

General Moly Highlights Reinforced Financial Position with Third Quarter 2017 Results and Provides Molybdenum Market Overview

06.11.2017 | [CNW](#)

LAKESWOOD, Colo., Nov. 6, 2017 /CNW/ -- [General Moly Inc.](#) (the "Company" or "General Moly") (NYSE MKT and TSX) announced its financial results for the third quarter ended September 30, 2017 and reiterated that the Company's balance sheet was strengthened through a \$6.0 million private placement with its largest shareholder AMER International Group ("AMER") which closed on October 16, 2017.

Third quarter and to date highlights:

- The Company and AMER closed the Tranche 2 private placement of \$6.0 million of General Moly common shares at the volume weighted average price ("VWAP") for the 30-day period ending August 7, 2017 of \$0.41 for 14.6 million shares conveyed to AMER. Of the \$6.0 million in equity sale proceeds, \$5.5 million is available for general corporate purposes and \$0.5 million will be held in a loan procurement account to cover costs related to Mt. Hope Project financing and other jointly sourced business development opportunities.
- During the third quarter, Corporate and Liberty Project costs were \$1.4 million, excluding \$0.3 million in due diligence costs associated with evaluating base metal acquisition opportunities with AMER. These due diligence costs are paid from the Company's restricted cash account reserved for such purposes and for the future Mt. Hope financing costs. The Company is on track in achieving its goal of maintaining a quarterly cash burn rate of \$1.5 million per quarter for the full year 2017, excluding further due diligence costs.
- At the Mt. Hope Project in Nevada, the Company's 80% owned joint venture operating company Eureka Moly, LLC, ended the third quarter of 2017 with a restricted cash balance of \$11.0 million (100% basis) compared to \$13.0 million at the end of 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 September 30, 2017 of \$2.2 million (\$0.02 per share) compared to \$0.5 million from the prior year period as a result of the due diligence costs described above.
- Current cash and cash equivalents at September 30, 2017 were \$3.4 million, before recognition of the \$6.0 million from the closing of Tranche 2 under the AMER Investment Agreement.

Bruce D. Hansen, Chief Executive Officer, said, "Our Company is well positioned for the continuing gradual recovery of the molybdenum market. Steel demand in China and worldwide has rebounded strongly in 2017 underpinning molybdenum prices. Global stainless steel production rose 14.5% year-over-year to 11.8 million tonnes in the first quarter 2017, according to the International Stainless Steel Forum. In the United States and around the world, oil and gas drilling activity requiring molybdenum steel has bounced back to over 2,000 operating rigs, a level last seen two years ago. While the fourth quarter typically has lower molybdenum demand from steel producers during the winter, we believe we will continue to see higher quarterly molybdenum prices in 2019."

Table 1: Financial Summary			
	3Q 2017	3Q 2016	3Q YOY Variance
(\$ and Shares in 000, Except Per Share and Molybdenum Price)			
Exploration & evaluation expenses	\$ 302	\$ 235	29%
General and administrative expenses, including non-cash stock compensation	1,660	1,589	4%
Total Operating Expenses	1,962	1,824	8%
Interest expense	(205)	(266)	n.a.
Net Loss	\$ (2,161)	\$ (2,086)	4%
Net Loss Per Share	\$ (0.02)	\$ (0.02)	0%
Avg. Weighted Shares Outstanding	111,168	110,568	1%

Table 2: Balance Sheet Summary		
	September 30, 2017	December 31, 2016
(\$ in 000)		
Cash and Cash Equivalents	\$ 3,377	\$ 8,470
Current Assets	3,384	8,559
Current Liabilities	1,867	1,520
Working Capital	1,517	7,039
Restricted cash held at EMLLC	11,046	13,025
Other restricted cash	854	1,957
Total Assets	331,880	337,286
Long term debt	1,340	1,340
Sr. convertible notes	5,705	5,540
Return of contributions payable to POS-Minerals	33,641	33,641
Other liabilities	13,003	12,912
Long term liabilities	53,689	53,433
Contingently Redeemable Non-controlling Interest	172,638	172,659
Total Shareholders' Equity	\$ 103,686	\$ 109,674

Closure of Tranche 2 of the Amended Investment Agreement with AMER

As described in the Company's October 16, 2017 news release, under the Amended Investment Agreement, AMER and General Moly announced the closure of the second tranche of the parties' three-tranche financing agreement, originally announced in 2015.

