

GEOVIC MINING CORP – Nkamouna, Cameroon Site Visit/February 2009

Investors and Potential Investors,

Sometimes the rigors of work can be very rewarding. Last week, I took a memorable trip to see our Nkamouna cobalt/nickel/manganese project near Kongo village in the Eastern Province of Cameroon, Africa.

As a former sell-side equity analyst, I spent nearly a decade analyzing the actions of companies and their managements. But aside from a few brief site visits (usually “rig tours”, as I worked in the oil industry), I never really got a sense for what it actually means to be personally involved.

One really must operate *within the company* to understand the travails of developing a multi-year, multi-million dollar project, particularly in a foreign land. And in the case of Geovic, Nkamouna represents the first major mining project in Cameroon’s history, so there is an added level of hope, expectation, and responsibility.

The main concept that struck me was the sheer scope of conducting a mine operation in triple canopy rain forest. Nkamouna, the smallest of seven similar mineral deposits controlled by Geovic Cameroon (“GeoCam”), covers less than 10% of the entire 1,250 square kilometer (483 square mile) mine permit. But when you drive through it, completely covered with trees 100-plus feet high, and realize that nearly *all* of it is expected to be mined, you realize just how vast and long-lived the project has the potential of becoming.

The first sign of Nkamouna's challenges are viewed on the trip through the dense forest. At just 400 kilometers (240 miles) from the capital city of Yaoundé, one would expect it to be a rather short journey. However, only half the route is paved, so for nearly 200 kilometers one must navigate dirt roads, in some places only large enough for one vehicle to pass despite the fact the roads are shared with a well-developed logging industry.

And I was quite lucky, as my two days of travel were devoid of rain, which when heavy can shut down roads or, equally damaging, cause vehicle accidents. Thanks to the sunny skies, each way took just six hours to traverse, including roughly two hours on the paved roads and four on the dirt.

Actually, the “dirt” is for the most part the same tropical soil or laterite clay that caps the Nkamouna deposit. This iron-rich soil is a deep red, causing everything that comes into contact with it, including trees, trucks, and people, to turn the same. Dust can also be a problem when it does not rain, but the extremely skilled drivers that use these roads have become quite accustomed to it.

Actually, as far as African jungle roads go, the route to Nkamouna is among the best maintained, particularly as the logging companies have spent decades improving them to enable the transport of massive 40-foot tree trunks, of which we saw many.

And as you approach the Project site, it becomes quite clear what Geovic means when it says it has widened and improved many of the roads. Below is a picture of what roads typically look like before they are improved, and following that several pictures of what they look like afterwards.



Irrespective, weather is an ongoing cost of business in the jungle, so delays are more the norm than the exception, especially during the rainy seasons. It took 15 years to create this efficient but still oft-delayed road system, and the process of upgrading (between GeoCam, the logging companies, and the government) is non-stop. Despite the recently announced delay of major construction, GeoCam intends to continually

improve the roads on a year-round basis.

After completing this inner-jungle journey, I arrived at GeoCam's Kongo base camp near Kongo village, roughly 40 kilometers from the nearest major village, Lomie (pronounced Low-mee-ay). By western standards, Lomie is tiny, just one small main street. However, compared to the 50 or so native villages we passed on the way, Lomie



is a major hub. Given its proximity to Nkamouna, the townspeople have clearly geared up for the anticipated influx of mining workers.

At Kongo camp, one finds a fully-functioning mining compound, replete with construction trucks, generators, a drill rig, core shacks, kilns for sample drying, fuel tanks, crew's quarters, a mess hall, and offices with a plethora of geologic maps and laptops.



To reach Nkamouna from Kongo, we ventured another 10 kilometers on similar laterite roads. Once the property is reached, you immediately realize how large the deposit is, which again is the smallest of seven GeoCam deposits on its mine permit. When you pass the property border, the red soil turns several shades darker due to the higher concentration of iron ore covering the cobalt, nickel and manganese minerals, and you realize that essentially everything under your feet is expected to one day be mined.

