

LAKWOOD, Colo., Aug. 8, 2016 /CNW/ -- [General Moly Inc.](#) (the "Company" or "General Moly") (NYSE MKT and TSX: GMO) finished the second quarter of 2016 with a cash balance of approximately \$12.3 million and \$17.3 million in restricted cash, reiterating prior guidance of solid financial liquidity to run its current business activities into early 2018.

Second quarter highlights:

- The Company continued to prudently manage liquidity, with Corporate and Liberty spend at \$1.7 million in the second quarter, in line with previous guidance. During the second half of the year, the Company anticipates that Corporate and Liberty spend will decrease to an average of \$1.6 million per quarter.
- The Mt. Hope Project's joint venture operating company Eureka Moly, LLC ("EMLLC") ended the second quarter with a balance of \$14.7 million (100% basis) in a cash reserve account that is expected to fund ongoing projected care and maintenance expenses through 2020.
- The Company focused efforts throughout the quarter on working jointly with its long-term strategic partner AMER International Group ("AMER") in assessing value-accretive acquisition opportunities concentrated on base metal prospects in North America, incurring due-diligence related expenses of \$0.4 million, which are sourced from a restricted cash account available for that purpose.

For the second quarter ended June 30, 2016 the Company reported a net loss of \$1.9 million (\$0.02 per share), compared to a net loss of \$6.8 million (\$0.07 per share) for the prior year period. The decrease in quarterly net loss was primarily due to reduced overall ongoing expenditures in 2016 versus 2015 from continued cash conservation and cost control efforts and the impact of one-time losses incurred in the second quarter 2015 associated with the termination of a power transmission contract at EMLLC and the conversion of certain promissory notes.

During the second quarter, cash use of \$3.5 million, sourced from both restricted and unrestricted funds, was the result of \$1.8 million of EMLLC owners' costs and deposits made on long-lead equipment, \$0.4 million of Liberty Project costs, and \$1.3 million in general and administrative expenses. Liberty Project expenditures included remediation work at a legacy leach pad to manage erosion and these expenses are expected to decrease during the second half of 2016.

Bruce Hansen, Chief Executive Officer, remarked, "We continue to aggressively work jointly with Amer on potential value accretive opportunities while the molybdenum market slowly recovers. In addition, we remain focused on maintaining our permits at the Mt. Hope and Liberty projects, while continuing to control our ongoing spending levels in alignment with our cash conservation and liquidity management goals. We are also actively progressing efforts toward the reinstatement of our water rights for the Mt. Hope Project in preparation for advancing project financing after molybdenum prices return to a more supportive level."

Table 1: Financial Summary

| (\$ and Shares in 000) | 2Q 2016 | 2Q 2015 | 2Q YOY Variance |
|-------------------------------------|------------|------------|--------------------|
| Exploration & evaluation expenses | \$ 118 | \$ 277 | -57% |
| General and administrative expenses | 1,546 | 2,007 | -23% |
| Total Operating Expenses | 1,664 | 2,284 | -27% |
| Interest expense | (250) | (275) | -9% |
| Net Loss | \$ (1,914) | \$ (7,686) | -75% |
| Net Loss Per Share | \$ (0.02) | \$ (0.07) | -71% |
| Avg. Weighted Shares Outstanding | 110,568 | 95,020 | 16% |

Note: Net loss was substantially higher in 2015 as one-time losses were incurred during that time period related to the termination of a power transmission contract at the LLC and a loss on the conversion of certain promissory notes related to a 2014 private placement.

Table 2: Balance Sheet Summary

| | June 30, 2016 December 31, 2015 | |
|--|---------------------------------|------------|
| (\$ in 000) | | |
| Cash and Cash Equivalents | \$ 12,308 | \$ 13,047 |
| Current Assets | 12,463 | 13,197 |
| Current Liabilities | 1,237 | 2,404 |
| Working Capital | 11,226 | 10,793 |
| Restricted cash held at EMLLC | 14,687 | 16,636 |
| Other restricted cash | 2,583 | 6,782 |
| Total Assets | 341,745 | 346,311 |
| Long term debt | 1,441 | 1,517 |
| Senior Convertible Promissory Notes | 5,449 | 5,316 |
| Return of contributions payable to POS-Minerals | 33,641 | 33,884 |
| Other liabilities | 12,956 | 12,523 |
| Long term liabilities | 53,487 | 53,240 |
| Contingently Redeemable Non-controlling Interest | 173,500 | 173,265 |
| Total Shareholders' Equity | \$ 113,521 | \$ 117,402 |

2016 Outlook and Priorities

As was previously discussed in the Company's 2015 year-end financial results news release, General Moly's priorities for 2016 remain to:

- Prudently manage financial liquidity and flexibility to sustain the Company over the medium term, including continued stringent cost management throughout the organization to fund current business activities into early 2018, excluding potential additional AMER equity investments into General Moly;
- Continue to leverage General Moly's technical and financial skills and expertise to work jointly with AMER to identify value-accretive acquisition opportunities with a focus on base metal prospects in North America;
- Effect reinstatement of permits for water rights at the Mt. Hope Project, which would lead to the Tranche 2 investment of \$6.0 million by AMER, contingent on a molybdenum price rise to \$8 per pound for 30 consecutive calendar days;
- Maintain existing federal and state permit status for the Mt. Hope and Liberty projects.

About General Moly

General Moly is a U.S.-based molybdenum mineral development, exploration and mining company listed on the NYSE MKT and the Toronto Stock Exchange under the symbol GMO. The Company's primary asset, an 80% interest in the Mt. Hope Project located in central Nevada, is considered one of the world's largest and highest grade molybdenum deposits. Combined with the Company's wholly-owned Liberty Project, a molybdenum and copper property also located in central Nevada, General Moly's goal is to become the largest pure play primary molybdenum producer in the world.

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Forward-Looking Statements

Statements herein that are not historical facts are "forward-looking statements" within the meaning of Section 27A of the Securities Act, as amended and Section 21E of the Securities Exchange Act of 1934, as amended and are intended to be covered by the safe harbor created by such sections. Such forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those projected, anticipated, expected, or implied by the Company. These risks and uncertainties include, but are not limited to, metals price and production volatility, global economic conditions, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, exploration risks and results, political, operational and project development risks, including the Company's ability to obtain a re-grant of its water permits and to maintain required federal and state permits to continue construction, commence production and its ability to raise required project financing, as well as adverse governmental regulation and judicial outcomes such as the appeal of the Record of Decision and estimates related to cost of production, capital, operating and exploration expenditures. For a detailed discussion of risks and other factors that may impact these forward looking statements, please refer to the Risk Factors and other discussion contained in the Company's quarterly and annual periodic reports on Forms 10-Q and 10-K, on file with the SEC. The Company undertakes no obligation to update forward-looking statements.

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