ANNUAL INFORMATION FORM

of

B2GOLD CORP.

August 8, 2008

TABLE OF CONTENTS

Page

B2GOLD CORP.

ANNUAL INFORMATION FORM

Dated August 8, 2008

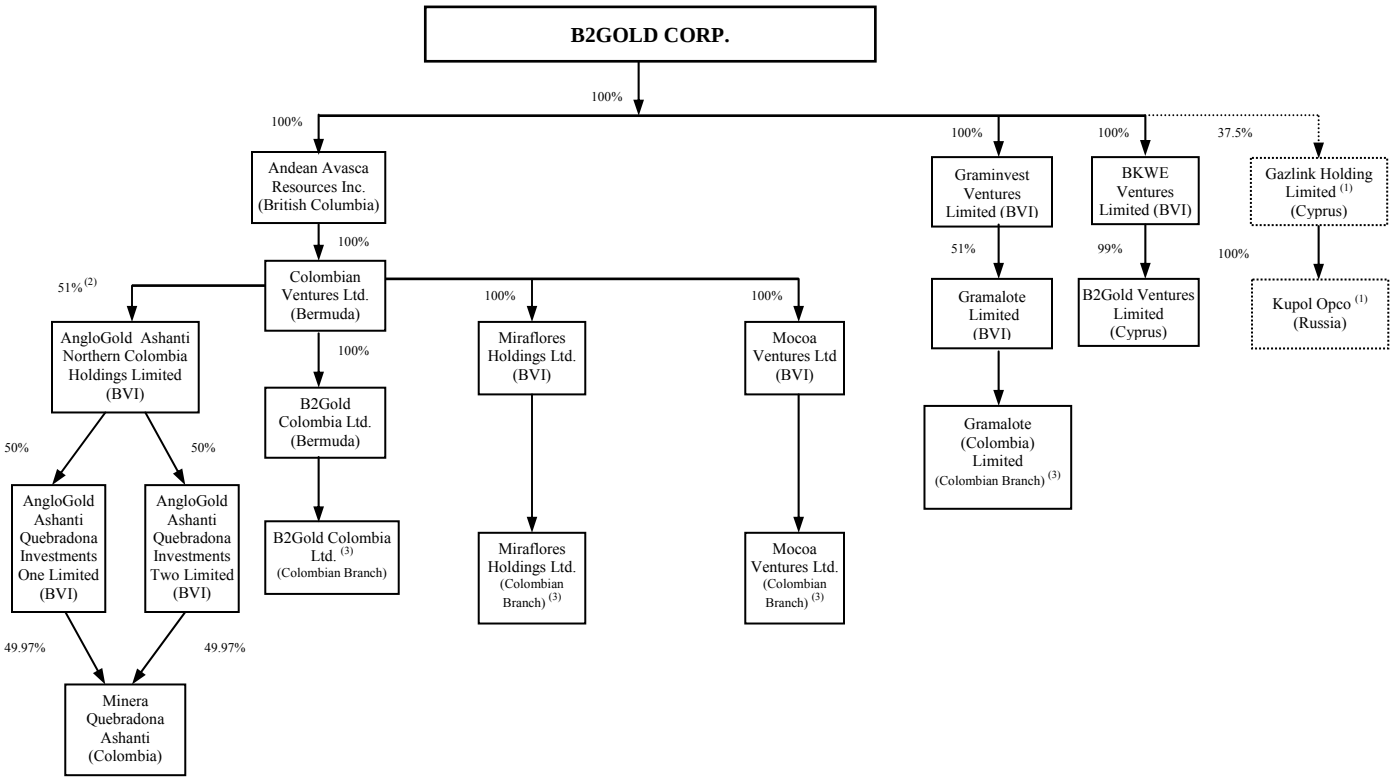
CORPORATE STRUCTURE

Name, Address and Incorporation

B2Gold Corp. ("**B2Gold**" or the "**Company**") was incorporated under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") on November 30, 2006. B2Gold's registered office is located at Suite 1600, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2 and its head office is located at Suite 3100, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1. References to the "Company" include its wholly-owned subsidiaries as the context requires.

Intercorporate Relationships

The following is a diagram of the intercorporate relationships among B2Gold and its subsidiaries.



Notes:

(1) A subsidiary of Kinross Gold Corporation currently holds 100% of the shares of Gazlink Holding Limited. Under the terms of the Purchase Agreement (defined below), B2Gold has the right to acquire a 37.5% joint venture interest in Gazlink Holding Limited, the joint venture company that will hold 100% of the shares of a Russian company that will hold the East and West Kupol licenses. If there is a change in the structure of the proposed Kupol JV, B2Gold may never acquire any direct or indirect interest in Gazlink Holding Limited or Kupol Opco. See "Description of the Business – Interest in the Principal Properties – East and West Kupol Licenses".

(2) B2Gold is currently entitled to a 51% interest in AngloGold Ashanti Northern Colombia Holdings Limited, which indirectly owns the Quebradona property. However, under the Colombia JV Agreement, AngloGold is entitled to maintain a 49% interest or to increase its interest to 51% or 65%, in which case B2Gold's interest would be reduced accordingly. See "Description of the Business – Interest in the Principal Properties – Colombia Joint Venture Agreement".

(3) Colombian branches are not separate legal entities.

GENERAL DEVELOPMENT OF THE BUSINESS

The Company is a mineral exploration company focused on the acquisition, exploration and development of interests in precious metals properties worldwide. The Company's interests in mineral properties that are considered to be material are its interests in the Gramalote, Quebradona and Miraflores properties in Colombia and the East and West Kupol licenses in Russia. The Company also holds a 100% interest in the Mocoa property in Colombia. These properties are at various stages of exploration, either with drilling previously completed on the property or with drill ready targets and drilling scheduled to commence or continue in 2008.

In connection with the completion of the arrangement transaction between Bema Gold Corporation ("**Bema**") and Kinross Gold Corporation ("**Kinross**") in February 2007, B2Gold acquired certain assets pursuant to a purchase and sale agreement dated December 21, 2006 (the "**Purchase Agreement**") among Kinross, White Ice Ventures Limited, 6674321 Canada Inc., a wholly-owned subsidiary of Kinross ("**6674321**") and B2Gold. B2Gold acquired, among other things, all of the issued and outstanding shares of Andean Avasca Resources Inc. ("**AARI**"). AARI indirectly has the right to earn a material interest in a number of properties in Colombia, including Quebradona, pursuant to the terms of a joint venture agreement originally entered into between AngloGold Ashanti Limited ("**AngloGold**"), Sociedad Kedahda S.A. (now AngloGold Ashanti Colombia S.A), a subsidiary of AngloGold ("**AngloGold Colombia**"), Bema and AARI, formerly a wholly-owned subsidiary of Bema.

The Purchase Agreement also provides for B2Gold to acquire a 37.5% joint venture interest in the East and West Kupol licenses, which cover property adjacent to the Kupol Mine developed by Bema in the Chukotka Autonomous Region in the Russian Federation. The acquisition of this interest is subject to the receipt of certain consents and the completion of transfers and other steps relating to the transfer of the East and West Kupol licenses to a subsidiary of Chukotka Mining and Geological Company ("**CMGC**") and the subsequent acquisition of a 100% interest in the company holding the East and West Kupol licenses by Gazlink Holding Limited, the joint venture company, the indirect shareholders of which are proposed to be the Company, Kinross and Chukotsnab State Unitary Enterprise or its successor in interest ("**CUE**"). The Company and Kinross are currently sharing equally the initial funding of the cost of exploration activities on the East and West Kupol license area.

As partial consideration under the Purchase Agreement, on February 26, 2007, B2Gold issued 2,722,500 Common Shares to 6674321 at an issue price of C$0.02 per share, together with promissory notes in the aggregate amount of US$7,453,700. The Company has also reserved for issuance an additional 2,722,500 Common Shares at an issue price of C$0.02 per share, which are expected to be issued to 6674321, together with promissory notes in the aggregate amount of US$7,453,700, upon the completion of the acquisition of B2Gold's interest in the East and West Kupol licenses. In December 2007 and February 2008, the Company repaid approximately US$2,300,000 and US$2,600,000, respectively, of the amounts owing under the promissory notes issued to 6674321 (paid from the net proceeds of the Company's initial public offering). As at the date of this Annual Information Form, approximately US$2,600,000 remains payable under the promissory notes.

In connection with the Purchase Agreement, B2Gold also acquired an option to acquire from Bema approximately 35% of the issued and outstanding shares of Consolidated Puma Minerals Corp. B2Gold subsequently elected not to exercise this option and it expired unexercised on February 27, 2008.

On February 26, 2007, B2Gold completed a non-brokered private placement of 3,000,999 Common Shares at a price of C$0.02 per share for gross proceeds of C$60,019.98. The private placement was completed with certain directors, officers and employees of B2Gold and other investors. The net proceeds from this private placement were used to fund the start-up costs for B2Gold and for working capital and general corporate purposes.

On June 29, 2007, B2Gold established the B2Gold Corp. Incentive Plan (the "**Incentive Plan**") for the benefit of directors, officers, employees and service providers of B2Gold and issued to the trustees of the Incentive Plan options to acquire 4,955,000 Common Shares. On October 12, 2007, following the exercise of these options, an aggregate of 4,955,000 Common Shares were issued to the trustees of the Incentive Plan at a price of C$0.02 for gross proceeds of C$99,100. Such shares are currently held in trust by the trustees for future beneficiaries under the Incentive Plan.

On July 25, 2007, B2Gold completed a non-brokered private placement of 41,599,000 Common Shares at a price of C$0.02 per share for gross proceeds of C$831,980. The private placement was completed with certain directors, officers and employees of B2Gold and other investors. The net proceeds from this private placement and the Common Shares issued on October 12, 2007 were used to fund the start-up costs for B2Gold and for working capital and general corporate purposes.

On August 21, 2007, B2Gold entered into a binding memorandum of understanding with respect to the purchase by B2Gold of 25% of the issued and outstanding shares of Gramalote Limited ("**Gramalote BVI**") from Robert Allen, Gustavo Koch, Robert Shaw and Sergio Aristizabal (collectively referred to as "**Grupo Nus**"). Gramalote BVI holds a 100% interest in the Gramalote property. B2Gold subsequently entered into a definitive purchase and sale agreement with Grupo Nus on October 26, 2007 in respect of the acquisition of the shares of Gramalote BVI from Grupo Nus (the "**Gramalote Purchase Agreement**") and paid to Grupo Nus the consideration payable in respect of the first stage of closing under the Gramalote Purchase Agreement.

On September 20, 2007, B2Gold completed a non-brokered private placement of 25,000,000 Common Shares at a price of C$0.40 per share for gross proceeds of C$10,000,000. The private placement was completed with certain directors, officers and employees of B2Gold and other investors. The net proceeds from this private placement were used to partially fund the acquisition by B2Gold of a 25% interest in Gramalote BVI, to fund exploration in Colombia and Russia and for working capital and general corporate purposes.

On October 24, 2007, B2Gold completed a brokered private placement of 15,000,000 Common Shares at a price of C$1.00 per share for gross proceeds of C$15,000,000. Genuity Capital Markets, Canaccord Capital Corporation and GMP Securities L.P. acted as agents in connection with the private placement. The net proceeds from this private placement have been used to fund a portion of the remaining payments for the completion of the acquisition of the 25% interest in Gramalote BVI, to fund exploration in Colombia and Russia and for working capital and general corporate purposes.

On December 6, 2007, B2Gold completed its initial public offering of 40,000,000 Common Shares at a price of C$2.50 per share for gross proceeds of C$100,000,000. In connection with the completion of the offering, the Common Shares of B2Gold commenced trading on the TSX Venture Exchange under the symbol "BTO". The initial public offering was distributed through an underwriting syndicate led by Genuity Capital Markets, GMP Securities L.P. and Canaccord Capital Corporation, and included Orion Securities Inc., BMO Capital Markets Inc. and Haywood Securities Inc. The net proceeds from this offering have been used and will be used for the repayment of indebtedness under the Purchase Agreement, to fund a portion of the remaining payments for the completion of the acquisition of the 25% interest in Gramalote BVI, to fund exploration in Colombia and Russia, to evaluate properties for acquisition purposes and for working capital and general corporate purposes.

On February 13, 2008, the Company entered into a binding memorandum of agreement ("**MOA**") with AngloGold that expanded on and superseded the non-binding memorandum of understanding between the Company and AngloGold dated November 26, 2007. Pursuant to the terms of the MOA, the parties agreed to terminate AngloGold's right to acquire 20% of the voting shares of AARI, terminate the Company's obligation with respect to the listing of AARI's shares, amend certain Colombian joint venture arrangements to which subsidiaries of the Company and AngloGold are parties and for the Company to acquire additional interests in mineral properties in Colombia.

On May 15, 2008, the Company entered into the Agreement to Amend the Relationship, Farm-Out and Joint Venture Agreement and regarding Gramalote Limited and Other Matters (the "**Colombia JV Amending Agreement**") between AngloGold, AngloGold Colombia, Compania Kedahda Ltd. ("**Kedahda BVI**"), AARI and the Company, to implement the transactions agreed to in the MOA. Pursuant to the terms of the Colombia JV Amending Agreement, the Company and AngloGold completed several transactions and entered into definitive agreements that altered the existing relationship between the parties under the Colombia JV Agreement (as defined below) including, among other things: (i) the termination of AngloGold's right to acquire 20% of the voting securities of AARI and the Company's obligation to list those shares on a stock exchange; (ii) the transfer by AngloGold to the Company of all of its rights and interests in the Miraflores property such that the Company now holds a 100% interest in the Miraflores property; and (iii) the transfer by AngloGold to the Company of a 100%

interest (subject to AngloGold retaining a 1% royalty) in the Mocoa property, a copper/molybdenum deposit located in the south of Colombia.

In consideration of the termination of AngloGold's right to acquire 20% of the voting securities of AARI and in consideration of the other rights and the transfer to the Company of certain mineral prospects in Colombia as outlined above, the Company issued to AngloGold units comprised of an aggregate of 25,000,000 Common Shares and 21,400,000 warrants to purchase Common Shares. The warrants, which are exercisable at any time prior to May 15, 2011, consist of 11,000,000 warrants exercisable at a price of C$3.34 per share and 10,400,000 warrants exercisable at a price of C$4.25 per share.

Pursuant to the terms of the Colombia JV Amending Agreement, the Company granted to AngloGold registration rights to qualify a resale of its securities by prospectus and a pre-emptive right to subscribe for securities issued by the Company on the same basis as such issuances are made, other than issuances of securities made to acquire properties or pursuant to employee incentive plans, in order to maintain its percentage ownership of Common Shares of the Company. This right will continue for the lesser of a period of three years or until AngloGold owns less than 10% of the outstanding Common Shares of the Company.

DESCRIPTION OF THE BUSINESS

General

B2Gold's strategic focus is to acquire interests in mineral properties with demonstrated potential for hosting economic mineral deposits with gold deposits as the primary focus, to undertake exploration and drilling campaigns to define and develop resources and services on these properties and to develop, construct and operate mines on such properties. The properties owned by the Company or in which the Company has an interest, are at various stages of exploration, either with drilling having occurred on the property or with drill ready targets and drilling scheduled to commence or continue in 2008. The Company's interests that are considered to be material are its interests in the Gramalote, Quebradona and Miraflores properties in Colombia and the East and West Kupol licenses in Russia. The Company also holds a 100% interest in the Mocoa property in Colombia.

References to the business of the Company include the business conducted by B2Gold and its wholly-owned subsidiaries. References to the "Company" include its wholly-owned subsidiaries as the context requires.

Principal Properties

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. Initial reconnaissance prospecting initiated in 1995 by Metallica Resources Inc. identified the large-tonnage bulk-mineable potential of the Gramalote Ridge area. Subsequent exploration managed by AngloGold Colombia confirmed this potential and identified additional outlying gold anomalies in the area surrounding the Gramalote Ridge mineral system. The exploration by AngloGold Colombia has identified three target types within the Gramalote property including, an advanced phase target undergoing drilling at Gramalote Ridge, outlying targets within four to five kilometres of Gramalote Ridge and various early phase, rock and stream sediment sample anomalies within the 175 square kilometre area of interest at the Gramalote property.

The Quebradona property is located approximately 220 kilometres northwest of the Colombian capital of Bogota and approximately 60 kilometres south-southwest of Medellin. The Quebradona property contains at least five early-phase exploration target areas, including La Aurora, La Isabela, La Sola, El Chaquiro and El Tenedor. Surface exploration at the Quebradona property completed by AngloGold Colombia and the Company has returned anomalous gold values indicative of the presence of potentially economic porphyry-style gold mineralization in each of the target areas. The exploration program is intended to determine the existence of possible large-tonnage, low grade deposits that may be amenable to open-pit mining and low cost mineral extraction.

The Miraflores property is located approximately 190 kilometres west-northwest of the Colombian capital of Bogota and approximately 55 kilometres north of Pereira, the regional capital of the Department of Risaralda. Various

studies of the Miraflores property and its gold contents have been completed over the last 20 years, including studies by the Colombian government and international exploration companies. Initial diamond drilling and metallurgical test work completed by AngloGold Colombia and the Company have been successful at delineating a significant low-grade medium-tonnage gold occurrence that may be amenable to bulk tonnage mining and low cost mineral extraction techniques. Structurally controlled high grade zones exist within the bulk tonnage that may present an opportunity for a low tonnage, high grade underground mining operation. Based on the favourable results to date, the proposed exploration program is intended to further evaluate the mineral potential of the Miraflores property.

