MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis has been prepared as at April 23, 2008 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 accompanying audited consolidated financial statements and the notes thereto of the Company for the period from November 30, 2006 (date of incorporation) to December 31, 2007. These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and all amounts are expressed in United States dollars, unless otherwise stated.

INCORPORATION AND OVERVIEW

B2Gold was incorporated as a private company under the Business Corporations Act (British Columbia) on November 30, 2006. On December 6, 2007, B2Gold completed its initial public offering of 40 million common shares at a price of Cdn.$2.50 per share for gross proceeds of Cdn.$100 million. On December 6, 2007, B2Gold's common shares were listed for trading on the TSX Venture Exchange. B2Gold was formed by certain former executives of Bema Gold Corporation ("Bema") and essentially commenced operations in March 2007.

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. 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.

B2Gold was formed to acquire certain assets formerly owned by Bema that were considered by Kinross Gold Corporation ("Kinross") not to be part of the core assets of Bema that Kinross wished to retain and acquire in the arrangement transaction approved by Bema's shareholders and implemented on February 27, 2007. On February 26, 2007, pursuant to the Purchase Agreement, the Company acquired the former interests of Bema in a joint venture arrangement with AngloGold Ashanti Limited ("AGA") relating to the acquisition of interests in a number of properties in Colombia, including Quebradona and Miraflores, as well as certain office leasehold interests and furniture and equipment, a $1.9 million receivable from Consolidated Puma Minerals Corp. ("Puma") and an option to acquire approximately 35% of the outstanding shares of Puma from Bema. In February 2008, the Company elected not to exercise its option to acquire common shares of Puma from Kinross (see "Subsequent events" section).

The Company paid an aggregate of $7.5 million in the form of 2,722,500 common shares of B2Gold and promissory notes aggregating $7,453,717 for the assets acquired on February 26, 2007. As part of the terms agreed to among Kinross, Bema and the Company, Kinross has a pre-emptive right to subscribe for 9.9% of the common shares issued by B2Gold until February 27, 2008 and has the right to increase its share ownership to 19.9% of B2Gold by subscribing for shares in an initial public offering by B2Gold at the offering price.

The Purchase Agreement also provided for the acquisition of 50% of Bema's 75% interest in a joint venture (37.5% overall interest) that will have an indirect interest in the Kupol East and West Licenses. The Company has reserved for issuance an additional 2,722,500 common shares, which are expected to be issued to Kinross, together with a promissory note in the aggregate amount of approximately $7.4 million, upon the completion of the acquisition of the Company's interest in the East and West Kupol licenses. Closing is subject to the receipt of certain consents and the completion of transfers and other steps relating to the transfer of the Kupol East and West licenses to a Russian subsidiary of Chukotka Mining and Geological Company ("CMGC") (75% owned by Bema and 25% owned by the Government of Chukotka). The Company and Kinross are currently in negotiations with a company controlled by agencies of the Government of Chukotka (‘‘CUE’’) to reach agreement on the amount of CUE’s ownership interest and other aspects of the anticipated joint venture.

On August 21, 2007, the Company entered into a binding Memorandum of Understanding (“Gramalote MOU”) with respect to the purchase by the Company of 25% of the issued and outstanding shares of Gramalote Limited (“Gramalote BVI”) which holds mineral exploitation and exploration licenses and concession contracts covering approximately 27,000 hectares in Colombia. In connection with the execution of the Gramalote MOU, the Company paid $3.5 million to the vendors and in exchange the vendors issued a $3.5 million promissory note in favour of the Company. On October 26, 2007, the Company entered into a definitive purchase and sale agreement (“Gramalote Purchase Agreement”). In connection with the first stage of closing under the Gramalote Purchase Agreement, the Company paid an amount of $7.5 million to the vendors, consisting of a cash payment of $4 million and the satisfaction and cancellation of the $3.5 million owing to the Company under the promissory note. In addition, pursuant to the Gramalote Purchase Agreement, on December 6, 2007 (upon completion of the Company’s initial public offering) the Company issued 2 million share purchase warrants entitling the vendors to purchase one common share of B2Gold at a price of Cdn.$2.50 per share until December 6, 2010. The Company is also required to pay the vendors an additional $7.5 million on or before April 26, 2008.

