B2GOLD CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS

(All tabular amounts are expressed in United States dollars, unless otherwise stated)

This Management's Discussion and Analysis has been prepared as at June 8, 2011 and contains certain "Forward-Looking Statements" within the meaning of the Canadian Securities laws. All statements, other than statements of historical fact, included herein, including without limitation statements regarding potential mineralization, exploration results and future plans and objectives of B2Gold Corp. (the "Company" or "B2Gold") are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The following discussion of the operating results and financial position of the Company should be read in conjunction with the unaudited condensed consolidated interim financial statements ("financial statements") and the notes thereto of the Company for the three months ended March 31, 2011 and the audited consolidated financial statements and the notes thereto of the Company for the year ended December 31, 2010. The March 31, 2011 financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34 "Interim Financial Reporting" and IFRS 1 "First-Time Adoption of IFRS". For comparative purposes all financial statement amounts related to the quarter ended March 31, 2010 and the year ended December 31, 2010 have been restated in accordance with IFRS. All other periods remain unchanged from the numbers originally reported under Canadian generally accepted accounting principles ("Canadian GAAP"). Refer to Notes 2, 3 and 13 of the financial statements for disclosure of the Company's significant accounting policies. All amounts are expressed in United States dollars, unless otherwise stated.

OVERVIEW

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

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

RESULTS OF OPERATIONS

Consolidated Financial and Operating Highlights

	Three months ended March 31 (unaudited)	
	2011	**2010**
Gold revenue ($ in thousands)	53,501	17,051
Gold sold (ounces)	38,754	15,447
Average realized gold price ($/ ounce)	1,381	1,104
Gold produced (ounces)	34,733	16,265
Cash operating costs ($/ ounce gold)	531	772
Total cash costs ($/ ounce gold)	610	831
Adjusted net income (loss)[(1)] ($ in thousands)	18,078	(3,272)
Adjusted earnings (loss) per share – basic ($)	0.05	(0.01)
Net income (loss) ($ in thousands)	11,411	(4,305)
Earnings (loss) per share – basic ($)	0.03	(0.01)
Cash flows from operating activities ($ in thousands) – before changes in non-cash working capital	24,765	176

(1) *Adjusted net income (loss) excludes the following non-cash items: deferred income tax expense and share based payments expense (relating to stock options). In addition, the comparative March 31, 2010 period excludes non-cash derivative losses on Canadian dollar denominated common share purchase warrants issued as part of the March 2009 Central Sun acquisition which are considered derivative instruments under IFRS.*

First quarter 2011 and 2010

Consolidated gold sales revenue in the first quarter of 2011 achieved record levels for the fourth consecutive quarter. The Company sold 38,754 ounces at an average realized gold price of $1,381 per ounce (the average spot gold price for the quarter was $1,384 per ounce) for revenues of $53.5 million compared to 15,447 ounces sold the same period of 2010 at an average realized gold price of $1,104 per ounce for revenue of $17.1 million. The significant revenue increase was mainly due to higher gold production from the Libertad Mine which commenced commercial production on February 1, 2010 and also to higher average realized gold prices.

The Company’s consolidated gold production during the first quarter of 2011 was 34,733 ounces at an operating cash cost of $531 per ounce compared to 16,265 ounces produced over the same period last year at an operating cash cost of $772 per ounce. For the first quarter of 2011 gold production exceeded guidance of 31,000 to 33,000 ounces and operating cash costs were lower than the forecast of $565 to $590 per ounce, as both Mines exceeded budgeted production.

The Libertad Mine had an excellent first quarter, following a successful production ramp up year in 2010. In the first quarter of 2011, the Libertad Mine produced 24,614 ounces of gold at an operating cash cost of $452 per ounce compared to budget of 22,278 ounces at an operating cash cost of $478 per ounce. The mill throughput rate at Libertad in the quarter averaged 5,677 t/d, slightly higher than the design rate of 5,500 t/d.

The Limon Mine also performed better than budget in the first quarter of 2011 producing 10,119 ounces at an operating cash cost of $724 per ounce of gold compared to budget of 9,488 ounces at an operating cash cost of $778 per ounce of gold.

Cash flow from operating activities (before changes in non-cash working capital) was $24.8 million ($0.07 per share) in the first quarter of 2011 compared to $0.2 million ($0.00 per share) in the first quarter of 2010, an increase of $24.6 million. The operating cash flow was the highest in the Company's history, reflecting the Company's strong operating performance and continued strength in gold prices. As a result, the Company continues to be in a strong financial position with $76.8 million in cash as at March 31, 2011.

The Company is forecasting another record year for gold production in 2011, with consolidated gold production projected to be between 130,000 and 140,000 ounces at an operating cash cost of $540 to $560 per ounce.

