

Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

This Management's Discussion & Analysis ("MD&A") of Geovic Mining Corp. ("Geovic Mining" or the "Company") is dated May 29, 2007 and provides an analysis of Geovic Mining's financial results for the three month period ended March 31, 2007 compared to the comparable period of the previous year. The financial statements for the comparative periods are those of the Company's wholly-owned subsidiary, Geovic, Ltd. ("Geovic"). Geovic was the acquirer in the reverse take-over transaction described in the "Business" section below. Geovic Mining is listed on the TSX-V. The information in this MD&A should be read in conjunction with the Company's unaudited consolidated financial statements for the three months ended March 31, 2007 with the related notes and the Company's audited consolidated financial statements for the year ended December 31, 2006 with the related notes. These financial statements were prepared in accordance with Canadian generally accepted accounting principles. All amounts presented in the financial statements are in U.S. dollars unless indicated otherwise. Reference should also be made to the Company's Annual Information Form and other continuous disclosure materials filed from time to time on www.sedar.com or the Company's website at www.geovic.net.

Caution on Forward Looking Statements

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of Canadian securities legislation) that involve risks and uncertainties. Forward looking statements include, but are not limited to, the estimation of mineral reserves and resources, costs of production and capital expenditures; and requirements for additional capital. In certain cases, forward-looking statements can be identified by the use of words such as "believes", "expects", "intends", or variations of such words or phrases that state that certain actions, events, or results "will" occur. These forward-looking statements are set forth under the heading "Business" and elsewhere in the MD&A. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Geovic Mining to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to operations; actual results of current exploration activities; conclusions or economic evaluations; future prices of metals; possible variations in ore reserves or resources, grades or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Geovic Mining's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and Geovic Mining does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations, or opinions should change. For the reasons set forth above, readers should not put undue reliance on forward-looking statements.

Business

Geovic Mining is an exploration stage company involved in minerals exploration. Since its inception the Company's wholly owned subsidiary, Geovic, has been engaged in the business of exploring for nickel, cobalt and related minerals through its majority-owned (60.0%) subsidiary, Geovic Cameroon, PLC ("GeoCam"). The Company's activities are focused on its mineral properties in Cameroon, Africa and to a lesser extent in other areas of the world. The Company

is planning to develop its properties which are estimated in a 43-101 Technical Report dated March 12, 2007 to contain 53 million tonnes of proven and probable ore reserves and 145 million tonnes of inferred resources. Geovic Mining will also continue to evaluate other specialty metal and strategic mineral investment opportunities from prospect conception to project development. Geovic Mining is evaluating selected acquisitions and investments in the mining industry that management believes would provide diversification.

The Company's success is dependent on its ability to source the necessary funds to expeditiously explore and develop the mineral resources and reserves on its mineral properties. Sourcing of the necessary funds is, in turn, dependent on numerous factors affecting the expected economics of its properties including, without limitation, financial market developments regarding the availability and cost of capital, market conditions and demand for the minerals that would be produced, the ability to arrange sales agreements and the pricing and terms of such agreements, cost trends and availability of capital equipment as well as operating materials and services necessary to develop and operate the properties, existing and required commitments, availability and form of government approvals associated with development and operation of the properties, political unrest, geopolitical developments, and the competitive position of existing and prospective minerals projects worldwide. Reference is also made to the events and uncertainties set forth below under "Risk Factors". The Company has substantially no current revenue and continues to generate losses and negative cash flows from operations.

On December 1, 2006, the Company completed a reverse take-over transaction (the "RTO" or the "Acquisition") with the result that the Company holds 100% of the issued and outstanding shares in the capital of each of Geovic and Geovic Finance Corp. ("FinCo"). As discussed above, Geovic owns 60% of GeoCam, a private corporation existing under the laws of Cameroon. The Acquisition was completed pursuant to an agreement (the "Arrangement Agreement") dated as of September 20, 2006, as amended October 31, 2006, entered into among the Company, Geovic, FinCo and William A. Buckovic ("Buckovic").

