B2GOLD CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the quarters ended June 30, 2009 and 2008
(All tabular amounts are expressed in thousands of US dollars except per share and per ounce amounts)

This Management's Discussion and Analysis has been prepared as at August 11, 2009 and contains certain "Forward-Looking Statements" within the meaning of the Canadian Securities laws. All statements, other than statements of historical fact, included herein, including without limitation statements regarding potential mineralization, exploration results and future plans and objectives of B2Gold Corp. (the "Company" or "B2Gold") are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The following discussion of the operating results and financial position of the Company should be read in conjunction with the unaudited interim consolidated financial statements and the notes thereto of the Company for the six months ended June 30, 2009 and the audited consolidated financial statements of the Company and the notes thereto for the year ended December 31, 2008. 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.

OVERVIEW

B2Gold is a Vancouver-based gold producer with mining operations in Nicaragua and a portfolio of mining, development and exploration assets in Colombia, Nicaragua and Northeastern Russia. Currently, the Company is operating the Limon gold mine (the "Limon Mine") in Nicaragua, and is converting the Orosi open pit heap leach gold mine (the "Orosi Mine") in Nicaragua to a conventional milling operation. The Company also owns or has a material interest in the Gramalote, Quebradona and Mocoa properties in Colombia, the Mestiza – La India property in Nicaragua, and the East and West Kupol licenses in Russia. The Company currently considers its material properties to be the Limon Mine, the Orosi Mine and the Gramalote property.

On March 26, 2009, the Company completed a business combination with Central Sun Mining Inc. ("Central Sun") in which it acquired all of the outstanding common shares of Central Sun (see "Acquisition of Central Sun Mining Inc." section). As a result of this transaction, the Company acquired two Nicaraguan mines (95% owned Limon and 100% owned Orosi) with current production of approximately 43,000 ounces of gold per year from the Limon Mine in Nicaragua increasing to an annual rate of approximately 125,000 to 130,000 ounces per year by the end of 2009 as the Orosi Mine recommences production as a milling operation rather than a heap leach mine. The Company also acquired Central Sun's interests in additional mineral properties including, in Nicaragua, the 100% owned La India property, and in Costa Rica, the 100% owned La Bellavista property.

RESULTS OF OPERATIONS

For the three months ended June 30, 2009, the Company had a loss of $2.8 million (negative $0.01 per share) on revenue of $7.9 million compared to a loss of $2.1 million (negative $0.01 per share) on revenue of $nil in the equivalent period of 2008. Prior to the second quarter of 2009, the Company had no source of operating revenue. Gold revenue from the Limon Mine was approximately $7.9 million on the sale of 8,513 ounces at an average realized price of $922 per ounce. The Limon Mine was acquired as part of the Central Sun business combination on March 26, 2009. The loss was higher in the second quarter of 2009 versus the second quarter of 2008 mainly due to a mine operating loss of $0.7 million from the Limon Mine (see "Limon Mine" section).

For the first six months of 2009, the Company reported a loss of $8.6 million (negative $0.04 per share) on revenue of $7.9 million compared to a loss of $10.5 million (negative $0.08 per share) on revenue of $nil in the equivalent period of 2008. The loss for the six months ended June 30, 2009 included a write-off of resource property costs in the amount of $3.1 million (the Company elected not to continue with the Nariño, San Luis and Yarumalito properties in Colombia) and general and administrative costs of $3.7 million. The loss for the six months ended June 30, 2008, mainly consisted of a $3 million write-off relating to the Puma Option (the Company elected during the first quarter of 2008 not to exercise its option to purchase the common shares of Consolidated Puma Minerals Corp. held by Kinross Gold Corporation), stock-based compensation expense of $2.8 million and a foreign exchange loss of $2.4 million. In addition, general and administrative costs totalled $3.6 million and were partially offset by interest income of $1.7 million.

Summary of Unaudited Quarterly Results:

	Q2 2009 $ (000's)	Q1 2009 $ (000's)	Q4 2008 $ (000's)	Q3 2008 $ (000's)	Q2 2008 $ (000's)	Q1 2008 $ (000's)	Q4 2007 $ (000's)	Q3 2007 $ (000's)
Gold revenue	7,851	-	-	-	-	-	-	-
Mine operating loss	717	-	-	-	-	-	-	-
Loss and comprehensive loss for the period	2,843	5,727	14,987	4,547	2,114	8,347	167	3,338
Loss per share – basic and diluted	0.01	0.04	0.10	0.03	0.01	0.07	0.00	0.08

LIMON MINE

The operating results for the Limon Mine during the second quarter of 2009 are summarized in the following table. The Company acquired the Limon Mine as part of the Central Sun business combination. Prior to the second quarter of 2009, the Company had no source of operating revenue.

