate project is based on the re-development of a number of the former open pit operations. Open pit mining is carried out by contract. Currently ore is being sourced from four main open pit locations, Colorado, Holy Moses Basalt, Main Vein and Binstar (Figure 4) covering a strike length of around 3km. Low sulphidation epithermal gold mineralisation is hosted in a series of steeply dipping quartz reefs and stockworks within andesitic volcanics, volcanoclastics and clastic sediments and conglomerates. Mineralisation is controlled by a network of fault structures, commonly oriented north-northwest, parallel to the major regional structure, the Philippine Fault (Figure 2).

Substantial drilling has been carried out on the property from 1975 to the present, and CGA is continuing resource definition drilling and has a significant exploration programme aimed at delineating additional mineralisation both to the south and north of the current operations.

Resource estimations have been undertaken by an independent resource consultant, Mining Associates Pty Limited (“MA”), based in Brisbane. The latest resource update was completed in October 2011. At a cut-off grade of 0.36g/t Au, Measured and Indicated Resources total 204Mt averaging 0.76g/t Au with 5Mozs of contained gold. MA has estimated an additional 103Mt of Inferred resource averaging 0.86g/t Au.

Golder Associates Pty Limited (“Golder”) has estimated Proved and Probable Ore Reserves as of October 2011 totalling 119Mt at 0.83g/t Au and containing 3.2Mozs of gold. The estimate includes 7.4Mt of low grade stockpiles grading 0.55g/t Au. Reconciliation data shows that current reserve grade projections are being achieved, though typically more tonnes of ore are being defined by detailed grade control than are indicated in the resource model.

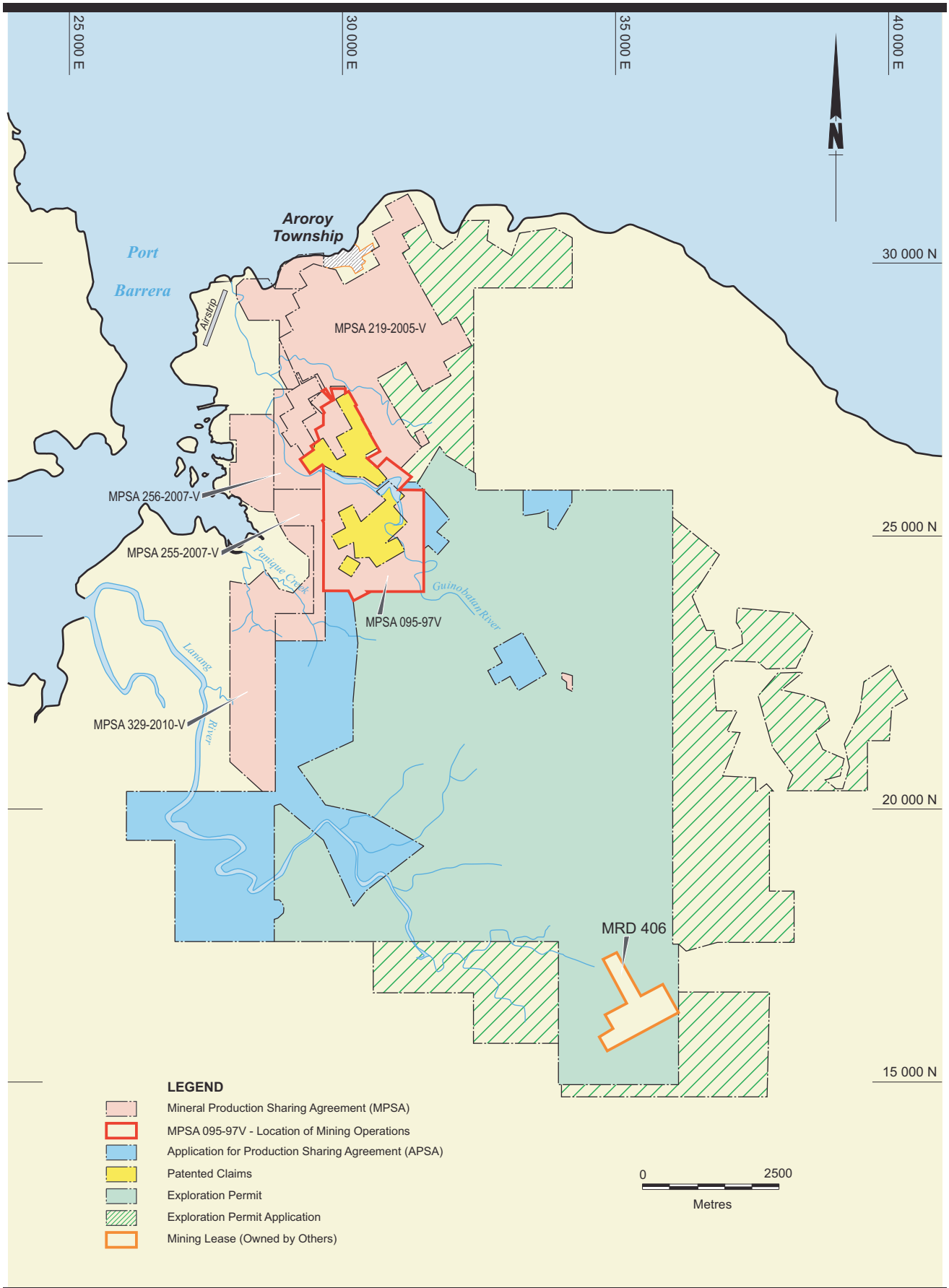
The Masbate resource and reserve estimates are summarised in Table 2.2.

Table 2.2
Masbate Mineral Resources and Ore Reserves - October 2011

Category	Tonnes (Mt)	Mineral Resource Grade (g/t Au)	Contained Gold (Mozs)
Mineral Resources			
Measured	6.4	0.77	0.16
Indicated	197.8	0.76	4.84
<i>Total Measured + Indicated</i>	<i>204.3</i>	<i>0.76</i>	<i>5.00</i>
Inferred	102.8	0.86	2.83
Ore Reserves			
Proved	5.7	0.75	0.14
Probable (In situ)	105.5	0.85	2.90
Probable (Stockpiles)	7.4	0.55	0.13
<i>Total Proved + Probable</i>	<i>118.6</i>	<i>0.83</i>	<i>3.17</i>

Note: Mineral Resource cut off 0.36g/t Au; Ore Reserve cut off 0.36g/t Au for Oxide material, 0.39g/t Au for Transitional material and 0.43g/t Au for Primary material

It is important to note that CGA follows the standard Australian procedure of reporting an overall resource figure with the reserve being that part of the total resource which is planned to be mined. B2Gold reports its resources as being additional to the reserve, and excludes the reserve areas from its resource reporting.



CGA/B2Gold Merger

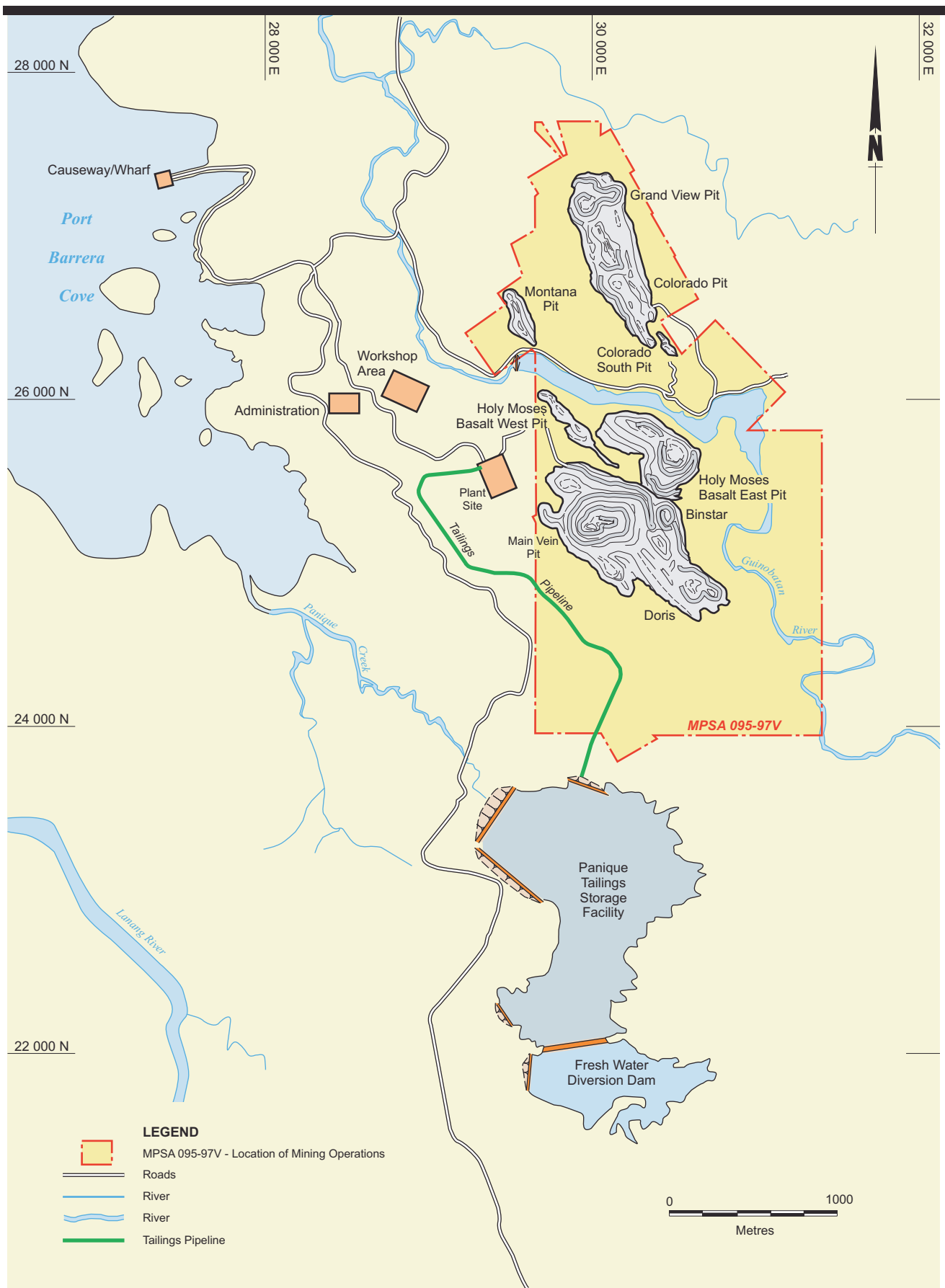
CGA Masbate Project

Figure 3

PROJECT TENEMENTS

BDA - 0158/001 (Oct. 2012)

Behre Dolbear Australia Pty Ltd



CGA/B2Gold Merger

CGA Masbate Project

Figure 4

PROJECT LAYOUT AND INFRASTRUCTURE

BDA - 0158/001 (Oct. 2012)

Behre Dolbear Australia Pty Ltd

CGA's current LOM plan is based on current reserves combined with an allowance for conversion of Inferred resources (as has been seen during the four years of operation) and an allowance for resources that have been drilled and well defined close to mine but are not yet included in the current mineable reserves. Mining and processing is planned over a 20 year period. Mining is completed in 2029 but processing continues for a further three years processing low grade stockpiles. Mill throughput is projected to ramp up to 7Mtpa and gold production averages around 170,000ozs per annum over the life of the project, with the first 12 years averaging around 200,000ozs per annum. BDA considers the projections generally reasonable; throughput and recoveries are consistent with current performance and should be achievable. The LOM schedule assumes approximately a 6% upgrade compared with the current reserve grade. Current reconciliations are showing a positive upgrade and CGA advises that some of the resources planned to be incorporated in the LOM schedule have higher than average grades. Nevertheless, BDA considers there is some risk relating to the grade projections. The Masbate LOM plan is summarised in Table 2.3.

Table 2.3
Masbate Production Schedule

	Unit	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	27-32	Total
Mining																		
HG Ore	Mt	<i>4.93</i>	6.28	4.68	4.29	4.95	5.56	3.79	6.30	7.12	6.34	6.02	6.59	8.73	8.73	5.78	3.29	95.0
LG Ore	Mt	<i>5.15</i>	3.87	3.11	4.95	4.65	3.67	2.36	3.84	1.43	2.05	2.75	2.48	2.86	1.63	2.13	0.75	44.0
Total Ore	Mt	<i>10.08</i>	10.15	7.79	9.24	9.60	9.23	6.15	10.14	8.55	8.39	8.77	9.07	11.59	10.36	7.91	4.04	139.0
Grade	g/t Au	<i>0.80</i>	0.89	0.91	0.81	0.80	0.89	0.90	0.89	0.93	0.87	0.84	0.89	0.91	0.96	0.87	0.85	0.88
Waste	Mbcm	<i>3.12</i>	6.17	6.73	6.20	6.13	6.06	7.54	5.94	8.92	9.75	9.64	9.80	8.86	7.18	9.32	6.66	128.23
Process																		
Milled	Mt	<i>4.75</i>	6.50	6.70	6.80	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	139.0
Grade	g/t Au	<i>1.08</i>	1.10	1.00	1.01	1.01	1.03	1.01	1.08	1.04	1.02	1.02	1.03	1.03	0.85	0.80	0.63	0.88
Recovery	%	<i>86.6</i>	86.2	85.7	87.6	87.5	85.6	86.6	85.3	86.7	87.6	88.1	86.6	85.0	86.5	84.1	86.4	86.3
Au Prodn	kozs	<i>143</i>	199	185	194	199	198	198	207	203	201	202	201	198	167	151	123	3440

Note: financial years July to June; figures in italics are actual for 2012; figures from 2013 are from CGA LOM model forecasts; Total represents total from 2013; mining is completed in 2029 but processing continues for three more years to 2032 treating remaining ore from low grade stockpiles; the 2027-2032 column represents the average over three years for mining and over six years for processing

In BDA's opinion, provided the gold price remains strong, it is likely that the mine life will extend beyond the current projections; tonnage reconciliations to date have been positive, there are substantial additional resources which have not been included in the current LOM plan, and there is good exploration potential with a number of geochemical and geophysical anomalies and old workings still to be investigated.

2.3 B2Gold Mineral Assets

B2Gold's principal mineral assets comprise (Figure 1):

- La Libertad gold mine in Nicaragua
- Limon gold mine in Nicaragua
- Otjikoto gold project in Namibia
- Gramalote joint venture gold project in Colombia
- Exploration prospects in Nicaragua, Uruguay, Costa Rica and Colombia.

On 26 March 2009, B2Gold completed the 100% acquisition of Central Sun Mining Inc. The primary assets acquired were La Libertad Mine (100% interest) and Limon Mine (95% interest), both located in Nicaragua. La Libertad is located approximately 110km due east of Managua, the capital of Nicaragua and Limon is located approximately 100km northwest of Managua (Figure 1).

B2Gold's share of gold production from La Libertad and Limon was 110,000ozs of gold in 2010 and 143,000ozs in 2011; the share of gold production for the first nine months of 2012 is 114,000ozs.

Ore Reserves at the two main properties of La Libertad and Limon as at 31 December 2011 total 825,000ozs of contained gold (Table 2.4). B2Gold's interest (100% in La Libertad but 95% in Limon) totals approximately 795,000ozs.

Table 2.4
B2Gold Ore Reserve Estimates - 31 December 2011

Deposit	Ownership %	Tonnage Mt	Grade g/t Au	Contained Au kozs
La Libertad	100	11.3	1.62	588
Limon	95	1.6	4.72	249
Total		12.9	2.00	837

Note: Ore Reserve tonnage, grade and contained gold shown in the table relate to 100% for both properties; B2Gold has a 95% interest in the Limon mine

In addition to the two operating gold mines in Nicaragua B2Gold has a number of exploration assets. The primary exploration assets are the Otjikoto gold project (92% ownership) in northern Namibia and the Gramalote gold project (49% ownership) in central Colombia. The Otjikoto project is located some 300km due north of Namibia's capital Windhoek. The Gramalote project is located approximately 230km northwest of the Colombian capital of Bogota, near the town of Providencia.

For La Libertad, Limon, Otjikoto and Gramalote projects B2Gold has reported Measured and Indicated Mineral Resources as at 31 December 2011 totalling 3.4Mozs of gold, and Inferred resources of 1.2Mozs of gold.

Table 2.5
B2Gold Mineral Resources Estimates - 31 December 2011

Deposit	Ownership %	Tonnage Mt	Grade g/t Au	Contained Au kozs
Measured and Indicated				
La Libertad	100	6.9	2.79	619
Limon	95	1.1	4.38	157
Otjikoto	92	24.9	1.74	1,393
Gramalote	49	47.6	0.81	1,242
Total	92	80.5	1.32	3,411
Inferred				
La Libertad	100	5.3	1.9	321
Limon	95	1.1	5.2	192
Otjikoto	92	1.0	1.5	49
Gramalote	49	46.9	0.4	668
Total	93	54.3	0.7	1,230

Note: the Measured and Indicated mineral resources of La Libertad and Limon are exclusive of the Ore Reserves; Mineral Resource tonnage, grade and contained gold shown in the table relate to 100% except for Gramalote which reflects B2Gold's 49% interest; B2Gold has a 95% interest in the Limon mine, a 92% interest in the Otjikoto project and a 49% interest in the Gramalote project

B2Gold reports its resources as being additional to the reserve, and excludes the reserve areas from its resource reporting. CGA follows the standard Australian procedure of reporting an overall resource figure with the reserve being that part of the total resource which is planned to be mined.

B2Gold has interests in a number of other exploration projects including the Primavera, Trebol, Pavan, San Jose and La Magnolia gold properties in Nicaragua, the Mocoa copper-molybdenum project in Colombia, the Cebollati project in Uruguay, and the Bellavista mine (currently on care and maintenance) in Costa Rica. B2Gold also has a royalty interest relating to the Kupol project in Russia and the Bruce Jack deposit in British Columbia.

La Libertad Gold Mine - Nicaragua

B2Gold is the owner of Desarrollo Minero de Nicaragua, S.A. (“Desminic”) which holds interest in three mineral concessions in Nicaragua covering 14,496ha including the 10,950ha La Libertad Mine concession, located approximately 100km east of Managua, the capital of Nicaragua. The La Libertad mineral concession has a term of 40 years, expiring in 2034.

The geologic setting of the La Libertad concession is in Tertiary volcanic rocks of the Coyol Group. These are felsic to intermediate porphyritic flows, volcanoclastic rocks including tuffs and vent breccias and epiclastic rocks. The dominant structures are steeply dipping, northeast-trending normal faults. Gold mineralisation is characteristic of low sulphidation, quartz-adularia, epithermal systems that formed from just below the paleosurface to a depth of approximately one kilometre.

The project comprises a number of separate gold deposits; the Mojón, Crimea, and Santa Mariá gold deposits are located along two parallel mineralised trends situated within a 2-3km radius of the process plant while the San Juan deposit is approximately 5km distant on a separate mineralised trend south of the mill. Jabali Antena and Jabali Central deposits are located approximately 15km to the east of the plant (Figure 5).

Gold production prior to 2007 was from a heap leach operation. In 2009 a carbon-in-pulp process plant was constructed and commissioned. Gold production in 2011 was 100,000ozs and in the first three quarters of 2012 has totalled 79,000ozs. Mill throughput in 2011 was 2Mt at a grade of 1.7g/t Au with gold recovery of 91%. In the first three quarters of 2012 mill throughput totalled 1.5Mt at a grade of 1.7g/t Au with gold recovery of 92% (see Table 2.6).

Table 2.6

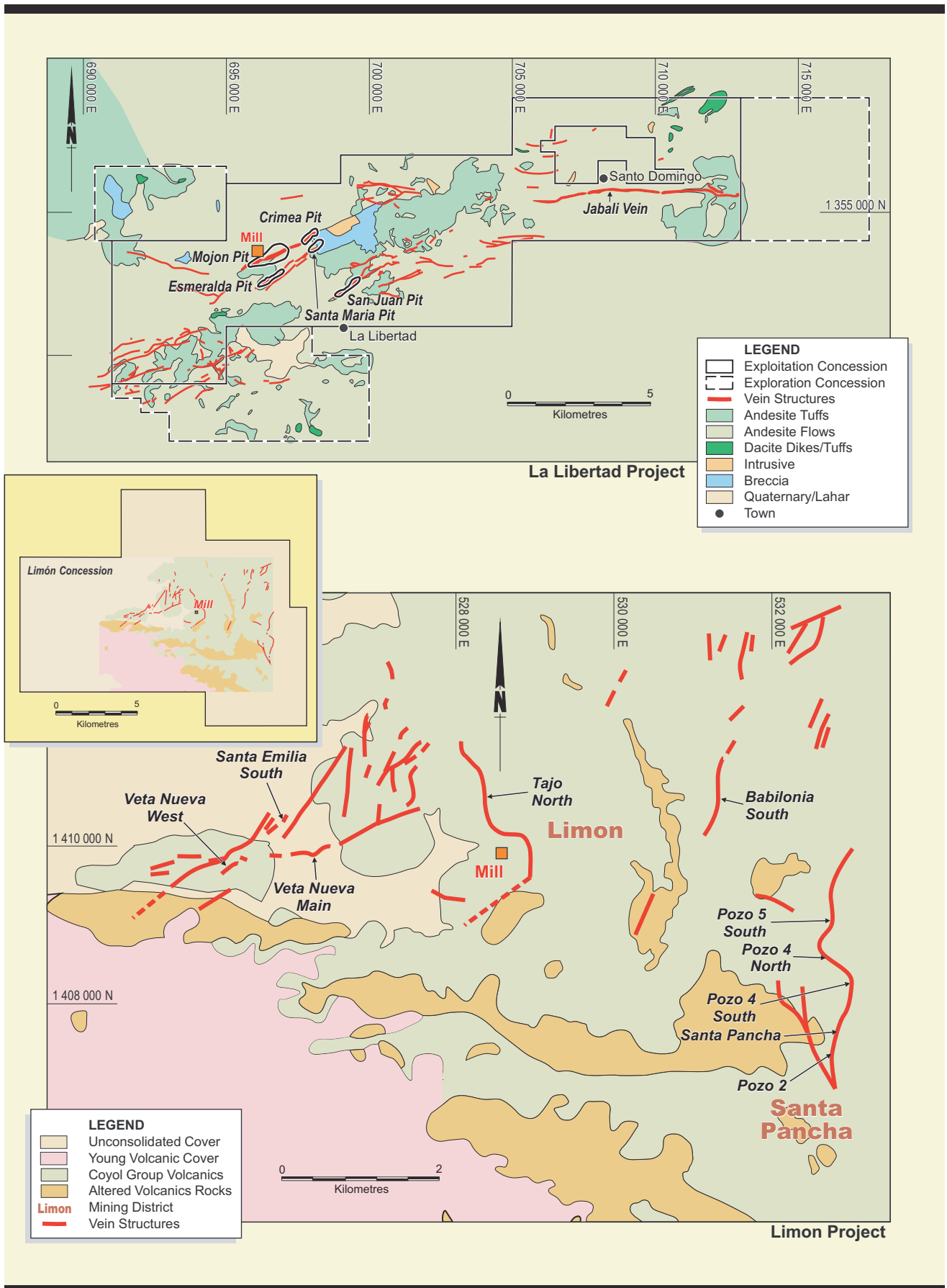
La Libertad Production - 2010, 2011 and January-September 2012

Category	Unit	2010	2011	2012
Ore Milled	Mt	1.57	1.99	1.53
Grade	g/t Au	1.6	1.7	1.7
Contained Gold	ozs	81.6	110.2	85.9
Recovery	%	87.1	91.0	91.9
Gold Produced	ozs	71.0	100.0	79.0

Note: 2012 production is for the first nine months

At 31 December 2011, La Libertad Mineral Resources, excluding the Ore Reserves, totalled 6.9Mt at a grade of 2.8g/t Au containing 619,000ozs of gold in the Measured and Indicated category, and 5.3Mt at a grade of 1.9g/t Au, containing 321,000ozs of gold in the Inferred category. Ore Reserves total 11.3Mt at a grade of 1.62g/t Au containing 588,000ozs of gold. The open pit reserves are contained within the Mojon, Crimea, Santa Maria, and San Juan deposits. No reserves have yet been defined at Jabali. The open pit designs were prepared by B2Gold and are based on pit optimisation work; the average strip ratio of the reserves is 8.2:1 (waste:ore). The Ore Reserves include some low grade stockpile material which was previously heap leached and is referred to as ‘spent ore’; some stockpiles of ‘spent ore’ are also included in the Inferred resources.

Mining at La Libertad is based on conventional open mining methods with hydraulic excavators and dump trucks. Mining contractors are used for all open pit drill and blast and load and haul operations. Current mining is focussed on four deposits, Mojon, Crimea, Santa Maria and San Juan, mining approximately 20Mt of material per annum including 2Mtpa of ore. The resources at Jabali Antena and Jabali Central are currently being developed with an initial open pit operation now planned for early 2013 and development of underground operations planned for ore production in 2015. Ore from Jabali will be hauled 15km to the process plant at La Libertad.



CGA/B2Gold Merger

B2Gold Limon and La Libertad Projects

Figure 5

GEOLOGY PLANS

BDA - 0158/001 (Oct. 2012)

Behre Dolbear Australia Pty Ltd

Open pit mine production averages around 20Mtpa of total material with a LOM average strip ratio of 11:1 waste to ore. The planned production of ore from the Jabali open pits in 2012 has been delayed due to permitting and land acquisition requirements.

The La Libertad process plant was commissioned in late 2009 with full production being reached in the second half of 2010. The plant processes ore from various open pits together with 'spent ore' from the previous heap leaching operations. The design of the plant is relatively standard with a SAG and two ball mills. Power at La Libertad is sourced from the national grid.

La Libertad production forecasts based on the current B2Gold LOM plan are summarised in Table 2.7 and are based predominantly on the defined underground and open pit reserves of 11.3Mt, representing approximately five and a half years of mill feed. The remaining planned ore feed is made up of 6.9Mt of Indicated resources plus Inferred resources. Mine and mill production is scheduled at 2Mtpa at an average grade of around 1.9g/t Au. Gold production is planned to increase from 100,000ozs per annum to over 160,000ozs per annum from 2016 reflecting the impact of higher grade underground ore. In the last two years of the LOM plan only low grade material from the 'spent ore' stockpile is processed. Mill recovery rates are scheduled at 90% for gold and 78% for silver.

Table 2.7
La Libertad LOM Production Forecasts

Category	Unit	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Mining												
Ore Mined	Mt	2.01	2.00	2.01	2.02	2.00	2.02	2.01	2.01	2.01	3.11	21.20
Grade	g/t Au	1.8	2.3	2.3	2.3	2.9	2.8	2.8	1.3	0.8	0.8	1.9
Processing												
Ore Milled	Mt	2.01	2.01	2.00	2.01	2.01	2.00	2.01	2.01	2.00	3.13	21.21
Grade	g/t Au	1.8	2.3	2.3	2.3	2.9	2.8	2.8	1.3	0.8	0.8	1.9
Contained Gold	ozs	114.5	147.1	150.3	145.7	186.0	181.2	180.4	86.5	49.8	77.3	1,318.9
Recovery	%	90.4	90.4	90.4	90.4	90.4	90.4	90.4	90.4	90.4	90.4	90.4
Gold Produced	ozs	103.5	132.9	135.8	131.7	168.1	163.7	163.0	78.2	45.0	72.8	1,194.6
Grade	g/t Ag	1.9	2.5	2.6	2.5	3.2	3.1	3.1	1.5	0.8	0.8	2.1
Contained Silver	ozs	126.0	161.8	165.4	160.3	204.6	199.3	198.4	95.2	54.7	85.0	1,450.8
Recovery	%	78	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0
Silver Produced	ozs	98.3	126.2	129.0	125.0	159.6	155.5	154.8	74.3	42.7	66.3	1,131.6

Note: Ore Mined includes reclaim of 'spent ore'; in addition to the main sources of ore the LOM plan includes approximately 11,000t at a grade of 7.2g/t Au from local small miners which is added to the mill processing schedule

Limón Gold Mine - Nicaragua

B2Gold, through its 95% interest in Triton Minera S.A. ("TMSA"), holds interests in 10 mineral concessions in northwestern Nicaragua covering 34,970ha including the 12,000ha Limón Mine concession, Mina El Limón. The Santa Pancha, Talavera, Veta Nueva, Pozo, Babilonia, Tajo North and Santa Emilia gold deposits are located within the Mina El Limón mineral concession that has a term of 25 years, expiring in 2027.

The Limón Mine is located along the eastern edge of the Nicaragua graben within an area of low hills that contrast with the level plain of the graben floor. Approximately 50% of the area in the general vicinity of the mine is covered by a thin layer of Quaternary to Recent deposits of volcanic ash and alluvium with the concession underlain predominantly by volcanic strata (Figure 5). Coyol Group rocks, exposed on the concession, range from intermediate to felsic volcanic and volcanoclastic rocks that are cut by minor intermediate to felsic hypabyssal intrusive bodies.

Gold mineralisation in the El Limón district is structurally controlled and forms veins that occupy pre-existing fault structures and extensional openings formed during mineralisation. The veins are quartz dominant with lesser and variable quantities of calcite, and minor adularia. The productive vein systems are approximately one to two kilometres long, with vein widths from less than one metre up to 25 m. All economic gold mineralisation discovered and mined to date lies within 400m of surface. Post-mineral faults locally disrupt and offset the vein.

Gold production in 2011 was 45,000ozs and in the first three quarters of 2012 has been 35,000ozs. Mill throughput in 2011 was 0.38Mt at a grade of 4.1g/t Au with gold recovery of 90%. In the first three quarters of 2012 mill throughput was 0.29Mt at a grade of 4.1g/t Au with gold recovery of 91% (see Table 2.8).

Table 2.8
Limon Production for 2010, 2011 and January to September 2012

Category	Unit	2010	2011	2012
Ore Milled	Mt	0.34	0.38	0.29
Grade	g/t Au	4.2	4.1	4.1
Contained Gold	ozs	45.9	50.2	38.3
Recovery	%	88.7	90.2	90.7
Gold Produced	ozs	40.7	45.3	34.8

Note: 2012 production is for the first nine months; production figures are based on 100% ownership, B2Gold has 95% interest

As at 31 December 2011, Mineral Resources totalled 1.11Mt at a grade of 4.4g/t Au containing 157,000ozs of gold in Indicated category, excluding the Ore Reserves, and 1.15Mt at a grade of 5.2g/t Au containing 192,000ozs of gold in the Inferred category. The Indicated and Inferred resources are contained within the deposits of Babilonia, Santa Pancha, Pozo 4 North and South, Veta Nueva Main and West, Santa Emilia South. There are also Inferred resources contained in the Tajo North deposit.

Ore Reserves total 1.64Mt at a grade of 4.72g/t Au containing 249,000ozs of gold. The open pittable Ore Reserves are contained within the deposits of Veta Nueva Main, Pozo 2, Pozo 4 North and South, Santa Emilia South and the average strip ratio of the reserves is 13.2:1 (waste:ore). The underground Ore Reserves are contained within the deposits of Santa Pancha and Veta Nueva Main.

The Mineral Resources and Ore Reserves are stated on a 100% basis; B2Gold has 95% ownership interest.

The operation at Limon uses conventional open mining methods with hydraulic excavators and dump trucks at six deposits, mining approximately 2.8Mtpa of material including 0.2Mtpa of ore.

At Santa Pancha, underground mining by sub-level stoping is used with planned production of 0.25Mtpa. The water that infiltrates the current mining area of Santa Pancha underground operation is plus 70°C and can be as high as 80°C, therefore the mine's dewatering and ventilation systems are important in ensuring acceptable working conditions. B2Gold is currently upgrading the ventilation and pumping capacity; these improvements are expected to lift underground mining productivities which have been lower than planned in 2012.

The open pit and underground production operations are carried out by contractors.

The Limón processing plant is a conventional CIP operation with a design capacity of 1,000tpd of ore from the open pit and underground operations. Plant throughput has been increased to around 1,100tpd by increasing the level of automated process control in the grinding circuit.

Electrical power for the Limon Mine operations is obtained from the Nicaraguan national grid system with backup generators at the mine site.

The Limon LOM production forecast based on the current B2Gold LOM plan is summarised in Table 2.9. Mine and mill production is scheduled at 0.43Mtpa at an average grade of around 4.3g/t Au. Planned gold production is around 50,000ozs per annum with an additional 55,000ozs per annum of silver.

Table 2.9
Limon LOM Production Forecasts

Category	Unit	2012	2013	2014	2015	2016	Total
Mining							
Ore Mined	Mt	0.43	0.43	0.44	0.44	0.31	2.05
Grade	g/t Au	4.3	4.3	4.5	3.8	4.7	4.3
Processing							
Ore Milled	Mt	0.41	0.42	0.42	0.42	0.38	2.05
Grade	g/t Au	4.2	4.3	4.5	3.8	4.6	4.3
Contained Gold	ozs	55.6	58.0	60.5	52.0	55.3	281.4
Recovery	%	90.6	90.6	90.6	90.6	90.6	90.6
Gold Produced	ozs	50.4	52.5	54.8	47.1	50.1	254.9
Grade	g/t Ag	6.5	6.6	6.9	5.9	7.0	6.6
Contained Silver	ozs	85.3	88.9	92.7	79.8	84.8	431.4
Recovery	%	65.0	65.0	65.0	65.0	65.0	65.0
Silver Produced	ozs	55.4	57.8	60.2	51.8	55.1	280.4

Note: Ore Mined includes reclaim of 'spent ore'; production figures are based on 100% ownership, B2Gold has 95% interest

The LOM plan is based predominantly on the defined underground and open pit reserves of 1.64Mt, which represents four years of operation; the remaining schedule draws on Indicated resources.

The mine schedule is dependent on the production from underground increasing in 2013. Current underground production is not meeting target but it is anticipated that the planned upgrade of the ventilation and pumping systems will bring productivity up to the required targets to meet the LOM schedule

On-going exploration has extended known zones of gold mineralisation along strike of the existing veins, such as the western extension of the Talavera Main Vein and the southern extension of Santa Pancha. The mine has a record of replacing production and expanding reserves. In addition there are a number of target areas identified in zones of hydrothermal alteration.

Otjikoto Gold Project - Namibia

The Otjikoto gold project is located in the Province of Otjozondjupa in the north central part of Namibia (Figure 1), some 300km due north of Namibia's capital Windhoek and approximately 2km east of the B1 national road, the main transport route between Windhoek and northern Namibia.

B2Gold has a total of 11 exclusive prospecting licences ("EPLs") covering approximately 900,000ha. The Otjikoto project is situated within the Otavi Exploration Area which consists of four EPLs that cover a surface area of approximately 275,000ha. An application for a mining licence covering an area of 6,934ha within EPL 2410 has been submitted. B2Gold has a 100% interest in all of the EPLs apart from EPL 4309, the licence covering Otjikoto itself, where it has a 92% interest.

Gold mineralisation is hosted in Precambrian metasediments and occurs as a shallow sheeted-vein system. Substantial diamond and reverse circulation drilling has been carried out and a resource estimate completed in December 2011. The resource defined is within an optimized pit shell based on a gold price of US\$1,350/oz and is summarised in Table 2.10.

Table 2.10
Otjikoto Resource Estimate - 31 December 2011

Category	Cut-off Grade g/t Au	Tonnage Mt	Grade g/t Au	Contained Gold Moz
Indicated	0.5	24.9	1.74	1.393
Inferred	0.5	1.0	1.51	0.05

Note: resource defined within optimized pit; resource on 100% basis – B2Gold interest 92%

A Preliminary Economic Assessment ("PEA") has been prepared by SRK Consulting (South Africa) (Pty) Ltd ("SRK") based on open pit mining at a rate of 2.4Mtpa with production of around 110,000ozs per annum over a 10 year period.

An Environmental and Social Impact Assessment has been completed and was approved in August 2012. Additional infill drilling, metallurgical sampling and test work, power studies and geohydrology studies are ongoing. It is planned to complete a Feasibility Study by the end of 2012 and, subject to a favourable outcome, commence construction in 2013, with commercial production expected by early 2015.

Gramalote Gold Project - Colombia

B2Gold has a 49% interest in the Gramalote project which is a joint venture with AngloGold Ashanti ("AngloGold") holding 51%. Gramalote is located in central Colombia near the town of Providencia, approximately 230km northwest of the Colombian capital of Bogota and approximately 110km northeast of Medellin. Access to the area is good via paved highways from Bogota and Medellin. The highway continues to Puerto Berrio located on the Magdalena River some 55km to the east; the river provides access to a major ocean port on the Caribbean coast at Barranquilla. High tension grid power passes within 1km of the project area.

The project area is covered by 31 contiguous claim blocks totalling 42,790ha. Surface access agreements are in place with the property owners in the area of planned exploration and drilling.

Gold mining in the Gramalote area pre-dates the Spanish colonial period, and continuous exploitation in the Gramalote Ridge area dates from the late 19th century with production generally dominated by alluvial and hydraulic techniques.

Gold and silver mineralisation at Gramalote is hosted in a quartz stockwork system within a Cretaceous granitic batholith, and is associated with sub-vertically dipping shear zones and stockwork veining consisting of quartz and quartz-carbonate veins with pyrite.

Within the Gramalote Ridge area, exploration has outlined a significant gold system extending over a strike length of 1,100m and width of 275m to a vertical depth of 450m. Substantial diamond drilling has been undertaken and a 240m exploration tunnel developed.

In February 2009 a NI43-101 compliant mineral resource estimate was completed for the Gramalote Ridge zone based on 110 diamond drill holes and 480m of underground channel samples. The estimate was updated as of 31 December 2011, based on a US\$1,600/oz optimised pit and a 0.25g/t Au cut-off and is summarised in Table 2.11.

Table 2.11
Gramalote Resource Estimate - 31 December 2011

Category	Cut-off Grade g/t Au	Tonnage Mt	Grade g/t Au	Contained Gold Moz
Indicated	0.25	47.6	0.81	1.242
Inferred	0.25	46.9	0.44	0.668

Note: resource within optimised pit; resource reflects B2Gold's 49% interest

A pre-feasibility study is scheduled for completion in late 2012. On-going work includes infill drilling and exploration of additional targets on the property, environmental studies, metallurgical test work, engineering studies, land purchases and social programmes involving the relocation of small miners. Subject to the outcome of the current studies a final feasibility study is planned for the fourth quarter of 2013. Work to date indicates that the project has the potential to produce around 300,000ozs of gold per year, with production starting as early as 2016.

Mocoa Project - Colombia

The Mocoa prospect is located in the south of Colombia approximately 470km southwest of Bogota and 10km north of the town of Mocoa. B2Gold acquired a 100% interest in the Mocoa copper/molybdenum porphyry deposit from AngloGold Ashanti, subject to a 1% royalty retained by AngloGold. The property consists of four claims totalling 7,831ha and two claim applications totalling 3,961ha.

Mocoa lies within a belt of Early to Mid-Jurassic magmatic rocks known to host several porphyry copper prospects in southern Colombia and Ecuador. Copper and molybdenum mineralisation is hosted by a potassic- and phyllic-altered dacite porphyry stock. Mineralisation consists of a stockwork of chalcopyrite, molybdenite and bornite veins and hydrothermal breccias.

Drilling was undertaken on the property in the late 1970s and early 1980s and outlined a 500 x 600m zone of mineralisation to a depth of at least 750m. A non-NI43-101 compliant historical resource was delineated of approximately 300Mt at 0.37% Cu and 0.061% Mo, using a 0.25% Cu cut off

B2Gold carried out diamond drilling in 2008 and generally confirmed the results of the previous drilling. Some encouraging Cu and Mo values were intersected at depth and the deposit was shown to be open to the north and northeast.

Cebollati Project - Uruguay

The Cebollati property is located 180km northeast of Montevideo in southern Uruguay, on rolling farm land with good road access, being approximately 8km from a paved highway. The property comprises 10 claims totalling approximately 34,200ha. The claims comprise one exploration licence, one exploration application, five prospecting licences and three prospecting licence applications.

B2Gold earned an 80% interest in the property by paying US\$1M and agreeing to fund all exploration work through to feasibility.

Approximately 50 exploration holes were drilled in 2011 and confirmed the presence of shallow, mineralised zones over a 2.2km strike; individual zones are continuous over 400m of strike and are open in depth. Several of the better intersections reported widths in excess of 5m and grades of 4g/t Au or better.