On December 1, 2006, pursuant to the RTO, the Company acquired: (a) all of the issued and outstanding securities of Geovic and of FinCo from the Geovic and FinCo securityholders; and (b) 45 shares, or 4.5% of the issued and outstanding shares of GeoCam from Buckovic. The 45 GeoCam shares held by Buckovic were transferred to the Company, and Buckovic received 1,250,010 common shares in the capital of the Company. Buckovic continues to hold GeoCam shares representing 0.5% of all issued and outstanding GeoCam shares. All common shares in the capital of Geovic were transferred to the Company and each holder of Geovic shares received two common shares in the capital of the Company for each Geovic share. All options to purchase Geovic shares were cancelled and for each Geovic option the Company issued two options, each entitling the holder to purchase one common share of the Company. All warrants to purchase Geovic shares were cancelled and for each Geovic warrant the Company issued a warrant entitling the holder to purchase one common share of the Company at a price of US\$1.75 per share.

All common shares in the capital of FinCo were transferred to the Company and each holder of FinCo common shares received one common share in the capital of the Company for each FinCo common share held. All preferred shares of FinCo were transferred to the Company and each holder of a FinCo preferred share received one preferred share in the capital of the Company for each FinCo preferred share. All warrants to purchase FinCo common shares ("FinCo Warrants") were cancelled and the Company issued that FinCo warrant holder a warrant to purchase common shares of the Company with the same terms as the FinCo Warrants. All options to purchase FinCo common shares, which were issued by FinCo to the agents as part of the agents'

commission in connection with the Subscription Receipt Financing (as defined below) were cancelled and for each such option the Company issued an option to purchase a common share of the Company pursuant to the terms of the Acquisition.

As a result of the Acquisition, Geovic and FinCo became wholly owned subsidiaries of the Company and the Company subsequently transferred the GeoCam shares to Geovic.

In connection with the Acquisition, FinCo and Geovic entered into an agency agreement with a syndicate of agents in connection with an offering on a best efforts basis by FinCo of up to 6,000,000 subscription receipts at a price of Cdn\$1.95 per subscription receipt for gross proceeds of Cdn\$11,700,000 (the "Subscription Receipt Financing"). Each subscription receipt was exchangeable, immediately prior to the completion of the Acquisition without payment of any further consideration into one FinCo common share and one half of a transferable warrant, each whole warrant entitling the holder to acquire one FinCo common share at a price of Cdn\$2.75 per share for a period of five years from the closing of the offering. The Subscription Receipt Financing was completed on November 3, 2006. In connection with the RTO, all securities issued in connection with the Subscription Receipt Financing were exchanged for similar securities issued by the Company (for further details, see Note [3] to the annual consolidated financial statements).

Results of Operations

Three months ended March 31, 2007 compared to three months ended March 31, 2006:

Geovic Mining had a \$2,366,876 net loss in the three months ended March 31, 2007, in comparison with a \$618,246 net loss in the same period of 2006. For both periods, the Company had no material revenues and incurred losses, as it has since its inception. The increase in the net loss in the first three months of 2007 was primarily due to higher operating expenses compared to the comparable period in 2006 due to the availability of additional funds. In addition, the Company had \$34,000 of income tax expense in the first quarter of 2007 compared with \$77,684 in the first three months of 2006. Operating expenses in the quarter ended March 31, 2007 totaled \$2,571,633, an increase of approximately \$2,025,000 from the \$546,230 of operating expenses in the first quarter of 2006. The increase in operating expenses during the first three months of 2007 in relation to the same period of 2006 was due primarily to increases of approximately \$1,099,000 in exploration costs due to increased funds, \$742,000 in head office and management expense, \$184,000 in stock based compensation and \$800 in depreciation expense. The increase in exploration costs in the quarter ended March 31, 2007 compared with the same period in 2006 was due to increases of approximately \$866,000 in property evaluation expenses, \$165,000 in metallurgical studies expenses and \$69,000 in other projects which were partly offset by a reduction of approximately \$1,000 in exploration office costs.

Summary of Quarterly Results

The table below sets forth the quarterly results for the last eight quarters:

	2007	2006				2005		
	First	Fourth	Third	Second	First	Fourth	Third	Second
Interest income	238,757	120,259	42,669	7,266	5,668	890	0	0
Exploration costs	1,447,244	954,661	1,565,479	596,806	348,384	300,140	232,596	198,505
Head office and	928,029	595,019	294,025	517,254	186,329	232,284	119,705	283,559

management								
Stock based compensation	183,999	126,082	925,842	0	0	958,750	0	0
Interest and bank charges	383	7,519	593	391	329	1,482	275	370
Depreciation	11,978	9,042	7,918	11,188	11,188	19,194	19,658	0
Income tax expense	34,000	225,920	395,372	160,721	77,684	0	0	0
Net loss for the period	(2,366,876)	(1,797,984)	(3,146,560)	(1,279,094)	(618,246)	(1,510,960)	(372,234)	(482,434)
Basic and diluted loss per share	(0.03)	(0.04)	(0.07)	(0.03)	(0.02)	(0.08)	(0.02)	(0.03)