	Q2 2009
Gold sold (ounces)	8,513
Average realized gold price ($/ ounce)	922
Tonnes milled	53,483
Grade (grams/ tonne)	4.67
Recovery (%)	88
Gold production (ounces)	6,832
Cash operating costs ($/ ounce)	858
Total cash costs ($/ ounce)	923

The Limon Mine produced 6,832 ounces during the second quarter of 2009 compared to a budget of 10,282 ounces, or 66% of budget. Tonnes processed during the quarter were 53,483 at a grade of 4.67 g/t versus a budget of 79,131 tonnes at a grade of 4.68 g/t. Tonnes processed were 68% of budget.

In early April, the Company elected to shut the crushing and grinding plant down for ten days to complete major maintenance projects. These projects included reversing the main drive gear on the SAG mill, replacing the SAG mill feed conveyor, rebuilding the stockpile re-handling system between the primary crusher and the SAG mill and overhauling the apron feeder below the primary crusher. All of these projects were successfully completed and the plant throughput has risen to over 950 tonnes per day as a result of this work.

April production at the Limon Mine was also affected by three separate illegal work stoppages by the unions. The first of these work stoppages took place on the Friday before the "Semana Santa" holiday, a week-long event where all government offices were closed. As a result, approximately ten days were lost before the strike was officially declared illegal by the Ministry of Labour, and the workers were required to return to work. The second two work stoppages were also declared illegal with only two additional days being lost for each of these events. A new two year collective bargaining agreement was negotiated and signed with all three unions in July. With the support of the Ministry of Labour and this new agreement the Company does not anticipate work stoppages as a major threat going forward.

Production for the month of May was excellent, with 30,570 tonnes being processed at a grade of 4.97 g/t, for a production rate of 986 tonnes per day (budget of 870 tonnes per day for the quarter). The maintenance work in April has resulted in better plant utilization and improved production rates.

Near the end of June, the motor on the ball mill failed, and a total of eleven days were lost. The Limon Mine does not have spare motors for the mills, but the motor from the Bellavista Mine in Costa Rica was adapted to replace this motor. The Bellavista motor was successfully modified and has been operating with full production levels being achieved. The original motor will be sent out for a full rebuild which will take approximately five months.

In summary, thirty-five days were lost during the quarter for work stoppages, planned maintenance and the ball mill motor failure. Daily production rates of 975 tonnes per day were achieved for the days worked which is an increase over the budget of approximately 100 tonnes per day. It is anticipated that about 1,500 ounces of lost production may be gained back in the third and fourth quarters due to the higher mill throughput gained from the major maintenance projects. Total cash costs for the second quarter of 2009 was $923 per ounce of gold due to the disruptions outlined above. For the six months ended June 30, 2009, including the production from the Limon Mine from January 1, 2009 to March 26, 2009 (the production prior to the acquisition of Central Sun), total cash costs would have been approximately $780 per ounce compared to a budget of $583 per ounce on production of 17,697 ounces of gold.

OROSI MINE

The Orosi construction project was re-started in February with funds loaned to Central Sun by the Company, and this work continued to ramp up during March. These funds allowed critical aspects of the project to get started in an attempt to maximize construction progress prior to the start of the rainy season. The primary tasks that would be affected most by the rainy season include the tailings pond construction, access and foundations for the power line towers, and foundations for the tanks in the processing plant.

During the second quarter of 2009, the construction project advanced from 55% complete to approximately 77% complete. A total of $12.4 million ($10.4 million on a cash basis, excluding accounts payable) was spent on construction during the quarter, compared to a forecast of $13.8 million for the same period. Total budget for the construction project is $54.7 million, of which $42.1 million had been spent by the end of the quarter.

The Company is acting as the general contractor, and numerous sub-contractors have been hired to complete the various construction tasks. The Company's employees are being used for a number of the construction projects and as support for many of the contractors. Manpower peaked in June with over 800 workers and twenty sub-contractors.

The project is on schedule to be in production in the fourth quarter of 2009. The initial production capacity of the plant is planned to be 3,500 tonnes per day utilizing one SAG mill and one ball mill. A second ball mill has been purchased, and will be installed during the first quarter of 2010, increasing the capacity of the plant to over 5,000 tonnes per day. This is a deviation from the original Central Sun plan which included the installation of the small mill from Bellavista as the second ball mill, resulting in a plant capable of processing 4,200 tonnes per day. The Company reviewed this, and chose to purchase a new ball mill to match the existing mill and boost production levels.

Critical items for achieving production in the fourth quarter:

<u>Completion of the tailings pond</u>
Heavy rains have severely hampered the progress in the tailings pond area and as a result, the Company is constructing a temporary dike in front of the lined area at the north end of the tailings pond so as not to impact the anticipated start-up in the fourth quarter of 2009. This will guarantee that there is sufficient space for the initial months of production, and the rest of the facility will be completed late this year and in early 2010 during the dry season.

<u>Power line and substations</u>
The power line construction has progressed extremely well, and completion is now scheduled for the end of August, 2009.

<u>Steel fabrication</u>
The bulk of the steel fabrication work is being done in Honduras. Due to political disruption, the borders and ports of Honduras were closed at various times. The Company has changed the priority of the fabrication projects to minimize the effect on the schedule. All steel required for the fabrication work has been delivered.

