

August 5, 2022

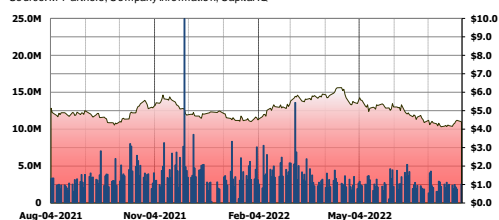
B2GOLD CORP. (BTO - TSX, C\$4.34)

Q2 FINANCIALS IN LINE — GRAMALOTE PROJECT PUT ASIDE

Rating: BUY
New Target Price: C\$10.50
Old Target Price: C\$11.00

B2Gold Corp. BTO			
(Currency is US\$ unless noted otherwise)			
Net Asset Value Per Share	C\$6.93 / \$5.39		
52 Week Low / High	\$4.055 / \$6.39		
CAPITALIZATION			
	Basic Diluted		
Shares Outstanding (M)	1,063 1,068		
Market Capitalization (C\$M)	C\$4,612 C\$4,636		
Enterprise Value (\$M)	\$3,066		
Est. Cash Balance (\$M)	\$567		
Est. Total Debt (\$M)	\$67		
FY: DEC 31			
	2021A	2022E	2023E
Forecasted Gold Price	\$1,796	\$1,864	\$1,861
Gold Produced (000's oz)	988	981	1173
Cash Costs (\$ per oz)	\$511	\$708	\$573
AISC (\$ per oz)	\$874	\$880	\$693
CAPEX (\$M)	\$302	\$364	\$304
Operating CFPS	\$0.78	\$0.78	\$1.02
Cash At Year End (\$M)	\$673	\$903	\$1,537
RELATIVE VALUATION			
	P/NAV	P/CF	
(Capital IQ Consensus)			
	FY2022E	FY2023E	
BTO (M Partners)	0.63x	4.3x	
Tier 1 Group Average	0.84x	5.4x	
PRODUCTION FORECAST			
DISCLOSURE CODE: None			
(Please refer to the applicable disclosures listed on the back page)			

Source: M Partners, Company Information, Capital IQ



B2Gold Corp. engages in the exploration and development of mineral properties in the Philippines, Mali, Colombia, Burkina Faso, Finland, and Namibia. The Company holds 80% interest in Fekola mine, an open pit gold mine located in Mali; 90% interest in Otjikoto gold mine located north of Windhoek, Namibia; Masbate gold project located in the south-east of Manila, the Philippines; and 34% interest in El Limon mine, an underground gold and La Libertad mine located Nicaragua; 81% interest in the Kiaka and Toega projects located in Burkina Faso; and 50% interest in the Gramalote property located in Colombia. The Company was incorporated in 2006 and is headquartered in Vancouver, Canada.

Yesterday after market close, B2Gold Corp. reported Q2/22 financial and operating results. Production results were pre-released on July 14th, 2022. The Company reported a strong Q2 with costs within company guidance and production beating both guidance and our estimates. BTO has outperformed peers against the inflationary headwinds the industry has been facing and we expect this to continue in the back half of the year. We highlight BTO's decision to halt development of the Gramalote Project as the Project did not meet the Company's investment thresholds.

Revenue for Q2 was \$382M on sales of 205 Koz at a gold price of \$1,861/oz, in line with our estimate of \$391M. Operating cash flow was \$134M, below our estimate of \$144M. Cash costs (excluding Calibre) were \$771/oz, well below budget and beating our estimate of \$904/oz. Q2 AISC (excluding Calibre) came in at \$1,109/oz in line with our estimate of \$1,083/oz. Company guidance infers that costs are expected to decrease throughout the year to achieve an annual cash cost of \$620-660/oz an AISC of \$1,010-1,050/oz (including attributable costs projected from Calibre).

We are maintaining our BUY rating and lowering our target price to C\$10.50/share (previously C\$11.00/share).

BTO continues to maintain a strong financial position with cash and equivalents of \$587 at the end of Q2. In addition, BTO has working capital of \$775M and a fully undrawn and available \$600M revolving credit facility. B2Gold maintained its quarterly dividend of \$0.04/share or 4.6% annualized. We note that the cash balance decreased QoQ due to significant capital investments in the development of the Anaconda Area where we expect mining permits in place by year-end.

BTO increased its exploration budget for 2022 from \$65M to \$75M with the majority of the additional \$10M being spent at the recently acquired Bakolobi permit in Mali, which is located between the Menankoto permit, to the north, and the Medinandi permit.

B2Gold's acquisition of Oklo and its flagship Dandoko Project, is expected to be completed in mid-September. The property will extend the footprint of BTO's exploration in Mali to over 1,700 km² and add a Measured and Indicated Resource estimate of 528 Koz at 1.88 g/t Au and an Inferred Resource of 141 Koz at 1.67 g/t Au.