For the first quarter of 2011, the Company generated net income of $11.4 million ($0.03 per share) compared to a loss of $4.3 million (negative $0.01 per share) in the equivalent period of 2010. Net income for the quarter of 2011 included a non-cash deferred income tax expense of $6.1 million (Q1 2010 - $nil), resulting mainly from a decrease in non-capital tax loss carry-forwards, and a non-cash share based payments expense (relating to stock options) of $0.6 million (Q1 2010 - $1 million). Net income for the quarter of 2010 also included a non-cash derivative loss of $0.04 million. The Company's Canadian dollar denominated common share purchase warrants issued as part of the March 2009 Central Sun Mining Inc. acquisition are considered derivative instruments under IFRS. Excluding the effect of these non-cash items, adjusted net income was $18.1 million ($0.05 per share) in the first quarter of 2011 compared to a loss of $3.3 million (negative $0.01 per share) in the same period of 2010.

General and administrative costs increased to $6.2 million in the first quarter of 2011 from $3.7 million in the same period of 2010. General and administrative costs relate to the Company's head office in Vancouver, the Managua office in Nicaragua and administrative costs incurred in Costa Rica. The increase in general and administrative costs related mainly to bonuses paid to senior management at the Vancouver and Managua offices in recognition of the Company's outstanding performance in 2010 and 2009. Also impacting the general and administrative expenses was the addition of several key management positions to help facilitate the Company's growth plans. The strength of the Canadian dollar, in which most of the Company's Vancouver office costs are based, also increased expenses as the United States dollar is the Company's reporting currency.

Summary of unaudited Quarterly Information:

	Q1 2011	Q4[(2)] 2010	Q3[(2)] 2010	Q2[(2)] 2010	Q1 2010	Q4[(2)] 2009	Q3[(2)] 2009	Q2[(2)] 2009
Gold revenue ($ in thousands)	53,501	47,013	40,191	23,266	17,051	3,544	9,243	7,851
Gold sold (ounces)	38,754	34,039	32,300	19,319	15,447	3,211	9,508	8,513
Average realized gold price ($/ ounce)	1,381	1,381	1,244	1,204	1,104	1,104	972	922
Gold produced (ounces)	34,733	36,824	30,675	24,924	16,265	3,577	10,203	6,832
Cash operating costs ($/ ounce gold)	531	535	517	648	772	1,115	647	858
Total cash costs ($/ ounce gold)	610	609	581	709	831	1,193	699	923
Net income (loss) & comprehensive income (loss) for the period ($ in thousands)	11,411	6,240	32,004	(4,166)	(4,305)	(17,254)	(1,964)	(2,843)
Earnings (loss) per share – basic ($)	0.03	0.02	0.10	(0.01)	(0.01)	(0.06)	(0.01)	(0.01)
Cash flows from operating activities ($ in thousands) – before changes in non-cash working capital	24,765	21,947	13,228	762	176	(743)	1,658	(1,613)

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

The positive increase in the quarterly results for 2011 and 2010 result primarily with the commencement of commercial production at the Libertad Mine on February 1, 2010.

LIBERTAD MINE - NICARAGUA

	Three months ended March 31 (unaudited)	
	2011	**2010**
Gold revenue ($ in thousands)	38,028	6,521
Gold sold (ounces)	27,549	5,873
Average realized gold price ($/ ounce)	1,380	1,110
Tonnes of ore milled	508,412	203,187
Grade (grams/ tonne)	1.66	1.04
Recovery (%)	91	92
Gold production (ounces)	24,614	6,008
Cash operating costs ($/ ounce gold)	452	1,045
Total cash costs ($/ ounce gold)	528	1,110
Capital expenditures ($ in thousands)	7,755	10,498

The Libertad Mine achieved commercial production on February 1, 2010. The Libertad Mine was under construction in 2009, being converted from an open pit heap leach gold mine to a conventional milling operation.

The commissioning of the second ball mill and related process infrastructure was completed in August 2010. In the third quarter of 2010, the Libertad Mine continued to implement plant improvements such as process automation, and minor equipment installation such as a new belt scale and carbon scale. By the fourth quarter of 2010, operations were essentially as expected and the management team continued to focus on process efficiency and process controls both for the plant (improving performance of the feeder, completing process controls and developing continuous improvement strategies for 2011) and the refinery/carbon processing complex (installing monitors, preparing for process control installation, new boiler to ensure stripping efficiency, analyzing proposed modifications to the refinery area). Plant upgrades continued in the first quarter of 2011 with various installations including teflon liners in the chutes of the crushing system to improve throughput during the wet season, process control installations in the ADR plant, and additional capacity for carbon stripping and regeneration.

First quarter gold sales from the Libertad Mine totalled 27,549 ounces (Q1 2010 – 5,873 ounces) at an average realized price of $1,380 per ounce (Q1 2010 - $1,110 per ounce), generating revenue of $38 million (Q1 2010 - $6.5 million).