The East and West Kupol licenses are located in eastern Russia approximately 220 and 200 kilometres, respectively, southeast of the city of Bilibino and approximately 410 and 430 kilometres, respectively, northwest of Anadyr, on the boundary between the Anadyrski and Bilibinski districts within the Chukotka Autonomous Region. The licenses cover a combined area of approximately 425 square kilometres and are situated around the Kupol mine that is currently being constructed by Kinross and CUE. Past exploration by Anyusk State Mining and Geological Company has identified a number of mineral occurrences proximal to the large Kupol gold-silver deposit, including quartz vein systems at Prekup and Dublon and several areas of anomalous soil and rock float geochemistry associated with altered and weakly veined host rocks. A multi-faceted exploration program began on the East and West Kupol licenses in April 2008, including geological mapping, soil sampling, trenching and diamond drilling.

Mocoa Property

The Mocoa property is located approximately 465 kilometres southwest of the Colombian capital of Bogota and 10 kilometres north of the town of Mocoa, an agricultural centre and the capital of Department of Putumayo. The Mocoa property was discovered through regional geochemical exploration by a joint venture of the United Nations and Ingeominas and Ecominas (Colombian state agencies). Between 1978 and 1983, the joint venture explored the deposit with 31 drill holes totalling 18,321 metres. As a result of the exploration, the joint venture was able to complete an estimate of mineral resources and reserves, in accordance with industry standards at the time. The historical estimate was prepared prior to the implementation of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and is not compliant with current accepted resource and reserve classifications. The Company's exploration program is intended to verify the historic mineralization and to expand the area of previous known mineralization.

Competitive Conditions

The precious metal mineral exploration and mining business is a competitive business. The Company competes with numerous other companies and individuals in the search for and the acquisition of quality precious metal mineral properties. The ability of the Company to acquire precious mineral properties in the future will depend not only on its ability to develop it present properties, but also on its ability to select and acquire suitable producing properties or prospects for precious metal development or mineral exploration.

Employees

The Company's business is administered principally from its head office in Vancouver, British Columbia, Canada. The Company also has offices in Bogota and Medellin, Columbia. At July 31, 2008, the Company had 33 full time employees and 1 part time employee.

Regulatory and Environmental

Colombia

Regulatory

Mining activities in Colombia are regulated by the Mining Code. Foreign individuals and companies may apply for and hold mining title on the same basis as local investors. Surface rights are not governed by the Mining Code and must be acquired directly from the surface rights holders.

The 1988 Mining Code establishes four types of mining title: permits, exploration licenses, exploitation licenses and concession contracts. An exploration license grants the holder the exclusive right to perform, in a prescribed area, work directed to identifying commercially exploitable mineral deposits and reserves. There are three types of exploration licenses: small, medium, and large mining activity licenses. The type of exploration license is determined by the anticipated volume or tonnage of materials to be extracted from the mine to be developed on the property. During the term of the exploration license, reports on work performed on the property must be filed with the Ministry of Mines and Energy. The Ministry of Mines and Energy subsequently makes a definitive project classification based on the information field. The Ministry of Mines and Energy has the right to reclassify the project every five years during the exploration phase. There is a maximum size area for each type of exploration license. The term of an exploration license is determined by the area covered as follows:

Original Area	Type	Term	Extension
Up to 100 hectares	Small	1 year	1 year
100 hectares up to 1,000 hectares	Medium	2 years	1 year
1,000 hectares or more	Large	5 years	N/A

On expiry of an exploration license for small mining activity and any extensions thereof, the license can be converted, on compliance with prescribed conditions, into an exploitation license. An exploitation license has a term of ten years. On its expiry, the holder can apply for a ten year extension or conversion of the license into a concession contract. On expiry of an exploration license for medium and large mining activities and any extensions thereof, the license is required to be converted to a mining concession on compliance with prescribed conditions. There are two types of mining contracts: concession contracts issued by the Ministry of Mines and Energy and those contracts issued by entities to which the Ministry of Mines and Energy has assigned its rights. A concession contract gives the holder the exclusive right to extract certain minerals and conduct the activities necessary for exploitation, transport and shipment of the same. Concession contracts have a term of 30 years.

There are various government fees and royalties payable by mining titleholders. Holders of exploration licenses for large mining activities must pay a fee equal to the prescribed minimum daily wage multiplied by the number of hectares covered by the license. The fee is payable annually until the commencement of commercial production from the property. As of 2002, on commencement of production, a royalty is payable at an effective rate of 4% of the London gold price on the ounces produced. For underground mines, the royalty is payable when annual production exceeds 8,000 tonnes and, for open-pit mines, when annual production exceeds 250,000 cubic metres.

In June 2001, a new Mining Code was enacted that somewhat simplifies and streamlines procedures for concessions. The separation of concessions into three different levels for small, medium and large mining no longer exists. There is now only one title which, once issued, has a duration of 30 years and can be extended a further 30 years, and further first rights for subsequent periods of 30 years. Within the first 30 year period, there is an exploration phase of three years with a further two year extension. This is followed by a construction phase of three years with a further one year extension. Despite these time limits, mining can start any time within this phase. To obtain the requisite permits to explore and mine the necessary environmental plans and report studies need to be presented and approved. Companies were allowed to elect to maintain existing claims under the 1988 Mining Code or elect to comply with the new Mining Code.

Environmental

With respect to environmental issues, mining companies in Colombia are subject to the authority of the Ministry of the Environment, the Regional Development Companies and certain municipalities and metropolitan districts. However, the National Code of Renewable Natural Resources and Environmental Protection forms the basis of environmental policy in Colombia and there is an interest in preserving natural resources from development activities. The Colombian Mining Law 685 of 2001 requires an environmental mining insurance policy for each concession contract. In addition, this provision requires that an environmental impact study be presented at the end of the exploration phase if the concession is to proceed to the construction phase, and this must be approved and an environmental license issued before the exploitation phase can begin. Exploration activities require an environmental management plan and a superficial water concession. Exploitation may require additional permits,

including an environmental license, a permit for springs, a forest use permit, a certificate of vehicular emissions, an emissions permit and a river course occupation permit.

Where there is a breach of environmental laws, an affected third party or the government may initiate judicial action against a polluting entity, including actions for protection of civil rights, civil liability lawsuits, class actions, group actions, executive or police measures and criminal filings. Environmental laws are a matter of public interest and are not subject to settlement. Historically, environmental authorities have taken a relaxed approach in the enforcement of environmental regulations. Recently, growing concern with respect to the environmental sustainability of projects, undertakings and industrial activities has resulted in increased enforcement and prosecution. Sanctions include daily penalties, suspension or revocation of the license, concession, permit, or authorization, temporary or final closure of the establishment, work demolition at the cost of the infringer, and confiscation of products or implements used to commit an infringement.

Russia

Regulatory

Law of the Russian Federation No. 2395-1 "On Subsoil" ("**Subsoil Law**") and Federal Law No. 41-FZ "On Precious Metals and Gems" ("**Precious Metals Law**") set out the licensing regime for the use of subsoil in geological research, exploration, and production of mineral resources. Accordingly, subsoil within the territory of the Russian Federation, including mineral resources contained therein, remains with the state. The right to use the subsoil is granted in the form of a license confirming the right to use the plot(s) of subsoil, with a licensing agreement setting out the necessary conditions for the use of subsoil in accordance with federal law. Most of the conditions on the license are based on mandatory rules; however, a number of provisions are negotiable with the Federal Subsoil Resources Management Agency. The license certifies the right of its holder to use the subsoil plot within specified boundaries, activities and terms. For geological exploration of mineral resources, the license is granted for a maximum term of five years. For actual production of mineral reserves, terms are varied to reflect the expected life of the mine, and are calculated on the basis of the feasibility study for the extraction of the mineral deposit ensuring the rational use and protection of subsoil.

Foreign Investment and Capital Raising Restrictions: As of May 5, 2008, the Russian Parliament adopted a new law titled "On Procedures for Making Foreign Investments into Companies Having Strategic Significance for the National Security of the Russian Federation" ("**Foreign Investment Law**") as well as amendments to several pieces of legislation including, in particular, amendments to the Law of Russia "On Subsoil" No. 2395-1.

Pursuant to the Foreign Investment Law subsoil plots containing gold reserves of 50 tons or more may be deemed plots of federal significance. Under the Foreign Investment Law, acquisition of plots of federal significance by foreign investors (the Company and its subsidiaries would be deemed foreign investors) would require prior approval by the federal body authorized to control foreign investment. The Foreign Investment Law also states that the government may refuse to grant a foreign investor the subsoil use rights for the purpose of final exploration and production of minerals from the plot. In such an instance, compensation in the form of a payment for expenses incurred by the foreign investor in the course of exploration will be paid. The legislation also restricts capital raising by certain Russian companies because it requires prior approval of the acquisition by a foreign investor of 10% or more of the voting shares of a strategic company, which includes any Russian company engaged in subsoil use of plots containing gold reserves of 50 tons or more. In addition, approval is required if a foreign investor is to acquire the right to elect more than 10% of the directors of a strategic company or enter into a management agreement with, or determine the decision of the management bodies of, the strategic company. These rules also apply to transactions and agreements entered into outside of Russia if the transactions or agreements result in the establishment of control over strategic companies. It is not known whether, or on what terms, approvals may be required or granted to permit a foreign investor to acquire or develop subsoil plots or acquire shares of Russian companies that are or may be subject to this new legislation.

Obtaining a License: Production licenses and combined exploration and production licenses are awarded by tender or auction conducted by the Federal Subsoil Resources Management Agency. The winner of a tender is considered to have submitted the most technically competent, financially attractive and environmentally sound proposal

meeting tender terms and conditions. The winner of an auction is generally the party that offers the largest one-time payment for the right to use the subsoil plot. Federal authorities may grant geological exploration and production licenses without auction or tender to holders of exploration licenses that discover mineral resources through exploration work conducted at their own expense.

Land Use Permits: In addition to a subsoil production license, rights to use surface land within the specified licensed mining area must be obtained. Pursuant to the Subsoil Law, subsoil licenses are issued subject to the land resources management authorities' consent to the allotment of a land plot covering the surface of the license area. Further, under the Land Code, commercial legal entities must now own or lease land occupied by their operations as at January 1, 2008.

Precious Metals Regulation: Generally, under the Precious Metals Law, title to precious metals belongs to the company that extracts the ore. Ore and concentrate containing precious metals can be purchased by Russian State Assay Chamber registered Russian companies. Only licensed organizations may refine precious metals, and once extracted the metals may only be used in internal production processes or sold to relevant government authorities or credit organizations with a precious metals license. The export of precious metals is subject to licensing, whereas importing has no specific regulations.

Environmental

Issues of environmental protection in Russia are regulated primarily by Federal Law No. 7-FZ "On Environmental Protection", along with a number of other federal and local legal acts. These environmental laws and regulations set various standards for health and environmental quality and provide for penalties and other liabilities for violation, including fines, court action to limit operations or remedy the violation, administrative or civil liability, criminal liability and compensation for environmental damage. Any activity that may affect the environment is subject to state ecological approval by federal authorities under Federal Law No. 174-FZ "On Ecological Expert Examination". Monitoring, implementation, and enforcement of environmental laws and regulations are provided by various federal agencies and ministries, state authorities, and public and non-governmental organizations. These parties also have the right to initiate lawsuits for the compensation of damage caused to the environment, for which there is a limitation period of 20 years.

Pay to Pollute: A pay-to-pollute regime establishes standards for allowable impact on the environment for industrial and business activities. The company must develop internal pollution standards reflecting both statutory standards and the type and scale of the environmental impact of their operations, which then must be approved by the Federal Service for Ecological, Technological and Nuclear Supervision. Fees are imposed on a sliding scale, with the lowest fees arising from pollution levels within statutory limits, intermediate fees for pollution levels within individually approved limits, and the highest fees for pollution levels exceeding individually approved limits. However, the payment of fees does not relieve a company from the responsibility to take further environmental protection measures or undertake restoration and clean-up activities.

Environmental Policy

The Company has adopted an Environmental Policy in order to ensure all environmental risks are adequately addressed while committing to environmental protection and public welfare for all the Company's activities. In addition, the Company is implementing procedures designed to measure compliance with the Environmental Policy and applicable regulatory guidelines and monitor the environmental compliance of all operations and reports as part of the corporate annual monitoring requirements. In addition, the Company will work with environmental regulatory agencies to ensure that the performance of the operations of the Company is at a level that is acceptable to the regulatory authorities. The Company will encourage open dialogue and has prepared a procedure for responding to concerns of all entities with respect to environmental issues.

Interest in the Principal Properties

Colombia Joint Venture Agreement

On November 8, 2006, AngloGold, Sociedad Kedahda S.A. (now AngloGold Colombia), Bema and AARI entered into a Relationship, Farm-out and Joint Venture Agreement (the "**Colombia JV Agreement**"). On February 26, 2007, in connection with the arrangement transaction between Bema and Kinross, and pursuant to the terms of the Purchase Agreement, the Company acquired all of the shares of AARI and all of the rights and obligations of Bema under the Colombia JV Agreement were assigned to, and assumed by, the Company. On September 28, 2007 and March 13, 2008, the Colombia JV Agreement was amended to, among other things, include certain additional properties. As a result, the area of mutual interest was expanded and now encompasses 220,000 square kilometres. On November 26, 2007, the Company entered into a non-binding memorandum of understanding with AngloGold to terminate AngloGold's right to acquire 20% of the voting securities of AARI and to terminate B2Gold's obligation with respect to the listing of AARI's shares. On February 13, 2008 the Company entered into the MOA, which expanded on and superseded the non-binding memorandum of understanding. On May 15, 2008, AngloGold, AngloGold Colombia, Kedahda BVI, AARI and the Company entered into the Colombia JV Amending Agreement, pursuant to which certain rights of the parties under the Colombia JV Agreement were terminated and certain rights and interests in properties were transferred. See "General Development of the Business".

The Colombia JV Agreement provides that AARI may earn a joint venture interest in certain properties located in the area of mutual interest by performing exploration work, including drilling, on the following properties: La Mina, Quebradona, Narino and San Luis (collectively the "**Colombian JV Properties**" and each a "**Colombian JV Property**"). In addition, the Company is conducting regional exploration work in other areas of Colombia that are subject to the Colombian JV Agreement and, in time, the Company may add one or more of such projects to the list of Colombian JV Properties. AARI may earn an interest in one or more of these Colombian JV Properties by advancing that property to the drilling stage and completing a minimum of 5,000 metres of drilling within two years of inclusion of the Colombian JV Property under the Colombia JV Agreement, or as such date may otherwise be extended.

Upon completing these requirements (the "**Earning Requirements**") in respect of a Colombian JV Property, the Colombia JV Agreement provides that AARI and AngloGold shall form a joint venture in respect of that property, whereby AARI and AngloGold will be entitled to 51% and 49% interests, respectively, in the Colombian JV Property, subject to certain options of AngloGold. In addition to the Earning Requirements, certain mineral tenures that are part of the Colombian JV Properties are the subject of options to purchase from third parties, which provide for the payment of additional funds to the third parties to obtain a 100% interest in the mineral tenure.

The Colombia JV Agreement provides that AARI shall be the exploration manager for the project at each Colombian JV Property for the time period commencing when AARI is granted access to the Colombian JV Property and ending on the date which is the earliest of: two years from the access date; the completion by AARI of certain work obligations; or the withdrawal by AARI from the project.

Under the Colombia JV Agreement, once AARI has completed its Earning Requirement (which has now occurred with respect to the Quebradona property), AngloGold will have the following options for each Colombian JV Property: (a) to contribute to project expenditures based on a 51% interest (and manage the project); (b) to fund all project expenditures including AARI's share to the completion of a feasibility study; (c) to contribute to project expenditure based on its 49% interest in the Colombian JV Property; or (d) not to contribute to project expenditure.

If AngloGold elects either option (a) or (b) above, it will be the joint venture manager for the project. Furthermore, AngloGold's interest will be adjusted such that under option (a) AngloGold will be entitled to a 51% interest, and under option (b) AngloGold will be entitled to a 65% interest in the Colombian JV Property. If AngloGold elects either option (c) or (d), AARI will be the joint venture manager of the project and will maintain at a minimum its 51% interest in the Colombian JV Property, subject to further adjustment. If either party elects not to contribute funds to a program, their interest will be reduced according to a standard dilution formula outlined in the Colombia JV Agreement.

Subject to a sole funding election by AngloGold, the Colombia JV Agreement provides that each of the parties must make contributions to meet project expenditures based on their respective interests in the joint venture for each Colombian JV Property. Adjustments to each party's interest in each Colombian JV Property are made upon the occurrence of various events, including the failure of either AngloGold or AARI to provide required cash contributions in amounts determined by each party's respective interest in that particular Colombian JV Property. In the event that either party's interest is reduced to 5% or less, such party will be deemed to no longer have a beneficial ownership in that Colombian JV Property, but will instead be entitled to receive a royalty equal to 2% of the net profit generated from the sale of any minerals from that Colombian JV Property.

The Colombia JV Agreement also provides for certain potential rights between the parties to acquire additional interests in other AngloGold and third-party properties within the 220,000 square kilometre area of mutual interest in Colombia. AngloGold has agreed to offer the Company its interest or rights to an interest in other joint ventures if it elects not to pursue such projects and to offer the Company a 51% interest in AngloGold projects in which it has expended at least US$1,000,000 and has discontinued exploration. The Company can earn a 51% interest in such projects by expending an amount at least equal to the greater of the previous AngloGold expenditures on the project or US$1,000,000 within two years of the offer date. The Company is required to advise AngloGold Colombia, a subsidiary of AngloGold, of mining opportunities presented to the Company within the area of mutual interest and AngloGold Colombia will have an opportunity to acquire a 75% interest should it choose to participate in a joint venture with respect to any such opportunity.