With the previous closure of Tranche 1 and the issuance of 13.3 million shares in November 2015, and the closure of Tranche 2 and the issuance of 14.6 million shares, AMER now holds an approximately 22% outstanding interest. The closure of these two investment tranches with AMER is part of a broader financing agreement announced in April 2015. Additionally, AMER has committed to complete the third of the three tranche private placements, described below, as well as to procure a \$700.0 million Chinese bank loan for the development of the Company's Mt. Hope Project in Nevada that AMER will source and guarantee when there are improved molybdenum prices over a sustained period coupled with the receipt of water permits and Record of Decision for the Mt. Hope Project.

The third tranche is a \$10.0 million private placement for 20 million shares, priced at \$0.50 and conditioned upon the reissuance of water permits for the Mt. Hope Project or the earlier completion of a joint business opportunity involving issuance of more than 10.0 million shares of GMI common stock. Tranche 3 may be subject to General Moly stockholder approval, as described below.

Mt. Hope Permitting Update

Work is continuing of the draft SEIS for the Mt. Hope Project to be advanced to the public for review and comment pursuant to a Notice of Availability ("NOA"). The SEIS will incorporate the additional air quality analysis completed by the Company and its independent environmental management firm to 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 . The Ninth Circuit reversed, on technical grounds, the U.S. District Court's ruling on the Mt. Hope ROD, on a narrow issue related to a baseline air quality analysis and related cumulative impact examination.

The Company anticipates receiving the ROD in the first half of 2018.

Mt. Hope Water Rights Update

On September 27, 2017, the Nevada Supreme Court issued its Opinion affirming the Nevada District Court's March 2016 Order which vacated the water permits concerning the Mt. Hope Project. The Company and the Nevada State Engineer had challenged the District Court's Order last year.

In late 2015 and 2016 the Company filed new water applications with the Nevada State Engineer for the full quantity of water necessary to construct and operate the Mt. Hope Project. Action on these applications was pending, awaiting the decision that was presented by the Nevada Supreme Court last month. The Company has requested a hearing before the Nevada State Engineer to proceed on these applications to change the point of diversion for use at the Mt. Hope Project. The Company will also present evidence of its ability to protect the interests of senior water right holders in the basin in support of these change applications.

Molybdenum Market

Since the beginning of the year, the U.S. molybdenum oxide price per pound has increased 29% to the mid October price level of \$8.65. The molybdenum price was \$6.70 per pound at yearend 2016.

During the third quarter of 2017, the U.S. molybdenum oxide price per pound generally rose from a low of \$7.18 in July 2017 to a high of \$8.90 in September 2017. This is compared with the 52-week range of a high of \$8.98 in April 2017 and a low of \$6.38 in November 2016.

China consumes approximately one-third of global molybdenum demand and produces more than one-third of global molybdenum supply. Molybdenum supply constricted in China and the Americas during the third quarter. Some mines in China had restricted production from environmental inspections and poor weather conditions, while higher output from steel mills in China increased molybdenum demand in August and September 2017.

In a recently published Molybdenum Market Outlook Update report, the CPM Group, a commodities research and consulting firm in New York, noted that stronger than expected molybdenum demand in China was driven by increased steel production. Robust economic expansion worldwide triggered higher steel output in 2017, benefitting molybdenum demand.

While global molybdenum demand is projected to increase 4.8% to 535 million pounds in 2017 over 2016, worldwide molybdenum supply is now projected to increase to 561 million pounds in 2017 from 510 million pounds in 2016, according to CPM. During 2017, higher molybdenum prices and depreciation of the Chinese yuan leading to lower production costs in China spurred increased molybdenum primary production, CPM stated. In addition, CPM reported increased molybdenum byproduct supply from higher production from major copper mines as copper prices rebounded in 2017.

CPM projects that after a softer seasonal fourth quarter demand, the molybdenum per pound price to average \$9.00 in 2018 and for real prices to average \$12.81 for the period 2019 to 2022.

Roskill, a global metals and minerals research firm in the United Kingdom, anticipates higher molybdenum prices from strengthening demand, particularly from the stainless steel industry, going into the end of 2017 and continuing into 2018 with expected tight molybdenum supply, projecting that stainless steel production will grow by 2.9% in 2017.

2017 Outlook and Priorities

General Moly's priorities for the remainder of 2017 and into 2018 are to:

- Prudently manage financial liquidity and flexibility to sustain the Company over the medium term, including continuing cost management throughout the organization, rescheduling of equipment procurement, and funding of current business activities through 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 American LLC (formerly known as 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.

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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.

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