B2GOLD CORP.

(A Development Stage Company)

Consolidated Financial Statements

September 30, 2007

(in United States dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2007
(In United States dollars)
(Unaudited)

Assets	
Current	
Cash and cash equivalents	**$ 2,388,674**
Accounts receivable	**314,049**
Note receivable from Puma *(Note 3)*	**2,037,854**
Derivative instrument ("Puma Option") *(Notes 2 and 3)*	**3,203,915**
Prepaids	**54,493**
	7,998,985
Resource property interests *(Note 4 and Schedule)*	**8,741,341**
Future income tax assets	**153,051**
Other assets *(Note 5)*	**723,146**
	$ 17,616,523
Liabilities	
Current	
Accounts payable and accrued liabilities	**$ 1,204,104**
Related party loans *(Note 9)*	**1,074,001**
Future income tax liabilities	**94,846**
Notes payable to 6674321 Canada Inc. *(Notes 3 and 6)*	**4,802,299**
	7,175,250
Notes payable to 6674321 Canada Inc. *(Notes 3 and 6)*	**2,335,417**
Future income tax liabilities	**544,619**
	10,055,286
Shareholders' Equity	
Capital stock *(Note 7)*	
Authorized	
- unlimited number of common shares, without par value	
- unlimited number of preferred shares, without par value	
Issued	
- 72,322,500 common shares	**10,108,119**
Subscriptions received *(Note 10)*	**1,481,592**
Deficit	**(4,028,474)**
	7,561,237
	$ 17,616,523

Nature of operations and going concern *(Note 1)*
Commitments *(Notes 3 and 4)*
Subsequent events *(Notes 4 and 10)*

Approved by the Board *"Clive T. Johnson"* Director *"Robert J. Gayton"* Director

(See accompanying notes to consolidated financial statements)

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(In United States dollars, except shares)
(Unaudited)

	For the three months ended Sep. 30, 2007	*For the period from inception (on Nov. 30, 2006) to Sep. 30, 2007*
Expenses		
Salaries and benefits	$ 560,413	$ 993,681
Travel, meals and entertainment	189,582	357,961
Rent and utilities	154,122	291,928
Office and general	127,162	280,589
Consulting fees	153,725	221,760
Audit fees	120,000	120,000
Amortization	15,853	37,114
Loss before the undernoted expenses (income)	1,320,857	2,303,033
Write-off of resource property interests *(Note 4)*	2,279,465	2,279,465
Interest on notes payable to 6674321 Canada Inc.	120,009	280,022
Unrealized loss (gain) on derivative instrument ("Puma Option") *(Note 2)*	178,525	(103,834)
Interest income	(58,062)	(147,765)
Management fees *(Note 9)*	(21,551)	(48,426)
Foreign exchange gain	(15,058)	(19,243)
Loss before income taxes	3,804,185	4,543,252
Current income tax	-	20,472
Future income tax recovery	(466,117)	(535,250)
Loss and comprehensive loss for the periods; Deficit, end of period from inception	$ 3,338,068	$ 4,028,474
Basic and diluted loss per common share	$ 0.08	$ 0.28
Weighted average number of common shares outstanding	39,459,717	14,295,168

(See accompanying notes to consolidated financial statements)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In United States dollars)
(Unaudited)

	For the three months ended Sep. 30, 2007	*For the period from inception (on Nov. 30, 2006) to Sep. 30, 2007*
Operating activities		
Loss for the period	$ (3,338,068)	$ (4,028,474)
Non-cash charges (credits)		
Write-off of resource property interests	2,279,465	2,279,465
Future income tax recovery	(466,117)	(535,250)
Interest on notes payable to 6674321 Canada Inc. *(Note 6)*	120,009	280,022
Unrealized loss (gain) on derivative instrument (“Puma Option”)	178,525	(103,834)
Interest income on note receivable from Puma	(48,998)	(134,176)
Amortization *(Note 5)*	15,853	37,114
Changes in non-cash working capital		
Accounts receivable and prepaids	(4,718)	(368,542)
Accounts payable and accrued liabilities	176,103	477,078
	(1,087,946)	(2,096,597)
Financing activities		
Common shares issued for cash, net of issue costs, and subscriptions received	6,339,521	11,543,428
Related party loans	1,047,914	1,074,001
Other	(62,452)	(62,452)
	7,324,983	12,554,977
Investing activities		
Gramalote property interest	(3,556,834)	(3,556,834)
Colombia properties interest, exploration	(1,717,586)	(3,233,115)
Kupol East West licenses, exploration	(809,849)	(1,182,743)
Office furniture and equipment	(53,930)	(161,015)
Colombia Joint Venture Arrangement, cash acquired *(Note 3)*	-	282,000
Colombia land purchases *(Note 5)*	-	(116,571)
Other	(8,118)	(101,428)
	(6,146,317)	(8,069,706)
Increase in cash and cash equivalents	90,720	2,388,674
Cash and cash equivalents, beginning of period	2,297,954	-
Cash and cash equivalents, end of period	$ 2,388,674	$ 2,388,674

