



B2GOLD CORP.
Condensed Consolidated Interim Financial Statements
September 30, 2011 and 2010
(Unaudited)

B2GOLD CORP.**CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE INCOME (LOSS)**(Expressed in thousands of United States dollars, except shares and per share amounts)
(Unaudited)

	<i>For the three months ended Sep. 30, 2011</i>	<i>For the three months ended Sep. 30, 2010</i>	<i>For the nine months ended Sep. 30, 2011</i>	<i>For the nine months ended Sep. 30, 2010</i>
Gold revenue	\$ 50,459	\$ 40,191	\$ 158,458	\$ 80,508
Cost of sales				
Production costs	(15,350)	(17,704)	(54,078)	(44,625)
Depreciation and depletion	(5,720)	(4,244)	(18,249)	(9,448)
Royalties and production taxes	(3,126)	(1,947)	(8,746)	(4,419)
Other – (Limon Mine underground flood)	(692)	-	(692)	-
Total cost of sales	(24,888)	(23,895)	(81,765)	(58,492)
Gross profit	25,571	16,296	76,693	22,016
General and administrative	(3,358)	(3,529)	(12,616)	(10,441)
Share-based payments (Note 6)	(4,013)	(483)	(5,245)	(1,998)
Accretion of mine restoration provisions	(332)	(301)	(886)	(987)
Foreign exchange losses	(2,031)	(417)	(865)	(335)
Gain on sale of interest in Kupol EW licenses	-	24,062	-	24,062
Other	(455)	(1,142)	216	(3,052)
Operating income	15,382	34,486	57,297	29,265
Interest and financing costs	(61)	(1,260)	(543)	(3,493)
Loss on derivative instrument ("Share purchase warrants")	-	(3,952)	-	(8,171)
Other	(1,680)	(852)	(2,410)	(852)
Income before withholding and other taxes	13,641	28,422	54,344	16,749
Income and other taxes	(1,393)	(366)	(3,272)	(1,055)
Deferred income tax expense	(3,212)	-	(15,609)	-
Net income and comprehensive income for the period	\$ 9,036	\$ 28,056	\$ 35,463	\$ 15,694
Earnings per share				
Basic	\$ 0.03	\$ 0.09	\$ 0.11	\$ 0.05
Diluted	\$ 0.03	\$ 0.09	\$ 0.10	\$ 0.05
Weighted average number of common shares outstanding (in thousands)				
Basic	\$ 339,541	\$ 307,462	\$ 336,347	\$ 300,819
Diluted	\$ 346,267	\$ 324,281	\$ 342,161	\$ 314,970

See accompanying notes to consolidated financial statements.

B2GOLD CORP.**CONSOLIDATED STATEMENTS OF CASH FLOWS**(Expressed in thousands of United States dollars)
(Unaudited)

	<i>For the three months ended Sep. 30, 2011</i>	<i>For the three months ended Sep. 30, 2010</i>	<i>For the nine months ended Sep. 30, 2011</i>	<i>For the nine months ended Sep. 30, 2010</i>
Operating activities				
Net income for the period	\$ 9,036	\$ 28,056	\$ 35,463	\$ 15,694
Mine restoration provisions settled	(265)	(258)	(796)	(1,152)
Non-cash charges (credits)				
Depreciation and depletion	5,720	4,244	18,249	9,448
Deferred income tax expense	3,212	-	15,609	-
Share-based payments	4,013	483	5,245	1,998
Income tax expense on expired warrants	(2,182)	-	(2,182)	-
Accretion of mine restoration provisions	332	301	886	987
Amortization of deferred financing costs	-	1,019	358	2,569
Loss on derivative instrument ("Share purchase warrants")	-	3,952	-	8,171
Gain on sale of interest in Kupol EW licenses	-	(24,062)	-	(24,062)
Other	105	(190)	737	1,137
Cash provided by operating activities before changes in non-cash working capital	19,971	13,545	73,569	14,790
Changes in non-cash working capital	(2,345)	1,314	(5,248)	25
Cash provided by operating activities after changes in non-cash working capital	17,626	14,859	68,321	14,815
Financing activities				
Common shares issued for cash (Note 6)	2,257	2,822	7,242	34,992
Interest & commitment fees	(61)	(317)	(235)	(998)
Credit Facility, net draw downs	-	(20,000)	-	(13,500)
Repayment of related party loans	(21)	-	(21)	(959)
Cash provided by (used by) financing activities	2,175	(17,495)	6,986	19,535
Investing activities				
Libertad Mine, development & sustaining capital	(5,160)	(1,673)	(23,033)	(15,926)
Libertad Mine, Jabali development	(4,476)	-	(4,476)	-
Libertad, exploration	(3,489)	(1,315)	(7,537)	(3,385)
Limon Mine, development & sustaining capital	(4,507)	(1,518)	(15,919)	(3,863)
Limon, exploration	(1,001)	(796)	(2,603)	(2,043)
Gramalote, exploration and development	(4,079)	(546)	(10,280)	(1,916)
Cebollati, exploration	(1,413)	(548)	(3,653)	(548)
Radius, exploration	(475)	(411)	(1,914)	(1,543)
Calibre, exploration	(182)	(663)	(879)	(2,303)
Cash proceeds from sale of interest in Kupol EW licenses	-	33,000	-	33,000
Other	(311)	1,490	(1,453)	(299)
Cash (used by) provided by investing activities	(25,093)	27,020	(71,747)	1,174
Increase (decrease) in cash and cash equivalents	(5,292)	24,384	3,560	35,524
Cash and cash equivalents, beginning of period	78,864	14,064	70,012	2,924
Cash and cash equivalents, end of period	\$ 73,572	\$ 38,448	\$ 73,572	\$ 38,448
Supplementary cash flow information (Note 7)				

