

General Moly Reports First Quarter 2020 Results

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LAKEWOOD, May 15, 2020 - [General Moly Inc.](#) (the "Company" or "General Moly") (NYSE AMERICAN:GMO)(TSX:GMO), the only western-exchange listed, pure-play molybdenum ("moly") development company, announced its financial results for the first quarter of 2020 ("1Q 2020").

1Q 2020 and year-to-date highlights:

- Moly prices had generally stair-stepped upward each week in the past month until the prices eased this week to a current price of \$8.83 per pound ("lb"), after having recovered to a recent high of \$9.10 on May 7, 2020. In March 2020, moly prices had pulled back to a year-to-date low of \$7.80 on March 27, 2020 due to the softness in demand associated with the global economic slowdown from the COVID-19 pandemic.
- During March 2020, Eureka Moly, LLC ("EMLLC"), the joint venture for the Mt. Hope Project repaid the outstanding \$307,000 owed to General Moly (more details are described below in the section, EMLLC's Repayment to General Moly) following the sale of non-critical Mt. Hope Project related property.
- In addition, in March 2020, General Moly raised approximately \$82,000 from the sale of non-core property in Idaho.
- In April 2020, with the continuing COVID-19 negative economic impacts on the Company and its ability to access capital, the Company applied for and received a \$365,000 loan from the U.S. Government's Paycheck Protection Program ("PPP Loan").

Providing an update on General Moly, Chief Executive Officer and Chief Financial Officer Bruce D. Hansen said, "As the U.S. and global economies have been impacted by business shutdowns in a growing global health crisis, we took decisive actions to selectively reduce some executive salaries and other overhead, and applied for and received a federal stimulus PPP Loan of \$365,000 in April 2020, which will help our Company maintain our small and critical workforce. And against the headwinds of challenging financial markets, we continue to work with our financial advisors to pursue incremental financing and strategic options to unlock the value of our 80% interest in the Mt. Hope Project in Nevada."

Consolidated net loss for the 1Q 2020 was \$1.1 million (-\$0.01 per share), compared with a consolidated net loss of \$1.5 million (-\$0.01 per share) in the first quarter of 2019 ("1Q 2019"). The 1Q 2020 net loss attributable to General Moly was \$1.2 million, 15% lower than the net loss of \$1.4 million in 1Q 2019. The lower consolidated quarter net loss was largely a result of a \$547,000 gain from the sale of non-core assets, partially offset by approximately \$200,000 of increased General and Administrative ("G&A") expense primarily related to non-cash stock compensation in 1Q 2020. There were no stock compensation awards made in 2019.

As a result of the above described non-cash stock compensation, G&A expenses were \$1.5 million in 1Q 2020, which was higher than \$1.3 million in 1Q 2019. Exploration and evaluation expenses of \$173,000 in 1Q 2020 were 12% lower than 1Q 2019 for ongoing care and maintenance expenses for the Liberty Project.

Of the \$0.8 million incurred for interest expense during 1Q 2020, \$0.3 million were related to cash interest paid on the 12% December 2022 and 13% December 2022 promissory notes, with the remaining \$0.5 million related to non-cash adjustments to those notes, primarily for debt discount and debt issuance cost amortization as well as fair value adjustments on the value of the derivatives associated with these notes. Non-cash adjustments reduced interest expense in 2019 by \$0.1 million. Cash interest was \$0.2 million for the three months ended March 31, 2019.

During 1Q 2020, Other Income of \$752,000 was largely the result of the non-cash change in the fair value of warrants held by the Company's largest shareholder AMER International Group. The change in fair value of

the warrants from December 31, 2019 to March 31, 2020 resulted in a non-cash gain of \$752,000 recorded in Other Income.

The Company had \$3.06 million in unrestricted cash and equivalents on March 31, 2020. Following receipt of the PPP Loan, the Company anticipates having sufficient liquidity to fund its working capital needs into the fourth quarter of 2020.

The Company's financial advisors, XMS Capital Partners, Headwall Partners, and Odinbrook Global Advisors, continue to be engaged by the Board of Directors to assist the Company with securing incremental financing and evaluating other strategic alternatives, including the potential addition of new Mt. Hope Project partners, additional corporate strategic investors, merger opportunities, and/or the possible sale or privatization of the Company. There is no assurance that the Company will be successful in securing additional funding to be able to continue as a going concern. (See the Company's May 4, 2020, January 21, 2020 and July 29, 2019 news releases.)

