

LAKWOOD, Colo., Aug. 14, 2017 /CNW/ -- [General Moly Inc.](#) (the "Company" or "General Moly") (NYSE MKT and TSX: GMO) announced its financial results for the second quarter ended June 30, 2017 and, as previously announced, strengthened its balance sheet through a \$6.0 million private placement with its largest shareholder AMER International Group ("AMER"), which is expected to close next month.

Second quarter and to date highlights:

- The Company and AMER agreed to accelerate the Tranche 2 private placement of \$6.0 million of General Moly common shares priced at the volume weighted average price ("VWAP") for the 30-day period ending August 7, 2017 of \$0.41 for 14.6 million common shares with closing expected by September 30, 2017, under a second amendment to the parties' Investment and Securities Purchase Agreement ("Amended Investment Agreement").
- In addition, under the Amended Investment Agreement, the Company and AMER also agreed to accelerate the Tranche 3 \$10.0 million private placement at a \$0.50 price for 20.0 million common shares and to amend certain conditions related to completion of Tranche 3.
- During the second quarter, Corporate and Liberty Project costs were \$1.7 million, 4% higher than the year ago quarter as a result of \$0.3 million in due diligence costs evaluating base metal acquisition opportunities with AMER. This business development work is expensed from the Company's restricted cash reserved for such purpose and for the procurement of a bank loan for future development of the Mt. Hope Project. Over the full year 2017, the Company expects to maintain the quarterly cash burn rate of \$1.5 million per quarter, excluding further due diligence costs.
- At the Mt. Hope Project in Nevada, the Company's 80% owned joint venture operating company Eureka Moly, LLC ("EMLLC") ended the second quarter of 2017 with a restricted cash balance of \$11.0 million (100% basis) compared to \$13.0 million at year end 2016 in a cash reserve account. Additional cost reductions to maintenance expenses have extended Mt. Hope's self-funding for care and maintenance by several months into 2022.
- The Company reported a net loss for the three months ending June 30, 2017 of \$1.9 million (\$0.02 per share), which is level with the same net loss for the prior year period.

Bruce D. Hansen, Chief Executive Officer, said, "We are well funded to continue to pursue value-accretive joint business development opportunities in the under-valued base metal sector with our strategic partner AMER. Our Mt. Hope Project will advance when the molybdenum market improves with AMER helping to procure and guarantee a Bank Loan of approximately \$700.0 million from a major Chinese bank or banks. In the meantime, we look forward to receiving a decision from the Nevada Supreme Court concerning our efforts to obtain reinstatement of our permits for water rights at the Mt. Hope Project and we continue to make progress with the Bureau of Land Management ("BLM") on the completion of a Supplemental Environmental Impact Statement ("EIS") for the reissuance of our Record of Decision ("ROD"). The Notice of Intent for the Supplemental EIS was recently published by BLM."

Table 1: Financial Summary

(\$ and Shares in 000, Except Per Share and Molybdenum 2Q 2017 2Q 2016 2Q YOY Variance Price)

Exploration & evaluation expenses	\$ 137	\$ 118	16%
General and administrative expenses, including non-cash stock compensation	1,586	1,546	3%
Total Operating Expenses	1,723	1,664	4%
Interest expense	(225)	(250)	n.a.
Net Loss	\$ (1,948)	\$ (1,914)	2%
Net Loss Per Share	\$ (0.02)	\$ (0.02)	0%
Avg. Weighted Shares Outstanding	111,168	110,568	1%

Table 2: Balance Sheet Summary

(\$ in 000)	June 30, 2017	Dec 31, 2016
Cash and Cash Equivalents	\$ 5,289	\$ 8,470
Current Assets	5,418	8,559
Current Liabilities	1,230	1,520
Working Capital	4,188	7,039
Restricted cash held at EMLLC	11,046	13,025
Other restricted cash	1,812	1,957
Total Assets	333,227	337,286
Long term debt	1,340	1,340
Sr. convertible notes	5,687	5,540
Return of contributions payable to POS-Minerals	33,641	33,641
Other liabilities	12,974	12,912
Long term liabilities	53,642	53,433
Contingently Redeemable Non-controlling Interest	172,644	172,659
Total Shareholders' Equity	\$ 105,711	\$ 109,674

#### Amended Investment Agreement with AMER

As described in the Company's August 8, 2017 news release, under the Amended Investment Agreement, AMER and General Moly agreed to amend the warrants previously provided to AMER, whereby the expiration of the warrants were extended to the third anniversary of the reissuance of the ROD for the construction and operation of the Mt. Hope Project. The number of warrants (80 million), exercise price of \$0.50 and vesting conditions for the warrants (exercisable upon completion of the approximately \$700.0 million Bank Loan for the Mt. Hope Project) remain unchanged.

A sum of \$5.5 million of the Tranche 2 proceeds will be allocated to general corporate purposes and \$0.5 million will be directed to the existing expense reimbursement account to cover costs related to Mt. Hope Project financing and other jointly sourced business development opportunities.

The Tranche 3 private placement for \$10.0 million of General Moly common shares, priced at \$0.50, is conditioned on closing on the later of (i) March 31, 2018 (or 90 days following the close of a joint business opportunity involving use of 10.0 million shares of GMI common stock) or (ii) 90 days after reinstatement of water permits from the Nevada State Engineer for the Mt. Hope water permits. A sum of \$9.5 million of the funds will be directed to general corporate purposes and \$0.5 million will be allocated to the expense reimbursement account described above.