To increase the understanding of the mineralisation controls a 50 x 15m area has been stripped and nine east-west continuous sample lines completed. The 2012 exploration budget of US\$3.4M includes 4,000m of drilling and the stripping of two 50 by 20m areas to improve the understanding of the geology, together with regional evaluation and project generation work.

Bellavista Project - Costa Rica

The Bellavista property is located within the Costa Rican “Gold Belt”, approximately 70km northeast of San José. B2Gold holds 100% interest in one exploitation concession covering 700ha. The Bellavista mine was previously operated by Glencairn Gold Corporation (“Glencairn”) as a heap leach operation. Mining operations were suspended by Glencairn in July 2007 due to indications of potential ground movement caused by abnormally high rainfall. Glencairn undertook a programme of rinsing the heap leach with fresh water to remove cyanide from the heap. In October 2007 a landslide occurred resulting in damage to the east side of the heap leach pad and the plant; however, the preventative measures taken averted any significant environmental damage.

Since the landslide, a number of mitigations measures have been undertaken including extensive monitoring and site reclamation; environmental and closure audits have shown that the landslide has remained stable and there has been no contamination of surface waters or groundwater. B2Gold is undertaking reclamation activities including the planting of over 1,000 trees on portions of the waste dump area.

B2Gold is investigating the potential for re-opening the mine using different technologies, including a milling and carbon-in-leach process. A conceptual study describing the modified process, the planned location of new facilities and the use of waste material to reinforce the landslide has been submitted to government. Although Costa Rica recently passed a new law prohibiting open pit mining, the new law states that the rights of existing operations will be protected.

Trebol and Pavon Projects and Radius Gold Joint Venture - Nicaragua

In August 2012, B2Gold acquired a 100% interest in the Trebol and El Pavon gold properties in Nicaragua from Radius Gold Inc. (“Radius”). Consideration was C\$20M, payable in B2Gold common shares plus future contingent payments based on definition of future Ore Reserves in excess of 500,000ozs on the Trebol property. Prior to the August transaction B2Gold had earned a 60% interest in the Trebol and Pavon properties by expending US\$4M on exploration.

B2Gold and Radius have also entered into a 60/40 joint venture agreement with respect to the San Jose and La Magnolia properties in Nicaragua with each party contributing its pro-rated share of the exploration costs.

The Trebol property located in northeastern Nicaragua is a low sulphidation epithermal hot springs district consisting of numerous strong gold anomalies over 14km of strike length, defined by trenching and some drilling.

The Pavon property located in central Nicaragua is a low sulphidation system discovered in 2003. Several veins occurring over a strike length of 6km have been explored with trenching and drilling. B2Gold is evaluating the viability of open pit mining portions of the veins and shipping the ore to the mill at Limon.

The 2012 exploration budget covers drilling on the Trebol, San Jose and Pavon targets.

Calibre Mining JV - Primavera Project - Nicaragua

B2Gold has a joint venture with Calibre Mining Corp. (“Calibre”) with an option to earn up to a 51% interest in specific concessions in the Borosi area by funding C\$8.0M of exploration expenditure by June 2014, and then may elect to carry an individual prospect within the concession area through to a Preliminary Feasibility Study stage to earn an additional 14% interest in the prospect.

The Borosi concession is located in the Bonanza-Rosita-Siuna areas of northeast Nicaragua; this area, the “Mining Triangle” of Nicaragua, is estimated to have had historical production of more than 5Mozs of gold.

Significant porphyry-style gold-copper stockwork and vein mineralisation has been discovered at the Primavera project within the Borosi concessions, with drill intersections of over 150m grading better than 0.5g/t Au and 0.2% Cu.

The joint venture has also announced positive results from the Minnesota gold-copper project located 20km northwest of Primavera where reconnaissance mapping and sampling has outlined porphyry-style alteration and mineralisation. Initial trench results have returned near surface samples grading over 5g/t Au. The target consists of a multi-phase intrusive centre with peripheral vein sets and widespread alteration. Numerous small-scale artisanal gold miners are active in the area.

Exploration drilling is planned to further test the Primavera and Minnesota areas.

Brucejack Royalty

B2Gold has a royalty interest relating to gold and silver production from the Brucejack project in British Columbia. The project has defined high grade gold and silver resources and a Preliminary Economic Assessment has been undertaken. BDA has derived a value of the royalty payable to B2Gold using the discounted cash flow

method, based on the production schedule in the PEA. The royalty of 1.2% of net smelter return is payable after the production of 0.5Mozs of gold and 17.9Mozs of silver. For valuation purposes, BDA has adopted metal prices and discount rates as advised by BDO Corporate Finance.

2.4 Summary Valuation

Valuation Methodology

BDO Corporate Finance is undertaking a discounted cash flow valuation of the CGA and B2Gold operating mines, comprising the Masbate Gold Mine in the Philippines (CGA) and the Limon and La Libertad Gold Mines in Nicaragua (B2Gold). BDO Corporate Finance has requested that BDA assist with a review of the technical inputs to the financial modelling, and these elements are discussed in the technical review sections of this report.

BDO Corporate Finance has also requested that BDA undertake a review and valuation of the exploration assets of CGA and B2Gold.

BDA has assessed a value for the known resources of the Masbate, Limon and La Libertad projects, additional to those resources incorporated in the LOM plans, and has also assessed a value for the additional exploration potential of each area.

BDA has also reviewed the remaining exploration properties. All of CGA's exploration potential lies within the Masbate tenements. B2Gold however has a number of exploration properties away from its operating mines, and these have been valued on a stand-alone basis. Some of these projects are relatively advanced with defined Mineral Resources and preliminary development studies underway. Others are still at an exploration drilling or target definition stage. BDA has considered a range of valuation methods including past expenditure, acquisition costs, joint venture terms, yardstick methods and comparable transactions to determine value. BDA has also assessed the value of a B2Gold royalty interest, relating to the Brucejack gold and silver property in British Columbia.

Valuation Summary

A summary of BDA's valuation ranges for the CGA and B2Gold exploration assets and potential (including B2Gold's royalty interests) is shown in Table 2.12. These values include the resource and exploration value relating to the Masbate, La Libertad and Limon mining properties but exclude the value of the projected production operations at Masbate, La Libertad and Limon which have been separately valued by BDO Corporate Finance on a discounted cash flow basis.

Table 2.12
Valuation Summary of CGA and B2Gold Mineral Assets

Mineral Asset	Valuation (A\$M)			Comments
	Low	Most Likely	High	
CGA				
Masbate Resources/Exploration Potential	203.8	254.8	305.8	Yardstick, Exploration Potential
Total	203.8	254.8	305.8	
B2Gold				
La Libertad Resources/Expl. Potential	44.3	55.7	67.0	Yardstick, Exploration Potential
Limon Resources/Exploration Potential	38.4	48.1	57.8	Yardstick, Exploration Potential
Otjikoto, Namibia	93.9	117.6	141.2	DCF, Acquisition, Yardstick, Ind.Expert
Gramolate, Colombia	113.9	145.0	176.0	Yardstick, Independent Expert.
Mocoa, Colombia	33.4	43.7	54.1	Exploration, Yardstick
Cebollati, Uruguay	22.0	25.2	28.4	Exploration, Independent Expert
Bellavista, Costa Rica	-	-	-	No attributable value
Radius JV, Nicaragua	58.2	63.6	69.0	Acquisition, Independent Expert
Calibre JV, Nicaragua	12.1	13.3	14.4	Exploration, JV, Independent Expert
Brucejack Royalty	24.7	30.9	37.1	NSR royalty interest
Total	440.9	543.1	645.0	

Note – values represent CGA and B2Gold's percentage interest in the various projects; Most Likely value based on simple average of the High and Low estimates

3.0 VALUATION METHODOLOGY

3.1 Effective Date

The effective date for the valuation is 19 September 2012, the date of the announcement of the proposed transaction.

3.2 Standards and Procedures

This report has been prepared in keeping with the Valmin Code for the Technical Assessment and Valuation of Mineral Assets and Securities for Independent Expert Reports as adopted by the Australasian Institute of Mining and Metallurgy in 1995 and as amended and updated in 2005. Resource and reserve estimation procedures and categorisations have been reviewed in terms of the JORC Code, December 2004.

3.3 Valuation Principles

As a general principle, the fair market value of a property as stated in the Valmin Code (Definition 43) is the amount a willing buyer would pay a willing seller in an arm's length transaction, wherein each party acted knowledgeably, prudently and without compulsion.

3.4 Valuation Methods

There is no single method of valuation which is appropriate for all situations. Rather, there are a variety of valuation methods, all of which have some merit and are more or less applicable depending on the circumstances. The following are appropriate items to be considered:

- discounted cash flow
- amount an alternative acquirer might be willing to offer
- the amount which could be distributed in an orderly realisation of assets
- the most recent quoted price of listed securities
- the current market price of the asset, securities or company.

The *discounted cash flow* or net present value method is generally regarded as the most appropriate primary valuation tool for operating mines or mining projects close to development. Valuing properties at an earlier stage of exploration where ore reserves, mining and processing methods, and capital and operating costs, are yet to be fully defined, involves the application of alternative methods. The methods generally applied to exploration properties are the *related transaction* or real estate method, the value indicated by *alternative offers* or by *joint venture terms*, and the *past expenditure* method. *Rules of thumb* or *yardstick values* based on certain industry ratios can be used for both mining and exploration properties. Under appropriate circumstances values indicated by *stock market valuation* should be taken into account as should any *previous independent valuations* of the property.

The valuation methods considered are briefly described below.

Net Present Value (NPV)

If a project is in operation, under development, or at a final feasibility study stage and reserves, mining and processing recoveries, and capital and operating costs are well defined, it is generally accepted that the net present value of the project cash flows is a primary component of any valuation study. This does not imply that the fair market value of the project necessarily is the NPV, but rather that the value should bear some defined relationship to the NPV.

If a project is at the feasibility study stage, additional weight has to be given to the risks related to uncertainties in costs and operational performance, risks related to the ability to achieve the necessary finance for the project and sometimes a lower degree of confidence in the reserves and recoveries. In an on-going operation many of these items are relatively well defined.

The NPV provides a technical value as defined by the Valmin Code (Definition 36). The fair market value could be determined to be at a discount or a premium to the NPV due to other market or risk factors. BDA considers that the NPV or discounted cash flow method is the most appropriate method for valuing the CGA Masbate Gold Mine and the B2Gold Limon and La Libertad operations. The mines are in production with reasonably well-established production histories and costs; resources and reserves are reasonably well defined allowing development of LOM plans and projections with some confidence.

The NPV method can also be applied to the valuation of exploration properties, where those properties are adjacent to an existing or planned mining operation, and there is a reasonable likelihood that mineralisation delineated within the exploration properties could provide a future source of feed to the existing plant. In purchasing such a property, a willing and knowledgeable buyer would be mindful of the opportunity of exploiting such mineralisation and would pay a higher price where this potential was considered high. Where appropriate, BDO Corporate Finance has estimated an additional exploration value in terms of the ability to add to the mine life by determining the NPV of the additional potential cash flows. This approach has been used to assess a value for the near-mine exploration potential of the Masbate tenements, and Limon and La Libertad projects.

Alternative Valuation Methods

Recent Transactions and Acquisitions

Recent transactions or acquisitions are clearly relevant to the valuation of projects and tenements and can provide a useful benchmark for valuation purposes. The timing of such transactions must be considered as there can be substantial change in value with time and depending on the circumstances of the transaction. Work carried out post the transaction can significantly increase, or in some cases, decrease, the value.

BDA has considered whether any recent transactions or acquisitions have taken place which can be used as a basis for estimation of value of the CGA or B2Gold mining or exploration assets.

Joint Venture Terms

Acquisition of exploration property interests are commonly based on joint venture terms where one party pays to acquire an interest in a project, or spends exploration funds in order to earn an interest. These terms, both the amount of any up-front payment and the expenditure required to earn an interest, provide an indication of value. BDA has considered joint venture terms in assessing value for certain of the B2Gold exploration properties.

Related Transactions

Recent comparable transactions can be relevant to the valuation of projects and tenements. While it is acknowledged that it can be difficult to determine to what extent the properties and transactions are indeed comparable to the projects or tenements under review, this method can provide a useful benchmark for valuation purposes, though the timing of such transactions must also be considered as there can be substantial change in value with time. BDA has considered whether any comparable transactions have taken place in recent years which can be used as a basis for estimation of value of the CGA or B2Gold mining or exploration assets.

Rules of Thumb or Yardsticks

Certain industry ratios are commonly applied to mining projects to derive an approximate indication of value. The most commonly used ratios relate to gold projects and comprise dollars per ounce of gold in resources, dollars per ounce of gold in reserves, and dollars per ounce of annual production. The ratios used commonly cover a substantial range which is generally attributed to the 'quality' of the ounces in question. Low cost ounces are clearly worth more than high cost ounces. Where a project has substantial future potential not yet reflected in the quoted resources or reserves a ratio towards the high end of the range may be justified. BDA has considered whether yardstick values provides a useful guide to valuation of the CGA or B2Gold projects.

Past Expenditure

Past expenditure, or the amount spent on exploration of a tenement is commonly used as a guide in determining the value of exploration tenements, and 'deemed expenditure' is frequently the basis of joint venture agreements. The assumption is that well directed exploration has added value to the property. This is not always the case and exploration can also downgrade a property and therefore a 'prospectivity enhancement multiplier' ("PEM"), which commonly ranges from 0.5-3.0, is applied to the effective expenditure. The selection of the appropriate multiplier is a matter of experience and judgement. To eliminate some of the subjectivity with respect to this method, BDA has applied a scale of PEM ranges as follows to the exploration expenditure:

- PEM 0.5 - 0.9 Previous exploration indicates the area has limited potential
- PEM 1.0 - 1.4 The existing (historical and/or current) data consists of pre-drilling exploration and the results are sufficiently encouraging to warrant further exploration.
- PEM 1.5 - 1.9 The prospect contains one or more defined significant targets warranting additional exploration.
- PEM 2.0 - 2.4 The prospect has one or more targets with significant drill hole intersections.
- PEM 2.5 - 2.9 Exploration is well advanced and infill drilling is required to define a resource.
- PEM 3.0 A resource has been defined but a (recent) pre-feasibility study has not yet been completed.

BDA has considered exploration expenditure in determining a value for some of the exploration tenements.

Prospectivity

Over-riding any mechanical or technical valuation method for exploration ground must be recognition of prospectivity and potential, which is the fundamental value in relation to exploration properties.

Market Valuation

On the fundamental definition of value, as being the amount a knowledgeable and willing buyer would pay a knowledgeable and willing seller in an arm's length transaction, it is clear that due consideration has to be given to market capitalisation. In the case of a one project company or a company with one major asset, the market capitalisation gives some guide to the value that the market places on that asset at that point in time, although certain sectors may trade at premiums or discounts to net assets, reflecting a view of future risk or earnings potential. Commonly however a company has several projects at various stages of development, together with a range of assets and liabilities, and in such cases it is difficult to define the value of individual projects in terms of the share price and market capitalisation.

Other Expert Valuations

Where other independent experts or analysts have made recent valuations of the same or comparable properties these opinions clearly need to be reviewed and to be taken into consideration. We have inquired of CGA and B2Gold whether any other recent valuations of the companies or their assets have been undertaken and have been advised that the only other recent assessments have been various brokers' reports.

Special Circumstances

Special circumstances of relevance to mining projects or properties can have a significant impact on value and modify valuations which might otherwise apply. Examples could be:

- *environmental risks* - which can result in a project being subject to extensive opposition, delays and possibly refusal of development approvals
- *indigenous peoples/land rights issues* - projects in areas subject to claims from indigenous peoples can experience prolonged delays, extended negotiations or veto
- *country issues* - the location of a project can significantly impact on the cost of development and operating costs and has a major impact on perceived risk and sovereign risk
- *technical* - issues peculiar to an area or orebody such as geotechnical or hydrological conditions, or metallurgical difficulties could affect a project's economics.

We have considered, and have inquired of CGA and B2Gold, whether any such factors apply to the projects and prospects under review.

4.0 SOURCES OF INFORMATION

BDA has undertaken site visits to the CGA Masbate gold operation in the Philippines and BDCI has visited the B2Gold mining operations at Limon and La Libertad in Nicaragua. Assessment of the development and exploration properties has been done on a desk top basis. Exploration, geological, resource, reserve, mining, processing and engineering data has been reviewed with CGA and B2Gold technical and management staff.

The principal reports and documents reviewed are listed below:

Public Information

- CGA Mining Limited Annual Reports 2010, 2011
- CGA Mining Limited Quarterly Reports 2011-2012
- CGA Mining Limited ASX and TSX Announcements 2012
- CGA Mining Limited Web Pages
- B2Gold Corp Annual Report 2011
- B2Gold Corp Quarterly Reports 2011-2012
- B2Gold Corp TSX Announcements 2012
- B2Gold Corp Web Pages
- CGA-B2Gold Merger Announcements – September and October 2012

CGA Projects

- Masbate Gold Project Feasibility Study, Initial Environmental Review - Sinclair Knight Merz, January 2004
- Environmental Protection and Enhancement Programme - Filminera Resources Corporation, April 2005
- Technical Report on the Mineral Resources of the Masbate Deposit - MAPL, February 2006
- Masbate Gold Project, Masbate Island, Philippines, NI43-101 Technical Report - IMC Limited, April 2006
- Masbate Gold Project Feasibility Study for Thistle Mining Inc. - Ausenco, May 2006
- Masbate Gold Mine Project EPC BFS Value Engineering and Rationalization - Leighton Contractors (Philippines) Inc, May 2006
- Review of Proposed Masbate Process - Internet Engineering Pty Ltd, July 2006
- Masbate Gold Project, 2007 AEPEP prepared by BMP Environmental & Community Care, Inc. for Filminera Resources Corp, June 2007
- Gold Recovery – Masbate Project. R.W Bourne & Assoc Pty Ltd, August 2007
- Masbate Gold Project Optimisation – CGA Mining Limited, September 2007
- Capital Cost Estimate Spreadsheet “Construction_Budget_Summary” - CGA Mining Ltd, March 2008
- Summary of Power Supply Plan - CGA Mining Limited, April 2008
- Technical Report on the Mineral Resources of the Masbate Deposit - MAPL, May 2008
- Annual Information Form for 12 Months ended June 2012 – CGA Mining Limited, September 2012
- NI43-101 Technical Report Masbate Gold Project - Lower Quartile Solutions Pty Limited, December 2008
- NI43-101 Technical Report Masbate Gold Project – CGA Mining Limited, October 2011
- Monthly Site Operations Reports - CGA Mining Limited, January-September 2012
- Masbate LOM Plans and Financial Models - CGA Mining Limited, September and October 2012

B2Gold Projects

General

- 2011 Reserve and Resource Statement for B2Gold Corp., April 2012

La Libertad Project

- Feasibility Study on the Orosi Gold Project, Nicaragua, Central Sun Mining Inc - Scott Wilson RPA Inc, August 2008
- Technical Report on the Orosi Mine, Nicaragua: 2008 Exploration Programme and Mineral Resource Estimate, San Juan Zone, NI 43-101 Report, March 2009
- La Libertad Monthly Operations Reports, 2010, 2011, 2012 - B2Gold Corp
- Jabali Project Bottle Roll Leach Testing, Metallurgical Testwork - Kappes Cassiday & Assocs, April 2012
- Mojon Resource Estimate - B2Gold Corp, April 2012
- Jabali Resource Estimate - B2Gold Corp, April 2012
- Financial Model “120606- 2012LOMinferredLibertad R6 4.xlsx” “Jab02_BRT_01 (Final Jabali Leach Testing Results.xlsx)”, B2Gold Corp, September 2012
- “Jab02_BRT_01 (Final Jabali Leach Testing Results.xlsx)” - B2Gold Corp, September 2012
- Financial Model “La Libertad LOM DCF (13 Sep 2012).xlsx”, B2Gold Corp, September 2012

Limon Project

- Technical Report on Mineral Resources and Mineral Reserves, Limon Mine and Mestiza-La India Areas, Nicaragua, NI43-101 Report, March 2008
- Technical Report on Mineral Resources and Mineral Reserves, Limon Mine and Mestiza Areas, Nicaragua, NI43-101 Report, March 2008
- El Limon Monthly Summary Exploration Reports, 2010, 2011, 2012
- Limon Monthly Operations Reports, 2010, 2011, 2012
- Financial Model “120605 2012 Reserves Inferred Limon R2 2.xlsx” - B2Gold Corp, September 2012
- Financial Model “Limon LOM DCF (13 Sep 2012).xlsx” - B2Gold Corp, September 2012

Exploration and Development Properties

- Exploration Budgets YTD Summary - B2Gold Corp, September 2012
- Exploration Expenditure Consolidated Balance Sheet – B2Gold Corp, June 2012
- Web Pages - B2Gold Corp, Sept 2012
- About B2Gold PowerPoint – B2Gold Corp, September 2012
- B2Gold Corp Research Report - Canaccord Genuity, August 2012
- B2Gold Research Report - Macquarie Equities Research, September 2012
- B2Gold Corp Research Report - Raymond James, October 2012

General Data

- Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves - Report of the Joint Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia - December 2004 (“the JORC Code”)
- Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports - 2005 (“the Valmin Code”).

5.0 CGA PROJECTS

5.1 Masbate Gold Mine - Philippines

Introduction and Site Location

The CGA Masbate Gold Project is located near the northern tip of the Philippine island of Masbate, within the municipality of Aroroy, 360km southeast of Manila (Figure 2), on a site previously mined by Atlas Consolidated Mining and Development Corporation. The granted tenements and applications cover a total area of approximately 11,593ha (Figure 2) and are held by Filminera Resources Corporation and Vicar Mining Corporation (Figure 3). The topography is rugged, with promontories rising steeply from the coast to a maximum elevation of around 330m. The areas of high relief commonly coincide with the suboutcrop of the principal mineralised vein systems.

The project area is drained by two main river systems, the Guinobatan and the Lanang, both draining into Port Barrera Cove which forms a large embayment to the west of the project area (Figure 3). The area has a tropical monsoonal climate. Average annual rainfall varies from 1,450-3,750mm per year with the heaviest rains falling from July to December, which is also the typhoon season. Vegetation is dense, but comprises mainly grassland, scrub and regrowth in the mine areas. The site has previously been mined, and consequently the local environment is considered moderately to severely disturbed.

Access to the site is by road from the towns of Aroroy and Masbate City or by boat along the northeast coast from Masbate City (Figure 2). PGO operates a converted fishing trawler to transport personnel and small items of freight between Masbate City and site. An airstrip immediately north of the mine site allows access by light aircraft. Daily commercial flights operate between Manila and Masbate City.

The project is based on open pit mining of gold mineralisation contained within a series of quartz vein and stockwork deposits. The principal gold deposits include Montana, Colorado, Grand View, Holy Moses, Basalt, Main Vein, Libra, Binstar, Doris and Panique (Figure 4). Some of these veins merge and are mined within a single pit. Typically three or four areas are mined concurrently.

CGA acquired its interest in the project in 2007. After completing a feasibility study and arranging project finance, work commenced on constructing a new process plant, a tailings storage facility ("TSF") and commencing mining pre-strip operations. Ore processing commenced in 2009. Initial plant throughput was planned at 4Mtpa, with target gold production of around 150,000ozs per annum. The process plant was expanded to 6.5Mtpa throughput in 2011. Current reserves are sufficient to support a 16 year operation with production of 150-200,000ozs per annum. Masbate is the largest operating gold mine in the Philippines, with significant exploration potential to support a further extension of mine life, or expansion of throughput.

History

Small scale gold mining has been carried out in Masbate for several centuries. Mining for gold took place under the Spanish colonisers, and significant development took place before the First World War and up to the start of the Second World War, involving both American and Philippine companies. Up to six separate operations were active in the area through the 1930s with stamp batteries and cyanide mills treating 50-400 tonnes per day ("tpd"). Mining was primarily narrow vein underground selective mining of the higher grade quartz veins.

In 1936 the Masbate Consolidated Mining Company was formed incorporating several of the smaller mines. The company operated until 1941 but mining ceased during the war. There was no significant renewal of mining activity until 1980 when Atlas formed Masbate Gold Operations ("MGO"), constructed a mill and associated infrastructure and commenced open pit and, later, underground mining. MGO was the first significant open pit gold mining operation in the Philippines, the first to use the carbon in pulp ("CIP") process and, later, the first to undertake heap leaching of gold ores. MGO mined and treated approximately 1.2Mtpa for 14 years until 1994, producing around 1Mozs of gold (average 72,000ozs per annum) from 17.5Mt of ore, averaging 2.1g/t Au; gold recovery averaged 86%. In addition a small contribution (49,200ozs) was made by heap leach operations from 1984-1993 (see Table 5.1). Silver production over the same period totalled 944,500ozs.

Table 5.1
Production - 1980 to 1994

Year	Tonnes (Mt)	Mill Production		Heap Leach Gold Ozs	Total Gold Ozs
		Grade (g/t)	Gold Ozs		
1980	0.991	2.13	50,000		50,000
1981	1.211	2.39	81,500		81,500
1982	1.260	2.28	80,200		80,200
1983	1.272	2.31	82,800		82,800
1984	1.267	2.26	79,900	1,500	81,400
1985	1.346	2.06	78,600	6,300	84,900
1986	1.256	2.08	73,000	5,000	78,000
1987	1.225	1.76	58,200	5,200	63,400
1988	1.266	1.88	65,200	5,400	70,600
1989	1.320	2.09	77,600	5,800	83,400
1990	1.311	2.16	80,000	7,000	87,000
1991	1.286	2.10	76,800	6,500	83,300
1992	1.224	2.17	74,900	3,000	77,900
1993	0.946	2.09	56,400	3,500	59,900
1994	0.285	2.07	16,800	-	16,800
Total	17.464	2.13	1,032,300	49,200	1,081,500

Note: 1994 eight months production only

Ore production for the first six years of operation from 1980 was entirely from open pits, with the bulk of material coming from the Main Vein open pit. In 1986 underground mining commenced and by 1987 ore was being mined from four separate underground locations. From 1989 to 1994 approximately 50% of mill feed came from underground. MGO at the time of shutdown in 1994 was sourcing ore from two underground and six open pit mines, all within a 5km radius of the mill. Open pit sources also supplied low grade feed for the heap leach operation.

The operations were shut down in August 1994, largely due to financial difficulties being faced by the parent company in relation to its copper mining operations in Cebu, but also due to the relatively high production costs of MGO.

In 1995 London Fiduciary Trust plc (later renamed Philippine Gold Limited or “PGO”) agreed to purchase MGO from Atlas for US\$10M, payable in three annual payments. PGO became a wholly-owned subsidiary of Thistle Mining Limited in 2000 and subsequently was acquired by CGA in 2007 for a consideration of US\$51M.

A Feasibility Study to re-develop the project was completed in May 2006. Site development work commenced in 2007, and the process plant was commissioned in early 2009. First commercial production took place in July 2009.

Design throughput of 4.5Mtpa was achieved in the first operating year. A plant expansion in 2011 increased throughput capacity to 6.5Mtpa. Production in 2011/12 was severely impacted by a SAG mill failure which occurred in July 2011 and affected operations for the July to December half year; throughput for the six months January to June 2012 totalled 3.3Mt with production of approximately 100,000ozs.

Table 5.2
Production - 2009 to 2012

Year	Tonnes (Mt)	Mill Production	
		Grade (g/t)	Gold Ozs
2009/10	4.486	1.26	150,000
2010/11	6.153	1.13	190,000
2011/12	4.748	1.08	142,800
Total	15.387	1.15	482,800

Note: Financial Years July to June; 2011/12 production was impacted by a SAG mill failure in the first half of the year - second half throughput and production was equivalent to an annualised rate of 6.5Mtpa and 200,000ozs

Current Project

The principal components of the project (following plant expansion and an updated resource and reserve estimate in 2011) are as follows:

- Measured and Indicated Mineral Resources of 204.3Mt averaging 0.76g/t Au containing 5.0Mozs of gold, with an additional 102.8Mt of Inferred Mineral resources averaging 0.86g/t Au
- Proved and Probable open pit Ore Reserves of 118.6Mt averaging 0.83g/t Au containing approximately 3.2Mozs of gold
- open pit operations, mining five principal pits and a number of smaller deposits, with a current mine life of approximately 17 years, providing feed to the mill at a rate of 6.5-7.0Mtpa
- a process plant comprising crushing, grinding, carbon in leach (“CIL”) extraction, elution, electrowinning and smelting processes to produce gold doré bullion, processing ore at a rate of 6.5-7.0Mtpa with annual production averaging approximately 200,000ozs of gold per annum over the next 10-12 years, reducing towards the end of mine life with the treatment of low grade stockpiles
- operating cash costs including gold refining, overheads and community royalties of approximately US\$21/t of ore treated, with an average cash cost of around US\$820/oz of gold produced
- storage of tailings in a tailings storage facility constructed from material sourced from local borrow pits, with cyanide destruction using both injected hydrogen peroxide into the tailings and a recently commissioned Caro’s acid plant.
- mine infrastructure comprising power generation and reticulation, site camp accommodation, administration offices, workshops and stores, project water supply and various water drainage and water diversion facilities.

Tenements

BDA has not undertaken any legal due diligence on ownership, tenement or licensing issues. The following notes are largely based on information provided by CGA.

The Masbate mineral tenements and operating permits are held by Filminera Resources Corporation and Vicar Mining Corporation; FRC manages the open pit operations. The mining claims and applications cover an area of approximately 116 square kilometres or 11,593ha (Figure 2), and extend over a 16km northwest-southeast mineralised corridor. Individual tenements include Patented Mineral Claims (236ha), Mineral Lease Claims (108ha), Mineral Production Sharing Agreements covering 1,911ha, Mineral Production Sharing Agreements under application (“APSA”) covering 1,359ha and Exploration Permits and Applications (7,979ha). These claims jointly cover all principal mining areas and areas of known mineralisation.

FRC holds the right to explore and mine for gold, silver and other minerals under the terms of the principal MPSA for a term of 25 years commencing July 1997 with an option to extend for a further 25 years.

Philippines Gold Processing and Refining Corporation operates the process plant and has an ore purchase and processing agreement with FRC and VMC. CGA indirectly owns 100% of PGPRC and has a direct and indirect interest of 64% of FRC and VMC.

FRC was granted an Environmental Compliance Certificate (“ECC”) by the Department of Environment and Natural Resources (“DENR”) in June 1998, and received approval for its Environmental Protection and Enhancement Programme (“EPEP”) in September 2005 and its Social Development and Management Programme (“SDMP”) was approved in August 2007. A Mineral Processing Permit has been granted to PGPRC by the DENR. These regulatory approvals provide the development consent which enables the project to operate, subject to the ECC Conditions.

Geology and Mineralisation

Regional Geology

The Philippine archipelago forms part of the Western Circum-Pacific Rim, an Island Arc system lying at the junction of three crustal plates. It is a complex agglomeration of discrete terranes, ophiolitic slabs of oceanic origin and continental margin fragments, brought together by strike-slip fault displacement and by convergence and interaction of oceanic plates since late Mesozoic time (150Ma).

The archipelago forms a 300-600km wide mobile belt, a broad zone of active deformation, seismicity and volcanism, framed by two opposing and convergent systems. To the east, the Philippine Sea plate is being thrust westwards along the westerly dipping Philippine/East Luzon Trench subduction zone while to the west the South

China Sea plate is being underthrust eastwards along the easterly dipping Manila, Sulu-Negros and Cotabato trenches (Figure 2).

The Philippines Fault, a major strike-slip system, runs 1,200km north-south through the central portion of the mobile belt from Luzon in the north to Mindanao in the south. Sinistral displacement along the fault could exceed 200km.

The Philippine archipelago forms one of the world's premier porphyry copper and epithermal gold provinces. Over 50 significant gold and copper-gold deposits are known within the Philippines which have been subject to past or present mining. The bulk of the known deposits are found along mobile orogenic belts, commonly in clusters and generally associated with shearing, intrusive episodes and epithermal events associated with the intrusion of granodiorites, diorites or andesitic porphyries. Mineralisation is found in both the intrusives and the adjacent country rocks, mostly metavolcanics and interbedded metasediments. The mineralising events are typically Miocene in age (20Ma) but range from Cretaceous to Pliocene.

Local Geology

The Masbate Project area is centred on a 5km wide northwest oriented mineralised block which is bounded by two northwest trending fault zones, the Pinanaan Fault to the east and the Malubi-Lanang-Balete Fault to the west. Mineralisation occurs within quartz veins within a volcanic agglomerate and within associated altered wallrocks, breccias and stockwork zones. The stratigraphic sequence is shown in Table 5.3.

Table 5.3
Stratigraphic Sequence

Age	Formation/Unit	Description
Mid Miocene	Hornblende-Augite Intrusive	Cross-cutting intrusive dykes and sills
Late Miocene	Lanang Formation - Tuffs	Lithic tuffs, younger cover rocks
Early Miocene	Panique Formation Volcanics - Volcanic Agglomerate	Major host rock, altered and silicified andesitic-dacitic tuffaceous agglomerate, auriferous quartz veins, breccias and stockworks
Oligocene	Aroroy Quartz Diorite	Quartz diorite intrusive east of Pinanaan Fault - granodiorite, quartz diorite and hornblende diorite porphyry
Eocene-Oligocene	Mandaon Formation - Metasediments/Metavolcanics	Local basement rocks - volcanics and indurated sandstones and conglomerates

The Mandaon metasediments and metavolcanics form the basement rocks and are generally unmineralised. They are intruded by major quartz diorite bodies, which outcrop principally to the east of the Pinanaan Fault. The metasediments are overlain by the Panique Formation andesitic and dacitic flows and agglomerates, the main host horizon to the mineralisation. Overlying the agglomerates is a younger lithic tuff horizon. The sequence is intruded by late hornblende-augite dykes and sills. Minor mineralisation has also been reported in the tuffs and the later intrusives.

The known mineralisation and former operating mines are concentrated within the northern portion of the leases, over a 5km strike length. The central portion of the tenements is largely covered by the younger lithic tuff sequence and there are fewer outcrops of the agglomerate horizon. To the south of the area mineralised silicified agglomerate is again exposed and additional historical mines and prospects occur.

Mineralisation

Mineralisation is associated with a fracture system which has allowed hydrothermal mineralising fluids to permeate and alter favourable host rocks. The most favourable host rocks are the Panique volcanic agglomerates. The major trend is northwest-southeast, sub-parallel to the Pinanaan and Malubi shears and to the Philippine Fault, which lies just off the eastern coast of Masbate. Individual mineralised quartz veins can be traced over 2-3kms; the known system extends over more than a 10km strike. Other subsidiary vein systems follow an east-west trend and a northeast-southwest orientation is also present. The major veins are sub-vertical, and dip steeply west or east.

Vein widths vary from 1-2m up to 20m. Where different structural orientations intersect, a broad zone of alteration or brecciation can occur leading to mineralised zones in excess of 50m wide. The veins are commonly distinct with relatively sharp wallrock contacts and a limited zone of wallrock alteration but stockwork areas also occur where broad zones are intersected by a network of veinlets and pervasive alteration of the wallrock. While

historical mining, particularly underground mining, has focussed on the higher grade veins, lower grade stockwork zones form a significant component of mill feed for the current project.

Gold mineralisation is strongly associated with quartz veining and silicification. However, there have been several phases of quartz veining and late, massive, white quartz veins are commonly unmineralised. Calcite is a common vein mineral. Sulphides are not generally abundant but are found within the veins and on the selvages of the veins and wall rock. Pyrite is the principal sulphide, with minor chalcopyrite and sphalerite. Gold is relatively fine-grained; mineralogical work suggests a 5-20 micron grain size.

The predominant wall-rock alteration is silicification; sericitic and argillic alteration also occur adjacent to the veins and stockwork zones.

The depth of weathering is variable depending on the host lithology. Typically the agglomerates are weathered to a depth of 20-40m with deeper weathering along joints or zones of shearing. The more massive quartz veins, volcanics and intrusives are relatively unweathered.

Exploration Potential

The Masbate tenements total approximately 11,593ha. To date detailed investigations have largely been confined to the northern section of the tenements, but CGA is now focussing on a number of targets to the south and is carrying out an extensive regional exploration programme including regional mapping, surface sampling and geophysical surveys with follow up exploration drilling. Near surface mineralisation is known at several locations, and some of these prospects have been mined in the past. Some of the locations where further work is planned include Water West, Young Lady, David Sum, Bart-Ag, Blue Quartz and Old Lady. In addition to the north there appears significant potential within the recently acquired Pajo tenements. BDA considers that potential exists, both locally and regionally to identify additional mineralisation which could add to the project resources and reserves over the longer term.

Geological Data

The Masbate geological database incorporates data collected over more than 25 years. This data has been checked and validated and assembled in a database, and used as the basis for resource and reserve estimation. The drill data comprises both diamond drill ("DD") and reverse circulation ("RC") percussion drilling and includes detailed grade control drilling.

Inevitably, given the different companies involved and the different methodologies, processes and procedures, the quality of the data is somewhat variable. However, the fundamental data is underwritten by 18 years of mine and mill production and reconciliation. Numerous independent checks have been carried out over the years. A material bias has been identified relating to a period of assaying during the late 1990s when home-made cupels were used for fire assay determinations in the Masbate on-site laboratory. Independent reviews suggested that the assays from this period could be biased low by around 15%. No adjustment has been applied to the data used in the resource and reserve estimates however, and therefore if a bias does exist, the current estimates are likely to prove slightly conservative. With extensive modern drilling programmes, the contribution of the historical data is becoming less significant. Overall, BDA considers the geological data to have been collected in a diligent fashion and that the resulting database represents a reasonable and appropriate basis for estimation of resources and reserves.

Resources and Reserves

BDA has not re-estimated the resources or reserves. However, the processes and procedures and the drill hole data and block model data have been reviewed. From our review we consider that the procedures and methodology adopted are appropriate and that the resource and reserve estimates provide a reasonable representation of the in situ and recoverable mineralisation respectively. Allowance has been made for material already mined from underground.

The resource estimation has been undertaken by independent resource specialists, Mining Associates Pty Limited of Brisbane using Ordinary Kriging. The latest October 2011 Mineral Resource estimates is shown in Table 5.4, at a 0.36g/t Au cut off which is generally consistent with the cut off applied to the Ore Reserve estimate.

Table 5.4
Mineral Resource Estimate - October 2011

Category	Tonnes (Mt)	Mineral Resource Grade (g/t Au)	Contained Gold (Mozs)
Measured	6.4	0.77	0.16
Indicated	197.8	0.76	4.84
Total Measured + Indicated	204.3	0.76	5.00
Inferred	102.8	0.86	2.83

Note: cut off 0.36g/t Au; Table is based on In Situ resources – low grade stockpile was separately estimated at 7.4Mt at 0.55g/t Au

The 2011 estimate was based on approximately 2,150 diamond and RC drill holes and nearly 24,000 grade control holes. All drill hole samples were composited to 2m. Block sizes varied but were generally 20 x 20 x 10m for Indicated areas. Indicated resource areas are generally drilled on a 25-30m section spacing with Measured Resources based on infill and grade control drilling.

Golder Associates (“Golder”) was engaged to generate an Ore Reserve estimate based on the Mining Associates resource model. Golder used the Whittle 4X optimisation programme to define optimum pit shells, using a gold price of US\$1,300/oz, pit wall angles based on independent geotechnical analysis and recoveries and costs based on the current operation. Allowance was made for mining dilution of 5% with diluting material assigned a grade of 0.17g/t Au, and mining recovery of 97.5%. Final pit designs considered the locations of former underground working and the location and orientation of geological faults. The resulting October 2011 Ore Reserve estimate is shown in Table 5.5.

Table 5.5
Ore Reserve Estimate - October 2011

Category	Tonnes (Mt)	Ore Reserve Grade (g/t Au)	Contained Gold (Mozs)
Proved	5.7	0.75	0.139
Probable (In situ)	105.5	0.85	2.899
Probable (Stockpiles)	7.4	0.55	0.131
Total Proved + Probable	118.6	0.83	3.168

Note: cut off Oxide material = 0.36g/t Au, Transitional material = 0.39g/t Au, Primary material = 0.43g/t Au; overall strip ratio 2.3:1

The stockpile reserve incorporates low grade material mined during CGA’s operations, and low grade stockpiles accumulated from the earlier Atlas mining phase. Generally material above cut off but below 0.7g/t Au is assigned to the low grade stockpile but this can vary depending on ore supply at the time.