Agreements Relating to the Gramalote Property

On August 21, 2007, the Company entered into a binding memorandum of understanding with respect to the purchase by the Company of 25% of the issued and outstanding shares of Gramalote BVI from Grupo Nus. In connection with the execution of the memorandum of understanding, the Company paid US$3,500,000 to Grupo Nus and in exchange Grupo Nus issued a US$3,500,000 promissory note in favour of the Company (the "**Promissory Note**"). The Promissory Note had a maturity date of August 20, 2008 and had an interest rate of the prevailing prime rate plus 2%. The Promissory Note was secured by certain charges on mining concessions and the pledge of 25,000 Series A shares in the capital of Gramalote BVI owned by Grupo Nus.

Grupo Nus and Kedahda BVI, a subsidiary of AngloGold, entered into an Association Contract for the Exploration of Mining Titles in Colombia (the "**Association Contract**") on July 18, 2005 relating to the possible exploitation and development of certain properties within the municipalities of San Roque and San Jose del Nus, Colombia. Pursuant to the terms of the Association Contract, Grupo Nus and Kedahda BVI incorporated Gramalote BVI under the laws of the British Virgin Islands. Grupo Nus and Kedahda BVI entered into a shareholders agreement dated March 14, 2006 (the "**2006 Gramalote Shareholders Agreement**") to govern the control and operation of Gramalote BVI and the implementation of the particulars of each of the Association Contract, the escrow agreement relating to the shares of Gramalote BVI and the Exploration and Development Agreement (the "**Exploration Agreement**") dated March 14, 2006, which established, among other things, the manner in which to implement the development of certain mining interests relating to the Gramalote property).

Under the terms of the 2006 Gramalote Shareholders Agreement, Gramalote BVI was authorized to issue a maximum of 100,000 shares, of which 75,000 Series B shares were issued to Kedahda BVI and 25,000 Series A shares were issued to Grupo Nus. Under the 2006 Gramalote Shareholders Agreement, Kedahda BVI was entitled to obtain a 51% ownership interest in Gramalote BVI upon the completion of: (a) a subsidiary of Kedahda BVI fulfilling work-in expenditures totalling US$2,500,000; and (b) Kedahda BVI making two payments of US$500,000 each to Grupo Nus on or before January 18, 2008 and July 18, 2008. Kedahda BVI satisfied the requirements under the 2006 Gramalote Shareholders Agreement and obtained a 51% ownership interest in Gramalote BVI.

The 2006 Gramalote Shareholders Agreement provided that upon Kedahda BVI obtaining a 51% ownership interest in Gramalote BVI, Kedahda BVI would have the option to acquire an additional 24% ownership interest in Gramalote BVI (the "**Additional Interest**") by completing a feasibility study and paying to Grupo Nus US$15,000,000 on or before July 17, 2010. In addition, the Gramalote Shareholders Agreement grants Kedahda BVI a right of first refusal (the "**Kedahda ROFR**") over the transfer of Grupo Nus' shares in Gramalote BVI to the Company.

With respect to the proposed transfer of Grupo Nus' interest in Gramalote BVI to the Company, the Company provided Kedahda BVI with notice of the proposed transfer on August 21, 2007. Kedahda BVI did not elect to exercise the Kedahda ROFR prior to the expiry of the 60 day period that ended on October 22, 2007. On October 26, 2007 the Company and Grupo Nus entered into the Gramalote Purchase Agreement, which sets out the terms and conditions governing the acquisition by the Company of the shares of Gramalote BVI from Grupo Nus. In connection with the first stage of closing under the Gramalote Purchase Agreement, the Company paid an amount of US$7,500,000 to Grupo Nus, consisting of a cash payment of US$4,000,000 and the satisfaction and cancellation of the US$3,500,000 owing by Grupo Nus to the Company under the Promissory Note. In addition, the Company issued share purchase warrants that entitle Grupo Nus to purchase up to 2,000,000 Common Shares at an exercise price of C$2.50 per share, exercisable at any time prior to December 6, 2010. Under the terms of the Gramalote Purchase Agreement, the Company paid Grupo Nus an additional US$7,500,000 on April 25, 2008.

In connection with the completion of the transactions contemplated under the Colombia JV Amending Agreement, on May 15, 2008, Kedahda BVI provided notice to the Company and Graminvest that Kedahda BVI: (i) had entered into an agreement with the Company pursuant to which it agreed to transfer 24,000 Series B Shares in the capital of Gramalote BVI to Graminvest and (ii) waived its right under the 2006 Gramalote Shareholders Agreement to acquire and retain the Additional Interest. In addition, Kedahda BVI transferred 2,000 Series B Shares in the capital of Gramalote BVI to Graminvest.

Pursuant to the terms of Gramalote Purchase Agreement, because Kedahda BVI elected not to increase its ownership interest in Gramalote BVI from 51% to 75% prior to the waiver by Kedahda BVI of its rights to increase its ownership interest in Gramalote BVI, the Company had the option (the "**B2Gold Option**") to acquire the Additional Interest by paying to Grupo Nus an amount US$7,500,000 within 60 days from the exercise of the B2Gold Option. The US$7,500,000 payment could be made either in cash or Common Shares, at the option of the Company, with any payment in Common Shares to be based on the average closing price of the Common Shares on the TSX-V for the 20 days immediately preceding the payment date.

On May 15, 2008, the Company notified Grupo Nus that it wished to exercise the B2Gold Option and acquire the Additional Interest. In connection with the acquisition of the Additional Interest, on May 15, 2008, the Company entered into the Shareholders' Agreement for an incorporated joint venture Gramalote Limited (the "**Gramalote Shareholders Agreement**") with Kedahda BVI, AngloGold, Graminvest and Gramalote BVI. The Gramalote Shareholders Agreement outlines the obligations of AngloGold and the Company (or their respective subsidiaries) with respect to the Gramalote property and regulates their rights and obligations as shareholders of Gramalote BVI. The 2006 Gramalote Shareholders Agreement, the Association Contract and Exploration Agreement were terminated effective May 15, 2008 pursuant to the terms of the Gramalote Shareholders Agreement.

On July 15, 2008, the Company completed the payment to Grupo Nus of US$7,500,000, consisting of the issuance of 5,505,818 common shares of the Company at a deemed price of Cdn$1.10 per share, valued at US$6 million, and a cash payment of US$1.5 million. As a result, the Company is now entitled to a 51% share interest in Gramalote BVI with AngloGold holding a 49% interest. The Company has taken over management of exploration of the Gramalote property and will be responsible for any expenditures it incurs prior to June 30, 2010 in connection with any feasibility study on the Gramalote property. Pursuant to the terms of Gramalote Shareholders Agreement, in the event that a feasibility study on the Gramalote property is not completed prior to June 30, 2010, or the Gramalote Shareholders Agreement is terminated by unanimous agreement of the parties, Gramalote BVI will be required to issue, for nominal consideration, that number of common shares to AngloGold required to ensure that AngloGold will hold a 51% interest in Gramalote BVI.

Under the terms of the Gramalote Purchase Agreement, in the event that the Company acquires Kedahda BVI's remaining interest in Gramalote BVI, the Company will be required to pay to Grupo Nus the US$15,000,000 that in certain circumstances would otherwise be payable by Kedahda BVI to Grupo Nus, less any amounts paid by the Company to Grupo Nus in connection with the acquisition of the Additional Interest by the Company. The US$15,000,000 payment (less any such credits) is to be made on the first to occur of: (a) July 18, 2010; or (b) the completion of a positive feasibility study on the Gramalote property.

In addition, the Company will be required to pay Grupo Nus US$10.00 per ounce of gold for 49% of that number of ounces of gold in excess of 1,000,000 proven and probable ounces of gold reserves determined to exist within the Gramalote property. The reserves are to be recalculated, and additional payments are to be made, if necessary, every two years.

East and West Kupol Licenses Joint Venture

The Company is in the process of negotiating a joint venture agreement (the "**Kupol JV Agreement**") relating to the exploration, development and mining of gold and silver in the Chukotka Autonomous Region in northeastern Russia in the area covered by the East and West Kupol licenses.

Provided that final agreement is reached on the Kupol JV Agreement and certain conditions to closing are fulfilled, it is anticipated that the East and West Kupol licenses will be held indirectly by a special purpose vehicle ("**Kupol JVCo**"), the indirect shareholders of which are proposed to be a subsidiary of Kinross, the Company and CUE (or its successor in interest). Kinross and the Company are currently in negotiations with CUE to reach agreement regarding the nature and extent of CUE's ownership in Kupol JVCo. Upon successful completion of the Kupol JV Agreement transaction, a subsidiary of the Company would acquire its interest in Kupol JVCo by paying to a subsidiary of Kinross US$7,500,000 (consisting of cash, debt and shares of the Company) plus 50% of the fair market value of the equipment and other assets relating to the East and West Kupol licenses.

Kinross and the Company, as between themselves, have settled the terms of the Kupol JV Agreement to be entered into among a subsidiary of Kinross, the Company and CUE (or its successor in interest), and are seeking to negotiate these matters with CUE. The key terms of the draft Kupol JV Agreement presented to CUE are as follows:

(a) the Company, as operator, will subcontract with the company that holds the East and West Kupol licenses to carry out exploration under the East and West Kupol licenses;

(b) the costs of exploration earned out on the properties covered by the East and West Kupol licenses in the year ending December 31, 2007 were borne equally by the Company and Kinross (through subsidiaries). For the 2008 calendar year and following, the Company, Kinross and CUE (through subsidiaries) are to fund the exploration of these in proportion to their ownership interests in Kupol JVCo;

(c) following the initial funding period, Kinross, the Company and CUE (through subsidiaries) will each fund future exploration relating to the East and West Kupol licenses *pro rata* according to their respective interests in Kupol JVCo (or else have such interest diluted);

(d) Kinross, the Company and CUE (through subsidiaries) will have mutual rights of first refusal with respect to their respective interests in Kupol JVCo; and

(e) Kinross, the Company and CUE (through subsidiaries) will share, in accordance with their *pro rata* interests in Kupol JVCo, all exploration, development or mining opportunities within a 100 kilometre radius of the Kupol mine site, exclusive of the approximately 17 square kilometre area of the license relating to the Kupol mine.

Kupol JV Agreement

The following is a summary of the principal terms of the Kupol JV Agreement currently being negotiated between Kinross, the Company and CUE, in addition to the terms referred to in the previous section. Capital calls will be generally made to all shareholders of Kupol JVCo on a quarterly basis pursuant to approved budgets and programs. Upon receipt of a capital call, a shareholder may elect not to contribute all or any portion of its *pro-rata* share, in which case that shareholder's ownership percentage will be diluted accordingly. If a shareholder holds less than 10% of the shares of Kupol JVCo that shareholder will be deemed to have granted to the other shareholders, on a *pro rata* basis, the right to purchase at fair market value the remaining shares held by that shareholder.

Kupol JVCo will hold all of the shares of "**Kupol Opco**", the Russian operating company that will hold the East and West Kupol licenses and related exploration assets. Kupol Opco will enter into project management agreements with respect to the development and mining of any deposits located within the East and West Kupol licenses area that will set forth the terms, conditions, rights and obligations of Kupol Opco, the project manager and any other party to the project management agreement. Prior to the completion of a pre-feasibility study, the Company (or a subsidiary) will act as project manager. Following completion of a positive pre-feasibility study, a subsidiary of Kinross will act as project manager.

If one or more shareholders propose to sell, in a single transaction or two or more related transactions, more than 50% of the shares of Kupol JVCo to a third party purchaser, the non-selling shareholder will have the right to have its shares purchased as part of the transaction on the same terms and conditions as the selling shareholder(s).

The board of directors of Kupol JVCo is expected to consist of two nominees of a Kinross subsidiary, two nominees of the Company's subsidiary and one nominee of CUE (or its successor in interest). Nomination rights are reduced or eliminated if a shareholder's percentage interest falls below certain thresholds.

Matters that require approval of the board generally require approval by simple majority vote for normal course business and the approval of at least four directors for certain reserved matters, including decisions regarding borrowing, investment, financial matters and funding (including approval of joint venture budgets and programs). If any shareholder should acquire more than 50% of the shares of Kupol JVCo, then, except for specified fundamental matters, all matters to be approved by the board of directors will be a simple majority of directors present at a meeting and a quorum for a board meeting will be a simple majority of all directors.

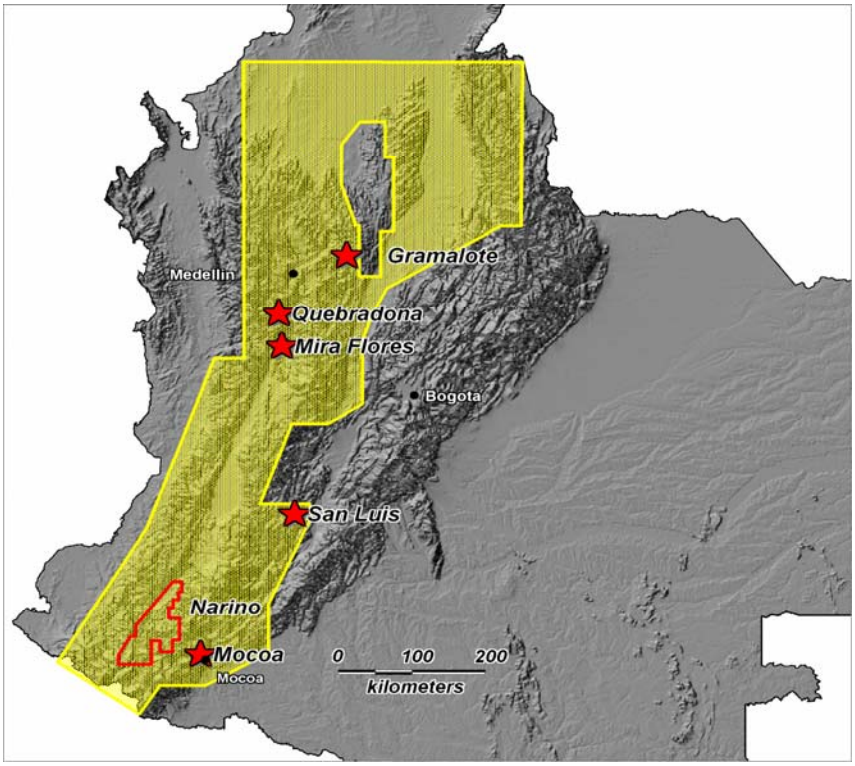
Matters that require approval of the shareholders of Kupol JVCo will require approval by a simple majority for ordinary business and a super majority vote of 66⅔% for certain reserved matters, including amendment of articles or share rights, issuance of shares, delegation of director's powers, disposition of substantially all assets, business combinations or dissolution, and fundamental changes to the business.

If at any time, one shareholder holds more than 50% of the shares of Kupol JVCo, certain matters will require a supermajority vote of 66⅔%, including commencing development or mining of a new deposit, disposition of the East or West Kupol licenses or the shares of Kupol Opco, approving acquisitions or dispositions of assets exceeding an agreed upon threshold, entering into financing arrangements exceeding an agreed upon threshold, approving the admission of a new shareholder and entering into a related-party transaction exceeding an agreed upon threshold.

As of June 30, 2008, the Company had expended approximately US$4 million in exploration-related expenditures in respect of the East and West Kupol Licenses and is expected to spend an additional US$2.3 million in the second half of 2008, representing the Company's 50% share of budgeted expenditures. The Company, Kinross and CUE are currently seeking to determine the extent to which the recently–announced restrictions on capital raising by strategic Russian companies from foreign investors (See "Regulatory and Environmental – Russia") could affect the proposed structure and terms of the Kupol JV.

At the present time the East and West Kupol Licences would not constitute "subsoil plots of federal significance" under Russia's new Foreign Investment Law as they are only at the exploration stage and no gold reserves have been identified at this time. However, the Company, Kinross and CUE will want to structure their contractual arrangements so as to minimize the risk of not receiving the necessary approval under the Foreign Investment Law or the Subsoil Law if in the future gold reserves of 50 tons or more are identified on the Kupol East and West Licences. Depending on the potential application of the Foreign Investment Law and the Subsoil Law and the outcome of the Company's and Kinross' negotiations with CUE, it may be necessary to make changes to the proposed structure and terms of the Kupol JV. Such changes may be material and there can be no assurance that the Kupol JV will proceed as proposed.

THE COLOMBIAN PROPERTIES



Dahrouge Geological Consulting Ltd. was retained by the Company to complete an assessment of the Gramalote, Quebradona and Miraflores properties, and the information in this section in respect of these properties is derived, or is extracted from, the following technical reports, which were prepared by Dahrouge Geological Consulting Ltd. in compliance with NI 43-101:

(a) "Updated Report on the Gramalote Property" dated June 12, 2008 prepared by John Gorham, P. Geol.;

(b) "Summary Report on the Quebradona Property" dated October 22, 2007 prepared by John Gorham, P. Geol. and Jody Dahrouge, P. Geol.; and

(c) "Summary Report on the Miraflores Property" dated October 22, 2007 prepared by John Gorham, P. Geol.

John Gorham, P. Geol. and Jody Dahrouge, P. Geol., of Dahrouge Geological Consulting Ltd., the authors of the technical reports set forth above, are each a "qualified person" and "independent" as these terms are defined in NI 43-101.

Strathcona Mineral Services Limited was retained by the company to complete an assessment of the Mocoa property and the information in this section in respect of the Mocoa property is derived, or is extracted from, the technical report on the Mocoa property dated June 18, 2008 entitled "Technical Report Mocoa Copper – Molybdenum Project". The report was prepared in compliance with NI 43-101 by Reinhard von Guttenberg, P. Geo., a "qualified person" and "independent" as these terms are defined in NI 43-101.

