

# NICARAGUA RETROSPECTIVE

A LEGACY TO BUILD FROM

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**“THERE’S NO DOUBT THAT OUR SUCCESS IN NICARAGUA HAS BECOME A MODEL FOR THE WAY WE OPERATE AROUND THE WORLD. IT’S A GREAT EXAMPLE THAT WE’VE NOW REPEATED IN THREE OTHER COUNTRIES; HOW OUR CULTURE OF RESPONSIBLE MINING CAN BRING GREAT BENEFITS TO ALL STAKEHOLDERS.”**

Clive Johnson  
President & CEO, B2Gold Corp.

B2Gold President and CEO, Clive Johnson, looks back on B2Gold’s tenure in Nicaragua. The Company operated in Nicaragua from 2009 until 2019, through its La Libertad and El Limon operations. During that time, its high standards for environmental care, safety, and sustainable investment have made its mark, contributing to the country, its people and the national economy, with positive impacts that will be felt far beyond the mine life of El Limon and La Libertad.

### **ECONOMIC CONTRIBUTIONS**

Over the ten years in Nicaragua, B2Gold contributed more than \$226 million in taxes to the Nicaraguan government. Thirty-five percent was direct tax delivered to the neighbouring municipalities of Larreynaga, La Libertad, and Santo Domingo, and the latter two were found to be among the top three Nicaraguan municipalities (of 153) with the highest per capita tax income. In this time period, B2Gold created well-paid employment opportunities, benefiting over 2,000 employees (over 90% being Nicaraguan).

A study by Consultants for Business Development (COPADES) together with the Nicaraguan Chamber of Mines (CAMINIC) shows that for every dollar generated by mining activity, at least 66 cents stays in the country through the purchase of goods and services, salaries, and tax payments.

### **STRONG COMMITMENT TO THE ENVIRONMENT**

B2Gold reforested 596 hectares in its 10-year tenure, making it one of the leading companies (outside of the forestry sector) involved in reforestation activities in Nicaragua. The Company’s reforestation program surpassed the legal obligation for environmental restoration and strengthened an alliance with the National Forestry Institute (INAFOR), specifically through the Forestry Value Chain Project (CAVAMA).

B2Gold also invested in the care and protection of water sources. The Company used sediment trapping systems at its operations, which prevents sediment produced during the mining and extraction process ending up in rivers and streams.

Other technologies allow for the recycling of water from production processes, and tailings facilities that prevent contamination of soil and water sources by solid and liquid residue from the mining process. Strict and ongoing environmental monitoring was an essential aspect of B2Gold’s operations in Nicaragua. In 2017, the Company was recognized as an industry leader and received an award for its environmental stewardship from the Association of Producers and Exporters of Nicaragua (APEN).

### **LASTING BENEFITS FOR NICARAGUAN COMMUNITIES**

B2Gold delivered lasting benefits to Nicaraguan communities through its investment in education, public health, and livelihood development.

Alexandra Cruz, a resident of the La Libertad community, graduated with a degree in Accounting and Internal Audits in 2018 with support from B2Gold. “Without this scholarship, I wouldn’t have studied because my family did not have the economic resources.” One hundred and sixty youth from mining communities in Nicaragua have been beneficiaries of B2Gold’s scholarship program. Of these, 72% were young women.

The Company also supported projects to improve and expand the potable water system in the urbanized areas of La Libertad and Santo Domingo, and contributed to the Water Supply Project for El Limon and nearby communities – benefiting a total of 19,923 people. Rosa Gaitán, resident of Santo Domingo, explains the life-changing nature of these efforts: “Now that we have water, it’s very different. We no longer have to go to the river. We can now wash in our house and that makes it easier for the kids to go to school. Now we are happier because, thank God, we have water in the barrio.”