Outstanding Securities Data

	As of March 31, 2007	Changes since March 31, 2007	As of May 29, 2007
Common shares	87,955,617	11,881,989	99,837,606
Other common shares that may be issued	139,000	-	139,000
Preferred shares	1,825,000	(1,825,000)	-
Options	13,001,886	(513,864)	12,488,022
Warrants	17,116,536	3,581,875	20,698,411
Total shares and share equivalents	120,038,039	13,125,000	133,163,039

Cash Flows, Liquidity, Capital Resources and Obligations

FG Group Agreement:

On May 1, 2006 (as amended through October 31, 2006), Geovic entered into an agreement (the "FG Agreement") with Frank Giustra on behalf of a group of investors (the "FG Group") and William Buckovic, the founder and President of the Company, with respect to a reverse takeover of Resource Equity Ltd. ("Target Co"), a TSX Venture Exchange ("TSX-V") listed company. The FG Agreement provided that FinCo, a private Cayman Islands exempt company, would be incorporated with an initial capitalization of 15 million shares (9 million common shares and 6 million preferred shares) and 3 million common share purchase warrants (the "FinCo Performance Warrants"). The terms of the preferred shares and FinCo Performance Warrants provided that they would be convertible into FinCo common shares and exercisable into FinCo common shares, respectively, upon the completion of an equity financing at no less than \$2.25 per share for minimum gross proceeds of \$60 million. The terms of the Company's Series A Convertible Preferred Stock (the "Series A Preferred Stock") issued in the RTO in exchange for the FinCo preferred shares provide that they would be convertible into the Company's common stock upon the completion of certain future financing events and the terms of the warrants issued by the Company (the "Performance Warrants") upon the cancellation of the FinCo Performance Warrants provide that they would be exercisable into the Company's common stock upon the occurrence of certain similar events.

Effective February 26, 2007, in connection with the offering by the Company which was completed on March 6, 2007, the FG Agreement was superseded and replaced with a new agreement among the Company, the FG Group and the holders of the Series A Preferred Stock of the Company (the "Letter Agreement"). In accordance with the Letter Agreement, the holders of

4,175,000 shares of Series A Preferred Stock exchanged their shares for a like number of newly issued shares of common stock, leaving 1,825,000 shares of Series A Preferred stock outstanding, all of which would be automatically converted into a like number of Company common stock if the holders of Series A Preferred Stock assisted the Company to complete at least \$18.25 million of additional equity financing at any time before June 1, 2008 (a "Follow on Offering"). Also, Performance Warrants to purchase up to 1,174,000 shares of Company stock, held by seven persons, became exercisable at \$2.25 per share, with an expiration of March 6, 2010, leaving 1,825,000 Performance Warrants outstanding, all of which would vest upon completion of one or more Follow on Offerings under which at least \$18.25 million in equity was raised by the Company. If less than \$18.25 million was raised by the Company in Follow on Offerings, then fewer than all Series A Preferred Stock would be converted into common stock and fewer than all unvested Performance Warrants would become vested. Any of the Performance Warrants that vest in the future would have an exercise price not lower than \$2.25 per share and would expire three years after the closing date of the applicable Follow on Offering. If one or more Follow on Offerings were not completed by June 1, 2008, Series A Preferred Stock and unvested Performance Warrants would be deemed to be surrendered to the Company for cancellation. On April 27, 2007, the Company completed a Follow on Offering. As a result, all outstanding Series A Preferred Shares were converted into a like number of shares of Company common stock and all outstanding Performance Warrants became vested, and are exercisable at anytime until April 27, 2010.

Three months ended March 31, 2007 compared to three months ended March 31, 2006:

During the three months ended March 31, 2007, the Company used \$2,694,692 in operating activities in comparison with \$506,557 in the first three months of 2006, an increase of approximately \$2,188,000 primarily as a result of the larger net loss during the 2007 period. The Company used \$47,842 in investing activities in the three months ended March 31, 2007 in relation to \$0 in the same period of 2006, an increase of \$47,842. The financing activities of the Company provided \$43,333,012 during the first quarter of 2007, an increase of \$43,333,012 in comparison to the \$0 provided by financing activities in the first three months of 2006. This increase compared to the first quarter of 2006 was due primarily to the issuance of common stock and stock purchase warrants associated with the Company's financing that closed on March 6, 2007. As a result, the cash balances of the Company increased by \$39,959,142 in the first three months of 2007 in comparison with a \$506,557 decrease in the comparable period of 2006.