All figures and tables contained herein have been extracted from the technical reports set forth above (collectively, the "**Colombian Technical Reports**").

More detailed information on the Gramalote, Quebradona, Miraflores and Mocoa properties, including project description and location, climate, local resources, infrastructure, physiography, history, geological setting, exploration, mineralization, drilling sampling, and mineral resource and mineral reserve estimates, can be found in the Colombian Technical Reports, which are available under the Company's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com.

Gramalote Property

The Gramalote property is located 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 80 kilometres northeast of Medellin.

The Gramalote project area is covered by 15 contiguous claim blocks totalling 27,084.9 hectares. The claim blocks presently include one valid exploitation license totalling 51.4 hectares, eight registered concession contracts totalling 9,240.6 hectares, two non-registered concession contracts totalling 2,915.7 hectares, one granted "free area" concession application totalling 9,197.7 hectares and three concession applications totalling 5,679.7 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 each of the Gramalote mineral claims.

Under Colombian mining law, a concession contract consists of exploration and exploitation terms. The exploration term, once the contract is registered, is three years and renewable for an additional two years and afterwards can be converted to an exploitation term. The total period for the concession contract (both exploration and exploitation) is 30 years, renewable for an additional 30 years. Under Colombian mining law, producing mines are subject to a federal royalty of 4% of the gross value of gold and silver production.

AngloGold Colombia 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.

The Gramalote property has been the subject of ongoing artisanal mineral production activities, however, it is not subject to any known pending or outstanding environmental liabilities related to exploitation within the present exploration area. The proposed exploration program described below under "Further Exploration and Development" includes diamond drilling, which requires the approval of the Colombian regional environmental authorities.

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

With respect to Gramalote Ridge, AngloGold's surface exploration and drilling program have successfully outlined a significant gold system extending over an area of somewhat more that one square kilometre, centered about Gramalote Ridge. Mineralization is contained within numerous tens-of-metres scale, structurally-related corridors which commonly contain gold grades exceeding 1 gram per tonne. The widespread nature of mineralization, grade and topographic disposition lend a clear large-tonnage, bulk-mineable potential to this intrusion-related gold system. Infill drilling, metallurgical testing and preliminary block modeling and resource calculations, are presently underway.

Initial indications suggest that various targets, including La Concha, La Trinidad, El Limon, Cristales, La Malasia and Felipe among others, form satellite and outlying extensions to the Gramalote Ridge structural and alteration

model, and could develop into important or even stand-alone targets in their own right. Many of the outlying targets are considered ready for scout-style diamond drilling programs.

The style of mineralization observed within the Gramalote property, the widespread nature and abundance of outlying targets, and the clear structural control upon mineralization at both a local and regional scale, all suggest that the Gramalote property is part of a district-scale mineralizing event. Given the regional-scale surface geochemical (stream sediment, rock and soil sample) results and accompanying geological observations, it is concluded that numerous additional strong gold anomalies exist within the Gramalote property area which deserve additional definition via prospecting and grid-based rock and soil sampling.

On February 7, 2008 AngloGold reported in their 2007 Fourth Quarter Report an initial inferred mineral resource estimate for Gramalote Ridge of 57.8 million tonnes at a grade of 1.14 grams per tonne of gold within a US$700 pit shell, tabulated above a cut-off grade of 0.5 grams per tonne of gold for 2.12 million contained ounces of gold (based on 100% ownership).

It is the opinion of the author of the Updated Report on the Gramalote Property that the block model resource estimate is a reasonable representation of the inferred resources for the Gramalote property based on the drilling and sampling information as of December 2007. However, the mineral resources have been estimated in accordance with the standards of the Australian Code for Reporting of Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia. Inferred mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that any or all of the inferred resources presented herein will be converted to mineral reserves.

The Gramalote resource database comprised 43 drillholes totalling 12,312 metres. All holes were drilled by AngloGold in a 500 x 800 metre area. The drill holes were sampled in predominantly 2.0 metre core lengths. The assay database including the underground adit is comprised of 6,265 gold assays plus 60 element ICPMS (inductively coupled plasma mass spectrometry) analysis. Drill section spacing was 50-100 metres with holes spaced 50-100 metres apart on section lines. Core recovery was excellent in the hypogene rock exceeding 98%. The saprolite weathered profile is typically less than 10 metres thick with recoveries slightly less than 98%.

These resulting inferred resource tonnes and grade are conceptual in nature and further exploration will be necessary to enable the Company to make a determination of a resource estimate. In addition, the uncertainty of inferred resources is such that further exploration may produce results that are substantially different than those reported.

The La Trinidad zone has demonstrated geological and geochemical characteristics very similar to Gramalote Ridge located 4.5 kilometres to the east. Follow-up trenching and vein/fracture sampling on soil geochemical anomalies over a 1,200 by 500 metre area has shown potassic and quartz-sericite alteration with quartz veining similar to Gramalote Ridge. Assays have been received for 179 of 422 samples with 89 samples returning greater than 1 gram per tonne of gold including eight greater than 10 grams per tonne of gold. Channel sampling averaged 1.6 metres at 0.90 grams per tonne of gold in 32 samples with a high of 6.7 grams per tonne of gold over 1.3 metres. Drill testing of the La Trinidad gold-bearing alteration zones commenced in April 2008.

The Felipe zone is located immediately west and on strike from Gramalote Ridge. Infill soil sampling has outlined an anomalous gold zone over a 700 by 700 metre area that has returned up to 2,400 ppb of gold. Mapping, sampling and trenching has been completed at the Felipe zone and diamond drill testing has commenced.

The Company commenced a 25,000 metre diamond drilling program on the Gramalote property in early April 2008, and now has five diamond drills operating on the project. The scoping study drill program will consist of 15,000 metres of infill drilling in the area of previous drilling by AngloGold on the main Gramalote zone, 10,000 metres of satellite drilling of the prospective outlying targets (including the La Trinidad and Felipe zones), detailed metallurgical and geotechnical studies and resource modeling. As of the date of this Annual Information Form, 29 holes have been drilled at Gramalote Ridge totalling 9,547 metres. An additional 13 holes have been drilled on the La Trinidad zone totalling 5,085 metres. Drilling at Gramalote Ridge has tested a 900 metre by 450 metre area and

results are similar to those that AngloGold found in previous drilling of 43 holes. At Trinidad, initial drilling has encountered similar mineralization to that of Gramalote Ridge over a 600 metre by 500 metre area.

The publication of the inferred mineral resource estimate by AngloGold supports the Company view that the property is of merit. The Company believes that the 2008 recommended work program of infill drilling and additional metallurgic work and geologic modeling is required to further define and understand the distribution of gold mineralization at Gramalote Ridge and to enable the Company to make its own determination of a resource estimate. The Company plans to have an updated resource estimate completed by the end of 2008.

Quebradona Property

The Quebradona property is located within the municipalities of Jerico and Tamesis, Department of Antioquia, Republic of Colombia, approximately 220 kilometres northwest of the Colombian capital of Bogota and approximately 60 kilometres south-southwest of Medellin, the regional capital of the Department of Antioquia.

The Quebradona project area consists of 22,191.61 hectares of contiguous mineral concession contracts and applications solicited from and granted by the Antioquia Delegation to AngloGold Colombia and to Avasca Ventures Ltd. ("**Avasca**"), indirectly a wholly-owned subsidiary of AARI. As described below, the claim blocks presently include two granted concession contracts totalling 9,695.72 hectares, five areas totalling 7,246.33 hectares declared to be "free areas" available to AngloGold Colombia for concession contracting purposes by the Antioquia Delegation, and four concession applications awaiting response from the Antioquia Delegation as to "free area" status, totalling 5,249.56 hectares. The entire area of the claim blocks is located within a 37,500 square hectare area of interest, which defines the Quebradona property area for the purposes of the Colombia JV Agreement between AngloGold, AngloGold Colombia, AARI and the Company. The Colombia JV Agreement specifies that the Company may earn a 51% interest in the titles by carrying all property and exploration costs and performing 5,000 metres of exploration drilling on the Quebradona Property prior to December 31, 2008.

Under Colombian mining law, a concession contract consists of exploration and exploitation terms. The exploration term, once the contract is registered, is three years, renewable for an additional two years and afterwards can be converted to an exploitation term. The total period for the concession contract, both exploration and exploitation, is 30 years, renewable for an additional 30 years.

Officially registered concession contracts require payment of an inscription and subsequent annual claim fee of US$14,000 due to Ingeominas (the Colombian Geological and Mining Institute), a division of the Colombian Ministry of Mines. Under Colombian mining law, producing mines are subject to a federal royalty of 4% of the gross value of gold and silver production.

AngloGold Colombia and the Company have 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.

The Quebradona property has not been the subject of any known mineral production activities and is not subject to any known environmental liabilities. The proposed exploration program on the Quebradona property includes diamond drilling, which will require the approval of the Colombian regional environmental authorities. The Company has obtained this approval for each target area of exploration.

The Quebradona property contains at least five early-phase exploration target areas, as defined by surficial exploration by AngloGold Colombia and the Company to date. These include, in priority order based upon results to date: La Aurora; La Isabela; La Sola; El Chaquiro; and El Tenedor. Based upon geologic setting, and observed lithological, alteration and mineralization parameters, the exploration targets at the Quebradona property are of the gold or gold and copper-rich porphyry-type. They are potentially large-tonnage, low-grade deposit types that may be amenable to open-pit mining and bulk-tonnage beneficiation techniques.

As a result of the significant surface gold geochemistry outlined at the La Aurora zone, the Company planned a stage one drilling program consisting of (i) 3,000 metres diamond drilling to test the porphyry gold potential of the

La Mama and La Isla anomalies; (ii) a 1,000 metre diamond drill program at the La Isabela zone and to test the structurally-controlled surface gold mineralization as well as the porphyry gold potential at depth as suggested by the magnetometry anomaly; (iii) a 1,000 metre diamond drill program at the La Sola zone to test the continuity and depth potential for porphyry gold mineralization; and (iv) more surface work at El Chaquiro, including geological mapping, sampling and geophysics and 500 metres of diamond drilling to test geophysical targets. Upon favourable results, a stage two 20,000 metre diamond drill program will be conducted.

Diamond drilling commenced on the La Aurora zone in March 2008. The initial six holes, totalling 1,662 metres, tested a 400 by 300 metre area of the La Mama zone. The ore grade mineralization encountered in all six holes is hosted by a strong potassic-altered intermediate volcanic rocks, diorite, and microdiorite with abundant magnetite-quartz veins and stock working. As at the date of this Annual Information Form, an additional sixteen holes totalling 5,672 metres have been drilled at La Aurora, including thirteen holes totalling 4,521 metres at La Mama that followed up on the initial six-hole program referred to above. Three holes also tested the La Isla zone totalling 1,151 metres. The drilling program will continue on the target areas of La Sola, El Chaquiro and El Tenedor over the next several months.

Drilling has now tested a 700 by 400 metre area of the La Mama zone with intercepts up to 162 metres of 0.97 grams per tonne of gold in drill Hole 1 and 85 metres of 1.20 grams per tonne of gold in Hole 11. Significant gold mineralization has been outlined over a 400 metre long by 100 metre wide zone extending to at least 250 metres in depth. The zone remains open at depth.

At La Isla, significant gold mineralization has been outlined over a 300 metre long by 50 to 100 metre wide zone extending to at least 350 metres in depth with the zone remaining open in all directions. Drilling at La Isla has encountered significant mineralization over a 250 by 200 metre area with intercepts up to 182 metre at 1.07 grams per tonne of gold in Hole 8. Further drilling will test the extensions of the La Isla zone.

Six kilometres southwest of La Aurora, surface panel sampling at La Isabela returned up to 19.9 metres at 3.15 grams per tonne of gold and 9.5 metre at 1.49 grams per tonne of gold in a 70 metre wide structural corridor containing stockwork and sheeted quartz-sulphide veining in potassic-altered volcanic rocks. Drilling of four holes totalling 803 metres tested a 250 by 150 metre area with results up to 125 metres at 1.00 grams per tonne of gold in chlorite altered volcanics and intrusives with magnetite-quartz-sulphide veining. Although the results from Hole 1 are encouraging the size of the mineralized system appears to be limited. Additional drilling is planned to follow up the mineralization intersected in Hole ISA-001.

The Company has now completed the Earning Requirements in respect of the Quebradona property and has provided AngloGold with the requisite notice in accordance with the Colombia JV Agreement. See "Interest in the Principal Properties - Colombia Joint Venture Agreement."

Miraflores Property

The Miraflores property is located within the municipality of Quinchia, Department of Risaralda, Republic of Colombia, approximately 190 kilometres west-northwest of the Colombian capital of Bogota and, approximately 55 kilometres north of Pereira, the regional capital of the Department of Risaralda.

The Miraflores property consists primarily of one granted exploration and exploitation contract totalling 124.09 hectares. The exploitation license was granted to the Asociacionde Mineros de Miraflores ("**AMM**") by the Colombia Ministry of Mines in 1987 and the exploitation license has a 30 year term from the time of grant. The exploitation contract was extended for a term of 15 years in 2003 and is currently valid until October 13, 2018.

The contract rights are presently under an option granted by the AMM to AngloGold Colombia. According to the option agreement executed April 25, 2005, AngloGold Colombia has the right to earn 100% interest in the exploitation license by making a series of staged cash payments totalling approximately US$3,830,000 to the AMM over a period of five years from the date of execution. As part of the completion of the transactions related to the Colombia JV Amending Agreement, AngloGold Colombia transferred all of its right, title and interest under the option agreement to Miraflores Holdings Ltd., indirectly a wholly-owned subsidiary of B2Gold. As a result,

Miraflores Holdings Ltd. holds a 100% interest in the Miraflores property. The option agreement is presently in good standing.

The exploitation license does not require payment of any annual claim fees but is subject to a royalty of 4% of gross value of gold and silver production. Under Colombian mining law, producing mines are subject to a federal royalty of 4% of gross value of gold and silver production. Because the exploitation contract was signed under previous legislation, the Company has the obligation to pay the existing royalty and an additional 4% royalty. The Company has applied for a new exploitation contract, which would result in a reduction in the total royalty to 4% if granted. Once officially registered, an exploration contract requires an inscription and subsequent annual claim payment fees of US$146.79 due to Ingeominas.

AngloGold Colombia and the Company have secured surface access agreements with the property owner in the area of planned exploration and drilling. Additional surface rights may be required for the establishment of a commercial mining project.

The Miraflores property has been the subject of ongoing artisanal mineral production activities, however, it is not subject to any known pending or outstanding environmental liabilities related to the exploitation license. Regardless, should environmental liabilities exist, the agreement between AngloGold Colombia and AMM specifies that such liabilities will remain the responsibility of AMM. The proposed exploration program for the Miraflores property includes diamond drilling, which will require the approval of the Colombian regional environmental authorities.

The Miraflores property is located within the historically important and present-day artisanal mining district of Quinchia. District-scale mineralization at Quinchia is related to high-level hypabyssal gold (copper) porphyry bodies. The district includes the Miraflores breccia, a significant gold-silver rich magmatic-hydrothermal breccia body whose genesis is intimately related to the evolution of the porphyry mineralization occurring in the Quinchia district. Within the Miraflores property, the only type of precious metal mineralization presently known is contained within the Miraflores breccia and porphyry-style gold-copper mineralization has not yet been detected.

The Miraflores breccia is contained within an area measuring some 280 by 250 metres by more than 600 metres vertical depth, and at present does not appear to extend beyond the plain-view limits of the breccia system, as presently mapped. At present, the principal target at Miraflores is a bulk-mineable deposit, which combines the low and high grade mineral types, and which may be amenable to open-pit mining and bulk tonnage beneficiation techniques. The high grade fault-veins at Miraflores present a second alternative for the development of Miraflores. The Company plans to investigate the viability of developing Miraflores as a small tonnage, high grade underground mine.

Limited diamond drilling and metallurgical test work at the Miraflores property by AngloGold Colombia and the Company has been successful at delineating a significant low-grade, large tonnage gold-silver deposit at Miraflores that is potentially amenable to bulk-tonnage mining and mineral extraction techniques. Based on the work completed to date, the Company believes that the property warrants further resource definition via diamond drilling and continued metallurgical test work in order to verify the feasibility of economically recovering gold from the important low grade (0.3 to 1 grams per tonne gold) resource the Miraflores property has to offer. In the event that both diamond drilling and metallurgical test work provide positive results, the Company plans to conduct additional drilling on the Miraflores property. Future diamond drilling would also focus on determining the extent of the high grade fault-veins

Based on the favourable exploration and metallurgical results to date, the Company is conducting additional exploration in order to further evaluate the mineral potential of the Miraflores property, including a stage three exploration diamond drilling program totalling 10,000 metres, plus underground workings rehabilitation and additional metallurgical tests. Upon receipt of favourable results from the stage three program, the Company plans to conduct a stage-four program, including the preparation of a feasibility study.

Mocoa Property

The Mocoa property is located in the Amazon headwaters in western Putumayo Department, southwestern Colombia, 465 kilometres southwest of the Colombian capital of Bogota, and about 200 kilometres from the Pacific coast. The property is 10 kilometres north of the town of Mocoa, an agricultural centre and the capital of Putumayo Department with a population of about 36,000.

