

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

*This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is as of December 7, 2007. The following discussion of the operating results and financial position of B2Gold should be read in conjunction with the accompanying unaudited consolidated financial statements and the notes thereto of the Company for the period from November 30, 2006 (date of incorporation) to September 30, 2007. The accompanying 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.*

*Certain statements contained in the MD&A are forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on the current plans, objectives, goals, strategies, estimates, assumptions and projections about B2Gold's industry, business and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements as a result of these risks and uncertainties.*

### **Incorporation and Overview**

B2Gold was incorporated under the Business Corporations Act (British Columbia) on November 30, 2006 and completed its initial public offering of 40,000,000 common shares at a price of Cdn.\$2.50 per share for gross proceeds of Cdn.\$100,000,000 on December 6, 2007 (see "Liquidity and Capital Resources" section). On December 6, 2007, B2Gold's common shares were listed for trading on the TSX Venture Exchange. B2Gold was formed by certain former executives of Bema Gold Corporation ("Bema") and essentially commenced operations in March 2007.

B2Gold and its subsidiary companies are mineral exploration companies that acquire interests in and explore mineral properties, primarily for gold world-wide. All of the Company's interests related to mineral properties currently at an early state of exploration, including its Gramalote, Quebradona and Miraflores property interests in Colombia and the East and West Kupol licenses in Russia.

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.

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

B2Gold agreed to pay an aggregate of \$7.5 million in the form of 2,722,500 common shares of B2Gold and promissory notes aggregating \$7,453,717 for the assets acquired on February 26, 2007. B2Gold also agreed to acquire an indirect 37.5% joint venture interest in two mineral exploitation licenses covering approximately 425 square kilometres surrounding the Kupol mine of Bema for an additional \$7.5 million, payable in common shares and notes.

B2Gold is currently negotiating with Kinross and with the Government of Chukotka ("CUE") to establish the intended joint venture to hold the Kupol East and Kupol West licenses.

B2Gold has also entered into an agreement to acquire 25% of the issued and outstanding shares of Gramalote Limited which holds mineral exploitation and exploration licenses and concession contracts covering approximately 27,000 hectares in Colombia. B2Gold is required to pay \$15 million to the vendors for this interest and to issue 3 year warrants to purchase Cdn.\$5 million of B2Gold's common shares.

As part of the terms agreed to among Kinross, Bema and B2Gold, Kinross has a pre-emptive right to subscribe for 9.9% of the common shares issued by B2Gold until February 27, 2008 and has the right to increase its share ownership to 19.9% of B2Gold by subscribing for shares in an initial public offering by B2Gold at the offering price (see "Liquidity and Capital Resources" section).

## Results of Operations

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

### *Selected Financial Information:*

	<i>For the three months ended Sep. 30, 2007</i>	<i>For the period from inception (on Nov. 30, 2006) to Sep. 30, 2007</i>
	(1)	
	\$	\$
Total revenues (excludes interest income and management fees)	-	-
Loss for the period	<b>3,338,068</b>	<b>4,028,474</b>
Loss per share – basic and diluted	<b>0.08</b>	<b>0.28</b>
Total assets, as at September 30, 2007		<b>17,616,523</b>
Total current liabilities, as at September 30, 2007		<b>7,175,250</b>
Total long-term liabilities, as at September 30, 2007		<b>2,880,036</b>

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

The Company reported a loss of \$4,028,474 (\$0.28 per share) for the period from its inception on November 30, 2006 to September 30, 2007. The Company has no source of ongoing operating revenue. The loss during the period included a write-off of resource property costs in the amount of \$2,279,465, relating to the San Martin de Loba (\$1,284,633) and San Carlos properties (\$994,832) in Colombia, as the Company elected not to continue to explore these properties due to poor drill results. During this period, the Company completed its acquisition of certain assets (see "Incorporation and Overview" above), entered into an agreement for the acquisition of a 25% interest in the Gramalote property, commenced exploration on the Kupol East and West licenses, conducted drilling and field-work on a number of properties in Northern Colombia (and subsequent to August 31, 2007, expanded the area of interest under its joint venture arrangement with AGA).

The Company reported a loss of \$3,338,068 (\$0.08 per share) for the three months ended September 30, 2007, mainly attributable to a write-off of resource property costs in the amount of \$2,279,465.

### ***Operating activities***

Operating activities, after non-cash working capital changes, required funding of approximately \$2.1 million for the period from November 30, 2006 (date of incorporation) to September 30, 2007 and \$1.1 million for the third quarter ended September 30, 2007, due primarily to general and administrative expenses. The Company essentially commenced operations in March 2007.

### ***Financing activities***

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.

During the period from November 30, 2006 (date of incorporation) to September 30, 2007, the Company received advances of \$1,074,001 (Q3 2007 - \$1,047,914) from certain officers and shareholders of the Company.

### ***Investing activities***

During the period from November 30, 2006 (date of incorporation) to September 30, 2007, the Company incurred resource property expenditures and acquisition costs in the amount of \$7,972,692 on a cash basis (Q3 2007 - \$6,084,269) as follows: \$3,233,115 (Q3 2007 - \$1,717,586) on Colombia properties (under its Colombia Joint Venture Arrangement), \$1,182,743 (Q3 2007 - \$809,849) on the East and West Kupol licenses (surrounding ground to the Kupol Mine) and \$3,556,834 (Q3 2007 - \$3,556,834) on the Gramalote property acquisition.