Commitments and Contractual Obligations:

The Company has employment agreements with certain key employees which specify salary, bonus, employee benefits, termination benefits under particular circumstances and other terms and conditions. As of March 31, 2007 there are no estimated contingent payments with respect to the bonuses in such employment agreements.

At March 31, 2007 the Company's estimated aggregate commitments for operating leases were equal to \$280,700. The Company has no capital leases and no material off-balance sheet commitments other than as disclosed herein. The Company has no significant financial or other instruments other than its cash and cash equivalent balances.

The Company has made no material royalty payments during the first three months of 2007.

The Company expects to have substantial additional capital requirements in the future in order to fund exploration and development activities for its mineral properties. The Company expects to

enter into commitments during the coming year for expenditures related to exploration and development of its properties. Such commitments would use the Company's capital that has been, or may be, raised.

In addition to the contractual obligations related to the financing arrangements outlined herein, the Company has other contracts and obligations that it enters into as part of its operating activities. During 2003, Geovic received a grant from the United States Trade and Development Agency (USTDA) which reimbursed 50% of the cost up to a limit of approximately \$660,000 of the feasibility study for the Cameroon mining project. The grant specifies that, if the project is successful, all grant reimbursement proceeds received by Geovic must be paid back to the USTDA. The proceeds would be repaid if Geovic arranges financing for the project. If the project is unsuccessful, the proceeds would not be required to be repaid to USTDA. The Company has recorded a contingent liability of \$240,863 with respect to this arrangement.

Cash and Working Capital

At March 31, 2007, the Company had cash and cash equivalents of \$49,333,012 compared to \$9,373,870 at December 31, 2006 and \$428,780 at March 31, 2006. As of March 31, 2007 the funds are invested in a U.S. dollar money market fund which invests in short-term investment grade debt and money market securities. At March 31, 2007, the Company had working capital of \$48,178,273 in comparison with \$7,691,960 at December 31, 2006 and \$139,791 at March 31, 2006.

Outlook

The Company's ability to continue its planned exploration and development activities related to its properties depends on raising sufficient capital, in both the short and long term, in order to fund these activities. Raising such capital depends on a number of factors that are partly or wholly outside of the Company's control including, without limitation, global economic developments, capital market conditions, minerals markets, competitive projects, the anticipated economic potential of the properties, customer purchase agreements, availability and cost of elements critical to development and operation of the properties, governmental agreements, and international political risk assessments. It may not be possible for the Company to raise sufficient capital at an acceptable cost or on reasonable terms depending on changes in one or more of these factors.

In a financing that closed on March 6, 2007, the Company raised gross proceeds of Cdn\$54 million (including the over-allotment option) through the public sale through agents of 21.6 million units at Cdn\$2.50 per unit. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant of the Company; each whole warrant entitles the holder to purchase one common share of the Company at a price of Cdn\$3.00 for a period of five years following the closing. The net proceeds received by the Company after payment of the cash commission to the agents (equal to 6% of the gross proceeds) were Cdn\$50.76 million. From this amount the Company paid other expenses of the offering, estimated to be approximately \$500,000. On April 27, 2007, the Company completed another offering (see below). As a result, all outstanding Series A Preferred Shares were converted into a like number of shares of Company common stock and all outstanding Performance Warrants became vested, and are exercisable at anytime until April 27, 2010.

On April 11, 2007, the Company entered into an underwriting agreement with Canaccord Adams Limited (together with its affiliate Canaccord Capital Corporation) and Orion Securities Inc.

(collectively, the “Underwriters”) pursuant to which the Company, on the April 27, 2007, closing date, issued and sold 8,750,000 units (the “Units”) of the Company at a price of Cdn\$4.00 per Unit (the “Issue Price”) for aggregate gross proceeds to the Company of Cdn\$35,000,000. Each Unit consisted of one common share and one-half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder thereof to purchase one common share at a price of Cdn\$5.00 for 5 years following the closing date. The net proceeds received by the Company after payment of the cash commission to the Underwriters (equal to 5% of the gross proceeds of the offering) totalled Cdn\$33,250,000. From the net proceeds the Company will pay other expenses of the offering estimated to be approximately Cdn\$250,000. The Company also granted to the Underwriters an over-allotment option to purchase up to an additional 1,312,500 Units of the Company at the Issue Price which the Underwriters were entitled to exercise for a period of up to 30 days following the closing date. On May 25, 2007 the Company received notice from the Underwriters pursuant to the over-allotment option that they intend to purchase 834,200 Units with closing to occur on or about May 30, 2007. If the closing as described above occurs, the Company will issue and sell 834,200 Units for additional gross proceeds of Cdn\$3,336,800 representing additional net proceeds of Cdn\$3,169,960 after payment of the cash commission to the Underwriters (equal to 5% of the additional gross proceeds).