The property is comprised of four concession contracts and two applications for concession contracts, with areas of 7,831 hectares and 3,961 hectares, respectively. The four concession contracts are registered in the name of AngloGold Colombia and have been granted in 2006 and 2007. The applications for two concession contracts (JAP-16181, JAP-16141) are dated January 25, 2008, and are registered in the name of AngloGold. The four concession contracts were transferred to Mocoa Ventures Ltd. in connection with the completion of the transactions related to the Colombia JV Amending Agreement. Mocoa Ventures Ltd., indirectly a wholly-owned subsidiary of B2Gold, has also entered into an agreement with AngloGold, pursuant to which the two concession contracts (JAP-16181, JAP-16141), when issued and registered, will be transferred to Mocoa Ventures Ltd.

Exploration and mining in Colombia is governed by the Mining Code of 2001. Concession contracts are granted for 30 years, including a three-year period for exploration, which can be extended once for up to two years, and a three-year construction and assembly period, which can be extended for one year.

The concession contracts are subject to annual fees based on minimum daily Colombian salaries and are currently approximately $8.00 per hectare per year for concession areas less than 2,000 hectares, and two and three times that amount for concessions between 2,000 and 5,000 hectares, and 5,000 and 10,000 hectares respectively. For the four concession contracts covering the Mocoa property, annual fees amount to approximately $63,000. Royalties are a minimum of 0.4% of the value of production, are re-adjustable, and are independent of national, departmental and municipal taxes.

The Mining Code specifies that environmental permits are not necessary during prospecting and exploration, unless the work is carried out in natural reserves. Environmental impact studies are required once a mine plan is submitted. At the Mocoa property, a national forest reserve is at a distance of 12 kilometres to the northwest of the deposit, outside of the "Project Area". A regional forest reserve or "protective forest reserve" west of the Chapulina Creek, with an area of 34,600 hectares, covers the upper catchment basin of the Mocoa River, and exploration is generally not permitted in such a reserve. The Mocoa property deposit is on land controlled by the state without surface land owners, and drilling permits for this type of land can be received from the Ministry of Environment in Bogota. However, if drilling is done on sites that do not require cutting of trees, like the old drill sites at the Mocoa property, permission can be acquired from the CorpoAmazonia office in Mocoa. Some land to the east of the deposit is privately owned, and drilling permits there are also issued by CorpoAmazonia, and may be received within a few weeks.

Attention to the Mocoa property area was first drawn through a single anomalous stream sediment sample, collected during regional geochemical exploration by the United Nations-Ingeominas-Ecominas project[1] in southwestern Colombia between 1973 and 1976. A preliminary feasibility study of December 1984, prepared by the United Nations, Ingeominas and Ecominas for the Mocoa property, included a resource estimate completed manually, and a reserve estimate. These estimates were prepared prior to the implementation of NI 43-101 and are not compliant with current accepted resource and reserve classifications. They have not been verified subsequently and should not be relied upon. Technical and economic conditions applied 25 years ago for the conversion of mineral resources into mineral reserves have changed to a considerable degree since the above estimate was prepared, and it is therefore strictly of historical interest.

[1] A joint project by the United Nations, the Instituto Nacional de Investigaciones Geológico-Mineras of Colombia (Ingeominas), and the Empresa Colombiana de Minas (Ecominas). Ingeominas, now known as El Instituto Colombiano de Geología y Minería, is the Colombian government agency responsible for geology and mining (http://www.ingeominas.gov.co).

The total historical mineral resource comprised 306 million tonnes with grades of 0.37% copper and 0.061% molybdenum, using cut-off grades for copper and molybdenum of 0.25% and 0.025% respectively (0.50% copper-equivalent), and a bulk density of 2.7 g/cm^3. Copper-equivalent grades were calculated as % copper + 10 x % molybdenum, based on copper and molybdenum prices of $1.00 and $10 per pound respectively. The proper procedure would have been to arrive at the equivalency using a net smelter return calculation, which takes into account concentrate transportation and treatment terms in addition to metal prices.

Areas of concern affecting the 1984 resource estimate include the fact that drill holes were plotted straight, since only a few holes towards the end of the drill program were surveyed for deviations, with some of those deviating considerably. The wandering of holes was aided by the small core diameter in the deeper portions of the holes. However, compared to a spatially more confined mineralization, e.g., a vein-type deposit, the nature and large size of the mineralized body diminishes the effects of the hole deviations.

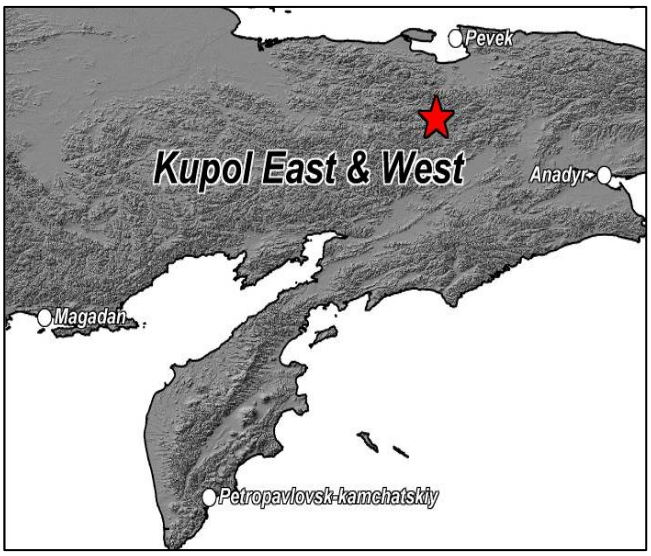
Between November 1978 and August 1983, the United Nations-Ingeominas-Ecominas joint venture drilled 31 core holes at the Mocoa property, which varied in length from 240 to 926 metres, and had a combined length of 18,321 metres. The holes were drilled on sections about 100 metres apart, along the main ridge over the deposit, with vertical and inclined holes drilled from the same setups. Drillhole collar locations were dictated by the steep topography, which does not allow drilling of equally-spaced holes over the entire deposit. Reported expenditures totalled approximately $3.8 million, and were shared about equally between Colombia and the United Nations.

The exploration program and metallurgical testwork resulted in a prefeasibility study, completed in 1984-85, that included estimates of resources and reserves that are not compliant with guidelines under NI 43-101. The study was based on a mining operation with a capacity of 10,000,000 tonnes per year, and considered different options for mining (open pit, underground, and a combination of both) and processing (concentrate production and local refining of copper). Mining to an elevation of 1,160 metres by open pit would have required the diversion of two creeks flanking the Mocoa ridge, while underground mining by block caving or a combination of open pit and underground mining would have avoided the diversion. Other concerns for open pit mining included the large height of the northern pit wall and the high rainfall in the area, requiring difficult water management. Waste and tailings disposal areas were identified in nearby valleys.

Copper and molybdenum prices in 1984-85 were $0.67 and $7.00 per pound respectively, below the price assumptions of $1 and $10 used in the prefeasibility study. Combined with the remote location and its size and grade, the Mocoa property was not an attractive mining project at the time, which together with the political situation in this part of Colombia resulted in the eventual abandonment of the project.

The Company is in the process of establishing topographical survey control on the property and will need to prepare a detailed contour map of the area, making use to the extent possible of the existing topographical survey completed by the United Nations-Ingeominas-Ecominas joint venture. To advance the Mocoa property, the Company is in the process of confirming the existing Ingeominas database through check assays, twinning of existing drill holes, drilling of additional holes to ascertain the potential for expanding the deposit, and the recovery and relogging of core stored at Bucaramanga. The Company commenced a 3,800 metre drill program on the Mocoa property in June 2008 with two portable diamond drill rigs. As of the date of this Annual Information Form, 2,500 metres of drilling have been completed on the property.

THE RUSSIAN PROPERTY



Gustavson Associates, LLC**,** a geological and engineering consulting firm, was retained by the Company to complete a technical report on the East and West Kupol Licenses. The following information is derived or is a direct extract from "Technical Report on the Kupol East and Kupol West Licenses, Chukotka Autonomous Okrug, Russia" dated November 21, 2007 (originally filed October 22, 2007) (the "**Kupol Technical Report**"), which was prepared by Gustavson Associates, LLC in compliance with NI 43-101. William J. Crowl, R.G., of Gustavson Associates, LLC, the author of the Kupol Technical Report, is a "qualified person" and "independent" as those terms are defined in NI 43-101. All figures and tables contained herein have been extracted from the Kupol Technical Report.

More detailed information on the East and West Kupol licenses, including project description and location, climate, local resources, infrastructure, physiography, history, geological setting, exploration, mineralization, drilling sampling, and mineral resource and mineral reserve estimates, can be found in the Kupol Technical Report., which is available under the Company's profile on SEDAR at www.sedar.com.

East and West Kupol Licenses

The East and West Kupol licenses are located in northeastern Russia, on the boundary between the Anadyrski and Bilibinski districts within the Chukotka Autonomous Okrug. The nearest major towns are Anadyr, 410 kilometres to the southeast, and Bilibino, 220 kilometres to the northwest.

The West Kupol license (License Series АНД No. 13804 БР) covers an area of 231.6 square kilometres, excluding the 17.4 square kilometre area of the mining claim for the Kupol deposit. The East Kupol license (License Series АНД No. 13803 БР) is situated 3.7 kilometres east of the Kupol license area and covers an area of 194 square kilometres. Both licenses are valid for a period of 25 years from date of registration of the license, and provide for the right to explore, develop and mine gold and silver to a depth of 1,000 metres from the present land surface.

Title to the East and West Kupol licenses was registered in the name of CMGC on October 24, 2006 through an auction and tender by the Russian Federal Agency for Management of Mineral Resources (Rosnedra). At the time of grant, CMGC was owned by Bema and CUE, with 74.99% and 25.01% interests respectively. The rights to explore, develop and mine the East and West Kupol licenses were granted upon payment of US$1,500,000 (38,500,000 rubles) and US$1,200,000 (30,800,000 rubles) respectively. These payments were made on September 28, 2006. Both licenses are valid for a period of 25 years. In connection with the arrangement between Bema and

Kinross in February 2007, Bema's interest in CMGC was acquired by Kinross and is held by the resulting entity, Kinross' wholly-owned subsidiary East West Gold Corporation.

The East and West Kupol licenses have been the subject of exploration work by Soviet and Russian State work parties. No reclamation work was undertaken on the property by the Soviet and Russian State work parties. The East and West Kupol licenses have not been the subject of previous mining activity. Portions of the West Kupol license area are covered by land allotments covering the infrastructure for the Kupol Mine. The land allotments under the West Kupol license exclude any right for sub surface usage or exploration on the Kupol Mine site. CMGC will be required to reclaim disturbances in the area of the Kupol Mine. As the West Kupol license area covers the area adjoining the Kupol Mine, it may be subject to discharges from the mine.

Exploration in the regions of the Kupol East and West Licenses was conducted by Anyusk State Mining and Geological Enterprise prior to 2007 and followed a multi-stage approach, similar to techniques used in the west. Systematic exploration was spurred by the discovery of the Kupol deposit in 1995. All work conducted by the Russian state survey teams was conducted in accordance with Russian norms for Russian exploration projects.

All exploration work conducted prior to the Company's 2007 program is considered historical. The main focus of the 2007 programs was to verify and validate previous investigations. This involved verification re-sampling of historic zones identified by past operators as well as conducting new regional scale geophysical, geochemical and mapping surveys. Exploration work on the Kupol East and West licenses commenced with ground magnetic surveying in February 2007 and was completed with a fall drill program on Kupol West in September 2007. Environmental baseline studies were also completed on both the Kupol West and Kupol East licenses in 2007, and the final report for these studies is pending.

Drilling

East Kupol

(a) *Prekup*. In 2007, eight drill holes were completed for a total of 1,136 metres. The 2007 program was designed to test a strike length of 200 metres where past drilling and trenching had identified an anomalous north-south trending mineralized epithermal quartz vein. Broad zones of alteration and weak stockwork to sheeted veining were encountered in all of the holes. No wide crustiform or colloform veins were intersected; however, extensive zones of silicification, brecciation and silica re-healing of breccias were encountered within the host rhyolite tuffs and epiclastics in all drill holes. Broad zones of silica flooding coupled with the presence of chalcedonic quartz and extensive jarositic alteration and fracture infilling suggests that drilling has tested the upper levels of the Prekup vein system.

Partial results have been received for all eight holes and complete results for one of the eight holes. This result encountered a stockwork breccia zone that carried a grade of 1.14 grams per tonne gold and 7.8 grams per tonne silver over a drill length of 4.15 metres from 26.85 to 31.00 metres down hole. No significant results were received from the partial assays received to date on the other seven holes. No significant changes on the Prekup target are evident based on the 2007 exploration work and results received to date.

(b) *Tokai*. Nine holes totalling 508 metres were drilled on Tokai in 2002. No significant mineralization was encountered. In 2007, nine drill holes were completed in the Tokai area. Complete assay results have been received for four of the nine holes and partial assays received for an additional two holes. These results indicated that drilling in 2007 did not establish any significant changes to the status of the target.

(c) *Kak Prospect*. Two holes were drilled on the Kak target, situated between the Tokai and Prekup areas in the center region of the East Kupol License. The holes were designed to test under an area of bladed quartz-calcite boulders and a stringer zone quartz vein system. A similar quartz stringer zone was encountered and assay results were insignificant. Assay results are pending for one of the trenches; however it appears that the holes are too high in the epithermal system and they did not intersect the source of the interesting

quartz-calcite boulders noted at surface. No significant changes on the Kak target are evident based on the 2007 exploration work.

West Kupol

(a) *Dublon*. Six holes totalling 442.4 metres were drilled at West Dublon in 2002. Five of these holes totalling 402.4 metres were drilled on two sections 300 metres apart. Four of these holes intersected the two principle veins comprising West Dublon. The two veins are sub-parallel and separated by 20 to 25 metres of quartz-sericite altered rhyolite and andesite in section. The western vein has been traced up to 50 metres downdip to a depth of 30 metres below surface while the eastern vein has been traced up to 90 metres downdip to a depth of 50 metres below surface. Hole to hole correlations and steep core angles of 50 to 80 degrees suggest the veins shallow in dip from 60 to 80 degrees west at surface to 30 degrees to 50 degrees west at depth. True widths in section vary up to 2 metres for the western vein and 1 metre for the eastern vein. Both veins appear to pinch out at depth on the northern section. The historic drilling commonly encountered low grades with the exception where 2.0 g/ tonne gold with 7.2 grams per tonne silver over 0.2 metres, 2.2 grams per tonne gold with 0.8 grams per tonne silver over 1.0 metre, and 20.4 grams per tonne gold with 1.2 grams per tonne silver over 0.60 metres were found.

(b) *Kupol North Extension*. Three drill holes targeted the northern extension of the Kupol vein system onto the West Kupol license in 2007. The holes were designed to test under the strong magnetic low and resistivity high contiguous with the Kupol deposit trend. All three holes targeted the 200 metre elevation level, approximately 325 metres below surface, within the prospective range identified in the drilling of the northern part of the Kupol deposit. All holes intersected extensive clay alteration under as ignimbrite cap and at depth in the more porous pyroclastic horizons. Broad zones of narrow quartz, quartz carbonate and quartz-amethyst veining were encountered at depth with individuals banded veins to a maximum intersected width of 0.70 centimetres for individual veins. Partial results have been received from two holes with the best intersection returning 3.98 grams per tonne gold and 118.2 grams per tonne silver over 0.70 metres “intersected width”. The true thickness of the drill intersection(s) is not known at this time.

(c) *Star Anomaly*. One drill hole in 2007 tested the Star magnetic low anomaly 5.5 kilometres north of the Kupol license boundary. Narrow quartz veins, quartz carbonate and chalcedonic quartz veins were encountered in clay, quartz-sericite and chlorite altered tuffs and flows within the target area. Stratigraphy in the drill hole indicates that this area may sit at a higher stratigraphic elevation than the Kupol North extension suggesting that an epithermal vein, if present, might be deeper. Assay results are pending for this drill hole.

(d) *Offset Anomaly*. One drill hole in 2007 tested a moderate magnetic low anomaly offset approximately 500 metres west of the main Kupol deposit magnetic trend. Narrow quartz, quartz-chalcedony and quartz-amethyst veining was encountered from 295 to 415 metres downhole. Partial assay results have been received with 2.44 grams per tonne gold and 66.8 grams per tonne silver returned over an intersected width of 0.30 metres in a vuggy pyritic silicified zone. Similar styles of mineralization were encountered in the upper levels of the North Extension of the Kupol deposit on the Kupol license.

(e) *South Kupol*. One hole in 2007 was collared on the east side of the Srediniy Kayemraveyem valley approximately 700 metres south of the southern boundary of the Kupol license. The target was a potential southern extension to the Kupol 650 and South East Breccia zones within a magnetic low feature at the contact of the rhyolite and andesites. Assay results are pending; however, no significant veining or alteration was encountered in the drill hole. It is inferred that the Kupol structure could be offset north of the drilled section.

Drilling in 2007 on the West Kupol License did not produce any significant changes to the project area based on assay results received to date. Soil geochemical results from the 2007 sampling are still pending.

Exploration and Development

Exploration by the Russian Geologic Expeditions in the vicinity of the Kupol deposit pre-2007 and during the summer of 2007 by the Company has generated a series of targets that require further exploration. In light of the preliminary nature of the exploration on both the East and West Kupol licenses, a modest drill program is proposed for each license. The majority of the drilling will be conducted while the tundra is still frozen to minimize the exploration footprint.

As at the date of this Annual Information Form, drilling has commenced on the West Kupol License. A total of 8,500 metres of drilling is planned for 2008, with 5,500 metres on the West Kupol License and 3,000 metres on the East Kupol License.