On February 13, 2008, the Company entered into a binding memorandum of agreement (“MOA”) with AGA (see “Subsequent events” section) that expands on and supersedes the non-binding memorandum of understanding between the Company and AGA dated November 26, 2007. Pursuant to the terms of the MOA, the parties agreed to terminate AGA’s right to acquire 20% of the voting shares of Andean Avasca Resources Inc. (“AARI”) (100% owned by B2Gold), 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 AGA are parties and acquire additional interests in mineral properties in Colombia. AARI indirectly has the right to earn a material interest in a number of properties in Colombia, including Quebradona and Miraflores, pursuant to the terms of a joint venture agreement with AGA.

RESULTS OF OPERATIONS

The following table has been extracted from the Company's audited consolidated financial statements for the period from November 30, 2006 (date of incorporation) to December 31, 2007. There are no comparable results from earlier periods, as the Company was incorporated on November 30, 2006.

Selected Annual Financial Information (extracted from audited financial statements):

	For the period from inception (on Nov. 30, 2006) to Dec. 31, 2007
	$
Total revenues (excludes interest income and management fees)	-
Loss and comprehensive loss for the period	**4,195,855**
Loss per share – basic and diluted	**0.13**
Total assets, as at December 31, 2007	**130,639,780**
Total current liabilities, as at December 31, 2007	**11,289,118**
Total long-term liabilities, as at December 31, 2007	**3,056,282**

The Company reported a loss of $4.2 million ($0.13 per share) for the period from its inception on November 30, 2006 to December 31, 2007. The Company has no source of ongoing operating revenue. The loss during the period included a write-off of resource property costs in the amount of $2.3 million, relating to the San Martin de Loba ($1.3 million) and San Carlos properties ($1 million) in Colombia, as the Company elected not to continue to explore these properties due to poor drill results. The write-off of resource property costs was partially offset by a net foreign exchange gain of $1.6 million incurred in the period, due to the strengthening of the Canadian dollar relative to the United States dollar. The foreign exchange gain related mainly to the net cash proceeds received from the December 6, 2007 initial public offering, as the majority of the Company's cash is in Canadian dollars (the Canadian dollar strengthened against the U.S dollar from 1.0092 on December 6, 2007 to 0.9913 on December 31, 2007). The Company recorded stock based compensation expense of approximately $0.5 million during the period.

On December 7, 2007, the Company granted 4,915,000 incentive stock options with an exercise price of Cdn.$2.40 per option to non-executive directors, non-executive officers, and employees of the Company. These stock options have a term of five years and expire on December 7, 2012. One-third of these options will vest on June 7, 2008, another one-third will vest on December 7, 2008 and the remainder will vest on December 7, 2009. The estimated fair value of these options totalling $6.9 million is being recognized over the vesting period. The fair value was estimated at $1.41 per option at the grant date using the Black-Scholes option pricing model based on a risk-free annual interest rate of approximately 4%, an expected life of five years, an expected volatility of 67%, and a dividend yield rate of nil.

Summary of Unaudited Quarterly Results:

	Sep. 30, 2007 (unaudited) (1)	**Dec. 31, 2007 (unaudited)**
	$	**$**
Total revenues (excludes interest income and management fees)	-	-
Loss and comprehensive loss for the period	**3,338,068**	**167,381**
Loss per share – basic and diluted	**0.08**	**0.00**
Total assets	**17,616,523**	**130,639,780**
Total current liabilities	**7,175,250**	**11,289,118**
Total long-term liabilities	**2,880,036**	**3,056,282**

(1) The Company became a reporting issuer on November 28, 2007 upon receipts being issued for its prospectus dated November 28, 2007. Prior to such date, the Company was a non-reporting issuer. Accordingly, the Company is not in a position to provide these figures for any fiscal quarters ending before September 30, 2007.