Supplementary cash flow information *(Note 8)*

(See accompanying notes to consolidated financial statements)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the period from inception (November 30, 2006) to September 30, 2007
(in United States dollars unless otherwise stated)

1 Nature of operations and going concern

B2Gold Corp. ("B2Gold") is a private company incorporated under the Business Corporations Act (British Columbia) on November 30, 2006. B2Gold was formed by certain former executives of Bema Gold Corporation. B2Gold and its subsidiary companies (collectively the "Company") is a mineral exploration Company that acquires and explores mineral properties, primarily for gold, in Colombia and Russia. All of the Company's interests relate to mineral properties that are currently at an early stage of exploration, including its Gramalote, Quebradona and Miraflores properties in Colombia and the East and West Kupol licenses in Russia.

As at September 30, 2007, the Company has no source of operating cash flows and has not yet achieved profitable operations, has accumulated losses since its inception, and expects to incur further losses in the development of its business. In the event that additional financing is not obtained, there is substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of operations for the foreseeable future. These consolidated financial statements do not include any adjustments that would be necessary should the Company be unable to continue as a going concern. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern and such adjustments could be material.

The Company is in the process of advancing the development of its interests in mineral properties and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for interests in mineral properties and related deferred costs is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to fulfill its earn-in requirements, to complete the development, and upon future profitable production or proceeds from disposition of its interests in the mineral properties. The amounts shown as mineral property costs represent incurred costs to date and do not necessarily represent future values.

2 Summary of significant accounting policies

The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada. The United States dollar is the Company's functional currency; accordingly, these consolidated financial statements are expressed in United States dollars.

Principles of consolidation
These consolidated financial statements include the accounts of B2Gold and its wholly-owned subsidiaries Andean Avasca Resources Inc. ("AARI"), Colombian Ventures Ltd., Avasca Ventures Ltd., and BKWE Ventures Limited. Intercompany balances and transactions are eliminated on consolidation.

The Company follows the recommendations in Accounting Guideline 15, "Consolidation of Variable Interest Entities ("VIE")" which establishes the application of consolidation principles to entities that are subject to control on a basis other than ownership of voting interests. The guideline requires the primary beneficiary of a VIE to consolidate the VIE. A VIE is an entity which either does not have sufficient equity at risk to finance its activities without additional subordinated financial support or where the holders of the equity at risk lack the characteristics of a controlling financial interest. The primary beneficiary is the enterprise that will absorb or receive the majority of the VIE's expected losses, expected residual returns, or both. The Company has determined that the trust arrangement identified in Note 10 is a VIE.

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.

Cash and cash equivalents
Cash and cash equivalents includes cash and money market instruments expected to be capable of prompt liquidation which have an original maturity of three months or less at acquisition.

Resource property interests
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.

Property evaluations
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.

Foreign exchange translation
The Company's foreign subsidiaries are integrated operations and financial statements stated in foreign currencies are translated using the temporal method. Currency transactions and balances are translated into the reporting currency as follows:

- Monetary items are translated at the rates prevailing at the balance sheet date;
- Non-monetary items are translated at historical rates;
- Revenues and expenses are translated at the average rates in effect during applicable accounting periods except depreciation and amortization which are translated at historical rates; and

- Exchange gains and losses on foreign currency translation are included in operations for the period.

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.

Asset retirement obligations
The Company recognizes the fair value of a liability for an asset retirement obligation when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the liability for an asset retirement obligation due to the passage of time are measured by applying an effective interest method and recognized as an increase in the liability and an accretion expense in the statement of operations. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

As at September 30, 2007, the Company did not have any asset retirement obligations. The Company completes reclamation of its drill sites and related disturbed areas on its Colombian properties on an ongoing basis.