See accompanying notes to consolidated financial statements.

B2GOLD CORP.**CONSOLIDATED BALANCE SHEETS**(Expressed in thousands of United States dollars)
(Unaudited)

	As at September 30, 2011	As at December 31, 2010
Assets		
Current		
Cash and cash equivalents	\$ 73,572	\$ 70,012
Accounts receivable and prepaids	8,121	5,605
Value-added and other tax receivables	10,193	5,525
Inventories (Note 3)	25,135	19,438
Marketable securities (carried at quoted market value)	-	483
	117,021	101,063
Mining interests (Note 4 and Note 12 - Schedules)	285,618	232,535
Other assets	927	1,056
	\$ 403,566	\$ 334,654
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 21,934	\$ 15,003
Current portion of mine restoration provisions	1,383	1,389
Related party loans	81	102
	23,398	16,494
Mine restoration provisions	17,916	18,714
Deferred income taxes	22,148	6,539
Other liabilities	3,619	2,776
	67,081	44,523
Equity		
Shareholders' equity		
Share capital (Note 6)		
Issued: 344,654,241 common shares (Dec 31, 2010 – 337,570,170)	326,620	312,829
Contributed surplus (Note 6)	17,071	19,971
Accumulated deficit	(7,206)	(42,669)
	336,485	290,131
	\$ 403,566	\$ 334,654

Subsequent event (Note 11)

Approved by the Board “Clive T. Johnson” Director “Robert J. Gayton” Director

See accompanying notes to consolidated financial statements.

B2GOLD CORP.**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Expressed in thousands of United States dollars)

(Unaudited)

	2011			
	<i>Share capital</i>	<i>Contributed surplus</i>	<i>Accumulated deficit</i>	<i>Total equity</i>
Balance at January 1, 2011	\$ 312,829	\$ 19,971	\$ (42,669)	\$ 290,131
Total comprehensive income for the period	-	-	35,463	35,463
Shares issued for cash:				
Exercise of stock options	5,207	-	-	5,207
Exercise of warrants	2,014	-	-	2,014
Incentive Plan – shares issued from trust	21	-	-	21
Shares issued for finder's fee	150	-	-	150
Share-based payments - expensed	-	5,245	-	5,245
Share-based payments – capitalized to mining interests	-	436	-	436
Income tax on expired warrants	-	(2,182)	-	(2,182)
Transfer to share capital the fair value assigned to stock options & warrants from contributed surplus	6,399	(6,399)	-	-
Balance at September 30, 2011	\$ 326,620	\$ 17,071	\$ (7,206)	\$ 336,485