For the three months ended December 31, 2007, the Company reported a loss of $0.2 million (0.00 per share) compared to a loss of 3.3 million ($0.08 per share) for the third quarter of 2007. The loss for the third quarter of 2007 included a write-off of resource property costs in the amount of $2.3 million. The loss was also lower in the fourth quarter of 2007 as a result of a net foreign exchange gain of $1.5 million incurred during the quarter due to the strengthening of the Canadian dollar relative to the United States dollar. Total assets increased by $113 million in the fourth quarter of 2007 versus the previous quarter, mostly due to the net cash proceeds received from the Company's equity financings (see "Financing activities" section).

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2007, the Company had cash and cash equivalents totalling $99 million and a working capital balance of $94 million. On December 6, 2007, the Company completed its initial public offering for gross proceeds of Cdn.$100 million (see "Financing activities" section).

Operating activities

Operating activities, after non-cash working capital changes, required funding of approximately $2 million for the period from November 30, 2006 (date of incorporation) to December 31, 2007, due primarily to general and administrative expenses. The Company essentially commenced operations in March 2007.

Financing activities

On December 6, 2007, the Company completed its initial public offering. Pursuant to an agreement (the "Underwriting Agreement") dated November 28, 2007, between the Company and Genuity Capital Markets, Canaccord Capital Corporation, GMP Securities L.P., BMO Nesbitt Burns Inc., Orion Securities Inc. and Haywood Securities Inc. (collectively, the "Underwriters"), the Underwriters purchased, in the portions set out in the Underwriting Agreement, an aggregate of 40 million common shares at a purchase price of Cdn.$2.50 per common share, for gross proceeds of Cdn.$100 million. The Company paid the Underwriters Cdn.$0.15 per common share purchased by the Underwriters, excluding 6 million common shares purchased by Kinross for which no commission was payable, for an aggregate commission of Cdn.$5.1 million.

On October 24, 2007, the Company completed a brokered private placement of 15 million common shares at a price of Cdn.$1.00 per share for gross proceeds of Cdn.$15 million. Genuity Capital Markets, Canaccord Capital Corporation and GMP Securities L.P. acted as agents in connection with this private placement and were paid a cash commission of Cdn.$750,000. Kinross was a participant in this private placement and acquired approximately 1.5 million shares.

On September 20, 2007, the Company completed a non-brokered private placement of 25 million common shares at a price of Cdn.$0.40 per share for gross proceeds of Cdn.$10 million. The private placement was completed with certain directors, officers and employees of the Company and other investors. Kinross was a participant in this private placement and acquired approximately 2.5 million shares.

On July 25, 2007 and February 26, 2007, the Company completed non-brokered private placements of 41,599,000 common shares and 3,000,999 common shares, respectively, both at a price of Cdn.$0.02 per share for gross proceeds totalling Cdn.$892,000. These private placements were completed with certain directors, officers and employees of the Company and other investors.

On June 29, 2007 the Company established the B2Gold Incentive Plan (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 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 Cdn.$0.02 per share for gross proceeds of Cdn.$99,100. These shares are currently held in trust by the trustees pursuant to the terms of the Incentive Plan. The Company will recognize stock based compensation expense with respect to these incentive shares, when these shares are granted to the ultimate beneficiaries by the trust.

During 2007, the Company had received interest-free advances of Cdn.$1.5 million from certain officers and shareholders of the Company. These advances were repaid in 2007; approximately Cdn.$0.9 million was satisfied by way of shares (a total of 1.53 million common shares issued under the Company’s October 24, 2007 and September 24, 2007 private placements) and the remaining Cdn.$0.6 million was repaid in cash from the proceeds of the Company’s initial public offering.