Gramalote Project: BTO provided an update on its Gramalote Project (50/50 JV with AngloGold) in Colombia, stating that based on the preliminary results of the optimized feasibility study, both partners have determined that the Project does not currently meet their investment thresholds for development at this time. This is primarily due to the low-grade nature of the deposit and the Project's economic sensitivity to the recent increase in both capital and sustaining costs. The two parties are currently reviewing alternatives for the Project. We have lowered our multiple on the Project from 0.4x NAV to 0.3x NAV resulting in an attributable valuation to ~\$190M from ~\$250M previously.

We note that this is a responsible decision, and it will ensure the Company has enough cash to fund the development of the Anaconda Area which we believe has much better economics than the Gramalote Project.

Anaconda area: BTO also provided a progress update on the Anaconda area (3.4 Moz Au deposit 20km North of the Fekola operation). The Company is currently developing a haulage road to the Fekola mill where BTO plans to truck ore to the Fekola operation by Q1/23. BTO has stated this project could add 80-100 Koz/yr to the Fekola operation as early as Q1/23. Additionally, the Company is working on a scoping study to review the project economics of constructing a stand-alone mill near the Anaconda area. If the study is economical, BTO has stated that ore would continue to be trucked to and fed into the Fekola mill during the construction period for the Anaconda area stand-alone mill. \$33M has been budgeted for development of infrastructure for phase 1 mining at the Anaconda area, including road construction, which shows management's confidence in permits being approved.

Q2/22 Production: BTO reported strong Q2/22 production results of 209 Koz Au, in line with our estimate of 213 Koz Au. Consolidated production, including an additional 15 Koz Au of attributable production from Calibre was 224 Koz Au for the quarter.

Q2 production was within guidance and the Company is on track to achieve its annual guidance of 990-1,050 Koz Au. We note that production is heavily weighted to H2/22 where production is guided to increase by roughly 50%.

All BTO assets are operating in-line or exceeding expectations and we expect BTO to close the year at the upper end of 2022 guidance as the Company has produced record annual gold production for 13 consecutive years.

Valuation: We are maintaining our BUY rating and lowering our target price to C\$10.50/share (previously C\$11.00/share). We value BTO on a NAV multiple of 1.6x, use a long-term gold price estimate of US\$1,800/oz and include adjustments for corporate expenses, cash, and exploration potential. BTO is currently trading at 0.63x P/NAV compared to peers at 0.84x and 4.3x 2022 cashflow compared to peers at 5.4x.

Net Asset Valuation				Target Derivation	
	Discount	\$ Million	\$/Share		\$/Share
Fekola	5.0%	\$3,395	\$3.18	Project NAV	\$4.89
Otjikoto	5.0%	\$367	\$0.34	Multiple	1.6x
Masbate	5.0%	\$840	\$0.79		\$7.82
Gramolote	10.0%	\$191	\$0.18	Adjustments	\$0.50
Calibre Equity Int.		\$180	\$0.17		
Other Dev. Assets		\$250	\$0.23		
Project NAV		\$5,224	\$4.89		
(In Situ) Resources		\$219	\$0.21	Target (US\$/shr)	\$8.32
Corporate Adjustments		(\$479)	(\$0.45)	USD:CAD	1.29
Cash & Equivalents		\$673	\$0.63	12-Month Target	C\$10.50
ITM Warrants		\$119	\$0.11	<i>Implied Return</i>	142%
Adjusted NAV		\$5,756	\$5.39		
Source: M Partners		P/NAV	0.63x		

Figure 1: Valuation Summary

August 5, 2022

	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/21	Q/Q %
Gold Sold (Koz)	202.3	200.1	286.7	292.4	195.1	205.3	+5%
Gold Revenue (\$M)	362.3	363.0	510.9	526.1	365.6	382.0	+4%
Net Income (\$M)	98.8	74.0	134.9	153.1	90.8	40.1	-56%
EPS - Basic	0.09	0.07	0.12	0.13	0.08	0.04	-50%
Adjusted Net Income (\$M)	97.0	51.9	122.8	112.7	65.1	45.0	-31%
Adjusted EPS - Basic	0.09	0.05	0.12	0.11	0.06	0.04	-33%
Operating Cash Flow (\$M)	170.7	137.8	262.4	266.3	152.0	133.6	-12%
Cash Operating Costs (\$/oz)	552	661	456	406	630	766	+22%
Total Cash Costs (\$/oz)	683	785	572	533	762	781	+2%
AISC (\$/oz)	919	1,011	777	844	1,028	1,109	+8%

Table 1: Financial and Operating Summary

Mine	2022 Gold Production (Oz)	2022 Cash Operating Costs (US\$/oz)	2022 AISC (US\$/oz)
Fekola	570,000 - 600,000	\$510 - \$550	\$840 - \$880
Masbate	205,000 - 215,000	\$740 - \$780	\$1,070 - \$1,100
Otijkoto	175,000 - 185,000	\$740 - \$780	\$1,120 - \$1,160
B2Gold Consolidated	950,000 - 1,000,000	\$620 - \$660	\$1,010 - \$1,050

