

# General Moly Reports Fourth Quarter and 2017 Results

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LAKEWOOD, Colo., March 13, 2018 /CNW/ -- [General Moly Inc.](#) (the "Company" or "General Moly") (NYSE AMERICAN: GMO) announced its financial results for the fourth quarter and full year ended December 31, 2017 today. The Company entered 2018 with an unrestricted cash balance of approximately \$6.7 million at year-end 2017. With molybdenum prices increasing 26% to \$12.95 per pound in 2018 to date as reported by Platts, the Company is well positioned as the only western-exchange listed, pure-play molybdenum ("moly") mineral development company with one of the world's largest deposits, the Mt. Hope Project in central Nevada. The Company expects to re-obtain the federal Record of Decision and Nevada water permits for the Mt. Hope Project by early 2019, and to advance its exploration of a new copper-silver target ("Cu-Ag Target") within a 17-acre zinc mineralized anomalous area, southeast of the Mt. Hope moly deposit, during 2019.

Fourth quarter and year-to-date highlights:

- The Company announced the closure of the Tranche 2, \$6.0 million private placement with AMER International Group ("AMER") in October 2017;
- The Company's 80% owned joint venture company, which owns and operates the Mt. Hope Project, Eureka Moly LLC ("EMLLC"); ended 2017 with a balance of \$9.9 million (100% basis) in a restricted cash reserve account, and remains self-funded through 2021 based on estimated care and maintenance expenses;
- The Company reported the identification of a potential high-grade Cu-Ag Target along with a significant zinc mineralized area at the Mt. Hope Project site in a news release on March 1, 2018;
- The molybdenum price rose to \$13.00/lb in early March 2018, the highest level since 2014.

The Company reported a net loss for the three months ending December 31, 2017 of \$2.0 million (\$0.01 per share), compared to a net loss of \$1.9 million (\$0.01 per share) for the same prior year period. Net loss for the full year ending December 31, 2017 was \$8.0 million (\$0.07 per share), compared to a loss of \$8.1 million (\$0.07 per share) for the same prior year period.

During the fourth quarter, cash use of \$3.3 million was the result of \$1.7 million at the Mt. Hope Project related to EMLLC costs, funded by the restricted cash reserve account, and \$1.6 million in the Company's general and administrative expenses, inclusive of costs incurred at the Liberty Project, funded by unrestricted cash. The Company anticipates its quarterly unrestricted cash burn rate to average approximately \$1.3 million per quarter for the full year 2018, excluding any drill program exploration for copper, silver and zinc at the Mt. Hope Project.

The Company continues to evaluate joint business development opportunities in base metal and ferroalloys with AMER International Group. \$2.0 million disbursed from the expense reimbursement account in pursuit of such endeavor during 2018. This account with restricted cash is designed to cover costs related to Mt. Hope Project financing and other jointly sourced business development opportunities and was funded by a portion of the AMER Tranche 1 and 2 private placements made in 2015 and 2017.

Bruce D. Hansen, Chief Executive Officer, said, "We are pleased that the moly price improved during 2017, rising 52% year-end 2017 from 2016, according to Platt's global moly oxide prices. Moly was the second best performing metal in 2017 amongst BMO Capital Market's universe of metals and mining commodities and we believe the moly price recovery has significant appreciation potential. Against this rapidly improving molybdenum market, we are making progress with our new water applications and Supplemental Environmental Impact Statement and believe receipt of a new Record of Decision and water permits could be obtained early next year.

"In the meantime, we are also excited about the exploration potential for copper, silver and zinc in a skarn area at the Mt. Hope Project that was identified from our internal analysis of decades of historical drilling and supported by the high-chargeability indicated by a recent high-intensity, ground-based Induced Polarization ("IP") survey. We plan to review the historic logs to update the geologic identification of the area in conjunction with further evaluation of the IP results for geologic and lithologic interpretation to define a new drilling program. The scope of exploration for 2018 will be contingent on continued positive results and will likely require financing."