CGA carries out systematic grade control drilling prior to mining, and the final ore boundaries for mining are based on the detailed grade control drilling. Systematic records are maintained of the tonnes and grade mined and processed, and the reserve block tonnes and grade depleted. This allows a reconciliation to be carried out comparing the reserve block estimates with the ore actually recovered and processed.

For the first two years of CGA operations the reconciliation demonstrated that substantially more ore was being delineated than had been estimated, but at a lower grade; overall gold contained was higher than projected. The overestimation of grade was a major focus of the updated resource estimate in 2011. Results post the adoption of the new estimate in May 2012 are shown in Table 5.6 and show a close reconciliation with the reserve grade. The positive tonnage reconciliation remains, though reduced, and overall approximately 25-30% more gold is being recovered than projected in the reserve model. The low grade ore is added to the low grade stockpile, the high grade ore is processed through the mill. A reconciliation is also conducted between the grade control estimates and the final mill tonnages and grade, and typically gives close results, confirming the accuracy of the grade control procedures. For the period tabulated below, the reconciled mill grade was 4% higher than the grade estimated by grade control.

Table 5.6
Grade Control to Reserve Model - Reconciliation From May 2012

Data	High Grade		Low Grade			
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Measured and Indicated Resources						
Resource (High Grade Ore Depleted)	1,670,922	1.05	56,800	1,561,892	0.54	26,946
Grade Control (High Grade Ore Mined)	2,182,977	1.07	74,865	1,928,858	0.54	33,467
Reconciliation % (GC vs Resource Model)	131	102	132	123	100	124

Note: high grade ore cut-off = 0.7g/t Au; low grade ore cut off = 0.4g/t Au for primary material; resource reconciliations are based on the new Mining Associates October 2011 resource model

BDA notes that under the JORC Code, Inferred resources are considered too poorly defined to be carried forwards into a reserve estimate. CGA follows this standard procedure and thus if areas of Inferred resources are proved up by detailed grade control drilling prior to mining, this represents an increase in mineable material compared with the reserve projections. Because of the previous mining activities and the steep topography, detailed infill drilling is difficult and thus a significant percentage of Inferred resource is likely to remain a feature of the Masbate Mineral Resource estimate and an ongoing potential upside to the reserve projections.

Mining

Historically, open pit mining at Masbate under Atlas was a conventional drill and blast, electric shovel and truck operation. Depending on the pit location, ore was hauled to the mill either by the mining fleet trucks (85t rear dump) or by small (10-20t) highway trucks, supplied by local contractors.

The majority of the areas being currently mined by CGA encompass areas of previous mining. These former pits and excavations were not mined to the current economic limits, with Ore Reserves remaining at depth and in the side walls as well as at surface. In several areas only limited surface excavation was conducted by Atlas, although some of the deeper material was partially mined by underground methods. Based on the current, much higher gold prices, a number of earlier smaller pits will eventually be amalgamated into larger excavations. The current mining focus is on the Colorado, Holy Moses/Basalt and Main Vein and Binstar areas (Figure 3).

Mining is carried out under an alliance contract by Leighton Contractors (Philippines) Inc. ("LCPI"). PGO staff provide overall mine planning, supervision and grade control activities. The LCPI mining fleet comprises diesel-powered 100t hydraulic excavators and 85-100t rear dump trucks, with support equipment including drills, front end loaders, graders, dozers and service units. Smaller all-wheel drive 6 x 6 articulated trucks are used for pioneering work in establishing benches in the steeper and more difficult areas. Mining is carried out on 2.5m benches.

The initial targeted mining rate was 4.5Mtpa of high grade ore (>0.7g/t Au) delivered to the mill with low grade material (0.4-0.7g/t Au) stockpiled. The mill throughput rate has now been increased to 6.5Mtpa, but the high grade mining rate for the next five years averages 5Mtpa, with the balance of the mill feed made up with lower grade material. Waste production over the next five years ranges from 12-14Mtpa and the waste to ore stripping ratio is around 2:1. Over the life of mine the strip ratio averages 2.2:1 (waste:ore).

Geotechnical assessments have been carried out on each area using recognised independent consulting groups and the data has been incorporated into the pit designs. Pit designs are optimised using Whittle Four-X multi element optimisation software to determine the profitability of each designated block of ore. For the purposes of optimisation work and mine planning, Inferred resources are not assigned any value and are considered as waste.

Pit slope angles for optimisation studies range from 35-43°. The pit designs and slope angles are based on geotechnical recommendations. Where appropriate the pits are developed in a series of stages.

One of the key constraints at Masbate is the availability of suitable space for waste dumping within reasonable distances of the pits and much of the mine planning work focuses on the options for dump locations and haulage distances.

Grade control drilling, using RC rigs drilling on a 12 x 6m grid at an angle of 60° over a vertical interval of 10m, generally confirms the interpreted ore zones but typically more ore is outlined on each bench than forecast, giving an overall positive tonnage and contained metal reconciliation. The overall grade through 2010 and 2011 was generally lower than reserve projections, though this was partially the result of defining additional tonnages of low grade mineralisation. The grade estimation issue has been addressed in the 2011 reserve update and in recent months grade reconciliations have been good.

BDA considers that the mining plans have been appropriately designed, with consideration of the geotechnical and haulage aspects in determining the optimum schedule and pit designs. The estimates and designs are consistent with industry standards.

Processing

The Masbate process plant was designed by Ausenco Limited, based on metallurgical testwork conducted by Metcon Laboratories ("Metcon") in Sydney and AMMTEC Pty Limited ("AMMTEC") in Perth. Intermet Ltd and Lycopodium Pty Ltd, ("Lycopodium") undertook detailed value engineering to optimise the plant design. The plant was constructed by Leighton Contractors Asia Limited based on the final design by Lycopodium.

The plant is a conventional crush, grind, carbon in leach and carbon adsorption gold recovery plant designed with an initial throughput capacity of 4.5Mtpa. The grinding circuit comprises a 6MW SAG mill and two 3.6MW ball mills. The plant was commissioned in early 2009 and first commercial production took place in July 2009.

Design throughput of 4.5Mtpa was achieved in the first operating year. Optimisation and de-bottlenecking work allowed a progressive increase in throughput capacity towards 6.5Mtpa, facilitated by installation of a secondary crushing circuit in 2011. Process tailings are deposited in an engineered TSF located 2.5km from the process plant (Fig 4). Annual process recoveries for future planning (see LOM plan) range from generally 84-88%, but for individual ore types are dependent on grade and degree of oxidation.

Production in 2011/12 was severely impacted by a SAG mill failure which occurred in July 2011 and affected operations for the July to December half year. Major repairs were carried out to the mill and full scale operations re-commenced 29 December 2011. Throughput for the six months January to June 2012 totalled 3.3Mt with production of approximately 100,000ozs. From July to end September 2012, 1.7Mt of ore was treated and 47,600ozs of gold produced, equivalent to an annual throughput rate of 6.8Mtpa and annual production of 190,000ozs.

Infrastructure

The mine site lies approximately 72km north of the provincial capital of Masbate City, and can be accessed from Masbate City via a low quality partially-sealed road (Figure 2). This road is used for the transport of minor supplies only. The main access to the site for large equipment items, bulk materials and construction materials is by sea, using barges which are unloaded at the project wharf located in a large protected bay to the immediate west of the mine area, and transported by truck on site roads to the process plant and mine, or, in the case of fuel, pumped to existing storage tanks. PGO also operates a motor launch between Masbate City and the mine site, and a landing strip at the mine allows access by light aircraft from Manila or other local centres. Light aircraft are used to transport the doré bullion product off site for payroll deliveries, emergency evacuations, transport of critical spares and personnel.

An on-site 30MW power station powered by three second hand 6.4MW and two 5.6MW Sulzer slow speed marine heavy fuel oil (“HFO”) engines provides power to the process plant and the mine. Power is reticulated to processing and infrastructure facilities through two high voltage transmission lines. PGO is currently licensed to operate a power station up to 50MW capacity

The major source of process water is from tailings decant water, supplemented by water from an existing dam on the nearby Guinobatan River. Potable water is supplied from an upgrade to a borefield adjacent to the Guinobatan River.

An accommodation camp provides facilities for supervisory staff and operators recruited from outside the local area. The major site buildings including the technical and administration offices, warehouse, workshop and assay laboratory. On site haul roads and access roads are well maintained.

Telephone, email and facsimile coverage is supplied by digital satellite communications.

In BDA’s opinion the infrastructure facilities are reasonable and appropriate for the project.

Environmental

The environmental management procedures, protection strategies and monitoring programmes are well planned and documented in the approved EPEP. BDA considers the mitigation measures applied to reduce environmental impacts appropriate. Water quality monitoring reduces the risk of unforeseen water quality impacts on the downstream aquatic and offshore marine environments.

Tailings generated from the process plant are piped to a Tailings Storage Facility located 2.5km south of the plant. The design consists of a main wall and subsidiary walls which are constructed in a series of lifts. GHD, an international engineering and environmental group regularly monitors the ongoing construction against design. PGO has recently commissioned a Caro’s Acid plant which will further reduce the cyanide content in the tailings effluent. The project is operated in compliance with its ECC.

The DENR approved Social Development and Management Programme, which includes a Livelihood and Skills Training Programme, appears well conceived and appropriate for the project. Some resettlement of people was required from the Panique area to enable construction of the TSF. A Resettlement/Compensation, Livelihood and Skills Training Programme was prepared to facilitate resettlement. All affected local people agreed to relocation, and where required, relocated people have been compensated.

Life of Mine Plan

The Life of Mine (“LOM”) plan extends for 20 years to 2032. Mining is completed in 2029, but processing continues for three more years treating ore from low grade stockpiles. Annual gold production to 2023 is maintained at approximately 200,000ozs per annum. Post 2023 gold production dips with the processing of more low grade ore and averages 139,000ozs per annum to 2032. A total of approximately 139Mt at an average grade

of 0.88g/t Au is processed to the end of the planned LOM schedule in 2032. These figures are generally consistent with the current reserves and included resources. In the LOM schedule CGA has assumed approximately 21Mt of additional resources will be upgraded to reserve status and processed; BDA considers this a reasonable and relatively modest projection. The LOM schedule assumes approximately a 6% upgrade compared with the current reserve grade. Current reconciliations are showing a positive upgrade and CGA advises that some of the resources planned to be incorporated in the LOM schedule have higher than average grades. Nevertheless, BDA considers there is some risk relating to the grade projections.

Table 5.7

Masbate Production Schedule

	Unit	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	27-32	Total
Mining																		
HG Ore	Mt	<i>4.93</i>	6.28	4.68	4.29	4.95	5.56	3.79	6.30	7.12	6.34	6.02	6.59	8.73	8.73	5.78	3.29	95.0
LG Ore	Mt	<i>5.15</i>	3.87	3.11	4.95	4.65	3.67	2.36	3.84	1.43	2.05	2.75	2.48	2.86	1.63	2.13	0.75	44.0
Total Ore	Mt	<i>10.08</i>	10.15	7.79	9.24	9.60	9.23	6.15	10.14	8.55	8.39	8.77	9.07	11.59	10.36	7.91	4.04	139.0
Grade	g/t Au	<i>0.80</i>	0.89	0.91	0.81	0.80	0.89	0.90	0.89	0.93	0.87	0.84	0.89	0.91	0.96	0.87	0.85	0.88
Waste	Mbcm	<i>3.12</i>	6.17	6.73	6.20	6.13	6.06	7.54	5.94	8.92	9.75	9.64	9.80	8.86	7.18	9.32	6.66	128.23
Process																		
Milled	Mt	<i>4.75</i>	6.50	6.70	6.80	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	139.0
Grade	g/t Au	<i>1.08</i>	1.10	1.00	1.01	1.01	1.03	1.01	1.08	1.04	1.02	1.02	1.03	1.03	0.85	0.80	0.63	0.88
Recovery	%	<i>86.6</i>	86.2	85.7	87.6	87.5	85.6	86.6	85.3	86.7	87.6	88.1	86.6	85.0	86.5	84.1	86.4	86.3
Au Prodn	koz	<i>143</i>	199	185	194	199	198	198	207	203	201	202	201	198	167	151	123	3440

Note: financial years July to June; figures in italics are actual for 2012; figures from 2013 are from CGA LOM model forecasts; Total represents total from 2013; mining is completed in 2029 but processing continues for three more years to 2032 treating remaining ore from low grade stockpiles; the 2027-2032 column represents the average over three years for mining and over six years for processing

Gold recoveries historically have varied from area to area and this is reflected in the schedule. Projected recoveries are consistent with testwork results and current performance.

The plant throughput is planned to ramp up to 7Mtpa by 2016. Plant operating experience from January 2013 suggests that the throughput targets are achievable, providing overall plant utilisation is held at 92-93% and SAG mill unit throughput continues at about 815tph. In calendar year 2012 to date, plant utilisation has averaged 93.0% and SAG mill throughput has averaged 815tph.

A major SAG mill shell failure occurred in July 2011 and resulted in a significant drop in throughput from July to December 2011; only 4.75Mt was processed during the 2011/12 year. The quality of the repair on the SAG mill shell appears good and BDA anticipates that the mill could operate indefinitely in its current state, however there remains a risk concerning the long-term reliability of such a major repair to the SAG mill conducted in the field. CGA has purchased a replacement shell and end components which should arrive on site in mid-2013, however, based on current operations, there is no plan to change these components. If these major SAG mill components were changed out at some point in the future there would likely be a 1.5-2Mt throughput reduction during the year when the repair was undertaken based on installation downtime.

Considering the current resource base, the current model reconciliations, the size of the exploration tenement, the number of anomalies already defined, and the presence of former old workings, BDA considers that the Masbate LOM plan represents a reasonable assessment of future production expectations. BDA notes that reconciliations to date are indicating that the reserve model is conservative, and that up to 30% more tonnes are being defined above the cut off grades by grade control than are being forecast in the open pit reserves.

Capital Cost

The capital cost for the construction of the Masbate project and associated infrastructure facilities in 2008-2009, excluding sunk costs, was around US\$173M. Current sustaining capital expenditure is estimated at around US\$95M. This includes the cost of progressively raising the tailings dam wall, exploration costs and ongoing replacement capital. Overall BDA considers the sustaining capital estimate to be reasonable. CGA has also provided a sustaining capital estimate for the upside case. BDA has recommended to BDO Corporate Finance a modest increase in the sustaining capital estimate for the upside case for the purpose of valuation, plus an allowance for closure costs over two years after the completion of production.

Operating Cost

The project operating cost estimates in the LOM model to 2021 are shown in Table 5.8.

Table 5.8
Operating Costs - Masbate Gold Project

Item	Financial Year											LOM
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total/Avg
Costs US\$M												
Mining	<i>35.01</i>	53.78	53.22	53.24	53.35	51.66	46.27	47.15	44.63	45.65	45.94	745.53
Processing	<i>54.90</i>	67.15	70.26	68.93	70.96	71.62	71.27	71.08	69.91	68.73	68.61	1420.09
Admin	<i>31.92</i>	34.76	30.22	24.93	25.46	26.77	26.54	26.45	26.47	26.41	26.40	537.52
Total Costs	<i>121.83</i>	155.69	153.70	147.09	149.78	150.06	144.09	144.69	141.00	140.79	140.95	2,703.14
Unit Costs												
US\$/t milled	<i>25.53</i>	23.95	22.94	21.63	21.40	21.44	20.58	20.67	20.14	20.11	20.14	21.40
US\$/oz Au	<i>852</i>	784	830	757	752	758	729	697	695	700	699	786

Note: figures in italics are actual for 2012; figures for 2013 are forecast from July 2012; Total represents LOM total from 2013 to 2032; mine operations extend to 2029 and mill processing to 2032 in the LOM model

Mine operations in the current LOM, based on defined reserves and additional resources, extend to 2029, with mill operations continuing to 2032, processing remaining lower grade stockpiled material. Projected operating costs remain relatively constant except for reduced mining costs reflecting both reductions in waste stripping towards the end of the mine life and a decision to adopt Owner mining rather than continuing with the existing contract mining. Process costs assume a continuation of current practices, with a progressive ramp up to 7Mtpa. Power and diesel costs are incorporated in the mining and processing costs.

BDA has reviewed the current project costs and future projections and considers the operating cost forecasts to be generally reasonable. It should be noted that the 2012 financial year costs are somewhat anomalous due to the SAG mill failure in July 2011 and the subsequent impact on operations.

6.0 B2GOLD PROJECTS

6.1 Introduction

B2Gold's principal mineral assets comprise:

- La Libertad gold mine in Nicaragua
- Limon gold mine in Nicaragua
- Otjikoto gold project in Namibia
- Gramalote joint venture (49% interest) gold project in Colombia
- Exploration prospects in Nicaragua, Uruguay, Costa Rica and Colombia.

On 26 March 2009, B2Gold completed the 100% acquisition of Central Sun Mining Inc. The primary assets acquired were La Libertad Mine (100% interest) and Limon Mine (95% interest), both located in Nicaragua. La Libertad is located approximately 110km due east of Managua, the capital of Nicaragua and Limon is located approximately 100km northwest of Managua (Figure 1).

The Ore Reserves at the two main properties of La Libertad and Limon as at 31 December 2011 totalled 825,000ozs of contained gold (Table 6.1); B2Gold's interest totalled approximately 795,000ozs.

Table 6.1

B2Gold Ore Reserve Estimates - 31 December 2011

Deposit	Ownership %	Tonnage Mt	Grade g/t Au	Contained Au kozs
La Libertad	100	11.3	1.62	588
Limon	95	1.6	4.72	249
Total		12.9	2.00	837

Note: Ore Reserve tonnage, grade and contained gold shown in the table relate to 100% for both properties

In addition to the two operating gold mines B2Gold has a number of exploration and development assets. The primary development assets are the Otjikoto gold project (92% ownership) in northern Namibia and the Gramalote gold project (49% ownership) in central Colombia. The Otjikoto project is located some 300km due north of Namibia's capital Windhoek. The Gramalote project is located approximately 230km northwest of the Colombian capital of Bogota near the town of Providencia.

For La Libertad, Limon, Otjikoto and Gramalote projects B2Gold reported Measured and Indicated Mineral Resources as at 31 December 2011 totalling 3.4Mozs of gold, and Inferred resources of 1.2Mozs of gold.

Table 6.2

B2Gold Mineral Resources Estimates - 31 December 2011

Deposit	Ownership %	Tonnage Mt	Grade g/t Au	Contained Au kozs
Measured and Indicated				
La Libertad	100	6.9	2.79	619
Limon	95	1.1	4.38	157
Otjikoto	92	24.9	1.74	1,393
Gramalote	49	47.6	0.81	1,242
<i>Total</i>	<i>92</i>	<i>80.5</i>	<i>1.32</i>	<i>3,411</i>
Inferred				
La Libertad	100	5.3	1.9	321
Limon	95	1.1	5.2	192
Otjikoto	92	1.0	1.5	49
Gramalote	49	46.9	0.4	668
<i>Total</i>	<i>93</i>	<i>54.3</i>	<i>0.7</i>	<i>1,230</i>

Note: the Measured and Indicated mineral resources of La Libertad and Limon are exclusive of the Ore Reserves; all resources on 100% basis except for Gramalote which reflects B2Gold's 49% interest

Other exploration projects include Primavera (65% ownership), San Jose (60% interest), and Trebol and Pavon (100% ownership) in Nicaragua, the Cebollati project (80% ownership) in Uruguay, the Bellavista mine (currently on care and maintenance) in Costa Rica, and the Mocoa copper-molybdenum project in Colombia. B2Gold also has a royalty interest relating to the Kupol project in Russia

B2Gold's share of gold production from La Libertad and Limon in 2010 was 110,000ozs of gold and 143,000ozs of gold in 2011. The share of gold production for the first nine months of 2012 was 114,000ozs.

6.2 La Libertad Mine - Nicaragua

Introduction

B2Gold is the owner of Desarrollo Minero de Nicaragua, S.A. (“Desminic”) which holds an interest in three mineral concessions in Nicaragua covering 14,496ha including the 10,950ha La Libertad Mine concession, located approximately 110km east of Managua, the capital of Nicaragua.

The La Libertad mineral concession has a term of 40 years, expiring in 2034. The principal obligations under the Ministerial Accord in respect of the mineral concession include the annual payment of surface taxes, and a net 3% royalty on gross production revenues. Another royalty interest was granted to a corporation formed by La Libertad workers (“IMISA”), equal to 2% of the total production of gold and silver from La Libertad Exploitation Concession. The total royalty payable on the mine production is 5%. The La Libertad project is located in the municipal area of La Libertad, Chontales Department. The area has a long mining history back to the 1860s.

The project comprises a number of separate gold deposits; the Mojón, Crimea, and Santa Mariá gold deposits are located along two parallel mineralised trends situated within a 2-3km radius of the process plant while the San Juan deposit is approximately 5km distant on a separate mineralised trend south of the mill. Jabali Antena and Jabali Central deposits are located approximately 15km to the east of the plant (Figure 5).

Gold production prior to 2007 was from a heap leach operation. In 2009 a carbon-in-pulp process plant was constructed and commissioned.

Open pit mining of ore and waste is undertaken by an independent mining contractor. The operation draws semi-skilled labour from the local population with skilled expatriate labour recruited mostly from well-established mining areas in other parts of Central and South America.

The region has pronounced wet and dry seasons, with the wet season occurring from May to November; the average annual rainfall is approximately 1,700mm. Average temperatures range from 24-27°C.

The area is characterised by hilly terrain ranging in elevation from 400-835m above sea level. Many of the old workings in the region are located on hills and ridges

Geology, Mineralisation and Exploration

Geology

The geologic setting of the La Libertad concession is in Tertiary volcanic rocks of the Coyol Group. These are felsic to intermediate porphyritic flows, volcanoclastic rocks, such as tuffs and vent breccias and epiclastic rocks. The dominant structures are steeply dipping, northeast-trending normal faults. Gold mineralisation is characteristic of low sulphidation, quartz-adularia, epithermal systems that formed from just below the paleosurface to a depth of approximately one kilometre. At La Libertad, microscopic gold mineralisation occurs in steeply dipping, northeast-trending vein sets, within massive quartz veins and adjacent stockwork zones. The geology and mineralisation at La Libertad appear to be well understood and the geological processes and procedures are undertaken in accordance with accepted industry standards.

Mineralisation

The bulk of known gold mineralisation at La Libertad is contained within vein sets along two parallel trends separated by approximately 500m. The Mojón-Crimea Trend is nearly four kilometres long, strikes at 65° and dips on average 80° to the southeast. The down-dip dimension is commonly of the order of 200-250m. The massive quartz veins and adjacent stockwork/stringer zones range in width from 2-70m but average around 15m, often narrowing at depth. The Santa Mariá-Esmeralda Trend is discontinuous, with the Santa Mariá and Esmeralda veins separated by approximately 1,000m. The Santa Mariá vein averages 10m wide and is approximately 450m long. The Esmeralda vein has been mined out. The San Juan vein zone extends for approximately a kilometre along strike and is located 5km south of the plant. This zone averages approximately 3.4m in width and has been drill tested to a depth of 170m.

The Jabali low sulphidation epithermal quartz adularia vein system is hosted in a thick sequence of andesitic flows believed to be part of the Lower Coyol Group. The group consists of individual, feldspar porphyritic andesitic flows ranging in thickness from 2-5m, to much larger flows 20-50m in thickness. The east-west trending Jabali vein system has been traced on surface over a distance of more than 6km. The vein system dips to the north at 60-80°.

Drilling, Sampling, and Analysis

Most of the drilling in the La Libertad area prior to 2008 was by reverse circulation (“RC”) drilling, with a small proportion of diamond drilling. Reconnaissance drilling was at a spacing of 100m with infill and resource definition drilling at a spacing of 15-50m. Surface location surveys and downhole deviation surveys were performed and RC samples were collected at 1.5m intervals. In a 2006 technical report it was noted that the RC method at La Libertad almost certainly resulted in the loss of fines in the samples for analysis. Current exploration practice is to use only diamond drilling for exploration, and to ship drill core splits from the La Libertad core handling facility to ALS Chemex Ltd in Vancouver, Canada for sample preparation and assay. Chip sampling of trenches is used for grade control in La Libertad open pits.

BDCI visited the La Libertad core handling and storage facility, which was built in 2008, and viewed exploration drill core and bagged and labelled core splits ready for shipment. The core samples included mineralised vein material consisting mostly of vuggy quartz. BDCI found the facility to be secure and appropriately managed. Based on the results of sampling and laboratory quality control procedures, as presented in the 2008 NI43-101 report, BDCI considers the La Libertad assay data to be reliable and of an appropriate quality for resource and reserve estimation.

Exploration

La Libertad gold district has been explored by prospectors, small scale miners, and mining companies for the last 150 years. Numerous pits, adits, trenches and small shafts throughout the district delineate a 20km long and 5km wide mineralised system. The Orosi Mine area near to the La Libertad plant is the only segment of the district to have been explored to a significant depth. B2Gold’s exploration area appears to have good prospectivity and the recent exploration successes at the Jabali prospect support the concept that there is good potential for the discovery of additional deeper mineralisation.

The ongoing Jabali Central and Jabali Antena projects plus new resources discovered at the San Juan zone, are recent exploration successes in the La Libertad concession. B2Gold has an exploration budget for 2012 of US\$6.3M.

Resource and Reserve Estimation

Resource Estimates

La Libertad Mineral Resources total 6.9Mt at a grade of 2.8g/t Au containing 619,000ozs of gold in the Measured and Indicated category, and 5.3Mt at a grade of 1.9g/t Au, containing 321,000ozs of gold in the Inferred category. The resource figures exclude the reserve areas. The resources are contained within the Mojon, Crimea, Santa Maria, San Juan and Jabali deposits. The Inferred resources include ‘spent ore’ stockpiles which are old heap leach stockpiles. All potentially open pit resources are reported within optimized Whittle pit shells using 2012 budget and costs and a US\$1,350/oz gold price. A summary of the resource estimates for La Libertad as at 31 December 2011 is shown in Table 6.3.

Table 6.3

La Libertad Mineral Resource Estimates - 31 December 2011

Deposit	Measured and Indicated			Inferred		
	Tonnage Mt	Grade g/t Au	Contained Au kozs	Tonnage Mt	Grade g/t Au	Contained Au kozs
Mojon	2.16	1.75	122	0.12	1.4	5
Crimea	0.29	1.51	14	0.29	1.6	15
Santa Maria	0.19	2.53	16	0.04	2.3	3
San Juan	0.06	5.61	11	0.47	3.7	56
Jabali O/P	4.00	3.33	428	1.50	2.6	124
Jabali U/G	0.19	4.88	29	0.39	4.9	62
<i>Jabali Subtotal</i>	<i>4.19</i>	<i>3.39</i>	<i>457</i>	<i>1.90</i>	<i>3.0</i>	<i>186</i>
Spent Ore				2.44	0.7	55
Total	6.89	2.79	619	5.26	1.9	321

Note: O/P = Open Pit; U/G = Underground; Mineral Resources are exclusive of the Ore Reserves; the cut-off grade for open pit resources at Mojon, Crimea, Santa Maria and San Juan is 0.57g/t Au, 0.70g/t Au for Jabali open pit resources and 0.59g/t Au for the Spent Ore; the cut-off grade for Jabali underground resources is 3.0g/t Au

The resource estimation procedures are in line with industry practice and all resources prepared are consistent with the requirements of Canadian Securities Administrators’ National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* (“NI43-101”).

A recent resource report on the calculation of the Jabali resources sets out the general method of resource estimation. Three dimensional wireframes were created of the quartz-breccia/vein zones, quartz stockwork zones

and previously mined areas. Composites were created within each zone based on assays that were capped at values between 3g/t Au and 80g/t Au. Gold and silver grades within the stockwork, vein and previously mined zones were interpolated using a variety of methods for comparative purposes including inverse distance to the power of 3 (“ID³”), nearest neighbour and Ordinary Kriging.

At Jabali Central the Ordinary Kriging model was selected as the better model, and at Antena the ID³ model was chosen. The other interpolation methods were used for comparison, validation, and sensitivity. Blocks were classified as Indicated if they were estimated using at least two drill holes within a search ellipse of 60m x 10m x 45m and within 30m of the nearest drill hole. Inferred resources were estimated with at least two drill holes within a search ellipse of 90m x 15m x 67.5m and within 60m of the nearest drill hole. All fill zones, and discontinuous hanging wall and footwall veins were classified as Inferred.

Reserves Estimates

A summary of the Ore Reserve estimates for La Libertad as at 31 December 2011 is shown in Table 6.4; all reserves are classified as Probable Reserves. The reserves total 11.3Mt at a grade of 1.62g/t Au containing 588,000ozs of gold. The open pit reserves are contained within the Mojon, Crimea, Santa Maria, and San Juan deposits. No reserves have yet been defined at Jabali. The open pit designs were prepared by B2Gold and were based on pit optimisation work; the average strip ratio of the reserves is 8.2:1 (waste:ore). As required by NI43-101 and the JORC Code, the reserve estimates are limited to Measured and Indicated resource classes.

Table 6.4
La Libertad Probable Ore Reserve Estimates - 31 December 2011

Category	Tonnage Mt	Grade g/t Au	Contained Au kozs	Mining Strip Ratio (O:W)
Mojon	3.47	1.74	194	5.6
Crimea	2.01	1.77	114	7.1
Santa Maria	1.00	3.27	105	11.1
San Juan	0.18	8.19	46	58.7
<i>Total Open Pit</i>	<i>6.65</i>	<i>2.15</i>	<i>460</i>	<i>8.2</i>
Spent Ore	4.62	0.87	129	-
Total	11.27	1.62	588	-

Note: the cut-off grade for all reserves is 0.60g/t Au; none of the reserves are categorised as Proved Ore Reserves

Mining

Mining at La Libertad is based on conventional open mining methods with hydraulic excavators and dump trucks. Current mining is focussed on four deposits, Mojon, Crimea, Santa Maria and San Juan, mining approximately 20Mt of material per annum including 2Mtpa of ore. The resources at Jabali Antena and Jabali Central are currently being developed with an initial open pit operation now planned for early 2013 and development of underground operations planned for ore production in 2015. Ore from Jabali will be hauled 15km to the process plant at La Libertad. In October 2012 B2Gold announced that construction of the main road access to town had been completed and construction of the private haul road was underway. Mine infrastructure development is planned to commence shortly.

Mining contractors are used for all open pit drill and blast and load and haul operations. The current contractor has a contract to 2014. Other contractors are available if there is a shortfall in the contractor’s performance and B2Gold has used other contractors when required. Grade control is carried out by B2Gold staff.

Mine Design

The open pit designs for the December 2011 Ore Reserves were prepared by the B2Gold staff, based on pit optimisation work with cost parameters from the 2012 budget with bench heights of 6m in the saprolite and 12m in hard rock. Other input parameters included inter-ramp slope angles of 35° in the saprolite and 52° in the hard rock.

The pit designs are based on optimum pit shells limited to Measured and Indicated resource classes. All reserve calculations are based on diluted tonnage and grade. In the primary La Libertad models (Mojon, Crimea, Santa Maria) dilution is based on the ore and waste portion of each block with a maximum of 1m (17% by volume) of dilution for each block. The average dilution for Mojon and Crimea is 9%. The average dilution allowance for Santa Maria and San Juan is 15% due to the narrower veins. Dilution estimates incorporate experience based on mining practices as well as model to mine reconciliations.

Due to low drilling density and geological confidence a relatively small reserve has been defined at San Juan, but there is potential for an upgrade with further drilling.

At Jabali the Antena and Central areas have been drilled for resource and reserve definition, and feasibility study work is ongoing comprising geological modelling, permitting, and engineering. Once completed, both Antena and Central are expected to add significant open pit and underground mine reserves. However, there is a risk of some delay to commencement of production at this project due to permitting and land acquisition requirements.

Spent Ore

The Spent Ore comprises material within three stockpiles; the major stockpile lies to the northwest of the plant with a smaller stockpile to the northeast and a small quantity of material within the spent leach pad cells. The bulk of the Spent Ore is classified as a Probable reserve with the remainder classified as an Inferred Mineral Resource.

Geotechnical Aspects

In the Feasibility Study prepared in 2008 prior to the construction of the current process plant at La Libertad, the geotechnical aspects of open pit mining were studied by DCR Ingenieros, S.R.Ltda. (“DCR”), a geotechnical consulting company based in Lima, Peru. DCR characterised the rock mass of the existing pit slopes based on geotechnical mapping of rocky outcrops and diamond drill cores. On-site and laboratory tests were applied to determine the physical properties and resistance parameters of the rock mass and discontinuities.

Scott Wilson Roscoe Postle Associates Inc., the consulting company that prepared the 2008 study, noted that the pit walls exposed in the Mojón pit were generally competent, with limited material collecting on the catch berms. Near surface, the saprolite overburden layer was observed to have slumped in places, and site personnel noted that localised wall failures in the saprolite material were relatively common during the wet season. Groundwater, surface water, and seismic conditions were also evaluated.

Knight Piesold Consulting has prepared an assessment of the geotechnical aspects of the Jabali project and the slope recommendations have been used in the open pit designs.

LOM Plan

Table 6.5 details the sources of ore by zone for the duration of the current LOM plan. The current operations and short term production will be from the open pit operations at Mojon, Crimea, Santa Maria and San Juan. Open pit mine production averages around 20Mtpa of total material with a LOM average strip ratio of 11:1 ore to waste.

Open pit production from the Central and Antena areas of the Jabali project was planned to commence in 2012, with development of the Jabali underground project also planned to commence in 2012 to allow underground production by 2015. The Jabali open pit development plans have been delayed by around a year due to permitting and land acquisition requirements and ore production is now scheduled for early 2013. Jabali underground preproduction is still scheduled to commence in 2015 with production ramping up to 0.25Mtpa by 2017.

Table 6.5

LA Libertad LOM Plan Mine Production

Ore Zone	Unit	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Mining												
Open Pit Ore	Mt	1.96	1.97	1.75	1.97	1.85	1.77	1.69				12.95
Open Pit Waste	Mt	16.20	21.01	17.30	32.18	26.04	19.07	10.35				142.17
Open Pit Total	Mt	18.16	22.98	19.06	34.15	27.89	20.84	12.04				155.12
Strip Ratio	O:W	8.3	10.7	9.9	16.3	14.1	10.8	6.1				11.0
Underground	Mt				0.05	0.15	0.25	0.25	0.27			0.97
Sources of Ore												
Mojon	Mt	0.51	0.79	0.71	1.24	0.96	0.89	0.89				5.99
Crimea	Mt	1.03	0.47	0.41	0.17							2.08
Santa Maria/San Juan	Mt	0.18	0.52	0.30	0.03	0.10	0.28	0.30				1.70
Jabali O/P	Mt	0.24	0.18	0.33	0.54	0.79	0.60	0.50				3.19
Jabali U/G	Mt				0.05	0.15	0.25	0.25	0.27			0.97
Spent Ore	Mt	0.05	0.03	0.26	0.00	0.01	0.00	0.07	1.74	2.01	3.11	7.27
Total Ore	Mt	2.01	2.00	2.01	2.02	2.00	2.02	2.01	2.01	2.01	3.11	21.20
Gold Grade	g/t	1.8	2.3	2.3	2.3	2.9	2.8	2.8	1.3	0.8	0.8	1.9

Note: in addition to the main sources of ore the LOM plan estimates approximately 11,000t at a grade of 7.2g/t Au from local small miners which is added to the mill processing schedule; current reserves total 11.3Mt

Processing

The La Libertad process plant was commissioned in late 2009 with full production being reached in the second half of 2010. The plant processes ore from various open pits together with Spent Ore from the previous heap leaching operations. The plant comprises the following processing operations:

- crushing in 106 x 122 centimetre (“cm”) jaw crusher, fed from a hopper via an apron feeder and a grizzly screen, and discharging onto a crushed ore stockpile
- primary milling in a 1,675kW SAG mill fed from the crushed ore stockpile and from the spent ore stockpile
- SAG mill discharge is screened on a trommel, with the oversize recirculating either directly to the SAG mill or via a cone crusher
- trommel undersize feeds the ball mill circuit, comprising two ball mills (750kW and 1675kW) operating in closed circuit with cyclones
- cyclone overflow is screened to remove trash and then thickened to around 45% solids in a 25m diameter thickener
- thickener underflow is cyanide leached in a circuit comprising four 950m³ and seven 520m³ leaching tanks which provides a residence time of 27 hours
- leach circuit discharge passes to a CIP circuit comprising five 520m³ tanks and one similar tank used for cyanide detoxification; loaded carbon is pumped from the CIP circuit to a 4t capacity stripping circuit comprising an acid wash column followed by an elution column which processes two batches of carbon per day
- eluate is pumped through a heat exchanger to electrowinning cells in which bullion is deposited as a sludge that is collected periodically, filtered and smelted.

Ore from the Jabali mine is now scheduled to become a component of the plant feed during 2013. BDA has examined results from a leaching testwork programme on 42 ore samples from Jabali. These results indicate that gold recoveries of around 90% should be achievable from this new ore supply. BDA notes that no ore grindability testwork on Jabali samples appears to have been carried out and that therefore it is not possible to make an assessment of the effect the new ore supply may have on the capacity of the plant. The current ore supply is understood to be hard, having a work index of 18-20kWh/t, and it is likely that Jabali ore will not be materially harder than the current ore. However, prudent practice would be to carry out some grindability testwork since upside to production could also exist if the ore is softer.

Environment, Community and OH&S Issues

Environment

Environmental regulations for mining concessions in Nicaragua cover both mining and exploration projects. Specific environmental conditions vary according to the proposed activity (for example, a separate permit is required for exploration drilling). Permit compliance is monitored by the Ministry of Environment and also by the local municipality, with community participation being part of the monitoring. A TSF would need a Category 2 environmental permit requiring evaluation by a consultant, and a water discharge authorisation would be in place under the environmental permit.

An environmental impact study for the initial process plant and the TSF was prepared and environmental management plans were established. With respect to the permitting process for the new Jabali Central project, an environmental impact assessment (“EIA”) was submitted in June 2012, a public meeting on the EIA was held, and an environmental permit is expected during the fourth quarter of 2012. The permitting process for Jabali Antena is scheduled to start in the first quarter of 2013. Environmental permits for development projects can require around 12 months to process. BDCI notes that site personnel seem confident and knowledgeable in the process and procedures required to obtain all necessary approvals, reflecting generally good relations and the successful negotiation of permit applications in the past. B2Gold announced in October 2012 that a mining permit has been issued (subject to certain conditions) for Jabali Central and trucking from Jabali is expected in the first quarter 2013.

Points of note in respect of the environment include:

- government regulators undertake on-site inspections to confirm compliance, but also play a proactive role in the operation
- tailings ponds and some waste dumps are geo-membrane lined to prevent any contamination of the local ground water; the under-drain collection in the tailings pond is monitored
- B2Gold appears to be conscientiously carrying out its environmental programme at the Jabali project, and from its site visit BDCI did not identify any environmental issues of concern

- B2Gold has developed plant nurseries and has reclaimed a number of open pits, waste dumps and tailings impoundment areas; reclamation is on-going and the seedlings are used to reforest and re-vegetate disturbed areas
- local stakeholders are involved in reclamation efforts and in some cases the benefactors of the reclaimed areas
- the importance of water not only to operations but also in terms of the impact on the surrounding communities is recognised; extensive efforts are made in collaboration with stakeholders on excess water discharge, water treatment of process solutions, and development of fresh water sources for local communities.

Corporate Social Responsibility

B2Gold is active in community relations and corporate social responsibility (“CSR”). The broad categories in the La Libertad and Jabali CSR programmes are infrastructure and equipment (e.g., roads, sports centre, worker housing), education (e.g., support for local polytechnical school and computer school), and operating expenses support for local institutions (e.g., church and police force). B2Gold’s community relations professional is active at La Libertad including meetings and dialogue with local residents. The work of land acquisition for the Jabali Antena project is in the initial stages. This is a critical-path element for the project and will require the cooperation of the affected population in some 270 homes.