<u>General plant construction</u>
Delays in fabrication have created disruptions in the construction schedule. The Company is managing this issue by modifying priorities and re-assigning construction tasks.

<u>Small miners</u>
The Company is in negotiations with small miners that are currently working in two areas that are targeted for initial mine production. Negotiations are in process, and management is confident that this issue will be resolved.

<u>Mining contractor</u>
The Company is in final negotiations with the mining contractor, and it is anticipated that a contract will be in place before the end of August. The selected contractor has some equipment on site, so the clearing of areas and road construction can begin early if necessary.

<u>Collective bargaining agreement</u>
Initial talks with the union leaders have taken place. No issues have been identified that would result in delays for completing a new agreement.

BELLAVISTA MINE

The Company is continuing to advance the environmental audits of the Bellavista property. A Phase I report was completed by Tetra Tech, a consulting firm based in Golden, Colorado, and the results of this report have been presented to the Costa Rican environmental authority ("SETENA"). This report focused on the stability of the landslide area (which resulted in the property being closed in July, 2007), and on water quality. A Phase II program has been initiated which will address all closure issues of the project site. The majority of this work will be completed by the end of 2009, but additional monitoring is planned for several more years.

In parallel with the environmental audit work, the Company is investigating the potential for re-opening the mine utilizing different technologies. Bellavista was previously operated as a heap leach operation, but if the company was to re-start operations, it would be a milling and carbon in leach process.

ACQUISITION OF CENTRAL SUN MINING INC.

On January 30, 2009, the Company entered into an agreement with Central Sun to effect the acquisition of Central Sun pursuant to a plan of arrangement (the “Arrangement”). On March 26, 2009 (“Acquisition Date”), the Company completed the Arrangement and acquired 100% of the outstanding shares of Central Sun. The purchase has been accounted for as a business acquisition, with B2Gold as the acquirer and Central Sun as the acquiree. The results of operations of Central Sun have been consolidated with those of B2Gold commencing on the Acquisition Date. The primary assets acquired are Central Sun’s interests in the Limon Mine (95%) and the Orosi Mine (100%) both located in Nicaragua.

Pursuant to the Arrangement, all of the issued and outstanding common shares of Central Sun were exchanged for common shares of the Company on the basis of a ratio of 1.28 common shares of the Company for each common share of Central Sun. In addition, outstanding stock options to purchase common shares of Central Sun were exchanged for replacement options to purchase an equivalent number of common shares of the Company based on the same exchange ratio and outstanding share purchase warrants of Central Sun were amended to entitle holders to acquire common shares of the Company based on the exchange ratio. All outstanding Central Sun stock options vested upon change of control.

In connection with the Arrangement, the parties entered into a loan agreement on February 6, 2009 providing for a loan by the Company to Central Sun of up to Cdn.$10 million to finance the payment by Central Sun of certain debt obligations and to fund re-commencement of capital improvements to Central Sun’s Orosi Mine. On March 6, 2009, the Company and Central Sun agreed to an amendment of the loan agreement providing for the advancement by the Company of an additional $8 million to finance the repayment by Central Sun of an existing $8 million debt obligation. The financing provided by the Company to Central Sun totalling $15.9 million has been included in the total purchase price of Central Sun’s assets.

Total consideration paid of $74.8 million included the above mentioned $15.9 million financing, the fair value of 80,638,705 B2Gold shares issued at $0.63 per share (based on the weighted average price of B2Gold shares calculated two days before, the day of, and two days subsequent to the agreement date of January 30, 2009), and 7,988,789 B2Gold replacement options and 18,061,648 share purchase warrants with a fair value of $2.8 million and $4.6 million, respectively, plus B2Gold transaction costs of $0.7 million. The options and share purchase warrants have been valued using the Black-Scholes option pricing model based on a risk-free annual interest rate of approximately 3%, an expected volatility of 86%, an expected average life of 3.62 years for the options and 1.64 years for the warrants and a dividend yield of nil.

The purchase price was calculated as follows:

	$ (000’s)
Common shares issued (80,638,705 B2Gold common shares)	**50,802**
Cash advanced to Central Sun under loan agreements	**15,928**
Fair value of options and warrants issued	**7,353**
Transaction costs	**741**
Total purchase price	**74,824**

The following table sets forth a preliminary allocation of the purchase price to assets and liabilities acquired, based on preliminary estimates of fair values. The Company has not yet determined the fair value of all identifiable assets and liabilities acquired. The Company is currently undergoing a process whereby the fair value of all identifiable assets and liabilities acquired will be determined. This is a preliminary purchase price allocation and therefore subject to adjustment over the course of 2009 on completion of the valuation process and analysis of resulting tax effects. Such adjustments may be material.