Loss per share
Basic per share amounts are calculated using the weighted average number of common shares outstanding during the period. Diluted per share amounts are calculated using the treasury-stock method, which assumes that any proceeds from the exercise of options and warrants would be used to purchase common shares at the average market price during the period. The weighted average number of common shares outstanding is adjusted for the net increase in the number of common shares issued upon exercise of the options and warrants. Stock options and warrants are included in the calculation of diluted per share amounts only to the extent that the average market price of the common shares during the period exceeds the exercise price of the options or warrants. When the Company has incurred a loss, the potential shares to be issued from the assumed exercise of options and warrants are not included in the computation of diluted per share amounts since the result would be anti-dilutive.

Share issuance costs
Costs related to shares not yet issued are recorded as deferred financing costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs are charged against the related capital stock or charged to operations if the shares are not issued.

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.

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.

- *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:

  - Note receivable from Consolidated Puma Minerals Corp. ("Puma")*(Note 3)* is a "receivable", initially valued at fair value and subsequently measured at amortized cost.

  - Puma Option *(Note 3)*, 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.

  - Notes payable to 6674321 Canada Inc. *(Note 3)* have been designated as "an other financial liability", 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.

3 B2Gold/ Kinross transaction

On November 6, 2006, Bema Gold Corporation ("Bema") and Kinross Gold Corporation ("Kinross") announced that their Boards of Directors had unanimously approved Kinross' acquisition of Bema. The acquisition of Bema by Kinross was completed on February 27, 2007 by way of a shareholder-approved plan of arrangement (the "Arrangement"). In connection with, the completion of the Arrangement transaction between Bema and Kinross in February 2007, the Company acquired certain assets ("Non-Russian Assets") pursuant to a purchase and sale agreement (the "Purchase Agreement") among Kinross, White Ice Ventures Limited (a wholly-owned Bema subsidiary), 6674321 Canada Inc. (a wholly-owned Bema subsidiary) and the Company. The consideration paid for the Non-Russian Assets was $7.5 million, financed primarily by the issuance of three promissory notes totalling $7,453,717 to 6674321 Canada Inc. and also by the issuance of 2,722,500 shares of B2Gold common stock at a price of Cdn.$0.02 per share.

Pursuant to the terms of the Purchase Agreement, on February 26, 2007 (the closing of the Non-Russian transaction) the Company acquired the following Non-Russian Assets:

- *Colombia Joint Venture Arrangement*
  All of Bema's interest in a recently established Colombian joint venture arrangement with AngloGold Ashanti Limited ("AGA") *(Note 4)*.

- *Puma Option*
  An option ("Puma Option") to purchase all or any part of the 17,935,310 common shares in the capital of Puma held by 6674321 Canada Inc. at any time up to February 27, 2008 at a price equal to the 30 day volume-weighted average price of Puma common shares on the TSX Venture Exchange at the time of exercise, less 10%.

- *Note receivable from Puma*
  All of the indebtedness totalling $1,887,867 ("Puma Note") owed by Puma to 6674321 Canada Inc. as at February 26, 2007. The Puma Note is unsecured, denominated in United States dollars, bears interest at the prime lending rate plus 2% and is payable to the Company on demand after February 26, 2008.

- *Leasehold assets and Colombia land*
  Certain leasehold improvements, furniture and equipment owned by 6674321 Canada Inc.

  On February 26, 2007, 6674321 Canada Inc. assigned to the Company all of its rights pursuant to the lease of Bema's head office premises. In addition, the Company, as tenant, and a subsidiary of Kinross, as subtenant, entered into a sublease for a portion of the premises presently constituting the Company's head office.

  Colombia land, located mainly on the La Mina property *(Note 4)*, held for the purpose of securing access to the property for drilling.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the period from inception (November 30, 2006) to September 30, 2007
(in United States dollars unless otherwise stated)

For the purposes of these consolidated financial statements, the purchase consideration has been allocated to the fair value of the Non-Russian Assets acquired as follows:

	$
Purchase price:	
Promissory notes issued, principal amount *(Note 6)*	**7,453,717**
Less imputed interest, as at February 26, 2007	**(596,024)**
	6,857,693
2,722,500 common shares of B2Gold	**46,283**
Transaction costs	**93,304**
Total purchase price	**6,997,280**
Fair value of assets/ (liabilities) acquired:	
Derivative instrument (“Puma Option”)	**3,100,081**
Puma note receivable	**1,903,678**
Colombia Joint Venture Arrangement (including cash of $282,000)	**2,063,162**
Leasehold assets and Colombia land	**412,097**
Future income tax liabilities	**(481,738)**
Total fair value of assets acquired	**6,997,280**

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 *(Note 4)*. 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.

