

GEOVIC MINING CORP.  
Form 10-Q  
May 14, 2008  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended March 31, 2008

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
Commission File Number 000-52646

**GEOVIC MINING CORP.**

(Exact name of registrant as specified in its charter)

**DELAWARE**  
(State or other jurisdiction of incorporation or  
organization)

**20-5919886**  
(IRS Employer Identification No.)

**743 Horizon Court, Suite 300A**

**Grand Junction Colorado 81506**

(Address of principal executive offices)

**(970) 256-9681**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to the filing requirements for the past 90 days:

Yes  No

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Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

**101,980,486**

Common Shares, \$0.0001 par value, outstanding at May 9, 2008

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**Geovic Mining Corp.**

**(An Exploration Stage Company)**

**FORM 10-Q**

**For the Quarter Ended March 31, 2008**

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**In this Report, unless otherwise indicated, all monetary amounts are expressed in United States dollars.**

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**EXPLANATORY NOTES**

Geovic Mining Corp. (the Company) registered its \$0.0001 par value common stock under the Securities Exchange Act of 1934, as amended, (the 1934 Act) by filing a Registration Statement on Form 10 on May 14, 2007. The Registration Statement became effective July 13, 2007.

**Financial Information Included in This Document**

This Quarterly Report on Form 10-Q includes financial and other information as of and for the three months ended March 31, 2008 and 2007.

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(an exploration stage company)

**PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****CONSOLIDATED BALANCE SHEETS**

(In thousands)

	Unaudited March 31, 2008	December 31, 2007
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 74,948	\$ 78,479
Accounts receivable	108	240
Income tax receivable	404	404
Prepaid expenses	540	161
Other		109
<b>Total current assets</b>	<b>76,000</b>	79,393
Property, plant and equipment, net <i>[note 5]</i>	1,023	664
Mineral properties <i>[note 6]</i>	3,011	2,822
Deposits	12	57
<b>Total assets</b>	<b>\$ 80,046</b>	\$ 82,936
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 2,271	1,553
<b>Total current liabilities</b>	<b>2,271</b>	1,553
Contingent liability <i>[note 11a]</i>	241	241
<b>Total liabilities</b>	<b>2,512</b>	1,794
Commitments and contingencies <i>[note 11]</i>		
Minority interest <i>[note 9]</i>	560	1,878
<b>STOCKHOLDERS EQUITY</b>		
Common stock, par value of \$0.0001, 200 million shares authorized and 101.7 million and 101.3 million shares issued and outstanding in 2008 and 2007, respectively	10	10
Additional paid-in capital <i>[note 8]</i>	105,162	104,000
Stock warrants <i>[note 8]</i>	15,748	15,748
Deficit accumulated during the exploration stage	(43,946)	(40,494)
<b>Total stockholders equity</b>	<b>76,974</b>	79,264
<b>Total liabilities and stockholders equity</b>	<b>\$ 80,046</b>	\$ 82,936

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*The accompanying notes are an integral part of these financial statements*

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**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited, in thousands, except share amounts)

	Three months ended March 31,		Since
	2008	2007	Inception
<b>EXPENSES (INCOME)</b>			
Exploration costs <i>[note 4]</i>	\$ 3,180	\$ 1,447	\$ 26,611
General and administrative	980	928	9,942
Stock based compensation <i>[note 7]</i>	1,051	184	14,686
Depreciation	23	12	803
	5,234	2,571	52,042
Interest income	(464)	(239)	(4,010)
Minority interest <i>[note 9]</i>	(1,318)		(4,532)
Net loss before income taxes	(3,452)	(2,332)	(43,500)
Income tax expense		34	446
<b>Net loss</b>	\$ (3,452)	\$ (2,366)	\$ (43,946)
Net loss per share	\$ (0.03)	\$ (0.03)	
Weighted average shares outstanding	101,545,919	69,273,916	

*The accompanying notes are an integral part of these financial statements*

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**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited, in thousands)

	Three months ended March 31,		Since
	2008	2007	Inception
<b>OPERATING ACTIVITIES</b>			
Net loss	\$ (3,452)	\$ (2,366)	\$ (43,946)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation expense	23	12	803
Stock-based compensation expense	1,051	184	14,686
Increase (decrease) in minority interest	(1,318)		(4,532)
Changes in non-cash operating working capital:			
(Increase) decrease in accounts receivable	131	(168)	(109)
(Increase) decrease in income tax receivable			(404)
(Increase) decrease in prepaid expenses	(379)	25	(540)
(Increase) decrease in deposits	154	3	(12)
Increase (decrease) in accounts payable	718	84	2,271
Increase (decrease) in income tax payable		(469)	
Increase in contingent liability			241
<b>Cash used in operating activities</b>	<b>(3,072)</b>	<b>(2,695)</b>	<b>(31,542)</b>
<b>INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment	(382)	(48)	(1,826)
Acquisition of mineral leases	(189)		(3,011)
<b>Cash used in investing activities</b>	<b>(571)</b>	<b>(48)</b>	<b>(4,837)</b>
<b>FINANCING ACTIVITIES</b>			
Minority interest contribution			5,092
Proceeds from issuance of common stock and preferred stock		45,837	95,589
Proceeds from issuance of stock warrants			16,168
Proceeds from exercise of stock options and warrants	112	41	2,223
Stock issue costs		(3,176)	(7,745)
<b>Cash provided by financing activities</b>	<b>112</b>	<b>42,702</b>	<b>111,327</b>
<b>Net increase (decrease) in cash</b>	<b>(3,531)</b>	<b>39,959</b>	<b>74,948</b>
Cash, beginning of year	78,479	9,374	
<b>Cash, end of period</b>	<b>\$ 74,948</b>	<b>\$ 49,333</b>	<b>\$ 74,948</b>