Investing activities

In December 2007, the Company repaid approximately $2.3 million of its promissory notes to Kinross (paid from the net proceeds of the Company’s initial public offering). At December 31, 2007, approximately $5.2 million remained payable under these notes. These promissory notes had been issued to Kinross pursuant to the Purchase Agreement relating to the assets acquired on February 26, 2007 (see “Incorporation and Overview” section).

During the period from November 30, 2006 (date of incorporation) to December 31, 2007, the Company incurred resource property expenditures and acquisition costs in the amount of $14.5 million (on a cash basis). The $14.5 million was expended as follows: $5 million on Colombian properties under the Joint Venture Arrangement with AGA (consisting of $1 million on Quebradona, $1.5 million on Miraflores, $1 million on San Martin De Loba, $0.7 million on San Carlos, and $0.8 million collectively on the La Mina, Narino and Cauca properties), $1.8 million (the Company’s 50% share) on the East and West Kupol licenses and $7.7 million on acquiring a 25% indirect interest in the Gramalote property.

The Quebradona property contains at least five early-phase exploration target areas, as defined by surficial exploration by Kedahda 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 which may be amenable to open-pit mining and bulk-tonnage beneficiation techniques.

Limited diamond drilling and metallurgical test work at the Miraflores property by Kedahda 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 resource the Miraflores property has to offer.

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 East and West licenses in 2007, and the final report for these studies is pending. Drilling in 2007 on the Kupol East and West licenses did not produce any significant changes to the project area based on assay results received to date. Additional assay results are pending.

In Colombia three gold properties; Quebradona, Gramalote and Miraflores, will be drilled in 2008.

At Quebradona, an initial 5,500 metre (m) stage one drill program designed to test five areas with emphasis on the Aurora zone (3,000 m drilling) commenced in February 2008. The 6 by 4 kilometre (km) wide Quebradona district hosts five gold-bearing porphyry systems that contain widespread and consistent mineralization greater than 1.5 grams per tonne (g/t) gold (Au) in surface rock chips, with trench sampling returning up to 41.5 m at 2.0 g/t Au in the Aurora zone. The geological setting and favourable alteration and mineralization shown at Quebradona are consistent with characteristics for well known districts elsewhere in the world for the presence of potentially economic gold grades in gold porphyry systems. The Quebradona drill program is intended to determine the existence of possible large-tonnage, gold deposits that may be amenable to open pit mining and low cost mineral extraction. An aggressive stage two drill program is planned to be carried out on the Quebradona property based on favourable results from the stage one drill program.

At Gramalote a 25,000 m diamond drill program is planned for 2008 following up previous drilling (11,106 m in 38 holes) by AGA that outlined widespread structurally-controlled, intrusive-hosted gold mineralization over a one square km area that returned up to 172 m at 3.5g/t Au. The Company is currently working on a pre-feasibility program consisting of 15,000 m infill drilling of the main Gramalote zone, 10,000 m satellite drilling of the prospective outlying targets over a 5 by 5 km area, detailed metallurgical and geotechnical studies and resource modeling. The Company expects to complete a resource estimate for Gramalote Ridge by the end of 2008.

The Miraflores property consists of a gold-bearing breccia body exposed over a 250 by 250 m area on surface that extends to at least 600 m vertical depth. Previous B2Gold drilling returned up to 124 m at 1.3g/t Au and 204 m at 1.2g/t Au. The 2008 program will consist of scoping work followed by drilling later in the year.

In Russia, B2Gold has rights to acquire a 37.5% interest, from Kinross, in the Kupol East and West licenses in Chukotka, Russia. These licenses cover the ground surrounding, and adjacent to, the high grade Kupol gold and silver mine that was being developed by Bema at the time of the Kinross takeover.