Health and Safety

Health and safety are emphasised at La Libertad; from its site visit BDCI considers that the programmes are well managed and executed.

Summary

B2Gold advises that it is in compliance with all environmental and operation permits. The Nicaraguan government has recognised B2Gold with commendations and awards for its contribution to reclamation and protection of the environment.

Infrastructure

The site infrastructure includes site roads, maintenance workshops, warehousing, administration buildings, water treatment and supply, and sewage treatment. Power is sourced from the national grid and is generated by combustion of Bunker C fuel oil. The current cost of power is US\$0.19/kWh; this price is subject to increases based on the fuel oil cost.

The mine site is located in the municipal area of La Libertad, Chontales Department, approximately 110km due east of Managua, with access from Managua via a well maintained paved highway to Juigalpa, and subsequently via a gravel road (30km) travelling eastward to the village of La Libertad.

The mine operation maintains the local road system to service the operation’s needs

Production Forecasts

La Libertad production forecasts based on the current B2Gold LOM plan are summarised in Table 6.6.

Table 6.6

La Libertad LOM Production Forecasts

Category	Unit	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Mining												
Ore Mined	Mt	2.01	2.00	2.01	2.02	2.00	2.02	2.01	2.01	2.01	3.11	21.20
Grade	g/t Au	1.8	2.3	2.3	2.3	2.9	2.8	2.8	1.3	0.8	0.8	1.9
Processing												
Ore Milled	Mt	2.01	2.01	2.00	2.01	2.01	2.00	2.01	2.01	2.00	3.13	21.21
Grade	g/t Au	1.8	2.3	2.3	2.3	2.9	2.8	2.8	1.3	0.8	0.8	1.9
Contained Gold	ozs	114.5	147.1	150.3	145.7	186.0	181.2	180.4	86.5	49.8	77.3	1,318.9
Recovery	%	90.4	90.4	90.4	90.4	90.4	90.4	90.4	90.4	90.4	90.4	90.4
Gold Produced	ozs	103.5	132.9	135.8	131.7	168.1	163.7	163.0	78.2	45.0	72.8	1,194.6
Grade	g/t Ag	1.9	2.5	2.6	2.5	3.2	3.1	3.1	1.5	0.8	0.8	2.1
Contained Silver	ozs	126.0	161.8	165.4	160.3	204.6	199.3	198.4	95.2	54.7	85.0	1,450.8
Recovery	%	78	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0
Silver Produced	ozs	98.3	126.2	129.0	125.0	159.6	155.5	154.8	74.3	42.7	66.3	1,131.6

Note: Ore Mined includes reclaim of ‘spent ore’; in addition to the main sources of ore the LOM plan includes approximately 11,000t at a grade of 7.2g/t Au from local small miners which is added to the mill processing schedule; current reserves total 11.3Mt

Mine and mill production is scheduled at 2Mtpa at an average grade of around 1.9g/t Au. Gold production is planned to increase from 100,000ozs per annum to over 160,000ozs per annum from 2016 reflecting the impact

of higher grade underground ore. In the last two years of the LOM plan only low grade material from the 'spent ore' stockpile is processed. Mill recovery rates are scheduled at 90% for gold and 78% for silver.

The LOM plan is based predominantly on the defined underground and open pit reserves of 11.3Mt, representing approximately five and a half years of mill feed. The remaining planned ore feed is made up of 6.9Mt of Indicated resources plus Inferred resources. The LOM production schedule is dependent on the resources being converted to reserves over the period of the LOM.

Recently the waste mining capacity at La Libertad has been insufficient and is a factor potentially jeopardizing near-term production plans. An additional mining contractor has been mobilised to address this issue and management expects that the interim deficit will be corrected.

Production statistics for 2010 and 2011 and for the first nine months of 2012 are shown in Table 6.7. Gold production performance in 2012 has been generally in line with the forecast as set out in Table 6.6. Production at Jabali has been delayed by permitting and land issues, but overall gold production has been maintained in line with or better than budget forecasts.

Table 6.7
La Libertad Production - 2010, 2011 and January-September 2012

Category	Unit	2010	2011	2012
Ore Milled	Mt	1.57	1.99	1.53
Grade	g/t Au	1.6	1.7	1.7
Contained Gold	ozs	81.6	110.2	85.9
Recovery	%	87.1	91.0	91.9
Gold Produced	ozs	71.0	100.0	79.0

Note: 2012 production is for the first nine months

As noted previously, the work of land acquisition for the Jabali Antena project is in its initial stages and is a critical path activity requiring the cooperation of the affected population in some 270 homes. While a mining permit has now been received for Jabali Central and production is estimated in early 2013, any further delays in the land acquisition at Jabali Antena will present a material risk to the production targets.

Capital Costs

The capital cost forecast for La Libertad from 2013 is summarised in Table 6.8. The cost estimates are based on the most recent LOM schedule.

Table 6.8
La Libertad Capital Cost Forecast (US\$M)

Category	Forecast								Total
	2013	2014	2015	2016	2017	2018	2019	2020	
Surface Mining									
Sustaining Capital	0.13	0.50	0.50	0.50	0.50	0.50			2.63
Property Purchase	1.15	1.15	1.15						3.45
Jabali Drills	0.60								0.60
Other	0.25								0.25
Underground Mining									
Sustaining Capital				0.50	0.50	0.50			1.50
Jabali Infrastructure	8.00	3.50	1.00						12.50
Processing									
Sustaining Capital	1.00	1.00	1.00	1.00	1.00	0.50			5.50
Tailings Storage - Stage 4	0.29	5.56							5.86
New Tailings Storage Site	0.75	0.75							1.50
Construct New Tailings Facility			2.00	6.40			0.79	5.06	14.26
General									
Sustaining Capital	0.50	0.50	0.50	0.50	0.10	0.10			2.20
Site Accommodation Works	1.50								1.50
Total	14.17	12.96	6.15	8.90	2.10	1.60	0.79	5.06	51.74

Note: capital expenditures in 2011 and 2012 totalled US\$13.2M (actual)

The main capital costs items are for the development of the underground mine at Jabali, increasing the current tailings capacity and establishment of a second TSF. Other capital costs include provision for sustaining capital and the purchase of land.

The budgeted 2012 capital includes allowance for Jabali development and for pre-stripping at Santa Maria, Crimea and Jabali.

Operating Costs

The operating cost forecasts for the La Libertad project are summarised in Table 6.9. The costs are expressed in real terms before the application of cost and price inflation factors.

Table 6.9
La Libertad Operating Cost Forecast

Category	Unit	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Production												
O/P Material Mined	Mt	18.16	22.98	19.06	34.15	27.89	20.84	12.04	0.00	0.00	0.00	155.12
U/G Ore Mined	Mt	0.00	0.00	0.00	0.05	0.15	0.25	0.25	0.27	0.00	0.00	0.97
Ore Milled	Mt	2.01	2.01	2.00	2.01	2.01	2.00	2.01	2.01	2.00	3.13	21.21
Gold Produced	kozs	103	133	136	132	168	164	163	78	45	73	1,195
Costs												
Underground	US\$M		6.3	10.4	12.1	12.3	12.9	12.8	7.7			74.4
Open Pit	US\$M	38.8	44.4	42.7	64.4	58.9	46.9	29.8	3.5	2.9	4.5	336.8
<i>Mining Subtotal</i>	<i>US\$M</i>	<i>38.8</i>	<i>50.6</i>	<i>53.1</i>	<i>76.5</i>	<i>71.2</i>	<i>59.8</i>	<i>42.6</i>	<i>11.2</i>	<i>2.9</i>	<i>4.5</i>	<i>411.2</i>
Processing Costs	US\$M	25.4	24.0	24.9	24.8	25.5	25.4	25.4	23.3	22.8	34.8	256.2
Admin Costs	US\$M	7.4	9.0	9.1	8.9	9.8	9.7	9.7	7.7	7.7	11.2	90.1
<i>Total Site</i>	<i>US\$M</i>	<i>71.5</i>	<i>83.6</i>	<i>87.1</i>	<i>110.1</i>	<i>106.5</i>	<i>94.9</i>	<i>77.7</i>	<i>42.2</i>	<i>33.4</i>	<i>50.4</i>	<i>757.5</i>
Royalties	US\$M	3.5	4.5	4.5	4.0	4.8	4.3	4.3	2.1	1.2	1.9	35.0
Ag Credits	US\$M	-2.4	-3.2	-3.1	-2.9	-3.3	-2.8	-2.7	-1.3	-0.8	-1.2	-23.7
Head Office	US\$M	5.2	5.1	5.1	5.1	5.1	5.1	5.1	5.1	3.6	5.4	49.9
<i>Total</i>	<i>US\$M</i>	<i>77.8</i>	<i>90.0</i>	<i>93.6</i>	<i>116.3</i>	<i>113.1</i>	<i>101.5</i>	<i>84.4</i>	<i>48.0</i>	<i>37.5</i>	<i>56.6</i>	<i>818.8</i>
Unit Costs												
Open Pit Mining	\$/t material	2.1	2.2	2.8	2.2	2.6	2.9	3.5				2.7
U/G Mining	\$/t ore				241.2	83.3	51.5	50.3	29.0			76.8
Mining	\$/t milled	19.3	25.2	26.5	38.0	35.4	29.8	21.2	5.6	1.5	1.4	19.4
Processing	\$/t milled	12.6	11.9	12.4	12.3	12.7	12.7	12.6	11.6	11.4	11.1	12.1
Administration	\$/t milled	3.7	4.5	4.5	4.4	4.9	4.8	4.8	3.8	3.8	3.6	4.2
<i>Total Site</i>	<i>\$/t milled</i>	<i>35.5</i>	<i>41.6</i>	<i>43.4</i>	<i>54.8</i>	<i>53.0</i>	<i>47.3</i>	<i>38.6</i>	<i>21.0</i>	<i>16.7</i>	<i>16.1</i>	<i>35.7</i>
<i>Total Unit Cost</i>	<i>\$/oz</i>	<i>751</i>	<i>677</i>	<i>689</i>	<i>883</i>	<i>673</i>	<i>620</i>	<i>518</i>	<i>614</i>	<i>833</i>	<i>777</i>	<i>685</i>

Note: Ag Credits = silver credits less refinery costs for gold and silver; O/P = Open Pit; U/G = Underground; Total Unit Cost/oz is based on all cash costs, the deferred underground and capitalised pre-stripping costs have not been deducted

The open pit mining forecasts are based on the current operations, with the work predominantly carried out under the mining contract. The open pit mine operating cost to August 2012 year-to-date (“YTD”) was US\$2.10/t which was generally in line with the forecast costs. The union and contractor agreements are for a three year period and are only in the first year of the agreement, providing some certainty regarding the short term cost forecasts. The underground mining costs are based on the feasibility study estimates and are forecast to average around US\$77/t of ore mined over the LOM.

The forecast milling costs are based on the current operations. The YTD mill operating costs to August 2012 was US\$13.79/t which is around 10% above the forecast costs, mostly due to higher than budgeted crushing, grinding and maintenance costs.

The site administration YTD operating costs to August 2012 total US\$3.62/t, generally in line with forecasts. Administration costs are forecast to rise with increased activity due to the underground operation.

The operating costs will be subject to general escalation of consumables, supplies and labour costs over the LOM. B2Gold has identified areas for improvement in overall productivity which could assist in offsetting any potential cost increases.

BDA considers the overall unit costs are reasonable for valuation purposes.

6.3 Limon Mine - Nicaragua

Introduction

B2Gold, through its 95% interest in Triton Minera S.A. (“TMSA”), holds interests in 10 mineral concessions in northwestern Nicaragua covering 34,970ha including the 12,000ha Limon Mine concession. The Mineral Concessions are located approximately 100km northwest of Managua, the capital of Nicaragua.

The Santa Pancha, Talavera, Veta Nueva, Pozo, Babilonia, Tajo North and Santa Emilia gold deposits (Figure 5) are located within the Mina El Limón mineral concession that has a term of 25 years, expiring in 2027. The property straddles the boundary of the municipalities of Larreynaga and Telica of the Department of Leon and the municipalities of Chinandega and Villa Nueva of the Department of Chinandega.

TMSA is the direct owner of the surface rights that underlie all of the current mining, milling, tailings and related facilities and infrastructure at the Limon Mine. Where necessary, access agreements are negotiated and signed with the individual surface owners for other areas within the concession not owned by the company.

The climate in northwestern Nicaragua is tropical with a hot, wet season from May through November and hotter, dry season from December through to April. The mean annual temperature is 27°C with an average annual precipitation of 2m. The Limon Mine operates year round and is not normally affected by the seasonal climatic variations.

The three local villages of Limon, Santa Pancha and Minvah, all located within the mine concession, have a population of approximately 10,000 people including many of the mine employees. Transportation to the Limon Mine is by private vehicles and public and company buses.

The Mina El Limón mineral concession is in an area of low to moderate relief that offers flat areas for mine infrastructure. Elevations of the mine property range from 40m to 300m above sea level. The area is covered with sparse vegetation consisting predominantly of grasslands and scrub brush with widely spaced trees.

Geology, Mineralisation and Exploration

Geology

The El Limón Mine is located along the eastern edge of the Nicaraguan graben within an area of low hills that contrast with the level plain of the graben floor. Approximately 50% of the area in the general vicinity of the mine is covered by a thin layer of Quaternary to Recent deposits of volcanic ash and alluvium. The Mina El Limón mineral concession is underlain predominantly by volcanic strata that are correlated with the Miocene-Pliocene Coyoil Group that is present over extensive areas of western Nicaragua.

Coyoil Group rocks, exposed on the Mina El Limón mineral concession, range from intermediate to felsic volcanic and volcanoclastic rocks that are cut by minor intermediate to felsic hypabyssal intrusive bodies. From lowest to highest in stratigraphic section, these rocks are as follows:

- interstratified, massive porphyry flows and coarse volcanoclastic rocks of intermediate composition
- intermediate to felsic flows, domes and minor tuffs and epiclastic rocks
- weakly stratified, intermediate to felsic tuffs and epiclastic rocks
- massive to flow-banded, intermediate porphyritic flows.

The above units appear to be conformable and generally strike east to northeast and dip gently south with local variability common. Deformation is dominated by normal faulting with little evidence for significant internal deformation of intervening fault blocks. The faults commonly trend northeast with moderate to steep dips to the northwest as well as southeast. A second group of faults strikes north to west-northwest, dipping steeply to the east and/or to the northeast. Apparent displacements on these faults are tens to several hundreds of metres.

Mineralisation

Gold mineralisation in the Limón district is structurally controlled and forms veins that occupy pre-existing fault structures and extensional openings formed during mineralisation. The veins are quartz dominant with lesser and variable quantities of calcite, and minor adularia. Pyrite is the predominant sulphide, but with a content of less than one percent. Trace amounts of chalcopyrite, sphalerite, arsenopyrite, altaite, and gold tellurides are also reported to occur. Gold is present in both the banded quartz and silicified breccias that form the veins. Gold is very fine-grained within the quartz vein, and is relatively uniformly distributed throughout the higher grade parts of the veins; only once has visible gold been reported on the Limón mine concession.

The productive vein systems are approximately one to two kilometres long, with vein widths from less than one metre up to 25m. Individual ore-shoots within the veins range from 60m to 450m long horizontally, and from 40m to 290m vertically. Strike orientations vary from north-northwest through northeast to east-west, and dips

are from 40° to near vertical. All economic gold mineralisation discovered and mined to date lies within 400m of surface. The productive and prospective elevations within the vein systems vary across the district. Post-mineral faults locally disrupt and offset the vein.

Exploration

On-going exploration has extended known zones of gold mineralisation along strike of the existing veins, such as the western extension of the Talavera Main Vein and the southern extension of Santa Pancha. The mine has a record of replacing production and expanding reserves. In addition there are a number of target areas identified in zones of hydrothermal alteration. B2Gold has an exploration budget for 2012 of US\$4.6M

Mineral Resource and Ore Reserve Estimation

Mineral Resource Estimates

Mineral Resources total 1.11Mt of Indicated resource at a grade of 4.4g/t Au containing 157,000ozs of gold, excluding mineralisation reported as Ore Reserves, and 1.15Mt of Inferred resource at a grade of 5.2g/t Au containing 192,000ozs of gold; B2Gold has a 95% interest in these resources. The resources are contained within the deposits of Babilonia, Santa Pancha, Pozo 4 North and South, Veta Nueva Main and West, Santa Emilia South and Tajo North deposit. A summary of the resource estimates for El Limon as at 31 December 2011 is shown in Table 6.10.

All resource tonnes and grade are reported within optimized Whittle pit shells using 2012 budget prices and costs and a US\$1,350/oz gold price.

Table 6.10
Limon Mineral Resource Estimates - 31 December 2011

Deposit	Measured and Indicated			Inferred		
	Tonnage Mt	Grade g/t Au	Contained Au kozs	Tonnage Mt	Grade g/t Au	Contained Au kozs
Babilonia	0.02	3.92	2	0.02	3.6	3
Tajo North				0.04	2.7	3
<i>Open Pit Subtotal</i>	<i>0.02</i>	<i>3.92</i>	<i>2</i>	<i>0.06</i>	<i>3.0</i>	<i>6</i>
Santa Pancha	0.57	4.19	77	0.12	4.0	15
Pozo 4 North	0.09	4.60	14	0.20	6.0	39
Pozo 4 South	0.19	4.77	29	0.18	4.2	24
Veta Nueva Main	0.10	4.17	14	0.02	3.7	2
Veta Nueva West	0.07	4.43	10	0.01	3.6	1
Santa Emilia South	0.07	4.92	10	0.16	6.4	32
Others				0.41	5.6	74
<i>U/ground Subtotal</i>	<i>1.10</i>	<i>4.38</i>	<i>155</i>	<i>1.09</i>	<i>5.3</i>	<i>186</i>
Total	1.11	4.38	157	1.15	5.2	192

Note: Mineral Resources exclude the Ore Reserves; the cut-off grade for the open pit resources is 1.8g/t Au and 3.0g/t Au for underground resources; the Mineral Resources tabulated above are on a 100% basis - B2Gold has a 95% interest

The following resource description relates to Santa Pancha, but similar methodologies were used for other deposits. At Santa Pancha the epithermal vein/breccia/stockwork zones were modelled on vertical cross sections and levels. Drill spacing was approximately 30m in the central portion of the Santa Pancha zone and 45-60m along the edges of the drilled area. Data from diamond drill holes, underground sampling and underground development were used to develop the geological interpretation and wireframes of the mineralised structure. A solid model was created from the wireframes and filled with blocks having a parent cell block size of 2m x 5m x 5m (easting, northing and elevation). Individual assays were capped at 25g/t Au based on log probability plots and standard capping strategies used at Limon. Assays were tagged within each wireframe and composited to 1.5m. Underground samples were composited into approximately 5m lengths perpendicular to the strike of the veins and assigned a unique code to aid in de-clustering the data during grade interpolation. Several composites with zero grades were created around the underground samples to help restrict high grade samples from smearing grade during interpolation. These blank "buffer" underground samples were removed for the grade estimate. Grade was then estimated in a rotated block model using inverse distance cubed (ID³) and nearest neighbour grade interpolation methods. Dynamic anisotropy was used to help control grade estimation within the wire-framed vein model. A minimum of 4 composites and a maximum of 12 composites from at least two drill holes were used for each block estimate. A single grade indicator was employed to help isolate the higher grade zones within the mineralised domains.

A specific gravity of 2.6 tonnes per cubic metre ("t/m³") was used for vein/stockwork material and 2.5t/m³ for non-mineralised waste. Indicated resources were classified as any block which had a composite within 30m that

was estimated by at least two drill holes while Inferred resources were defined as any block which had a composite within 60m and estimated with at least two drill holes.

Ore Reserve Estimates

The Probable Ore Reserves at El Limon total 1.64Mt at a grade of 4.72g/t Au containing 249,000ozs of gold; a summary of the reserve estimates for Limon as at 31 December 2011 is shown in Table 6.11. The open pitable Ore Reserves are contained within the deposits of Veta Nueva Main, Pozo 2, Pozo 4 North and South and Santa Emilia South and the average strip ratio of the reserves is 13:1 (waste:ore). The underground Ore Reserves are contained within the deposits of Santa Pancha and Veta Nueva Main. The open pit designs, which were based on pit optimisation work, and underground mine plans were prepared by B2Gold staff. As required by NI43-101 and the JORC Code, the Ore Reserves are based only on Measured and Indicated resource categories.

Table 6.11
El Limon Probable Ore Reserve Estimates - 31 December 2011

Deposit	Tonnage Mt	Grade g/t Au	Contained Au kozs	Open Pit Mining Strip Ratio (O:W)
Veta Nueva Main	0.085	6.05	17	25.1
Pozo 2	0.014	5.14	2	6.7
Pozo 4 North	0.038	4.20	5	8.4
Pozo 4 South	0.084	5.21	14	6.7
Santa Emilia South	0.070	5.38	12	10.8
<i>Open Pit Subtotal</i>	<i>0.289</i>	<i>5.36</i>	<i>50</i>	<i>13.2</i>
Santa Pancha	1.097	4.46	157	-
Veta Nueva Main	0.257	5.13	42	-
<i>Underground Subtotal</i>	<i>1.354</i>	<i>4.59</i>	<i>200</i>	<i>-</i>
Total	1.643	4.72	249	-

Note: the cut-off grade for the open pit reserve is 1.9g/t Au and 3.2g/t Au for the underground reserves; the Ore Reserves tabled above are based on 100% ownership, B2Gold has a 95% interest

Mining

The operation at El Limon uses conventional open pit mining methods with hydraulic excavators and dump trucks at six deposits, Babilonia, Pozo 2, Pozo 4, Pozo 4 South, Veta Nueva and Santa Emilia South, mining approximately 2.8Mt of material per annum including 0.2Mtpa of ore. At the Santa Pancha underground operation sub-level stoping is used to produce around 0.25Mtpa.

The Santa Pancha mine and the Pozo 2 and 4 open pits are close to the Santa Pancha village which is located approximately 4.5km east southeast of the Limon plant. Veta Nueva and Santa Emilia South are located around 1km to the west of the mill.

The open pit and underground production operations are carried out by contractors, with grade control carried out by B2Gold staff.

Open Pit Mine Design

The open pit designs for the 31 December 2011 Ore Reserves were prepared by B2Gold and based on pit optimisation work which used cost parameters from the 2012 budget. Other input parameters included inter-ramp slopes of 30° in the saprolite and 40° in the hard rock, based on historical slope angles. The designed reserve pits are based on optimum pits limited to Measured and Indicated resource classes.

A 5m bench height is adopted in the saprolite with a 10m bench height in the hard rock. All reserve calculations are based on diluted tonnage and grade. In-situ grade and tonnage are based on trench, drilling, and underground sample data. The in-situ model was converted to a diluted model with a maximum of 15% dilution. The resulting diluted grade and tonnage was used for reserve block selection and calculation. The dilution estimates are based on observation and reconciliation with the mining methods and grade control data and appear applicable for the generally narrow veins at El Limon.

At Veta Nueva a permit is pending that will allow the adjacent river to be diverted, allowing a potential significant increase in reserves; these additional tonnes and ounces are currently reported as Indicated resources.

Underground Mine Designs

The Santa Pancha deposit extends to a depth of 190m below relatively flat-lying terrain. Vein widths range from 3-16m, averaging 8m, and the dip varies from 65-75°. The mining method utilised at Santa Pancha is sub-level stoping, using both unconsolidated waste and cemented rock for backfill. Access from surface is via a decline with horizontal levels driven at 19m intervals, and cross-cuts into the ore driven from these levels. Ore drives are

mined along the orebody. The ore is mined on retreat with waste rock for backfill supplied from underground development waste or from Santa Pancha open pit waste. The water that infiltrates the current underground mining area is plus 70°C and can be as high as 80°C, therefore the mine's dewatering and ventilation systems are important in ensuring acceptable working conditions. A newly completed raise-bored raise has helped to assist ventilation, the development of second raise-bore hole is underway, and underground pumping capacity has been upgraded. These improvements should allow increased productivity as the current high temperatures are limiting underground staff to 6 hour shifts.

In preparing the underground reserves the veins are diluted to a minimum mining width of 3m. If the original vein width is less than 2.4m, dilution is added at zero grade to bring the minimum mining width to 3m. If the original vein width is 2.4m or greater, 0.6m of dilution is added at zero grade. Once the diluted width and grade have been determined, allowance is made for additional mining dilution of 8% at zero grade. If necessary the grade is further adjusted by a mine call factor derived from the previous year's mill reconciliation. The recent plans indicate that B2Gold is planning to mine stopes over two levels (2 x 19m) at depth; dilution and recovery may be higher than the current allowance with the enlarged stope exposure.

At Santa Pancha mining recovery of the mineralised veins is estimated at 95%. Blocks incorporating sill pillars are reduced to 85% extraction, and those near major faults or old workings range from 50-70% extraction.

The Veta Nueva ore body lies up to 180m below flat-lying terrain and strikes in an east-west direction. The resource boundary has variable geometry and contacts that define two segments, separated by a low grade area, extending over approximately 80m. The vein width varies from a minimum of 2.4m to over 5m with an average of approximately 4.6m and the dip of the vein varies between 65-85°. The planned mining method is longitudinal open stoping using backfilling with unconsolidated development waste.

LOM Plan

Open pit mine production is planned to produce around 130-170,000t of ore per annum, moving around 2.8Mtpa of total material with a LOM average strip ratio of 16:1 waste:ore. Open pit mining is scheduled to be completed in 2014. The LOM plan is scheduled over five years, though current reserves support approximately four years; it is anticipated that additional resources will be upgraded to reserve status over the LOM. Santa Pancha underground mine is scheduled at 250,000-440,000tpa of ore. During 2012 underground mining has been averaging around 14,000t per month which is below the current plan of 21,000t per month, due in part to the requirement to limit underground shifts to only 6 hours because of the high ambient temperatures. The present upgrades in ventilation and pumping should allow productivity to be increased.

Table 6.12 details the various sources of ore contributing to the LOM schedule.

Table 6.12
Limon LOM - Mine Production

Ore Zone	Unit	2012	2013	2014	2015	2016	Total
Mining							
Open Pit Ore	Mt	0.17	0.13	0.09			0.39
Open Pit Waste	Mt	2.70	2.70	0.88			6.28
Open Pit Total	Mt	2.87	2.83	0.97			6.66
Strip Ratio	O:W	15.5	21.5	9.9			16.2
Underground Ore	Mt	0.25	0.31	0.35	0.44	0.31	1.66
Sources of Ore							
Santa Pacha Underground	Mt	0.25	0.31	0.35	0.44	0.31	1.66
Babilonia	Mt	0.04					0.05
Tajo Pozo 4 South Pit	Mt	0.05	0.02				0.07
Tajo Pozo 4 North Pit	Mt	0.03					0.03
Tajo Veta Nueva 1 Pit	Mt	0.04	0.10	0.03			0.17
Tajo Pozo 2 Pit	Mt	0.01					0.01
Tajo Santa Emilia South Pit	Mt	0.01		0.06			0.07
Total Ore Mined	Mt	0.43	0.43	0.44	0.44	0.31	2.05
Gold Grade	g/t	4.3	4.3	4.5	3.8	4.7	4.3

Note: production figures are based on 100% ownership, B2Gold has 95% interest; current reserves total 1.64Mt

Processing

The Limón processing plant is a conventional CIP operation with a design capacity of 1,000tpd of ore. The plant includes:

- a 55tph capacity jaw crusher from which the discharge is delivered by conveyor to the crushed ore stockpile
- a grinding circuit comprising a SAG mill and a ball mill; the ball mill is close-circuited by cyclones and target grind size is 80% -75µm
- a cyanide leaching circuit with around 36 hours of residence time at the design throughput of 42tph at 40-45% solids; oxygen is injected into the leach tanks to improve gold recovery by around 5%
- a six tank carousel-style CIP plant which receives the leaching circuit discharge; carbon is extracted from the circuit every two days by pumping the contents of the leading tank in the carousel across a vibrating screen
- carbon processing includes acid washing to control contamination by inorganics, pH adjustment, transfer to the elution column, stripping of gold using a high strength cyanide solution, and regeneration in a horizontal kiln
- electrowinning of gold from the strip solution, producing a sludge which is flushed from the electrowinning cells, filtered and smelted.

Plant throughput has been increased to around 1,100tpd by increasing the level of automated process control in the grinding circuit, and throughput during the first half of 2012 has been maintained at this level. The leaching circuit is robust, having a relatively long residence time and using oxygen injection to promote leaching kinetics; the process plant is considered by BDCI to be competently managed and operated.

Environment and Social

Environmental

During BDCI's site visit, B2Gold's environmental manager advised in terms of environmental regulation, the mining concessions in Nicaragua are divided into parcels according to mines or exploration projects. Separate environmental permits govern the parcels and the conditions of each permit vary according to the use of each parcel (for example, a separate permit is required for exploration drilling). Permit compliance is monitored by the Ministry of Environment and also by the local municipality, with community participation being part of that monitoring. A TSF would need a Category 2 environmental permit requiring evaluation by a consultant, and a water discharge authorisation would be in place under the environmental permit.

At El Limon the San Jose TSF is undergoing expansion, with the design work carried out by independent specialist TetraTech. Stage 2 of the project has recently been completed, raising the height of the dam wall by 10m and increasing the expected pond life by seven years. B2Gold advises that at present the TSF discharges water into a nearby drainage at the rate of 1,100 cubic meters per day during the rainy season. The cyanide content of the discharge is monitored and is less than 0.1 milligram per litre. Monitoring is also undertaken by the Ministry of Environment, monitoring water quality before and after discharges. Analysis is undertaken for 17 potential contaminants in addition to cyanide, and all monitoring results to date have been below regulatory thresholds. The former Santa Rosa TSF has been reclaimed but not yet re-vegetated; it is planned that re-vegetation will be completed within three years. Three mined out open pits have been backfilled.

The environmental monitoring programme at El Limon includes semi-annual sampling of soil at the old Santa Rosa tailings dam for heavy metals and cyanide, daily water sampling at all operations, and air monitoring at the San Jose TSF.

Corporate Social Responsibility

B2Gold is active in community relations and CSR. B2Gold's short-term and long-term CSR capital projects are aimed at a population of 90,000 living within a 10km radius of the El Limon mine. The broad project categories are infrastructure (e.g., drinking water and electricity), worker housing, education and training, and small business promotion, all aimed at sustainability.

Infrastructure

Site infrastructure facilities include roads, site buildings, power reticulation, water storage and reticulation, operations workforce accommodation, fire protection, security facilities, fuel supply, communication systems, and waste management facilities. Water, both industrial and potable, is drawn from local sources.

Electrical power for the Limon Mine operations is obtained from the Nicaraguan national grid system with backup generators at the mine site. The national grid is generated by combustion of Bunker C fuel oil. The current cost of power is US\$0.19/kWh; this price is subject to increases based on the fuel oil cost.

Production Forecasts

The Limon production forecasts are summarised in Table 6.13. The forecasts are based on the current B2Gold LOM plan. Ore mining and mill throughput are scheduled at approximately 0.43Mtpa at an average grade of around 4.3g/t Au. Gold production is forecast at 50,000ozs per annum with an additional 55,000ozs per annum of silver. Mill recovery rates are projected at 90.6% for gold and 65% for silver respectively.

Table 6.13
Limon LOM Production Forecasts

Category	Unit	2012	2013	2014	2015	2016	Total
Mining							
Ore Mined	Mt	0.43	0.43	0.44	0.44	0.31	2.05
Grade	g/t Au	4.27	4.29	4.48	3.78	4.72	4.3
Processing							
Ore Milled	Mt	0.41	0.42	0.42	0.42	0.38	2.05
Grade	g/t Au	4.2	4.3	4.5	3.8	4.6	4.3
Contained Gold	ozs	55.6	58.0	60.5	52.0	55.3	281.4
Recovery	%	90.6	90.6	90.6	90.6	90.6	90.6
Gold Produced	ozs	50.4	52.5	54.8	47.1	50.1	254.9
Grade	g/t Ag	6.50	6.57	6.85	5.90	7.01	6.6
Contained Silver	ozs	85.3	88.9	92.7	79.8	84.8	431.4
Recovery	%	65.0	65.0	65.0	65.0	65.0	65.0
Silver Produced	ozs	55.4	57.8	60.2	51.8	55.1	280.4

Note: production figures are based on 100% ownership, B2Gold has 95% interest; current reserves total 1.64Mt

Recent production statistics for the last two years, 2010 and 2011, and for the first nine months of 2012 are shown in Table 6.14. Gold production performance in 2012 YTD is slightly below forecast; production from underground has been below target and lower grade ore from the open pits has been processed reducing overall gold production.

Table 6.14
Limon Production for 2010 to September 2012

Category	Unit	2010	2011	2012
Ore Milled	Mt	0.34	0.38	0.29
Grade	g/t Au	4.2	4.1	4.1
Contained Gold	ozs	45.9	50.2	38.3
Recovery	%	88.7	90.2	90.7
Gold Produced	ozs	40.7	45.3	34.8

Note: 2012 production is for the first nine months; production figures are based on 100% ownership, B2Gold has 95% interest

The five year LOM plan is based predominantly on the defined underground and open pit reserves of 1.64Mt, which represents approximately four years of production; the remaining scheduled ore draws on Indicated resources which total 1.11Mt, which could potentially support a further two and a half years of production.

The mine schedule is dependent on the production from underground increasing in 2013. Current underground production is not meeting target and the upgrade of the ventilation and pumping systems is required to bring productivity up to the targets to meet the LOM schedule

Annual milled ore tonnage increased by around 12% from 2010 to 2011, attributed mainly to improvements in grinding circuit process control. A further increase of 14% is forecast for 2013-2016. Based on performance to date in 2012, this increase may prove challenging. Forecast gold recovery for the period 2013-2015 is in line with recent achieved gold recovery.

Capital Costs

The capital cost budget for the Limon project from 2013 is summarised in Table 6.15. The costs are derived from the most recent LOM schedule.

Table 6.15
Limon Capital Cost Forecast (US\$M)

Category	LOM Forecast				Total
	2013	2014	2015	2016	
Mine Fleet, Ventilation, Pumps	0.05	1.35	1.35		2.75
Processing and Laboratory	1.78	1.52	8.20	0.05	11.55
Maintenance and Engineering	2.18	0.05	0.19	0.35	2.77
Logistics, Administration and IT	0.00	0.30	0.04		0.33
Projects	0.80	0.25			1.05
Vehicles	0.14	0.64	0.14		0.92
Total	4.96	4.10	9.91	0.40	19.37

Note: capital cost figures are based on 100% ownership, B2Gold has 95% interest; capital expenditure in 2012 is forecast at US\$14.8M

The main capital costs items are the underground mine fleet, processing and laboratory and maintenance and engineering. Other capital costs include provision for project work and light vehicles. There appears to be no allowance for underground development.

Capital expenditure for 2012 was budgeted at US\$14.8M but BDA notes that the August monthly report for Limon shows capital and discretionary expenditure for August YTD as US\$17.7M.

Operating Costs

The operating cost forecasts for the Limon project are summarised in Table 6.16. The costs are expressed in real terms before the application of cost and price inflation factors.

Table 6.16
Limon Operating Costs Forecasts

Category	Unit	2012	2013	2014	2015	2016	Total
Production							
O/P Material Mined	Mt	2.87	2.83	0.97			6.66
U/G Ore Mined	Mt	0.25	0.31	0.35	0.44	0.31	1.66
Ore Milled	Mt	0.41	0.42	0.42	0.42	0.38	2.05
Gold Produced	koz	50	53	55	47	50	255
Costs							
Underground	US\$M	4.9	4.7	2.2			11.8
Open Pit	US\$M	15.9	14.6	14.5	14.7	13.6	73.3
Mining Costs	US\$M	20.8	19.3	16.8	14.7	13.6	85.2
Processing Costs	US\$M	11.9	12.2	12.2	12.1	11.4	59.8
Admin Costs	US\$M	9.0	9.0	9.1	9.0	9.0	45.1
Total Site Costs	US\$M	41.6	40.5	38.1	35.8	34.0	190.0
Royalties	US\$M	2.6	2.5	2.5	2.1	2.3	12.0
Ag Credits	US\$M	-1.7	-1.7	-1.7	-1.4	-1.4	-7.9
Head Office	US\$M	2.6	2.6	2.6	2.6	2.6	13.1
Total Costs	US\$M	45.1	43.9	41.5	39.2	37.5	207.2
Unit Costs							
Open Pit Mining	\$/t	1.70	1.67	2.31			1.78
U/G Mining	\$/t Ore	62.70	47.30	41.40	33.78	43.18	44.08
Mining	\$/t milled	50.89	45.94	39.88	35.01	36.08	41.62
Processing	\$/t milled	29.06	28.89	29.06	28.88	30.25	29.21
Administration	\$/t milled	22.05	21.50	21.60	21.31	23.95	22.04
Total Site	\$/t milled	102.00	96.33	90.55	85.20	90.28	92.87
Total Unit Cost	\$/oz	896	836	758	831	748	813

Note: Ag Credits = silver credits less refinery costs for gold and silver; O/P = open pit; U/G = underground; the total unit cost per ounce is based on all costs and the deferred underground and prestripping costs have not been deducted; production and operating cost figures are based on 100% ownership, B2Gold has 95% interest

The open pit mining costs are based on the current operations where the work is predominantly carried out by the mining contractor. The open pit mine operating cost to August 2012 YTD was US\$1.68/t which was generally in line with forecast. The YTD underground mining unit costs at Santa Pancha are US\$92.4/t which is almost 50% above the forecast mining cost of US\$62.7/t for 2012. The unit costs are affected by the relatively low production over the period.

Forecast milling costs are based on the current operations. The mill operating cost August 2012 YTD is US\$29.3/t which is in line with the forecast costs over the LOM. The site administration operating unit cost August 2012 YTD was US\$23.3/t which is slightly higher than the forecast for 2012. The administration cost is forecast to be around US\$22/t over the LOM.

6.4 Otjikoto Gold Project - Namibia (B2Gold 92%)

The Otjikoto gold project is located in the Province of Otjozondjupa in the north central part of Namibia, some 300km due north of Namibia's capital Windhoek and approximately 2km east of the B1 national road, the main transport route between Windhoek and northern Namibia. B2Gold acquired the project in December 2011 following the merger with Auryx Gold Corp ("Auryx") for approximately C\$97M net, after accounting for Auryx's cash balance. Auryx had acquired the project in June 2010 from Teal (Namibia) Inc. ("Teal") for US\$28M.

B2Gold has a total of 11 exclusive prospecting licences ("EPL") covering approximately 900,000ha in Namibia. The Otjikoto project is situated within the Otavi Exploration Area which consists of four EPLs that cover a surface area of approximately 275,000ha. An application for a mining licence covering an area of 6,934ha within EPL 2410 has been submitted; B2Gold owns the surface rights over the areas to be impacted by future mining operations, through a subsidiary company.

B2Gold has a 100% interest in all of the EPLs apart from the licence covering Otjikoto itself, where it has a 92% interest, with a local partner EVI Gold (Pty) Ltd, a broad-based black empowerment group, having an 8% interest.

Outside of the Otavi Exploration Area, the granted EPLs form two new distinct project areas, AccTer and Top Hat, both located 250km east of Otjikoto. AccTer is considered to be prospective for various styles of mineralisation including volcanogenic massive sulphides, iron-oxide copper gold and Otjikoto-style gold deposits.

The gold mineralisation at Otjikoto is hosted in Precambrian metasediments of the Karibib Formation, consisting of marbles, albitites, and hornfels biotite schists. The mineralisation occurs as a shallow sheeted-vein system and the gold is often coarse and particulate, causing a pronounced nugget effect in geostatistical resource estimation. On a large scale, the Otjikoto deposit has a strong spatial association with magnetite.

A number of mineral companies explored the area for base metals in the 1960s to the 1980s; exploration activity included mapping and some drilling, but with limited success. Early exploration relied on a combination of airborne and ground geophysical surveys to identify drill targets, as the bedrock geology of the area is largely covered by 10-15m of calcrete. Most historic, regional exploration work focused on base metal exploration.