In the first quarter of 2011, Libertad produced 24,614 ounces of gold at an operating cash cost of $452 per ounce compared to budget of 22,278 ounces at an operating cash cost of $478 per ounce. The main reason for the favourable variance in gold production was higher recovery than budget (91% actual versus 87% budgeted). The improved recovery was the result of upgrades to the plant during 2010 and a larger than planned percentage of ore coming from the Crimea pit which has better leaching characteristics than ore from the Mojon pit. The Crimea Pit contributed 58%, Mojon Pit 13% and Spent Ore 29% of the ore milled during the quarter. The favourable cost per ounce variance was due primarily to increased gold production.

The mill throughput rate in the first quarter of 2011 averaged 5,677 t/d, slightly higher than the design rate of 5,500 t/d. The average ore grade was 1.66 grams per tonne ("g/t"), again slightly higher that the budget for this period of 1.55 g/t.

Capital expenditures in the first quarter of 2011 totalled $7.8 million. Most of the capital expenditures were related to construction of a lift on the tailings pond ($3.1 million) and pre-stripping in both the Mojon and Crimea pits ($2.9 million). Most of the remaining capital was for continued upgrades in the plant, electrical substation upgrades and construction of a new maintenance facility. Annual capital expenditures at the Libertad Mine for 2011 are budgeted to be approximately $28.3 million. In addition, the 2011 exploration budget for La Libertad property has been increased to $8.7 million to further explore the 20 kilometre long gold belt and to drill the Jabali deposit to indicated resource status.

Capital expenditures in the first quarter of 2010 totalled $10.5 million, mainly for the completion of the tailings facility, installation of the second ball mill and fabrication of additional leach tanks.

The Company projects the Libertad Mine to produce between 88,000 to 94,000 ounces of gold in 2011 with projected operating cash costs of approximately $440 to $460 per ounce of gold.

LIMON MINE - NICARAGUA

	Three months ended March 31 (unaudited)	
	2011	**2010**
Gold revenue ($ in thousands)	15,473	10,530
Gold sold (ounces)	11,205	9,574
Average realized gold price ($/ ounce)	1,381	1,100
Tonnes of ore milled	88,171	86,165
Grade (grams/ tonne)	4.00	4.27
Recovery (%)	90	88
Gold production (ounces)	10,119	10,257
Cash operating costs ($/ ounce)	724	611
Total cash costs ($/ ounce)	810	671
Capital expenditures ($ in thousands)	4,360	1,240

First quarter gold sales from the Limon Mine totalled 11,205 ounces (Q1 2010 – 9,574 ounces) at an average realized price of $1,381 per ounce (Q1 2010 - $1,100 per ounce), generating revenue of $15.5 million (Q1 2010 - $10.5 million).

The Limon Mine performed better than budget in the first quarter of 2011 producing 10,119 ounces of gold compared to budget of 9,488 ounces. The higher than budget gold production was due to a combination of factors as mill head grade, recovery and mill throughput were all slightly better than budget. The Limon Mine processed 88,171 tonnes of ore at an average grade of 4.0 g/t producing 10,119 ounces of gold. The operating cash cost for the first quarter was $724 per ounce, lower than budget of $778 per ounce. The operating cash cost was lower than budget mainly due to less ore sourced from a remote pit than what was planned. The remote pit ore was replaced with ore adjacent to the Santa Pancha mine at a much lower cost and similar grades.

The Company has increased its 2011 budget for capital expenditures at Limon by $4.8 million to $24.5 million, mainly due to revised costs to construct the new tailings pond. The 2011 budget for capital expenditures at Limon include Santa Pancha deep underground development and equipment, construction of a new tailings pond, process plant upgrades and spares, and several infrastructure upgrades. Capital expenditures in 2012 are expected to be much lower. During the first quarter of 2011, $4.4 million of capital expenditures were incurred, mainly for the construction of the new San Jose tailings storage facility, underground mining equipment and critical spare parts.

In 2011, the Limon Mine is forecast to produce between 42,000 and 46,000 ounces of gold at an operating cash cost of $720 to $740 per ounce.

GRAMALOTE PROPERTY – COLOMBIA

On August 12, 2010, the Company and AngloGold Ashanti Limited (“AngloGold”) entered into the Gramalote Amending Agreement pursuant to which AngloGold will retain its 51% interest and will become manager of the joint venture project. The Company will retain a 49% interest and have equal representation on the joint venture management committee, which will unanimously agree on each annual program and budget for exploration and development of the Gramalote property. As part of the Gramalote Amending Agreement, each of the Company and AngloGold agreed to a budget for the Gramalote project for the second half of 2010 totalling $9.2 million and a 2011 prefeasibility and exploration budget of $30 million. Each of the Company and AngloGold will fund their share of expenditures pro rata. The Company and AngloGold plan to continue exploration and conduct prefeasibility work in 2011 and into 2012, with a goal of completing a final feasibility study by April 2013.

The project area is covered by 31 contiguous claim blocks totalling 42,790.09 hectares. The claims presently include one exploitation license totalling 56.75 hectares, one exploration license totalling 2,292.76 hectares, 19 registered concession contracts totalling 27,444.55 hectares, six non-registered concession contracts totalling 5,527.69 hectares and 9 mineral applications totalling 7,468.35 hectares.