	2010			
	<i>Share capital</i>	<i>Contributed surplus</i>	<i>Accumulated deficit</i>	<i>Total equity</i>
Balance at January 1, 2010	\$ 233,842	\$ 23,212	\$ (62,700)	\$ 194,354
Total comprehensive loss for the period	-	-	15,694	15,694
Shares issued for cash:				
Equity financing	29,157	-	-	29,157
Exercise of stock options	2,603	-	-	2,603
Exercise of warrants	3,232	-	-	3,232
Share-based payments - expensed	-	1,998	-	1,998
Share-based payments – capitalized to mining interests	-	283	-	283
Transfer to share capital the fair value assigned to share purchase warrants exercised from derivative liability	2,426	-	-	2,426
Transfer to share capital the fair value assigned to stock options & warrants from contributed surplus	1,210	(1,210)	-	-
Balance at September 30, 2010	\$ 272,470	\$ 24,283	\$ (47,006)	\$ 249,747

See accompanying notes to consolidated financial statements.

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

(All tabular amounts are in thousands of United States dollars unless otherwise stated)

(Unaudited)

1 Nature of operations

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

B2Gold is a public company listed on the Toronto Stock Exchange and the OTCQX. B2Gold's head office is located at Suite 3100, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1.

2 Basis of preparation and first-time adoption of International Financial Reporting Standards

B2Gold's unaudited condensed consolidated interim financial statements ("interim financial statements") have been prepared in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and requires publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company commenced reporting on this basis in its 2011 interim financial statements. In these interim financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting, and IFRS 1, First-time Adoption of International Financial Reporting Standards. The accounting policies followed in these interim financial statements are the same as those applied in the Company's financial statements for the period ended March 31, 2011. The full disclosure of the Company's transition to IFRS is included in the Company's interim financial statements for the three months ended March 31, 2011. The Company has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. Note 10 discloses the impact of the transition to IFRS on the Company's reported equity as at September 30, 2010 and comprehensive income for the three and nine months ended September 30, 2010, including the nature and effect of significant changes in accounting policies from those used in the Company's annual consolidated financial statements for the year ended December 31, 2010.

The accounting policies applied in these interim financial statements are based on IFRS effective for the year ended December 31, 2011, as issued and outstanding as of November 9, 2011, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2011 could result in restatement of these interim financial statements, including transition adjustments recognized on change-over to IFRS.

These interim financial statements should be read in conjunction with the Company's Canadian GAAP annual consolidated financial statements for the year ended December 31, 2010, and the Company's interim financial statements for the quarters ended March 31, 2011 and June 30, 2011 prepared in accordance with IFRS applicable to interim financial statements.

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

(All tabular amounts are in thousands of United States dollars unless otherwise stated)

(Unaudited)

3 Inventories

	<i>As at September 30, 2011 \$</i>	<i>As at December 31, 2010 \$</i>
Gold and silver bullion	7,125	5,785
In-process inventory	3,700	2,696
Ore stock-pile inventory	166	124
Materials and supplies	14,144	10,833
	25,135	19,438

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

(All tabular amounts are in thousands of United States dollars unless otherwise stated)

(Unaudited)

4 Mining interests

	<i>As at September 30, 2011 \$</i>	<i>As at December 31, 2010 \$</i>
Property, plant & equipment (including mine development & deferred stripping costs)		
Libertad Mine, Nicaragua		
Cost	151,747	122,327
Accumulated depreciation and depletion	(23,066)	(9,657)
	128,681	112,670
Limon Mine, Nicaragua		
Cost	59,847	41,657
Accumulated depreciation and depletion	(14,559)	(9,207)
	45,288	32,450
Mineral properties "exploration & evaluation expenditures" (including acquisition costs)		
Mocoa, Colombia	23,584	23,359
Libertad (Jabali), Nicaragua	7,767	2,485
Cebollati, Uruguay	5,046	1,070
Radius, Nicaragua	3,672	1,758
Calibre, Nicaragua	1,118	238
	41,187	28,910
Corporate & other		
Bellavista, Costa Rica	3,261	2,841
Office, furniture and equipment, net	983	16
	4,244	2,857
	219,400	176,887
Investments (incorporated joint ventures) accounted for using the equity method		
Gramalote, Colombia	65,017	54,648
Quebradona, Colombia	1,201	1,000
	66,218	55,648
	285,618	232,535

Libertad Mine

The Libertad Mine achieved commercial production on February 1, 2010. Ore processing at the Libertad Mine began on December 15, 2009 with the first doré bar produced on January 5, 2010. Prior to commercial production on February 1, 2010, net revenues and expenses derived from Libertad mining activities (including \$0.7 million of gold sales revenue in January 2010) were included in mine development costs.