On the West Kupol License, drilling will primarily test new targets generated during the 2007 and previous exploration programs. The drilling will test anomalous gold and silver results and significant epithermal alteration intersected during the 2007 drill campaign. Previous work indicates that the structural system and related alteration hosting the main Kupol Vein system extends up to 6 kilometres north of the Kupol mine property boundary.

Drilling on the East Kupol License commenced in early April 2008. The Prekup prospect will be drilled along strike and at depth and several targets will be tested in the Tokai area, including drilling along strike of an extensive sinter or silica cap zone. Historic trenching of the Prekup zone has returned values of up to 36.4 grams per tonne of gold with 87.9 grams per tonne silver over 7.1 metres.

East Kupol

(a) *Prekup*. On the basis of the intensity of silicification, sericite, acid sulphate (jarosite) and clay alteration, it is concluded that only the upper levels of the hydrothermal system have been tested to date. Further drilling is recommended at Prekup, testing the vein system at depth and along strike. The Company feels the mineralization discovered to date is at the top of the boiling system and needs to be tested deeper. In particular, the main dilatant zone will be drilled to in excess of 250 metres below surface and the vein tested to the south toward the Ozerninskaya caldera low. In areas of geophysical and geochemical anomalies with no vein float, shallower holes will be drilled with a Russian SKB-4 drill to locate the main structure prior to drilling the deeper, more expensive, holes. The Company plans to map the Prekup area in detail, clean old trenches and re-sample to both confirm old results and provide a better geological understanding of the vein system.

(b) *Tokai*. The Company believes, based on the wide dispersions of veining in the Tokai area, and the alteration and geochemistry that the drilling in the area was likely too shallow and therefore may have only tested the upper portions of an epithermal system. The potential exists that the system may coalesce with depth into wider and stronger mineralized structures. This hypothesis will be tested by several angled holes, each in the northern and southern upland areas of Tokai. The Company plans to drill several angled holes each in these areas. These holes would have to be 250 to 400 metres in depth. In particular, it is recommended that the vein intersection in hole KT07-008 be followed up along strike and at depth. To aid in drill hole spotting a program of more detailed mapping, trench re-sampling and further trenching is recommended.

(c) *Killer Bunny Target*. Work on the Killer Bunny target in 2008 will include a more detailed geological mapping at 1:5000 or 1:2500 to aid in better defining targets for trenching, soil geochemical surveying over the alteration, vein breccia and hydrothermal breccia areas defined in the 2007 mapping program. The grid is to be oriented northwest with 700 metres long lines spaced at 200 metres intervals over 1.8 kilometres strike length with sample spacing of 20 metres along lines and trenching on the quartz breccia zone and other zones. Actual locations are to be determined once all rock geochemical results are received by mid-2008.

(d) *Ozerninskaya Caldera*. In order to help discern the prospectivity of the broad, strong, magnetic low associated with the north "rim" of the Ozerninskaya caldera, a geochemical grid is proposed. One kilometre lines are to be spaced at 250 metre intervals with samples collected at 25 metre intervals along the lines.

West Kupol

(a) *North Kupol*. On the Kupol North extension, a series of holes are proposed to test the area at a variety of depths. It is recommended that the initial holes will be scissor hole KWN07-002, drilling at 090° azimuth, to test if the vein system dips to the west. The first hole will be drilled shallower than KWN07-002 and if not successful the second hole will undercut KWN07-002. The first hole will be allowed to continue east from the western vein system to test a deeper level under the main magnetic target stringer zones and under the strong alteration encountered in the 2007 holes.

On the Star and Offset targets, the Company plans for new holes to target 100 to 150 metres deeper than the 2007 holes. Initial holes should test along strike from the 2007 holes rather than at the same location. For the Star target, the holes will be spaced at approximately 500 metre intervals along the trend, testing the stronger magnetic lows first. Also, a single hole will be drilled to test the magnetic low west of the principal Star trend.

(b) *Dubonnet*. Trenches started in 2007 but not finished will be completed, mapped and sampled. Additional work in the area is contingent on the pending soil sample results.

(c) *Avgusteishy*. Trenches started in 2007 but not finished will be completed, mapped and sampled. Additional mapping and trenching over the alteration zones defined in the 2007 mapping program is required to help define targets.

(d) *West Moroshka*. Selection of drill targets on the Moroshka West area will be based on the pending soil sample results. Contingent on soil sample results, three to four holes are proposed. Initial holes will likely be fairly shallow, testing for structure, and followed up with deeper holes. Infill soil sample lines will be completed pending 2007 soil results.

(e) *TB2*. Two to three holes will be drilled to test the northern part of the TB2 area. It is proposed that the first holes will test one of the north-northwest trending magnetic low at the Premola fault. The initial TB2 holes are to test for the presence of alteration and structure.

(f) *Other*. An additional magnetic survey is proposed over portions of the West Kupol license as an aid in locating structures and zones of potential alteration. The Khumriy area, between Kupol South and Avgusteishiy, will be surveyed first in order to try to discern the location of the southern continuation of the Kupol structure. Additional magnetic coverage will be added over the river valley in the northeast corner of Avgusteishiy in an effort to locate a continuation of the silicified zones which returned high grade silver in grab samples.

RISK FACTORS

The exploration and development of natural resources are highly speculative in nature and are subject to significant risks. The risk factors noted below do not necessarily comprise all those faced by the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business, operations and future prospects of the Company. If any of the following risks actually occur, the business of the Company may be harmed and its financial condition and results of operations may suffer significantly.

Exploration and Mining Risks

The business of exploring for minerals and mining involves a high degree of risk. Only a small proportion of the properties that are explored are ultimately developed into producing mines. At present, other than the Gramalote property, which has an initial inferred resource estimate prepared by AngloGold, none of the properties in which the Company has an interest have proven or probable reserves or measured, indicated or inferred resources and the proposed programs are an exploratory search for reserves and resources. The mining areas presently being assessed by the Company may not contain economically recoverable volumes of minerals or metals. The operations of the

Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or skilled employees or contractors and other risks involved in the operation of mines and the conduct of exploration programs. The Company has relied and may continue to rely upon consultants and others for operating expertise. Should economically recoverable volumes of minerals or metal be found, substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, 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.

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. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. Depending on the price of gold or other minerals produced, which have fluctuated widely in the past, the Company may determine that it is impractical to commence or continue commercial production.

Foreign Countries and Mining Risks

The Company has interests in properties that are located in developing countries, including Russia and Colombia, and the mineral exploration and mining activities of the Company may be affected in varying degrees by political instability and government regulations relating to foreign investment and the mining industry. Any changes in regulations or shifts in political conditions or attitudes are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

The Company's property interests and proposed exploration activities are subject to political, economic and other uncertainties, including the risk of expropriation, nationalization, renegotiation or nullification of existing contracts, mining licenses and permits or other agreements, changes in laws or taxation policies, currency exchange restrictions, and fluctuations changing political conditions and international monetary fluctuations. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as mines could have a significant effect on the Company. Any changes in regulations or shifts in political attitudes are beyond the Company's control and may adversely affect the Company's business. Exploration may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and mine and/or site safety.

The Company's current and potential exploration activities are subject to various federal, state and local laws governing land use, the protection of the environment, prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine safety and other matters. Such operations and exploration activities are also subject to substantial regulation under these laws by governmental agencies which may require that the Company obtain permits from various governmental agencies.

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 the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Environmental Compliance

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

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

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

Institution of Restrictions on Repatriation of Earnings

There are currently no restrictions on the repatriation from the countries in which the Company 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.

Currency Risks

The Company's operations in foreign countries are subject to currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company reports its financial results in U.S. dollars and incurs expenses in U.S. dollars, Canadian dollars, Colombian pesos and Russian rubles. As the exchange rates between the Colombian peso, Russian ruble and Canadian dollar fluctuate against the U.S. dollar, the Company will experience foreign exchange gains and losses.

The recent changes to Russian currency control legislation were generally intended to liberate control over currency transactions in Russia. However, exchange markets remain potentially illiquid and in the circumstances of less political and/or economic stability may not permit exchange at favorable rates. In these circumstances, the limited

availability of foreign currencies would inflate their values relative to the Russian ruble and as a result the Russian Government may be unable to demonstrate any consistent enforcement of currency laws.

The Russian ruble is not convertible outside Russia and is not traded internationally. Although a market exists within Russia for the conversion of the Russian ruble into other currencies, that market is limited in size and is subject to certain restrictions.

Restriction on Foreign Investment and Capital Raising in Russia

On May 5, 2008, the Russian Parliament adopted new legislation that requires prior approval for the development by a foreign investor of any subsoil deposit containing gold reserves of 50 tons or more or for the direct or indirect acquisition by a foreign investor of more than 10% of the voting shares (or other means of control) of a Russian company that uses such a subsoil deposit. The legislation could have a significant impact upon the Company's ability to further develop the East and West Kupol Licenses through its participation in the proposed Kupol JV. It is possible that this legislation may cause the Company, Kinross and CUE to make changes to the structure and terms of the proposed Kupol JV in order to comply with the legislation or receive approval under it. Such changes may be material and there can be no assurance that the Kupol JV will proceed as proposed. In addition, if the Kupol JV proceeds and Kupol Opco were to identify and seek to develop a deposit containing gold reserves of 50 tons or more, approval of the Russian regulatory body would be required for development of that deposit. There can be no assurance that such approval would be granted on acceptable terms or at all and the new legislation provides that if the approval is not granted, the compensation payable to Kupol Opco would be limited to the expenses incurred in the course of exploration. See "Description of the Business - Regulatory and Environmental - Russia" and "Description of the Business - Interest in the Principal Properties - East and West Kupol Licenses Joint Venture".

Russian Political Environment

There can be no assurance that industries deemed of national or strategic importance to the Russian Federation like mineral production will not be nationalized. In addition, the Chukotka regional government's current policy of encouragement of foreign investment may change, renationalization of the gold mining industry may occur, or other government limitations, restrictions or requirements not presently foreseen, may be implemented. Changes in policy that alter Russian laws regulating mineral concessions or other mineral rights could have a material adverse effect on the Company. There can be no assurance that the assets of the Company will not be subject to requisition or confiscation, whether legitimate or not, by any authority or body. While there are provisions for compensation and reimbursement of losses to investors under such circumstances, there can be no assurance that such provisions would be effective to restore to the Company the market value or the amount of the original investment.

Possible political or economic instability in the Russian Federation and the Chukotka region may result in the impairment or loss of mineral concessions or other mineral rights, and may adversely affect the Company and its ability to carry on business in Russia. Taxes and other fiscal measures and customs and other import regulations are particularly susceptible to revision in reaction to political changes and the pressure on the Russian Government to generate revenue or to conserve hard currency.

Uncertain Legal Environment in Russia

Among other things, the current legal environment in Russia is characterized by poorly-drafted and inconsistent legislation, gaps where legislation is not yet available, and uncertainty in application due to frequent policy shifts and lack of administrative experience. Important elements of basic and other legislation remain to be enacted or officially registered, published or otherwise made available to the public.

Russian laws often provide general statements of principles rather than a specific guide to operations and government officials may be delegated or exercise broad authority to determine matters of significance to the operations and business of the Company. Such authority may be exercised in an unpredictable manner and effective appeal processes may not be available. In addition, breaches of Russian law, especially in the areas of currency control, may involve severe penalties and consequences that may be regarded as disproportionate to the offence.

Exploration for and extraction of minerals in the Russian Federation is governed by the Subsoil Law, the Licensing Regulations and the Precious Metals Law. Given the fact that the legislative scheme and the regulatory bodies governing this scheme are of relatively recent origin, the law has been subject to varying interpretations and inconsistent application. Therefore, it can be difficult to determine with certainty in any given instance the exact nature of legal rights possessed by persons using the subsoil. Further, the Subsoil Law and other subordinate legislation contemplate certain internal procedures to be carried out by the state bodies in the course of the issuance of a subsoil license. While under the laws of developed countries, the granting of subsoil rights by state bodies deem such rights to be validly issued, in Russia a violation of such requirements committed by the state body may affect a subsoil user whose license may be attacked by a prosecutor's office or other relevant state body for non-compliance during the issuance or other internal process. Since these are internal procedures to be carried out by the state bodies, in practice it is very difficult, if possible at all, to review whether all of them were duly complied with.

Russian law consists of a variety of federal legislative, presidential, governmental, or ministerial instruments, which may overlap or conflict with each other and/or with regional and local rules and regulations. Accordingly, there are uncertainties in conclusively determining all necessary information about required permits, approvals and licences, and there is no comprehensive index or system for determining all relevant legislation. In addition, the Russian legal system is a civil law system, and legal precedents are not of the same determinative nature as in a common law system leading to inconsistent application of the same legal instrument. Additionally, the application of Russian law is often subject to a high level of discretion by government officials, whose actions feature an elevated level of non-transparency, illogical decision making, unexpected innovation and delay.

It is possible that changes in Russian law may be applied in a way that is contrary to what is written, retroactively, or in an arbitrary, formalistic or unfair manner. Accordingly, there can be no assurance that the Company has complied with all applicable laws or obtained all necessary approvals in Russia. There can be no assurance that laws, orders, rules, regulations and other Russian legislation currently relating to the Company's investment in the Russian Federation will not be altered, in whole or in part, or that a Russian court or other authority will not interpret existing Russian legislation, whether retroactively or otherwise, in such a way that would have an adverse impact on the Company. There can be no assurance that there may not be relevant applicable law that is unconstitutional, improperly adopted, unpublished, unconsolidated, classified, secret, of restricted circulation, or not publicly available, or that published or available texts of the same legislative instruments are consistent. There can be no assurance that the Russian authorities will not adopt a retroactive law or regulation that would have an adverse impact on the Company.

In general, there remains great uncertainty as to the extent to which Russian parties and entities, particularly governmental agencies, will be prepared to respect the contractual and other rights of the non-Russian parties with which they deal and also as to the extent to which the rule of law has taken hold and will be upheld in the Russian Federation. Procedures for the protection of rights, such as the taking of security, the enforcement of claims and proceedings for injunctive relief or to obtain damages, are still relatively undeveloped in the Russian Federation. Accordingly, there may be greater difficulty and uncertainty in respect of the Company's abilities to protect and enforce its rights (including contractual rights). There can be no assurance that this will not have a material adverse effect upon the Company.

Colombian Economic Environment

The status of Colombia as a developing country may make it difficult for the Company to obtain any required financing for the Company's projects. Notwithstanding the progress achieved in restructuring Colombia 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, the Company may not be able to continue the Company's operations in that country. The Company does not carry political risk insurance.

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 the Company is present may pose a credible threat of terrorism, extortion and kidnapping, which could have an adverse effect on the Company's

operations in such regions. In the event that continued operations in these regions compromise the Company's security or business principles, the Company may withdraw from these countries on a temporary or permanent basis, which in turn, could have an adverse impact on the Company's results of operations and financial condition. No assurances can be given that the Company's plans and operations will not be adversely affected by future developments in Colombia. Colombia is also home to South America's largest and longest running insurgency. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect the Company's business.

Environmental and other Regulatory Requirements

The activities of the Company 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 exploration activities of the Company 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 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 which the Company may require for 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 the Company may undertake. The Company 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 the Company resulting from exploration and/or mining activities and these may be costly to remedy.

Joint Ventures

Many of the properties in which the Company has an interest will be operated through joint ventures 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 the Company's interests held through joint ventures, which could have a material adverse impact on the Company's results of operations and financial conditions:

- inability to exert influence over certain strategic decisions made in respect of joint venture properties;
- disagreement with partners on how to develop and operate mines efficiently;
- inability of partners to meet their obligations to the joint venture or third parties; and
- litigation between partners regarding joint venture matters.

Additional Financing

The Company currently has no revenues from operations and no mineral reserves or mineral resources. If the Company's exploration programs are successful, additional financing will be required in order to complete the development of the properties in which the Company has an interest. The only sources of future funds presently available to the Company are the sale of additional equity capital, selling or leasing the Company's interest in a property or the entering into of joint venture arrangements or other strategic alliances in which the financing sources could become entitled to an interest in the properties or the projects. The Company's capital resources are largely

determined by the strength of the junior resource market and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects.

There is no assurance that the Company will be successful in raising sufficient capital to meet its obligations or to complete all of the currently proposed exploration programs. If the Company does not raise the necessary capital to meet its obligations under current contractual obligations, the Company may have to forfeit its interest in properties earned or assumed under such contracts.

Principal Properties Located in Remote Areas

The Company's exploration operations are located in remote areas, some of which have harsh climates, resulting in technical challenges for conducting both geological exploration and mining. The Company benefits from modern mining transportation skills and technologies for operating in areas with harsh climates. Nevertheless, the Company may sometimes be unable to overcome problems related to weather and climate at a commercially reasonable cost, which could have a material adverse effect on the Company's business and results of operations. The remote location of the Company's principal operations also results in increased costs and transportation difficulties.

Infrastructure

Development and exploration activities depend on adequate infrastructure, including reliable roads, power sources and water supply. The Company'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 the Company's operations and financial condition.

Property Interests

The ability of the Company to carry out successful mineral exploration and development activities and mining operations will depend on a number of factors. The section of this Annual Information Form entitled "Business of the Company" identifies the Company's obligations with respect to acquiring and maintaining title to the Company's interest in certain of its current properties. No guarantee can be given that the Company 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 the Company or, if they are granted, that the Company will be in a position to comply with all conditions that are imposed. A number of the Company's interests are the subject of pending applications to register assignments, extend the term, increase the area or to convert licenses to concession contracts and there is no assurance that such applications will be approved as submitted.

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

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

Loss of or Inability to Acquire Mineral Properties

If the Company 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 the Company wish to acquire any additional properties.

