



# 2018 ECONOMIC CONTRIBUTION TO NAMIBIA FROM THE OTJIKOTO MINE

THE OTJIKOTO MINE IS LOCATED IN THE NORTH-CENTRAL PART OF NAMIBIA, APPROXIMATELY 300 KM NORTH OF THE COUNTRY'S CAPITAL, WINDHOEK. OTJIKOTO IS THE LARGEST GOLD PRODUCER IN THE COUNTRY.

B2Gold acquired the Company's first African gold development project, the Otjikoto Gold Project, through a merger with Auryx Gold Corp. in December 2011. The Company received the Otjikoto Mining Licence in December 2012, and construction of the Otjikoto Mine commenced in April 2013.

Within approximately 19 months, the first gold pour occurred on December 11, 2014, ahead of schedule, and the Otjikoto Mine made history as one of the fastest-moving mine construction projects in the country. Otjikoto achieved commercial production on February 28, 2015, also ahead of schedule.

In 2018, the Otjikoto Mine produced 167,346 ounces of gold.

## ECONOMIC SPEND & LOCAL PROCUREMENT

### 2018 ECONOMIC VALUE DISTRIBUTED (\$US)

Capital Expenditure <sup>[1]</sup>	<b>\$50.831 million</b>
Employee Wages and Benefits	<b>\$38.313 million</b>
Payments to Government <sup>[2]</sup>	<b>\$10.384 million</b>
Community Investment in Namibia	<b>\$1.694 million<sup>[3]</sup></b>

#### NOTES

- [1]** Capital Expenditures consist of sustaining and non-sustaining capital expenditures, including exploration at development projects and are reported on a cash basis.
- [2]** Payments to Government consist of income and withholding taxes, production taxes, property taxes and business licences.
- [3]** Includes \$0.5 million for Otjikoto's Nature Reserve expenditure for 2018.

### 2018 LOCAL PROCUREMENT

**86%**

of all procurement undertaken by B2Gold in Namibia is done at the national level.



## 2018 COMMUNITY INVESTMENT



**\$1.694**  
MILLION\*

\*Includes \$0.5 million for Otjikoto's Nature Reserve expenditure for 2018

- Community investment contributes towards livelihood development and education, leading to improved employment opportunities.
- At the community level, B2Gold invests in sustainable projects in education, environmental conservation, health and livelihoods throughout the world where we operate.
- Mining projects provide a unique opportunity for engaging with and contributing to the development of host communities. As part of our socio-economic impact and legacy, one of our goals is to help build sustainable communities, with B2Gold acting as a catalyst and community members playing a lead role in their own development.

## EMPLOYMENT OPPORTUNITIES



### 2018 EMPLOYEE WAGES & BENEFITS

**\$38.313**  
MILLION

### 2018 LOCAL EMPLOYMENT

<b>98.5%</b>	<b>68%</b>	<b>925</b>
Local <sup>[1]</sup> employees	Senior Management <sup>[2]</sup> roles filled by locals	Total number of Employees

#### NOTES

- [1]** As per Namibian Affirmative Action (Employment) Act, "Local" is defined as "Namibian", which excludes expatriates, permanent residents and those who have domicile.
- [2]** "Senior Management" refers to regional executives and regional heads of department.
- B2Gold's local employment objectives address the demographics and empowerment initiatives of the respective national settings, while embedding our inclusive culture to attract talent from around the world. We are proud of the richness in diversity of our workforce; our people value working in a multi-cultural setting and the work experiences it provides.
- Employment for unskilled roles gives preference to neighbouring communities.
- The positions of non-Namibian employees all have Namibian understudies in place, as compliant with Namibian affirmative action law. To support this process, we apply intensive mentorship to accelerate role transitions. In 2018, we developed a Leadership Program which will be implemented in 2019 in which heads of department identify high potential individuals to receive further professional development.



# GENERATING OUTCOMES IN NAMIBIA FROM THE OTJIKOTO MINE

More details can be found in B2Gold's 2018 Responsible Mining Report at [www.b2gold.com](http://www.b2gold.com)

## NAMIBIAN CHAMBER OF ENVIRONMENT A COLLECTIVE APPROACH TO MAXIMIZING IMPACT

The Namibian Chamber of Environment (NCE) was created as a result of B2Gold rallying the environmental organizations active in Namibia to join forces and establish an effective collective to increase their impact. The NCE's objectives are to conserve the natural environment, protect indigenous biodiversity and endangered species, promote best environmental practices, and to support efforts to prevent and reduce environmental degradation and pollution.

Since its establishment in April 2016, the NCE has secured the membership of almost all (currently 62) Namibian-based environmental and conservation NGOs – who now regard the Chamber as a vital part of the environmental and conservation network in Namibia. It is a source of project funding, advice and guidance to both government, NGOs and the private sectors, and it holds an extensive repository of Namibian environmental knowledge through its national database.



## OTJIKOTO SOLAR PLANT ECONOMICAL, SUSTAINABLE, AND PROGRESSIVE

On May 29, 2018, B2Gold celebrated the official opening of the Otjikoto Solar Plant, one of the first fully-autonomous hybrid plants in the world.

Prior to the inclusion of the solar plant into the mine's energy portfolio, the Otjikoto Mine obtained all of its energy requirements from 24 MW of installed generation capacity at the Otjikoto power plant, comprising of heavy fuel oil (HFO) generators. In 2018, the solar plant provided approximately 13% of the electricity consumed on site, with savings of 2.36 million litres of fuel from the second quarter of 2018 until the end of the year. The reduction in GHG emissions for the same period is estimated at 7,200 tonnes of CO<sub>2</sub>.

B2Gold is also considering an opportunity for the PV plant to export power to the national grid which would be purchased by the local utility. The revenue could partially address post-mining requirements and contribute to ongoing CSR programs.



## LEAVING AN ENVIRONMENTAL LEGACY FOR NAMIBIA THE OTJIKOTO NATURE RESERVE

The Otjikoto Mine is situated in a sparsely populated area a few hours north of the capital Windhoek, with the nearest towns 40 and 70 km away. Adjacent to our mining operation we have established the 15,000 hectare Otjikoto Nature Reserve. The reserve, which was previously heavily overgrazed by domestic livestock, is being systematically rehabilitated to its natural state. The Reserve also includes an extensive Education Center where approximately a thousand school learners a year attend a wide variety of classes based on the government school curriculum, with an added focus on environment, conservation, sustainable utilization of biological resources, recycling, responsible living, and alternative energies. We hope to inspire a life-long appreciation for the environment.



## ENDING CYCLES OF VIOLENCE IN NAMIBIA THE #BREAKFREE CAMPAIGN

Based on research into the causes of violence in Namibian society, First Lady Madam Geingos launched the #BreakFree Campaign – with the objective of mobilizing national support to end cycles of violence within Namibian communities.

B2Gold felt that it was imperative to support this drive – which at the same time could contribute to the well-being of all employees, stakeholders and their families at large. B2Gold's adoption of the campaign included the signing of the 12-point anti-violence pledge, as well as focus group discussions within the company on the causes and impacts of violence. By the end of the campaign, the entire B2Gold Namibia workforce had pledged to "be part of the solution."