NOTES TO FINANCIAL STATEMENTS

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(All tabular amounts are in thousands of United States dollars unless otherwise stated)

(Unaudited)

5 Credit Facility

The Company entered into an agreement relating to a \$20 million secured revolving credit facility (the "Credit Facility") with Macquarie Bank Limited ("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 balance owing under the Credit Facility was fully repaid (\$1 million on May 21, 2010 and \$20 million on August 30, 2010). Accordingly, \$25 million remains available for draw down as at September 30, 2011.

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

(All tabular amounts are in thousands of United States dollars unless otherwise stated)

(Unaudited)

6 Capital stock

The Company's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares. At September 30, 2011, the Company had 344,654,241 common shares outstanding, including 3,955,000 common shares being held in trust under the Company's Incentive Plan (described below). No preferred shares were outstanding.

	<i>For the nine months ended September 30, 2011</i>		<i>For the year ended December 31, 2010</i>	
	<i>Shares (<i>'000's</i>)</i>	<i>Amount \$</i>	<i>Shares (<i>'000's</i>)</i>	<i>Amount \$</i>
Balance, beginning of period	337,570	312,829	282,531	233,842
Issued during the period:				
For cash, on exercise of stock options	5,047	5,207	4,388	3,730
For cash, on exercise of warrants	2,000	2,014	25,027	24,229
For cash, Incentive Plan (see below)	-	21	-	-
For cash, net of costs	-	-	25,624	29,157
For finder's fee	37	150		
Transfer to share capital the fair value assigned to share purchase warrants exercised from derivative liability	-	-	-	16,260
Transfer to share capital the fair value assigned to stock options/share purchase warrants exercised from contributed surplus	-	6,399	-	5,611
	7,084	13,791	55,039	78,987
Balance, end of period	344,654	326,620	337,570	312,829

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 gross proceeds of approximately Cdn.\$32 million. As part of the offering, AngloGold Ashanti Limited ("AngloGold") exercised its pre-emptive right granted by the Company to maintain its percentage of holdings of approximately 10% of the common shares of the Company by acquiring 2,624,111 common shares. The Company paid the underwriters a commission equal to 5% of the gross proceeds of the offering upon closing, excluding the common shares purchased by AngloGold for which no commission was payable, for an aggregate commission of Cdn.\$1.44 million.

NOTES TO FINANCIAL STATEMENTS

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Incentive Plan

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 and paid for by the trustees of the Incentive Plan. These shares were held in trust by the trustees pursuant to the terms of the Incentive Plan. The Company is required under IFRS to consolidate the trust. The Company recognizes a share-based compensation expense with respect to these incentive shares, when these shares are granted to the ultimate beneficiaries by the trust. The proceeds received from the trustees have been classified as related party loans on the Consolidated Balance Sheet.

On July 5, 2011, 1,000,000 common shares were awarded from the trust under the Incentive Plan to a senior employee of the Company. In connection with the award, the Company recorded a share-based compensation expense of \$3.4 million (the market value of the shares on the date of the award). At September 30, 2011, 3,955,000 common shares remain held in the Company's Incentive Plan trust.

At the time the Incentive Plan was established, it was assumed that allocations from the Plan would occur outside the Company. The Company was controlled by individuals, who report the shares in the Plan on their Insiders Reports, and there is no requirement to consult the Company regarding distributions. It was also assumed, therefore that any distribution would not be recorded by the Company. Furthermore, since these shares were issued from treasury in 2007 and held by the trust this transaction has not resulted in any changes to the overall outstanding shares of the Company.

Stock options

During the nine months ended September 30, 2011, approximately 2.6 million stock options were granted to employees with exercise prices ranging from Cdn.\$2.31 per share to Cdn.\$3.19 per share. These stock options have a term of five years. One-third of these options will vest every year over a three-year period. The estimated fair value of these options totalling approximately \$3.8 million is being recognized over the vesting period. The fair value was calculated using the Black-Scholes option pricing model based on a risk-free annual interest rate of approximately 1.90%, an expected life of 3.5 years, an expected volatility ranging from 68% to 72%, and a dividend yield rate of nil.