The Company has not arranged any other sources of financing that are not yet used.

At March 31, 2007, the Company had cash and cash equivalents of \$49,333,012 compared to \$9,373,870 at December 31, 2006 and \$428,780 at March 31, 2006, and working capital of \$48,178,273 in comparison with \$7,691,960 at December 31, 2006 and \$139,791 at March 31, 2006. During the balance of 2007 and thereafter the Company intends to use these funds, combined with the net proceeds from the Company’s financing completed on April 27, 2007 as described above (less operating expenses incurred through the date of this MD&A), in accordance with the estimated use of proceeds disclosed in the Short Form Prospectuses dated February 23, 2007 and April 19, 2007 as follows:

Additional sample pits, exploration drilling and test mining at Nkamouna Project	\$ 120,000
Exploration drilling at Mada Project	\$ 3,140,000
Feasibility, geotechnical and detailed engineering studies at Nkamouna Project	\$ 3,630,000
Mining and other equipment at Nkamouna	\$17,892,000
Environmental, socioeconomic program and land lease	\$ 588,000
New exploration ventures	\$ 2,000,000
Mineral property acquisition	\$ 1,789,000
General corporate purposes	\$50,341,000
Total:	\$79,500,000

As disclosed above, the Company plans significant expenditures to advance its project in Cameroon. The Company does not expect any significant variances between the anticipated principal uses of funds set forth above and the actual expenditures of funds. Minor positive or negative variances, if any, would affect the funds projected for general corporate purposes, but it is not expected that they would significantly impact the Company’s ability to meet its objectives.

Transactions with Related Parties

On June 6, 2004, Geovic entered into an agreement with Mineral Services, LLC related to project development, technical, financing, and marketing services. Mineral Services, LLC is owned by an unaffiliated person who became a director of the Company on September 29, 2006. During the three months ended March 31, 2007 the total fees paid to Mineral Services, LLC under the agreement were equal to \$10,000.

Effective December 1, 2005, Geovic entered into a finders fee agreement with an unaffiliated person who became a director of the Company on September 29, 2006. Success fees payable under the agreement consist of shares or cash at the director's election. The agreement terminated on March 1, 2007, but includes 12 months of "tail coverage" for investments, if any, during such period made by contacts introduced by the director prior to the termination date.

Changes in Accounting Policies including Initial Adoption

Effective January 1, 2007 the Company has adopted the following new accounting standards that were issued by the Canadian Institute of Chartered Accountants in 2006:

Comprehensive Income

In the first quarter ended March 31, 2007, the Company has adopted CICA Handbook Section 1530, "Comprehensive Income", which defines and establishes the reporting requirements for comprehensive income. Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. Under this section, the Company is required to present comprehensive income and its components in a financial statement showing (a) net income for the period; (b) each component of revenue, expense, gain and loss that is recognized in other comprehensive income and (c) the total of (a) and (b). As at the end of March 31, 2007, the Company has no other comprehensive income.

As a consequence of adopting Section 1530, the Company has also adopted the Section 3251, "Equity", Section 3855, "Financial Instruments – Recognition and Measurement", Section 3861, "Financial Instrument – Disclosure and Presentation", and Section 3865, "Hedges".

Financial Instruments

Under Section 3855, all financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the balance sheet either at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or compared.

As a result of the adoption of these new standards, the Company has classified its cash and cash equivalents as held-for-trading.

The adoption of these new standards had no impact on the Company's deficit position as at January 1, 2007.

Critical Accounting Policies and Estimates

The critical accounting principles and policies used in the Company's Canadian generally accepted accounting principles consolidated financial statements are as follows:

Use of estimates

The process of preparing financial statements in conformity with Canadian generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenue, and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Exploration and development costs

Exploration and development costs are expensed as incurred. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of mining operations are capitalized. Capitalized amounts may be written down if future undiscounted cash flows, including potential sales proceeds, related to a mineral property are estimated to be less than the carrying value of the property.