The Mt. Hope Project is owned 80% by General Moly and 20% by POS-Minerals Corporation ("POS-Minerals") through their membership in EMLLC, which operates the Mt. Hope Project. At the end of 2019, EMLLC had a restricted cash balance of \$3.68 million (100% basis) in a reserve account, sufficient to remain self-funded into 2021, based on current estimated care and maintenance expenses.

EMLLC's Repayment to General Moly

Through an agreement with its Mt. Hope Project joint-venture partner POS-Minerals, General Moly advanced \$1.0 million on behalf of Eureka Moly, LLC ("EMLLC") for the initial settlement payment resolving the final protest to the Mt. Hope Project's water rights applications, as detailed in the Company's May 14, 2019 news release. General Moly sourced \$500,000 from its available cash and \$500,000 from closing a private placement of Series A Preferred Convertible Shares with Mount Hope Mines Inc. ("MHMI"), the project's claim and land lessor. (All the Preferred Shares initially issued to MHMI and its assignees were converted into 1.85 million common shares of General Moly at a price of \$0.27 per share in the fourth quarter of 2019).

In June 2019, approximately \$293,000 of the \$1.0 million advance was returned to the Company from the proceeds of ongoing sales of non-critical Mt. Hope Project-related equipment, assets and property from such sales. In September 2019, the Company and POS-Minerals entered into a Consent Agreement at EMLLC for a reimbursement schedule concerning the remaining balance of \$707,000 owed to the Company. Under the Consent Agreement, \$200,000 was reimbursed from the reserve account held at EMLLC to the Company on September 30, 2019 and an additional \$200,000 was reimbursed in November 2019.

The remaining \$307,000 was repaid to General Moly by EMLLC in March 2020 as a result of the sale of non-critical Mt. Hope Project related property. In March 2020, General Moly also raised approximately \$82,000 from the sale of non-core property in Idaho.

Table 1: Financial Summary

(\$ and Shares in 000, Except Per Share)	3 Months Ended March 31, 2020
Exploration & evaluation expenses	\$ 173
General and administrative expenses, including non-cash stock compensation	1,493
(Gain) on sale of non-core properties and assets	(547)
Total Operating Expenses	1,119
Interest expense	(759)
Other income	752
Consolidated Net Loss	\$ (1,126)
Less: Net (gain) loss attributable to Contingently Redeemable Non-controlling Interest	\$ (75)
Net Loss attributable to General Moly	\$ (1,201)

Net Loss Per Share	\$ (0.01)
Avg. Weighted Shares Outstanding	152,669

Table 2: Balance Sheet Summary

Balance
Sheet
Summary

(\$ in 000)	March 31, 2020	Dec. 31, 2019
Cash and Cash Equivalents	\$ 3,055	\$ 4,614.00
Current Assets	5,387	4,886
Current Liabilities	5,320	35,364
Working Capital	19,933	(30,478)
Restricted cash held at EMLLC	3,684	3,388
Other restricted cash	708	708
Total Assets	343,700	344,227
Return of contributions payable to POS-Minerals, current portion	33,641	33,641
Total Current Liabilities	5,320	35,364
Senior promissory notes	7,883	7,883
Other liabilities	31,064	31,288
Total liabilities	74,752	74,535
-	-	-
Contingently Redeemable Non-controlling Interest	172,311	172,239
Convertible Preferred Shares	1,300	1,300
Total Shareholders' Equity	\$ 96,153	\$ 96,153

Corporate Update

The Company also announced that it has filed its Definitive Proxy Statement ("Proxy Statement") related to the Annual Meeting of Stockholders in Lakewood, Colorado, on June 19, 2020. The proxy materials together with the Annual Report on Form 10-K was mailed to shareholders on May 11, 2020. The Company urges its shareholders to review the Proxy Statement and to vote. The Board of Directors strongly recommends that shareholders vote FOR all proposals in the Proxy Statement, which include the following specific proposals to:

- Re-elect Gary A. Loving and Greg P. Raih, Class 1 directors, to a term expiring at the 2023 Annual Meeting;
- Approve the executive compensation in an advisory vote;
- Approve an amendment to the Company's certificate of incorporation to provide the Board of Directors the flexibility to effect a reverse stock split of the Company's common stock; and
- Ratify the selection of Plante & Moran, PLLC as the Corporation's independent registered public accounting firm for fiscal year 2020.