Option pricing models require the input of highly subjective assumptions regarding the expected volatility. Changes in assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options at date of grant.

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

(All tabular amounts are in thousands of United States dollars unless otherwise stated)

(Unaudited)

A summary of changes to stock options outstanding:

	<i>Number of outstanding options (‘000’s)</i>	<i>Weighted- average exercise price (in Cdn.\$)</i>
Outstanding at December 31, 2009	22,220	1.38
Granted	3,795	2.01
Exercised	(4,388)	0.87
Forfeited or expired	(5,998)	2.22
Outstanding at December 31, 2010	15,629	1.35
Granted	2,598	2.84
Exercised	(5,047)	1.01
Forfeited or expired	(772)	3.60
Outstanding at September 30, 2011	12,408	1.66

Stock options outstanding and exercisable as at September 30, 2011 are as follows:

	<i>Range of exercise price (in Cdn.\$)</i>	<i>Number of outstanding options (‘000’s)</i>	<i>Weighted- average years to expiry</i>	<i>Weighted- average exercise price (in Cdn.\$)</i>	<i>Number of exercisable options (‘000’s)</i>	<i>Weighted- average exercise price (in Cdn.\$)</i>
Issued:						
2009 (Central Sun replacement options)	0.95 – 3.45	2,505	0.80	1.34	2,505	1.34
2009	0.80	4,203	2.78	0.80	4,203	0.80
2010	1.25 – 2.57	3,140	3.94	2.12	769	1.33
2011	2.31 – 3.19	2,560	4.62	2.85	-	-
		<u>12,408</u>	3.05	1.66	<u>7,477</u>	1.04

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(Unaudited)

Share purchase warrants

A summary of changes to share purchase warrants outstanding:

	<i>Number of outstanding warrants (‘000’s)</i>	<i>Weighted- average exercise price (in Cdn.\$)</i>
Outstanding at December 31, 2009	51,015	2.21
Exercised	(25,027)	0.98
Expired	(2,588)	2.09
Outstanding at December 31, 2010	23,400	3.54
Exercised	(2,000)	0.97
Expired	(21,400)	3.78
Outstanding at September 30, 2011	-	-

The following table shows the changes in contributed surplus:

	<i>For the nine months ended September 30, 2011 \$</i>	<i>For the year ended December 31, 2010 \$</i>
Balance, beginning of period	19,971	23,212
Share-based compensation - expensed	5,245	1,943
Share-based compensation - capitalized to mining interests	436	427
Deferred income tax recovery on warrants expired	(2,182)	-
Transfer to share capital on the exercise of stock options and share purchase warrants	(6,399)	(5,611)
Balance, end of period	17,071	19,971

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(Unaudited)

7 Supplementary cash flow information

Supplementary disclosure of cash flow information is provided in the table below:

	<i>For the three months ended Sep. 30, 2011 \$</i>	<i>For the three months ended Sep. 30, 2010 \$</i>	<i>For the nine months ended Sep. 30, 2011 \$</i>	<i>For the nine months ended Sep. 30, 2010 \$</i>
Non-cash investing and financing activities:				
Share-based compensation, capitalized to resource property interests	283	36	436	283
Common shares issued for finder's fee (Note 6)	150	-	150	-
Accounts payable and accrued liabilities relating to resource property expenditures	-	(172)	-	264

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September 30, 2011

(All tabular amounts are in thousands of United States dollars unless otherwise stated)

(Unaudited)

8 Segmented information

The Company's reportable segments for the three and nine months ended September 30, 2011 and 2010 are summarized in the following tables.

The Libertad Mine achieved commercial production on February 1, 2010 following the completion of the conversion of the Libertad Mine from a heap leach mine to a conventional milling operation.

