

Growth Stocks Weekly

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Performance: Yr to April 1996 116.9%; 1997 28.1%; 1998 36.4%; 1999 39.4%; 2000 180.9%; 2001 -50.5%; 2002 18.7%; 2003 28.8%; 2004 166.7%; 2005 28.2%; 2006 153.3%; 2007 8.8%

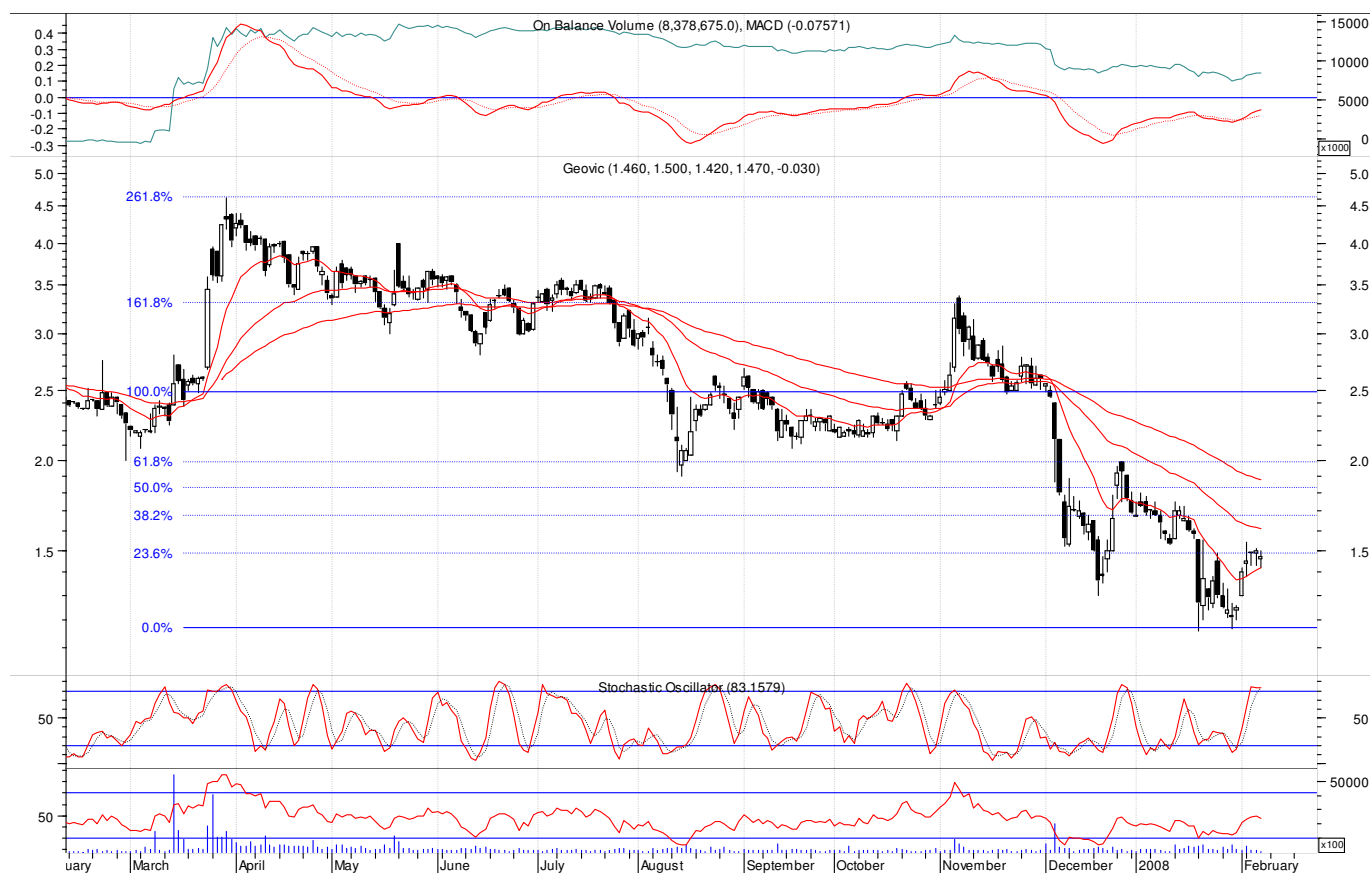
Junior Gold and Natural Resource Sector Report