Previous exploration work carried out by Bema and most recently by B2Gold on the Kupol East and West licenses have outlined several mineralized targets. A total of 8,500 metres (m) of drilling is planned for 2008 with 5,500 m on the Kupol West project and 3,000 m on the Kupol East project. B2Gold is the exploration operator for the joint venture on these licenses.

On Kupol West, drilling commenced in March 2008 and 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 (km) north of the Kupol mine property boundary.

Drilling on the Kupol East began 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 (g/t) gold (Au) with 87.9 g/t silver over 7.1 m.

The Company is responsible for making the following cash payments to the underlying property vendors with respect to the Miraflores, La Mina, and San Luis properties located in Colombia (these payments are at the

Company’s discretion and are based upon available financial resources and the exploration merits of the properties which are evaluated on a periodic basis):

- Miraflores: (i) 420,000,000 pesos ($210,000) on October 25, 2007 (paid), (ii) 480,000,000 pesos ($238,000*) on April 25, 2008, (iii) 520,000,000 pesos ($258,000*) on October 25, 2008, (iv) 600,000,000 pesos ($298,000*) on April 25, 2009, (v) 820,000,000 pesos ($407,000*) on October 25, 2009 and (vi) 3,570,000,000 pesos ($1,772,000*) on April 25, 2010.

  ** converted to United States dollars based on the Colombian peso/ United States dollar exchange rate as at December 31, 2007.*

- La Mina: (i) $50,000 on November 20, 2007 (paid), (ii) $50,000 on May 20, 2008 and (iii) $1 million thirty days after a pre-feasibility study.

- San Luis: (i) $75,000 on June 6, 2008, (ii) $150,000 on June 6, 2009, (iii) $200,000 on June 6, 2010, (iv) $350,000 on June 6, 2011, (v) $1,625,000 on June 6, 2013.

CRITICAL ACCOUNTING ESTIMATES

The Company’s accounting policies are described in Note 2 to the accompanying audited consolidated financial statements. Management considers the following policies to be the most critical in understanding the judgments that are involved in the preparation of the Company’s consolidated financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows:

- Use of estimates;
- Resource properties;
- Future income taxes;
- Stock-based compensation; and
- Financial instruments.

Use of estimates

The preparation of these consolidated financial statements in conformity with generally accepted accounting principles in Canada requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Resource properties

Mineral acquisition, exploration and development costs are capitalized on an individual project basis until such time as the economics of an ore body are defined. If production commences, these costs would be amortized on a units of production basis over the estimated mineral reserves. Unrecoverable costs for projects determined not to be commercially feasible are expensed in the year in which the determination is made or when the carrying value of the project is determined to be impaired.

The Company reviews and evaluates the carrying value of resource property interests when events and circumstances suggest impairment. Where information is available and conditions suggest impairment, estimated future net cash flows are calculated using estimated future prices, proven and probable reserves, resources and operating and capital costs on an undiscounted basis. An impairment charge is recorded if the undiscounted future net cash flows are less than the carrying amount. Reductions in the carrying value, with a corresponding charge to operations, are recorded to the extent that the estimated future net cash flows on a discounted basis are less than the property interest carrying value.

Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether the carrying value can be recovered. If an impairment is identified, the carrying value of the property interest is written down to its estimated fair value.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior undetected agreements or transfers and title may be affected by such defects.

Future income taxes

The Company uses the liability method of accounting for future income taxes. Under this method of tax allocation, future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized.

Stock-based compensation

Compensation expense for stock options granted are determined based on the estimated fair values of the stock options at the time of grant, the cost of which is recognized over the vesting periods of the respective options (and recorded as a charge to operations or capitalized to resource properties). In the determination of fair values, the Company uses the Black-Scholes option pricing model. Fair values are determined at the time of grant. Consideration received on the exercise of stock options is recorded as share capital.

Financial instruments

Effective November 30, 2006, the Company adopted the following three new accounting standards and related amendments to other standards on financial instruments issued by the Canadian Institute of Chartered Accountants ("CICA").