## SEVERAL HUNDRED COMMUNITY INVESTMENT PROJECTS WERE CARRIED OUT OVER THE PAST DECADE, INCLUDING:

### EDUCATION

- » construction, refurbishing, and/or provision of equipment for 15 schools in La Libertad, Santo Domingo, and the El Limon Mine regions;
- » university scholarships for 160 low-income students from La Libertad and Santo Domingo;

### HEALTH

- » improvement and expansion of the drinking water supply system in the areas of La Libertad and Santo Domingo and support for a water project in El Limon and nearby communities, benefiting 19,923 people;
- » improvement and maintenance of centres for 80 special-needs children in La Libertad and Santo Domingo;
- » sustained support for annual disease prevention campaigns, benefiting more than 36,000 people in three municipalities;

**“I TRUST IN THE CONTINUED SUCCESS OF NICARAGUA WITH ITS WELCOMING, HARDWORKING, AND PASSIONATE PEOPLE, ITS ABUNDANCE OF NATURAL BEAUTY AND NATURAL RESOURCES, AND THE PRIDE AND CONFIDENCE YOU HAVE IN YOURSELVES AND IN YOUR COUNTRY.”**

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President & CEO, B2Gold Corp.

### LIVELIHOODS

- » support to establish a Dairy Collection Facility between La Libertad and Santo Domingo, a cooperative-based initiative with storage capacity of 6,300 litres sold daily, benefiting more than 200 farmers and creating 16 direct jobs;
- » support for the development of local businesses near El Limon, including a sewing shop owned by women reaching an annual average income of \$20,000, creating five direct jobs;
- » technical assistance, training and formalizing the legal status of 754 artisanal miners from La Libertad and Santo Domingo;
- » sustainable economic alternatives promoted with 69 people in Santo Domingo, including 23 who cultivate organic pitahaya (dragon fruit), four beekeepers, seven bamboo growers, and 35 low-income women who have received training in commercializing bamboo products;

### SOCIAL INFRASTRUCTURE

- » construction of 267 homes benefiting 1,200 people: 117 were employee housing built by the workers themselves, 50 dedicated for low-income housing, benefiting inhabitants of La Libertad and Santo Domingo; neighbourhoods complete with public services, paved streets, bus stops, a playground, and a soccer field;
- » construction of a fire station (see story on page 86), exhibition park, sports facility, and an old-age home that directly benefits 6,449 residents in the urbanized area of La Libertad;
- » construction of a fire station that benefits 11,230 residents of the 15 communities in the El Limon mining district (see story on page 86); and
- » improvements to over 62 km of roads and community lanes at El Limon Mine, La Libertad, and Santo Domingo regions.

## B2GOLD TRANSACTION WITH CALIBRE MINING

In October 2019, B2Gold announced that it had completed the sale of its Nicaraguan assets to Calibre Mining. B2Gold maintained its interest by becoming a major shareholder of Calibre Mining (now holding an approximate 34% interest).

In a press release issued by both companies, Clive Johnson (President and CEO of B2Gold) said: “We are pleased to join forces with Calibre in Nicaragua to continue our legacy of 10 years of responsible exploration, development and gold production. We have become Calibre’s largest shareholder and through our roles on their Advisory Board and Board of Directors, we look forward to assisting Calibre’s experienced Executive team and the local management team in Nicaragua.”

Following B2Gold’s success in Nicaragua, the Company went on to acquire and develop mining projects in the Philippines, Namibia, and Mali. After just 10 years, B2Gold is now producing just under one million ounces of gold annually, with revenues of approximately \$1.3 billion.

Russell Ball, CEO of Calibre Mining, stated: “We are pleased to be associated with B2Gold for the acquisition of the El Limon and La Libertad mines and we welcome B2Gold as a major shareholder of Calibre. We are looking at the continuation of the ongoing commitment with the present managerial team and many veteran employees as a fundamental aspect for the future success of our company.”

Clive Johnson, addressing the combined Calibre Mining team, said: “I trust in the continued success of Nicaragua with its welcoming, hardworking, and passionate people, its abundance of natural beauty and natural resources, and the pride and confidence you have in yourselves and in your country.”