

General Moly Reports First Quarter Results

08.05.2018 | [CNW](#)

LAKEWOOD, Colo., May 8, 2018 /CNW/ -- [General Moly Inc.](#) (the "Company" or "General Moly") (NYSE AMERICAN ticker symbol: GML) announced its financial results today for the first quarter ended March 31, 2018. The Company ended the quarter with an unrestricted cash balance of approximately \$6.0 million and is poised to benefit as the only western-exchange listed, public molybdenum ("moly") development company in the continued strengthening of the moly market.

First quarter and year-to-date highlights:

- Results from a high-intensity, ground-based Induced Polarization ("IP") survey identified an apparent contiguous zone of high chargeability anomalies aligned with the recently identified high-grade copper-silver mineral zone ("Cu-Ag Target") at the Mt. Hope Project in central Nevada; analysis of the geophysical and historical drilling results is ongoing to define the initial exploration plan;
- The Company's 80%-owned joint venture company, which owns and operates the Mt. Hope Project, Eureka Molybdenum ("EMLLC"); ended the quarter with a balance of \$9.0 million (100% basis) in a restricted cash reserve account, and is self-funded through 2021 based on estimated care and maintenance expenses;
- The moly oxide daily global spot price averaged \$12.23/lb during the quarter, up 40 percent over the average of \$8.74/lb in 4Q 2017, according to Platts;
- A revamped [www.generalmoly.com](#) website with improved functionality and broader content, including moly market information was rolled out recently, as announced in the Company's news release on April 30, 2018.

The Company reported a net loss for the three months ending March 31, 2018 of \$2.6 million (\$0.02 per share), compared to a net loss of \$1.9 million (\$0.02 per share) for the same prior year period.

During the quarter, total cash use of \$2.1 million was the result of \$0.4 million spent at the Mt. Hope Project related to Eureka Molybdenum owners' costs, funded by the restricted cash reserve account, and \$1.7 million cash spent for general and administrative expenses, inclusive of costs incurred at the Liberty Project, funded by \$1.3 million in unrestricted cash and \$0.4 million from a restricted account for business development activities. The Company's cash balance of \$6.0 million at the end of the quarter included \$0.5 million in proceeds from the issuance of shares under an At-The-Market equity program. As described in the Company's 13, 2018 news release on full year 2017 results, 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 exploring for copper, silver and molybdenum at the Mt. Hope Project.

The Company continues to evaluate joint business development opportunities in base metal and ferroalloys with its largest shareholder, AMER International Group ("AMER"). In 1Q 2018, the Company disbursed \$0.4 million on M&A activities. The restricted cash account 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 2017.

Bruce D. Hansen, Chief Executive Officer, said, "We are continuing our exploration efforts with support of Dr. Mark Ostroff, Principal Consulting Geologist, and his team at Mine Mappers, LLC, in the evaluation of the Cu-Ag Target within a 17-acre mineralized area covering historical underground mining of primarily zinc at the Mt. Hope Project. We continue to be excited about the exploration potential of this skarn area of interest, immediately adjacent to the moly deposit at Mt. Hope and will provide an update announcement later this quarter regarding our initial exploration plan. In regards to the moly price, we experienced a brief downturn where the price retraced to \$11.83/lb in mid-April before increasing to the current price of \$12.40/lb, trailing the same general pattern as the oil price, which is now at the \$70/barrel mark. As long as there is a sustainable oil industry with robust oil drilling activity and oil and gas infrastructure investment globally, there is strong demand for specialty steels used in the oil and gas moly."