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

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.

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

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

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

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

The Gramalote project has a 2011 prefeasibility and exploration budget of $30 million (100%). This budget will fund 25,000 metres of diamond drilling utilizing four drill rigs for the exploration of additional targets on the property, infill drilling and metallurgical drilling of the Gramalote deposit, and engineering studies. In addition, the budget will fund prefeasibility work including additional environmental studies, metallurgical test work and engineering. Each of the Company and AngloGold will fund their share of expenditures pro rata.

BELLAVISTA PROPERTY – COSTA RICA

The Company continues with site monitoring and maintenance to keep the Bellavista property in full regulatory compliance. Field programs focused on the site monitoring plan and maintenance of drainage channels. Due to the unusually heavy rains in the third quarter of 2010, causing detectable movement in the slide area, the monitoring frequency in the slide area was performed weekly through to the end of the year. Monitoring to date has not detected any significant environmental issues and the main slide area remains stable.

Work programs for the potential reopening of the Bellavista Mine continued. These programs are focused on the collection of base line data in the proposed tailings pond area and include investigations of potential pipeline routes between the mine and proposed tailing pond area. The Company is currently preparing a D1 Report which will be submitted to the National Technical Secretariat of the Environment ("SETENA") and will be based on the recently completed Conceptual Study for the reopening of the mine. The D1 Report is a formal step to define the terms of reference for obtaining and Industrial Permit for the proposed tailing pond area and gold recovery plant.

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

LIQUIDITY AND CAPITAL RESOURCES

The Company ended the quarter with cash and cash equivalents of $76.8 million and working capital of $89.3 million compared to cash and cash equivalents of $70 million and working capital of $84.6 million at the end of 2010. The increase in cash and cash equivalents was mainly due to strong operating cash flows of $26 million generated by the Libertad and Limon Mines. These cash inflows were partially offset by capital expenditures at the Libertad Mine and Limon Mine of $7.8 million and $4.4 million, respectively, and exploration expenditures of $7.3 million (see "Investing activities" section).

The Company is projecting another record year for gold production in 2011, with gold production at the Libertad Mine projected to be between 88,000 and 94,000 ounces at an operating cash cost of $440 to $460 per ounce and the Limon Mine forecast to produce between 42,000 to 46,000 ounces of gold at an operating cash cost of $720 to $740 per ounce. Consolidated gold production for 2011 is projected to be approximately 130,000 to 140,000 ounces at average operating cash costs of approximately $540 - $560 per ounce. The Company has no outstanding debt and no gold hedges.

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

The Company's 49% share of the 2011 budget for the Gramalote property is $14.7 million which includes exploration diamond drilling of additional targets on the property and infill drilling and metallurgical drilling of the Gramalote deposit, as well as pre-feasibility environmental, engineering and metallurgical studies.

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

Operating activities

Cash flow from operating activities (before non-cash working capital changes) for the first quarter of 2011 was a record $24.8 million compared to $0.2 million in the comparable period last year. The favourable change of $24.6 million was due to higher gold production from the Libertad Mine (which commenced commercial production on February 1, 2010), higher average realized gold prices and continued consistent production from the Limon Mine.

Financing activities

The Company received proceeds of $0.9 million from the exercise of stock options in the first quarter of 2011.

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

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

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

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

The Company received proceeds of $0.3 million from the exercise of stock options and warrants in the first quarter of 2010.

Investing activities

In the first quarter of 2011, capital expenditures on sustaining capital, pre-stripping and development at the Libertad Mine (see "Libertad Mine" section) and Limon Mine (see "Limon Mine" section) totalled $7.8 million and $4.4 million, respectively. In addition, resource property expenditures on exploration totalled approximately $7.3 million (Q1 2010 - $3.6 million), expended as follows:

	Three months ended March 31	
	2011	**2010**
	$ (000's)	**$ (000's)**
Development & exploration:		
Gramalote	**3,377**	815
Libertad Mine, exploration	**1,245**	529
Cebollati	**851**	-
Limon Mine, exploration	**759**	468
Radius joint venture	**405**	432
Calibre joint venture	**368**	747
Kupol East and West Licenses	**-**	578
Other	**249**	-
	7,254	3,569

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

Libertad exploration

On June 8, 2011, the Company announced further positive drilling results from the exploration programs at La Libertad Mine property in Nicaragua. These results have extended the Jabali Central Zone mineralization 570 metres westward from the current resource and demonstrate potential over 100 metres below the current resource. The recent drilling has also identified a potential new zone immediately west of the current Mojon open pit near La Libertad mill.