Dependence on Key Personnel

The success of the Company will be largely dependent upon the performance of its key officers, employees and consultants. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Company 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 the Company's success. The Company 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.

Conflicts of Interest

Certain directors and officers of the Company 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 the Company 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 the Company. However, circumstances (including with respect to future corporate opportunities) may arise which are resolved in a manner that is unfavourable to the Company.

Commodity Prices

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

The Company's 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 the Company's control.

Insurance and Uninsured Risks

The business of the Company 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 the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company 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 such risks and the Company 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 the Company or to other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Competition

The mining industry is intensely competitive in all of its phases, and the Company 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 exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

No History of Dividends

The Company has not paid a dividend on its Common Shares since incorporation. The Company 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 board of directors and will depend upon the capital requirements of the Company, results of operations and such other factors as the board of directors considers relevant.

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 the Common Shares is subject to market trends and conditions generally, notwithstanding any potential success of the Company 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 the Company and its financial position.

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 the Company may become subject could have a material effect on our financial position, results of operations or the Company's property development.

Enforcement of Civil Liabilities

Substantially all of the assets of the Company are located outside of Canada, and certain of the directors and officers of the Company 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 the Company or the directors and officers of the Company residing outside of Canada.

DIVIDENDS

The Company has not declared any dividends or distributions on its securities since its incorporation. The Company 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 board of directors may declare from time to time such cash dividends or distributions out of the monies legally available for dividends or distributions as the board of directors considers advisable. Any future determination to pay dividends or make distributions will be at the discretion of the

board of directors and will depend on the capital requirements of the Company, results of operations and such other factors as the board considers relevant.

DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As at the date of this Annual Information Form, 162,783,318 Common Shares and no preferred shares are issued and outstanding.

Common Shares

Registered holders of Common Shares are entitled to receive notice of and attend all meetings of shareholders of the Company, 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 board of directors and, upon liquidation, dissolution or winding-up of the Company, are entitled to receive on a *pro rata* basis the net assets of the Company 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

The preferred shares without par value may at any time and from time to time be issued in one or more series. The board of directors 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 the Company 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 the Company. 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 shares of the Company ranking junior to the preferred shares with respect to payment of dividends. In the event of liquidation, dissolution or winding-up of the Company, holders of preferred shares will be entitled to preference with respect to distribution of the property or assets of the Company over the Common Shares and over any other shares of the Company 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.

Share Purchase Warrants

As at the date of this Annual Information Form, the following warrants to purchase Common Shares of the Company were outstanding:

Number	Exercise Price	Expiry Date
2,000,000	C$2.50	December 6, 2010
11,000,000	C$3.34	May 15, 2011
10,400,000	C$4.25	May 15, 2011

Stock Options

On October 22, 2007, the board of directors of the Company adopted a stock option plan (the "**Stock Option Plan**") for the benefit of officers, directors, employees and consultants of the Company and any associated, affiliated, controlled or subsidiary company. The purpose of the Stock Option Plan is to provide eligible persons with an opportunity to purchase Common Shares and to benefit from the appreciation in the value of such Common Shares.

The Stock Option Plan will increase the Company'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 the Company.

The board of directors 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 Common Shares may be purchased, subject to the terms and conditions set forth in the Stock Option Plan.

Messrs. Johnson, Corra, Richer, Garagan, Stansbury and Robert Cross, Chairman of the Board of Directors, have adopted a policy of not accepting stock options granted under the Stock Option Plan.

Key provisions of the Stock Option Plan include:

(a) the eligible participants are any director, officer, employee, or consultant of the Company or any of its associated affiliated, controlled or subsidiary companies;

(b) the maximum number of Common Shares issuable pursuant to options granted under the Stock Option Plan will be a number equal to 10% of the issued and outstanding Common Shares on a non-diluted basis at any time;

(c) a restriction that no more than 10% of the total number of issued and outstanding Common Shares may be issuable to insiders of the Company pursuant to options granted to insiders under the Stock Option Plan, together with all of the Company's other previously established and outstanding or proposed share compensation arrangements;

(d) a restriction that no more than 5% of the total number of issued and outstanding Common Shares may be issuable to any one individual within a one-year period pursuant to options granted under the Stock Option Plan, together with all of the Company's other previously established and outstanding or proposed share compensation arrangements, unless the Company has obtained disinterested shareholder approval;

(e) a restriction that no more than 5% of the total number of issued and outstanding Common Shares may be issuable to the non-employee directors of the Company, as a group, within a one-year period pursuant to options granted to the non-employee directors under the Stock Option Plan, together with all of the Company's other previously established and outstanding or proposed share compensation arrangements;

(f) a restriction that no more than 2% of the total number of issued and outstanding Common Shares may be issuable to any one consultant of the Company within a one-year period pursuant to options granted to the consultant under the Stock Option Plan, together with all of the Company's other previously established and outstanding or proposed share compensation arrangements;

(g) the vesting period of all options shall be determined by the board of directors;

(h) options may be exercisable for a period of up to a maximum term of five years, such period to be determined by the board of directors of the Company and the options are non-transferable and non-assignable;

(i) the board of directors shall fix the exercise price of each option at the time the option is granted, provided that such price is not lower than the "discounted market price" of the Common Shares at the time the option is granted. "The discounted market price" means the closing price of the Common Shares on the TSX-V on the last trading day before the day on which the option is granted, less the allowable discount;

(j) 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 earlier of: (i) the

original expiry term of such options; (ii) 90 days after the optionee ceases active employment with the Company, (iii) 90 days after the date of delivery of written notice of retirement, resignation or termination; or (iv) the expiration date fixed by the board of directors;

(k) options held by an individual who ceases to be employed by the Company for cause or is removed from office or becomes disqualified from being a director will terminate immediately;

(l) in the event that the expiry date of an option falls within a "black-out period" (a period during which certain persons cannot trade common shares pursuant to a policy of the Company 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;

(m) 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;

(n) upon the announcement of a transaction which, if completed, would constitute a change of control of the Company and under which Common Shares of the Company 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;

(o) options that expire unexercised or are otherwise cancelled will be returned to the Stock Option Plan and may be made available for future option grant pursuant to the provisions of the Stock Option Plan; and

(p) the board of directors may, from time to time, subject to applicable law and prior shareholder approval, if required, of the TSX-V or any other applicable regulatory body, suspend, terminate discontinue or amend the Stock Option Plan.

As at the date of this Annual Information Form, the following options were outstanding under the Stock Option Plan, each exercisable to purchase one Common Share:

Number	Exercise Price	Expiry Date
4,915,000	C$2.40	December 6, 2012
40,000	C$2.40	January 7, 2013
315,000	C$2.40	February 14, 2013
285,000	C$2.40	February 27, 2013

B2Gold Corp. Incentive Plan

On June 29, 2007, the Company established the Incentive Plan for the benefit of directors, officers, employees and service providers of the Company and issued to the trustees of the Incentive Plan, Messrs. Johnson, Corra, Richer and Garagan, options to acquire 4,955,000 Common Shares. On October 12, 2007, following the exercise of these options, an aggregate of 4,955,000 Common Shares were issued to the trustees of the Incentive Plan at a price of C$0.02 for gross proceeds of C$99,100. Such Common Shares are currently held in trust by the trustees for future beneficiaries under the Incentive Plan.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares of the Company, a Tier 1 issuer on the TSX Venture Exchange ("**TSX-V**"), are listed for trading under the symbol "BTO". The following table sets out the market price range and trading volumes of the Common Shares on the TSX-V for the periods indicated.

TSX Venture Exchange

Year		High ($)	Low ($)	Volume (no. of shares)
2008	July 1-30	1.07	0.67	6,394,500
	June	1.59	1.05	2,675,100
	May	1.52	1.10	3,097,800
	April	1.60	1.25	1,828,100
	March	2.39	1.41	1,151,900
	February	2.52	1.80	2,400,875
	January	2.52	1.80	4,252,770
2007	December[(1)]	2.55	2.00	9,119,030

Note:
(1) The Common Shares of the Company commenced trading on the TSX-V on December 6, 2007.

On July 30, 2008, the closing price of the Company's shares on the TSX-V was $0.75 per share.

ESCROWED SECURITIES

As at the date of this Annual Information Form, the following Common Shares are held in escrow and will be released from escrow on the release dates set out below:

Release Date	Number of Common Shares held in Escrow	Percentage of Issued Common Shares
August 29, 2008	2,897,000	1.78%
November 29, 2008	11,228,563	6.90%
December 6, 2008	11,116,562	6.83%
May 29, 2009	8,331,563	5.12%
June 6, 2009	11,116,564	6.83%
TOTAL	**44,690,252**	**27.45%**

Notes:
(1) All of the Common Shares held in escrow were issued prior to the Company's initial public offering and were placed in escrow in connection with the initial public offering.
(2) The Common Shares to be released from escrow on December 6, 2008 and June 6, 2009 are held in escrow under an escrow agreement between certain holders of Common Shares and Computershare Investor Services Inc. (the "Escrow Agreement"). Pursuant to the terms of the Escrow Agreement, unless expressly permitted by the Escrow Agreement, the escrowed shares may not be sold, transferred, assigned, mortgaged or traded in any way while in escrow.
(3) The Common Shares to be released from escrow on August 29, 2008, November 29, 2008 and May 29, 2009 Shareholders are subject to a TSX-V resale restriction preventing transfer until August 29, 2008, November 29, 2008 and May 29, 2008, respectively.

DIRECTORS AND OFFICERS

Directors

The following table sets forth the name, municipality, province or state of residence, position held with the Company, 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 the Company. 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 of this Annual Information Form. Directors of the Company 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 Company	Principal Occupation During Past Five Years	Director/Officer Since	Number of Voting Securities [1]
Clive Johnson[6] British Columbia, Canada	President, Chief Executive Officer and Director	President, Chief Executive Officer of the Company; formerly the Chairman, President and Chief Executive Officer of Bema	December 17, 2006	9,274,700[2]
Robert Cross[4][5][6] British Columbia, Canada	Chairman and Director	Non-Executive Chairman of Northern Orion Resources Inc. and Non-Executive Chairman of Bankers Petroleum Ltd.	October 22, 2007	4,085,000
Robert Gayton[4][5] British Columbia, Canada	Director	Consultant to various public companies since 1987. Vice President of Finance with Western Silver Corporation from 1995 to 2004	October 22, 2007	810,000
John Ivany[6] Alberta, Canada	Director	Retired; formerly Executive Vice President of Kinross from 1995 to 2006	November 20, 2007	800,000
Jerry Korpan London, England	Director	Executive Director of Emergis Capital S.A., based in Antwerp, Belgium; prior thereto Managing Director of Yorkton Securities in London, England	November 20, 2007	835,000
Barry Rayment[4][5] California, USA	Director	President of Mining Assets Corporation	October 22, 2007	800,000[3]
Roger Richer British Columbia, Canada	Executive Vice President, General Counsel and Secretary	Executive Vice President, General Counsel and Secretary of the Company; formerly the Vice President of Administration, General Counsel and Secretary of Bema	December 17, 2006	6,040,000[2]
Mark Corra British Columbia, Canada	Senior Vice President of Finance and Chief Financial Officer	Senior Vice President of Finance and Chief Financial Officer of the Company; formerly the Vice President of Finance of Bema	December 17, 2006	6,271,250[2]
Tom Garagan British Columbia, Canada	Senior Vice President of Exploration	Senior Vice President of Exploration of the Company; formerly the Vice President of Exploration of Bema	March 8, 2007	6,250,000[2]

Name and Municipality of Residence	Position with Company	Principal Occupation During Past Five Years	Director/Officer Since	Number of Voting Securities (1)
Dennis Stansbury Nevada, USA	Senior Vice President of Development and Production	Senior Vice President of Development and Production of the Company; formerly the Vice President of Development and Production of Bema	March 8, 2007	4,800,000

Notes:
(1) The information as to the nature of Common Shares beneficially owned or controlled or directed, directly or indirectly by the directors and executive officers, but which are not registered in the names and not being within the knowledge of the Company, has been furnished by such directors and officers.
(2) In addition, Messrs. Johnson, Richer, Corra and Garagan are the trustees of the Incentive Trust that holds 4,955,000 Common Shares. The Common Shares are held pursuant to a declaration of trust dated June 29, 2007 between the Company and the Trustees, which was established to hold options and shares of the Company to be allocated to directors, officers, employees and service providers of the Company as determined by the Trustees.
(3) 800,000 Common 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.

Shareholdings of Directors and Executive Officers

As at the date of this Annual Information Form, the directors and executive officers of the Company, as a group, beneficially owned, or controlled or directed, directly or indirectly, 44,859,000 Common Shares, representing approximately 27.6% of the issued and outstanding Common Shares of the Company.

Biographical Information

The following is a brief description of each of the executive officers and directors of the Company (including details with regard to their principal occupations for the last five years).

Executive Officers

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 the Company.

Roger Richer —Executive Vice President, General Counsel and Secretary

Roger Richer has over 20 years 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. He is also the President of Consolidated Puma Minerals Corp., a TSX-V listed company. Mr. Richer manages the legal affairs, corporate records and corporate governance of the Company.

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

Mark Corra has over 25 years mining experience. Mr. Corra will oversee the financial reporting, cash management and tax planning of the Company. He 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 as both Controller and subsequently as Vice President of Finance. Prior to Bema, Mr. Corra spent 11 years in accounting at Placer Dome. Mr. Corra's duties include responsibility for the Company's financial compliance and reporting to the regulatory authorities.

Tom Garagan — Senior Vice President of Exploration

Tom Garagan is a geologist with over 27 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 the Company'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 30 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. Mr. Stansbury is responsible for supporting all exploration activities of the Company.

Directors

Robert Cross

Robert Cross has more than 20 years of experience as a financier in the mining and oil & gas sectors. He has served as a director of numerous public and private companies. Mr. Cross was formerly the Non-Executive Chairman of Northern Orion Resources Inc., and founder and Non-Executive Chairman of Bankers Petroleum Ltd. 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. He 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. Mr. Gayton was Vice President of Finance of Doublestar Resources from 1996 to 2006 and a director from 2000 to 2007. He was a director of Northern Orion Resources Inc. from 2004 to its takeover in 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, Intrinsyc Software International, Inc., Canadian Zinc Corporation, Palo Duro Energy Inc., Quarterra Resources Inc. and Western Copper Corporation.

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 Breakwater Resources Ltd.

Jerry Korpan

Jerry Korpan has been an investment banker in London, England since 1985. He is currently Executive Director of Emergis Capital S.A. ("**Emergis**"), a property development company based in Antwerp, Belgium, and a director of Consolidated Puma Minerals Corp., an affiliate of East West Gold Corporation. Prior to forming Emergis, he was Managing Director of Yorkton Securities in London, England. He was a director of Bema from 2002 to 2007.

Barry Rayment

Dr. Barry Rayment is a mining geologist with 35 years 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. Mr. Rayment is the former President of Bema from 1990 to 1993 and a director of Bema from 1988 to 2007. He is currently President of Mining Assets Corporation, a private company providing consulting services to the mining industry, based in Laguna Beach, California. Mr. Rayment is currently a director of Delta Mining & Exploration Corp. and a director of Golden Predator Mines Inc.

Cease Trade Orders or Bankruptcies

Except as outlined below:

(a) no director or executive officer of the Company is, as at the date of this Annual Information Form, or was within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(i) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of this subsection (a), "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, and in each case that was in effect for a period of more than 30 consecutive days.

(b) no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially control of the Company:

(i) is, as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Company) that, while that person was acting in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(ii) has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder..

Robert Cross, a director of the Company, joined the Board of Livent Inc. in June 1998. In connection with management changes brought about by a U.S.-based investment group, accounting irregularities were subsequently uncovered and Livent Inc. declared bankruptcy in late 1998. Thereafter, class action suits were filed against Livent Inc. and its directors. Mr. Cross was named in one suit that was subsequently dismissed. Mr. Cross is currently not involved in any legal actions in connection with these proceedings.

Robert Gayton, a director of the Company, was a director and officer of Newcoast Silver Mines Ltd. at the date of a cease trade order issued by the British Columbia Securities Commission on September 30, 2003 and by the Alberta Securities Commission on October 31, 2003 for failure to file financial statements. The orders were revoked on October 23, 2003 and March 25, 2004, respectively.

John Ivany, a director of the Company, was an officer of Kinross at the date of a cease trade order issued by the Ontario Securities Commission on April 14, 2005, which superseded a temporary cease trade order dated April 1, 2005 for failure to file its financial statements. The order was revoked on February 22, 2006.

The foregoing information, not being within the knowledge of the Company, has been furnished by the respective directors, officers and shareholders holding a sufficient number of securities of the Company to affect materially control of the Company.

Penalties or Sanctions

Except as outlined above under "*Cease Trade Orders or Bankruptcies*" and as set forth below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision regarding the Company.

John Ivany, a director of the Company, was the subject of enforcement proceedings by the Alberta Securities Commission in Re: Cartaway Resources Corp. In its order dated February 22, 2001, the Alberta Securities Commission found that Mr. Ivany, as Chief Executive Officer of Cartaway Resources Corp., had allowed the issuance of a press release that contained a material factual error in violation of the securities laws of the Province of Alberta. As a result, Mr. Ivany was prohibited from acting as a director or officer of any "junior issuer" for a period of five years and ordered to pay costs in the amount of C$20,000.

The foregoing information, not being within the knowledge of the Company, has been furnished by the respective directors, officers and shareholders holding a sufficient number of securities of the Company to affect materially control of the Company.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such conflict of interest arises at a meeting of the Company's board of directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for the participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the BCBCA, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the BCBCA and they will govern themselves in respect thereof to the best of their ability

in accordance with the obligations imposed upon them by law. See "*Risk Factors*". The directors and officers of the Company are not aware of any such conflicts of interests.