There is no history of gold-focused exploration activity within or adjacent to the Otavi Exploration Area until Teal acquired some of the current exploration licences in 1997. Vein-hosted gold mineralisation was discovered by Teal in follow-up drilling on a magnetic anomaly identified in an airborne survey. By 2008, Teal had completed over 700 diamond and reverse circulation drillholes totalling over 94,000m. Auryx acquired the project from Teal in June 2010 for US\$28M. In 2010 and the first half of 2011, Auryx drill tested targets to the east and northeast of the known resource area, as well as targets immediately proximal to the resource. Three new zones of gold mineralisation were identified, the East 1 shoot, the West 1 shoot, and the Southwest Hangingwall zone. The Auryx programme consisted of 161 diamond drill holes (39,700m) and 85 RC holes (6,900m). B2Gold acquired the project in December 2011 following a merger with Auryx.

Drilling has also defined two distinct zones of massive iron-oxides overlying and peripheral to the Otjikoto gold deposit. Both zones occur at and near surface and have been named the Main Magnetite Zone ("MMZ") and the Magnetite 1 Zone ("M1Z"). The MMZ is a 5-30m thick unit of semi-massive to massive iron oxides with a drill defined extent of 400 x 250m. The M1Z is a 5-20m thick unit of semi-massive to massive iron oxides drilled over an area of 300 x 250m.

A resource estimate of the gold mineralisation was undertaken in 2010. An updated resource estimate was prepared by Bloy Resource Evaluation as at 31 December 2011. The model is based on a total of 435 diamond drill holes (95,100m) and 400 reverse circulation holes (33,100m) of which 38,900m of drilling in 168 holes were drilled as part of an in-fill drilling programme completed in 2010 and 2011. Whittle pit optimisation was carried out to constrain the resource within an optimised pit shell based on reasonable mining and processing parameters, and a gold price of US\$1,350/oz. Approximately 10% of the resource occurs in oxidised rock with 90% in fresh rock.

The resource estimates are summarised in Table 6.17.

Table 6.17
Otjikoto Resource Estimates

Category	Cut-off Grade g/t Au	Tonnage Mt	Grade g/t Au	Contained Gold Moz
December 2010				
Indicated	0.4-08	9.34	0.60	0.18
	>0.8	15.78	1.94	0.98
Total		25.12	1.44	1.16
Inferred	0.4-08	7.21	0.59	0.14
	>0.8	8.37	1.94	0.52
Total		15.58	1.31	0.66
December 2011				
<i>Within Pit</i>				
Indicated	0.5	24.93	1.74	1.39
	0.5	1.00	1.51	0.05
<i>Unrestrained</i>				
Indicated	0.5	30.28	1.61	1.57
	0.5	18.27	0.96	0.56

Note: the resource estimates are quoted at the 100% level; B2Gold's interest is 92%

SRK Consulting (South Africa) (Pty) Ltd ("SRK") prepared a Preliminary Economic Assessment ("PEA") of Otjikoto, with input from a number of independent consultants. The report was prepared according to the requirements of NI 43-101. SRK audited the 2011 resource estimate and performed sufficient checks to satisfy itself of the accuracy of the results.

The key parameters adopted in the study were:

- conventional open pit mining at a rate of 2.4Mtpa with 5% dilution and 95% mining recovery (both contractor and owner mining were considered)
- total material mined and processed comprised 22.1Mt of ore at an average grade of 1.71g/t Au, plus 4.1Mt of low grade material grading 0.48g/t Au, with an average LOM strip ration of 7.3:1
- conventional flotation and carbon-in-leach process, with two stage crushing, single stage milling, gravity gold recovery, flotation, CIL, electrowinning and smelting to produce doré bullion bars
- average metallurgical recoveries of 88% for oxide material and 91% for sulphide material
- average annual production of 109,000ozs of gold over a 10-year LOM
- initial capital requirements using contractor mining of US\$130M, including a contingency of US\$19M, with sustaining capital and owner's costs of US\$15M and US\$3.4M respectively
- initial capital requirements for owner mining were US\$161M plus US\$52M ongoing capital.
- average LOM operating costs, including royalties and contingencies, of US\$34.90/t or US\$772/oz using contractor mining.

Using a gold price assumption of US\$1,300/oz and an exchange rate of 7.5 Namibian dollars to a US\$, and a company tax rate of 37.5%, the project post-tax NPV was US\$141M at an 8% real discount rate or US\$98M at a 12% real discount rate.

An Environmental and Social Impact Assessment was commissioned in 2007 to study the effects of the project and approval was granted in August 2012. Based on the summary of this study the environmental and social impacts appear readily manageable.

The 2012 project budget is US\$43.5M, including US\$34.6M to complete a feasibility study by year end; the exploration budget totals US\$8.9M, of which US\$4.3M relates to 16,000m of feasibility study drilling; another 2,500m of exploratory drilling will be carried out beyond the current resource limits.

Feasibility work will include additional metallurgical drilling and test work, power studies and geohydrology. Included in the budget are costs for site preparation work and construction of a camp at site. Subject to a favourable feasibility study outcome, commercial production could commence by early 2015.

6.5 Gramalote Gold Project - Colombia (B2Gold 49%)

B2Gold has a 49% interest in the Gramalote gold project, with joint venture partner AngloGold Ashanti holding 51%. The Gramalote property is located in central Colombia near the town of Providencia within the municipalities of San Roque and San Jose del Nus, Department of Antioquia, approximately 230km northwest of the Colombian capital of Bogota and approximately 110km northeast of Medellin.

The project area is covered by 31 contiguous claim blocks totalling 42,790ha. The claims presently include one Exploitation Licence totalling 57ha, 26 registered concession contracts totalling 35,265ha and 4 mineral applications totalling 7,468ha. The claims are registered, or are in the process of being registered, in the name of Gramalote (Colombia) Limited (“Gramalote Branch”), the Colombian branch of Gramalote BVI that has been formed to hold all of the Gramalote mineral claims. Surface access agreements have been secured with the property owners in the area of planned exploration and drilling. Additional surface rights may be required for the establishment of a commercial mining project.

The Gramalote project is situated along the valley of the Nus River. The topography along the valley is relatively subdued although locally steep and incised, with elevations ranging from 800-1,500m above sea level. The climate is mildly tropical with daytime temperatures throughout the year averaging about 24°C. Yearly rainfall averages about 200cm and falls mostly from March to May and from September to December.

Infrastructure surrounding the Gramalote project is excellent with paved highway access from Bogota, as well as from the city of Medellin. The paved highway and railway continue to Puerto Berrio located on the Magdalena River some 55km to the east; the river provides access to a major ocean port on the Caribbean coast at Barranquilla. High tension grid power passes within 1km of the project area.

Gold mining within the Gramalote area pre-dates the early Spanish colonial period. Continuous exploitation in the Gramalote Ridge area dates from the late 19th century, with production from the region generally dominated by alluvial and hydraulic techniques. Modern day mineral titles covering part of the known mineralisation at Gramalote were owned by the Aristizabal family until 2005 when the existing title was ceded to the Grupo Nus and subsequently became part of the joint venture with AngloGold and B2Gold.

The Gramalote project contains gold and silver mineralisation associated with pyrite in a quartz and quartz-carbonate stockwork vein system within the Cretaceous Antioquia Batholith, a large body of granitic rock. The mineralisation control is believed to be structural, consisting of east-northeast trending and sub-vertically dipping shear zones along Gramalote Ridge.

The style of mineralisation, the widespread nature and abundance of outlying targets, and the clear structural control upon mineralisation at both a local and regional scale, all suggest that Gramalote is part of a district-scale mineralising event. Given the regional-scale surface geochemical (stream sediment, rock and soil sample) results and accompanying geological observations, B2Gold has concluded that numerous additional strong gold anomalies exist within the Gramalote property area that deserve additional definition via prospecting and grid-based rock and soil sampling.

Within the Gramalote Ridge area, exploration has outlined a significant gold system extending over a strike length of 1,100m and width of 275m to a vertical depth of 450m, with several zones of mineralisation delineated. AngloGold completed 43 diamond drill holes for 12,300m and a 240m exploration tunnel in 2006/07. In 2008, B2Gold drilled 67 diamond drill holes for 22,200m and sampled the opposite face of the tunnel. During 2011, 88 holes totalling 29,500m were drilled on the property, of which 23 holes totalling 9,000m were infill drilling, 6 holes totalling 2,300m were for geotechnical information and 13 holes totalling 2,100m were for infrastructure sterilisation drilling. The remaining holes were exploration drilling in external areas with the aim of adding new Inferred resources to the project mainly in the Monjas East, Monjas West, El Limon, El Topacio and Trinidad target areas.

In February 2009, B2Gold completed a NI 43-101 compliant mineral resource estimate for the Gramalote Ridge zone. The estimate was based on 110 diamond drill holes and 34,500m drilled to date and 481m of underground channel samples.

Geological interpretations were completed on roughly 60m spaced vertical cross sections which were reconciled on levels and long sections to create a consistent three-dimensional wireframe model of the zones. Six wireframe zones were created, Felipe Zones 1 and 2, Gramalote 1 and 4, and Balzal 1 and 3. Solid models of the mineralised zones and a surface representing the saprock contact were modelled. The resource estimate was restricted within a US\$1,000/oz gold optimised Whittle pit.

AngloGold has recently released an updated resource estimate as of 31 December 2011. The estimate was restricted within a US\$1,600/oz gold optimised Whittle pit with a 0.25g/t Au cut-off. Both estimates are summarised in Table 6.18.

Table 6.18
Gramalote Resource Estimates

Category	Cut-off Grade g/t Au	Tonnage Mt	Grade g/t Au	Contained Gold Mozs
February 2009				
Inferred	0.5	74.4	1.00	2.39
December 2011				
Measured	0.25	30.5	0.85	0.83
Indicated	0.25	66.6	0.79	1.70
<i>Sub-total</i>		<i>97.1</i>	<i>0.81</i>	<i>2.54</i>
<i>Sub-total 49% interest</i>		<i>47.6</i>	<i>0.81</i>	<i>1.24</i>
Inferred - Gramalote	0.25	52.2	0.35	0.59
Inferred - Trinidad	0.25	43.5	0.55	0.77
<i>Sub-total</i>		<i>95.7</i>	<i>0.44</i>	<i>1.36</i>
<i>Sub-total 49% interest</i>		<i>46.9</i>	<i>0.44</i>	<i>0.67</i>

Note: resource estimates tabulated at the 100% level; B2Gold interest is 49%

Prefeasibility work is underway and is scheduled for completion in late 2012. The preliminary results are such that the 2012 joint venture budget has been increased from US\$36.9M to US\$62.5M, which includes 21,700m of diamond drilling for exploration of additional targets on the property, and infill drilling. Prefeasibility expenditure includes environmental studies, metallurgical testwork, land purchases, social programmes including the relocation of artisanal miners, and engineering. Recent testwork results have demonstrated gold recovery in excess of 90%. B2Gold and AngloGold are each funding their pro rata share of the budget.

A final feasibility study is planned for the fourth quarter of 2013. Work to date indicates that the project has the potential to produce around 300,000ozs of gold per year, with production starting as early as 2016.

6.6 Mocoa Property, Colombia (B2Gold 100%)

The Mocoa property is located in the south of Colombia approximately 465km southwest of Bogota and 10km north of the town of Mocoa, an agricultural centre and the capital of Department of Putumayo. B2Gold acquired a 100% interest in the Mocoa copper-molybdenum porphyry deposit from AngloGold Ashanti, subject to a 1% royalty interest retained by AngloGold. The Mocoa property consists of four contract claims totalling 7,831ha and two claim applications totalling 3,961ha.

Mocoa lies within a belt of Early to Mid-Jurassic magmatic rocks known to host several porphyry copper prospects in southern Colombia and Ecuador. Copper and molybdenum mineralisation is hosted by a potassic-and phyllic-altered dacite porphyry stock emplaced into cogenetic volcanic rocks. Mineralisation consists of vein and stockwork chalcopyrite, molybdenite and local bornite and high grade hydrothermal breccias. Mocoa is a molybdenum-rich copper porphyry with molybdenum grades averaging around 0.04% Mo.

Previous diamond drilling at the Mocoa property consisted of 31 holes for 18,300m conducted by the United Nations and Ingeominas in the late 1970s to early 1980s. This drill programme resulted in the delineation of a non-NI43-101 compliant historical resource of 306Mt at 0.37% Cu and 0.061% Mo, using a 0.25% Cu plus 0.025% Mo cut-off and a specific gravity of 2.7. B2Gold's current internal estimate is slightly more conservative at 270Mt averaging 0.36% Cu and 0.04% Mo. Historical drilling has shown the Mocoa orebody to be cylindrical in shape, covering 500 x 600m in area, extending to a depth of at least 700m and open to the northeast.

In 2008, B2Gold completed nine diamond drill holes for 5,100m on the Mocoa property. Drilling was carried out over an 875 x 550m area and tested the extensions of the deposit to the north and northeast as well as confirming previous drilling results with twin holes. Assay results from the 2008 drill programme confirmed the results from the Ingeominas drilling with the B2Gold holes containing slightly higher Cu and Mo values.

Five holes totalling 2,700m tested the northeast and northern extensions of the deposit. Drilling has shown encouraging Cu-Mo values at depth and shows the deposit to be open to the north and northeast. B2Gold estimates current expenditure at US\$25.5M.

6.7 Cebollati Property - Uruguay (B2Gold 80%)

The Cebollati property is located in the Department of Lavalleja, 180km northeast of Montevideo in southern Uruguay and consists of 10 claims totalling approximately 34,200ha. The claims comprise one Exploration Licence totalling 163ha, one Exploration Licence application totalling 163ha, five Prospection Licences totalling 14,808ha and three Prospection Licence applications totalling 19,066ha. The Cebollati property has excellent paved road access approximately 8km from a highway in rolling farm country.

B2Gold earned an 80% interest in the Cebollati property by paying US\$1M in stages by 31 January 2012 and agreeing to fund all exploration work through to feasibility. Additional obligations include the completion of a feasibility study, a per ounce gold payment and a net smelter royalty for additional production.

Some 52 holes totalling 8,300m were completed during the 2011 drill programme. Concentrated drilling in the Southern and Windmill zones confirmed the existence of continuous, shallow, mineralised zones which are open along strike and to depth. The drilling and trenching have shown that each of these zones extends for in excess of 400m within a mineralised system, which has been defined over a 2.2km strike length. Highlights of the new drilling include:

- UC11-019 with 11.1m grading 11.6g/t Au within a 23.8m interval of mineralisation grading 5.7g/t Au
- UC11-032 with 7.5m grading 4.5g/t Au, including 12.8g/t Au over 2.3m
- UC11-022 with 7.5m grading 5.7g/t Au
- UC11-037 with 4.0m grading 4.0g/t Au and 8.0m at 2.8g/t Au
- UC11-021 with 16.2m grading 1.74g/t Au.

To increase the understanding of the mineralisation controls in the Southern zone, a 50 x 15m area was stripped and nine east-west continuous sample lines were completed for a total of 340 line metres. This area is located at the fold hinge of the main antiformal structure where a shallow north-northeast plunge was identified. The direction of the fold hinge is affected by west-northwest structures generating possible dilatational jogs controlling the high grade mineralisation.

The 2012 exploration budget of US\$3.4M includes 4,000m of drilling and the stripping of two 50 x 20m areas to better reveal the geology. The drilling programme will continue on the Southern and Windmill zones following the successful 2011 exploration drilling programme that confirmed the presence of significant gold bearing replacement style mineralisation within multiple zones. In addition, the 2012 exploration will continue on regional evaluation and project generation work.

6.8 Bellavista Property, Costa Rica (B2Gold 100%)

The Bellavista property is located within the Costa Rican “Gold Belt”, approximately 70km northeast of San José. B2Gold holds one exploitation concession covering 700ha. The Bellavista mine was previously operated by Glencairn Gold Corporation (“Glencairn”) as a heap leach operation. Mining operations were suspended by Glencairn in July 2007 due to indications of a potential massive ground movement, which in part were caused by water saturation due to abnormally high rainfall during the preceding several years. Following the suspension of mining operations, Glencairn undertook a programme of rinsing the heap leach with fresh water to remove cyanide from the heap, and commenced a monitoring programme to evaluate ground movement concerns. In October 2007, a landslide at the Bellavista mine occurred resulting in damage to the east side of the heap leach pad and the recovery plant. However, the preventative measures taken by Glencairn averted any significant environmental damage.

Since October 2007, Glencairn and B2Gold have conducted a number of mitigations measures, extensive monitoring programmes and site reclamation. Tetra Tech Inc., working directly for the Secretaria Tecnica Nacional Ambiental (“SETENA”) which is the lead regulatory agency in Costa Rica, recently completed environmental and closure audits which show that the landslide has remained stable since the initial movement in October 2007 and there has been no contamination of surface and groundwater as a result of this incident. B2Gold’s reclamation activities continue with the planting of over 1,000 trees on portions of the waste dump area and with work programmes focused on controlling runoff from rain storms and keeping water levels from building up in the slide area.

B2Gold is investigating various alternatives relating to the Bellavista property, including the potential for re-opening the mine using different technologies, including a milling and carbon-in-leach process. A conceptual study describing the potential new process, the preferred location of new facilities and a number of alternatives for using waste material to reinforce the landslide was submitted to SETENA in December 2009.

Further development plans were initiated and the collection of baseline data in this area is underway. The company has been actively working with the local municipality of Miramar and seven local communities in the

area on a number of social programmes, including potable water improvements for Miramar, improvements to local meeting halls and improvements and additions to local schools. Although Costa Rica recently passed a new law prohibiting open pit mining, the new law states that the rights of existing operations will be protected and “grandfathered”.

6.9 Trebol and Pavon Projects and Radius Gold Joint Venture - Nicaragua (B2Gold interests variable – 100% and 60%)

In December 2009 B2Gold entered into an option agreement with Radius Gold Inc (“Radius”) in respect of the Trebol and El Pavon gold exploration properties in Nicaragua. Under this agreement, B2Gold earned a 60% interest in the Trebol and Pavon properties by expending a total of US\$4M on exploration. In August 2012, B2Gold increased its interest to 100% in the Trebol and El Pavon gold properties, purchasing Radius’ 40% interest for C\$20M, payable in approximately 4.82M common shares of B2Gold at a notional price of C\$4.15 per share (based on the volume weighted average price of B2Gold’s common shares on the Toronto Stock Exchange for the ten trading days immediately preceding the date of the letter agreement). B2Gold ascribed approximately US\$12M to Pavon and US\$8M to Trebol. The agreement also includes potential future payments to Radius of US\$10/oz of gold on 40% of any Proven and Probable Ore Reserves in excess of 500,000ozs on the Trebol property.

The Trebol property located in northeastern Nicaragua is a low sulphidation epithermal hot springs district consisting of numerous strong gold anomalies spanning over 14km of strike length. Radius drilled nine holes totalling 960m on the property and carried out trench sampling. Best intersections included:

- 23m grading 1.5g/t Au in hole TRDH-001
- 11m grading 3.9g/t Au in Trench 27.

The 2011 exploration budget of US\$2.1M is to fund 3,000m of drilling to follow up good grade geochemical and trench results from the 2010 programme.

The Pavon property located in central Nicaragua is a low sulphidation system discovered by Radius in 2003. Several veins occurring over a strike length of 6km have been explored with 74 trenches and 70 diamond drill holes totalling approximately 10,700m. Historic results include:

- 14.2m grading up to 9.1g/t Au in Trench 1
- 16.8m grading 10.3g/t Au in hole PADH-055 in the north zone
- over 11m grading up to 6.7g/t Au in hole PADH-01 in the south zone.

Drilling at Pavon is intended to evaluate the viability of open pit mining portions of the veins and shipping the ore to the mill at B2Gold’s Limon mine.

B2Gold and Radius have also entered into a 60/40 joint venture agreement with respect to the San Jose and La Magnolia properties in Nicaragua with each party contributing its pro-rated share of the exploration costs. Recent trench results at San Jose include 20m averaging 2.3g/t Au. The exploration budget for 2012 (100% basis) is US\$1M.

6.10 Calibre Mining Joint Venture - Nicaragua (B2Gold option to earn up to 65% in stages)

B2Gold has an option to earn up to a 51% interest in specific concessions within the Borosi area, as part of its joint venture with Calibre Mining Corp (“Calibre”), by funding C\$8.0M exploration expenditure by July 2014. Once the earn-in is complete, B2Gold may elect to carry an individual prospect within the concession area through to a Preliminary Feasibility Study for an additional 14% interest in the prospect. To 31 December 2011, B2Gold had funded approximately C\$4.5M on exploration. Currently 27 drill holes and approximately 11,000m of drilling have been completed; B2Gold advises that the C\$8M earn-in will be complete by end 2012. The company is the operator of the project.

The Borosi concession is located in the Bonanza-Rosita-Siuna areas of northeast Nicaragua. The “Mining Triangle” of Nicaragua is estimated to have had historical production totalling more than 5Mozs of gold, 4Mozs of silver, 158,000t of copper and 106,000t of zinc.

Significant porphyry-style gold-copper mineralisation has been discovered at the Primavera project within the Borosi concessions, with drill intersections of:

- 276.80m grading 0.50g/t Au and 0.21% Cu in PR11-001, including 103m of 0.85g/t Au and 0.32% Cu starting from the surface
- 261.7m grading 0.78g/t Au and 0.30% Cu in PR-11-002 from 1.5m depth, including 134.5m of 1.01g/t Au and 0.36 % Cu starting at 74.5m

- 146.5m grading 0.65g/t Au and 0.27% Cu in PR-11-003
- 46.0m grading 0.48g/t Au and 0.32% Cu in PR-12-005
- 172.3m grading 0.48g/t Au and 0.24% Cu in PR-12-008
- 159.5m grading 0.46g/t Au and 0.20 % Cu in PR-12-011
- 97.0m grading 0.34g/t Au and 0.16 % Cu in PR-12-012
- 22.5m grading 0.44 g/t Au and 0.21 % Cu in PR-12-013.

All holes intersected continuously mineralised intervals of stockwork and vein mineralisation characteristic of other well-known gold-copper porphyry systems.

More recently, the joint venture has announced positive results from the Minnesota gold-copper project located 20km northwest of Primavera. This area was selected as a high priority target during regional evaluation of the entire Borosi Joint Venture area. Work completed to date includes soil, rock and face sampling of artisanal workings, detailed geologic mapping and reconnaissance geologic mapping. This work was successful in outlining porphyry-style alteration and mineralisation delineated over a 1.75 x 1.25km area with an associated central gold and copper soil anomaly measuring 500 x 250m. The area is also variably anomalous in Mo, Pb and Zn. A second gold in soil anomaly located 500m to the northeast measures 750 x 250m and has returned initial trench results of 6.4m grading 5.56g/t Au (BRTR11-044) and 8.0m grading 6.35g/t Au (BRTR11-047) in trenches excavated over a 900m strike length. Surface rock samples at the Minnesota target have returned results up to 34.2g/t Au, 90.4g/t Au and 0.26% Cu. The target consists of a favourable multi-phase intrusive centre with peripheral epithermal vein sets and widespread alteration. Numerous small-scale artisanal gold miners are active in the Minnesota region.

Exploration drilling going forward will continue with two drill rigs, with the focus being on infill drilling of the main Primavera zone as well as further testing of Minnesota. Several drill holes have been located to test the extent and continuity of the vein style mineralisation cut in hole PR-12-010 south of Primavera. The vein itself is approximately 13m wide (apparent width) and contains abundant chalcopyrite and other base metal mineralisation. The soil and rock chip anomaly associated with the vein zone extends for just over 900m. In total, some 12,000m of drilling is planned in 2012 with an exploration budget of US\$4.0M.

7.0 VALUATION DISCUSSION

7.1 Overview

The assets to be valued comprise:

CGA Mineral Assets

- Masbate gold mine on the island of Masbate in the Philippines
- Exploration potential within the Masbate tenements.

B2Gold Mineral Assets

- Limon gold mine in Nicaragua
- La Libertad gold mine in Nicaragua
- Otjikoto gold project in Namibia
- Gramalote joint venture (49% interest) gold project in Colombia
- Exploration prospects in Nicaragua, Colombia, Uruguay and Costa Rica.

The valuation principles outlined in Section 3 have been applied to the CGA and B2Gold assets discussed in Sections 5 to 6. Valuations have been considered as of the Valuation Date of 19 September 2012, the date of the announcement of the proposed transaction. The discounted cash flow net present value method has been applied to those projects which are considered to be sufficiently well advanced to prepare an appropriate financial model; other valuation methods as discussed in Section 3, such as past expenditure, related transactions, joint venture terms, or yardstick guidelines have been considered for the less advanced or exploration prospects.

BDO Corporate Finance has undertaken the valuation of the operating mines, Masbate for CGA and Limon and La Libertad for B2Gold, applying discounted cash flow methods as well as other considerations (see BDO Corporate Finance Independent Expert Report).

BDA has reviewed the production forecasts for the operating mines, and has considered the capital and operating cost projections. BDA has advised BDO Corporate Finance as to the reasonableness of the projections, and has suggested modifications where deemed appropriate. BDA has also assessed a range of sensitivities to assist with the development of an appropriate range of valuations. These aspects are discussed in Sections 5 and 6 and in the IER.

BDO Corporate Finance has requested that BDA as Technical Specialist undertake a valuation of the exploration and development assets of CGA and B2Gold where those assets are not sufficiently advanced, or where resources, reserves, production schedules and capital and operating costs have not been adequately defined, to allow for a discounted cash flow valuation.

Overall the value range assigned is based on the principles defined in the Valmin Code whereby the fair market value of a property is the amount a willing buyer would pay a willing seller in an arm's length transaction, wherein each party acted knowledgeably, prudently and without compulsion.

7.2 General Assumptions

BDA's valuations assume that:

- All licences, permits, certificates and consents issued by Federal, State or local government or other authorised entities or organizations that will affect the continuity of the operations have been obtained or will be obtained as required in the future.
- The financial and operational information provided by CGA and B2Gold has been prepared on a reasonable basis, reflecting estimates that have been arrived at after due and careful consideration.
- There will be no material change in the existing political, legal, fiscal, technological, market and economic conditions which will affect the revenues and incomes being generated.
- There will be no material change in the taxation laws and regulations and the rates of tax payable will remain unchanged and all applicable laws and regulations will be complied with.
- The market return, market risk, interest rates and exchange rates will not differ materially from those presently prevailing and market and economic conditions will not differ materially from those forecast.
- Relevant metal supply and demand will not differ materially from those forecast.
- Management will implement financial and operational strategies that will maximize the efficiency of the operation of the business.
- Management has sufficient knowledge and experience in respect of the operation of the business, and turnover of any manager or key person will not significantly affect the operation of the business.

- Adequate financial capital for the projected capital expenditure and working capital will be available and any scheduled interest or repayments of loans will be paid on time.
- Management has adopted reasonable and appropriate contingency measures against any human disruption such as fraud, corruption and strike, and the occurrence of any such disruption will not significantly affect the operation of the business.
- Management has adopted reasonable and appropriate contingency measures against any natural disaster such as fire, flood or cyclone and the occurrence of any natural disaster will not significantly affect the operation of the business.

BDA is not a commodities expert and for an expert view on future metal prices and exchange rates BDA has relied on parameters supplied by BDO Corporate Finance. However, BDA notes that there is no guarantee that prices will follow the BDO Corporate Finance projections, and that valuations are highly sensitive to the metal price assumptions.

7.3 CGA Mineral Assets Valuation

Masbate Mine Operations

BDO Corporate Finance has undertaken a discounted cash flow valuation of the Masbate LOM projections. The Masbate LOM plan incorporates the mining and processing of all defined reserves including the low grade stockpiles. BDA has reviewed the LOM projections and concurs that, based on current data, costs and metal forecasts, the optimised pit shells which have been used as the basis for the mine designs, incorporate all the known economic mineralisation within the various Masbate deposits. Assessment of the LOM model will thus, in BDA's view, allow the determination of an appropriate valuation of the currently known, and economically mineable, mineral assets.

BDA has reviewed the production and cost projections and has advised BDO Corporate Finance on the reasonableness of the assumptions and projections for valuation purposes. BDA has reviewed CGA Mining's Base Case production projections as a basis for valuation. In determining appropriate parameters for valuation, BDA has considered the assessments that might be made by a willing, knowledgeable and prudent buyer in assessing a value for the project.

Mine Production

- The 20 year LOM represents a reasonable appropriate production schedule based on reserves and additional resources.
- The projected LOM grade of 0.88g/t Au is 6% higher than the current reserve grade, but the mine has recently been achieving positive grade reconciliations and CGA plans to develop some near mine resources that are higher than average grade.

Milling

- BDA considers the targeted mill throughput of 7Mtpa is reasonable and ramp up to this level by 2016 should be achievable. The ore processing plant treated, on a monthly basis, the equivalent of 6.8Mtpa throughput for the last six months of 2011/12 and the first two months of 2012/13. The Base Case model forecasts 6.5Mtpa in 2012/13, 6.7Mtpa in 2013/14, 6.8Mtpa in 2014/15 7.0Mtpa thereafter.
- Recovery projections in the Base Case model are considered achievable, although recoveries in excess of 86% will be challenging.
- In BDA's opinion, the main historic risk relates to head grade. The plant head grade for 2011/12 was 5% below budget, but the resource block model has been re-estimated and the grade estimates now appear representative of the grade of ore being recovered. Grade reconciliation data against the new model is good, with actual grade to date approximately 2% above reserve projections. Overall BDA considers the grade projections in the production schedule, based on the new resource model, to be reasonable.

Capital and Operating Costs

- BDA considers that the capital estimates in the Base Case LOM are reasonable for valuation purposes.
- The operating costs as set out in the Base Case model are considered reasonable. The 2011/12 costs averaged US\$852/oz but these costs were affected by the SAG mill failure and resulting low throughputs. The LOM model indicates an overall unit operating cost of US\$786/oz or US\$21.40/t treated which is considered generally reasonable and achievable, subject to the projected throughputs, head grades, gold recoveries.

Masbate Exploration Valuation

BDA considers there is good potential for exploration within the Masbate tenements to identify further mineable reserves. In addition to the current and planned open pit mine developments at Masbate, the Company has exploration rights over a significant area to the south of the existing operations, and also has acquired additional tenements to the north.

CGA has undertaken geological reconnaissance mapping, and geophysical and geochemical exploration and a number of targets have been identified for further follow-up sampling and drilling. BDA notes that there are a number of old workings and prospects within the southern exploration area, but that to date no material extraction has taken place of the order of magnitude seen around the Main Vein or Colorado districts.

BDA considers that a willing and knowledgeable buyer would consider the exploration ground prospective and would anticipate that, with a suitable focus on exploration and an appropriate budget, that there is a reasonable likelihood of both upgrading a portion of the existing resources to reserve status, and defining additional mineralisation, some of which is likely to be of sufficient tonnage and grade to add further to the resource base and to support mining, trucking to the Masbate plant, and processing.

Yardstick Valuation of Resources

The total reserve base and 20Mt of near-mine resources have been incorporated in the LOM plan and the value has been assessed by BDO through consideration of the NPV of the discounted cash flows. The Masbate project has a substantial resource base; after allowing for the mining of the reserves and 20Mt of resources, a further 1.6Mozs remain in Indicated resources and 2.8Mozs in Inferred resources. BDA considers that a willing and knowledgeable buyer would ascribe some value to these additional resources, however, the value would be at the lower end of a typical yardstick range given that much of this material will be at depth, or in the walls of the current pits, involving significant additional waste stripping. BDA has applied a yardstick measure of US\$60/oz for the Indicated resource ounces and US\$30/oz for the Inferred category. Applying a $\pm 20\%$ range BDA obtains a value of US\$144-216M for the additional resources with a most likely value of US\$180M.

Exploration Potential - Extension to Mine Life

In addition to the identified resources, BDA considers that the Masbate tenements have significant exploration potential and that additional resources are likely to be defined over time, both to the north and south of the existing operations. In circumstances where any additional ore discovery is likely to be processed through the existing plant, BDA considers that the value of this additional exploration potential is often best assessed through analysis of the impact of additional years of operation on the project cash flows (appropriately discounted). In BDA's opinion this replicates the process undertaken by a willing and knowledgeable buyer when considering the exploration value of such a property.

In assessing the potential value of exploration success within the tenements, BDA considers that a willing and knowledgeable buyer would consider that an extra three years of operation, at the same average grade, would be a reasonable outcome, and BDA has adopted this scenario as a basis for valuation of the additional exploration potential.

An additional three years of production represents the processing of an additional 21Mt of mineralisation. This is a substantial additional tonnage, but in BDA's opinion this would be the order of magnitude of additional exploration discoveries that it would be reasonable to anticipate:

BDA has evaluated the additional exploration potential on this basis and has derived a range of between US\$59.8-89.8M with a most likely value of US\$74.8M. BDA considers this a reasonable and appropriate value for the Masbate exploration potential at this point in time and, based on current knowledge, indicative of the value a willing and knowledgeable buyer might ascribe to the additional exploration potential.

Summary

BDA assesses the additional value of the Masbate resources not already incorporated by BDO, and the value of the exploration potential to be in a range of US\$203.8-305.8M with a most likely value of US\$254.8M.

7.4 B2Gold Mineral Assets Valuation – Production Operations

BDO Corporate Finance has undertaken a discounted cash flow valuation of the Limon and La Libertad LOM projections. The LOM projections incorporate the mining and processing of all defined reserves. BDA has reviewed the LOM projections and concurs that, based on current data, costs and metal forecasts, the open pit and underground mine plans and schedules incorporate all the known economic mineralisation within the various deposits. Assessment of these LOM models will thus, in BDA's view, allow the determination of an appropriate valuation of all the known, and economically mineable, mineral assets within these project areas.

7.4.1 La Libertad

La Libertad Valuation Assumptions

BDA has reviewed the production and cost projections for La Libertad and has advised BDO Corporate Finance on the reasonableness of the assumptions and projections for valuation purposes as follows. In determining appropriate parameters for valuation, BDA has considered the assessments that might be made by a willing, knowledgeable and prudent buyer.

Mine Production

- The 10-year LOM mine production schedule utilises the 11.3Mt of currently defined reserves, 6.9Mt of Indicated resources and 3Mt of Inferred material. BDA considers that the assumption of a 10 year mine life, and the upgrade of approximately 10Mt of resources to reserves over the next five or more years, is reasonable and achievable, particularly on the basis that the last three years of operation rely largely on recovery of existing "Spent Ore" from the heap leach pads.
- The planned production includes significant underground production from Jabali where limited resources have been defined to date; BDA has recommended a sensitivity of -25% be tested on the gold grade for the period 2016 to 2019.
- There are some risks of delay to the Jabali operations due to permitting and land access. BDA has suggested a modification to the schedule to account for potential delays.

Milling

- BDA considers the recovery of 90.4% and mill throughput of 2Mtpa is appropriate.

Capital and Operating Costs

- BDA considers that for valuation purposes the capital estimates in the LOM are reasonable; the capital costs include deferred development, discretionary capital and pre-stripping.
- The costs allocated for waste mining and for underground development are considered reasonable.
- The operating costs as set out in the LOM model are considered reasonable.
- With the likely delay in production from the Jabali open pits, B2Gold may have to source ore from other deposits where higher waste mining may be required, increasing the operating costs. BDA recommends testing the sensitivity of an increase in operating costs of 25% for the period of 2013 and 2014.
- There does not appear to be any closure cost allowance in the model; BDA recommends an allowance of US\$10M should be included over two years after completion of production.

La Libertad Exploration Valuation

Yardstick Valuation of Resources

All of the defined reserves and most of the known resources have been utilised in the LOM plan which has been valued by BDO. BDA has assessed the additional value of the remaining Inferred resource ounces (approximately 180,000ozs) on a yardstick basis using a range of US\$30-60/oz. The assessed value range is US\$5.4-10.8M with a most likely value of US\$8.1M.

Exploration Potential - Extension to Mine Life

In assessing the potential value of exploration success within the tenements, BDA considers that there are reasonable prospects for the delineation of additional Mineral Resources and Ore Reserves. B2Gold has an exploration budget for 2012 of US\$6.3M. The current LOM plan extends for 10 years, though current reserves are sufficient for only 5.5 years of production. There is thus already an expectation that the current resources will be upgraded to support an additional 4.5 years of mine life; BDA considers this a reasonable expectation.

BDA considers that a willing and knowledgeable buyer would anticipate that over the current LOM period, it is likely that ongoing exploration and delineation drilling will delineate sufficient additional reserves to further extend the LOM beyond the planned 10 years. For valuation purposes BDA considers that a willing and

knowledgeable buyer would consider that an additional 2-3 years mine life would be a reasonable expectation and an appropriate basis for valuing the additional exploration potential.

BDA has assessed the value of an additional 2-3 years of operation in the range of US\$38.9-56.2M. BDA considers that US\$38.9-56.2M with a most likely value of US\$47.6M appropriately represents the additional exploration value of the La Libertad property.

Summary

BDA assesses the additional value of the La Libertad resources not already incorporated by BDO, and the value of the exploration potential to be in a range of US\$44.3-67.0M with a most likely value of US\$55.7M.

7.4.2 Limon

Limon Valuation Assumptions

BDA has reviewed the production and cost projections for the Limon operation and has advised BDA Corporate Finance on the reasonableness of the assumptions and projections for valuation purposes. In determining appropriate parameters for valuation, BDA has considered the assessments that might be made by a willing, knowledgeable and prudent buyer in assessing a value for the project.

Mine Production

- The mine production schedule spans five years and is consistent with mining and processing all the currently defined reserves plus a portion of the known resources; it is assumed these resources would be upgraded to reserve status with further drilling and mine planning.
- The production rate at Santa Pancha has been below expectations, but B2Gold is in the process of upgrading ventilation and pumping capacity which should have a beneficial impact on productivity. However, there remains some potential for below target production and BDA has recommended a -10% sensitivity on gold grade to reflect increased reliance on lower grade open pit material.

Milling

- BDA considers the process recovery of 90.6% is appropriate.
- The projected mill throughput of around 0.43Mtpa is slightly higher than has been consistently achieved and BDA has recommended BDO Corporate Finance adopt a 5% reduction to 0.40Mtpa.

Capital and Operating Costs

- BDA considers that for valuation purposes the capital estimates in the LOM forecasts are reasonable; the capital costs include Underground Deferred Development and Discretionary Capital.
- The forecast costs for underground development are reasonable.
- The operating costs as set out in the LOM model are considered generally reasonable; BDA has recommended testing the sensitivity of a 10% escalation in annual operating costs.
- There does not appear to be any closure cost allowance in the model; BDA recommends an allowance of US\$10M should be included, expended over two years following completion of production.

Limon Exploration Valuation

Yardstick Valuation of Resources

All of the defined reserves and some of the Indicated resources have been utilised in the LOM plan which has been valued by BDO. BDA has assessed the additional value of the remaining Indicated and Inferred resource ounces (approximately 85,000ozs and 190,000ozs respectively) on a yardstick basis using a range of US\$60-90 per Indicated resource ounce and US\$30-60/oz for the Inferred category. The assessed value range is US\$10.8-19.1M with a most likely value of US\$15.0M.

Exploration Potential - Extension to Mine Life

BDA considers there is a reasonable potential for exploration within the El Limón tenements to expand the Mineral Resources and Ore Reserves of the project. Relatively small scale operations such as Limon commonly only have limited defined reserves and resources, but the mine life is progressively extended with the delineation of new veins and mineralisation. B2Gold has an exploration budget for 2012 of US\$4.6M

BDA considers that adoption of two to three extra years of production would be a reasonable expectation and an appropriate guide to the valuation of exploration potential that would be made by a willing and knowledgeable buyer.

BDA has assessed the value of an additional 2-3 years of operation in the range of US\$27.6-38.7M. BDA

considers that US\$27.6-38.7M with a most likely value of US\$33.2M appropriately represents the additional exploration value of the Limon property.

Summary

BDA assesses the additional value of the Limon resources not already incorporated by BDO, and the value of the exploration potential to be in a range of US\$38.4-57.8M with a most likely value of US\$48.1M.