	$ (000's)
Preliminary purchase price allocation:	
Cash and cash equivalents	**1,409**
Accounts receivable	**1,303**
Product inventory	**1,365**
Supplies inventory	**6,440**
Prepaids	**7,416**
Marketable securities	**101**
Other long-term assets	**372**
Assets held for sale - Cerro Quema property	**6,460**
Resource property interests	**75,630**
Accounts payable and accrued liabilities	**(13,271)**
Asset retirement obligations, including current portion	**(7,105)**
Other long-term liabilities	**(1,879)**
Non-controlling interest	**(3,417)**
	74,824

Subsequent to June 30, 2009, on July 16, 2009, the Company completed the sale of its common shares in RNC (Panama) Limited ("RNC"), a wholly-owned subsidiary which indirectly holds a 60% interest in the Cerro Quema property. The aggregate consideration received was $2.15 million, consisting of $0.2 million in cash and a note receivable of $1.95 million. The Company's 60% interest in the Cerro Quema property had been acquired on March 26, 2009 as a result of the Central Sun Arrangement. As at June 30, 2009, the assets and liabilities of RNC have been presented separately on the consolidated balance sheet as "assets held for sale" and are being carried at their fair values.

The following table shows RNC's net assets, net of non-controlling interest:

	$ (000's)
Assets held for sale - Cerro Quema property	**6,460**
Current liabilities	**(911)**
Non-controlling interest	**(3,399)**
Net assets, as at June 30, 2009	**2,150**

LIQUIDITY AND CAPITAL RESOURCES

The Company ended the second quarter of 2009 with cash and cash equivalents and highly liquid money market investments with maturities over three months of $4.5 million and $nil, respectively, compared to cash and cash equivalents of $3.9 million and money market investments of $19 million at March 31, 2009. The decrease of the Company's cash equivalents/ short-term money market investments was mainly due to expenditures incurred on upgrading the Orosi Mine to a standard milling operation and to exploration expenditures incurred on the Company's properties in Colombia and Russia. The Company had a working capital deficiency of $0.8 million at June 30, 2009.

Subsequent to June 30, 2009, on July 22, 2009, the Company completed a bought deal equity financing with a syndicate of underwriters and issued 33,340,000 common shares of the Company at Cdn.$0.75 per share, for gross proceeds of approximately Cdn.$25 million. The Company had granted the underwriters an over-allotment option to purchase up to 5,001,000 common shares at the price of Cdn.$0.75 per share. On August 5, 2009, the underwriters exercised, in full, their over-allotment option. The additional gross proceeds from the exercise of the over-allotment option totalled approximately Cdn.$3.75 million. As part of the offering, AngloGold Ashanti Limited ("AGA") 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 approximately 3.9 million common shares of the Company.

The following table presents, as at June 30, 2009, the Company's known contractual obligations, relating to the mill construction at the Orosi Mine and consumable supplies primarily for the Limon Mine. The timing of the Company's asset retirement obligations is also presented below on an undiscounted basis.

	Total	***2009***	***2010***	***2011***	***2012***	***2013 and later***
	$ (000's)	***$ (000's)***	***$ (000's)***	***$ (000's)***	***$ (000's)***	***$ (000's)***
Purchase commitments	8,135	7,944	108	68	15	-
Asset retirement obligations (undiscounted)	11,257	1,153	3,155	1,118	221	5,610

The acquisition by the Company of Central Sun is expected to provide the Company with future operating cash flow. The Orosi (100% owned) upgrade to a milling plant is expected to be commissioned in the fourth quarter of 2009. With both the Limon and Orosi Mines operating in 2010, B2Gold's annual gold production is projected to be approximately 125,000 to 130,000 ounces at estimated cash costs of approximately $460 to $485 per ounce.

Operating activities

During the second quarter of 2009, operating activities, before non-cash working capital changes, required cash of $1.6 million (Q2 2008 - $0.6 million) mainly due to general and administrative costs. Cash required by operating activities was higher in the current quarter as a result of a decrease in interest income of $0.7 million (due to lower average cash and short-term money market balances) and a decrease in foreign exchange gains.

For the six months ended June 30, 2009 and 2008, operating activities, before non-cash working capital changes, required cash of $4.5 million and $4.2 million, respectively, composed mainly of general and administrative costs.

Financing activities

For the six months ended June 30, 2009, the Company received a total of $31,000 from the issuance of 320,000 common shares upon the exercise of stock options and warrants which were all exercised in the second quarter of 2009.

The following share issuances did not result in any additional cash to the Company.

On March 26, 2009, the Company issued (or made available for issue) 80,638,705 common shares in exchange for all of the issued and outstanding shares of Central Sun.

On July 15, 2008, pursuant to the terms of the Gramalote Purchase Agreement, the Company acquired the Additional Interest in Gramalote BVI and completed the $7.5 million payment to Grupo Nus by issuing 5,505,818 common shares of the Company at a price of Cdn.$1.10 per share valued at $6 million (and making a cash payment of $1.5 million).