For the three months ended September 30, 2011

	<i>Limon Mine</i> \$	<i>Libertad Mine</i> \$	<i>Other Mineral Properties</i> \$	<i>Corporate & Other</i> \$	<i>Total</i> \$
Gold revenue	16,366	34,093	-	-	50,459
Net income (loss)	5,864	10,425	-	(7,253)	9,036
Capital expenditures	5,508	13,125	5,808	1,006	25,447

For the three months ended September 30, 2010

	<i>Limon Mine</i> \$	<i>Libertad Mine</i> \$	<i>Other Mineral Properties</i> \$	<i>Corporate & Other</i> \$	<i>Total</i> \$
Gold revenue	14,619	25,572	-	-	40,191
Net income (loss)	1,243	7,971	24,062	(5,220)	28,056
Capital expenditures	2,314	2,988	1,806	435	7,543

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(All tabular amounts are in thousands of United States dollars unless otherwise stated)

(Unaudited)

For the nine months ended September 30, 2011

	<i>Limon Mine</i> \$	<i>Libertad Mine</i> \$	<i>Other Mineral Properties</i> \$	<i>Corporate & Other</i> \$	<i>Total</i> \$
Gold revenue	50,755	107,703	-	-	158,458
Net income (loss)	12,785	37,787	-	(15,109)	35,463
Capital expenditures	18,522	35,046	17,130	1,403	72,101

For the nine months ended September 30, 2010

	<i>Limon Mine</i> \$	<i>Libertad Mine</i> \$	<i>Other Mineral Properties</i> \$	<i>Corporate & Other</i> \$	<i>Total</i> \$
Gold revenue	35,382	45,126	-	-	80,508
Net income (loss)	3,836	9,883	24,062	(22,087)	15,694
Capital expenditures	5,906	19,311	7,737	435	33,389

The Company's mining interests are located in the following geographical locations

	<i>As at September 30, 2011</i> \$	<i>As at December 31, 2010</i> \$
Mining interests		
Nicaragua	186,526	149,601
Colombia	89,802	79,007
Costa Rica	3,261	2,841
Uruguay	5,046	1,070
Canada	983	16
	285,618	232,535

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

(All tabular amounts are in thousands of United States dollars unless otherwise stated)

(Unaudited)

9 Compensation of key management

Key management includes the Company's directors, members of the Executive Committee and members of Senior Management. Compensation to key management included:

	<i>For the three months ended Sep. 30, 2011 \$</i>	<i>For the three months ended Sep. 30, 2010 \$</i>	<i>For the nine months ended Sep. 30, 2011 \$</i>	<i>For the nine months ended Sep. 30, 2010 \$</i>
Salaries and short-term employee benefits	672	400	3,350	1,187
Share-based payments (<i>Note 6</i>)	3,570	28	3,603	231

The increase in salaries and short-term employee benefits in the first nine months of 2011 compared to the same period in 2010 related mainly to bonuses paid to senior management in January 2011.

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

(All tabular amounts are in thousands of United States dollars unless otherwise stated)
(Unaudited)

10 Transition to International Financial Reporting Standards

The accounting policies set out in these interim financial statements have been applied to all periods presented. In preparing its opening IFRS statement of financial position, the Company has adjusted amounts previously reported in accordance with Canadian GAAP. An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's statement of equity as of September 30, 2010 and its statements of operations and comprehensive income for the three and nine months ended September 30, 2010 is set out in the following tables and accompanying notes.

The Canadian GAAP and IFRS statements of equity as at September 30, 2010 have been reconciled as follows:

	<i>Notes (see below)</i>	As at Sep. 30, 2010 \$
Equity as reported under Canadian GAAP		260,186
IFRS adjustments:		
Derivative instrument ("share purchase warrants")	<i>(i)</i>	
- to reclassify the fair value at the date of grant from contributed surplus to derivative liability		(4,588)
- cumulative derivative losses incurred on revaluation of warrants		(9,859)
- transfer to share capital the fair value from derivative liability upon exercise of the warrants		2,426
Mine restoration provisions	<i>(ii)</i>	68
Borrowing costs	<i>(iii)</i>	797
Depreciation	<i>(iv)</i>	(286)
Deferred income taxes	<i>(v)</i>	1,003
		(10,439)
Equity as reported under IFRS		249,747

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

(All tabular amounts are in thousands of United States dollars unless otherwise stated)

(Unaudited)

The Canadian GAAP and IFRS statements of total comprehensive income for the three and nine months ended September 30, 2010 have been reconciled as follows:

	<i>For the three months ended Sep. 30, 2010 \$</i>	<i>For the nine months ended Sep. 30, 2010 \$</i>
Comprehensive income as reported under Canadian GAAP	32,004	23,250
IFRS adjustments:		
Derivative instrument loss ("share purchase warrants")	<i>(i)</i> (3,952)	(8,171)
Mine restoration provisions	<i>(ii)</i> 70	122
Borrowing costs	<i>(iii)</i> 114	797
Depreciation	<i>(iv)</i> (162)	(286)
Deferred income taxes	<i>(v)</i> (18)	(18)
	(3,948)	(7,556)
Comprehensive income as reported under IFRS	28,056	15,694

