

# General Moly Sees Continued Strengthening Molybdenum Prices in 2018

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LAKEWOOD, Colo., Jan. 18, 2018 /CNW/ -- [General Moly Inc.](#) (the "Company" or "General Moly") (NYSE American and TSX: GMO), the only western-exchange listed, pure-play molybdenum mineral development company, reports that the recent molybdenum spot price has topped \$11 per pound, a level last seen in 2014, and over 60% higher than the year-end 2016 price of \$6.70 per pound.

Molybdenum was one of the best performing metals in price appreciation in 2017, according to the CPM Group, a leading commodities research and consulting firm in New York. The molybdenum spot price strengthened during 2017, supported by increased specialty steel output, driven by the global recovery in oil and gas drilling. During 2017, molybdenum spot price climbed to the \$8 - \$9 per pound range during August through November, before hitting double digits early this year.

## Molybdenum Demand Rising from Oil & Gas End Use

Commenting on the molybdenum outlook for 2018, General Moly Chief Executive Officer Bruce D. Hansen said, "We are excited by the robust performance in the molybdenum (moly) spot price in the new year. Moly is the premier alloy to toughen steel and make it corrosion resistant, which is critically important in all aspects of drilling, production, refining, storage and transportation in the oil and gas industry. However, moly prices remain volatile, and with the continued recovery of the petroleum industry, we anticipate the potential for generally higher prices going forward in 2018."

In December 2017, the Baker Hughes worldwide drill rig count increased 18% to 2,089 rigs from year ago levels and jumped 49% from the low point seen in mid-2016. The West Texas Intermediate oil price has risen 69% from \$38.10 per barrel at year end 2016 to \$64.30 on January 15, 2017, while the NYMEX natural gas price has risen 58% from \$2.03 per MMBtu to \$3.20 over the same period.

In addition, steel consumption especially for stainless and high strength steels is expected to be driven by global economic expansion. The World Bank projects global economic growth at a solid 3.1% for 2018 after a better than expected 2017 performance.

China uses approximately a third of global molybdenum and produces more than one-third of global molybdenum supply. China's continued strong steel fabrication demand led to rising imports of molybdenum concentrate in late 2017, according to CPM.

## Molybdenum Supply

CPM stated that nearly 63% of molybdenum supply is derived as a by-product mostly from copper miners while the remainder of molybdenum is sourced from primary producers, mostly in China. While total molybdenum mine supply (by-product and primary) increased to 561 million pounds in 2017 from 510 million pounds in 2016, according to CPM, molybdenum by-product production is expected to soften in 2018, notably from Chile.

Anticipating tightening supply of molybdenum in 2018, Catherine Virga, Director of the CPM Group, commented "We believe that the major copper producers are already maximizing their molybdenum by-product production and that increases in by-product molybdenum output in 2018 will be limited. Furthermore, strict environmental controls including inspections and production curtailments are expected to continue in China, hampering growth and putting upward pressure on production costs."

## Moly Bits

Further background regarding the impact on the molybdenum market from a strengthening global steel market and a rebounding oil and gas industry are available in the Company's blog called Moly Bits available on the Company's website.

#### About General Moly

General Moly is a U.S.-based, molybdenum mineral exploration and development company listed on the NYSE American (NYSE AMER), recently known as the NYSE MKT and former American Stock Exchange, 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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