On May 15, 2008, the Company entered into the Agreement to Amend the Relationship, Farm-Out and Joint Venture Agreement and regarding Gramalote Limited and Other Matters (“Amending Agreement”) between AGA, Sociedad Kedadha S.A. (a subsidiary of AGA), Compania Kedahda Ltd. (“Kedahda BVI”) (a subsidiary of AGA), Andean Avasca Resources Inc. (“AARI”) (100% owned by B2Gold) and the Company. Pursuant to the terms of the Amending Agreement, 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 the Quebradona property, pursuant to the terms of a joint venture agreement with AGA. On May 15, 2008, pursuant to the Amending Agreement, the Company issued to AGA units comprised of an aggregate of 25,000,000 common shares and 21,400,000 share purchase warrants. The warrants, which are exercisable at any time prior to May 15, 2011, consisted of 11,000,000 warrants exercisable at a price of Cdn.$3.34 per share and 10,400,000 warrants exercisable at a price of Cdn.$4.25 per share.

Investing activities

On June 23, 2009, the Company and Calibre Mining Corp. (“Calibre”) executed an option agreement whereby the Company will be entitled to acquire a 51% interest in the NEN Gold-Copper Project ("NEN Property") by expending Cdn.$8 million on exploration and other work by July 1, 2012; of which Cdn.$2.5 million must have been expended by July 1, 2010. The Company has the option to acquire an additional 14% interest in a Designated Project Area ("Project Area") as defined and agreed upon by both parties, within the NEN Property Boundary, for a total 65% Project Area interest by completing a preliminary feasibility study on that Designated Project. Calibre will be the operator of the work program in the first year of the agreement; the Company will have an option to assume operatorship afterwards.

On June 26, 2009, the Company was granted an option from Radius Gold Inc. (“Radius”) to acquire an interest in its mineral property portfolio in Nicaragua. Radius began exploring in Nicaragua in 2003. In addition to discovering a number of exploration projects with potential to host gold resources; specifically the Trebol, Pavon and San Pedro exploration properties (the "Properties"), Radius's technical team also compiled an extensive regional exploration data base covering much of the Central American country (the "Regional Exploration Projects"). The agreement with Radius consists of 3 parts:

1. Trebol, Pavon and San Pedro

Radius has granted the Company an option to acquire a 60% interest in the Properties by expending a total of $4 million on exploration on any one or more of the Properties within 4 years from the date of the agreement. When the Company has spent the $4 million, it will own a 60% interest in all of the Properties and a joint venture will be formed whereby each party will contribute its pro rata share of the exploration costs.

2. Production from the Pavon Resource Property

In 2005 Meridian Gold Inc. ("Meridian") completed a 2 stage exploration drill program at the Pavon vein system. Internal company work by Meridian led to the outlining of a conceptual gold resource on specific parts of the Pavon vein system which are being contemplated separately to the Properties described above. Under the Pavon Resource Property agreement, the Company will have an option to review the conceptual gold resource outlined by Meridian. If the Company feels that there is potential to mine any or all of the resource, it will have an option to put the property into production within a time frame of 3 years. After production is achieved, ownership of the Pavon Resource Property will be transferred 100% to the Company and Radius will receive 40% of the net cash flow generated from the operation.

3. The Regional Exploration Projects

Radius has assembled an extensive data base of regional geological, geochemical and geophysical data covering much of Nicaragua. It has agreed to provide this to the Company, on an exclusive basis. If as a result of reviewing the regional data, the Company identifies a prospect or project for acquisition and exploration on ground that is not covered by an existing concession, Radius will apply for a concession over the area and that area will then be designated a "project area".

In the second quarter of 2009, the Company redeemed approximately $19 million of funds which had been invested in highly liquid money market investments. Capital expenditures on the Orosi mill upgrades (see "Orosi Mine" section) and on the Limon Mine totalled $10.4 million and $0.8 million, respectively. The Company also incurred resource property expenditures for exploration and development in the amount of $2.5 million (Q2 2008 - $7 million), on a cash basis, on its projects in Colombia and Russia as follows: $0.9 million (Q2 2008 - $1.9 million) on the Gramalote property, $0.9 million (Q2 2008 - $2.9 million) on Colombian properties under the joint venture arrangement with AGA, $0.2 million (Q2 2008 - $0.8 million) on Mocoa, $nil on Miraflores (Q2 2008 - $0.4 million) and $0.5 million (the Company's 50% share) (Q2 2008 - $1 million) on the East and West Kupol Licenses.

For the first six months of 2009, the Company redeemed approximately $33 million of funds invested in highly liquid money market investments of which $15.9 million was advanced to Central Sun prior to the Acquisition Date in order to finance the repayment by Central Sun of an existing $8 million debt obligation and to fund the re-commencement of construction at Orosi. A further $10.4 million went towards the development of the Orosi Mine in the second quarter of 2009. During the six months ended June 30, 2009, the Company also incurred resource property expenditures for exploration and development in the amount of $5.9 million (2008 - $9.8 million), on a cash basis, on its projects in Colombia and Russia as follows: $2.2 million (2008 - $3 million) on the Gramalote property, $2.2 million (2008 - $3.7 million) on Colombian properties under the joint venture arrangement with AGA, $0.5 million (2008 - $0.8 million) on Mocoa, $nil on Miraflores (2008 - $0.6 million) and $1 million (the Company's 50% share) (2008 - $1.7 million) on the East and West Kupol Licenses.