(i) *Derivative instrument liability ("share purchase warrants")*

The Company's Canadian dollar denominated common share purchase warrants issued as part of the March 2009 Central Sun acquisition are considered derivative instruments under IFRS as they are denominated in Canadian dollars while the Company's functional currency is the United States dollar. Under Canadian GAAP, the Company recorded the fair value of these warrants as of the date of grant in equity. Under IFRS, these derivatives are measured at fair value at the time of issue and subsequently re-measured to their fair value at each reporting date. The change in the fair value is recognized in the statement of operations.

As at January 1, 2010, the fair value of these warrants based on the Black Scholes model was \$6.3 million and was classified as a derivative instrument liability on the balance sheet. Derivative instrument liability losses totalled \$8.2 million for the nine months ended September 30, 2010.

(ii) *Mine restoration provisions*

Canadian GAAP calculates mine restoration provisions using current credit-adjusted, risk-free rates for upward adjustments, and the original credit adjusted, risk free rate for downward revisions. The original liability is not adjusted for changes in current discount rates. IFRS, however, calculates mine restoration provisions using a current pre-tax discount rate, (which reflects current market assessment of the time value of money and the risk specific to liability) and is revised every reporting period to reflect changes in assumptions or discount rates. To calculate the provision under IFRS, the Company has elected to apply the exemption available from full retrospective application as allowed under IFRS 1. As such, the Company has re-measured the provision as at January 1, 2010 and subsequent change in obligations under IAS 37 Provisions, contingent liabilities and contingent assets, estimating the amount to be included in the related asset by discounting the liability to the date of first disturbance in which the liability arose, using best estimates of the historical risk-free discount rates, and recalculating the accumulated depreciation and amortization under IFRS.

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

(All tabular amounts are in thousands of United States dollars unless otherwise stated)

(Unaudited)

The adjustment resulting from recalculating the provision under IFRS was an increase in mine restoration provisions of \$3.4 million at September 30, 2010, an increase in mining interests of \$3.5 million at September 30, 2010 and an increase in equity of \$0.1 million at September 30, 2010. The significant changes in the provision are a result of the change from credit adjusted discount rates ranging from 8.5% to 12.0% under Canadian GAAP to risk free rates ranging from 2.3% to 9.0% under IFRS and the requirement to recalculate the provision at each reporting period.

(iii) *Borrowing costs*

Under IFRS, there are no policy choices available for capitalization of borrowing costs. IFRS requires borrowing costs to be capitalized on qualifying assets which take a substantial period of time to prepare for their intended use. A capitalization rate based on the Company's outstanding debt was used to calculate the amount of borrowing costs to capitalize on the qualifying assets. The increase in mining interests was approximately \$0.8 million at September 30, 2010 with a corresponding reduction in interest and financing expense.

(iv) *Depreciation*

Under IFRS, as described above, the net carrying values of mining interests were increased due to changes in the capitalized mine restoration provisions and capitalized borrowing costs. These adjustments resulted in an increase to the depreciation expense by approximately \$0.2 million for the three months ended September 30, 2010 and \$0.3 million for the nine months ended September 30, 2010.

(v) *Deferred income taxes*

Under Canadian GAAP the Company recognized a future income tax liability on temporary differences arising on the initial recognition of mineral properties acquired other than in business combinations. IAS 21 Income Taxes does not permit the recognition of deferred taxes on such transactions. The impact of the de-recognition of the deferred income taxes was a reduction of \$9.6 million to the deferred tax liability at September 30, 2010 and a reduction to mining interests of \$10.6 million at September 30, 2010. In addition, as part of the IFRS conversion, a deferred income tax recovery of \$0.02 million was reversed to accumulated deficit in the nine months ended September 30, 2010.

(vi) *Statements of Cash Flows*

The Company presents cash interest paid as a financing activity in the statements of cash flows under IFRS. Under Canadian GAAP, cash interest paid was included as an operating activity. This change in classification under IFRS increased the cash flow from operating activities and decreased the cash flow from financing activities by \$0.2 million for the nine months ended September 30, 2010 compared to Canadian GAAP.