Table 1: Financial Summary

(\$ and Shares in 000, Except Per Share and Molybdenum Price)	1Q 2018	1Q 2017	1Q YOY Variance
Exploration & evaluation expenses	\$ 159	\$ 137	16%
General and administrative expenses, including non-cash stock compensation	2,472	1,508	64%
Total Operating Expenses	2,631	1,645	60%
Interest expense	(162)	(288)	n.a.
Net Loss	\$ (2,793)	\$ (1,933)	44%
Net Loss Per Share	\$ (0.02)	\$ (0.02)	0%
Avg. Weighted Shares Outstanding	126,757	111,087	14%

Table 2: Balance Sheet Summary

(\$ in 000)	March 31, 2018	Dec. 31, 2017	QOY Variance
Cash and Cash Equivalents	\$ 5,971	\$ 6,676	-10.6%
Current Assets	6,093	6,790	-10.3%
Current Liabilities	1,072	1,102	-2.7%
Working Capital	5,021	5,688	-11.7%
Restricted cash held at EMLLC	9,028	9,911	-8.9%
Other restricted cash	1,400	1,787	-21.7%
Total Assets	333,531	335,775	-0.7%
Long term debt	1,340	1,340	0.0%
Sr. convertible notes	5,722	5,745	-0.4%
Return of contributions payable to POS-Minerals	33,641	33,641	0.0%
Other liabilities	13,517	13,529	-0.1%
Long term liabilities	54,220	54,255	-0.1%
Contingently Redeemable Non-controlling Interest	172,449	172,633	-0.1%
Total Shareholders' Equity	\$ 105,790	\$ 107,785	-1.9%

Water Permit & Supplemental EIS Update

The Company is preparing to submit evidence of its ability to protect senior water right holders during the future operation of the Mt. Hope moly project at a hearing, with the Nevada State Engineer, beginning September 11, 2018. The hearing is scheduled for eight days in Carson City. A decision from the State Engineer is anticipated by early 2019.

In regards to progress with the draft Supplemental Environmental Impact Statement ("SEIS") for the Mt. Hope Project, the Company and the Bureau of Land Management ("BLM") are in review of the draft in preparation of its notice of availability and publication in the Federal Register. After publication, pursuant to

the National Environmental Policy Act ("NEPA"), the public will have an opportunity to review the proposed SEIS and offer comments to the BLM. Following completion of the NEPA review and comments, the Company anticipates receipt of a Record of Decision ("ROD") approving the SEIS 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 March 31, 2018, EMLLC paid \$88.0 million on equipment orders. 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 identified a potential high-grade Cu-Ag Target along with a significant zinc mineralized area at the Mt. Hope Project site based on a review of historical drill results and past exploration from the 1930s to 2008. The Company then tested the area with an IP survey in February 2018, including 2D and 3D inversions, which produced positive results reported by the Company in its news releases on March 1, 2018 and April 5, 2018. Refer to these news releases for further information and disclosure, including the review of technical information by a Qualified Person, as defined in Canadian National Instrument 43-101.

The group of high chargeability anomalies spatially align with the Cu-Ag Target. These anomalies lie between 100 feet and 1,000-plus feet from the surface and extend northeastward for over 1,000 feet, where they appear to dip to the east.

The Company and Mine Mappers have been evaluating the historical drill logs and core as well as the IP results to develop an initial exploration plan. A full exploration program, including drilling for 2018, may be subject to additional financing.

To date the preliminary exploration work was undertaken solely by General Moly. Any mining operation to exploit economic mineralization will require the approval of its 20% joint venture partner at the Mt. Hope Project, POS-Minerals Corporation, a subsidiary of POSCO, which is a large South Korean steel company.

Increasing Molybdenum Prices

The current moly price is \$12.40/lb, which is up from \$10.25/lb at year end 2017 and \$6.70/lb at yearend 2016, according to Platts. The moly price reached a high of \$13.00/lb in early March 2018, which was a level last seen in 2014.

Approximately 70% of molybdenum's first use is for steel production as moly is a premier alloy to strengthen steel and make it corrosion resistant. Demand has been strong for moly due to increased output of steel containing moly, driven by a continued robust recovery of the oil and gas industry. Rising oil and gas prices have driven higher drilling and capital investment by the industry which creates increased specialty steel and high strength tubular steel demand.

In addition, global economic and infrastructure growth, particularly in China, India and emerging economies, remained strong through 2017 and has moderated slightly into the first quarter of 2018. The J.P. Morgan Global Manufacturing PMI moved up slightly to 53.5 in April 2018 from the six-month low of 53.3 in March 2018, marking 26 straight months of global expansion.

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

2018 Outlook and Priorities

General Moly's ongoing 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 SEIS 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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