At Gramalote surface exploration work carried out by the Company has outlined eight drill targets located in the region of the Gramalote Ridge resource including Trinidad SE, Monjas, Monjas West, Limon, Topacio, Banco, Guacharacas and Cisneros. All of these targets have similar geological, alteration and mineralization characteristics to the Gramalote Ridge and have not yet been drill tested. In addition more drilling is warranted at Trinidad (previous drilling of 7,019 metres ("m") with results up to 223m @ 1.00g/t Au and 109m @ 1.13g/t Au) and Cristales (previous drilling of 1,001m with results up to 17m @ 1.22g/t Au and 83m @ 0.63g/t Au). In summary, there are ten promising drill targets in addition to the main Gramalote deposit that represent great potential to add more ounces to the existing Gramalote resource. No drilling was completed in 2009 as a follow up to the 30,189 m diamond drilling program completed in 2008. In the first quarter of 2009, the Company completed and published a National Instrument 43-101 compliant inferred mineral resource estimate for the Gramalote Ridge Zone of 74.375 million tonnes grading 1.00 g/t Au for a total of 2.39 million troy ounces of gold at a 0.5 g/t cut-off and within a $1,000 per ounce gold optimised Whittle pit. In addition the company plans to complete an internal scoping study on Gramalote in 2009.

In Russia, the 2009 spring drilling program has been completed in the Moroshak basin and the Star-B5 zone on the Kupol West license. Planning is now underway for follow up drilling on the newly discovered Moroshka vein, 4 km east of the Kupol mine. Geological mapping and soil geochemical sampling have commenced in areas of recent drilling to better define zones of interest and test for new targets. A recently completed airborne magnetometer survey over the Kupol East and West licences will also assist in new target definition.

On April 25, 2008, pursuant to the Gramalote Purchase Agreement, the Company made an additional cash payment of $7.5 million with respect to its purchase of 25% of the issued and outstanding shares of Gramalote BVI.

In February 2008, the Company repaid approximately $2.6 million of the amounts owing under its promissory notes to Kinross. In February 2009, the Company made a final payment of $2.6 million and accordingly has no further obligation with respect to the promissory notes issued on February 26, 2007 to Kinross.

During the second quarter of 2008, Consolidated Puma Minerals Corp. repaid $2.1 million owing under its promissory note to the Company.

CRITICAL ACCOUNTING ESTIMATES

The Company's accounting policies are described in Notes 2 and 3 of its audited consolidated financial statements as at December 31, 2008. 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:

- Measurement uncertainty;
- Use of estimates;
- Resource properties;
- Future income taxes;
- Asset retirement obligations; and
- Stock-based compensation.

Measurement uncertainty

As at December 31, 2008, management of the Company had determined that impairment indicators existed, and completed an impairment assessment for each of its mineral property interests and its Gramalote investment. The economic environment existing at that date, the significant declines in commodity prices and the decline in the Company's stock price were considered as impairment indicators. The impairment assessments included a determination of fair value for each mineral property using various valuation techniques including changes in the Company's share price, in-situ values, comparable company analysis, commodity price changes and recent expenditures analysis.

Management's impairment evaluation did not result in the identification of an impairment of the Company's mineral property interests as of December 31, 2008. For its Gramalote investment assessment, management determined that no other than temporary impairment had occurred, and that no write down was required. As at June 30, 2009, management determined that there were no events or circumstances which indicated impairment (other than the decision not to continue with the Nariño, San Luis and Yarumalito properties which were written-off in 2009). Although management believes the estimates applied in these impairment assessments are reasonable, such estimates are subject to significant uncertainties and judgments. If long-term estimates of commodity prices, in-situ values or share prices were to change significantly, impairment charges may be required in future periods and such charges could be material.

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.

Asset retirement obligations

The Company’s mining and exploration activities are subject to various laws and regulations governing the protection of the environment. Significant judgments and estimates are made when estimating the nature and costs associated with asset retirement obligations. Cash outflows relating to the obligations are incurred over periods estimated to extend to 2018 and beyond. When considering the effect of the extended time period over which costs are expected to be incurred, combined with the estimated discount rate and inflation factors, the fair value of the asset retirement obligations could materially change from period to period due to changes in the underlying assumptions.

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. Future income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized. The effect on future tax assets and liabilities of a change in tax rates is recognized in earnings in the period in which the change is substantively enacted.

Stock-based compensation

All stock option based awards made to directors, employees and consultants are recognized in these consolidated financial statements and measured using a fair value based method. Consideration received on the exercise of stock options is recorded as share capital. The related contributed surplus originally recognized when the options were earned, is transferred to share capital. The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options. This model is subject to various assumptions. The assumptions the Company makes will likely change from time to time.

CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING PRONOUNCEMENTS

The Company has adopted the following additional policies in 2009, in conjunction with the acquisition of Central Sun:

Inventories

Gold inventories are valued at the lower of average production cost or net realizable value. In-process inventories are valued at the lower of moving average cost or net realizable value. Materials and supplies inventories are valued at the lower of average cost or current replacement cost.

Resource property interests

Mine property, plant and equipment are recorded at cost. Repairs and maintenance expenditures are charged to operations; major improvements and replacements which extend the useful life of an asset are capitalized. Mine property, plant and machinery are amortized over the life of the mine using the unit-of-production method. Mining equipment is depreciated on a straight-line basis, net of residual value, over the shorter of the mine life or estimated useful life of the asset. Care and maintenance costs are charged to operations.

Revenue recognition

Revenue is recorded at estimated net realizable value when title has passed. Adjustments to these amounts are made after final prices, weights and assays are established. Silver revenues are recorded as a cost recovery credit.

New accounting policies implemented effective January 1, 2009

The adoption of the following new accounting policies in 2009 had no impact on the Company's consolidated financial statements:

Goodwill and Intangible Assets (Section 3064)

This section was issued in February 2008 and replaced CICA 3062, "Goodwill and Other Intangible Assets," and Section 3450, "Research and Development Costs". This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets.

Credit Risk and Fair Value of Financial Assets and Liabilities (EIC 173)

In January 2009, the CICA issued Emerging Issues Committee ("EIC") Abstract 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities." The EIC provides guidance on evaluating credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments.

Mining Exploration Costs (EIC 174)

In March 2009, the CICA issued EIC-174, "Mining Exploration Costs." The EIC provides guidance on the accounting and the impairment review of exploration costs. This standard is effective for the fiscal year beginning January 1, 2009.

Accounting policies to be implemented

Business Combinations (Section 1582), Consolidations (Section 1601) and Non-controlling Interests (Section 1602)

These sections were issued in January 2009 and are harmonized with International Financial Reporting Standards. Section 1582 specifies a number of changes, including: an expanded definition of a business combination, a requirement to measure all business acquisition at fair value, a requirement to measure non-controlling interests at fair value, and a requirement to recognize acquisition-related costs as expenses. Section 1601 establishes the standards for preparing consolidated financial statements. Section 1602 specifies that non-controlling interests be treated as a separate component of equity, not as a liability or other item outside of equity. These new standards are effective for 2011.

International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board announced 2011 as the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The specific implementation is set for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

RISKS AND UNCERTAINTIES

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

Exploration 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.

Restriction on Foreign Investment and Capital Raising in Russia

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

Property Interests

The ability of the Company to carry out successful mineral exploration and development activities and mining operations will depend on a number of factors. The section of this Management Discussion & Analysis entitled “Liquidity and Capital Resources – Investing activities” identifies the Company’s obligations with respect to acquiring and maintaining title to the Company’s interest in certain of its current properties. No guarantee can be given that the Company will be in a position to comply with all such obligations, or to require third parties to comply with their obligations with respect to such properties. Furthermore, while it is common practice that permits and licenses may be renewed, extended or transferred into other forms of licenses appropriate for ongoing operations, no guarantee can be given that a renewal, extension or a transfer will be granted to the Company or, if they are granted, that the Company will be in a position to comply with all conditions that are imposed.

A number of the Company’s interests in Colombia are the subject of pending applications with the applicable mining registry to register assignments, extend the term, increase the area or to convert licenses to concession contracts and there is no assurance that such applications will be approved as submitted. In addition, a number of the Company’s interests in Colombia are the subject of contractual promises to assign, pursuant to which a third party has agreed to assign to the Company, or to an entity in which the Company holds its interest in the applicable property, certain licenses and/or concession contracts upon the issuance of such licenses or concession contracts by the mining registry to the promising party. The failure of a promising party to comply with its contractual obligation could have a material adverse impact on the Company’s interests in the license or concession contract.

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

Commodity Prices

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

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

Currency Risks

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

Environmental Compliance

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

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

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

INTERNAL CONTROLS

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to management, including the CEO and CFO, on a timely basis so that appropriate decisions can be made regarding public disclosure. Management, with the participation of the certifying officers, has evaluated the effectiveness of the design and operation, as of June 30, 2009, of the Company's disclosure controls and procedures (as defined by the Canadian Securities Administrators). Based on that evaluation, the certifying officers have concluded that such disclosure controls and procedures are effective and designed to ensure that material information relating to the Company and its subsidiaries is known to them by others within those entities.

