

LAKEWOOD, Colo., March 16, 2017 /CNW/ -- [General Moly Inc.](#) (the "Company" or "General Moly") (NYSE MKT and TSX: GMO) announced its financial results for the fourth quarter and full year ended December 31, 2016 today. The Company entered 2017 with a cash balance of approximately \$8.5 million at year-end 2016. The Company is well positioned with financial liquidity to fund its current business activities and working capital needs into the second quarter of 2018.

Fourth quarter and year-to-date highlights:

- The Company lowered the quarterly cash burn rate for Corporate and Liberty Project costs by 20%, from the previous two years' \$1.9M quarterly average to an estimated \$1.5 million per quarter going forward in 2017. The Company forecasts that it has the ability to fund its current business plans and working capital into the second quarter of 2018, excluding potential additional equity investments from AMER International Group Inc. ("AMER") or other potential strategic partners;
- At the Mt. Hope Project, our 80% owned joint venture operating company Eureka Moly, LLC ("EMLLC") ended 2016 with a balance of \$13.0 million (100% basis) in a cash reserve account, and remains self-funded through 2021 based on projected care and maintenance expenses. EMLLC also received a net refund of \$4.3 million (100% basis) in February 2016 from a reduction in reclamation funding requirements.

The Company reported a net loss for the three months ending December 31, 2016 of \$1.9 million (\$0.02 per share), compared to a net loss of \$2.0 million (\$0.02 per share) for the same prior year period. The decrease in quarterly net loss was primarily due to the Company's ongoing cost-cutting measures. Net loss for the full year ending December 31, 2016 was \$8.1 million (\$0.07 per share), compared to a loss of \$15.2 million (\$0.16 per share) for the same prior year period. The higher net loss in 2015 compared with 2016 was due to non-cash losses of \$4.3 million taken upon termination of a Mt. Hope Project power transmission contract at EMLLC, and a \$1.0 million loss taken on conversion of several of the Company's Senior Convertible Promissory Notes from a 2014 private placement.

During the fourth quarter, cash use of \$2.5 million was the result of \$1.2 million at the Mt. Hope Project related to EMLLC owners' costs and \$1.3 million in the Company's general and administrative expenses.

Bruce D. Hansen, Chief Executive Officer, said, "2016 has been a challenging year as the molybdenum market continued to slowly recover. We remain focused on progressing efforts toward the reinstatement of our permits for water rights at the Mt. Hope Project and working with the Bureau of Land Management ("BLM") to resolve the technical deficiencies noted by the U.S. Court of Appeals for the Ninth Circuit ("Ninth Circuit") concerning the baseline air quality requirements under the National Environmental Policy Act ("NEPA") to obtain the reissuance of our Record of Decision ("ROD"). In addition to advancing the Mt. Hope Project, we are continuing to progress efforts with our strategic partner AMER, and others as we review value accretive base metals and molybdenum related opportunities. We anticipate an improved molybdenum market going forward as we see the oil market stabilize and energy related steel production increasing. We also remain focused on maintaining our ongoing spending levels in alignment with our cash conservation and liquidity management goals."

Mr. Hansen concluded, "As we look forward, we have taken decisive cost-cutting actions that better position our Company to advance development when market conditions improve. Through our cost-cutting programs, we have continued to achieve reductions in our Corporate and Liberty Project care and maintenance costs of 20% from an average of \$1.9 million per quarter during 2015 and 2016 to approximately \$1.5 million per quarter going forward in 2017."

Table 1: Financial Summary

(\$ and Shares in 000, Except Per Share and Molybdenum Price)	2016	4Q 2016	2015	4Q 2015	YOY	4Q
					Variance	Var
Exploration & evaluation expenses	\$ 1,077	\$ 178	\$ 1,032	\$ 173	4%	3%
General and administrative expenses, including non-cash stock compensation	6,050	1,560	8,703	1,541	-30%	1%
Total Operating Expenses	7,127	1,732	9,735	1,714	-27%	1%
Loss on termination of power transmission contract	0	-	(4,317)	-	n.a.	n.a.
Loss on extinguishment of senior convertible notes	0	-	(971)	-	n.a.	n.a.
Interest expense	(961)	(196)	(1,100)	(207)	n.a.	n.a.
Net Loss	\$ (8,067)	\$ (1,919)	\$ (15,223)	\$ (1,962)	-47%	-2%
Net Loss Per Share	\$ (0.07)	\$ (0.01)	\$ (0.16)	\$ (0.02)	-56%	-50%
Avg. Weighted Shares Outstanding	110,521	110,571	97,056	104,299	14%	6%