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

(All tabular amounts are in thousands of United States dollars unless otherwise stated)

(Unaudited)

11 Subsequent event (proposed business combination)

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

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

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

B2GOLD CORP.

MINING INTERESTS SCHEDULE (NOTE 12)

For the nine months ended September 30, 2011

(all tabular amounts are in thousands of United States dollars)

	Cost				Accumulated depreciation			Net carrying value	
	Opening balance at Dec. 31, 2010	Additions	Disposals/ write-offs	Reclass from assets held for sale	Closing balance at Sept. 30, 2011	Opening balance at Dec. 31, 2010	Depreciation	Closing balance at Sept. 30, 2011	As at Sept. 30, 2011
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Property, plant & equipment									
Libertad	122,327	29,420	-	-	151,747	(9,657)	(13,409)	(23,066)	128,681
Limon	41,657	18,190	-	-	59,847	(9,207)	(5,352)	(14,559)	45,288
	163,984	47,610	-	-	211,594	(18,864)	(18,761)	(37,625)	173,969
Mineral properties "exploration & evaluation"									
Mocoa	23,359	225	-	-	23,584	-	-	-	23,584
Libertad (Jabali)	2,485	5,282	-	-	7,767	-	-	-	7,767
Cebollati	1,070	3,976	-	-	5,046	-	-	-	5,046
Radius	1,758	1,914	-	-	3,672	-	-	-	3,672
Calibre	238	880	-	-	1,118	-	-	-	1,118
	28,910	12,277	-	-	41,187	-	-	-	41,187
Corporate & other									
Bellavista	2,841	420	-	-	3,261	-	-	-	3,261
Office, furniture & equipment	285	991	-	-	1,276	(269)	(24)	(293)	983
	3,126	1,411	-	-	4,537	(269)	(24)	(293)	4,244
Investments (incorporated joint ventures)									
Gramalote	54,648	10,369	-	-	65,017	-	-	-	65,017
Quebradona	1,000	201	-	-	1,201	-	-	-	1,201
	55,648	10,570	-	-	66,218	-	-	-	66,218
	251,668	71,868	-	-	323,536	(19,133)	(18,785)	(37,918)	285,618

B2GOLD CORP.

MINING INTERESTS SCHEDULE (NOTE 12)

For the year ended December 31, 2010

(all tabular amounts are in thousands of United States dollars)

	Cost				Accumulated depreciation			Net carrying value	
	Opening balance at Jan. 1, 2010	Additions	Disposals/write-offs	Reclass from assets held for sale	Closing balance at Dec. 31, 2010	Opening balance at Jan. 1, 2010	Depreciation	Closing balance at Dec. 31, 2010	As at Dec. 31, 2010
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Property, plant & equipment									
Libertad	101,280	21,047	-	-	122,327	-	(9,657)	(9,657)	112,670
Limon	28,792	12,865	-	-	41,657	(2,281)	(6,926)	(9,207)	32,450
	130,072	33,912	-	-	163,984	(2,281)	(16,583)	(18,864)	145,120
Mineral properties "exploration & evaluation"									
Mocoa	22,958	401	-	-	23,359	-	-	-	23,359
Libertad (Jabali)	-	2,485	-	-	2,485	-	-	-	2,485
Radius	345	1,413	-	-	1,758	-	-	-	1,758
Cebollati	-	1,070	-	-	1,070	-	-	-	1,070
Calibre	241	2,838	(2,841)	-	238	-	-	-	238
Kupol E&W Licenses	7,840	929	(8,769)	-	-	-	-	-	-
	31,384	9,136	(11,610)	-	28,910	-	-	-	28,910
Corporate & other									
Bellavista	2,206	635	-	-	2,841	-	-	-	2,841
Office, furniture & equipment	285	-	-	-	285	(245)	(24)	(269)	16
	2,491	635	-	-	3,126	(245)	(24)	(269)	2,857
Investments (incorporated joint ventures)									
Gramalote	51,914	2,734	-	-	54,648	-	-	-	54,648
Quebradona	-	-	-	1,000	1,000	-	-	-	1,000
	51,914	2,734	-	1,000	55,648	-	-	-	55,648
	215,861	46,417	(11,610)	1,000	251,668	(2,526)	(16,607)	(19,133)	232,535