AUDIT COMMITTEE

On October 22, 2007, the Company established an Audit Committee, which operates under a charter approved by the board of directors of the Company. A copy of the Company's Audit Committee Charter is set out in full in Schedule A to this Annual Information Form. It is the board of directors' responsibility to ensure that an effective internal control framework exists within the Company. The Audit Committee has been formed to assist the board of directors to meet its oversight responsibilities in relation to the Company's financial reporting and external audit function, internal control structure and risk management procedures. In doing so, it will be the responsibility of the Audit Committee to maintain free and open communication between the Audit Committee, the external auditors and the management of the Company.

The Audit Committee will review the effectiveness of the Company's financial reporting and internal control policies and its procedures for the identification, assessment, reporting and management of risks. The Audit Committee will oversee and appraise the quality of the external audit and the internal control procedures, including financial reporting and practices, business ethics, policies and practices, accounting policies, and management and internal controls.

Composition of the Audit Committee

All members of the Audit Committee are: (i) independent within the meaning of National Instrument 52-110 — *Audit Committees* ("**NI 52-110**"), which provides that a member shall not have a direct or indirect material relationship with the Company which could, in the view of the board of directors, reasonably interfere with the exercise of a member's independent judgment; and (ii) are considered to be financially literate under NI 52-110. The members of the Audit Committee are: Robert Gayton (Chairman), Barry Rayment and Robert Cross.

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as a member of the Audit Committee are as follows:

Robert Cross

Mr. Cross has over 20 years of experience as a financier in the mining and oil & gas sectors. He was formerly CEO of Yorkton Securities Inc. and Partner – Investment Banking of Gordon Capital Corporation. Mr. Cross received his engineering degree from the University of Waterloo, Ontario (1982) and an MBA from the Harvard Business School (1987).

Barry D. Rayment, Ph.D.

Dr. Rayment is a mining geologist with over 35 years experience in base and precious metals exploration. He has been the President of Mining Assets Corporation, a private mineral consulting firm that provides geological services to the mining industry, since 1993. He is also a director of several other public exploration and mining companies. Mr. Rayment has a Ph.D in mining geology from the Royal School of Mines, London (1974).

Robert J. Gayton, Ph.D, FCA

Mr. Gayton has been consulting on accounting and finance issues for 30 years, first as an audit partner with Peat Marwick Mitchell, Chartered Accountants, and more recently as Chief Financial Officer and/or director of numerous public and private companies. Prior to that, he was a member of the Faculty of Commerce at the University of British Columbia.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee pre-approves all audit services to be provided to the Company by its independent auditors. The Audit Committee's policy regarding the pre-approval of non-audit services to be provided to the Company by its independent auditors is that all such services shall be pre-approved by the Audit Committee. Non-audit services that are prohibited to be provided to the Company by its independent auditors may not be pre-approved. In addition, prior to the granting of any pre-approval, the Audit Committee must be satisfied that the performance of the services in question will not compromise the independence of the independent auditors. All non-audit services performed by the Company's auditor for the fiscal year ended December 31, 2007 have been pre-approved by the Audit Committee of the Company. No non-audit services were approved pursuant to the *de minimis* exemption to the pre-approval requirement.

External Auditor Service Fees

The aggregate fees billed by the Company's external auditors, PricewaterhouseCoopers LLP, in each of the last financial years are as follows:

Financial Year Ending	Audit Fees[(1)]	Audit Related Fees[(2)]	Tax Fees[(3)]	All Other Fees
2007	$104,000	Nil	Nil	Nil

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Notes:
(1) The aggregate audit fees billed.
(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements which are not included under the heading "Audit Fees".
(3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
(4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or shareholder holding on record or beneficially, directly or indirectly, more than 10% of the issued shares of the Company, or any of their respective associates or affiliates has any material interest, direct or indirect, in any transaction in which the Company has participated prior to the date of this Annual Information Form, or in any proposed transaction, which has materially affected or will materially affect the Company.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its offices in Toronto, Ontario and Vancouver, British Columbia.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts which the Company has entered into within the two year period preceding the date of this Annual Information Form are as follows:

(a) Purchase Agreement dated December 21, 2006 between B2Gold, Kinross, White Ice Ventures Limited, and 6674321 Canada Inc.

(b) Colombia JV Agreement (including the amendments thereto) dated November 8, 2006 between Bema, AARI, AngloGold and AngloGold Colombia, and subsequently assigned by Bema to the Company, whereby AARI may earn a joint venture interest in the Colombian JV Properties subject to the Earning Requirements.

(c) Gramalote Purchase Agreement dated October 26, 2007 between Grupo Nus and the Company, which set forth the terms and conditions governing the sale by Grupo Nus to the Company of the shares of Gramalote BVI held by Grupo Nus.

(d) Agency agreement dated October 24, 2007 between the Company, Genuity Capital Markets, Canaccord Capital Corporation and GMP Securities L.P. (the "**Agents**") pursuant to which the Agents offered for sale 15,000,000 Common Shares of the Company at a price of C$1.00 per share for aggregate gross proceeds of C$15,000,000.

(e) Underwriting agreement dated November 28, 2007 between the Company and the Underwriters, pursuant to which the Underwriters have agreed to purchase 40,000,000 Common Shares of the Company at a price of C$2.50 per share for aggregate gross proceeds of C$100,000,000.

(f) Agreement to Amend the Relationship, Farm-Out and Joint Venture Agreement and regarding Gramalote Limited and Other Matters dated May 15, 2008 between AngloGold, AngloGold Colombia, Kedahda BVI, AARI and the Company.

(g) Shareholders' Agreement for an incorporated joint venture Gramalote Limited dated May 15, 2008 Kedahda BVI, AngloGold, Graminvest, Gramalote BVI and the Company, which outlines the obligations of AngloGold and the Company (or their respective subsidiaries) with respect to the Gramalote property and regulates their rights and obligations as shareholders of Gramalote BVI.

Copies of the above material contracts are available under the Company's profile on the SEDAR.

INTERESTS OF EXPERTS

Names of Experts

The persons referred to below have been named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under NI 51-102 during, or relating to, the Company's financial year ended December 31, 2007.

PricewaterhouseCoopers LLP, Chartered Accountants, provided an auditor's report in respect to the Company's financial statements for the year ended December 31, 2007 dated April 25, 2008.

John Gorham, P. Geol, a principal of Dahrouge Geological Consulting Ltd., is the author responsible for the technical report dated June 12, 2008 entitled "Updated Report on the Gramalote Property".

John Gorham, P. Geol and Jody Dahrouge, P. Geol, principals of Dahrouge Geological Consulting Ltd., are the authors responsible for the technical report dated October 22, 2007 entitled "Summary Report on the Quebradona Property".

John Gorham, P. Geol, a principal of Dahrouge Geological Consulting Ltd., is the author responsible for the technical report dated October 22, 2007 entitled "Summary Report on the Miraflores Property".

William J. Crowl, R.G., a principal of Gustavson Associates, LLC, is the author responsible for the technical report dated November 21, 2007 (originally filed October 22, 2007) entitled "Technical Report on the Kupol East and Kupol West Licences Chukotka Autonomous Okrug, Russia".

Reinhard von Guttenberg, of Strathcona Mineral Services Limited, is the author responsible for the technical report dated June 18, 2007 entitled "Technical Report Mocoa Copper-Molybdenum Project, Putumayo Department Colombia".

Interests of Experts

To the knowledge of the Company, none of the persons above held, at the time of or after such person prepared the statement, report or valuation, any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of one of its associates or affiliates or is or is expected to be elected, appointed or employed as a director, office or employee of the Company or of any associate or affiliate of the Company.

EXCHANGE RATE INFORMATION

The financial statements included herein are reported in U.S. dollars. References in this Annual Information Form to "$" or to "C$" are to the lawful currency of Canada, references in this Annual Information Form to "pesos" are to the lawful currency of Colombia and references in this Annual Information Form to "US$" are to the lawful currency of United States.

On August 8, 2008, the noon rate of exchange for one Canadian dollar in United States dollars as reported by the Bank of Canada was C$1.00 = US$0.9365. As of the same date, based on cross rates with the Canadian dollar, one Colombian peso equalled US$0.000552.

FORWARD-LOOKING STATEMENTS/RESERVES

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

PROMOTERS

Clive Johnson, Roger Richer, Mark Corra, Tom Garagan and Dennis Stansbury may all be considered promoters of the Company based on their instrumental roles in founding and forming the Company. See "*Directors and Officers*" above for the number and percentage of each class of securities of the Company beneficially owned, or controlled or directed, directly or indirectly, by each of Messrs. Johnson, Richer, Corra, Garagan and Stansbury. Other than as described in the Company's management information circular dated April 22, 2008 under the heading "*Executive Compensation*", no promoter of the Company has received or will receive anything of value, including money, property, contracts, options or rights of any kind from the Company in respect of acting as a promoter of the Company.

DATE OF INFORMATION

Unless the context otherwise requires or unless otherwise indicated, the information contained in this Annual Information Form is given as of December 31, 2007, being the date of the most recently completed financial year of the Company, and the use of the present tense and of the words "is", "are", "current", "currently", "presently", "now" and similar expressions in this Annual Information Form is to be construed as referring to information given as of that date.

ADDITIONAL INFORMATION

Additional information, including that relating to directors' and officers' remuneration, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, interests of insiders in material transactions and corporate governance practices, is contained in the Company's management information circular for the annual general meeting of shareholders held on June 19, 2008.

Additional financial information is provided in the Company's comparative financial statements and management's discussion and analysis for the year ended December 31, 2007, which are also incorporated herein by reference.

Copies of all materials incorporated by reference herein and additional information relating to the Company are available under the Company's name through SEDAR, at www.sedar.com.

Dated August 8, 2008.

BY ORDER OF THE BOARD OF DIRECTORS

"Clive Johnson"

Clive Johnson
President & Chief Executive Officer

SCHEDULE A

AUDIT COMMITTEE CHARTER

Effective February 6, 2008

1. **Overall Purpose/Objectives**

The Audit Committee (the "Committee") will assist the Board of Directors of the Company (the "Board") in fulfilling its responsibilities. The Committee will oversee the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Company's business, operations and risks.

2. **Authority**

2.1. The Board authorizes the Committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and to ensure the attendance of Company officers at meetings, as the Committee deems appropriate.

2.2. The Committee shall receive appropriate funding, as determined by the Committee, for payment of compensation to the external auditors and to any legal or other advisers employed by the Committee, and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

3. **Composition, Procedures and Organization**

3.1. The Committee will be comprised of at least three members of the Board.

3.2. Except as permitted by all applicable legal and regulatory requirements:

(a) each member of the Committee shall be "independent" as defined in accordance with Canadian Multilateral Instrument 52-110 – *Audit Committee*; and

(b) each member of the Committee will be "financially literate" with the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

3.3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, will appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

3.4. The Committee shall elect from its members a Chairman. The Secretary shall be elected from its members, or shall be the Secretary, or the Assistant or Associate Secretary, of the Company.

3.5. Any member of the Committee may be removed or replaced at any time by the Board. A member shall cease to be a member of the Committee upon ceasing to be a director of the Company.

3.6. Meetings shall be held not less than quarterly. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.

3.7. The times and places where meetings of the Committee shall be held and the procedures at such meetings shall be as determined, from time to time, by the Committee.

3.8. Notice of each meeting of the Committee shall be given to each member of the Committee. Subject to the following, notice of a meeting shall be given orally or by letter, telex, telegram, electronic mail, telephone facsimile transmission or telephone not less than 48 hours before the time fixed for the meeting. Notice of regular meetings need state only the day of the week or month, the place and the hour at which such meetings will be held and need not be given for each meeting. Members may waive notice of any meeting.

3.9. The Committee will invite the external auditors, management and such other persons to its meetings as it deems appropriate. However, any such invited persons may not vote at any meetings of the Committee.

3.10. A meeting of the Committee may be held by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate adequately with each other during the meeting.

3.11. The majority of the Committee shall constitute a quorum for the purposes of conducting the business of the Committee. Notwithstanding any vacancy on the Committee, a quorum may exercise all of the powers of the Committee.

3.12. Any decision made by the Committee shall be determined by a majority vote of the members of the Committee present or by consent resolution in writing signed by each member of the Committee. A member will be deemed to have consented to any resolution passed or action taken at a meeting of the Committee unless the member dissents.

3.13. A record of the minutes of, and the attendance at, each meeting of the Committee shall be kept. The approved minutes of the Committee shall be circulated to the Board forthwith.

3.14. The Committee shall report to the Board on all proceedings and deliberations of the Committee at the first subsequent meeting of the Board, and at such other times and in such manner as the Board or the articles of the Company may require or as the Committee in its discretion may consider advisable.

3.15. The Committee will have access to such officers and employees of the Company and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

4. Roles and Responsibilities

The roles and responsibilities of the Committee are as follows.

4.1. Oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company.

4.2. Review with management its philosophy with respect to controlling corporate assets and information systems, the staffing of key functions and its plans for enhancements.

4.3. Review the terms of reference and effectiveness of any internal audit process, and the working relationship between internal financial personnel and the external auditor.

4.4. Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.

4.5. Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements, reviewing with management and the external auditor where appropriate.

4.6. Review any legal matters which could significantly impact the financial statements as reported on by the General Counsel and meet with outside counsel whenever deemed appropriate.

4.7. Review the annual financial statements and the results of the audit with management and the external auditors prior to the release or distribution of such statements, and obtain an explanation from management of all significant variances between comparative reporting periods.

4.8. Review the interim financial statements with management prior to the release or distribution of such statements, and obtain an explanation from management of all significant variances between comparative reporting periods.

4.9. Review all public disclosure concerning audited or unaudited financial information before its public release and approval by the Board, including management's discussion and analysis, financial information contained in any prospectus, private placement offering document, annual report, annual information form, takeover bid circular, and any annual and interim earnings press releases, and determine whether they are complete and consistent with the information known to Committee members.

4.10. Assess the fairness of the financial statements and disclosures, and obtain explanations from management on whether:

(a) actual financial results for the financial period varied significantly from budgeted or projected results;

(b) generally accepted accounting principles have been consistently applied;

(c) there are any actual or proposed changes in accounting or financial reporting practices; and

(d) there are any significant, complex and/or unusual events or transactions such as related party transactions or those involving derivative instruments and consider the adequacy of disclosure thereof.

4.11. Determine whether the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.

4.12. Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.

4.13. Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.

4.14. Ascertain whether any significant financial reporting issues were discussed by management and the external auditor during the fiscal period and the method of resolution.

4.15. Review and resolve any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

4.16. Recommend to the Board the selection of the firm of external auditors to be proposed for election as the external auditors of the Company.

4.17. Review and approve the proposed audit plan and the external auditors' proposed audit scope and approach with the external auditor and management and ensure no unjustifiable restriction or limitations have been placed on the scope.

4.18. Explicitly approve, in advance, all audit and non-audit engagements of the external auditors; provided, however, that non-audit engagements may be approved pursuant to a pre-approval policy established by the Committee that (i) is detailed as to the services that may be pre-approved, (ii) does not permit delegation of approval authority to the Company's management, and (iii) requires that the delegatee or management inform the Committee of each service approved and performed under the policy. Approval for minor non-audit services is subject to applicable securities laws.

4.19. If it so elects, delegate to one or more members of the Committee the authority to grant such pre-approvals. The delegatee's decisions regarding approval of services shall be reported by such delegatee to the full Committee at each regular Committee meeting.

4.20. Subject to the grant by the shareholders of the authority to do so, if required, review the appropriateness and reasonableness of the compensation to be paid to the external auditors and make a recommendation to the Board regarding such compensation.

4.21. Oversee the independence of the external auditors. Obtain from the external auditors a

formal written statement delineating all relationships between the external auditors and the Company. Actively engage in a dialogue with the external auditors with respect to any disclosed relationships or services that impact the objectivity and independence of the external auditor.

4.22. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

4.23. Review the performance of the external auditors, and in the event of a proposed change of auditor, review all issues relating to the change, including the information to be included in any notice of change of auditor as required under applicable securities laws, and the planned steps for an orderly transition.

4.24. Review the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow-up to any identified weakness.

4.25. Review the evaluation of internal controls and management information systems by the external auditor, and, if applicable, the internal audit process, together with management's response to any identified weaknesses and obtain reasonable assurance that the accounting systems are reliable and that the system of internal controls is effectively designed and implemented.

4.26. Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

4.27. Review the process under which the Chief Executive Officer and the Chief Financial Officer evaluate and report on the effectiveness of the Company's design of internal control over financial reporting and disclosure controls and procedures.

4.28. Obtain regular updates from management and the Company's legal counsel regarding compliance matters, as well as certificates from the Chief Financial Officer as to required statutory payments and bank covenant compliance and from senior operating personnel as to permit compliance.

4.29. Establish a procedure for the:

(a) confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters,

(b) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.

4.30. Meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.

4.31. Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.

4.32. Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

4.33. Review and assess the adequacy of insurance coverage, including directors' and officers' liability coverage.

4.34. Perform other functions as requested by the full Board.

4.35. If it deems necessary, institute special investigations and, if it deems appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.

5. **General**

In addition to the foregoing, the Committee will:

(a) assess the Committee's performance of the duties specified in this charter and report its finding(s) to the Board;

(b) review and assess the adequacy of this charter at least annually and recommend any proposed changes to the Board for approval; and

(c) perform such other duties as may be assigned to it by the Board from time to time or as may be required by any applicable stock exchanges, regulatory authorities or legislation.