



2018 ECONOMIC CONTRIBUTION TO THE PHILIPPINES FROM THE MASBATE GOLD PROJECT

THE MASBATE GOLD PROJECT (MGP) IS LOCATED ON MASBATE ISLAND IN THE PHILIPPINES. THE MASBATE MINE IS LOCATED APPROXIMATELY 360 KM SOUTHEAST OF THE COUNTRY'S CAPITAL, MANILA.

B2Gold acquired the MGP through a merger with CGA Mining Limited in January 2013. Prior to the completion of the merger agreement, B2Gold's engineering team identified several areas of the operations that could be improved or optimized. Work commenced almost immediately following the closing of the agreement and included transitioning from contract mining to self-mining and making a series of upgrades to the processing plant. Other projects included replacing and upgrading the original SAG mill, as well as initiating systems and training programs, which resulted in a more efficient and safer mine site.

In early 2019, the Company completed an expansion project for the upgrade of the processing plant from 6.5 million tonnes per annum ("Mtpa") to 8.0 Mtpa. With the expansion now fully commissioned and online, MGP's annual gold production is projected to average approximately 200 Koz/y during the mining phase and above 100 Koz/y when the low-grade stockpiles are processed in the subsequent period after open-pit mining activities have ceased.

ECONOMIC SPEND & LOCAL PROCUREMENT

2018 ECONOMIC VALUE DISTRIBUTED (\$US)

- Capital Expenditure^[1] **\$47.905 million**
- Employee Wages and Benefits **\$15.469 million**
- Payments to Government^[2] **\$33.145 million**
- Community Investment **\$3.217 million^[3]**

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]** MGP's 2018 Social Development Tax of \$2.3 million is presented as Community Investment.

2018 LOCAL PROCUREMENT

73%

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



2018 COMMUNITY INVESTMENT



\$3.217
MILLION*

*Includes \$2.3 million for the government mandated Social Development and Management Program that funds local community projects around the mine site

- 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

\$15.469
MILLION

2018 LOCAL EMPLOYMENT

98.5% Local^[1] employees
75% Senior Management^[2] roles filled by locals
907 Total number of Employees

NOTES

- [1]** "Local" is defined as individuals either born in the same country of operation, or those who have the legal right to reside indefinitely in that country.
- [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.



GENERATING OUTCOMES IN THE PHILIPPINES FROM THE MASBATE GOLD PROJECT

More details can be found in B2Gold's 2018 Responsible Mining Report at www.b2gold.com

CORAL REEF RESTORATION RAISING THE BAR ON ENVIRONMENTAL PROTECTION

MGP continued with its support of the host municipality of Aroroy through expansion of mangrove reforestation projects, coral reef rehabilitation, biodiversity monitoring – all part of the implementation of the comprehensive Coastal Management Plan.

In 2018, the MGP team planted an additional 240,000 mangroves covering an additional 54 hectares. Since the program was initiated in 2013, we have planted just shy of one million mangroves, restoring approximately 220 hectares of mangrove forest. Over 400 fisherfolk directly benefit from this ongoing project.

In addition, the team increased the number of Reef Balls placed within the local MPA from 120 to over 1,100, and transplanted an additional 3,000 corals. The MPA continues to be patrolled by the local wardens and the protection of the MPA, and the reef propagation efforts, are having a demonstrative positive impact on the diversity and biomass of the marine life inside and outside the protected area.



MASBATE SCHOLARSHIPS A CHANCE AT LIFE

The Masbate Gold Project (MGP) Scholarship Program started with 56 students in 2009. It has now grown to 432 students in 2018. Cumulatively to date, the program has had an intake of 1,135 college students and 1,867 high school students – with 357 and 289 graduates respectively to date.

Of the college graduates, 183 are currently working professionals with 11 employed by the MGP; 60 are qualified teachers, educational instructors and aides; 12 work for local government units; the remaining are either employed by non-government organizations or are self-employed.



TESDA TRAINING CENTRE OFFERING ALTERNATIVE LIVELIHOODS

The MGP TESDA Training Centre subscribes to the national competency-based education program through the Technical Education and Skills Development Authority (TESDA). The Centre was developed as part of B2Gold's Social Development Management Program (SDMP) investments. The training facility is the first of its kind in the town of Aroroy which is adjacent to the mine, and among the best in the region.

TESDA-based training offers students the opportunity to gain certified competencies designed for easy integration of its trainees into the workplace. The TESDA Centre was inaugurated in June 2018. Since opening, 30 students graduated from the welding course. An intake of students in a wide variety of vocational courses (e.g. masonry, plumbing, carpentry, driving, and food and beverage service) is planned for 2019.