- *Financial Instruments – Recognition and Measurement (Section 3855)*
  This standard sets out criteria for the recognition and measurement of financial instruments for fiscal years beginning on or after October 1, 2006. This standard requires all financial instruments within its scope, including derivatives, to be included on a company's balance sheet and measured either at fair value or, in certain circumstances, at cost or amortized cost. Changes in fair value are to be recognized in the statements of operations or other comprehensive income. All financial assets and liabilities are recognized when the entity becomes a party to the contract.

  All financial instruments are classified into one of the following five categories: held for trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depend on their initial classification:

  - Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost.

  - Available-for-sale financial assets are measured at fair value. Revaluation gains and losses are included in other comprehensive income until the asset is removed from the balance sheet.

  - Held-for-trading financial instruments are measured at fair value. All gains and losses are included in net earnings/ loss in the period in which they arise.

  - All derivative financial instruments are classified as held-for-trading financial instruments and are measured at fair value. All gains and losses are included in net earnings/ loss in the period in which they arise.

In accordance with this new standard, the Company has classified its financial instruments as follows:

- Cash and cash equivalents have been designated as “held-for-trading”.

- Accounts receivable and the note receivable from Puma are “receivables”, initially valued at fair value and subsequently measured at amortized cost.

- The Puma Option, is a derivative instrument (as the value of the option changes with the underlying market price of Puma common shares) and as such is classified as held-for-trading. Derivatives are recorded on the balance sheet at fair value with mark-to-market adjustments included in net income/ loss.

- The Company’s Gramalote investment has been classified as available-for-sale, and accordingly was initially recorded at its fair market value, which approximated cost. There is no quoted market price in an active market for the investment in Gramalote, and accordingly, this investment will be measured at cost.

- Accounts payable and accrued liabilities, the accrued Gramalote purchase payment and notes payable to Kinross have been designated as “other financial liabilities”, initially valued at fair value and subsequently measured at amortized cost.

• *Comprehensive Income (Section 1530)*
  Comprehensive income is the change in shareholders’ equity during a period from transactions and other events from non-owner sources. This standard requires certain gains and losses that would otherwise be recorded as part of net earnings to be presented in other “comprehensive income” until it is appropriate to recognize them in net earnings/ loss. This standard requires the presentation of comprehensive income, and its components in a separate financial statement that is displayed with the same prominence as the other financial statements.

• *Hedging (Section 3865)*
  This new standard specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company currently does not have any hedges.

RELATED PARTY TRANSACTIONS

As part of the Arrangement between Bema and Kinross and pursuant to the Purchase Agreement, the Company entered into the following agreements with Puma, a company related by way of common directors:

- Management Services Agreement pursuant to which the Company will provide office space, furnishings and equipment, communications facilities, secretarial and administrative services and personnel to Puma in consideration for a monthly fee of Cdn.$5,000.

- Exploration management agreement, whereby Puma will reimburse the Company for services supplied in connection with Puma's exploration or development work programs, and pay the Company a contractor fee equal to 10% of direct program expenditures incurred by Puma.

During the current period, the Company also provided management, administrative and technical services, on a month-to-month basis, to Victoria Resource Corporation (up to July 2007) and Consolidated Westview Resource Corp. (up to November 2007), companies which were also previously managed by Bema. In addition to those transactions disclosed elsewhere in these consolidated financial statements, the Company had the following transactions and balances with these associated companies:

	$
Consolidated Statement of Operations	
Management fees (Income)	**(273,669)**
Interest income	**(164,178)**
Expenses (reimbursed):	
Office and general	**(10,434)**
Salaries and benefits	**(106,700)**
Rent	**(31,874)**
	(586,855)
Consolidated Balance Sheet	
Accounts receivable	**374,209**

NEW ACCOUNTING PRONOUNCEMENTS IN CANADA

Capital Disclosures (Section 1535)

This standard requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. This standard is effective for the Company for interim and annual periods relating to fiscal years beginning on or after January 1, 2008. The Company is currently evaluating the effects of adopting this standard.