#### Mt. Hope Permitting Update

The Company continues to support the BLM in their completion of a Draft Supplemental EIS for the Mt. Hope Project to be advanced to the public for review with a Notice of Availability ("NOA") in the third quarter. The Supplemental EIS will address concerns under the National Environmental Policy Act ("NEPA") raised by the December 28, 2016 Opinion of the U.S Court of Appeals for the Ninth Circuit ("Ninth Circuit"). The Ninth Circuit reversed, on technical grounds, the U.S. District Court's ruling on the Mt. Hope Record of Decision, on a narrow issue related to a baseline air quality analysis and related cumulative impact examination.

General Moly and its independent environmental management firm have completed additional air quality analysis of direct and cumulative impacts to air quality to address the Ninth Circuit's concerns about the baseline assumptions in the Environmental Impact Statement.

The Company anticipates receiving the Record of Decision by early 2018.

## Solar Energy Development Lease Option at Liberty Project

General Moly and a subsidiary of Solar Reserve, LLC of Santa Monica, California entered into an Option Agreement and potential Land Lease Agreement (if the option is exercised) for photovoltaic solar energy development at General Moly's Liberty Project, near Tonopah, Nevada, as announced in General Moly's news release on August 1, 2017.

The agreement provides for a three-year option to lease a minimum of 500 acres and easements associated with vacant land wholly owned by General Moly and will not impact the Liberty Project's future proposed mining plans. If the option is exercised, the parties will enter into a 30-year lease for up to 700 acres of land, with an option to extend for an additional five years at the end of the initial lease term.

If the option is exercised for solar energy development, the lease revenue will offset a portion of the Liberty Project's care and maintenance costs, bolster the local economy and support Nevada's renewable energy supply targets.

## Molybdenum Market

The U.S. molybdenum oxide price per pound has been in the mid-\$7 range recently. During the second quarter of 2017, the U.S. molybdenum oxide price per pound ranged from a high of \$9.10 in April 2017 to a low of \$7.30 in June 2017 (source: Metal Bulletin). This is compared with the 52-week range of a low of \$6.60 per pound at year-end 2016 and the recent high of \$9.10 in April.

From the beginning of 2017 to April 2017, molybdenum prices rose on stronger demand for stainless steel in China and higher global steel demand, according to Roskill, a metals and minerals research firm, based in the United Kingdom. Molybdenum demand in China and globally had softened by June 2017. Roskill anticipates higher molybdenum prices as demand from the stainless steel industry rebounds in late 2017, continuing into 2018 with expected tight supply, with a projected growth in stainless steel production of 2.9% in 2017.

During 2016, the molybdenum market saw a slow recovery from 2015 with a range of between \$5.20 and \$8.10 per pound. Led by China, stainless steel production worldwide increased by 10.2% to 45.8 million tonnes in 2016 over 2015, according to the International Stainless Steel Forum.

Mr. Hansen said, "The molybdenum market continues to improve and we anticipate further improvement over the next few years. We believe the gradual recovery in the molybdenum price is presaged by a stabilizing oil and gas industry with increased drilling activity in North America leading the worldwide rise and higher steel prices, reflecting ramped up world steel demand as the world's largest economies are all expanding."

In July 2017, General Moly launched a new Moly Bits blog, written by Mr. Hansen, commenting on the expanding global market for liquid natural gas and a stabilizing oil industry, indicating positive demand support for molybdenum.

Mr. Hansen noted that oil and gas, chemical and petro-chemical industries account for 30% of molybdenum end-use demand, according to SMR Research. Molybdenum end use in automotive (15%), other transportation (8%) and power generation (7%) account for another 30% of molybdenum demand. Excerpts from Moly Bits are provided below:

The common bond for the molybdenum market and the oil and gas industry is the use of steels alloyed with molybdenum as well as molybdenum catalysts and lubricants in the extracting, processing, refining, and transporting of oil and gas products.

A stable and active oil industry is supportive of molybdenum prices through rising demand for these specialty steels and catalysts; We believe that moly prices will strengthen over the medium term driven by increasing steel demand from the resurgence in oil and gas drilling in North America and the flourishing LNG trade worldwide. &hellip;

The consensus among industry observers, including BP and Royal Dutch Shell, is that LNG will be the essential, low-cost fuel of choice to meet the rising electricity demand in emerging economies. Liquefaction technology has enabled natural gas produced in the United States to become a mobile product.

The Shell LNG Outlook report projected world LNG demand to rise at 4-5% per year from 2015 to 2030. Shell reported that in 2016, global LNG demand was 265 million tonnes with imports by 35 countries, led by China, Egypt and India. Compared with 2000, there were only 10 importing countries.

LNG is helping the U.S. move towards energy independence to be a net export of total energy in the 2020s, according to the

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## 2017 Outlook and Priorities

General Moly's priorities for the remainder of 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 2018.
- 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, and reissuance of permits for water rights at the Mt. Hope Project.

## 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 primary molybdenum producer in the world.

Molybdenum is a metallic element used primarily as an alloy agent in steel manufacturing. When added to steel, molybdenum enhances steel strength, resistance to corrosion and extreme temperature performance. In the chemical and petrochemical industries, molybdenum is used in catalysts, especially for cleaner burning fuels by removing sulfur from liquid fuels, and in corrosion inhibitors, high performance lubricants and polymers.

Contact:  
Scott Roswell  
(303) 928-8591  
[info@generalmoly.com](mailto:info@generalmoly.com)

Website: [www.generalmoly.com](http://www.generalmoly.com)

## 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.

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