The Purchase Agreement also included an option granted by the Company to 6674321 Canada Inc., that in the event of an initial public offering by the Company, 6674321 Canada Inc. will have the right to purchase the number of common shares at the initial public offering price such that 6674321 Canada Inc. and its affiliates would own up to 19.9% of the total issued and outstanding B2Gold common shares. In addition, the Company granted to 6674321 Canada Inc. a pre-emptive right to maintain a 9.9% equity interest in B2Gold until February 27, 2008 (at the same price at which such shares are issued to third party purchasers).

4 Resource property interests

Colombia Joint Venture Arrangement
On November 8, 2006, AGA, Sociedad Kedadha S.A. ("Kedadha") (a subsidiary of AGA), Bema and Andean Avasca Resources Inc. ("AARI") (a wholly-owned subsidiary of Bema) entered into a Relationship, Farm-out and Joint Venture Agreement (the "JVA") to jointly explore mineral opportunities in Colombia (the Area of Mutual Interest). On February 26, 2007, pursuant to the Purchase Agreement, the Company acquired all of the shares of AARI, and all the rights, interests and obligations of Bema under the JVA were assigned to and assumed by the Company *(Note 3)*.

Pursuant to the JVA (dated November 8, 2006 and as amended September 28, 2007), AARI may earn a joint venture interest in certain properties located in northern and southern Colombia by performing exploration work, including drilling, on the following properties (individually, a "Property" and collectively, the "Properties"): Quebradona (effective March 6, 2006), La Mina (effective March 6, 2006), San Martin de Loba (effective March 6, 2006), San Carlos (effective March 6, 2006), Miraflores (effective April 24, 2007), Narino (effective July 1, 2007) and San Luis (effective September 1, 2007). The Company may earn an interest in one or more of these Properties by advancing the Property to the drilling stage and completing a minimum of 3,000 meters of drilling within two years of the effective date, or as such date may be extended. Upon completing these requirements (the "Earning Requirements") in respect of a Property, the JVA provides that the Company and AGA will form a joint venture in respect of the Property, whereby the Company and AGA will be entitled to 51% and 49% interests in the Property, respectively, subject to the following options of AGA.

Once AARI has completed its Earning Requirement, AGA will have the following options for each Property project:

(i) contribute to project expenditures based on a 51% interest and manage the project;
(ii) fund all project expenditures including the Company's share to the completion of a feasibility study;
(iii) contribute to project expenditure based on its 49% interest in the Property; or
(iv) not contribute to project expenditure.

If AGA elects either option (i) or (ii), it will be the joint venture manager for the project. Furthermore, its interest will be adjusted such that under option (i) AGA will be entitled to a 51% interest and under option (ii) it will be entitled to a 65% interest in the Property. If AGA elects either option (iii) or (iv), the Company will be the joint venture manager of the project and maintain its 51% interest or, if AGA elects not to contribute, acquire additional interests. Subject to a sole funding election by AGA or an election by either party not to contribute (with a corresponding reduction of its interests), the JVA provides that each of the parties must make contributions to meet project expenditures based on their respective interests in the joint venture for each Property.

The JVA also provides for certain potential rights between the parties to acquire additional interests in other third-party or AGA properties within the Area of Mutual Interest. AGA has agreed (upon AARI satisfying its Earning Requirement in respect of a Property) to offer the Company its interest or rights to an interest in other joint ventures, if it elects not to pursue such projects and to offer a 51% interest in AGA projects in which it has expended at least $1 million and has discontinued exploration. The Company can earn a 51% interest by spending an amount at least equal to the greater of previous AGA expenditures on the project or $1 million within two years of the offer date. The Company is required to advise Kedahda of mining opportunities within the Area of Mutual Interest and Kedahda will have the first opportunity to acquire a 75% interest in such opportunities.

The JVA contemplates that the Company will cause AARI to be listed on a recognized stock exchange by November 8, 2008 (within two years of the execution of the JVA or during such longer period as the parties may mutually agree). Under the JVA, the Company granted to AGA the option to receive not less than 20% of AARI's equity securities (and carrying not less than 20% of the votes for the election of directors, calculated on a fully diluted basis immediately following the listing of AARI on a prescribed stock exchange on the listing date), together with one half common share purchase warrant for each common share offered to AGA (with each such common share purchase warrant exercisable within three years of the listing date at a price 33% above the initial public offer price) following the listing of AARI on a recognized stock exchange (for no additional consideration other than in consideration of the properties that AGA is providing under the JVA).

During the current period, the Company elected not to continue with the San Martin de Loba and San Carlos properties and as a result wrote-off related acquisition and exploration costs totalling $1,284,633 and $994,832, respectively.