Financial Instruments - Disclosure (Section 3862) and Presentation (Section 3863)

These standards replace CICA 3861, Financial Instruments - Disclosure and Presentation. They increase the disclosures currently required, which will enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. In addition, disclosure is required of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The quantitative disclosures must provide information about the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel. This standard is effective for the Company for interim and annual periods beginning on or after January 1, 2008. The Company is currently evaluating the effects of adopting this standard.

General standards on financial statement presentation (Section 1400)

CICA 1400 has been amended to include requirements to assess and disclose an entity's ability to continue as a going concern. The changes are effective for interim and annual financial statements beginning on or after January 1, 2008. The Company does not expect the adoption of these changes to have an impact on its consolidated financial statements.

Goodwill and Intangible Assets (Section 3064)

Section 3064 establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC–27, "Revenues and Expenses During the Pre-operating Period". As a result of the withdrawal of EIC–27, companies will no longer be able to defer costs and revenues incurred prior to commercial production at new mine operations. The changes are effective for interim and financial statements beginning January 1, 2009.

Accounting Changes (Section 1506)

Effective January 1, 2007, the Company adopted the revised CICA Section 1506 "Accounting Changes" which require that: (i) voluntary changes in accounting principles can be made if, and only if, the changes result in more reliable and relevant information, (ii) changes in accounting policies are accompanied by disclosures of prior period amounts and justification for the change, and (iii) for changes in estimates, the nature and amount of the change should be disclosed. The Company has not made any voluntary change in accounting principles since the adoption of the revised standard.

SUBSEQUENT EVENTS

February 13, 2008 binding Memorandum of Agreement ("MOA")

On November 26, 2007, the Company entered into a non-binding memorandum of understanding with AGA to terminate AGA'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 a prescribed stock exchange. On February 13, 2008, the Company entered into a binding MOA with AGA that expands on and supersedes the non-binding memorandum of understanding between the Company and AGA dated November 26, 2007.

The MOA sets out an agreement-in-principle between the Company and AGA on several proposed transactions and agreements that would alter the existing relationships between the parties. The MOA contemplates that, upon the receipt of certain regulatory and stock exchange approvals, the parties would enter into definitive agreements to effect the following transactions:

- AGA's rights to acquire 20% of the voting securities of AARI and the Company's obligation to list those shares on a stock exchange will terminate and, in consideration of the termination of these rights and in consideration of the other rights and the transfer to the Company of certain mineral prospects in Colombia, the Company will issue to AGA units comprised of an aggregate of 25,000,000 common shares and 21,400,000 share purchase warrants. These warrants will be exercisable for a three year term, consisting of 11,000,000 warrants at a price of Cdn.$3.34 per share and 10,400,000 warrants at a price of Cdn.$4.25 per share.

- AGA will transfer to the Company all of its rights and interests in the Miraflores property so that the Company will have a 100% interest in the Miraflores property.

- AGA will transfer to the Company its 100% interest (subject to AGA retaining a 1% royalty) in the Mocoa property, a copper/molybdenum deposit located in the south of Colombia.

- AGA will complete its payments to a third party to earn its 51% interest in Gramalote BVI.

- AGA will transfer to the Company a 2% interest in Gramalote BVI and will assign to the Company all other rights in respect of Gramalote BVI, including its right to acquire an additional 24% interest, so that, together with its existing 25% interest, the Company will be entitled to a 51% share interest in Gramalote BVI and AGA will own a 49% interest.

- The Company will take over management of exploration of the Gramalote property and will be responsible for expenditures to complete a feasibility study of the project by July 18, 2010. If the Company does not complete the feasibility study by July 18, 2010, then the Company will be required to transfer back to AGA the 2% interest in Gramalote BVI.