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 located in Colombia (these payments are at the Company’s discretion and are based upon available financial resources and the exploration merits of the properties which are evaluated on a periodic basis):

- Miraflores: (i) 420,000,000 pesos (\$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.

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

- 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.

## Liquidity and Capital Resources

At September 30, 2007, the Company had cash and cash equivalents of \$2,388,674 and had working capital of \$823,735. Subsequent to September 30, 2007, the Company had the following equity placements:

- On October 12, 2007, upon the exercise of options held by the trustees of the B2Gold Corp. Incentive Plan, an aggregate of 4,955,000 common shares were issued to the trustees of the B2Gold Corp. Incentive Plan for gross proceeds of Cdn.\$99,100.
- 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.
- 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).

## Critical Accounting Estimates

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

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

### *Use of estimates*

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

### ***Resource properties***

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

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

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

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

### ***Future income taxes***

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

### ***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:

- The note receivable from Puma is a “receivable”, initially valued at fair value and subsequently measured at amortized cost.
  - The Puma Option, is a derivative instrument (as the value of the option changes with the underlying market price of Puma common shares) and as such is classified as held-for-trading. Derivatives are recorded on the balance sheet at fair value with mark-to-market adjustments included in net income/ loss.
  - The notes payable to 6674321 Canada Inc. 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.

## Related Party Transactions

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

- Management Services Agreement pursuant to which the Company will provide office space, furnishings and equipment, communications facilities, secretarial and administrative services and personnel to Puma in consideration for a monthly fee of Cdn.\$5,000.
- Exploration management agreement, whereby Puma will reimburse the Company for services supplied in connection with Puma's exploration or development work programs.

During the current period, the Company also provided management, administrative and technical services, on a month-to-month basis, to Victoria Resource Corporation (up to July 2007) and Consolidated Westview Resource Corp. (up to November 2007), companies which were also previously managed by Bema.

The Company had the following transactions and balances with these associated companies (in addition to those transactions already discussed in the sections above):

	\$
<b>Consolidated Statement of Operations</b>	
Management fees (Income)	(48,426)
Expenses (reimbursed):	
Office and general	(9,957)
Salaries and benefits	(76,699)
Rent	(23,896)
	<u>(158,978)</u>
<b>Consolidated Balance Sheet</b>	
Accounts receivable	<u>55,059</u>

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.

## Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities or derivative financial obligations.

## Subsequent event

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 Andean Avasca Resources Inc. (“AARI”) and to terminate the Company’s obligations with respect to the listing of AARI’s shares on a prescribed stock exchange. AARI indirectly has the right to earn a material interest in a number of properties in Colombia, including Quebradona and Miraflores, pursuant to the terms of a joint venture agreement with AGA. 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 Cdn.\$3.33 per share.
- 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).



## **Risk and Uncertainties**

### ***Exploration and Mining Risks***

The business of exploring for minerals and mining involves a high degree of risk. Only a small proportion of the properties that are explored are ultimately developed into producing mines. At present, none of the properties in which the Company has an interest have proven or probable reserves or measured, indicated or inferred resources and the proposed programs are an exploratory search for reserves and resources. The mining areas presently being assessed by the Company may not contain economically recoverable volumes of minerals or metals. Should economically recoverable volumes of minerals or metal be found, substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities or having sufficient grade to justify commercial operations or that funds required for development can be obtained on a timely basis.

The economics of developing gold and other mineral properties are affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Depending on the price of gold or other minerals produced, which have fluctuated widely in the past, the Company may determine that it is impractical to commence or continue commercial production.

### ***Foreign Countries and Laws and Regulations***

The Company has interests in properties that are located in developing countries, including Russia and Colombia, and the mineral exploration and mining activities of the Company may be affected in varying degrees by political instability and government regulations relating to foreign investment and the mining industry. Any changes in regulations or shifts in political conditions or attitudes are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

### ***Commodity Prices***

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

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

## **Evaluation of disclosure controls and procedures**

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

## **Outlook**

B2Gold's business plan is to identify and acquire early stage mineral exploration properties with high value potential with a focus on gold. The Company intends to target properties with potential to host a minimum of one million ounces of gold. Its primary areas of activity are initially expected to be Colombia and Russia. B2Gold is in the development stage and has no revenue.

The Company was recently incorporated by certain former executives of Bema and expects to capitalize on the extensive collective knowledge, experience and relationships that its management team has created in the mining business over the past 25 years, growing Bema from a junior exploration company to an international, intermediate gold producer. The Company is in the process of advancing its interests in its mineral properties all of which are presently at an early stage of exploration. The Company continues to evaluate other high quality exploration and development opportunities throughout the world. For the coming year, the Company's priorities are to complete its proposed exploration programs, including sampling, metallurgy and drilling, contingent in each case on exploration results, at the Colombian and Russian properties.

## **Outstanding Share Data**

The Company's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares. As at December 7, 2007, the Company had 132,277,500 common shares outstanding and no preferred shares outstanding.

## **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.