The Company is also responsible for making the following cash payments to the underlying ("original") property vendors with respect to the Miraflores, La Mina, and San Luis properties (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 ($197,400) on October 25, 2007 paid), (ii) 480,000,000 pesos ($225,600) on April 25, 2008, (iii) 520,000,000 pesos ($244,400) on October 25, 2008, (iv) 600,000,000 pesos ($282,000) on April 25, 2009, (v) 820,000,000 pesos ($385,400) on October 25, 2009 and (vi) 3,570,000,000 pesos ($1,762,500) on April 25, 2010.

- La Mina: (i) $50,000 on November 20, 2007, (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.

At September 30, 2007, the Company had not completed the Earning Requirements on any of the Properties described above and consequently had no joint ventures with AGA.

Subsequent to September 30, 2007, the Company entered into a non-binding memorandum of understanding with AGA. If the definitive agreements contemplated by the memorandum of understanding are entered into, certain terms of the JVA will be amended *(Note 10)*.

Kupol East and West Exploration Licenses (surrounding ground to the Kupol Mine)

The Kupol East and West Licenses are located in northeastern Russia, on the boundary between the Anadyrski and Bilibinski districts within the Chukotka Autonomous Okrug. These Licenses surround the Kupol Mine which Bema has been developing since 2003. Title to the Kupol East and West Licenses was granted to CMGC on August 25, 2006 through an auction and tender by the Russian Federal Agency for Management of Mineral Resources. The Licenses were officially registered on October 24, 2006. Both Licenses have a term of 25 years. The Company has commenced exploration on the Kupol East and West projects in February 2007 from the date of registration of the Licenses.

The Company is currently negotiating a joint venture agreement (the "Kupol JV Agreement") relating to the exploration, development and mining of gold and silver in Chukotka Autonomous Region, covered by the East and West Kupol Licenses. Provided that final agreement is reached on the Kupol JV Agreement and certain conditions to closing are fulfilled, it is anticipated that the East and West Kupol Licenses will be held indirectly by a joint venture company ("Kupol JVCo"), the indirect shareholders of which will be a subsidiary of the Company as to 37.5%, Kinross as to 37.5% and a company controlled by CUE as to 25% (or its successor in interest). The Company and Kinross are currently in negotiations with CUE to reach agreement on the amount of CUE's ownership interest and other aspects of the Kupol JV Agreement.

The Company and Kinross have agreed in principle on the proposed terms of the Kupol JV Agreement. The key terms are expected to be as follows:

- the Company, as operator, is to subcontract with the company that holds the Kupol East and West licenses to carry out exploration under the licenses;

- the Company and Kinross (through subsidiaries) are to fund the exploration of the properties covered by the Kupol East and West licenses pro rata, with a commitment to fund, in aggregate, $20 million in the two year period from the date of the Kupol JV Agreement (the Company's share of the $20 million aggregate initial capital contribution is expected to be $10 million);

- following the initial two year period the Company, Kinross and CUE (through subsidiaries) are each to continue to fund future exploration relating to the Kupol East and West licenses pro rata to their respective interests in Kupol JVCo;

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

- the Company, Kinross and CUE (through subsidiaries) are to share, in accordance with their pro rata interests in Kupol JVCo, all exploration, development or mining opportunities within a 100 km radius of the Kupol mill site, exclusive of the approximately 17 square km of the license relating to the Kupol Mine.

Upon completion of the anticipated Kupol JV Agreement, the Company is to acquire its interest by paying $7.5 million (consisting of cash, debt and shares of the Company). The Company has reserved for issuance 2,722,500 common shares that are to be issued upon the completion of the acquisition of the Company's interest in the Kupol East and West Licenses.

Gramalote property

The Gramalote property is located within the municipalities of San Roque and San Jose del Nus, Department of Antioquia, Republic of Colombia.

On August 21, 2007, the Company entered into a Memorandum of Understanding ("MOU") with respect to the purchase by the Company of 25% of the issued and outstanding shares of Gramalote Limited ("Gramalote BVI") from Robert Allen, Gustavo Koch, Robert Shaw and Sergio Aristizabal (collectively referred to as "Grupo Nus"). Gramalote Limited holds a 100% interest in the Gramalote property.

Pursuant to the MOU, the Company may acquire a 25% ownership interest by:

- advancing $3.5 million in cash to Grupo Nus on August 21, 2007 *(paid)*;

  (In exchange, Grupo Nus has issued a $3.5 million promissory note ("Promissory Note") to the Company. The Promissory Note has a maturity date of August 20, 2008 and is collateralized by certain mining concessions and shares in the capital of Gramalote BVI owned by Grupo Nus. For accounting purposes, this cash advance/ Promissory Note has been treated as part of the Company's acquisition cost of the Gramalote property interest).