The 2011 exploration budget for La Libertad property has been increased to $8.7 million to further explore the 20 kilometre long gold belt and to drill the Jabali deposit to indicated resource status. The recently announced new Jabali resource, based on the 2010 drill program totals 3.55 million tonnes at 4.58 g/t of gold containing 522,000 ounces of gold. This new resource with infill drilling could not only add several years to La Libertad's current seven year mine life but more importantly, allow the potential to deliver in the near term higher grade ore to La Libertad mill which would increase annual gold production.

Drilling in 2011 commenced on January 24 with 42 holes totalling 13,347 metres drilled to date. Two rigs are currently drilling at Jabali and an additional three drill rigs are expected on site by the end of June 2011. The objectives of this year's program include the completion of infill drilling to convert Jabali to an indicated resource (results expected to be released in early 2012), further exploration at the Jabali zones that remain open, infill drilling of the eastern and western portions of San Juan to the indicated category and drilling to expand the western margins of the Mojon and Crimea pits.

The Jabali epithermal vein system is currently being explored in two zones, the Antenna and Central Zones, covering a combined strike length of 3.2 kilometres, though the vein itself has a known strike length of 6.2 kilometres. To date a total of 114 drill holes (18,283 metres) have been completed at Jabali.

Recent work at the Central Zone has focused on exploration drilling to determine the overall extent of the deposit and infill drilling of the inferred resource. Highlights of the drilling to date adjacent to the inferred resource include JB11-063 with 10.25 metres true width grading 4.03 g/t gold, JB11-071 with 3.0 metres true width grading 9.15 g/t gold and JB11-061 with 4.5 metres true width grading 4.98 g/t gold.

In addition, exploration drilling has intersected significant mineralization 570 metres west of the current Central Zone resource and half way between the Antenna and Central Zones as indicated by hole JB11-060 with 10.7 metres true width grading 2.00 g/t gold. JB11-088, a 50 metre undercut of JB11-060 returned 15.0 metres true width grading 1.24 g/t gold. Additional exploration drilling has been completed and more assays are pending.

Hole JB11-077 (9.50 metres true width grading 2.81 g/t gold) was drilled 160 metres west and 200 metres down plunge from JB11-063 (10.25 metres true width grading 4.03 g/t gold) and may represent part of a westward plunging mineralized shoot that lies outside of the present resource. Additional drilling is planned down plunge and down dip.

JB11-074 (4.0 metre true width grading 6.61 g/t gold) and JB11-075 (6.0 metre true width grading 2.49 g/t gold) were drilled 160 metres apart and over 100 metres below the current resource, suggesting the presence of a down plunge continuation of the Momotombo mineralized shoot. Infill drilling in this area will be part of future plans.

The Antenna Zone drilling forms part of the current inferred resource. The higher grade nature of the Antenna Zone indicates the potential for underground mining in portions of the deposit. Highlights of the down plunge drilling include hole JB11-050 with 6.0 metres true width grading 5.30 g/t gold, JB11-049 with 6.2 metres true width grading 4.76 g/t gold, JB11-048 with 13.75 metres true width grading 1.53 g/t gold and JB11-051 with 1.75 metres true width grading 12.29 g/t gold. A highlight of the down dip drilling includes hole JB11-055 with 5.4 metres true width grading 5.29 g/t gold.

The Antenna Zone target is now a minimum over 1,300 metres long, ranging up to 29.1 metres true width. The Antenna Zone is open down plunge to the west and down dip. Further exploration and infill drilling is planned to commence in the next 30 days.

To date a total of 26 drill holes totalling 3,694 metres have been completed at Mojon. The majority of the drilling has been focused on near surface infill of the mine block model and exploration drilling at the west end of the current open pit. Highlights of the drilling include MJ11-017 with 12.9 metres true width grading 2.91 g/t gold, MJ11-022 with 18.5 metres true width grading 2.88 g/t gold and MJ11-014 with 6.0 metres true width grading 4.58 g/t gold. These results extend mineralization at least 300 metres west of the current reserve boundary.

MJ11-019 and MJ11-022 have intersected mineralization 270 and 220 metres west of the current Mojon pit. Additional drilling is underway to evaluate the potential of this area.

Gramalote exploration

The Company and joint venture partner and manager AngloGold are well underway with the 2011 prefeasibility and exploration program budgeted at $30 million. This budget will fund 20,000 metres of diamond drilling to explore additional targets on the property, infill drilling of the Gramalote deposit, drilling for metallurgical test samples and conducting engineering studies. Each joint venture partner will fund their share of expenditures pro rata.

To date approximately 25 exploration drill holes totalling 8,624 metres have been drilled on several targets on the Gramalote property. Drill results will be released as they are available.

The two companies plan to continue exploration and conduct prefeasibility work in 2011 and into 2012, with a goal of completing a final feasibility study by April 2013.

Cebollati exploration

On June 7, 2011, the Company announced positive assay results from the first exploration drilling program at its newly discovered Cebollati gold property in Uruguay. The Company is earning an 80% interest in the property by paying $1 million in stages by January 31, 2012 and funding all exploration work through feasibility. Additional obligations include the completion of a feasibility study, a per ounce gold payment and a Net Smelter Royalty for additional production.