7.5 B2Gold Mineral Assets Valuation – Exploration and Development Properties

7.5.1 Otjikoto Gold Project - Namibia (B2Gold Interest 92%)

B2Gold has a total of 11 exclusive prospecting licences (“EPL”) covering approximately 900,000ha in Namibia. The Otjikoto project is situated within the Otavi Exploration Area which consists of four EPLs that cover a surface area of approximately 275,000ha. An application for a mining licence covering in an area of 6,934ha within EPL 2410 has been submitted, and the surface rights of the farms to be affected by future mining operations are owned by B2Gold through a subsidiary company.

B2Gold has a 100% interest in all of the EPLs apart from the licence covering Otjikoto where it has a 92% interest. Outside of the Otavi Exploration Area, the granted EPLs form two distinct project areas, AccTer and Top Hat, both located 250km east of Otjikoto and considered prospective for various styles of mineralisation including volcanogenic massive sulphide, iron-oxide copper gold and Otjikoto-style gold deposits.

Auryx Gold Corp. (“Auryx”) acquired the project from Teal in June 2010 for US\$28M. B2Gold acquired the project in December 2011 following a merger with Auryx for an effective cost of approximately C\$97M.

A resource estimate was undertaken in 2010. An updated resource estimate was prepared as at 31 December 2011 totalling 24.9Mt at 1.74g/t Au Indicated and 1.0Mt at 1.51g/t Au Inferred within an optimised pit shell based on a gold price of US\$1,350/oz. The unconstrained resource totalled 30.3Mt Indicated and 18.3Mt Inferred at grades of 1.6g/t Au and 1.0g/t Au respectively.

SRK prepared a Preliminary Economic Assessment (“PEA”) of Otjikoto. The report was prepared according to the requirements of NI 43-101. The key parameters adopted in the study were:

- conventional open pit mining at a rate of 2.4 Mtpa
- total material mined and processed comprised 22.1Mt of ore at an average grade of 1.71g/t Au, plus 4.1Mt of low grade material grading 0.48g/t Au, with an average LOM strip ration of 7.3
- conventional flotation and carbon-in-leach process, with two stage crushing, single stage milling, gravity gold recovery, flotation, CIL, electrowinning and smelting to produce doré bullion bars
- average metallurgical recoveries of 88% for oxide material and 91% for sulphide material
- average annual production of 109,000ozs of gold over a 10 year LOM
- initial capital requirements using contractor mining of US\$130M, including a contingency of US\$19M, with sustaining capital and owner’s costs of US\$15M and US\$3.4M respectively
- initial capital requirements for owner mining of US\$161M plus US\$52M ongoing capital
- average LOM operating costs, including royalties and contingencies, of US\$34.90/t or US\$772/oz using contractor mining.

An Environmental and Social Impact Assessment was commissioned in 2007 to study the effects of the project and approval was granted in August 2012; based on this study, there do not appear to be any significant development hurdles.

The 2012 project budget is US\$43.5M, including US\$34.6M to complete a feasibility study by year end, and US\$8.9M for exploration, of which US\$4.3M relates to 16,150m of feasibility study drilling, and another 2,500m of exploratory drilling will be carried out beyond the current resource limits.

Feasibility work will include additional metallurgical drilling and test work, power studies and geohydrology. Included in the budget are costs for site preparation work and construction of a camp at site. Subject to favourable outcome of the various studies, project construction is expected to commence in 2013 with commercial production expected by early 2015.

Otjikoto Valuation

Otjikoto is an advanced gold project defined by some 130,000m of drilling with a NI43-101 compliant PEA undertaken by an international consulting group, and a feasibility study underway. BDA is of the opinion that a discounted cash flow valuation is appropriate, and has also considered other techniques including the in situ or yardstick method of valuing the contained resource, the related transaction method based on the acquisition cost and past exploration expenditure.

As a check of our valuations for the exploration assets, we have inquired of B2Gold whether any other recent valuations of the assets have been undertaken and have been advised that the only other recent assessments have been various broker's reports to which we have referred.

Discounted Cash Flow Method

BDA has adopted the post-tax NPV at a 10% real discount rate derived in the PEA by SRK as one guide to the value of the project. The financial analysis was based on a long term gold price of US\$1,300/oz which is around 75% of the current price. Applying a range of $\pm 20\%$ to the base case NPV of US\$118M provides a valuation range of US\$94.4-141.6M for the Otjikoto project at the 100% level, or US\$86.8-130.3M with a most likely value of US\$108.6M for B2Gold's 92% interest.

This valuation is based on the defined production schedule and does not incorporate any additional exploration potential.

Acquisition Method

B2Gold acquired the Otjikoto project in December 2011. The project was held by Auryx Gold Corp ("Auryx") which subsequently become a wholly owned subsidiary of B2Gold by way of a plan of arrangement which involved B2Gold acquiring all the shares of Auryx. Consideration for the transaction was 0.23 common shares of B2Gold plus a cash payment of \$0.001 for each Auryx shares, with a similar ratio applied to all of the outstanding Auryx options. In total B2Gold issued 37.19M shares and 5.24M options and acquired a 92% interest in Otjikoto and a 100% interest in the various exploration areas.

Total consideration paid was C\$114.6M based on the closing price of B2Gold shares on 22 December 2011 of C\$2.95, and the estimated fair value of the options and warrants of C\$3.4M and C\$1.5M respectively.

Allowing for the cash assets of Auryx, the effective consideration paid for the Otjikoto project and exploration interests was approximately US\$97M. Applying a range of $\pm 20\%$ to allow for share price fluctuations, the acquisition method provides a valuation range of US\$77.6-116.4M with a most likely value of US\$97.0M for the Otjikoto project and exploration interests.

Yardstick Method

The yardstick or 'rule of thumb' method can be used to derive value by applying relevant ratios to the resource estimate. The relevant ratios can be calculated on the basis of market value or other transactions. The derived ratios can vary considerably from project to project and reflect the 'quality' of the resource and the resource estimate and the likelihood of development.

In determining the appropriate yardstick range applicable to the Otjikoto project a number of aspects have been considered. The project is advanced with a PEA completed and a feasibility study in progress. A significant resource has been delineated and the additional exploration potential is assessed as high. BDA is of the opinion that there is a high likelihood that the project will be developed.

For the Indicated resources, BDA has applied yardsticks based on a range of 5.0-7.5% of the forecast long term gold price of US\$1,200/oz, equivalent to US\$60-90/oz. For the Inferred resources yardsticks, BDA has adopted 2.5-5.0% or US\$30-60/oz. Applying these yardsticks to the Otjikoto resource provides a valuation range of US\$85.0-128.3M at the 100% level, or US\$78.2-118.0M with a most likely value of US\$98.1M for B2Gold's 92% interest based on the defined resource.

Past Exploration Method

Extensive exploration has been carried out at Otjikoto since the discovery of gold in 1997. B2Gold has provided BDA with a schedule of exploration expenditure to date totalling US\$110.9M. Exploration expenditure valuation methodology is generally applied to projects at an earlier stage of exploration, prior to delineation of a resource or commencement of a pre-feasibility study. A number of development studies have been undertaken at Otjikoto and a feasibility study is underway. Under these circumstances BDA considers that the exploration expenditure and PEM methodology is no longer appropriate.

Independent Expert Valuations

BDA has reviewed three recent broker reports which have used the discounted cash flow method to determine a value of B2Gold's 92% interest in the Otjikoto project. Two of the assessments appear reasonable, while the third has a variance of more than 100%. The two reasonably comparable assessments give a value range of US\$133-200M with a mid-point of US\$166.5M.

Valuation Summary

The range of values assessed for the Otjikoto project using the different methodologies discussed are shown in Table 7.1.

Table 7.1
Summary Valuation of B2Gold Otjikoto Project (92% Interest)

Method	Interest %	Valuation (US\$M)			Comments
		Low	Most Likely	High	
DCF	92	86.8	108.6	130.3	SRK PEA 2.4Mtpa Open Pit
Acquisition	92	77.6	97.0	116.4	Auryx merger/acquisition.
Yardstick	92	78.2	98.1	118.0	Indicated and Inferred resource ounces
Independent Experts	92	133.0	166.5	200.0	Two recent broker reports
Average		93.9	117.6	141.2	

Note – values represent B2Gold's percentage interest; Most Likely value based on simple average of the High and Low estimates

BDA assesses B2Gold's 92% interest in the Otjikoto project as of the current date to be in the range of US\$93.9-141.2M with a most likely value of US\$117.6M.

7.5.2 Gramalote Gold Project - Colombia (B2Gold Interest 49%)

B2Gold has a 49% interest in the Gramalote project with joint venture partner AngloGold Ashanti (51%). The project area is covered by 31 contiguous claim blocks totalling 42,790ha. The claims presently include one Exploitation Licence totalling 57ha, 26 registered concession contracts totalling 35,265ha and 4 mineral applications totalling 7,468ha. Surface access agreements have been secured with the property owners in the area of planned resource drilling; additional surface rights may be required for the establishment of a commercial mining project.

Infrastructure surrounding the Gramalote project is excellent. Gold mining within the Gramalote area pre-dates the early Spanish colonial period, and continuous exploitation in the Gramalote Ridge area dates from the late 19th century. The Gramalote project contains gold and silver mineralisation hosted in a quartz stockwork system within a large body of granitic rock.

In February 2009, B2Gold completed a NI 43-101 compliant mineral resource estimate for the Gramalote Ridge zone. AngloGold has recently released an updated resource estimate as of 31 December 2011. The estimate was restricted within a \$1,600/oz gold optimised Whittle pit using a 0.25 g/t gold cut-off and totalled 97.1Mt of Indicated resource at a grade of 0.81g/t Au and 95.7Mt of Inferred resource at a grade of 0.41g/t Au.

Prefeasibility work is underway and is scheduled for completion in late 2012. The 2012 joint venture budget totals US\$62.5M, which includes 21,700m of infill and resource extension diamond drilling, environmental studies, metallurgical test work, engineering studies, land purchases, and social programmes including the relocation of small miners and engineering. Recent testwork results have demonstrated gold recovery in excess of 90%. B2Gold and AngloGold Ashanti are funding their pro rata share of the budget.

A final feasibility study is planned for the fourth quarter of 2013. Work to date indicates that the project has the potential to produce around 300,000ozs of gold per annum with production starting as early as 2016.

Gramalote Valuation

Acquisition Method

In 2005, AngloGold entered into a joint venture with Grupo Nus to earn up to a 75% interest in the property (51% plus an additional 24% for payment of US\$15M and completion of a feasibility study). In 2007, B2Gold purchased, for a combination of cash payments, share consideration and payments based upon ounces of gold in the Proven and Probable reserve categories, the 25% interest of Grupo Nus in the joint venture and the right to acquire the additional 24% interest. The 2007 terms for B2Gold amounted to a payment of US\$7.5M to Grupo Nus plus a US\$10/oz royalty payable on B2Gold's share of reserves greater than 1Moz.

BDA considers that these transactions are now dated and are no longer representative of the value of the project, given the substantial drilling programmes, delineation of significant resources and commencement of a prefeasibility study.

Yardstick Method

The Gramalote project has a defined Indicated and Inferred resource, the project is well advanced and prefeasibility work is underway. BDA is of the opinion that there is a high likelihood that the project will be developed. BDA has applied similar yardstick ranges to those applied to the Otjikoto resource, equivalent to US\$60-90/oz for the Indicated resource ounces and US\$30-60/oz for the Inferred resource ounces.

Applying these yardsticks to the Gramalote resource provides a valuation range of US\$193.2-310.2M at the 100% level, or US\$94.7-152.0M with a most likely value of US\$123.4M for B2Gold's 49% interest.

Past Exploration Method

Extensive exploration has been carried out at Gramalote since the involvement of AngloGold in 2005 and B2Gold in 2007. B2Gold has provided BDA with a schedule of exploration expenditure to date totalling US\$78.69M. Exploration expenditure valuation methodology is generally applied to projects at an earlier stage of exploration, prior to delineation of a resource or commencement of a pre-feasibility study. A number of development studies have been undertaken at Gramalote and a prefeasibility study is underway. Under these circumstances BDA considers that the exploration expenditure and PEM methodology is no longer appropriate.

Independent Expert Valuations

BDA has reviewed three recent broker reports which have used the discounted cash flow method to determine a value of B2Gold's 49% interest in the Gramalote project. Two of the assessments appear reasonable, while the third has a variance of more than 200%. The two reasonably comparable assessments give a value range of US\$133-200M with a mid-point of US\$166.5M.

Valuation Summary

On the basis of the yardstick approach and Independent Expert valuations, BDA assesses B2Gold's 49% interest in the Gramalote project as of the current date to be in the range of US\$113.9-176.0M with a most likely value of US\$145.0M.

7.5.3 Mocoa Property - Colombia (B2Gold Interest 100%)

B2Gold acquired a 100% interest in the Mocoa copper-molybdenum porphyry deposit from AngloGold Ashanti. The Mocoa property consists of four contract claims totalling 7,831ha and two claim applications totalling 3,961ha.

Mocoa is a molybdenum-rich copper porphyry with molybdenum grades averaging around 0.04% Mo. Previous diamond drilling was conducted by the United Nations and Ingeominas in the late 1970s to early 1980s and resulted in the delineation of a non-NI 43-101 compliant historical resource. B2Gold has completed a limited drilling programme and has undertaken a preliminary resource estimate totalling 270Mt averaging 0.36% Cu and 0.04% Mo.

Mocoa Valuation

Past Exploration Method

Prior to 2012, records indicate that 45 holes for 26,150m have been drilled, at Mocoa or in the Mocoa region. The 2012 budget for Colombia outside of Gramalote is US\$5.2M. B2Gold advises that expenditure to date on the project totals US\$25.5M. As the viability of the porphyry-style mineralisation has yet to be determined, BDA has applied a PEM range of 1.5-2.0 to obtain a valuation range of US\$38.3-51.0M, with a most likely valuation of US\$44.7M.

Yardstick Method

BDA has applied the yardstick approach to the historical non-compliant resource estimate as a check. Yardstick values applied to copper porphyry projects depend on a number of factors, such as the value of associated minerals, the depth of mineralisation, the potential size and ultimately the likelihood of exploitation. Typically a yardstick value of US\$0.02/lb of Cu is a reasonable guide.

Using an in-ground value of US\$0.01-0.02/lb of Cu applied to contained copper equivalent (including molybdenum), the outlined resource of 270Mt is valued at US\$28.5-57.1M.

Valuation Summary

On the basis of the past exploration expenditure and the yardstick approach, BDA assesses B2Gold's 100% interest in the Macoa project as of the current date to be in the range of US\$33.4-54.1M with a most likely value of US\$43.7M.

7.5.4 Cebollati Property - Uruguay (B2Gold Interest 80%)

The Cebollati property consists of 10 claims totalling approximately 34,200ha. The claims comprise one exploration licence totalling 163ha, one exploration application totalling 163ha, five prospecting licences totalling 14,808ha and three prospecting licence applications totalling 19,066ha. Cebollati has excellent paved road access approximately 8km from a highway in rolling farm country.

B2Gold earned an 80% interest in the Cebollati property by paying US\$1M in stages by 31 January 2012 and agreeing to fund all exploration work through feasibility. Additional obligations include the completion of a feasibility study, a per ounce gold payment and a net smelter royalty for additional production.

Some 52 holes totalling 8,310m were completed during the 2011 drill programme. To increase the understanding of the mineralisation controls a 50 by 15m area has been stripped and nine east-west continuous sample lines completed. The 2012 exploration budget totals US\$3.4M

Cebollati Valuation

Past Exploration Method

Exploration expenditure to date has totalled US\$7.0M. Given that the exploration results to date are highly encouraging, BDA has applied a PEM range of 2.5-3.0 to obtain a valuation range of US\$17.5-21.0M, at the 100% level. This values B2Gold's 80% interest at US\$14.0-16.8M with a most likely valuation of US\$15.4M.

Acquisition Method

B2Gold acquired an 80% interest in Cebollati by making a cash payment of US\$1M in stages, and agreeing to fund the project to feasibility. At this stage the total effective cost including the cost to fund the project to feasibility is unknown; BDA has not used the acquisition cost in its assessment of value.

Independent Expert Valuations

BDA has reviewed recent broker reports and in most the values of the exploration properties are combined. However, one of the reports has valued B2Gold's 80% interest in Cebollati at US\$40M. BDA is of the view that this possibly reflects a high range value but has used the estimate, within a range of US\$30-40M.

Summary

On the basis of the past exploration expenditure together with reference to the recent independent expert valuation, BDA assesses B2Gold's 80% interest in the Cebollati project as of the current date to be in the range of US\$22.0-28.4M with a most likely value of US\$25.2M.

7.5.5 Bellavista Property - Costa Rica (B2Gold Interest 100%)

The Bellavista property comprises one exploitation concession covering 700ha. The Bellavista mine was previously operated by Glencairn Gold Corporation ("Glencairn") as a heap leach operation. Mining operations were suspended in July 2007 due to geotechnical concerns. In October 2007, a landslide occurred resulting in damage to the east side of the heap leach pad and the recovery plant.

A number of mitigation measures and monitoring programmes have been put in place and site reclamation works are underway. Recently completed environmental and closure audits show that the landslide has remained stable since the initial movement and there has been no contamination of surface waters or groundwater.

B2Gold is investigating various alternatives relating to the Bellavista property, including the potential for re-opening the mine using a milling and carbon-in-leach process.

Costa Rica recently passed a new law prohibiting open pit mining, but the law states that the rights of existing operations will be protected.

Bellavista Valuation

Given the environmental issues associated with the Bellavista property, BDA has assessed that any value attributable to the property could be offset by environmental liabilities. This is consistent with an independent broker assessment dated October 2012 which recognises no value for Bellavista on the basis of the uncertain development potential.

7.5.6 Radius Gold Joint Venture - Nicaragua (B2Gold interests 100% and 60%)

In December 2009 B2Gold entered into an option agreement with Radius Gold Inc (“Radius”) in respect of the Trebol and El Pavon gold exploration properties in Nicaragua. Under this agreement, B2Gold could earn a 60% interest in the Trebol and Pavon properties by expending a total of US\$4M on exploration. In August 2012, B2Gold increased its interest to 100% in the Trebol and El Pavon gold properties, purchasing Radius’ 40% interest for C\$20M, payable in approximately 4.82M common shares of B2Gold at a notional price of C\$4.15 per share (based on the volume weighted average price of B2Gold’s common shares on the Toronto Stock Exchange for the ten trading days immediately preceding the date of the letter agreement). B2Gold ascribed approximately US\$12M to Pavon and US\$8M to Trebol. The agreement also includes potential future payments to Radius of US\$10/oz of gold on 40% of any Proven and Probable Ore Reserves in excess of 500,000ozs on the Trebol property.

Drilling at Pavon is intended to evaluate the viability of open pit mining portions of the veins and shipping the ore to the mill at B2Gold’s Limon mine.

B2Gold and Radius have also entered into a 60/40 joint venture agreement with respect to the San Jose and La Magnolia properties with each party contributing its pro-rated share of the exploration costs. The exploration budget for 2012 (100% basis) is US\$1M.

Trebol, Pavon and Radius JV Valuation

Acquisition Method

Having earned a 60% interest in the Trebol and Pavon properties by expending a total of US\$4M on exploration, in August 2012 B2Gold acquired Radius’ 40% interest for a consideration of C\$20M payable in B2Gold shares. This recent transaction provides an effective basis for valuing these properties. The C\$20M consideration for the 40% owned by Radius values the properties at C\$50M, or approximately US\$50M. Taking into consideration the other properties within the joint venture, BDA has applied a range of US\$50-55M with a most likely value of US\$52.5M.

Past Exploration Method

Exploration expenditure to date has totalled US\$6.4M. Given that the exploration results to date are encouraging, BDA has applied a PEM range of 2.5-3.0 to obtain a valuation range of US\$16.0-19.2M. Given the more direct indication of value provided by the Acquisition Method BDA has not used the exploration value assessment.

Independent Expert Valuations

BDA has reviewed recent broker reports and in most the values of the exploration properties are combined. However, one of the reports has valued B2Gold’s interest in the Trebol and Pavon properties at US\$83M. BDA is of the view that this possibly reflects a high range value but has used the estimate, within a range of US\$66.4-83.0M.

Summary

On the basis of the acquisition expenditure together with reference to the recent independent expert valuation, BDA assesses B2Gold’s interest in the Radius projects as of the current date to be in the range of US\$58.2-69.0M with a most likely value of US\$63.6M.

7.5.7 Calibre Mining Joint Venture - Nicaragua (B2Gold option to earn up to 65% in stages)

B2Gold has an option to earn up to a 51% interest in specific concessions within the Borosi area, as part of its joint venture with Calibre Mining Corp (“Calibre”), by funding C\$8.0M in expenditures by July 2014. Once the earn-in is complete, B2Gold may elect to carry an individual prospect within the concession area through to a Preliminary Feasibility Study for an additional 14% interest in the prospect. To 31 December 2011, B2Gold had funded approximately C\$4.5M on exploration and advises that the C\$8M earn-in will be complete by end 2012.

The Borosi concession is located in the Bonanza-Rosita-Siuna areas of northeast Nicaragua, estimated to have had historical production totalling more than 5Mozs of gold. Significant porphyry-style gold-copper mineralisation has been discovered at the Primavera project within the Borosi concessions, with high grade gold intersections obtained at the Minnesota gold-copper project.

Exploration drilling is continuing with some 12,000m of drilling planned in 2012 with an exploration budget of US\$4.0M.

Calibre JV Valuation

Past Exploration Method

BDA accepts that B2Gold has effectively spent the C\$8M in exploration expenditure required to earn its 51% interest. Based on this expenditure and the material geological interest and prospectivity of the area as evidenced by the historical production and the encouraging exploration results, BDA has applied a PEM range of 2.0-2.5 to obtain a valuation range of US\$16.0-20.0M, at the 100% level. This values B2Gold's 51% interest at US\$8.2-10.2M with a most likely valuation of US\$9.2M.

Joint Venture Terms

The relevant joint venture terms specify:

- Stage 1 - \$8.0M expenditure by June 2014 to earn 51% equity

B2Gold has effectively earned its 51% by having spent the US\$8M and this provides a reasonable basis for valuing B2Gold's interest in the project.

Independent Expert Valuations

BDA has reviewed recent broker reports and in most the values of the exploration properties are combined. However, one of the reports has valued B2Gold's interest in the Calibre joint venture at US\$25M. BDA is of the view that this possibly reflects a high range value but has used the estimate, within a range of US\$20.0-25.0M.

Summary

On the basis of the past exploration expenditure, joint venture terms, and with reference to the recent independent expert valuation, BDA assesses B2Gold's 51% interest in the Calibre joint venture properties as of the current date to be in the range of US\$12.1-14.4M with a most likely value of US\$13.3M.

7.5.8 Brucejack Gold-Silver Project (B2Gold Royalty Interest)

B2Gold is entitled to a 1.2% net smelter return ("NSR") royalty on gold and silver production from the Brucejack property on any production in excess of 503,386ozs of gold and 17.9Mozs of silver.

The Brucejack gold-silver project is located in northwestern British Columbia, approximately 950km northwest of Vancouver and is owned by Pretium Resources Inc ("Pretium"). In August 2012 Pretium announced an updated resource estimate for the project based on a 5g/t gold equivalent cut-off grade as is summarised in Table 7.2.

Table 7.2

Brucejack Resource Estimates - August 2012

Category	Tonnage Mt	Grade g/t Au	Grade g/t Ag	Contained Mozs Au	Contained Mozs Ag
Measured/Indicated	15.6	12.6	95	6.3	47.4
Inferred	9.7	20.3	43	6.3	13.5

A feasibility study based on the high-grade resource is progressing and is expected to be completed by third quarter 2013. Underground development commenced in August and construction of an access road is on schedule for completion by the end of 2012.

A previous PEA completed in February 2012 was based on a mine life of 24 years producing 6.9Mozs of gold and 17.0Mozs of silver over the life of mine; estimated initial capital totalled US\$436M with average operating costs of US\$171/t milled over the mine life.

Brucejack Royalty Valuation

BDA has derived a value of the NSR royalty payable to B2Gold using the discounted cash flow method, based on the production schedule in the PEA prepared by Tetra Tech Wardrop dated February 2012. The BDA schedule was derived from the LOM production schedule in the report which showed annual tonnage mined and average grade. BDA has calculated an average annual recovered grade and gold and silver production. Total LOM production is 6.9Moz, with average annual production of 325,000ozs in Years 1 to 12, and 287,000ozs for the LOM. The royalty of 1.2% of NSR is payable after the production of 503,386ozs of gold and 17.9Mozs of silver. Based on the PEA production schedule, the gold royalty commences in Year 4 of production, effectively 2019 as BDA has allowed for a three year development period. The silver royalty does not apply as LOM silver

production is less than the royalty threshold. For valuation purposes, BDA has adopted a long term nominal gold price of US\$1,350/oz and a nominal discount rate of 10%, as advised by BDO Corporate Finance. Assuming a tax rate of 25%, the after-tax net present value of the royalty stream is US\$30.9M, with a $\pm 20\%$ range of US\$24.7-37.1M.

7.5.9 Valuation Summary - Exploration Properties and Royalty Interests

A summary of BDA's valuation ranges for the B2Gold exploration properties and royalty interests, excluding the La Libertad and Limon mining assets, is provided in Table 7.3.

Table 7.3
Summary Valuation of B2Gold Exploration and Royalty Assets

Mineral Asset	Valuation (A\$M)			Comments
	Low	Most Likely	High	
Otjikoto, Namibia	93.9	117.6	141.2	DCF, Acquisition, Yardstick, Ind.Expert
Gramolate, Colombia	113.9	145.0	176.0	Yardstick, Independent Expert.
Mocoa, Colombia	33.4	43.7	54.1	Exploration, Yardstick
Cebollati, Uruguay	22.0	25.2	28.4	Exploration, Independent Expert
Bellavista, Costa Rica	-	-	-	No attributable value
Radius JV, Nicaragua	58.2	63.6	69.0	Acquisition, Independent Expert
Calibre JV, Nicaragua	12.1	13.3	14.4	Exploration, JV, Independent Expert
Brucejack Royalty	24.7	30.9	37.1	NSR royalty interest
Total	358.2	439.3	520.2	

Note – values represent B2Gold's percentage interest in the various projects; Most Likely value based on simple average of the High and Low estimates

The sum of the valuation ranges derived for the B2Gold exploration properties and royalty interests is US\$357.5-519.1M with a most likely value of US\$438.4M; this excludes the La Libertad and Limon mining properties.

7.6 CGA B2Gold Combined Valuation Summary

A summary of BDA's valuation ranges for the CGA and B2Gold exploration assets, potential and royalty interests, and including the resource and exploration value relating to the La Libertad and Limon mining properties, is provided in Table 7.4. These values exclude the value of the projected production operations at Masbate, La Libertad and Limon which have been separately valued by BDO Corporate Finance on a discounted cash flow basis.

Table 7.4

Summary Valuation of CGA and B2Gold Exploration Assets and Potential and Royalty Interests

Mineral Asset	Valuation (A\$M)			Comments
	Low	Most Likely	High	
CGA				
Masbate Resources/Exploration Potential	203.8	254.8	305.8	Yardstick, Exploration Potential
Total	203.8	254.8	305.8	
B2Gold				
La Libertad Resources/Expl. Potential	44.3	55.7	67.0	Yardstick, Exploration Potential
Limon Resources/Exploration Potential	38.4	48.1	57.8	Yardstick, Exploration Potential
Otjikoto, Namibia	93.9	117.6	141.2	DCF, Acquisition, Yardstick, Ind.Expert
Gramolate, Colombia	113.9	145.0	176.0	Yardstick, Independent Expert.
Mocoa, Colombia	33.4	43.7	54.1	Exploration, Yardstick
Cebollati, Uruguay	22.0	25.2	28.4	Exploration, Independent Expert
Bellavista, Costa Rica	-	-	-	No attributable value
Radius JV, Nicaragua	58.2	63.6	69.0	Acquisition, Independent Expert
Calibre JV, Nicaragua	12.1	13.3	14.4	Exploration, JV, Independent Expert
Brucejack Royalty	24.7	30.9	37.1	NSR royalty interest
Total	440.9	543.1	645.0	

Note – values represent CGA and B2Gold's percentage interest in the various projects; Most Likely value based on simple average of the High and Low estimates

8.0 STATEMENT OF CAPABILITY

This report has been prepared by Mr Malcolm Hancock and Mr John McIntyre, both of whom are Directors of BDA, Mr Peter Ingham, General Manager Mining and Mr Ian White, Mr Rolly Nice, Mr Bill Kable and Mr Adrian Brett, BDA Senior Associates. Consultants from Behre Dolbear's Denver office, Mr Karr McCurdy, President and CEO Behre Dolbear Group Inc, Mr Marc LeVier, Mr Stephen Keller and Mr Thomas Parker, Senior Associates and Consultants, contributed to the review and assessment of the Nicaraguan assets. Mr Hancock and Mr McIntyre have reviewed the data and report. A summary of the professional qualifications and experience of the consultants involved is included below.

BDA is a mineral industry consulting group, specialising in independent due diligence reviews, valuations and technical audits of resources and reserves, mining and processing operations, project feasibility studies, and Independent Engineer work on project development, construction, and certification. BDA specialises in review and due diligence work for companies and financial institutions. The parent company, Behre Dolbear and Company Inc. has operated continuously as a mineral industry consultancy since 1911, and has offices in Denver, New York, Toronto, Vancouver, London, Hong Kong, Guadalajara and Sydney.

Mr Malcolm Hancock (BA, MA, FGS, FAusIMM, MIMM, MMICA, CP(Geol)) is a Principal and Executive Director of BDA. He is a geologist with more than 35 years experience in the areas of resource/reserve estimation, reconciliation, project feasibility and development, mine geology and mining operations. Before joining BDA he held executive positions responsible for geological and mining aspects of project acquisitions, feasibility studies, mine development and operations. He has been involved in the feasibility, construction, and commissioning of several mining operations. He has worked on both open pit and underground operations, on gold, base metal, light metal and industrial mineral projects, and has undertaken the management and direction of many of BDA's independent engineer operations in recent years.

Mr John McIntyre (BE (Min) Hon., FAusIMM, MMICA, CP (Min)) is a Principal and Managing Director of BDA. He is a mining engineer who has been involved in the Australian and international mining industry for more than 35 years, with operational and management experience in copper, lead, zinc, nickel, gold, uranium and coal in open pit and underground operations. He has been involved in numerous mining projects and operations, feasibility studies and technical and operational reviews in Australia, West Africa, New Zealand, North and South America, PNG and Southeast Asia. He has been a consultant for more than 15 years and has been Managing Director of BDA since 1994, involved in the development of the independent engineering and technical audit role.

Mr Peter Ingham (B.Sc. (Min), M.Sc., DIC, GDipAppFin (Sec Inst), CEng, FAusIMM, MIMMM)) is a Senior Associate of BDA and General Manager Mining and is a graduate mining engineer with more than 25 years in the mining industry in Europe, Africa, Australia and Asia. His experience includes operations management, mining contract management, strategic planning, project assessment and acquisition, cost estimation and operational audits and trouble-shooting. He is experienced in a range of commodities, including copper, nickel, base metals, gold and platinum, in both surface and underground mining.

Mr Bill Kable (CGeol, BEcon, BComm, MAusIMM, SIA(Aff), MPESA) is an economic geologist with over 30 years experience in the minerals, oil and gas and broking industries. His specialisation is financial modelling and due diligence studies for public reports, corporate mergers, acquisitions and company floats. He has wide experience of projects throughout Australia, Southeast Asia and Africa.

Mr Ian White (MSc, BSc(Hon), DIC, MAusIMM, MMICA) is a Senior Associate of BDA with more than 25 years experience in the Australian mining industry. He has held senior management positions in several operating mines and has been involved in plant design and optimisation, process design testwork, feasibility studies and plant commissioning and project valuation. He is experienced in CIP/CIL technology, flotation, gravity separation, heap leaching, SX/EW, comminution, magnetic separation and pelletising and has worked with a range of commodities including gold, copper, iron ore, industrial minerals and base metals. Mr White has conducted the process review, engineering and construction monitoring, and Completion Testing for BDA on numerous major projects in Australia, New Zealand, Laos, Vietnam, the Philippines, China and the Pacific region.

Mr Roland Nice (BSc, FAusIMM, LMCIM, MAIME, MIEAust, Chartered Engineer) is a Senior Associate of BDA with almost 40 years as a professional metallurgical engineer. He has extensive experience in process engineering and operations, project evaluation, technical design and analysis. He has held senior management positions, including General Manager, Metallurgy (12 years) and Concentrator Manager (4 years). Mr Nice has been closely involved with the development and construction of gold, copper, non-ferrous and base metal mines,

including process plant design, as well as numerous other metallurgical projects. He has worked in Australia, South East Asia, Africa, South America and Canada.

Mr Adrian Brett (BSc (Hon) Geol., MSc Envir., MEnvir. Law, MAusIMM) is a Senior Associate of BDA with more than 25 years experience in environmental and geo-science, including the fields of environmental planning and impact assessment, site contamination assessments, environmental audit, environmental law and policy analysis and the development of environmental guidelines and training manuals. He has worked in an advisory capacity with several United Nations, Australian and overseas government agencies. He has completed assignments in Australia, Indonesia, Thailand, Laos, the Philippines, the Middle East, Africa and South America. He has undertaken the environmental reviews for BDA on both the AMC and SAMAG magnesium projects.

Behre Dolbear Denver-based associates and consultants contributing to the Nicaraguan review included **Mr Karr McCurdy**, President and CEO of Behre Dolbear Group Inc., minerals geologist and industry financial expert; **Mr Marc LeVier**, Behre Dolbear Senior Associate, metallurgical engineer; **Mr Stephen Keller**, Behre Dolbear Senior Associate, geologist and environmental engineer; **Mr Thomas Parker**, Behre Dolbear Consultant, mining engineer.

9.0 STATEMENT OF INDEPENDENCE

Neither the Principals nor Associates of BDA have any material interest or entitlement in the securities or assets of CGA or B2Gold, or any associated companies. BDA will be paid a fee for this report comprising its normal professional rates and reimbursable expenses. The fee is not contingent on the conclusions of this report.

10.0 LIMITATIONS AND CONSENT

This assessment has been based on data, reports and other information made available to BDA by CGA, B2Gold, and BDO Corporate Finance. BDA has been advised that the information is complete as to material details and is not misleading. A draft copy of this report has been provided to CGA, B2Gold, and BDO Corporate Finance for comment as to any errors of fact, omissions or incorrect assumptions.

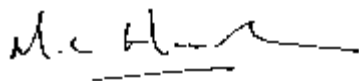
The opinions stated herein are given in good faith. We believe that the basic assumptions are factual and correct and the interpretations reasonable.

With respect to the BDA report and use thereof by CGA and BDO Corporate Finance, CGA agrees to indemnify and hold harmless BDA and its shareholders, directors, officers, and associates against any and all losses, claims, damages, liabilities or actions to which they or any of them may become subject under any securities act, statute or common law and will reimburse them on a current basis for any legal or other expenses incurred by them in connection with investigating any claims or defending any actions.

This report is provided to the Directors of CGA and BDO Corporate Finance in connection with the valuation and proposed transaction and should not be used or relied upon for any other purpose. This report does not constitute an audit. Neither the whole nor any part of this report nor any reference thereto may be included in or with or attached to any document or used for any purpose without our written consent to the form and context in which it appears.

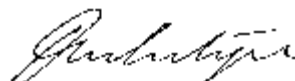
Yours faithfully

BEHRE DOLBEAR AUSTRALIA PTY LTD



Malcolm C Hancock

Executive Director - BDA



John McIntyre

Managing Director - BDA

Prepared by Behre Dolbear Australia Pty Limited

Level 9, 80 Mount Street

North Sydney NSW 2060 Australia

Tel 612 9954 4988; Fax 612 9929 2549

Annexure D: Summary of Merger Implementation Agreement

The Merger Implementation Agreement was released on SEDAR and ASX on 19 September 2012. The Amendment Deed amending the Merger Implementation Agreement was released on SEDAR and ASX on 5 November 2012. For a full copy of the Merger Implementation Agreement, please refer to those announcements.

The Merger Implementation Agreement sets out the rights and obligations of CGA and B2Gold in connection with the implementation of the Transaction.

A summary of the structure of the Transaction and an outline of the key terms of the Merger Implementation Agreement is set out below.

1. Outline of the Transaction

Under the Scheme, CGA Shareholders will transfer their CGA Shares to B2Gold in exchange for the Scheme Consideration being 0.74 New B2Gold Shares for 1 CGA Share. Furthermore, the CGA Options will be cancelled in exchange for the Cancellation Consideration.

2. Conditions Precedent

Unless waived by a party in accordance with the Merger Implementation Agreement, implementation of the Transaction is subject to a number of conditions contained in the Merger Implementation Agreement, including:

- (a) any consents and approvals from ASIC, ASX or TSX necessary to implement the Transaction being obtained before the Second Court Date;
- (b) there are no objections under Australia's foreign investment policy to the acquisition by B2Gold of the CGA Shares under the Scheme before the Second Court Date;
- (c) approval of the Scheme by the Requisite Majority of CGA Shareholders and if necessary, the cancellation of the CGA Options in consideration of the Cancellation Consideration in accordance with the Listing Rules before the Second Court Date;
- (d) approval by B2Gold Shareholders of the Transaction and the issuance of New B2Gold Shares under the Scheme and comprising the Cancellation Consideration in accordance with applicable TSX requirements at the B2Gold Shareholders' Meeting by the requisite majority of B2Gold Shareholders before the Second Court Date;
- (e) the CGA Board unanimously recommending that CGA Shareholders vote in favour of the Scheme in the absence of a Superior Offer or the Independent Expert finding that the Scheme is not in the best interests of CGA Shareholders;
- (f) the B2Gold Board unanimously recommending that B2Gold Shareholders vote in favour of the B2Gold Resolutions and not withdrawing or varying that recommendation;
- (g) no Court order or legal restraint preventing the implementation of the Scheme being issued or made;
- (h) Court approval of the Scheme in accordance with Section 411(4)(b) of the Corporations Act;
- (i) the receipt of an Independent Expert Report concluding that the Scheme is in the best interest of CGA Shareholders;
- (j) no CGA Material Adverse Event occurring before the Second Court Date;
- (k) no CGA Prescribed Occurrence occurring before the Second Court Date;
- (l) the representations and warranties made by CGA being true and correct in all material respects on the Second Court Date;
- (m) no B2Gold Material Adverse Event occurring before the Second Court Date;
- (n) no B2Gold Prescribed Occurrence occurring before the Second Court Date;
- (o) the representations and warranties made by B2Gold being true and correct in all material respects on the Second Court Date;

- (p) all holders of CGA Options agreeing with CGA in writing, subject to the Scheme becoming Effective, to cancel all of their CGA Options for the Cancellation Consideration in accordance with the Listing Rules;
- (q) each of Mark Turner and Hannah Hudson entering into consulting arrangements with B2Gold, on terms and conditions agreed between those parties;
- (r) BNP Paribas providing its consent under Part B: Facility Agreement of the Omnibus Agreement to the change of Control of CGA; and
- (s) B2Gold obtaining reasonably satisfactory confirmation that all of the mineral production sharing agreements and the mining lease contract held by the relevant Significant Interest Companies are validly existing and registered in the name of a Significant Interest Company, in good standing, and the provisions thereof comply with applicable laws.

3. Transaction steps

The Directors have agreed to propose the Scheme for approval by CGA Shareholders at the Scheme Meeting. If the Scheme becomes Effective, then on the Implementation Date:

- (a) all of the CGA Shares held by Scheme Participants on the Record Date will be transferred to B2Gold;
- (b) in exchange, each Scheme Participant (other than an Ineligible Shareholder or an Electing Small Scheme Participant) will be issued the Scheme Consideration for each CGA Share held by them at the Record Date. Where the calculation of the number of B2Gold Shares to be issued to a particular CGA Shareholder would result in the issue of a fraction of a B2Gold Share, the fractional entitlement will be rounded down to the nearest whole number of B2Gold Shares;
- (c) for certainty, the transfer of the CGA Shares by an Eligible Holder in exchange for Scheme Consideration will occur on a tax-deferred basis pursuant to Section 85 of the Canadian Tax Act and any other relevant provincial or territorial legislation; and
- (d) B2Gold will ensure that each holder of CGA Options that has agreed to the cancellation of his or her CGA Options will be issued the Cancellation Consideration in respect of the CGA Options held by him or her and that those CGA Options will be cancelled.