Table 2: 2022 Production and Cost Guidance

	FY20	1Q21A	2Q21A	3Q21A	4Q21A	FY21	1Q22A	2Q22A	3Q22E	4Q22E	FY22
Fekola - Production (Koz)	622.5	125.1	113.6	165.6	163.5	567.8	101.6	123.1	175.7	175.7	576.1
Masbate - Production (Koz)	204.7	57.5	56.9	61.2	46.6	222.2	59.8	54.4	62.4	62.4	238.9
Otijkoto - Production (Koz)	168.0	23.0	26.9	69.0	78.7	197.6	35.1	31.4	49.6	49.6	165.7
BTO Gold Produced (Koz)	995.3	205.6	197.4	295.7	288.8	987.6	196.5	208.9	287.7	287.7	980.8
Revenue (\$M)	1,788.9	362.3	363.0	510.9	526.1	1,762.3	365.6	382.0	535.4	535.4	1,818.5
EBIT (\$M)	1,052.9	150.2	112.4	218.5	237.4	718.5	140.0	103.1	238.1	233.5	714.7
EBITDA (\$M)	1,354.4	216.9	190.2	330.2	360.0	1,097.4	217.3	185.0	351.4	351.3	1,105.0
Net Income	672.4	98.8	74.0	134.9	153.1	460.8	90.8	40.7	158.8	155.0	445.4
EPS (Basic)	0.60	0.09	0.07	0.12	0.13	0.41	0.09	0.04	0.15	0.15	0.42
Operating Cash Flow (\$M)	863.9	170.7	137.8	262.4	257.8	828.7	152.0	133.6	279.0	273.0	837.6
CFPS	0.81	0.16	0.13	0.25	0.24	0.78	0.14	0.13	0.26	0.25	0.78
Gold Price (\$/oz)	1,775.5	1791.0	1814.0	1782.0	1800.0	1,796.0	1874.0	1861.0	1861.0	1861.0	1,864.3
AISC (\$/oz)	774.0	919.0	1011.0	777.0	844.0	874.0	1028.0	1109.0	691.2	691.6	880.0
Cash Costs (\$/oz)	405.0	552.0	661.0	418.0	460.0	511.0	676.0	766.0	445.1	445.1	707.6

Table 3: Projected Financial and Operating Summary

Disclosure Code: None

Disclosure

The particulars contained herein were obtained from sources which we believe to be reliable but are not guaranteed by us and may be incomplete. The opinions expressed are based upon our analysis and interpretation of these particulars and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein. Disclosure codes are used in accordance with IIROC Rules 3608, 3609, and 3616.

Description of Possible Disclosure Codes

1. M Partners or its affiliates collectively beneficially own 1% or more of any class of equity securities of the company which is the subject of the research report.
2. The analyst or any associate of the analyst responsible for the report or public comment hold shares in the company.
3. M Partners or a director or officer of M Partners or any analyst provided services to the company for remuneration other than normal investment advisory or trade execution services within the preceding 12 months, (may seek compensation for investment banking services from the company herein within the next 3 months).
4. The director, officer, employee or research analyst is an officer, director or employee of the company, or serves in an advisory capacity to the company.
5. The analyst has viewed the material operations of the company. We define material operations as an issuer's corporate head office and its main production facility or a satellite facility that is representative of the company's operations. Unless otherwise disclosed herein, the analyst's travel expenses were not paid for or reimbursed by the company.
6. M Partners provided investment banking services for the company during the 12 months preceding the publication of the research report
7. The analyst preparing the report received compensation based upon M Partners investment banking revenues for this issuer

Dissemination

M Partners has no further disclosures to make for any issuers mentioned in this report for which disclosures are not provided above. All final research reports and morning outlooks are disseminated to institutional clients of M Partners simultaneously in electronic form. Hard copies will be disseminated to any client that has requested to be on the distribution list of M Partners. Reproduction of this report in whole or in part without permission is prohibited.

Research Analysts

The Research Analyst(s) who prepare this report certify that their respective report accurately reflects his/her personal opinion and that no part of his/her compensation was, is, or will be directly or indirectly related to the specific recommendations or views as to the securities or companies. M Partners compensates its research analysts from a variety of sources and research analysts may or may not receive compensation based upon M Partners investment banking revenue.

Member of the Investment Industry Regulatory Organization of Canada and the Canadian Investor Protection Fund
Participating organization of the Toronto Stock Exchange and the TSX Venture Exchange

http://www.mpartners.ca/email_disclaimer.html

Rating System	
Buy:	Price expected to rise
Speculative Buy:	Buy rating with increased risk
Hold:	Properly priced
Sell:	Price is inflated and expected to decrease
Under Review (U/R):	Under review
Not Rated (N/R):	Not currently rated

Summary of Recommendations	
Buy	17
Speculative Buy	1
Hold	0
Sell	0
U/R	1
Total	19