The Company has completed 19 holes to date with assay results received for the first 14 holes. These holes follow up on surface mapping and high grade trenching which indicates the presence of mineralized structures extending in excess of 2.2 kilometres. Initial results confirm the presence of significant gold bearing replacement style mineralization at depth within multiple zones on the property.

Mineralization at Cebollati is hosted by marbles and dolomitized marbles within a broad antiformal structure and is comprised of iron oxide replacement zones and related quartz-sulphide and sulphide veins. Hematite is the dominant oxide mineral present in the replacement bands, commonly as a byproduct of the oxidation of pyrite. Drilling indicates the oxidation extends to a depth in excess of 150 metres. Galena and covellite are common accessory minerals along with the oxides scorodite and malachite. Supergene gold was observed in many of the holes to a depth of more than 100 metres down hole.

Drilling was concentrated in two principal zones, Windmill and Southern. Highlights of the initial drill program include, from the Windmill zone, UC11-004 with 24.90 metres grading 1.47 g/t gold and 2.20 metres grading 23.61 g/t gold (uncut); and UC11-006 with 24.45 metres grading 1.36 g/t gold; and from the Southern zone; UC11-013 with 27.35 metres grading 1.21 g/t gold; UC11-011 with 2.30 metres grading 8.49 g/t gold and UC11-008 with 12.25 metres grading 3.06 g/t gold.

These initial drilling results indicate the presence of shallow to moderate dipping mineralized zones extending in excess of 100 metres below surface. Mineralization has been traced in the trenching and through drilling in excess of 400 metres strike length in both the Southern and Windmill zones. Drilling indicates that the mineralization occurs in more discrete zones than indicated in the surface trenching with the surface trenching possibly cutting the mineralized zones oblique to the true width of the zones. Based on the drilling results to date B2Gold’s management believes the Cebollati property has the potential to host multiple zones of potentially economic gold mineralization.

Trenching and drilling is continuing at Cebollati utilizing two core rigs. Only two of the many targets at Cebollati have been tested to date in what is the first drilling campaign on this new prospect. Assays for additional drill holes will be released as they come available. The 2011 exploration and drilling program at Cebollati is budgeted for $4.5 million with a total of 8,500 metres planned.

Radius Joint Venture - Trebol exploration

At the Trebol property, a joint venture with Radius Gold Inc. (“Radius Gold”), the 2011 exploration budget is approximately $2.1 million to fund over 3,000 metres of drilling to follow up good grade geochemical and trench results from the 2010 program.

On May 17, 2011, the Company and Radius Gold announced positive assay results from the initial 2011 exploration drilling program at the Trebol Project in Nicaragua. The Company has the right to earn a 60% interest from joint venture partner Radius Gold.

The over 3,000 metre diamond drilling program has been focused on three zones of low sulfidation gold occurrences in altered volcanic rocks covering a strike length of over five kilometres. These results confirm the Trebol Property's potential to host, at or near surface, shallow dipping gold mineralization that could potentially be mined with very low strip ratios.

Mineralization throughout the Trebol area is characterized by shallow to moderately dipping tabular shaped vein and hydrothermal breccia zones within andesite. Outcropping horizons of the siliceous material have yielded impressive gold values in the trenching and the drilling has shown that many of these zones extend up to 100 metres down dip and show continuity over distances of several hundreds of metres of strike length. Due to the shallow dips associated with the gold mineralization, most of mineralization is near surface and mostly oxidized.

The three zones, drilled to date are Cerro Domingo, the Paola Zone, and the Trebol North Zone. Drill holes contain up to 13.08 g/t gold over 7.00 metres in hole TR-11-047. Drilling by Radius Gold in 2008 first located the Cerro Domingo Zone and this has been confirmed and expanded in the recent drilling. The 2011 drilling campaign cut mineralization in the Cerro Domingo, Paola and Trebol North Zones with drill holes containing up to 1.96 g/t gold over 28.55 metres in hole TR-11-014 in the Cerro Domingo Zone, up to 8.86 g/t gold over 7.75 metres in hole TR-11-028 in the Paola Zone and up to 13.08 g/t gold over 7.00 metres in hole TR-11-047 in the Trebol North Zone.

The 2011 drill campaign at Trebol has successfully identified several areas that will require additional drilling to define the extent of the mineralization. The mineralization remains open to the north and south and in the covered areas between the three zones. In addition, the Company's geologists continue to discover more low sulfidation epithermal gold, outcrop and float occurrences within the concession that contain plus 1.00 g/t gold assays in grab and chip samples over 11.5 km of the 22 km total strike length of the trend. In addition, a parallel zone has been located three km east of Cerro Domingo where preliminary grab sampling of similar siliceous material has yielded values up to 3.00 g/t gold.

Exploration is ongoing at Trebol and will continue as the Company’s geologists compile the recent drill data and plan the next round of trenching and drilling.