Table 2: Balance Sheet Summary

(\$ in 000)	Dec. 31, 2016	Dec. 31, 2015	Dec. 31 YOY Variance
Cash and Cash Equivalents	\$ 8,470	\$ 13,047	-35.1%
Current Assets	8,559	13,197	-35.1%
Current Liabilities	1,520	2,404	-36.8%
Working Capital	7,039	10,793	-34.8%
Restricted cash held at EMLLC	13,025	16,636	-21.7%
Other restricted cash	1,957	6,782	-71.1%
Total Assets	337,286	346,311	-2.6%
Long term debt	1,340	1,517	-11.7%
Sr. convertible notes	5,540	5,316	4.2%
Return of contributions payable to POS-Minerals	33,641	33,884	-0.7%
Other liabilities	12,912	12,523	3.1%
Long term liabilities	53,433	53,260	0.3%
Contingently Redeemable Non-controlling Interest	172,659	173,265	-0.3%
Total Shareholders' Equity	\$ 109,674	\$ 117,402	-6.6%

Mt. Hope Project Water Rights and Permits Update

As described in the Company's previous news release, on December 28, 2016 the Ninth Circuit issued its Opinion rejecting many of the arguments raised by the Plaintiffs challenging the Environmental Impact Statement ("EIS") completed for the Mt. Hope Project, but issued a narrow reversal of the BLM's findings related to air quality analysis. Because of this technical deficiency, the Court vacated the ROD, and will require additional evaluation of air quality impacts and resulting cumulative impact analysis under NEPA before a supplemental EIS can support a new ROD. The Company is confident in the BLM's process and is working closely with the agency to resolve technical matters with air quality baseline studies raised by the Ninth Circuit. Thereafter, we look forward to completing the necessary NEPA public review of the supplemental EIS to receive a new ROD for the eventual construction and operation of the Mt. Hope Project.

Regarding Mt. Hope water rights, on March 14, 2016, we received the District Court for the County of Eureka, Nevada's Order, on remand from the Nevada Supreme Court, vacating the Monitoring, Management, and Mitigation (3M) Plan, denying the water applications and vacating the water permits issued by the Nevada State Engineer. The State Engineer has filed an appeal to the Nevada Supreme Court concerning the District Court's interpretation of the Supreme Court's Opinion and has also argued that the District Court acted in excess of its judicial authority in violation of Nevada's Constitution and Statutes. The Company has filed a similar appeal to the Nevada Supreme Court. We currently await the decision by the Nevada Supreme Court and continue to seek opportunities to work with the State Engineer to document a process for reobtaining permits for water rights at the Mt. Hope project.

Mt. Hope Project Engineering and Equipment Procurement

Engineering remains approximately 65% complete at the Mt. Hope Project. Currently, there is no ongoing engineering and procurement effort. The Company anticipates it will re-initiate its engineering and procurement programs once market conditions allow for full Mt. Hope Project financing.

Through December 31, 2016, \$87.2 million in payments on equipment orders have been funded by EMLLC, which has now ordered or purchased most of the long-lead milling equipment, haul trucks, and mine production drills, and has maintained an ongoing letter of intent preserving deposits and indexed pricing for the purchase of two electric shovels.

Based on its current forecast, the Company does not anticipate taking delivery of the haul trucks, drills, and electric shovels in 2017 and continues to work with the respective vendors to extend these agreements until the Company obtains financing for construction of the Mt. Hope Project.

2017 Outlook and Priorities

General Moly's priorities for 2017 are to:

- Prudently manage financial liquidity and flexibility to sustain the Company over the medium term, including continued stringent cost management throughout the organization, rescheduling of equipment procurement, and funding of current business activities into the second quarter of 2018, excluding potential additional equity investments from AMER or other potential strategic partners.
- Leverage the Company's technical and financial skills and expertise to work jointly with AMER and others to identify value-accretive acquisition opportunities with a focus on base metal and ferro-alloy prospects in the western hemisphere;
- Effect reinstatement of the ROD, 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, and maintain other existing federal and state permits.

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 Record of Decision, ability to maintain required federal and state permits to continue construction, and commence production, ability to raise required project financing, ability to respond to adverse governmental regulation and judicial outcomes, and ability to maintain and /or adjust 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.

To view the original version on PR Newswire,
visit:<http://www.prnewswire.com/news-releases/general-moly-reports-fourth-quarter-and-2016-results-300425145.html>

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