- paying $7.5 million to Grupo Nus upon the execution of a definitive agreement, which will consist of a cash payment of $4 million along with the cancellation of the $3.5 million Promissory Note owing by Grupo Nus to the Company;

- paying an additional $7.5 million on or before 180 days from the closing date;

- issuing share purchase warrants entitling Grupo Nus to purchase Cdn.$5 million worth of B2Gold common shares, if and when B2Gold completes its initial public offering, at a price equal to the public offering price, for a period of three years from the date of issue (subject to the approval by the prescribed stock exchange); and

- paying Grupo Nus $10.00 per ounce of gold for 25% of that number of ounces of gold, if any, in excess of 1 million proven and probable ounces of gold reserves within the Gramalote property ("Excess Ounces"). The reserves are to be recalculated, and additional payments if necessary are to be made, every two years.

On or about March 16, 2006, Grupo Nus and Compania Kedahda Ltd. ("Kedahda BVI"), a subsidiary of AGA, had entered into a Shareholders' Agreement with respect to Gramalote BVI. Under the Shareholders' Agreement, Kedahda BVI may obtain a 51% ownership interest in Gramalote BVI (upon fulfilling certain work commitments totalling $2.5 million and making two cash payments of $500,000 each to Grupo Nus). In addition, under the Gramalote Shareholders Agreement, Kedahda BVI may acquire an additional 24% ownership interest ("Additional Interest") by completing a feasibility study and paying Grupo Nus $15 million on or before July 17, 2010.

In the event that Kedahda BVI does not increase its ownership interest in Gramalote BVI from 51% to 75% prior to the earliest of (a) July 18, 2010 and the completion of a positive feasibility study on the Gramalote property, or (b) the waiver by Kedahda BVI of its rights to increase its ownership interest in Gramalote BVI before July 18, 2010 (the "Kedahda Option Exercise Date"), the Company will have the option to acquire the Additional Interest by paying to Grupo Nus $7.5 million within sixty days from the Kedahda Option Exercise Date (the "B2Gold Option Exercise Date"). The $7.5 million payment may be made either in cash or common shares of the Company, at the option of the Company (the

"B2Gold Option"). In addition, if the Company acquires the Additional Interest, the Company will be required to pay $10.00 per ounce of gold for 49% of the Excess Ounces.

If the Company does not exercise the B2Gold Option, Grupo Nus shall elect, within sixty days from the B2Gold Option Exercise Date, either to assume the contributions and other obligations in respect of the Additional Interest, or to allow the Company to retain (at no charge to the Company) the Additional Interest and assume all contributions and other obligations associated therewith.

The MOU also specifies that in the event the Company acquires Kedahda BVI's 51% interest in Gramalote BVI, the Company will be required to pay to Grupo Nus the $15 million that would otherwise be payable by Kedahda BVI to Grupo Nus, less any amounts paid by the Company to Grupo Nus in connection with the acquisition of the Additional Interest by the Company. If the Company acquires Kedahda BVI's 51% interest in Gramalote BVI, the $15 million payment (less any such credits) is to be made on the first to occur of (a) July 18, 2010 or (b) the completion of a positive feasibility study on the Gramalote Property.

Subsequent to September 30, 2007, the Company entered into the Gramalote Purchase and Sale Agreement with Grupo Nus on substantially the same terms as the MOU. In connection with the first stage of closing under the agreement, the Company paid $7.5 million to Grupo Nus, consisting of a cash payment of $4 million and the satisfaction and cancellation of the $3.5 million owing by Grupo Nus to the Company under the Promissory Note.

Subsequent to September 30, 2007, the Company entered into a non-binding memorandum of understanding with AGA. If the definitive agreements contemplated by the memorandum of understanding are entered into, the Company would be entitled to a 51% share interest in Gramalote BVI *(Note 10)*.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the period from inception (November 30, 2006) to September 30, 2007
(in United States dollars unless otherwise stated)

5 Other assets

	Cost $	Accumulated Depreciation $	Net Book Value $
Colombia land	**442,032**	**-**	**442,032**
Computer equipment/ software	**161,015**	**(20,127)**	**140,888**
Leasehold assets	**86,636**	**(16,987)**	**69,649**
Deferred share issue costs	**62,453**	**-**	**62,453**
Other	**8,124**	**-**	**8,124**
Closing balance, September 30, 2007	**760,260**	**(37,114)**	**723,146**

The Colombia land is being held by the Company in order to secure access to the La Mina property for drilling *(Note 4)*.