February 6, 2008

Following the Smart Money into Cobalt

UPDATE

GEOVIC MINING CORP (GMC-TSX)



Daily chart, High \$4.62, Low \$1.16, Last trade \$1.46

Geovic Mining Corp (GMC-TSX) aims to be the world's largest primary producer of cobalt by mid-2010 through its 60% ownership of Geovic Cameroon PLC (GeoCam). GeoCam's Mine Permit provides exclusive production rights to seven large cobalt-nickel-manganese laterite deposits in southeast Cameroon.

Our Initial Report was issued in May 2007. We put out a sell on Geovic November 14, 2007 when the shares were trading at \$2.75, well-above our breakeven point of \$2.46. We had already sold one-quarter of our position earlier at \$4.05 to subscribe to their private placement. We sold our shares upon receipt of those comments based on the buried disclosure in their Form 10-Q that the capital cost of the project would be around \$400 million, a massive increase over the pre-feasibility number of \$129 million we had relied on. On December 4 Geovic issued a news release and the numbers weren't pretty, although still economic, and the share price went into free-fall.

We kept our powder dry on Geovic, maintaining a watching brief on progress these last months as the market inevitably adjusted to the new expectations. With the backdrop of a subdebt-inspired crisis and recession expectations (or worse!), Geovic broke technical support and endured a triple-waterfall decline, and recently set a double-bottom low at \$1.16. Disaster deftly averted for our subscribers, we are now buyers of Geovic under \$1.50.

The Numbers

The November 2007 Feasibility Study estimated that the first deposit (Nkamouna) delivers an after-tax cash flow discounted at 8% of US \$695 million, an IRR of 33% and a payback of 2.9 years, based on 100% equity financing and 3-year average metal prices ending October 2007. The first full year of production in 2011 produces an after tax cash flow of \$164 million.

Based on 40% equity and 60% debt financing, the project delivers an after-tax cash flow (using an 8% discount) of \$704 million, an IRR of 56% and a payback of 1.9 years. These estimated results are attributed to the unique characteristics of these specific Cameroonian laterite deposits:

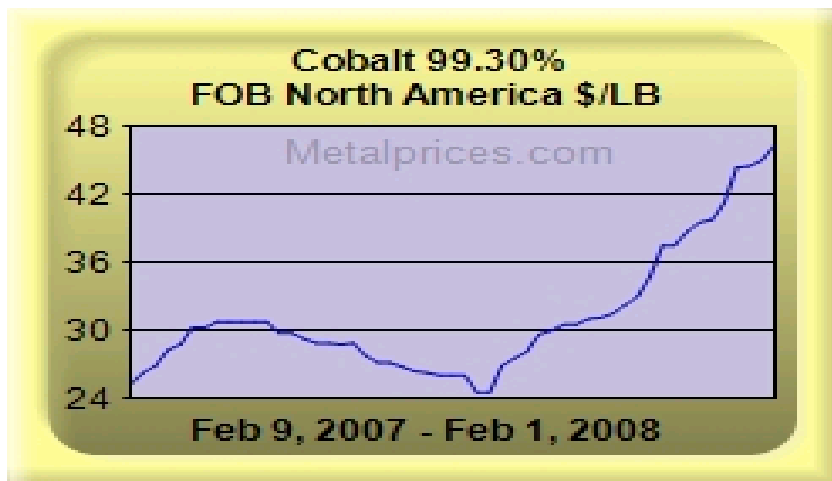
The mine is less than 16 meters deep with a waste to ore ratio of less than 1.9 and no need for blasting. The ore is amenable to simple concentration that further upgrades cobalt by a factor of three. The concentrate is inexpensively leached under atmospheric pressure and acid consumption is low. The process plant produces high-purity and readily marketable products – no need for costly, third-party refining.