Mineral property acquisition costs

Mineral property acquisition costs are capitalized until the viability of the mineral interest is determined. Capitalized acquisition costs are expensed in the period in which it is determined that the mineral property has no future economic value.

Capitalized amounts may be written down if future cash flows, including potential sales proceeds, related to the property are estimated to be less than the carrying value of the property. Management of the Company reviews the carrying value of each mineral property interest periodically, and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Reductions in the carrying value of each property would be recorded to the extent the carrying value of the investment exceeds the estimated future net cash flows.

Stock-based compensation

The Company accounts for its stock options in accordance with CICA Handbook Section 3870, Stock Based Compensation and Other Stock Based Payments, and related interpretations in accounting for stock-based compensation awards to employees, directors and non-employees. In accordance with CICA Handbook Section 3870, Stock Based Compensation and Other Stock Based Payments, the Company recognizes stock-based compensation expense based on the fair value of the stock option on the date of grant. The fair value of the stock options at the date of grant is amortized over the vesting period, with the offsetting credit to additional paid in capital. If the stock options are exercised, the proceeds are credited to share capital.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with a maturity of 3 months or less.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is computed on the straight-line method using the following terms:

Machinery and equipment	5 to 7 years
Vehicles	5 years
Furniture and equipment	5 years

Accrued site closure costs

The Company records the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that results from the acquisition, construction, development or normal use of the assets with a corresponding increase in the carrying amount of the related long-lived asset. This amount is then depreciated over the estimated useful life of the asset. Over time, the liability is increased to reflect an interest element (accretion expense) considered in its initial measurement at fair value. The amount of the liability will be subject to re-measurement at each reporting period. Currently, the Company has no asset retirement obligations.

Income taxes

Income taxes are accounted for using the liability method of tax allocation. Under this method deferred income tax assets and liabilities are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

The effect on deferred taxes for a change in tax rates is recognized in income in the period that includes the enactment. In addition, deferred tax assets are recognized to the extent their realization is more likely than not.

Foreign currency translation

Current assets and liabilities, as well as long-term monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing on the balance sheet date. Other consolidated balance sheet items are translated at the rate prevailing on the respective transaction dates. Transaction amounts denominated in foreign currencies are translated into U.S. dollars at exchange rates prevailing at the transaction dates.

Loss per common share

Loss per common share is determined based on the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are applied to repurchase common shares at the average market price for the period. Stock options and warrants are dilutive when the Company has income from continuing operations and when the average market price of the common shares during the period exceeds the exercise price of the options and warrants.

Risk Factors

The following risk factors, among others, could affect the future success of the Company and its business. If any of these risks materialize into actual events or circumstances, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected.

Conflict of Interest of Management

Certain of the Company's directors and officers are also directors and officers of other natural resource companies. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers relating to the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies.

The Market Price of Shares May Be Subject to Wide Price Fluctuations

The market price of the common shares and warrants of the Company may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects of the Company, general economic conditions, changes in mineral reserve or resource estimates, results of exploration, changes in results of mining operations, legislative changes, and other events and factors outside of the Company's control.

In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the common shares and warrants of the Company.

The Company is unable to predict whether substantial amounts of its common shares and warrants will be sold in the open market. Any sales of substantial amounts of common shares and warrants of the Company in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the common shares and warrants of the Company.

Unallocated Proceeds of Financings

The Company has no definitive plans for the expenditure of certain proceeds of its financings. In the prospectuses for such financings, certain amounts have been allocated by the Company towards the search for, and strategic investment in or acquisition of, additional mineral properties or companies holding such properties and for working capital and general corporate purposes. All such investments and acquisitions and expenditures of the net proceeds in connection with working capital and general corporate purposes shall be at the sole discretion of the management of the Company, and there can be no assurance as to how such funds will be expended. The Company is not a party to any definitive agreement in respect of strategic investments or acquisitions and no assurance can be given that such agreements will ever be entered into and in such event the use of proceeds allocated to such areas will be at the sole discretion of the management of the Company.

Limited Operating History

The Company has only a limited operating history upon which investors may base an evaluation its future performance. Although the directors and officers of the Company have extensive experience in the mineral exploration, development financing and operating business there is no guarantee that this experience will result in future success. There can be no assurance that the Company will earn revenues or generate profits from the production of metals or from the sale of its properties.