Table 1: Financial Summary

(\$ and Shares in 000, Except Per Share and Molybdenum Price)	2017	4Q 2017	2016	4Q 2016
Exploration & evaluation expenses	\$ 756	\$ 181	\$ 1,077	\$ 1,177
General and administrative expenses, including non-cash stock compensation	6,373	1,619	6,050	1,560
Total Operating Expenses	7,129	1,800	7,127	1,738
Interest expense	(942)	(223)	(961)	(196)
Net Loss	\$ (8,071)	\$ (2,023)	\$ (8,067)	\$ (1,911)
Net Loss Per Share	\$ (0.07)	\$ (0.01)	\$ (0.07)	\$ (0.01)
Avg. Weighted Shares Outstanding	114,315	123,735	110,521	110,571

Table 2: Balance Sheet Summary

(\$ in 000)	Dec. 31, 2017	Dec. 31, 2016	Dec. 31 YOY Variance
Cash and Cash Equivalents	\$ 6,676	\$ 8,470	-21.2%
Current Assets	6,790	8,559	-20.7%
Current Liabilities	1,102	1,520	-27.5%
Working Capital	5,688	7,039	-19.2%
Restricted cash held at EMLLC	9,911	13,025	-23.9%
Other restricted cash	1,787	1,957	-8.7%
Total Assets	335,775	337,286	-0.4%
Long term debt	1,340	1,340	0.0%
Sr. convertible notes	5,745	5,540	3.7%
Return of contributions payable to POS-Minerals	33,641	33,641	0.0%
Other liabilities	13,529	12,912	4.8%
Long term liabilities	54,255	53,433	1.5%
Contingently Redeemable Non-controlling Interest	172,633	172,659	0.0%
Total Shareholders' Equity	\$ 107,785	\$ 109,674	-1.7%

Closure of Tranche 2 of the Private Placement with AMER

The Company issued 14.6 million shares to the Company's largest shareholder, AMER, upon the closure of

Tranche 2 in October 2017, priced at the volume weighted average price ("VWAP") for the 30-day period ending August 7, 2017, the date of an amendment to the AMER Investment Agreement entered into accelerating the closure of Tranche 2, of \$0.41 per share for a private placement of \$6.0 million by AMER. The equity sale proceeds of \$5.5 million were designated for general corporate purposes, while \$0.5 million were placed in the restricted cash expense reimbursement account to cover costs related to Mt. Hope Project financing and other jointly sourced business development opportunities.

The closure of this private placement is part of a broader financing agreement, originally announced on April 17, 2015, as amended and described in the Company's news releases of November 3, 2015 and August 8, 2017. Under the agreement, AMER committed to provide to General Moly \$20.0 million in three tranches of private placements in addition to assisting with procuring 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.

#### Water Permit Hearing Scheduled & Supplemental EIS Update

In other developments for the Company, the Nevada State Engineer has scheduled a hearing beginning September 11, 2018 on the Company's new change applications for water permits at the Mt. Hope Project. The hearing is scheduled for eight days in Carson City. The Company intends to submit evidence of its ability to protect senior water right holders while it pumps the water necessary for production at the Mt. Hope molybdenum project. A decision from the State Engineer is anticipated by early 2019.

In regards to progress with the draft Supplemental Environmental Impact Statement ("EIS") for the Mt. Hope Project, the Company continues to work with the Bureau of Land Management to address concerns from the 2016 Order of the U.S. Court of Appeals for the Ninth Circuit in its review of the 2012 EIS.

The Company has completed updated air quality and cumulative impact studies, and is working to address questions posed by the Court concerning the potential existence of public water reserves. The Company anticipates moving forward with a draft Supplemental EIS in compliance with public review and comment under the National Environmental Policy Act in the second half of 2018, followed by an anticipated Record of Decision ("ROD") approving the Supplemental EIS in early 2019.

#### Mt. Hope Project Status

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, 2017, EMLLC paid \$87.9 million on equipment orders. EMLLC 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 2018 and continues to work with the respective vendors to extend these agreements until the Company obtains financing for construction of the Mt. Hope Project.