6 Notes payable to 6674321 Canada Inc.

On February 26, 2007, the Company issued three promissory notes to 6674321 Canada Inc. (a wholly-owned subsidiary of Bema) totalling $7,453,717, in order to finance the purchase of the Non-Russian Assets *(Note 3)*. These notes are unsecured, non-interest bearing, denominated in United States dollars and are payable as follows: $2,601,726 due on February 26, 2008, $2,601,725 due on February 26, 2009 and the remainder of $2,250,266 due on the earlier of (i) the date of an initial public offering by the Company and (ii) February 26, 2008.

For accounting purposes, these notes have been initially recorded at an estimated fair value of $6,857,693 and are subsequently being measured at amortized cost. The estimated fair value at inception was calculated based on the net present value using a discount rate estimated to represent the interest rate of comparable debt. Interest expense is being recognized on the notes by accreting the notes (using the effective interest rate method) to their face value of $7,453,717 over the term of the notes.

	$
Principal amount	**7,453,717**
Less imputed interest, as at September 30, 2007	**(316,001)**
	7,137,716
Less current portion	**(4,802,299)**
Long-term portion of notes payable, September 30, 2007	**2,335,417**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the period from inception (November 30, 2006) to September 30, 2007

(in United States dollars unless otherwise stated)

7 Capital stock

The Company's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares. As at September 30, 2007, the Company had 72,322,500 common shares outstanding and no preferred shares outstanding.

	#	$
Common shares, issued during the period:		
For cash, net of issue costs	**69,600,000**	**10,061,836**
For Non-Russian Assets *(Note 3)*	**2,722,500**	**46,283**
Total issued common shares, September 30, 2007	**72,322,500**	**10,108,119**

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 ($9,266,581). 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 February 26, 2007, the Company completed a non-brokered private placement of 3,000,999 common shares at a price of Cdn.$0.02 per share for gross proceeds of Cdn.$60,020 ($53,844). On July 25, 2007, the Company also completed a non-brokered private placement of 41,599,000 common shares at a price of Cdn.$0.02 per share for gross proceeds of Cdn.$831,980 ($746,362). Share issue costs totalled $4,952. Both private placements were completed with certain directors, officers and employees of the Company and other investors. In addition, on November 30, 2006 (upon incorporation), 1 common share was issued at Cdn.$1.00 per share.

8 Supplementary cash flow information

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

	$
Non-cash investing and financing activities:	
Accounts payable and accrued liabilities relating to resource property expenditures	**727,026**
Common shares issued for Non-Russian Assets *(Note 3)*	**46,283**
Promissory notes issued for Non-Russian Assets *(Note 3)*	**6,857,693**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the period from inception (November 30, 2006) to September 30, 2007
(in United States dollars unless otherwise stated)

9 Related party transactions

As part of the Arrangement between Bema and Kinross and pursuant to the Purchase Agreement *(Note 3)*, 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.

During the current period, the Company also provided management, administrative and technical services, on a month-to-month basis, to Victoria Resource Corporation and Consolidated Westview Resource Corp., 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)	**(48,426)**
Expenses (reimbursed):	
Office and general	**(9,957)**
Salaries and benefits	**(76,699)**
Rent	**(23,896)**
	(158,978)
Consolidated Balance Sheet	
Accounts receivable	**55,059**

At September 30, 2007, the Company owed $1,074,001 in interest-free loans (unsecured with no fixed terms of repayment) to certain officers and shareholders of the Company.

10 Subsequent events

- ***Private placement***
  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. The net proceeds will be used to fund a portion of the remaining payments for the completion of the acquisition of the 25% interest in Gramalote BVI, to fund exploration in Colombia and Russia and for working capital and general corporate purposes. As at September 30, 2007, the Company had received approximately Cdn.$1.5 million ($1.5 million) towards this private placement, which have been recorded as subscriptions received within shareholders' equity.

- ***Incentive shares issued (held in trust)***
  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 excercise 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.

- ***Initial Public Offering***
  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 40,000,000 Offered Shares at a purchase price of Cdn.$2.50 per Offered Share, for gross proceeds of Cdn.$100,000,000. The Company paid the Underwriters Cdn.$0.15 per Offered Share purchased by the Underwriters, excluding 6,000,000 Offered Shares purchased by Kinross for which no commission was payable, for an aggregate commission of Cdn.$5,100,000.