No Assurance of Profits

The Company has no history of producing metals from its current portfolio of mineral exploration properties and none of the Company's properties are currently under development. The future development of any properties found to be economically feasible will require board approval, the construction and operation of mines, processing plants and related infrastructure. There can be no assurance that the Company will be able to develop its mineral properties at a profit.

Historically, Geovic incurred losses, on an annual basis, since its inception and it is expected that the Company will incur losses unless and until such time as one or more of its properties enter into commercial production and generate sufficient revenues to fund continuing operations and this is not anticipated until 2009, at the earliest. The development of the Cameroonian Properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Company's control, including the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties, and availability of substantial additional debt and equity capital.

In respect of new properties, the Company will be subject to all of the risks associated with establishing new mining operations and business enterprises including: timing and cost of the construction of mining and processing facilities; the availability and costs of skilled labour and mining equipment; the availability and cost of appropriate processing materials and equipment; the need to obtain necessary environmental and other governmental approvals and permits, and the timing of obtaining those approvals and permits; availability of off take agreements or metal sales contracts; and the availability of funds to finance construction and development activities.

The costs, timing and complexities of mine construction and development are increased by the remote location of the Company's mining properties. It is common in new mining operations to experience unexpected problems and delays during construction, development, mine start up and ramp up to full designed commercial production. Accordingly, there are no assurances that the Company's activities will result in profitable mining operations or that the Company will successfully establish mining operations or profitably produce metals at any of its properties.

Reliance on External Financing

The Company will need external financing to fund the exploration and any development on its mineral properties. The mineral properties that the Company is likely to develop are expected to require significant capital expenditures. The sources of external financing that the Company may use for these purposes include project debt, convertible notes and equity offerings. In addition, the Company may consider a sale of an interest in one of its mineral properties or may enter into a strategic alliance and may utilize one or a combination of all these alternatives. There can be no

assurance that the financing option chosen by the Company will be available on acceptable terms, or at all. The failure to obtain financing could have a material adverse effect on the Company's growth strategy and results of operations and financial condition.

Sole Funder of Cameroon Properties

To date Geovic has been contributing and it continues to contribute all of the funds necessary to advance the Cameroon Properties. It is expected that the Company will continue to contribute at least its share, and possibly all, of the funds necessary to advance the Cameroon Properties. The Cameroon share of these future expenditures may, if contributed by Geovic, be reflected as a debt owed to Geovic on the balance sheet of GeoCam. For this to occur, all of the financial statements of the Cameroon company must be approved and certified by an accredited state auditor. Once this debt is recognized on the balance sheet of the audited accounts, recapitalization of GeoCam may be required which might take the form of additions to the paid in capital or a dilution of interest for the minority shareholders. Geovic anticipates that it, rather than the Company, will provide its share of the funds necessary to advance the Cameroon Properties.

The Board of Directors of GeoCam has approved a resolution that its Board recognizes that research, exploration expenses and other investments have been financed by Geovic. Nevertheless, there can be no assurance that all or even most of the funding advanced by Geovic will be certified and approved by the state auditor or that the Cameroon company will be recapitalized in such a way that Geovic will own more than its current 60% interest.

On April 9, 2007, a shareholders agreement among GeoCam's majority shareholder, Geovic (60%), Societe Nationale d' Investissement du Cameroun (SNI) (20%), four Cameroon individuals (collectively, 19.5%), and William Buckovic (0.5%) was entered into. The shareholders agreement reflects the historic arrangement between the shareholders and sets forth the terms, conditions and fiscal arrangement for continued participation in the Cameroonian project. The Company believes that the shareholders agreement is consistent with international mining industry standards and is compliant with Western Africa (OHADA) business law. If the other parties to the shareholders agreement do not meet their obligations under the agreement, the Company may need to advance up to 100% of capital required for the Cameroonian project.

Competition

The Company competes with other cobalt and nickel producers that have operations around the world, and many such companies have operations and financial strength far greater than the Company. The competition may temporarily lower prices to maintain market share and adversely affect the potential profits of the Company.

Metal Prices

The Company's profitability and long term viability depend, in large part, upon the market price of cobalt, nickel and other related products. The mining industry is highly competitive and subject to rapid changes in commodity prices. Conditions beyond the Company's control could adversely affect the marketing of its cobalt, nickel and manganese (if produced). Conditions such as international financial crises, inflation, increasing interest rates, changing patterns in global cobalt and nickel consumption, and new competitive sources of cobalt and nickel and other potential products could adversely affect the demand and use of cobalt and related substances. There can be no assurance that the Company will be able to produce and sell these mineral products at a sufficient price for the Company to be profitable.