- AGA will transfer its interest in certain properties comprising approximately 1,500 square kilometres that are adjacent to the Gramalote property where mineralization is indicated to continue from the Gramalote property.

- The Company will increase from 3,000 metres to 5,000 metres the extent of drilling required for it to earn in its interests in properties under the Colombia JV Agreement.

- A new joint venture agreement will be entered into between the Company and AGA in respect of the Gramalote property to replace the Company's and AGA's (or their respective subsidiaries') obligations to each other under the Association Contract and related agreements.

- The Company will grant to AGA 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 issues are made, other than issues made to acquire properties or under 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 AGA owns less than 10% of the outstanding common shares of the Company.

AGA has agreed to a one year standstill in respect of its interest in the Company which will cease to be effective in the event of a third party take-over bid or merger proposal relating to all or substantially all of the shares or assets of the Company. In addition, AGA has agreed to give the Company advance written notice of AGA's intention to sell any common shares in the Company. Based on the 132,277,500 currently outstanding common shares of the Company, upon issuance of the 25,000,000 shares issuable to AGA at the closing of these transactions AGA would hold approximately 15.9% of the Company's issued and outstanding shares. If the 21,400,000 million warrants to be issued to AGA were included in the calculation on an "if exercised" basis, AGA's interest in the Company would be approximately 26%.

Puma Option

In February 2008, the Company elected not to exercise its option to acquire 34.7% or 17,935,310 common shares of Puma from Kinross. As a result, in the first quarter of 2008, the Company will record a derivative loss of $3,045,625 (equal to the carrying value of the Puma Option at December 31, 2007).

The Company will continue to manage the affairs of Puma until Puma's Annual General Meeting scheduled for June 12, 2008.

RISKS AND UNCERTAINTIES

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, 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. 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. 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 Laws and Regulations

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.

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 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.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this MD&A, management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this MD&A, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings* of the Canadian Securities Administrators) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

OUTLOOK

For 2008, the Company has budgeted $30 million for its exploration programs. This extensive budget includes approximately $9 million for Gramalote, $5 million for Quebradona (dependent on Phase 1 results), $8.4 million for Kupol East and West (on a 100% basis), $1.8 million for Mocoa and $5.8 million for early stage projects in Colombia/ general exploration. B2Gold's property portfolio includes numerous projects, ranging from grass roots exploration properties that continue to generate new targets, to advanced exploration projects that have had considerable previous drilling. The Company is currently drilling at three properties using nine drill rigs. Six rigs are operating in Colombia, four at Gramalote and two at Quebradona, while three more drill rigs are operating in Russia at the Kupol East and West licenses. B2Gold also plans to add further drill rigs in Colombia as they become available. Commencing in approximately mid May, results will be published throughout the remainder of this year. In addition, B2Gold has an ongoing regional geology program in Colombia evaluating other properties as a part of the agreement with AGA. The Company continues to pursue numerous exploration and development projects for potential acquisitions, while retaining a large cash balance.

The combination of B2Gold's proven management and technical teams, impressive portfolio of exploration properties, and strong cash position leaves the Company well positioned to, in 2008, significantly advance toward its objective of building shareholder value through exploration.

OUTSTANDING SHARE DATA

The Company's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares. At April 23, 2008, the Company had the following common shares, stock options and share purchase warrants outstanding:

Common shares	**132,277,500** *(1)*
Stock options (exercise price of Cdn.$2.40 until December 7, 2012)	**4,955,000**
Stock options (exercise price of Cdn.$2.40 until February 27, 2013)	**600,000**
Share purchase warrants (exercise price of Cdn.$2.50 until December 6, 2010)	**2,000,000**
Fully diluted common shares outstanding, as at April 23, 2008	**139,832,500**

(1) Includes 4,955,000 common shares issued to the trustees of the Incentive Plan (see "Financing activities" section).

CAUTION ON FORWARD-LOOKING INFORMATION

This management's discussion and analysis includes forward-looking statements, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.