#### Exploration of Copper-Silver Target and Zinc Mineralization at Mt. Hope

The Company has identified a potential high-grade Cu-Ag target along with a significant zinc mineralized area at the Mt. Hope Project site, southeast of the Mt. Hope's molybdenum deposit in central Nevada.

A high-intensity, ground-based Induced Polarization ("IP") survey, completed in February 2018 by Quantec Geoscience, indicates a fairly continuous group of high chargeability anomalies that appear aligned with the recently identified Cu-Ag Target.

These anomalies lie between 100 feet and 1,000-plus feet from the surface and trend northeast for over 1,000 feet. The IP survey indicates that the anomalies could continue further to the north-northeast and to the south where they appear to dip to the east.

To date the preliminary exploration work was undertaken solely by General Moly. The Company has presented the promising findings described herein to its 20% joint venture partner at the Mt. Hope Project, POS-Minerals Corporation a subsidiary of POSCO a large South Korean steel company, and the parties are discussing value-sharing investment options. Any mining operation to exploit economic mineralization will require the approval of POS-Minerals.

Further exploration work proposed in 2018 will entail review of historic logs and core to update the geologic interpretation of the Skarn Area, potential re-assaying of historic drill samples, further review of the IP results, and geologic and lithological interpretation to define a new drilling program. General Moly engaged Independent Mining Consultants of Tucson, Arizona, to support compilation and review of the historic drill database. A full exploration program for 2018 may be subject to additional financing. Refer to the Company's news release dated March 1, 2018 for further information and disclosure, including the review of technical information by a Qualified Person.

### Increasing Molybdenum Prices

The global molybdenum spot price reached a recent high of \$13.00 per pound, as provided by Platts, and has tripled from its low of \$4.30 in October 2015.

Compelling market factors that the Company believes foreshadow an industrial metals resurgence that should also benefit moly, include a synchronized global economic expansion, further growth in China and a late stage business cycle with high metals' demand.

More than 70% of moly's first use is for steel production. The World Steel Association reported that global crude steel production increased by 5.3% to 1.7 billion metric tons in 2017 over 2016, led by China as the world's largest producer with 49.2% of total global production and an annual production increase of 5.7%. World Steel also recently reported a 0.8% increase in global crude steel production in January 2018 from January 2017.

A significant consumer of steel products is the oil and gas industry. Moly is the premier alloy to strengthen steel and make it corrosion resistant. Baker Hughes reported that the worldwide rig count increased 12% year-over-year in February 2018 to 2,271, including a 30% year-over-year rise in the United States with 969 rigs operating.

In its October 2017 molybdenum market update, the CPM Group estimates that the supply and demand will near equilibrium with a slight surplus in 2018 and anticipates that the market will tip into deficit in 2019. The deficit is expected to be exacerbated in 2020 and 2021. Such timing would align with the potential development of the Mt. Hope Project, upon a sustained improvement in the molybdenum price.

Further information about the moly market is described in the Company's January 18 and March 2, 2018 news releases. Please watch for periodic molybdenum market updates from the Company.

### 2018 Outlook and Priorities

General Moly's priorities for 2018 are to:

- 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 ferroalloy prospects.
- Proceed with geologic assessment and further exploration of the potential copper-silver target and zinc mineralization at the Mt. Hope Project;
- Continue to progress towards obtaining a ROD approving the Supplemental EIS and the issuance of water permits for the Mt. Hope Project.

- Prudently manage financial liquidity and flexibility to sustain the Company over the medium term, excluding potential additional equity investments from AMER or other potential strategic sources.

## About General Moly

General Moly is a U.S.-based molybdenum mineral development, exploration and mining company listed on the NYSE American 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 of molybdenum, copper, silver, lead or zinc, ability to identify any economic mineral reserves of copper, silver, lead or zinc, ability of the Company to obtain approval of its joint venture partner at the Mt. Hope Project in order to mine for copper, silver, lead or zinc, ability to raise required project financing or funding to pursue an exploration program related to potential copper, silver, lead or zinc deposits at Mt. Hope, 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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