Decrease in Commodity Prices

Neither the Company nor Geovic has entered into forward sales arrangements to reduce the risk of exposure to volatility in commodity prices. Accordingly, the Company's future operations are exposed to the impact of any significant decrease in commodity prices if the Company does not enter into such forward sales arrangements. Conversely, forward sales contracts limit potential upside market swings by setting price ceilings. Such upside price swings can have a significant benefit to companies taking added market risk by selling on the open spot metals market. Cobalt as a commodity, does not benefit from a futures market. If such prices decrease significantly at a time when the Company is producing, the Company would realize reduced revenues. The Company is not restricted from entering into forward sales arrangements at a future date.

Government Regulations

The current and future development of the Cameroon Properties requires permits from various Cameroon governing authorities. Future operations will be subject to a number of existing laws and regulations such as labour standards, environmental reclamation, land use and safety.

GeoCam is, to the best of its knowledge, in compliance with all material laws and regulations that currently apply to its activities in Cameroon. There can be no assurance, however, that all permits required to construct and operate a mining and processing facility will be obtained by GeoCam or if obtained by GeoCam, they will be on reasonable terms and conditions or that such laws and regulations would not adversely affect the profitability of the operations. GeoCam has not yet received the necessary land lease, environmental permits and other permits, nor has it trained and hired all of the local workforce needed for development and operations.

General Economic Conditions

Both domestic and world economic conditions may affect the performance of the Company. Inflation, and deflation in certain geographic regions, continuously changing tax laws, and rapidly fluctuating interest rates may make mineral resource development more difficult. These factors have had a significant effect on Cameroon's economy in recent years. There is no assurance that such general economic conditions will not have an adverse effect on the overall performance of the Company. In addition, general economic conditions could increase the risk that project financial projections may not occur as expected.

Political and Country Risks

The political risk in Sub Saharan Africa is significant. While GeoCam has been granted a Mining Convention and the Mining Permit by the Republic of Cameroon that gives GeoCam the exclusive right to mine, process and export cobalt and nickel on its permitted lands, there is no assurance that GeoCam will be able to finance or profit by this venture.

Mine and Metal Recovery

The business of mining is subject to certain types of risks and hazards, including reserve and resource estimates, processing risks, environmental hazards, industrial accidents, and periodic disruptions due to Force Majeure events, inclement weather and so forth. Though each of these conditions is taken into consideration during preliminary planning and economic analysis, there is no assurance that disruption of development and production will not occur.

Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates, which were valid when made, may change significantly when new information becomes available. Accordingly, development and mining plans may have to be altered in a way that adversely affects the Company's operation and profitability. An estimation of reserves, resources and future production is included in this AIF together with the projected profitability of the operation. These projections are based on a number of existing material facts and certain assumptions. Many of the assumptions are based on future estimates of metal prices and market demands over which the Company will have little or no control. In addition, while metallurgical testing on the Cameroon mineralization performed by the Company's independent consultants has been successful for agitation leaching, there is a risk that final testing may indicate technical and commercial shortcomings. Consequently, actual results may vary materially from the projected values given herein. Once in production, additional factors can influence the profitability of the Cameroonian Properties including civil strife and environmental compliance issues.

Lack of Infrastructure

Completion of the development of Cameroonian Properties is subject to various requirements, including the availability and timing of acceptable arrangements for power, water and transportation facilities. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay development of the Cameroonian Properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the development of the Cameroonian Properties will be commenced or completed on a timely basis, if at all, or that the resulting operations will achieve the anticipated production or the construction costs and ongoing operating costs associated with the development of the Cameroonian Properties will not be higher than anticipated.

Mining is Inherently Dangerous

Mining involves various types of risks and hazards, including, but not limited to, environmental hazards, industrial accidents, metallurgical and process risks, flooding, fire, metal theft, inclement weather, access problems and transport accidents. Workers are subject to risks associated with large mining equipment operations, slope instability, exposure to indigenous disease, steam and hazardous chemicals as well as local social unrest.

These risks could result in damage to, or destruction of mine properties, production facilities or other properties, personal injury, and cause delays in mining, increased production costs, monetary losses and possible legal liabilities unforeseen by financial planners. The Company may not be able to obtain insurance to cover part or all of these risks at economically feasible premiums. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from production, is not generally available to the Company or to other companies within the mining industry. The Company may suffer a material adverse effect on its business if it incurs losses related to any significant events that are not covered by such an insurance policy.