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and compliance with Canadian generally accepted accounting principles in the financial statements. Management has evaluated the design of internal controls over financial reporting and has concluded that such internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in Canada. In addition, there have been no changes in the Company's internal control over financial reporting during the six months ended June 30, 2009 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

NON-GAAP MEASURES

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

	$ (000's)
Operating costs per financial statements	**7,188**
Royalties and production taxes	**439**
Inventory sales adjustment	**(1,323)**
Total cash costs	**6,304**
Gold production (in ounces)	**6,832**
Total cash costs per ounce of gold production ($/ ounce)	**923**

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

OUTLOOK

On July 22, 2009, B2Gold completed the Cdn$25 million bought deal financing that it had announced in the second quarter of 2009, and subsequently the exercise of an over-allotment option by the underwriters, to issue 38,341,000 shares for total proceeds of Cdn.$28,755,750. The Company plans to use the net proceeds of the Offering and the Over-Allotment Option for development and exploration of its Nicaraguan projects, for exploration expenditures in Colombia and Russia, to fund certain reclamation costs at its properties and for working capital and general corporate purposes.

In the third quarter of 2009, B2Gold will continue the upgrade of the mill project at the Orosi Mine converting the mine from a heap leach operation to a conventional milling operation. During the second quarter of 2009, the construction project advanced from 55% complete to approximately 77% complete. The project is on schedule to begin production in the fourth quarter of 2009.

B2Gold owns a 100% interest in the Orosi open pit gold mine, which commenced operating as a heap leach mine in 1996. Operations were suspended in the first quarter of 2007 after a re-evaluation of the project indicated that gold recoveries could be improved from approximately 40% from heap leaching to over 90% using a conventional milling operation. Commissioning of the process plant is expected to commence late in 2009 and, once in commercial production, the Orosi Mine will have an initial 8 year mine life and is expected to produce approximately 80,000 to 90,000 ounces of gold annually at an estimated cash cost of $440 to $475 per ounce. The Orosi Mine has excellent exploration targets which could increase the reserves, resources and the mine life. The Orosi Mine is 100% un-hedged and debt free.

At Limon, the mine is projected to produce approximately 41,500 to 43,000 ounces of gold in 2009 at an estimated cash cost of approximately $575 per ounce. During the second quarter of 2009, the plant was shut down at different times due to planned maintenance, work stoppages and the ball mill motor failure. Although production for the quarter was affected, the maintenance projects were successful and the plant throughput has risen to over 950 tonnes per day as a result of the work. A new two year collective bargaining agreement was negotiated and signed with all three unions in July with the support of the Ministry of Labor. The Limon Mine is 100% un-hedged and debt free.

B2Gold will continue its exploration programs on both the Limon and Orosi mine properties as well as the Mestiza property also located in Nicaragua. Drilling will commence on the Limon property in the third quarter of 2009. Large sections of both the Limon and Orosi mine concessions have not been explored in recent years and B2Gold's exploration team has identified several targets at both mines that the Company believes have significant potential to increase mineral resources.

Also in Nicaragua, the Company will continue exploration work on the Trebol and Pavon projects. B2Gold has an option to acquire a 60% interest in the Trebol, Pavon and San Pedro properties owned by Radius. B2Gold also has an option to acquire up to a 65% interest in the NEN Gold-Copper Property in Nicaragua, owned by Calibre.

In Colombia, the Company will continue the evaluation of prospective mineral properties within and outside the area of interest of the AGA - B2Gold joint venture. At the Gramalote property, B2Gold is currently in discussions with AGA regarding further exploration and development. The Company is completing an internal scoping study and will recommend further exploration of the extensions to the Gramalote Ridge deposit and the Trinidad zone as well as additional feasibility work.

In Russia, B2Gold will commence drilling in the third quarter on the Moroshka West target on the Kupol West license, following up on the new high grade vein discovery that the Company announced in the second quarter of 2009. The intersections in this new vein discovery are the first significant gold bearing intersections on the Kupol East and West licenses.

B2Gold has the right to acquire a 37.5% interest from Kinross in the Kupol East and West licenses in Chukotka, Russia and is the operator of exploration. These licenses cover an area of 408.1 square km surrounding and adjacent to the high-grade Kupol gold and silver mine that was being developed by Bema Gold Corporation at the time of the Kinross takeover. The Kupol mine commenced production in May of 2008 and is operated by Kinross.

Management intends to continue to build B2Gold into an intermediate gold producer through the exploration and development of existing projects and the acquisition of additional development projects and producing mines that are accretive to the value of B2Gold shares.

With both the Limon and Orosi mines operating in 2010, B2Gold's annual gold production is projected to be approximately 125,000 to 130,000 ounces at estimated cash costs of approximately $460 to $485 per ounce.

OUTSTANDING SHARE DATA

At August 11, 2009 there were 282,275,023 common shares outstanding. In addition, there were approximately 23 million stock options outstanding with exercise prices ranging between Cdn.$0.80 to Cdn.$3.94 per share and 41.1 million share purchase warrants with exercise prices ranging between Cdn.$1.05 to Cdn.$4.25 per share. More information on these instruments is disclosed in Note 6 of the Company’s June 30, 2009 unaudited interim consolidated financial statements.

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.