B2Gold will issue the New B2Gold Shares to which an Ineligible Shareholder is entitled to the CGA Nominee and CGA will procure that the CGA Nominee sells those New B2Gold Shares outside the United States in such manner, or such financial market, at such price and on such terms as the CGA Nominee determines in good faith and remit the net proceeds of sale in C\$ to the Ineligible Shareholder.

B2Gold will issue the New B2Gold Shares to which an Electing Small Scheme Participant is entitled to the B2Gold Nominee and B2Gold will procure that the B2Gold Nominee sells those New B2Gold Shares outside the United States in such manner, or such financial market, at such price and on such terms as the B2Gold Nominee determines in good faith and remit the net proceeds of sale in A\$ to the Electing Small Scheme Participant.

New B2Gold Shares will rank equally in all respects to existing B2Gold Shares, will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

4. CGA Options

In consideration of agreeing to cancel its CGA Options, each holder of CGA Options will be issued the Cancellation Consideration.

CGA is prohibited, from the date of the Merger Implementation Agreement until the Implementation Date, from modifying the rules of any option plan in respect of, or the terms of issue of, the CGA Options.

5. Conduct of business

From the date of the Merger Implementation Agreement to the Implementation Date, the CGA Group must conduct its business, and must cause its Subsidiaries to, and must use its reasonable endeavours to cause each Significant Interest Company to, conduct their respective businesses, in the ordinary course of business consistent with past practice.

6. Exclusivity

The Merger Implementation Agreement contains exclusivity arrangements that, during the Exclusivity Period, prevent CGA and its Subsidiaries from, and impose an obligation upon CGA to use its reasonable commercial endeavours to prevent the Significant Interest Companies, or any of its Representatives from, directly or indirectly:

(a) No Shop

- soliciting, inviting, facilitating, encouraging or initiating any enquiries, negotiations, discussions or proposals;
- providing or making available any information (including by way of providing information and access to perform due diligence on the CGA Group);
- entering into any agreement, arrangement or understanding (whether or not in writing and whether or not legally binding); or
- communicating any intention to do any of the above,

in relation to, or which may reasonably be expected to lead to, a Competing Proposal.

(b) No Talk

- initiating, negotiating or entering into or participating in negotiations or discussions with any person; or
- communicating any intention to any of these things above,

in relation to, or which may reasonably be expected to lead to:

- a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, encouraged or initiated by CGA or any of its Representatives or the person has publicly announced the Competing Proposal; or
- the Transaction not completing.

(c) Due Diligence Information

- soliciting, inviting, initiating, encouraging or facilitating any party other than B2Gold to undertake due diligence investigations on the CGA Group or the Significant Interest Companies or their respective businesses and operations; or
- make available to any other person or permit any other person to receive (in the course of due diligence investigations or otherwise) any non-public information relating to CGA, any member of the CGA Group or the Significant Interest Companies or their respective businesses and operations.

Certain of these restrictions are subject to CGA's right to engage with third parties in connection with a bona fide, written Competing Proposal where the Directors have determined that, among other things, such a Competing Proposal is a Superior Offer. However, B2Gold has the right, but not the obligation within 5 Business Days of receipt of a notice from CGA of a Superior Offer to offer to amend the terms of the Scheme, make a takeover bid or propose any other form of transaction.

7. Reimbursement Fees

B2Gold has acknowledged that CGA has incurred the CGA Costs and CGA has acknowledged that B2Gold has incurred the B2Gold Costs in relation to the Transaction and the Scheme.

CGA has agreed to pay to B2Gold the CGA Reimbursement Fee Amount (US\$10,000,000) if:

- (a) the CGA Board fails to unanimously recommend, or recommends against, qualifies their support of or withdraws its recommendation or approval of, the Transaction, in each case other than as a result of the Independent Expert opining that the Scheme is not in

the best interests of the CGA Shareholders or the fact that a B2Gold Material Adverse Event has occurred or is continuing;

- (b) any Director recommends or promotes a Competing Proposal;
- (c) the Court fails to approve the Scheme as a result of a material non-compliance by CGA with any of its obligations under the Merger Implementation Agreement;
- (d) the Effective Date does not occur by the Sunset Date as a result of non-compliance by CGA with any of its obligations under the Merger Implementation Agreement or the Scheme Meeting not being held in an expeditious manner due to CGA delaying the Scheme Meeting as a result of a Competing Proposal;
- (e) a Competing Proposal is announced before the Scheme Meeting, the Scheme is not approved by the CGA Shareholders at the Scheme Meeting, and, as contemplated by the Competing Proposal a third party acquires the voting power of 50% or more of CGA within 12 months of the Competing Proposal being announced; or
- (f) B2Gold terminates the Merger Implementation Agreement as a result of a breach of the Merger Implementation Agreement or a representation or warranty by CGA.

B2Gold has agreed to pay to CGA the B2Gold Reimbursement Fee Amount (US\$10,000,000) if:

- (a) the B2Gold Board fails to unanimously recommend, or recommends against, qualifies their support of or withdraws its recommendation or approval of, the B2Gold Resolutions, in each case other than as a result of the fact that a CGA Material Adverse Event has occurred or is continuing;
- (b) the Court fails to approve the Scheme as a result of a material non-compliance by B2Gold with any of its obligations under the Merger Implementation Agreement;
- (c) the Effective Date of the Scheme has not occurred prior to the Sunset Date, as a consequence of non-compliance by B2Gold with any of its obligations under the Merger Implementation Agreement;
- (d) a proposal or offer in respect of B2Gold is announced before the date of the B2Gold Shareholders' Meeting and as contemplated by the proposal, a third party acquires the voting power of 50% or more of B2Gold within 12 months of the proposal being announced; or
- (e) CGA terminates the Merger Implementation Agreement as a result of a breach of the Merger Implementation Agreement or a representation or warranty by B2Gold.

8. Representation and warranties

B2Gold and CGA have given representations and warranties as to information contained in the Scheme Booklet, compliance with disclosure obligations and certain other representations and warranties which are usual for a merger implementation agreement.

9. Termination

The Merger Implementation Agreement may be terminated:

- (a) If the Scheme fails to become Effective before the Sunset Date
by either B2Gold or CGA if the Sunset Date has passed before the Transaction has been implemented (other than as a result of a breach by the terminating party of its obligations under the Merger Implementation Agreement).
- (b) If there is a material breach of the Merger Implementation Agreement
by either B2Gold or CGA, with notice, if the other is in material breach of the Merger Implementation Agreement at any time prior to the Second Court Date and the material breach is not remedied within 5 Business Days.
- (c) If the Scheme is not approved by CGA Shareholders
by either B2Gold or CGA if the Scheme is not approved by the Requisite Majority of CGA Shareholders.
- (d) If the B2Gold Resolutions are not approved by B2Gold Shareholders

- by either B2Gold or CGA if the B2Gold Resolutions are not approved by the required majority of B2Gold Shareholders.
- (e) If the Court or regulatory authority restrains the Transaction
by either B2Gold or CGA, if the Court or other Regulatory Authority has issued an order, decree or ruling or taken other action which permanently restrains or prohibits the Transaction and that order, decree, ruling or other action has become final and cannot be appealed.
- (f) Conditions Precedent
by either B2Gold or CGA, if there is a breach or non-fulfilment of a condition precedent which is not waived and there is failure to agree on an alternative means of completing the Transaction.
- (g) CGA breaches any representation or warranty
by B2Gold if CGA breaches any representation or warranty contained in the Merger Implementation Agreement at any time prior to the Second Court Date, the breach cannot be remedied prior to the Second Court Date and the breach amounts to a CGA Material Adverse Event.
- (h) A Director fails to recommend the Scheme or Transaction
by B2Gold if at any time prior to the Second Court Date, a Director fails to recommend the Scheme or the Transaction or makes or withdraws his recommendation that CGA Shareholders vote in favour of the Scheme or makes a public statement indicating that he or she no longer supports the Scheme.
- (i) A CGA Prescribed Occurrence occurs
by B2Gold, if a CGA Prescribed Occurrence occurs prior to the Second Court Date.
- (j) The B2Gold Reimbursement Fee Amount becomes payable
by B2Gold if the B2Gold Reimbursement Fee Amount (US\$10,000,000) is payable by B2Gold and has been paid in full to CGA.
- (k) If the CGA Board recommends a Superior Offer
by B2Gold, if the CGA Board recommends a Superior Offer for CGA at any time before the Second Court Date.
- (l) A Competing Proposal emerges
by B2Gold if a Competing Proposal for CGA is announced, made, or becomes open for acceptance, and pursuant to that Competing Proposal for CGA, the bidder for CGA acquires the voting power of 50% or more of CGA and that Competing Proposal is free from any defeating conditions.
- (m) B2Gold breaches any representation or warranty
by CGA if B2Gold breaches any representation or warranty contained in the Merger Implementation Agreement at any time prior to the Second Court Date, the breach cannot be remedied prior to the Second Court Date and the breach amounts to a B2Gold Material Adverse Event.
- (n) A majority of CGA Directors change, withdraw or modify their recommendation
by CGA if at any time prior to the date of the Scheme Meeting, a majority of the CGA Directors have changed, withdrawn or modified their recommendation because a Superior Offer has been received.
- (o) A B2Gold director fails to recommend the Scheme or Transaction

by CGA if a B2Gold Director fails to recommend the B2Gold Resolutions or the Transaction or makes or withdraws his recommendation that B2Gold Shareholders vote in favour of the B2Gold Resolutions or makes a public statement indicating that he or she no longer supports the B2Gold Resolutions or the Transaction.

(p) A Superior Offer is recommended

by CGA in order to permit the CGA Board to recommend a Superior Offer.

(q) A B2Gold Prescribed Occurrence occurs

by CGA if a B2Gold Prescribed Occurrence occurs prior to the Second Court Date.

Annexure E: Comparison of Australian and Canadian legal regimes

CGA is a public company incorporated in Australia and registered in Western Australia under the Corporations Act. CGA is admitted to the official list of ASX and maintains a secondary listing on TSX and is a reporting issuer in the Canadian province of Ontario.

B2Gold is incorporated in the Province of British Columbia, Canada under the *British Columbia Business Corporations Act* (BCBCA). B2Gold Shares are listed on TSX. B2Gold is a reporting issuer in the Canadian provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador.

If the Scheme is implemented, the rights of CGA Shareholders who receive New B2Gold Shares will, in respect of those New B2Gold Shares, be governed principally by British Columbian laws (including the BCBCA) and the federal law of Canada applicable in British Columbia, the TSX Company Manual and B2Gold's constating documents, notice of articles and articles.

A comparison of some of the material provisions of Australian company law and British Columbia corporate law as they relate to CGA and B2Gold respectively is set out below, along with a description of certain securities laws and stock exchange rules where applicable.

Canadian corporate law is essentially embodied in the provisions of the relevant federal or provincial corporate statutes pursuant to which companies are incorporated or continued. In the case of B2Gold, the relevant statute is the BCBCA. In addition, B2Gold is also subject to the *Securities Act* (Ontario) and the securities legislation of each of the other Canadian provinces.

References to 'Australian law' where they appear in this section are references to the Corporations Act, ASX Listing Rules, ASX Settlement Operation Rules and Australian common law, as applicable. References to 'Canadian law' are references to the BCBCA, TSX Company Manual, applicable Canadian securities laws and Canadian common law, as applicable.

The comparison below is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a **general guide only**. CGA Shareholders should consult with their own legal advisor if they require further information.

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Rights attaching to shares		
Share capital	Under Australian law there is no concept of authorised capital or par value.	Under B2Gold's articles, B2Gold is authorised to issue an unlimited number of common and preferred shares. There is no minimum share capital prescribed by the BCBCA. Shares can be with or without par value and all shares of British Columbia companies, once issued, are deemed to be fully paid and non-assessable.

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Purchase of own shares	<p>Under the Corporations Act, CGA may buy-back its shares under a specific buy-back scheme:</p> <ul style="list-style-type: none"> • if the buy-back does not materially prejudice CGA's ability to pay its creditors; and • CGA follows the procedures set out in the Corporations Act. <p>Share buy-backs that intend to buy-back more than 10% of the votes attaching to the smallest number of shares in the previous 12 months require approval by CGA's members by way of ordinary resolution.</p> <p>The form of Shareholder approval (e.g. ordinary resolution or special/unanimous resolution), if required, and the notice period and disclosure requirements to be given to CGA Shareholders will depend on the type of buy-back. Generally, buy-back schemes can be characterised as minimum holding, equal access, selective, on-market or relating to employee share schemes.</p>	<p>Under B2Gold's articles, B2Gold may purchase or otherwise acquire its own shares unless there are reasonable grounds to believe that B2Gold is insolvent or the share purchase would render it insolvent.</p> <p>The TSX Company Manual permits, subject to at least two clear trading days prior notice by an issuer, a normal course issuer bid to be conducted by an issuer for a period of up to one year. A variety of restrictions are imposed upon the issuer including limitations upon the size and price at which purchases can be conducted. Within 10 days of the end of any month in which normal course issuer bid purchases are made, whether the securities were purchased through the TSX or otherwise, the issuer must report to the TSX on average prices and disposition of the securities that have been purchased.</p> <p>Under the BCBCA, B2Gold may repurchase its shares provided that there are no reasonable grounds for believing that the company is insolvent or making the payment or providing the consideration would render the company insolvent. Under Canadian securities legislation, a repurchase of its shares by B2Gold may constitute an "issuer bid" and could only be effected in accordance with the provisions of the Canadian securities legislation.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Transfer of shares	<p>Under CGA's constitution, the Directors may refuse to register any transfer of CGA Shares (other than a Proper SCH Transfer) where the Listing Rules permit CGA to do so. The Directors will refuse to register any transfer of CGA Shares (other than a Proper SCH Transfer) where:</p> <ul style="list-style-type: none"> • the Corporations Act or the Listing Rules require CGA to do so, or the transfer is in breach of the Listing Rules; or • those CGA Shares are Restricted Securities and the transfer is in breach of any Restriction Agreement in respect of those CGA Shares. 	<p>Under B2Gold's articles, the B2Gold Board may decline to register a transfer of shares where the company has not received:</p> <ul style="list-style-type: none"> • a duly signed instrument of transfer; • the share certificate or an acknowledgment from the company of the right to obtain a certificate; or • such other evidence, if any, of the company or transfer agent may require to prove the title of the transferor or the transferor's right to transfer the share.
Voting rights	<p>Under CGA's constitution, generally, each Shareholder has one vote on a show of hands and, on a poll, one vote for each share fully paid and if not fully paid, a fraction of a vote equivalent to the portion of the share paid up.</p>	<p>Under the BCBCA and B2Gold's articles, each common share of B2Gold entitles the holder to one vote at a meeting of shareholders. On a show of hands, each holder of shares in B2Gold present in person or by proxy and entitled to vote has one vote. If a ballot is called, each holder of shares in B2Gold present in person or by proxy will have one vote for each share in B2Gold held. The BCBCA and B2Gold's articles provide that a ballot may be directed by the chair or demanded by any shareholder or proxy holder entitled to vote at the meeting.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Dividends and distribution	<p>Under CGA's constitution, the Directors may determine that a dividend, whether interim or final, is payable to the CGA Shareholders. The Directors may fix the amount of the dividend, the Record Date for determining entitlements to, and for the payment of, a dividend and the method of payment of a dividend.</p> <p>Under the Corporations Act, CGA must not pay a dividend unless:</p> <ul style="list-style-type: none"> CGA's assets exceed its liabilities immediately prior to the dividend declaration (and the excess is sufficient for the payment of the dividend); the payment of the dividend is fair and reasonable to the CGA Shareholders as a whole; and the payment of the dividend does not materially prejudice CGA's ability to pay its creditors. 	<p>Under the BCBCA, B2Gold may pay a dividend by issuing fully paid shares or (subject to the following sentence) in property, including money. B2Gold may not declare or pay a dividend if there are reasonable grounds for believing that B2Gold is insolvent or the payment of the dividend would render B2Gold insolvent.</p>
Variation of class rights	<p>Under CGA's Constitution, if at any time the share capital of CGA is divided into different classes of CGA Shares, the rights attached to any class may be varied or cancelled (unless otherwise provided by the Constitution or by the terms of the issue of that class of CGA Shares) with the consent in writing of holders of the CGA Shares included in that class who are entitled to at least 75% of the votes that may be cast in respect of those CGA Shares or by a special resolution passed at a separate meeting of the CGA Shareholders included in that class.</p>	<p>Under the BCBCA, rights attaching to a class of shares may only be varied by an amendment to the articles of B2Gold approved by special resolution of the holders of that class of shares and a separate special resolution of all shareholders.</p>
Capital raising		
Issue of shares	<p>Under CGA's constitution, unissued CGA Shares are under the control of the Directors who, subject to the Corporations Act, the Listing Rules and any rights from the time being attached to any special class of CGA Shares may, on behalf of CGA, allot, issue or otherwise dispose of those unissued CGA Shares to such persons, on such terms and conditions, at such times, with such preferred, deferred, qualified or other rights or restrictions and for such consideration as the Directors thinks fit.</p>	<p>Under the BCBCA, the B2Gold Board is authorised to issue any shares in the capital of B2Gold. Under the BCBCA, shares issued by B2Gold are non-assessable and may only be issued if consideration for such shares is fully paid. Stated capital accounts must be maintained for each class of share. Upon the issuance of a share, B2Gold may not add to the stated capital account in respect of the share an amount greater than the amount of the consideration it received for the share.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
ASX Listing Rules/TSX listing rules	<p>Under ASX Listing Rules (subject to specified exceptions for pro rata issues etc.) CGA is restricted from issuing or agreeing to issue more shares than the number calculated below in any 12 month period unless CGA has Shareholder approval, that is 15% of the total of:</p> <ul style="list-style-type: none"> • the number of shares on issue 12 months before the date of the issue or agreement; plus • the number of shares issued in the 12 months before the date of the issue or agreement without Shareholder approval but pursuant to one of the specified exceptions; plus • the number of shares issued in the preceding 12 months with Shareholder approval; less • the number of partly paid shares that became fully-paid in the 12 months; plus • the number of shares cancelled in that 12 month period; less • the number of shares issued in the preceding 12 months without Shareholder approval and without the benefit of one of the specified exceptions. <p>Under the ASX Listing Rules shares or options may be issued to the Directors with the approval of CGA Shareholders.</p> <p>CGA is also subject to the TSX rules governing changes in capital structure as set out in the opposite column.</p>	<p>Under the TSX Company Manual, B2Gold will require the approval of TSX to issue securities other than unlisted non-voting, non-participating securities. The TSX may impose conditions on a transaction or grant exemptions from its own requirements. The TSX will consider various factors, including the involvement of insiders in the transaction, whether the transaction materially affects control of the issuer, the issuer's corporate governance practices and disclosure practices, the size of the transaction relative to the liquidity of the issuer and whether a court or administrative body has considered the interest of shareholders.</p> <p>The TSX will generally require shareholder approval of any transaction that materially affects control of the issuer or provides consideration to insiders that represents 10% or more of the issuer's market capitalisation (subject to certain conditions) during any six month period, and has not been negotiated at arms length. For distributions of listed securities in reliance on a prospectus exemption (known as private placements), TSX may require shareholder approval depending on the price at which the securities are being sold and the number being sold in relation to the number outstanding. If the price is below market and the number of securities to be issued represents more than 25% of the number outstanding (on a non-diluted basis), shareholder approval will be required, while if the price is at or above market, shareholder approval will generally not be required regardless of the number of securities issued. If the issuance is to be less than or equal to 25% of the number outstanding, shareholder approval will not be required unless the price is below a permitted discount to market (which is 15% where the securities are trading above C\$2.00 each).</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
ASX Listing Rules/TSX listing rules		<p>TSX-listed issuers must obtain shareholder approval when the number of securities issued in payment for an acquisition exceeds 25% of the number of issued and outstanding securities of the issuer (on a non-diluted basis), whether the target being acquired is a private company or a reporting issuer.</p> <p>In private placements to insiders and acquisitions involving issuances of listed securities to insiders, TSX will require shareholder approval depending on the number of securities issued in relation to the number outstanding. Specifically, if insiders will be issued, by way of private placements during any six month period, or if insiders will receive, as consideration in an acquisition, securities or options, rights or other entitlements to listed securities representing more than 10% of the number of securities outstanding on a non-diluted basis, shareholder approval will be required and the insiders may not vote their securities.</p> <p>The TSX also requires shareholder approval of securities-based compensation arrangements, including any compensation or mechanism involving the potential issuance of securities from treasury. The TSX prescribes specific disclosure requirements for the materials provided to shareholders for the purposes of such approval, including all material information that shareholders may reasonably require to approve the arrangements. Certain substantive requirements are imposed that must be complied with: exercise prices for any stock options granted under a security based compensation arrangement may not be lower than market price of the securities at the time the stock options are granted; there must be a maximum number or percentage of securities issuable; and most amendments also require shareholder approval.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
ASX Listing Rules/TSX listing rules		<p>The TSX Company Manual permits capital raising via public offering or private placement with listing subject to approval by TSX.</p> <p>Issuers are restricted from undertaking private placements beyond prescribed discounts from the market price (calculated as a 5 day volume weighted average price). If the price offered in a private placement is a discount to the market price, an issuer may not, absent shareholder approval, issue greater than 25% of the number of securities of the issuer which are outstanding on a non-diluted basis prior to closing of the transaction. Shareholder approval may also be required where trades are made to insiders of the issuer. Issuers may qualify for exemptions from the shareholder approval requirements in certain situations, including, financial distress of the issuer.</p>
Continuous disclosure	<p>Under ASX Listing Rules, CGA is required to disclose to ASX any information concerning CGA that a reasonable person would expect to have a material effect on the price or the value of its shares (or options).</p> <p>CGA is also subject to the Canadian securities laws and TSX rules in relation to timely disclosure set out in the opposite column.</p>	<p>Canadian securities laws require the immediate disclosure by issuing and filing a news release of any material change occurring in the affairs of an issuer. As soon as practicable thereafter, and in any event within 10 days of the date on which the change occurs, an issuer must also file a material change report in the prescribed form.</p> <p>The TSX Company Manual also sets out timely disclosure requirements for listed issuers.</p>
Directors		
Number of directors	<p>Under CGA's constitution, the number of directors must be not less than three and no more than ten.</p> <p>Under the Corporations Act at least two directors of CGA must reside in Australia.</p>	<p>The BCBCA requires that public companies have a minimum of three directors. There are no residency requirements for directors. B2Gold's articles set a minimum of three directors while the company is a public company, and subject to vacancies caused by directors retiring and not being replaced at a meeting of shareholders at which there should be an election of directors. Currently, there are seven B2Gold directors.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Directors' remuneration	<p>Under CGA's constitution, the remuneration of the non-executive Directors will not:</p> <ul style="list-style-type: none"> • be more than the aggregate fixed sum which is determined by general meeting, or until so determined, such sum as determined by the Directors; • be by way of a commission on, or a percentage of, profits or operating revenue, <p>and the remuneration will accrue from day to day.</p> <p>Under CGA's constitution the remuneration of the executive Directors:</p> <ul style="list-style-type: none"> • will, subject to the provisions of any contract between each of them and CGA, be fixed by the Directors; and • may be by way of fixed salary or commission on or percentage of profits of CGA or of any other corporation in which CGA is interested or partly in one way and partly in another or others, <p>but will not be by way of commission on, or percentage of, operating revenue.</p>	<p>Under the BCBCA, the directors of B2Gold may fix the remuneration of the directors, officers and employees of the company. Under the BCBCA and applicable Canadian securities laws, a report on compensation is required to be included in the management proxy circular in connection with the annual meeting each year.</p> <p>B2Gold's articles do not place any restrictions on the remuneration of B2Gold's directors.</p>
Powers of the B2Gold Board	<p>Under CGA's constitution, the business of CGA is to be managed by the CGA Board, and the CGA Board may exercise each and every right, power or capacity of CGA, which CGA is authorised or permitted to exercise and do and which are not by CGA's constitution, or by statute directed or required to be exercised or done by CGA in general meeting.</p>	<p>B2Gold's articles do not restrict the powers of the B2Gold Board. Under the BCBCA, the B2Gold Board is to supervise the management of and the business and affairs of B2Gold.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Transactions involving directors	<p>Under the Corporations Act, CGA is prohibited from giving directors a financial benefit unless it obtains the approval of CGA Shareholders or the financial benefit is exempt (such as benefits given on arms' length terms).</p> <p>Under ASX Listing Rules, CGA is prohibited from acquiring a substantial asset from, or disposing of a substantial asset to, one of its directors unless it obtains the approval of CGA Shareholders. Additionally, ASX Listing Rules prohibit CGA from issuing shares to a director unless it obtains the approval of CGA Shareholders or the share issue is exempt (such as pro rata issues to CGA Shareholders).</p> <p>Under the Corporations Act, a director who has a material personal interest in a matter that relates to the affairs of a company must give the other directors notice of that interest. This has been confirmed in CGA's constitution.</p> <p>A director who has a material personal interest in a matter must not be present at a meeting where the matter is being considered or vote on the matter unless:</p> <ul style="list-style-type: none"> • the interest did not need to be disclosed in certain prescribed circumstances; • the directors who do not have a material personal interest have passed a resolution that, identifies the director, the nature and extent of the director's interest in the matter and its relation to the affairs of the company and states that those directors are satisfied that the interest should not disqualify the director from voting or being present; or • ASIC approves. 	<p>The BCBCA requires directors and officers to disclose to B2Gold the nature and extent of any interest that they, or any other company in which they are a senior officer or director, may have in a material contract or transaction, whether made or proposed, with B2Gold.</p> <p>Except as provided in the BCBCA, no director having such an interest may vote on any resolution to approve such contract or transaction unless the contract or transaction:</p> <ul style="list-style-type: none"> • relates primarily to his or her remuneration as a director of the company or an affiliate; • is for indemnity or insurance; • relates to a loan to the company and the director or officer, or person in whom the director or officer has an interest, is or is to be a guarantor of some or of all of the loan; or • is with an affiliate. <p>A director or officer may be liable to account to the company for any profit that accrues to the director or officer as a result of a contract or transaction in which the director or officer holds a disclosable interest except where:</p> <ul style="list-style-type: none"> • the directors approved the contract or transaction after the interest was disclosed; or • the contract or transaction is approved by a special resolution of the shareholders.

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Transactions involving directors	Directors of CGA, when entering into transactions with CGA, are subject to the common law and statutory duties to avoid conflicts of interest imposed by Australian law.	Where such approval is not obtained, a court can order that the company is enjoined from entering into the proposed transaction, the director or officer is liable to account for any profit accruing from the contract or transaction or make any other order it deems appropriate. The court may also, if it determines that a contract or transaction in which a director or officer has a disclosable interest was fair and reasonable to the company, order that the director or officer is not liable to account for any profit.
Removal of directors	Under the Corporations Act and CGA's constitution, the CGA Shareholders may remove a Director by passing a resolution to do so at a general meeting. A notice of intention to move the resolution must be given to CGA at least two months before the meeting is to be held. However, if CGA calls a meeting after the notice of intention is given, the meeting may pass the resolution even though the meeting is held less than two months after the notice of intention is given.	Under the BCBCA and B2Gold's articles, the shareholders of B2Gold may, by special resolution at an annual or special meeting, remove any director or directors from office.
Rotation of directors	<p>Under ASX Listing Rules, the directors of CGA, other than the managing director, are to retire by rotation.</p> <p>Under CGA's constitution, at every annual general meeting, one third of the directors (other than the managing director or alternate director) or, any director who, if that director did not retire at that annual general meeting, would at the next annual general meeting, have held that office for more than three years, must automatically retire from office. Such directors are entitled to be re-elected.</p>	B2Gold's articles provide that the election of directors shall take place at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. Under the BCBCA, the number of directors to be elected at any such meeting shall be the number of directors as specified in the articles or, if a minimum and maximum number of directors is provided for in the articles, the number of directors determined by special resolution or, if a special resolution empowers the directors to determine the number, the number of directors determined by resolution of the board.

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Retirement benefits	<p>Under the Corporations Act, CGA is allowed to pay benefits to directors and officers on their retirement or termination. Such benefits require Shareholder approval in certain circumstances.</p> <p>Under ASX Listing Rules, termination benefits to directors (that are or may be payable to all officers) must not exceed 5% of the equity interests of CGA as set out in its latest financial statements given to ASX. The 5% limit may however be exceeded with Shareholder approval.</p>	<p>There are no restrictions on the quantum of retirement benefits that B2Gold may pay to its directors or officers in its articles.</p>
Indemnification of directors and officeholders	<p>Under the Corporations Act, indemnification of CGA's directors against specific liabilities is prohibited. These are liabilities:</p> <ul style="list-style-type: none"> • owed to a company or a Related Body Corporate; • for a pecuniary penalty order or a compensation order; or • that is owed to someone other than a company or a Related Body Corporate and did not arise out of conduct in good faith. <p>Additionally, under the Corporations Act an indemnity for legal costs in specific circumstances (such as where an officer is liable, found guilty or where the grounds for a court order have been made out) is prohibited. Payments by CGA of insurance premiums which cover conduct that involve a wilful breach of duty or a breach of certain statutory directors duties is also prohibited under the Corporations Act.</p>	<p>B2Gold's articles provide that, subject to limitations contained in the BCBCA, B2Gold must indemnify a director or former director or alternate director and his or her heirs and legal personal representatives against any judgement, penalty or fine awarded or imposed in, or an amount paid in settlement of, a legal proceeding or investigative action. Such proceedings include those in progress, threatened, pending or completed in which the persons noted above are joined as a party or may be liable by reason of having been a director or alternate director of B2Gold.</p> <p>B2Gold may also indemnify any other person, subject to restrictions in the BCBCA.</p> <p>The BCBCA permits a company to indemnify (i) a current or former director or officer of the company, (ii) a current or former director or officer of another company at a time when the company is or was an affiliate of the company, (iii) a current or former director or officer of another company at the request of the company; or (iv) an individual who, at the request of the company, is or was, or holds or held a position equivalent to that of, a director or officer of a partnership, trust, joint venture or other unincorporated entity, against a judgment, penalty or fine awarded or imposed in, or an amount paid to settle, a legal proceeding or investigative action of which the person is a party because of that association with the company or other entity.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Indemnification of directors and officeholders		<p>After a final disposition of the legal proceeding or administrative action, the company may pay the costs, charges and expenses incurred by such person in respect of the proceeding or action.</p> <p>Under the BCBCA, a company may not indemnify any of the aforementioned individuals if:</p> <ul style="list-style-type: none"> • the articles of the company prohibited such indemnification at the time that the agreement to indemnify, the indemnity or the payment was made; • such individual did not act honestly and in good faith with a view to the best interests of the company or the associated company; and • in the case of proceeding other than a civil proceeding, if the individual did not have reasonable grounds for believing that his/her conduct in respect of which the proceeding was brought was lawful. <p>The BCBCA and B2Gold's articles authorise B2Gold to purchase and maintain liability insurance for the benefit of the individuals described above against such liabilities and in such amounts as the board of B2Gold may from time to time determine and are permitted by the BCBCA.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Directors' liability	<p>Under the Corporations Act, there is a general prohibition on CGA or a related body corporate exempting officers from liability.</p>	<p>Under the BCBCA, a director is not liable for a resolution he or she voted in favour of if the director has relied in good faith on:</p> <ul style="list-style-type: none"> • financial statements of the company represented to the director by an officer of the company or in a written report of the auditor of the company to fairly reflect the financial position of the company; • a written report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by that person; • a statement of fact represented to the director by an officer of the company to be correct; or • any record, information or representation that the court considers provides reasonable grounds for the actions of the director, whether or not the record, information or representation was forged, fraudulently made or inaccurate. <p>Furthermore, a director is not liable for a resolution of which he or she voted in favour if he or she did not know and could not reasonably have known that the act done or authorized by the resolution was contrary to the BCBCA.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Directors' duties	<p>Under Australian law, the directors of CGA have certain fiduciary obligations to CGA. These fiduciary obligations include:</p> <ul style="list-style-type: none"> • a duty to act in good faith in the best interests of the company; • a duty to act for a proper purpose; • a duty not to fetter their discretion; • a duty to exercise reasonable care and diligence; • a duty to avoid conflicts of interest; • a duty not to use their position to their advantage; and • a duty not to misappropriate company property. 	<p>Under the BCBCA, applicable Canadian securities laws and Canadian common law, every director and officer of B2Gold, in exercising their powers and discharging their duties, must:</p> <ul style="list-style-type: none"> • act honestly and in good faith with a view to the best interests of B2Gold (commonly referred to as the 'duty of loyalty'); • act for a proper purpose; • act in accordance with the applicable laws; • not fetter their discretion; • exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (commonly referred to as the 'duty of care'); • avoid conflicts of interest; • not use their position to their advantage; and • not misappropriate company property.
Nomination of directors	<p>Under ASX Listing Rules, CGA is required to accept nominations for the election of its directors up to 35 days (30 days in the case of a meeting requested by CGA Shareholders) before the date of a general meeting at which the directors are elected.</p> <p>Under CGA's constitution, the notice of the directors appointment must be given to CGA at least 28 days before the relevant general meeting.</p>	<p>B2Gold's articles provide that the election of directors shall take place at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. Under the BCBCA, the number of directors to be elected at any such meeting shall be the number of directors as specified in the articles or, if a minimum and maximum number of directors is provided for in the articles, the number of directors determined by special resolution or, if a special resolution empowers the directors to determine the number, the number of directors determined by resolution of the board.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Casual vacancies	<p>Under CGA's constitution, the CGA Board is authorised to appoint a person to fill a casual vacancy, or as an addition to the CGA Board, so long as the number of directors does not exceed 10.</p> <p>Under ASX Listing Rules, any such appointed director may hold office only until the next annual general meeting of CGA. They will then be eligible for election at that meeting but will not be taken into account in determining the number of directors who are to retire by rotation at that meeting.</p>	<p>Subject to the BCBCA, B2Gold's articles provide that a quorum of the board of B2Gold may fill a casual vacancy in the board. Under the BCBCA, a director so appointed will hold office until the earlier of the end of the unexpired portion of the term of the director whose departure created the vacancy and when he or she would otherwise cease to hold office under the BCBCA.</p>
Corporate governance	<p>The structures of the CGA Board and CGA's corporate policies as a whole, must comply with the requirements of ASX Listing Rules in relation to corporate governance.</p> <p>CGA is also subject to the Canadian corporate governance provisions set out in the opposite column.</p>	<p>National Instrument 58-101 of the Canadian Securities Administrators requires issuers to include information in relation to independence of directors, board mandates, position descriptions, corporate governance practices and committee mandates and functions as part of prescribed disclosure of an issuer's corporate governance practices in their management information circular. Audit committee composition and practices are subject to separate reporting requirements mandating publication in the issuer's management information circular.</p>
Insider trading	<p>Under the Corporations Act, any person who possesses price sensitive information relating to CGA or its securities is prohibited (subject to exceptions) from buying or selling those securities or procuring others do so, or from communicating the information to third parties.</p> <p>CGA is also subject to the Canadian insider trading restrictions set out in the opposite column.</p>	<p>Canadian securities laws prohibit trading with knowledge of a material fact or material change with respect to a reporting issuer that has not been generally disclosed.</p> <p>In addition, National Instrument 55-102 of the Canadian Securities Administrators establishes a mandatory system of electronic reporting of trading activity by certain insiders of each reporting issuer.</p>
Members' meetings		
Quorum of shareholders	<p>Under CGA's constitution, the quorum for a general meeting of CGA Shareholders is two CGA Shareholders entitled to vote.</p>	<p>B2Gold's articles provide that the presence of two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the shares entitled to be voted at such meeting will constitute quorum for the transaction of business at the meeting of shareholders.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
AGM	<p>Under the Corporations Act, the annual general meeting of CGA is required to be held at least once every calendar year and within five months after the end of each financial year (unless an extension is granted by ASIC).</p> <p>CGA is also subject to the Canadian securities requirements and TSX rules relating to annual general meetings set out in the opposite column.</p>	<p>Under the BCBCA, the annual meeting of B2Gold must be called by the directors at least once per calendar year and not later than 15 months after holding the last preceding annual meeting.</p> <p>The TSX Company Manual mandates that each listed issuer must hold its annual meeting of shareholders within six months from the end of its fiscal year, or at such earlier time as is required by applicable law. An issuer may seek an exemption to hold a meeting at a later date.</p>
Notice of shareholders meetings	<p>Under CGA's constitution and the Corporations Act, not less than 28 days notice of a general meeting must be given to CGA Shareholders.</p> <p>The notice of a meeting must specify the date, time and place of the meeting and state the general nature of the business to be transacted at the meeting.</p> <p>CGA is also subject to the Canadian notification requirements set out in the opposite column.</p>	<p>Under B2Gold's articles and according to the BCBCA, notice of a general meeting of B2Gold's shareholders must be given to the shareholders entitled to vote (and the directors and auditors) at least 21 days (but not more than 2 months) before the date of the meeting.</p> <p>The notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called. A notice of a meeting at which special business is to be transacted must state the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgement thereon, as well as the text of any special resolution to be submitted to the meeting. Any business, other than the election of directors, reappointment of the incumbent auditor, consideration of the financial statements and reports of the directors or auditor, and business relating to the conduct of or voting at the meeting, is deemed to be special business.</p> <p>National Instrument 54-101 of the Canadian Securities Administrators requires a reporting issuer that is required to give notice of a meeting to fix a date for the meeting and, a record date for notice for the meeting which shall be no fewer than 30 and no more than 60 days before the meeting date, and, if required or permitted by corporate law, fix a record date for voting at the meeting. The reporting issuer is required, subject to certain exemptions, to notify certain intermediaries at least 25 days prior to the record date.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Calling meetings	<p>Under the Corporations Act, a general meeting of CGA Shareholders may be called by individual directors, or by CGA Shareholders holding at least 5% of the total votes that may be cast at the meeting, or at least 100 members who are entitled to vote.</p> <p>Additionally, under CGA's constitution, the CGA Board is given the power to convene a general meeting at any time.</p>	<p>Under the BCBCA, the B2Gold Board may call a special meeting of shareholders at any time.</p> <p>The BCBCA further provides that the holders of not less than 5% of the issued shares of a company that carry the right to vote at a meeting may requisition the directors to call a meeting of shareholders for the purposes stated in the requisition unless the directors are excused from doing so.</p>
Shareholder proposed resolutions	<p>Under the Corporations Act, CGA Shareholders holding at least 5% of the votes that may be cast at a general meeting, or at least 100 CGA Shareholders who are entitled to vote at the meeting may, by written notice to the company, propose a resolution for consideration at the next general meeting occurring more than two months' after the date of their notice.</p>	<p>The BCBCA entitles a registered or beneficial holder of not less than 1% (or having a fair market value in excess of the prescribed amount) of B2Gold shares eligible to be voted at its annual shareholder meeting to submit to B2Gold notice of any matter that the person proposes to raise at the meeting (a "Proposal") and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. If B2Gold receives notice of a Proposal at least three months prior to the anniversary of the previous year's annual reference date, and is soliciting proxies, it would then be required to set out the Proposal in its management proxy circular (and, if requested by the person submitting the Proposal, include or attach the Proposal and a statement in support of the Proposal not exceeding 1,000 words in the aggregate).</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
<p>Shareholder proposed resolutions</p>		<p>The BCBCA provides for exemptions from the requirements to include a proposal in a company's management proxy circular in certain circumstances, including where:</p> <ul style="list-style-type: none"> • it clearly appears that the primary purpose of the proposal is to enforce a personal claim or redress a personal grievance against the company or its directors, officers or security holders; • it clearly appears that the proposal does not relate in a significant way to the business or affairs of the company; • substantially the same proposal failed to receive a certain amount of support at a prior meeting held not more than the prescribed number of years before the receipt of the proposal; • the proposal has already been substantially implemented; • the proposal, if implemented, would cause the company to commit an offence; • the proposal deals with matters beyond the company's power to implement; or • the proposal is invalid or exceeds the maximum length of 1,000 words.