CRITICAL ACCOUNTING ESTIMATES

The Company’s accounting policies are described in Notes 2, 3 and 4 of its financial statements as at March 31, 2011. Management considers the following policies to be the most critical in understanding the judgments that are involved in the preparation of the Company’s financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows:

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

Ore reserve and resource estimates

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

Units-of-production depreciation

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

Exploration and evaluation expenditures

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

Mine restoration provisions

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

Deferred income taxes and valuation allowances

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

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

RECENT ACCOUNTING PRONOUNCEMENTS

Adoption of International Financial Reporting Standards ("IFRS")

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

RISKS AND UNCERTAINTIES

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

Exploration, Development and Operating Risks

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

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

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

Foreign Countries and Mining Risks

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

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

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

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

Property Interests

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

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

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

Commodity Prices

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

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

Currency Risks

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

Environmental Compliance

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

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

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

INTERNAL CONTROLS

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

NON-IFRS MEASURES

Cash cost per ounce data are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

	Three months ended March 31	
	2011	**2010**
	$ (000's)	**$ (000's)**
Production costs per consolidated financial statements	**20,540**	12,802
Royalties and production taxes	**2,739**	965
Inventory sales adjustment	**(2,094)**	(251)
	21,185	13,516
Gold production (in ounces)	**34,733**	16,265
Total cash costs per ounce of gold production ($/ounce)	**610**	831

Total cash costs per ounce is derived from amounts included in the Consolidated Statement of Operations and include mine site operating costs such as mining, processing, smelting, refining, transportation costs, royalties and production taxes, less silver by-product credits.

OUTLOOK

After another strong quarter of operating performance in the first quarter of 2011, including record gold revenue and gold sales, the Company looks forward to continued financial strength and growth for the rest of 2011.

Operations

La Libertad Mine, Nicaragua

La Libertad continued its excellent performance in the first quarter exceeding budgeted production at a lower than budget cash cost. Production from the mine in 2011 is projected between 88,000 and 94,000 ounces of gold at an operating cash cost of approximately $440 to $460 per ounce of gold. The Company expects to spend approximately $28 million on capital improvements at La Libertad in 2011. The mine is debt free and has no gold hedging.

Based on the success of last year's exploration drilling on the Jabali Zone located approximately 10 km from La Libertad mill, the Company has calculated a new resource of 3,545,925 tonnes at 4.58 g/t gold containing 522,393 ounces. Based on this new resource, the Company has decided to increase the 2011 $4.6 million exploration budget at La Libertad by $4.1 million. Drilling will continue to focus on infill drilling and further exploration of the Jabali Zones which remain open. Two rigs are currently drilling at Jabali, and three additional rigs are expected on site by the end of June 2011.

The new resource at Jabali not only indicates the potential to significantly increase the La Libertad's seven year mine life but also the potential to deliver higher grade ore to the mill which could result in higher annual gold production and lower operating costs per ounce produced.

The Company has also received positive drill results from diamond drilling in and adjacent to the Mojon and San Juan deposits. The Mojon deposit is currently being mined and the San Juan deposit is in the inferred resource category. Much of the drilling at Mojon and San Juan is part of an infill program with the objective to convert the inferred to an indicated resource.

Limon Mine, Nicaragua

After another solid first quarter from the Limon Mine is in on track to produce between 42,000 and 46,000 ounces of gold at an operating cash cost of $720 to $740 per ounce in 2011. The Company will continue to optimize production at the Limon Mine and expend $24.5 million on capital improvements to the mine, mill and infrastructure. The mine is debt free and has no gold hedging.

Based on the positive deeper exploration drill results at the Santa Pancha vein and other exploration targets the Company has increased proven and probable reserves at Limon yielding a five year mine life. The Company believes there is excellent potential to further increase the current five year mine life and also discover higher grade open pit and underground deposits that could increase annual gold production and reduce operating costs per ounce of gold.

The 2011 exploration budget for Limon is $3.2 million including 10,000 metres of drilling. For the remainder of the year two rigs will continue drilling to increase the mine life and explore potential higher grade targets.

Health, Safety, Environmental and Corporate Social Responsibility (HSES)

B2Gold has a strong safety and environmental track record. The Company continues to build on our strong historical commitment to HSES responsibility. Recently the Company hired a full time Vice President for Environment, Health, Safety, and Permitting. Bill Lytle has had more than 15 years experience specializing in providing operational health, safety, environmental, and social assistance during all phases of the mining cycle as well as extensive experience working with international lending institutes such as the IFC. Bill has been involved as a consultant to B2Gold and previously a full time employee of Bema, notably working on the permitting and development of the Kupol project in Russia for Bema.

B2Gold continues to invest heavily in the communities where we operate with more than $2.0 million spent on social programs in 2011. These monies were focused on issues related to public health, education, and development of small business.