*The accompanying notes are an integral part of these financial statements*



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### **Geovic Mining Corp.**

(an exploration stage company)

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### **1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS**

Geovic Mining Corp. (the Company) is incorporated under the laws of the state of Delaware. The Company owns 100% of the shares of Geovic, Ltd. ( Geovic ), a company that has been in the mining exploratory stage since its inception.

Geovic is engaged in the business of exploring for cobalt, nickel, manganese and related minerals through its majority-owned (60%) subsidiary, Geovic Cameroon, PLC ( GeoCam ), a financially dependent public limited company duly organized and incorporated under the laws of the Republic of Cameroon. The Company is an exploration stage company in the process of planning to develop its mineral properties through its subsidiaries and has not yet determined whether these properties contain reserves that are economically recoverable.

On March 6, 2007, the Company incorporated a new subsidiary, Geovic Energy Corp., under the laws of the State of Colorado. On March 29, 2007 Geovic Energy Corp. formed a new subsidiary, Pawnee Drilling, LLC, under the laws of the State of Colorado.

### **2. BASIS OF PRESENTATION**

The accompanying interim unaudited consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States ( GAAP ) for interim financial statements and accordingly do not include all disclosures required for annual financial statements.

With the exception of new accounting pronouncements discussed in note 3, these interim consolidated financial statements follow the same significant accounting policies and methods of application as the Company's audited annual consolidated financial statements as included in the Company's annual report in Form 10K for the year ended December 31, 2007 (the Annual Financial Statements ). The interim consolidated financial statements should be read in conjunction with the Annual Financial Statements.

In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for these interim periods are not necessarily indicative of the result that may be expected for the full year ending December 31, 2008.

### **3. RECENT ACCOUNTING PRONOUNCEMENTS**

In December 2007, the FASB issued FASB Statement No. 141(R), *Business Combinations*, which amends SFAS No. 141, and provides revised guidance for recognizing and measuring identifiable assets and goodwill acquired, liabilities assumed, and any noncontrolling interest in the acquiree. It also provides disclosure requirements to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS No. 141(R) is effective for the Company's fiscal year beginning January 1, 2009 and is to be applied prospectively. The Company is currently evaluating the potential impact of adopting this statement on the Company's consolidated financial position, results of operations or cash flows.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****3. RECENT ACCOUNTING PRONOUNCEMENTS (CONT D.)**

In February 2007, the FASB issued FASB Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ( FAS 159 ). FAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value, with the objective of improving financial reporting by mitigating volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The provisions of FAS 159 are effective for the Company's fiscal year beginning January 1, 2008. The adoption of FAS 159 did not have a material impact on the Company's consolidated financial results.

In September 2006, the FASB issued FASB Statement No. 157, *Fair Value Measurements* ( FAS 157 ). FAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. The provisions of FAS 157 are effective for the Company's fiscal year beginning January 1, 2008. The adoption of FAS 157 did not have a material impact on the Company's consolidated financial results.

**4. EXPLORATION COSTS**

The following is a summary of the exploration costs incurred by the Company (in thousands):

	March 31, 2008	March 31, 2007	Since Inception
<b>Cameroon, Africa:</b>			
Property evaluation	\$ 819	\$ 1,063	\$ 11,462
Metallurgical studies	17	165	2,453
Exploration office costs	2,000	150	10,924
Property surface area tax	37		541
	<b>2,873</b>	1,378	25,380
<b>Other projects:</b>			
Colorado/Wyoming	232	69	1,102
Arizona	67	0	113
Other	8	0	16
	<b>307</b>	69	1,231
<b>Total Exploration Costs</b>	<b>\$ 3,180</b>	<b>\$ 1,447</b>	<b>\$ 26,611</b>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****5. PROPERTY, PLANT AND EQUIPMENT**

As of March 31, property, plant and equipment consisted of the following (in thousands):

	<b>March 31, 2008</b>	December 31, 2007
Machinery and equipment	<b>\$ 427</b>	\$ 420
Vehicles	<b>721</b>	452
Furniture and equipment	<b>466</b>	360
	<b>1,614</b>	1,232
Less accumulated depreciation	<b>(591)</b>	(568)
	<b>\$ 1,023</b>	&