Average operating costs during the first 19 years of production are estimated at \$3.12 per pound of saleable cobalt, net of nickel byproduct credits but before manganese credits. The planned addition of manganese byproduct sales is expected to enhance project economics.

GeoCam believes there are significant opportunities to improve project economics than indicated in the recent Feasibility Study. Consequently, a highly qualified group has been engaged to optimize all major aspects of the Feasibility Study by June 2008. GeoCam also plans to use the same group to timely and effectively engineer and construct the optimized plant via an EPCM contract.

Proven and probable ore reserves are estimated at 54.7 million tonnes with average grades of 0.25% cobalt, 0.69% nickel and 1.33% manganese. These reserves allow average annual production that contains 9.2 million pounds cobalt, 7.0 million pounds nickel and 42.0 million pounds manganese during the first 19 years of operation. An additional 145 million tonnes of inferred resources is adjacent to the first process plant. These reserves and resource estimates are compliant with Canadian and other international standards.

A Certificate of Compliance was received in May 2007 for the Environmental & Social Assessment. Major construction is expected to commence in September 2008 and production is scheduled to begin by mid-2010, subject to completion of project financing, obtaining a Cameroon water use permit and leasing of lands to be disturbed during initial operations.



Cobalt has many diverse applications, including: 1) rechargeable batteries for cell phones, computers, hybrid electric vehicles, etc., 2) super-alloys for jet engines, 3) chemicals, 4) wear resistant alloys, 5) catalysts, and 6) magnets. Global cobalt demand in 2006 was 56,000 tonnes compared to 31,000 tonnes in 1997.

The Company is based in Grand Junction, Colorado and its common shares (GMC) and three series of warrants (GMC.WT, GMC.WTA and GMC.WTB) are traded on the Toronto Stock Exchange.

Management

The three key elements in any opportunity are management, property, and financing. Geovic has a strong management and technical team that have done an exceptional job of advancing the deposit during its private company stage. During the preliminary going-public stage in late 2006, well-known mining sector powerhouse

Endeavour Financial seized on the Cobalt opportunity in its usual timely fashion and spearheaded Geovic as the vehicle to capitalize on it, bringing strong skills in debt finance, mergers & acquisitions, corporate finance and merchant banking to the table. Citigroup's more recent involvement last fall as exclusive financial advisor for the project financing package of the Nkamouna mine development brings in exceptional debt finance capability.

Strong management is in place and the properties acquired by Geovic are simply outstanding. Recent financings completed at much higher levels evidence that Geovic has the institutional support to bring these massive cobalt and nickel reserves into production efficiently and with minimal dilution.

Conclusion

Geovic has the right people, structure, and access to capital and strategic resources for triple-digit returns from current trading levels. The timing is right – especially during the regular “wall-of worry” resource-sector corrections - a typical feature of a secular bull market, one that should have many years to run as the U.S. economy has less of an impact on world growth. This company is exceptionally well-positioned to become the largest primary producer of cobalt in the world – and a major cash-flow generator.

With their deposits near surface, Geovic's mines will have the advantage of relatively low capital costs and exceptionally quick payback, even at much lower metal prices. This significantly lowers the risk profile of this opportunity, as other producers have significantly higher production and capital costs. With cobalt trading in the mid-US\$40's per pound, and given the tight supply and strong demand dynamics, investors would do well to embrace this story while the markets are under pressure and recession fears predominate.

The opportunity right now is to take advantage of the so-called “smart” money's poor timing – they bought high, we can buy in low. For more aggressive investors, there are the three series of less-liquid 5-year warrants available that trade under the symbols GMC.WT, GMC.WT.A and GMC.WT.B all on the TSX Venture exchange. These warrants provide an attractive 2:1 leverage from these levels, but the shares themselves offer investors a lower-risk opportunity by eliminating the time premium.

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