

6.0 HISTORY

The Nkamouna Project consists of an enriched cobalt-nickel-manganese-iron laterite deposit located within an extensive mineral province in southeastern Cameroon, Africa. Nkamouna and several other nickeliferous laterite deposits in southeast Cameroon were first discovered and investigated by the United Nations Development Programme (UNDP) during 1981-1986, in a cooperative project with the Cameroon Ministry of Mines, Water and Energy to evaluate mineral potential in southeastern Cameroon (UNDP Project CMR/81/005). Following a regional stream sediment geochemical survey which indicated the likely presence of laterite nickel mineralization, the UNDP project drilled eleven core holes in the Nkamouna area, which was the most accessible laterite area at that time.

Several of the UNDP holes at Nkamouna intersected laterite and saprolite with interesting nickel and cobalt values. The first hole, KG-S-1, traversed 56 meters of lateritic profile and fresh serpentinite, with Ni values up to 1.00 percent and Co values up to 0.19 percent. Due to the remote location and the low nickel prices at the time, the discovery did not draw much attention.

No further exploration took place on the property until geologist William Buckovic became aware of the nickel discovery in 1988, subsequent to submitting a proposal in 1986 to explore for minerals to the Cameroon Ministry of Mines. No recorded exploration or mining had taken place on the property since the UNDP work. After assaying samples he was able to obtain from the area, Buckovic noted in 1994 the higher than typical Co:Ni ratio that characterizes the Cameroon deposits. This high ratio was confirmed by the assay results from the UN coring program. Buckovic was also aware of recent advances in Australia and elsewhere in the hydrometallurgical processing of previously sub-economic nickel laterite deposits. As a result, in 1995 he helped form a new company, Geovic Cameroon (GeoCam), to investigate this unusual but potentially promising occurrence.

A government-issued Prospecting License covering 19,600 square kilometers was granted in 1995. In 1999 an Exploration Permit, PDR 67, was granted on a reduced area of 4,876 square kilometers. A Mining Convention was entered into between GeoCam and the Republic of Cameroon in 2002. In 2003, Mine Permit 33 was issued by decree granting an exclusive right to Geovic to exploit the deposits within the permitted 1,250 square kilometer area. Geovic's program initially was based entirely on manually-dug test pits, and later incorporated drilling and limited trenching. The program began at Nkamouna and was later extended to other laterite plateaus, which were identified by satellite images and air photos. Geologists from the Cameroon Ministry of Mines, Water and Energy participated in the work to provide government oversight as well as training.

By 2004, Geovic had largely completed the reconnaissance sampling and had undertaken pitting and drilling patterns of varying densities at Nkamouna where access was greater due to recent logging operations, with an eye toward defining deposit parameters for an eventual feasibility study. Between 1995 and 2003, Geovic carried out extensive pitting at Mada.

Most of the work at Nkamouna and Mada has been performed by Geovic employees and consultants. Geological and sampling oversight has been provided by Mintec, Inc., of Tucson, Arizona, and by geologist and Qualified Person Nikolai R. Burcham during 2003. Metallurgical and other testing has been performed from time to time by: Bateman Engineering, Inc of Tucson, Arizona; METCON Research, Inc. of Tucson; Pittsburgh Metallurgical and Environmental Inc. (PMET) of Pittsburgh, Pennsylvania; Hazen Research of Golden, Colorado; Knight Piesold & Co. of Denver, Colorado; and others.

6.1 *Production History*

The Nkamouna property is undeveloped, as are those of the adjacent laterite plateaus.