Due to the deposit's close proximity to the surface and relatively soft nature, drilling delineation holes is a relatively simple task. Consequently, GeoCam was able to complete a 55,000 meter



drilling program during 2008 at a relatively modest cost. And the markings of these drill holes (and potential drill holes) are everywhere, as geologists have combed the property for areas deemed to have potentially high cobalt concentrations, as well as others that need to be drilled to determine limits of the mineral deposits.

Just as we passed the South border of the property, we drove through some narrow jungle paths until we reached the Nkamouna “test pit”, a unique excavation project involving the



exposition of the area's various soil and rock layers. The trench demonstrates the different strata observed throughout Nkamouna, enabling relatively reliable measures of anticipated ore grades and the necessary information to effectively mine the ore. Of course, nothing in nature is perfectly uniform, which becomes apparent when one views the apparent randomness of the highest-grade zones.

One also has to take in the fact that essentially all the trees need to be cleared before mining. Clearing 100-foot trees appears daunting, but once you realize that this is an area of Cameroonian expertise, you can see it is entirely doable. In just a three-week period during December, for instance, workers cleared a five hectare (12.4 acre) area to enable the installation of a 72-meter communications tower and work camp, under which I turned on my cell phone to find a full five bars!



As you can see from the shot below, these are some of the biggest trees you will come across in your life (and some are among the most valuable). However, for Cameroonian bulldozers, they are no problem at all.



The next thing I learned is about the enormously complex process of creating a tailings dam to store the spent ore once the cobalt, nickel, manganese, and scandium are extracted. I had previously understood the term “tailings dam” to simply mean some kind of storage pit, but you cannot fully appreciate this concept until you realize what a major process it is to construct and maintain one.

Below is a picture of the valley in which the tailings dam is proposed to be situated. It is hard to visualize from this view, but over a period of twenty years the entire dam is projected to safely store a mass of processed rock particles roughly 250 meters long (nearly three football fields) and 75 meters high.



The dam is designed to prevent the escape of contained water in the spent ore into the forest, which could be particularly challenging during the rainy season. Over time, the contained water gradually drains, restoring the soil to its native form, less the quantities of cobalt, nickel, manganese, and scandium (combined just 2% of the total) that are extracted and concentrated in the metal recovery plant.

Finally, it was very exciting to see some of the real accomplishments of GeoAid, the humanitarian organization founded and funded by Geovic to improve the quality of life of the region's indigenous people, while at the same time enabling them to help GeoCam in its long-term mission of operating an efficient, profitable mine.



Some of the GeoAid-related activities I observed were the construction of a new schoolhouse, a Geovic-financed hotel in Lomie, and a new road to a combination school/church/hospital operated deep in the jungle by two elderly French women, one a nun and the other a doctor. Below is a picture of the church on their compound, “Notre Dame de la Foret”.

Given the enormous social and economic impact of the Nkamouna project in the Eastern Province of Cameroon, a highly symbiotic relationship exists between

Geovic, GeoAid, the local authorities and traditional chiefs, and the local population, including the Baka pygmies. For example, improved roads to the hospital and improvements to the local health care system yield higher quality medical services for the entire regional population, which in turn leads to a more thriving population and efficient project.

To conclude, it was quite an experience journeying to our project in the rain forest of Cameroon, where a group of skilled and dedicated workers are laying the groundwork for what we expect to become a highly profitable cobalt mine for all stakeholders.

When you see the complex hurdles that need to be overcome in person, such as logistics, transportation, extreme weather, and differing cultures, it becomes quite apparent just how significant, and potentially region-changing, an undertaking as mundane-sounding as a metals mine operation actually is.



Best regards,

Andrew C. Hoffman, CFA
VP, Investor Relations
Geovic Mining Corp.
Phone: 720.350.4130, Toll-Free 888.350.4130
Email: ahoffman@geovic.net