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Passing resolutions at a general meeting	Under Australian law, a resolution at a general meeting of CGA Shareholders is to be passed by a simple majority of votes cast by the CGA Shareholders present and voting at the meeting.	Under the BCBCA, a resolution at a general meeting of B2Gold's shareholders is to be passed by a simple majority of votes cast by the shareholders entitled to vote on the resolution.
Special resolutions	<p>Under the Corporations Act, a special resolution is to be passed by 75% of the votes cast by CGA Shareholders present and voting on the resolution.</p> <p>Approval by special resolution of CGA Shareholders is required for actions such as:</p> <ul style="list-style-type: none"> • modifying or repealing a company's constitution; • changing a company's name or type; • selectively reducing or buying back capital (in some circumstances); • giving financial assistance in connection with the acquisition of shares in a company; and • undertaking a voluntary winding up of a company. 	<p>Under the BCBCA, a special resolution must be passed by a majority of not less than two-thirds of the votes cast by the shareholders entitled to vote on the resolution.</p> <p>Approval by special resolution of the shareholders is required for such actions as:</p> <ul style="list-style-type: none"> • amending a company's articles; • changing a company's name; • increasing or reducing stated capital, if the company's stated capital is stated in its articles; • undertaking a voluntary liquidation and dissolution; • amalgamating with another arm's length company; • continuing under the laws of another jurisdiction; and • undertaking the sale, lease or exchange of all or substantially all of the property of the company other than in the ordinary course of business.

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Relationship between the company and its members		
Derivative action and shareholder class action	<p>Under the Australian common law, CGA Shareholders do not have the right to bring a common law action on behalf of CGA.</p> <p>Under the Corporations Act, a statutory derivative action may be instituted by a Shareholder, former Shareholder or person entitled to be registered as a Shareholder. In all cases, leave of the court is required. Such leave will be granted if:</p> <ul style="list-style-type: none"> • it is probable that the company will not itself bring the proceedings or properly take responsibility for them; • the applicant is acting in good faith; • it is in the best interests of the company; • there is a serious question to be tried; and • either: <ul style="list-style-type: none"> • at least 14 days before making the application, the applicant gave written notice to the company of the intention to apply for leave and of the reasons for applying; or • it is otherwise appropriate for the court to grant leave. 	<p>Under the BCBCA, representative shareholder actions or derivative actions are available to B2Gold shareholders and other 'complainants' (as defined under the BCBCA to include shareholders and any other person whom the court considers to be an appropriate person to bring an action).</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Relief from oppression	<p>Under the Corporations Act, any Shareholder can bring an action in cases of conduct which is either contrary to the interests of CGA Shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any CGA Shareholders in their capacity as a Shareholder, or themselves in a capacity other than as a Shareholder. Former CGA Shareholders can also bring an action if it relates to the circumstances in which they ceased to be a Shareholder.</p>	<p>A shareholder may apply to British Columbia courts for an order under Section 227 of the BCBCA on the ground:</p> <ul style="list-style-type: none"> • that the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant; or • that some act of the company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant. <p>On an application under this section, the court may, with a view to remedying or bringing to an end the matters complained of, make any interim or final order it considers appropriate.</p> <p>The BCBCA further provides that if a company or any director, officer, shareholder, employee, agent, auditor, trustee, receiver, receiver manager or liquidator of a company contravenes or is about to contravene a provision of the BCBCA or the regulations or the articles of the company, a complainant (defined as a shareholder or any other person that the court considers appropriate) may, in addition to any other rights that that person might have, apply to the court for an order that the person who has contravened or is about to contravene the provision comply with or refrain from contravening the provision.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Relief from oppression		<p>On the application of one or more shareholders who, in the aggregate, hold at least 20% of the issued shares of a company, the court may appoint an inspector to conduct an investigation of the company, and determine the manner and extent of the investigation, if it appears to the court that there are reasonable grounds for believing that:</p> <ul style="list-style-type: none"> • the affairs of the company are being or have been conducted, or the powers of the directors are being or have been exercised, in a manner that is oppressive or unfairly prejudicial to one or more shareholders, including the applicant; • the business of the company is being or has been carried on with intent to defraud any person; • the company was formed for a fraudulent or unlawful purpose or is to be dissolved for a fraudulent or unlawful purpose; or • persons concerned with the formation, business or affairs of the company have, in connection with it, acted fraudulently or dishonestly. <p>Representative shareholder actions or derivative actions are also available to other 'complainants', such as a director of a company or any other person the court considers appropriate. The BCBCA allows a complainant, with leave of the court, to prosecute or defend in the name and on behalf of a company, in order to enforce a right, duty or obligation that could be enforced by the company itself or to obtain damages for breach of such a right, duty or obligation, provided that:</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Relief from oppression		<ul style="list-style-type: none"> • the complainant has made reasonable efforts to cause company's directors to prosecute or defend the legal proceeding; • notice of application for leave has been given to company and to any other person the court may order; • the complainant is acting in good faith; and • it appears to court that it is in the company's best interests for the legal proceeding to be prosecuted or defended. <p>Whether seeking to bring an action or defend an action, certain substantive and procedural requirements must first be met (as set forth above). In any case, to bring a derivative action it is first necessary to obtain leave of the court. The granting of leave is not automatic, but requires the court to exercise a judicial discretion. Generally, the court should grant leave where the proposed action is in the shareholder's interest unless the action appears likely to be dismissed, or is frivolous, scandalous or vexatious.</p> <p>The powers of the court under the BCBCA in making an order are broad: it may make any order it thinks fit, from a simple order amending a company's articles to an order liquidating and dissolving the company.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Relief from oppression		<p>In addition to the above, shareholders may be able to bring claims against a company based on the general laws of contract, tort or other private laws applicable in Canada. In jurisdictions within Canada a statutory right of action is conferred by securities legislation on purchasers of securities of a company against various persons or companies including the issuer of securities, the underwriter, directors and officers of the issuer, and certain other persons or companies responsible for the issue of a prospectus in respect of damage suffered by reason of a misrepresentation therein. A similar right of action is available in some jurisdictions against certain persons or companies in respect of misrepresentations contained in other disclosure documents such as offering memoranda or take-over bid circulars.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Inspection of books	Under the Corporations Act, a Shareholder must obtain a court order to obtain access to CGA's books and records.	<p>Under the BCBCA, any person may examine the corporate records of B2Gold (including the securities register, articles, minutes of meetings and resolutions of shareholders) at B2Gold's registered office or such other place where such records are kept during B2Gold's usual business hours free of charge, and copies may be obtained for a fee.</p> <p>Any person wishing to examine the list of shareholders must first make a request to the company, accompanied by an affidavit stating that the list will not be used except for certain purposes permitted under the BCBCA.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Takeovers		
Takeovers	<p>Under the Corporations Act any acquisition by a person of a “relevant interest” in a “voting share” of CGA is restricted where, because of a transaction, that person or someone else’s percentage “voting power” in CGA increases above 20% (or, where the person’s voting power was already above 20% and below 90%, increases in any way at all).</p> <p>There is an exception from these restrictions where the shares are acquired under takeover offers made under the Corporations Act to all CGA Shareholders (which must be on the same terms for all CGA Shareholders (subject to minor exceptions) and which must comply with the timetable and disclosure requirements of the Corporations Act).</p> <p>There are also other exceptions from the 20% limit for acquisitions made through permitted gateways such as acquisitions with Shareholder approval or “creeping” by acquiring up to 3% every six months (if throughout the six months before the acquisition the person has had voting power in the company of at least 19%).</p> <p>The purpose of these provisions is to attempt to ensure that CGA Shareholders in the target company have a reasonable and equal opportunity to share in any premium for control and that they are given reasonable time and enough information to assess the merits of the proposal.</p>	<p>In Canada, takeover bids are regulated primarily by provincial and territorial securities legislation and related rules and, to a limited extent, the corporate statutes under which the target company is incorporated. Unless an exemption from the formal takeover bid requirements under securities legislation is available or can be obtained, persons or companies making an offer to acquire shares in a jurisdiction where the subject shares, together with the offeror’s securities (including any securities held by joint offerors), constitute in aggregate 20% or more of the outstanding shares of the company at the time of the offer are required to extend the offer to all shareholders in the jurisdiction. These provisions require, among other things, the production, filing and mailing of a takeover bid circular to shareholders of the target company. These provisions are applicable for shareholders whose address in the books of the company is in Canada.</p> <p>Takeover bids must treat all shareholders alike and must not involve any collateral agreements, with certain exceptions for employment compensation arrangements. Takeover bids must remain open for a minimum of 35 days from the date of the mailing of the circular, after which time all securities deposited under the offer may be taken up.</p> <p>For the protection of target shareholders, the takeover bid rules contain various additional requirements, such as restrictions applicable to conditional offers and the withdrawal, amendment or suspension of offers. Securities regulators also retain a general ‘public interest jurisdiction’ to regulate takeovers and may intervene to halt or prevent activity that is abusive. Issuer bids are regulated similarly to takeover bids.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Takeovers		<p>There are extensive disclosure requirements associated with takeover bids, beginning with 'early warning' disclosure required when an acquirer crosses the 10% ownership threshold. Generally, further disclosure is required for additional purchases of 2% or more of the outstanding security for which such early warning disclosure is required. Purchases outside the bid before, during and after the bid are also restricted.</p> <p>Following a bid, second step transactions where the acquirer brings its percentage ownership to 100% are governed by the BCBCA and Multilateral Instrument 61-101 of the Canadian Securities Regulators. No shareholder approval of the acquisition would be required if the acquirer obtained 90% of the outstanding securities owned by minority shareholders during the bid. Otherwise, a meeting must be called and associated regulations complied with for an acquisition, including obtaining a two-thirds majority approval. The acquirer is generally permitted to vote the shares acquired pursuant to the bid at such meeting. Appraisal (or dissent) rights are available for objecting shareholders who fulfil certain procedural requirements.</p> <p>Under Canadian law certain exemptions to the formal bid requirements, on specified conditions, are allowed. For example, private agreements to purchase securities from up to five persons are permitted if the purchase price does not exceed 115% of the market price. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12-month period if there is a published market for the relevant class and the consideration paid does not exceed the market price at the date of acquisition.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Winding up		
Winding up	<p>Under Australian law, an insolvent company may be wound up by a liquidator appointed by either creditors or the court. Directors cannot use their powers after a liquidator has been appointed. If there are funds left over after payment of the costs of the liquidation, and payments to other priority creditors, including employees, the liquidator will pay these to unsecured creditors. The CGA Shareholders rank behind the creditors.</p> <p>Under Australian law, shareholders of a solvent company may decide to wind up the company if the directors are able to form the view that the company will be able to pay its debts in full within 12 months after the commencement of the winding-up. A meeting at which a decision is made to wind up a solvent company requires at least 75% of votes cast by the shareholders present and voting.</p> <p>CGA's constitution states that if CGA is wound up and there is a surplus, the liquidator may, with the sanction of a special resolution, divide among the CGA Shareholders in kind, the whole or any part of the property of CGA representing that surplus, and may for that purpose set whatever value the liquidator considers fair on any property to be so divided and determine how the division should be carried out.</p>	<p>Under the BCBCA, a company will cease to exist if it is voluntarily dissolved, if it is wound up or if its certificate of incorporation is cancelled by the relevant official. The principal distinction between dissolution and winding-up is the identity of the person or persons who carry out the steps required to terminate a company's existence. A dissolution is handled by the existing managers of the company, whereas winding-up is generally managed by another person appointed solely for that purpose.</p> <p>Liquidation and dissolution may be proposed by a director or a shareholder entitled to vote at an annual meeting (i.e. a voluntary liquidation) or by the court on the application of a shareholder, creditor or other person authorised under the legislation (i.e. an involuntary or compulsory liquidation). A liquidation may begin as a voluntary, shareholder driven proceeding, but then be continued under court supervision upon the application of any interested person. In all cases, the company must be neither insolvent nor bankrupt to have its existence terminated under the BCBCA.</p> <p>Liquidation of the company may also take place completely outside the framework of the BCBCA. A company may also be liquidated under the provisions of the <i>Bankruptcy and Insolvency Act</i> (Canada), either by way of assignment into bankruptcy (voluntary) or on petition by a creditor (involuntary) or under the <i>Companies' Creditors Arrangement Act</i> (Canada). Finally, a company may be liquidated informally under contractual arrangement, usually by way of the private appointment of a receiver and manager.</p>

	Rights of holders of CGA Shares	Rights of holders of B2Gold Shares
Winding up		<p>Under the BCBCA, voluntary liquidation may be initiated or proposed by the directors or shareholders, but must be sanctioned by a special resolution of the shareholders. The company must settle its debts, obligations or liabilities prior to dissolution, and file an affidavit with the registrar stating that the company has no assets and liabilities (or has made adequate provision for such liabilities).</p> <p>Under the BCBCA, dissolution by the court may be commenced by application of a shareholder if the court is satisfied that there has been conduct that is oppressive or unfairly prejudicial to the interests of shareholders, creditors, directors or officers or that it is just and equitable that the company should be liquidated and dissolved. A liquidator may be appointed by the court.</p> <p>B2Gold's constating documents do not place any restriction on B2Gold's winding up procedure.</p>

Annexure F: Scheme

Scheme of Arrangement made under Section 411 of the Corporations Act 2001 (Cth)

Parties **CGA Mining Limited** ACN 009 153 128 of Level 5, BGC Centre,
The Esplanade, Perth WA 6000 (**CGA**)

The holders of fully paid ordinary shares in the capital of CGA as at the Record Date

1 Defined Terms & INTERPRETATION

1.1 Defined terms

In this Scheme, except where the context otherwise requires:

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as appropriate.

B2Gold means B2Gold Corp., a company incorporated and existing under the laws of British Columbia, Canada, having its principal office at Suite 3100, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1, Canada.

B2Gold Nominee means the nominee appointed by B2Gold in accordance with the Implementation Agreement.

B2Gold Share means one fully paid common share issued in the capital of B2Gold.

B2Gold Register means the share register of B2Gold kept pursuant to applicable law in Canada.

Business Day means Monday to Friday inclusive except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that the ASX or the TSX declares is not a business day.

Cancellation Consideration means the consideration to be provided by B2Gold to holders of CGA Options as provided in the Implementation Agreement.

CGA Nominee means the nominee appointed by CGA in accordance with the Implementation Agreement.

CGA Options means an option to be issued a CGA Share.

CGA Share means a fully paid ordinary share issued in the capital of CGA.

CGA Shareholder means each person who is registered in the Register as the holder of CGA Shares.

Conditions Precedent means the conditions precedent set out in clause 3.1 of the Implementation Agreement.

Corporations Act means the Corporations Act 2001 (Cth).

Court means the Federal Court of Australia.

Deed Poll means the deed poll between CGA and B2Gold in the form of Schedule 4 of the Implementation Agreement.

Effective means, when used in relation to a Scheme, the order of the Court made under Section 411(4)(b) in relation to the Scheme taking effect pursuant to Section 411(10) of the Corporations Act.

Effective Date means the date on which the Scheme becomes Effective.

Electing Small Scheme Participant means a Small Scheme Participant who has elected in writing to have all of his Scheme Consideration issued to the B2Gold Nominee and sold on his behalf in accordance with paragraph 7.

First Court Date means the first day on which an application made to the Court for an order under Section 411(4)(a) of the Corporations Act convening the Scheme Meeting is heard.

Implementation Agreement means the Merger Implementation Agreement dated on or about September 19, 2012 between B2Gold and CGA and amended by deed dated November 1, 2012.

Implementation Date means the fifth Business Day after the Record Date, or such other date agreed to in writing by the parties.

Ineligible Shareholder means a CGA Shareholder whose address shown in the Register is in a jurisdiction in which B2Gold determines, acting reasonably, does not permit the issue of the B2Gold Shares to that CGA Shareholder either unconditionally or after compliance with terms that B2Gold reasonably regards as acceptable and practical.

Record Date means 5.00pm on the fifth Business Day following the Effective Date, or such other date (after the Effective Date) as CGA and B2Gold may agree in writing.

Register means the share register of CGA kept pursuant to the Corporations Act.

Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between CGA and the CGA Shareholders as set out in this document together with any alterations or conditions made or required by the Court under Section 411(6) of the Corporations Act and approved in writing by B2Gold and CGA.

Scheme Consideration means the consideration to be issued by B2Gold to Scheme Participants (or to the CGA Nominee, in respect of B2Gold Shares that would otherwise be issuable to Ineligible Shareholders or the B2Gold Nominee, on behalf of Electing Small Scheme Participants).

Scheme Meeting means the meeting of CGA Shareholders convened by the Court in relation to the Scheme pursuant to Section 411(1) of the Corporations Act and includes any adjournment of that meeting.

Scheme Participant means each person who is a CGA Shareholder as at 5:00pm on the Record Date (other than B2Gold).

Second Court Date means the first day on which an application made to the Court for an order pursuant to Section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned or appealed application is heard.

Small Scheme Participant means a Scheme Participant whose address on the Register is in Australia and whose entitlement to the Scheme Consideration would be 1000 B2Gold Shares or less

Sunset Date means February 28, 2013, or such later date as agreed to in writing between B2Gold and CGA.

Takes effect or taking effect means on and from the first time when an office copy of the Court order approving the Scheme pursuant to Section 411(6) of the Corporations Act is lodged with ASIC pursuant to Section 411(10) of the Corporations Act.

TSX means the Toronto Stock Exchange.

1.2 Interpretation

In this Scheme:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, or schedule is to a clause or paragraph of, or schedule to, this agreement, and a reference to this agreement includes any schedule;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to A\$, dollar or \$ is to Australian currency;
- (f) a reference to C\$ is to the lawful currency of Canada;
- (g) a reference to time is to Perth, Western Australia time, unless otherwise noted;
- (h) a reference to a party is to a party to this agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;

- (i) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (j) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re enactments or replacements of any of them;
- (k) a word or expression defined in the Corporations Act and not otherwise defined in this agreement has the meaning given to it in the Corporations Act;
- (l) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (m) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (n) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it; and
- (o) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

2 THE SCHEME

- (a) Subject to:
 - (i) approval of the Scheme by the holders of the CGA Shares at a meeting of those holders convened by the Court pursuant to Section 411(1) of the Corporations Act;
 - (ii) approval of the Scheme by the Court pursuant to Section 411(4)(b) of the Corporations Act;
 - (iii) lodgement with ASIC of an office copy of the order of the Court approving the Scheme pursuant to Section 411(10) of the Corporations Act;
 - (iv) all of the Conditions Precedent being satisfied or waived (other than those Conditions Precedent that cannot be waived) in accordance with the Implementation Agreement by the times set out in the Implementation Agreement;
 - (v) the Implementation Agreement not having been terminated by CGA or B2Gold;
 - (vi) the Deed Poll not having been terminated by B2Gold;
 - (vii) all CGA Options having been cancelled for the Cancellation Consideration; and
 - (viii) the B2Gold Shares to be issued as Scheme Consideration and the Cancellation Consideration being conditionally approved for listing on the TSX,

the CGA Shares, and all rights and entitlements attaching to the CGA Shares, will be transferred to B2Gold with effect from the Implementation Date and without the need for any further act by the holders of the CGA Shares (other than any acts performed by CGA or its directors or officers as attorney or agent for the CGA Shareholders).
- (b) CGA will provide to the Court on the Second Court Date a certificate signed by B2Gold and CGA (or such other evidence as the Court requests) stating whether or not the conditions referred to in paragraphs 2(a) (other than sub-paragraphs (ii) and (iii)) have been satisfied or waived as at 8.00am on the Second Court Date.
- (c) Subject to clause 2(d), this Scheme takes effect for all purposes on the Effective Date.
- (d) This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the Sunset Date in accordance with the Implementation Agreement.

- (e) In consideration of the transfer of the CGA Shares to B2Gold (as detailed in paragraph 2(h)), and subject to the other terms and conditions of this Scheme, on the Implementation Date:
 - (i) a holder of CGA Shares (who is not an Electing Small Scheme Participant or Ineligible Shareholder) will be issued the Scheme Consideration in respect of the CGA Shares held by the holder as at the Record Date;
 - (ii) the CGA Nominee will be issued the Scheme Consideration in respect of the CGA Shares held by all Ineligible Shareholders as at the Record Date; and
 - (iii) the B2Gold Nominee will be issued the Scheme Consideration in respect of the CGA Shares held by all Electing Small Scheme Participants as at the Record Date.
- (f) Notwithstanding any rule of law or equity to the contrary, holders of CGA Shares will be entitled to exercise all voting and other rights attached to the CGA Shares pending their transfer pursuant to paragraph 2(h), subject to the restrictions on dealing in CGA Shares set out in paragraph 3.
- (g) A holder of CGA Shares (other than an Electing Small Scheme Participant or Ineligible Shareholder) will be deemed to have agreed to become a member of B2Gold and to have accepted the B2Gold Shares issued to that holder under this Scheme subject to, and to be bound by, B2Gold's constitution.
- (h) On the Implementation Date (but with effect from the Record Date) CGA must:
 - (i) procure the delivery of a transfer in respect of all the CGA Shares to ASX Settlement Corporation by a broker nominated in writing by B2Gold to effect a valid transfer of all the CGA Shares to B2Gold pursuant to section 1074D of the Corporations Act or, if such a procedure is not available for any reason, deliver to B2Gold a duly completed and executed instrument or instruments of transfer transferring all of the CGA Shares to B2Gold; and
 - (ii) subject to B2Gold having executed that instrument of transfer, enter the name of B2Gold in the Register as the holder of the CGA Shares.

3 DEALINGS IN CGA SHARES

- (a) Every CGA Shareholder entered on the Register as the holder of a CGA Share on the Record Date is entitled to participate in this Scheme. For this purpose, dealings in CGA Shares will only be recognised if:
 - (i) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Register as holder of the relevant CGA Shares on or before the Record Date; and
 - (ii) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the Register is kept.
- (b) CGA must register any transmission application or transfer received in accordance with paragraph 3(a) by the Record Date.
- (c) If the Scheme becomes Effective:
 - (i) no dealing in CGA Shares, whenever effected, will be given effect to if it is received after the Record Date;
 - (ii) any purported dealing in CGA Shares after the Record Date will be void and of no effect; and
 - (iii) no shares or options to subscribe for shares will be allotted or issued by CGA after the Effective Date.

4 NOTICE TO HOLDERS OF CGA SHARES

- (a) If the Court makes an order approving the Scheme, CGA will send to each holder of CGA

Shares notice of that fact within 2 Business Days after the Implementation Date.

- (b) The notice given under paragraph 4 (a) will:
 - (i) (except in the case of an Electing Small Scheme Participant or Ineligible Shareholder) be accompanied by documents of title in respect of the Scheme Consideration (being holding statements) to which the holder of CGA Shares is entitled pursuant to paragraph 2(e); and
 - (ii) be sent in the manner provided in, and to the address determined in accordance with, paragraph 8(c).
- (c) In the case of joint holders of CGA Shares, holdings statements for the B2Gold Shares will be sent to the joint holder whose name appears first in the Register as at the Record Date.
- (d) If the Court refuses to make an order approving the Scheme, then CGA will send to each holder of CGA Shares notice of that fact not later than 5 Business Days after the date of such refusal. The notice will be sent in the manner provided in, and to the address determined in accordance with, paragraph 9(c).

5 ISSUE OF B2GOLD SHARES

- (a) Not later than 2 Business Days after the Record Date, CGA will give to B2Gold a notice specifying the persons to whom B2Gold Shares are to be issued pursuant to paragraph 2(e) and the numbers of B2Gold Shares to which they are entitled respectively. Where the calculation of the number of B2Gold Shares to be issued to a particular CGA Shareholder would result in the issue of a fraction of a B2Gold Share, the fractional entitlement will be rounded down to the nearest whole number of B2Gold Shares.
- (b) B2Gold must, on the Implementation Date issue the B2Gold Shares in accordance with that notice and register the holder of those B2Gold Shares in the B2Gold Register.
- (c) The issue and despatch of a holding statement for those B2Gold Shares in accordance with paragraph 4(b)(ii) will discharge in full B2Gold's obligations under this paragraph 5(b).

6 INELIGIBLE SHAREHOLDERS

- (a) The B2Gold Shares that would, but for this paragraph, have been issued to an Ineligible Shareholder must be issued by B2Gold to the CGA Nominee.
- (b) CGA must procure that the CGA Nominee:
 - (i) as soon as reasonably practicable and in any event not more than 15 Business Days after the Implementation Date, sells, outside of the United States, those B2Gold Shares for the benefit of the Ineligible Shareholders;
 - (ii) accounts to the Ineligible Shareholders for the net proceeds of sale (on an averaged basis so that all Ineligible Shareholders receive the same price per B2Gold Share, subject to rounding to the nearest whole C\$ cent), and any income referable to those B2Gold Shares, after deduction of any applicable brokerage, taxes and charges, at the Ineligible Shareholders' risk in full satisfaction of the Ineligible Shareholders' rights under this Scheme; and
 - (iii) remits the net proceeds of sale to the Ineligible Shareholders in C\$ in the manner provided in, and to the address determined in accordance with, paragraph 8(c).

7 Electing small scheme participants

- (a) Any Small Scheme Participant may elect, by providing notice in writing to CGA on or before the Implementation Date, to be treated as an Electing Small Scheme Participant for the purpose of this paragraph 7.
- (b) The B2Gold Shares that would, but for this paragraph, have been issued to the Small Scheme Participant must be issued by B2Gold to the B2Gold Nominee.

- (c) B2Gold must procure that the B2Gold Nominee:
 - (i) as soon as reasonably practicable and in any event not more than 15 Business Days after the Implementation Date, sells, outside of the United States, those B2Gold Shares for the benefit of the Electing Small Scheme Participants;
 - (ii) accounts to the Electing Small Scheme Participants for the net proceeds of sale (on an averaged basis so that each Electing Small Scheme Participant receives the same price per B2Gold Share, subject to rounding to the nearest whole C\$ cent), and any income referable to those B2Gold Shares, after deduction of any applicable brokerage, taxes and charges, and at the Electing Small Scheme Participants' risk, in full satisfaction of the Electing Small Scheme Participants' rights under this Scheme; and
 - (iii) remits the net proceeds of sale to the Electing Small Scheme Participants in A\$ in the manner provided in, and to the address determined in accordance with, paragraph 9(c).
- (d) Each Electing Small Scheme Participant appoints B2Gold as its agent to receive on its behalf any financial services guide or other notices (including any updates) that the B2Gold Nominee is required to provide.

8 WHEN SCHEME BECOMES BINDING

- (a) This Scheme will become binding on CGA, B2Gold and each holder of CGA Shares only if the Court makes an order under section 411(4)(b) of the Corporations Act approving the Scheme and that order becomes effective in accordance with section 411(10). CGA must lodge an office copy of that order with ASIC not later than 2 Business Days after the order has been made.
- (b) If this Scheme becomes binding as provided by paragraph 8(a), the rights of any holder at the Record Date of a CGA Share are the same as the rights that the Scheme Participant who held that CGA Share immediately prior to the Effective Date would have had if he had remained the holder of the CGA Share until the Record Date.
- (c) Where this Scheme becomes binding as provided by paragraph 8(a), a holder of CGA Shares (and any person claiming through that holder) may only assign, transfer or otherwise deal with those CGA Shares on the basis that the rights so assigned, transferred or dealt with are limited in the manner described in paragraph 8(a).

9 GENERAL

- (a) CGA may by its counsel or solicitors consent to any modification of or addition to this Scheme or to any condition, which the Court may think fit to approve or impose and to which B2Gold has consented.
- (b) The accidental omission to give notice of the Scheme Meeting to any holder of CGA Shares or the non-receipt of such a notice by any holder of CGA Shares will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings at the Scheme Meeting.
- (c) For the purpose of paragraph 4, the expression "send" or "sent" means:
 - (i) for the purpose of paragraph 4, sending by ordinary pre-paid post to a holder at the Record Date of a Scheme Share at the address of that holder appearing in the Register at the Record Date;
 - (ii) for the purpose of paragraph 2(e)(ii), sending by ordinary pre-paid post to the Nominee at its address; or
 - (iii) delivery to the relevant address by any other means at no cost to the recipient.
- (d) Each holder of CGA Shares will be deemed (without the need for any further act) to have irrevocably appointed CGA and each of its officers, jointly and severally as the holder's attorney for the purpose of executing any document necessary to give effect to this Scheme, including executing a share transfer form or master share transfer form for the CGA Shares.

- (e) The CGA Shareholders agree to the transfer of their CGA Shares to B2Gold in accordance with the terms of this Scheme and consent to CGA doing all things necessary for or incidental to the implementation of this Scheme.
- (f) CGA must execute all deeds and other documents and do all acts and things as may be necessary or expedient on its part to implement this Scheme in accordance with its terms.
- (g) Neither CGA nor any of its officers will be liable for anything done or for anything omitted to be done in performance of this Scheme in good faith.
- (h) To the extent of any inconsistency, this Scheme overrides CGA's constitution and binds CGA, B2Gold and the holders of CGA Shares.
- (i) The proper law of this Scheme is the law of Western Australia.

Annexure G: Deed Poll

DEED POLL

This Deed Poll

is made on 22 November 2012

by	B2Gold Corp, of
	Suite 3100, Three Bentall Centre 595 Burrard Street, PO Box 49143, VANCOUVER, BC 47X 1J1 (B2Gold)
in favour of:	Each holder of ordinary shares in CGA Mining Limited, (ABN 88 009 153 128) of Level 5, BGC Centre, 28 The Esplanade, PERTH WA 6000 (CGA) as of the Record Date

Introduction

- A On or about 19 September 2012 B2Gold and CGA entered into a merger implementation agreement with respect to the Scheme and associated matters that was amended by a deed dated 1 November 2012 (**Implementation Agreement**).
- B In accordance with clause 5.3(o) of the Implementation Agreement, B2Gold is entering into this deed poll to covenant in favour of the Scheme Participants that it will observe and perform its obligations under the Implementation Agreement and the Scheme, including providing the Scheme Consideration.

Agreed terms

1 DEFINED TERMS AND INTERPRETATION

1.1 Defined terms

In this deed poll, capitalised words and phrases have the same meaning as given to them in the Implementation Agreement.

1.2 Interpretation

In this deed poll, headings and boldings are for convenience only and do not affect its interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) a reference to any document (including the Scheme) is to that document as varied, novated, ratified or replaced; and
- (c) a reference to a clause, party, annexure or schedule is a reference to a clause of, and a party, annexure and schedule to, this deed poll and a reference to this deed poll includes any annexure and schedule.

1.3 Nature of deed poll

B2Gold acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Participant in accordance with its terms, even though the Scheme Participant is not party to it; and
- (b) each Scheme Participant irrevocably appoints CGA and each of its directors and officers (jointly and severally) as its agent and attorney to enforce this deed poll against B2Gold on behalf of that Scheme Participant.

2 CONDITIONS PRECEDENT

2.1 Conditions precedent to obligations of the Scheme

The obligations of B2Gold under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of B2Gold under this deed poll to the Scheme Participants will automatically terminate and the terms of this deed poll will be of no force or effect if:

- (a) the Implementation Agreement is terminated in accordance with its terms; or
- (b) the Scheme is not Effective by the Sunset Date.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to:

- (a) B2Gold, B2Gold is released from its obligations to further perform this deed poll; and
- (b) the Scheme Participants, the Scheme Participants retain the rights they have against B2Gold in respect of any breach of this deed poll which occurs before it is terminated.

3 SCHEME OBLIGATIONS

3.1 Undertaking to pay Scheme Consideration

Subject to clause 2, B2Gold:

- (a) offers to acquire all the CGA Shares held by the Scheme Participants; and
- (b) in consideration of the acceptance of that offer and the transfer of each CGA Share to B2Gold, undertakes in favour of each Scheme Participant to issue the Scheme Consideration for each CGA Share, being 0.74 B2Gold Shares for every one CGA Share held by each Scheme Participant,

all in accordance with the terms of the Scheme and the Implementation Agreement.

4 WARRANTIES

B2Gold represents and warrants that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of the constitution of B2Gold or any material term or provision of any agreement, or any writ, order or injunction, judgment, law, rule or regulation to which either is a party of subject or by which either is bound.

5 CONTINUING OBLIGATIONS

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) B2Gold has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

6 GENERAL

6.1 Notices

Any notice or other communication to B2Gold in respect of this deed poll must be in legible writing and in English and:

- (a) must be addressed as shown below:

B2Gold

Attention: President & Chief Executive Officer

Address: Suite 3100, Three Bentall Centre, 595 Burrard Street,
PO Box 49143, Vancouver, BC 47X 1J1, Canada

Facsimile: +1 (604) 681 6209

- (b) must be signed by the person making the communication or by a person duly authorised by that person;
- (c) must be delivered or posted by prepaid post to the address of B2Gold in accordance with clause 6.1(a) or sent by facsimile to the facsimile number of B2Gold specified above; and
- (d) will be regarded as received by the addressee:
 - (i) if by delivery, on delivery at the address of B2Gold as provided in clause 6.1(a), unless that delivery is not made on a Business Day or after 5.00 pm on a Business Day, when that communication will be regarded as received at 9.00 am on the next Business Day;
 - (ii) if sent by prepaid post, seven Business Days after posting; and
 - (iii) if a facsimile, at the time of which that fax is sent or shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day or is after 5.00 pm on a business Day when that communication will be regarded as received at 9.00 am on the next Business Day.

7 GENERAL

7.1 Governing law and jurisdiction

This deed poll is governed by the law of Western Australia and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

7.2 Waiver

A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise by a party of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

7.3 Alterations

This deed poll may not be altered unless:

- (a) if before the First Court Date, the variation is agreed to by CGA; or
- (b) if on or after the First Court Date, the variation is agreed to by CGA and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event B2Gold will enter into a further deed poll in favour of the Scheme Participants giving effect to the variation.

7.4 Cumulative rights

The rights, powers and remedies of B2Gold and the Scheme Participants under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

7.5 Assignment

The rights created by this deed poll are personal to B2Gold and each Scheme Participant and may only be assigned with the prior written consent of B2Gold.

7.6 Stamp duty

B2Gold must pay any stamp duties and any related fines and penalties in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under or pursuant to this deed poll.

7.7 Further assurances

B2Gold must promptly do all things necessary or expedient to be done by it in connection with the matters referred to in this deed poll and to implement the Scheme.

SIGNING PAGE

Executed as a deed poll.

Executed by for B2Gold Corp.


Signature

Clive Johnson,
Name and Title (print)
President & CEO


Signature

Roger Bicher
Name and Title (print)
Executive Vice President,
General Counsel & Secretary

Annexure H: Notice of Scheme Meeting

Notice of Court ordered Scheme Meeting of Shareholders of CGA Mining Limited (ABN 88 009 153 128)

Notice is given that, by an order of the Supreme Court of Western Australia made on 23 November 2012, a meeting of the members of CGA Mining Limited (**CGA**) will be held on the ground floor of The BGC Centre, 28 The Esplanade, Perth, Western Australia on 24 December 2012 at 10.00am (WST).

Business

The purpose of the Scheme Meeting is to consider, and if thought fit, to agree to a scheme of arrangement (with or without modification) proposed to be made between CGA and the CGA Shareholders as at the Record Date (**Scheme**) pursuant to Part 5.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**). The Scheme is proposed to be made in respect of the CGA Shares held by CGA Shareholders in the form of the scheme contained in **Annexure F** to the Scheme Booklet which accompanies this notice.

To assist you in making an informed voting decision, further information on the Scheme is set out in the Scheme Booklet accompanying this notice. A copy of the Scheme is set out in **Annexure F** to the Scheme Booklet and its purpose and effect is explained throughout that document.

Terms used in this notice, including in the resolution set out below, have the same meaning as set out in the Glossary in **Section 11** of the Scheme Booklet which accompanies this notice.

Resolution

To consider and, if thought fit, to pass the following resolution:

*“That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme of Arrangement proposed to be entered into between CGA Mining Limited (the **Company**) and holders of its fully paid ordinary shares (**Scheme**) is approved and the board of directors of the Company is authorised to agree to such modifications or conditions as are thought fit by the Supreme Court of Western Australia (**Court**) and, subject to approval of the Scheme by the Court, to implement the Scheme with any such modifications or conditions.”*

Majority required

In accordance with Section 411(4)(a) of the Corporations Act, for the Scheme to be effective, the resolution must be passed by:

- unless the Court orders otherwise, a majority in numbers of CGA Shareholders present and voting (either in person or by proxy); and
- 75% of the votes cast on the resolution.

The vote will be conducted by poll.

As further described in **Section 4.1** of the Scheme Booklet, CGA has sought, and the Court has granted, an order permitting the number of Voting Canadian Beneficial Holders on the Scheme Resolution to be taken into account for the purposes of determining whether the Headcount Test has been satisfied.

Voting entitlement

For the purposes of this Scheme Meeting, CGA Shares will be taken to be held by the persons who are the registered holders at the Voting Record Date expected to be 10.00am (WST) on 22 December 2012. All holders of CGA Shares as at that time are entitled to vote at the Scheme Meeting.

How to vote

See **Section 4** of the Scheme Booklet for detailed information regarding voting and submitting proxy forms and voting instructions forms for the Scheme Meeting by CGA Shareholders and Canadian Beneficial Holders.

Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Scheme is subject to the approval of the Court. If the resolution put to the meeting is approved by the Requisite Majority of CGA Shareholders, CGA intends to apply to the Court for approval of the Scheme.

Annexure I: Consent of PricewaterhouseCoopers LLP



AUDITOR'S CONSENT

We have read the Scheme Booklet of CGA Mining Limited dated November 23, 2012 relating to a scheme of arrangement implementing a proposed merger between CGA Mining Limited and B2Gold Corp. (the Company). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Scheme Booklet of our report to the shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2011, 2010 and January 1, 2010 and the consolidated statements of operations and comprehensive income, cash flows and changes in equity for the years ended December 31, 2011 and 2010. Our report is dated March 28, 2012.

PricewaterhouseCoopers LLP

Chartered Accountants

Vancouver, British Columbia, Canada

November 23, 2012

PricewaterhouseCoopers LLP

PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada V6C 3S7

T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Corporate Directory

Company Information

CGA Mining Limited
(ABN 88 009 153 128)
ASX Code: CGX
TSX Code: CGA
www.cgamining.com

Directors

Mark Savage (Chairman)¹
Michael Carrick (President and Chief Executive Officer)
Justine Magee (Chief Financial Officer)
Phillip Lockyer (Independent Non-Executive Director)
Robert Scott (Independent Non-Executive Director)
David Cruse (Independent Non-Executive Director)

Company Secretary

Hannah Hudson

Registered Office

Level 5
The BGC Centre
28 The Esplanade
Perth WA 6000
Australia

Telephone: (08) 9263 4000

Fax: (08) 9263 4020

Australian Registrar

Computershare Investor Services Pty Limited

Level 2, 45 St Georges Terrace
Perth WA 6000
Australia

Telephone: + 1300 557 010

International: +61 8 9323 2000

Fax: + 61 8 9323 2033

Canadian Registrar and Transfer Agent

Computershare Investor Services Inc.

100 University Avenue
11th Floor
Toronto Ontario M5J 2Y1
Canada

International: + 1 416 263 9449

Fax: + 1 416 981 9800

¹ Note - Mark Savage has notified CGA that he intends to retire from the CGA Board, effective from the date of the Annual General Meeting of CGA Shareholders on 28 November 2012.

Bankers

*Australia and New Zealand
Banking Group Limited*

77 St Georges Terrace
Perth WA 6000

BNP Paribas

20 Collyer Quay Tung Centre
Singapore 049319

Legal Advisors

Australia

Middletons

Level 32
St Martins Tower
44 St Georges Terrace
Perth WA 6000
Australia

Canada

Blake, Cassels & Graydon LLP

Suite 2600
Three Bentall Centre
595 Burrard Street
Vancouver BC
Canada V7X 1L3

United States

Skadden, Arps, Slate, Meagher & Flom LLP

222 Bay Street
Suite 1750,
Toronto, Ontario
Canada M5J 1J5

Independent Expert

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
Subiaco WA 6008
Australia

Investigating Accountant

PricewaterhouseCoopers Securities Ltd

Level 15
125 St George's Terrace
Perth WA 6000
Australia

Independent Technical Specialist

Behre Dolbear Australia Pty Limited

Level 9
80 Mount Street
North Sydney NSW 2060
Australia

Auditor and Australian Taxation Specialist

Ernst & Young

11 Mounts Bay Road
Perth WA 6000
Australia