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

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

The Gramalote Ridge Zone has a National Instrument 43-101 compliant inferred mineral resource estimate of 74.375 million tonnes grading 1.00 g/t gold for a total of 2.39 million troy ounces of gold at a 0.5 g/t cut-off and within a $1,000 per ounce gold optimized Whittle pit (Technical Report Gramalote Property dated February 27, 2009 and the update report dated June 12, 2008). The Gramalote Ridge Zone remains open to the east and west.

B2Gold and AngloGold have agreed to a 2011 prefeasibility and exploration budget of $30 million. This budget will fund 20,000 metres of diamond drilling to explore additional targets on the property, infill drilling of the Gramalote deposit, drilling for metallurgical test samples, engineering studies and baseline investigations for an Environmental Impact Study. Each joint venture partner will fund their share of expenditures pro rata.

The two companies plan to continue exploration and conduct prefeasibility work in 2011 and into 2012, with a goal of completing a final feasibility study by April 2013.

Nicaraguan Joint Ventures

In addition to La Libertad and Limon property exploration programs, the Company is involved in two exploration joint ventures in Nicaragua. The Company has the right to earn a majority interest from Radius Gold in two Nicaraguan properties called Trebol and Pavon. Work which is ongoing at Trebol has consisted of hand dug trenches and geochemical soil sampling over the 25 km strike length of the system and 3,000 metres of diamond drilling.

The drilling program for 2011 has been focused on three zones of low sulfidation gold occurrences in altered volcanic rocks covering a strike length of over five km.

The 2011 drill campaign at Trebol has successfully identified several areas of good grade mineralization that will require additional drilling to define the extent of the mineralization. The mineralization remains open to the north and south and in the covered areas between the three zones. These results confirm the Trebol Property's potential to host, at or near surface, shallow dipping gold mineralization that could potentially be mined with very low strip ratios. In addition, the Company's geologists continue to discover more low sulfidation epithermal gold, outcrop and float occurrences within the concession.

Exploration is ongoing at Trebol and will continue as B2Gold geologists compile the recent drill data and plan the next round of trenching and drilling.

The Company has the right to earn a majority interest in the Borosi project, located in north east Nicaragua, owned by Calibre Mining. The companies continue to explore the property.

Cebollati Gold Property, Uruguay

The 2011 exploration program for the Cebollati Property has a budget of $4.5 million, which includes 10,000 metres of drilling. Drilling commenced on the Cebollati Property in December 2010. The purpose of the drilling program is to test the bulk mining potential of the property, following up on the high grade surface gold mineralization, soil geochemical anomalies and the recently released high grade trench results.

B2Gold has completed 19 holes to date with assay results received for the first 14 holes (see press release dated June 7, 2011). These holes follow up on surface mapping and high grade trenching which indicates the presence of mineralized structures extending in excess of 2.2 km. These initial positive results confirm the presence of significant gold bearing replacement style mineralization at depth within multiple zones on the property.

Initial drilling indicates the presence of shallow to moderate dipping mineralized zones extending in excess of 100 metres below surface. Mineralization has been traced in the trenching and through drilling in excess of 400 metres strike length in both the Southern and Windmill zones. Based on the drilling results to date B2Gold's management believes the Cebollati property has the potential to host multiple zones of potentially economic gold mineralization.

Trenching and drilling is continuing at Cebollati utilizing two core rigs. Only two of the many targets at Cebollati have been tested to date in what is the first drilling campaign on this new prospect.

Financial

Our strong operational performance and solid gold prices enabled B2Gold to finish the first quarter of 2011 debt free and with approximately $77 million in the treasury.

2011 will be a year of continued optimization at the mines and aggressive development and exploration programs, as the Company plans to expend approximately $52.8 million on capital at the mines and a total of approximately $39 million on exploration. Looking forward based on a budgeted gold price of $1,300 per ounce for 2011 we estimate that the Company's two operating mines should generate sufficient cash to fund our planned capital programs, exploration and general and administrative expenses and at the same time leave the Company in a strong cash position at the end of 2011.

Conclusion

B2Gold's strategy is to continue to grow the Company's gold production through the exploration and development of existing assets and timely acquisitions. Because most gold producers fail to discover enough gold reserves to maintain their production levels or grow, they have to acquire ounces of gold in the ground. In our view, given the robust gold price, these acquisitions are becoming more and more expensive. The B2Gold model is the exception, combining a highly successful exploration team with strong financing capability and a proven team of engineers building and operating gold mines.

In conclusion, the management of B2Gold believes the Company is well positioned to continue our growth as an intermediate gold producer from existing assets. With our strong cash position and impressive cash from operations, we can continue to advance all of our planned projects without requiring further funding.

OUTSTANDING SHARE DATA

At June 8, 2011 there were 342,329,140 common shares outstanding. In addition, there were approximately 13.7 million stock options outstanding with exercise prices ranging between Cdn.$0.80 to Cdn.$3.72 per share. More information is disclosed in Note 9 of the Company's March 31, 2011 financial statements.

CAUTION ON FORWARD-LOOKING INFORMATION

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

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