  The Company has granted to the Underwriters an Over-Allotment Option, exercisable in whole or in part and from time to time for a period of 30 days following the Closing Date, to acquire up to an additional 15% of the number of Offered Shares sold pursuant to the Offering at the Offering Price. If the Over-Allotment Option is fully exercised for Offered Shares, assuming no further participation by Kinross, the total Underwriters' fee will be Cdn.$6,000,000 and the total net proceeds to the Company will be Cdn.$109,000,000 (before deducting expenses of the Offering).

- ***November 26, 2007 non-binding Memorandum of Understanding***
  On November 26, 2007, the Company entered into a non-binding memorandum of understanding ("non-binding MOU") with AGA to terminate AGA's rights to acquire 20% of the voting securities of AARI and to terminate the Company's obligations with respect to the listing of AARI's shares. The non-binding MOU 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 non-binding MOU contemplates the parties entering into definitive agreements to effect the following transactions:

- in consideration of the termination of AGA's rights in respect of AARI securities and in consideration of the transfer of other interests of AGA and its subsidiaries in certain mineral prospects in Colombia, the Company would agree to either pay $66,000,000 to AGA or, at the Company's election, issue to AGA 19,900,000 common shares and 9,950,000 warrants to purchase common shares of the Company. The warrants would be exercisable for a three year term at a price equal to 133 $^{1/3}$% of the Offering Price.

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

- AGA would agree to transfer a 2% interest in the Gramalote property to the Company and will assign all other rights, including its right to acquire an additional 24% interest, in the Gramalote property so that the Company will be entitled to a 51% share interest in Gramalote BVI and Kedahda BVI will own a 49% interest.

- Kedahda BVI would agree to complete its payments to Grupo Nus to earn the 51% interest.

- the Company would take over management of exploration of the Gramalote property and will be responsible for expenditures to complete a feasibility study of the project. AGA will also agree to transfer its interest in certain properties adjacent to the Gramalote property where mineralization is indicated to continue from the Gramalote property.

- the Company would agree to increase the extent of drilling required for it to earn in its interests in properties under the Colombia JVA from 3,000 metres to 5,000 metres.

- new joint venture agreements would be entered into between the Company and AGA in respect of the Gramalote property to replace the association contract and related agreements.

- AGA would be granted 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 shares of the Company (in the event that AGA receives common shares of the Company pursuant to the non-binding MOU). This right will continue for the lesser of a period of three years or until AGA owns less than 10% of the outstanding shares of the Company.

If the Company proceeds with the transactions and agreements contemplated in the non-binding MOU with AGA, Kedahda BVI will not elect to increase its ownership to 75% and the Company will acquire a 51% interest in Gramalote BVI (consisting of the 25% interest currently held, the 24% Additional Interest, and the 2% interest to be acquired from Kedahda BVI).

RESOURCE PROPERTY INTERESTS SCHEDULE
For the period from inception (November 30, 2006) to September 30, 2007
(in United States dollars)

	Colombia properties (under JVA agreement)								
	Quebradona	**Miraflores**	**La Mina**	**Narino**	**San Martin De Loba**	**San Carlos**	**Kupol East/ West**	**Gramalote**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Exploration expenditures incurred during the period:									
Acquisition costs	296,861	296,861	296,861	296,861	296,861	296,861	-	3,556,834	**5,338,000**
Administration	86,666	173,527	22,791	12,473	235,414	98,054	169,077	-	**798,002**
Claim maintenance & underlying option payments	13,630	-	84,260	-	90,899	93,924	-	-	**282,713**
Consulting	65,471	57,083	-	19,896	18,336	26,975	21,692	-	**209,453**
Drilling	-	347,766	-	-	409,053	137,652	1,054,299	-	**1,948,770**
Field expenses	53,463	112,959	18,873	29,743	57,677	81,011	151,843	-	**505,569**
Geochemistry	59,256	22,599	-	13,895	16,671	18,926	3,573	-	**134,920**
Salaries and other related								-	
costs	145,002	208,538	17,300	82,613	119,693	180,580	227,073	-	**980,799**
Travel & accommodation	41,084	37,758	3,267	17,459	40,029	60,849	82,208	-	**282,654**
Future income tax	-	-	-	-	-	-	539,926	-	**539,926**
	761,433	1,257,091	443,352	472,940	1,284,633	994,832	2,249,691	3,556,834	**11,020,806**
Write-off of resource properties	-	-	-	-	(1,284,633)	(994,832)	-	-	**(2,279,465)**
Balance, end of period	761,433	1,257,091	443,352	472,940	-	-	2,249,691	3,556,834	**8,741,341**