In regards to the proposal related to providing the Board of Directors the flexibility to effect a reverse stock split of the Company's common stock, the Company was advised by the NYSE American that the Company did not cure its price deficiency for both the absolute and average stock prices to exceed \$0.20 by the end of the six-month period on March 12, 2020 to maintain its listing on the NYSE American. (See the Company's March 17 and September 17, 2020 news releases.) If the reverse stock split proposal does not receive approval from the Company's stockholders and the stock price remains deficiently low, the NYSE American may take action to delist the Company. The NYSE American has granted the Company additional time to hold its Annual Meeting and effect a reverse stock split, if appropriate.

With the recent downdraft of the financial markets with COVID-19 concerns as well as a weaker GMO stock price, the Board of Directors notes that the primary objective for a reverse stock split is to raise the trading price per share of the common stock and maintain listing compliance on the NYSE American. The NYSE American is a larger and more efficient stock trading board compared with smaller alternative stock markets, and enhances the Company's ability to raise funds to finance its operations, including supporting the Mt. Hope Project.

Under a reverse stock split, the market capitalization of the Company does not change, and each stockholder's proportionate ownership of outstanding shares would remain the same, except where stockholders with resulting fractional shares would receive cash payments in lieu of such fractional shares.

Shareholders who have questions may contact management via email at info@generalmoly.com. Shareholders who need assistance with submitting their proxy should contact the Company's Proxy Solicitor, Alliance Advisors LLC of Bloomfield, NJ, at 855-928-4487, while banks and brokers should call (973) 873-7700.

In other matters, the Company filed a Form S-3 Registration Statement in a shelf registration for its securities on May 5, 2020 to replace its prior shelf registration which expired at the end of April 2020. The Form S-3 Registration Statement has not been approved as effective by the U.S. Securities and Exchange Commission ("SEC"), as of the date of this release. The Company has been informed by the SEC that its Form S-3 filing will not be reviewed, and as such, the Company has requested the SEC accelerate the effective date of the shelf registration.

Mt. Hope Project

With receipt of the water permits and ROD, the development stage Mt. Hope Project now has all major state and federal permits for the eventual construction and operation of the Mt. Hope Project, subject to positive stable moly market conditions and project financing.

In the Company's November 5, 2019 news release, the Company stated that a Complaint was filed against the U.S. Department of Interior and the BLM in the U.S. District Court in Nevada, challenging the re-issuance of the ROD by Great Basin Resource Watch and the Western Shoshone Defense Project. In March 2020,

the District Court approved EMLLC's unopposed motion to intervene on behalf of the Mt. Hope Project and accepted EMLLC's Answer to the Complaint.

Engineering remains approximately 65% complete at the Mt. Hope Project. Currently, there is no ongoing engineering and procurement effort.

Moly Prices

The moly oxide daily global spot price per pound is currently at \$8.83/lb compared with \$9.20 at yearend 2019 and \$11.88 at yearend 2018, according to Platts. The moly price ranged from a low of \$7.80/lb to a high of \$10.90/lb during 1Q 2020.

Beginning in 2020 through mid-February, moly prices were resilient and rose to nearly \$11/lb, outperforming the vast majority of metal and energy commodities. Later in February 2020, moly prices again pulled back to the \$9-range and below \$9 in mid-March upon the global economic slowdown. Moly recovered to just above \$9 at the end of April.

While moly price has declined recently from softened demand due to the global economic impact caused by the COVID-19 pandemic and the breakdown in the oil and gas industry impacting moly-strengthened steel consumption, the global supply of moly in 2020 is anticipated to also be constrained with several major producers having announced lower production guidance for 2020. The CPM Group ("CPM") estimates global moly supply at approximately 600 million pounds annually with China as the largest moly producer accounting for approximately 42% of annual production. China is also the world's largest consumer of moly, according to CPM.

Production has been suspended since March 2020 at Yichun Luming Mining in China, due to a leak from a tailings dam, according to Reuters' reports. Yichun Luming is estimated to produce 33 million pounds of moly annually, according to a MiningWeekly.com article. Based on this production estimate, CPM calculates that a six-month suspension of production would impact China's full year moly production by 6-7%. At the time of this news release, CPM stated there was not sufficient clarity of the first quarter moly production in China with conflicting data reported.

On April 24, 2020, the largest moly producer in the United States, [Freeport-McMoRan Inc.](#) announced an estimated 9% reduction in full year moly production to 80 million pounds from its previous estimates due to the global economic slowdown. This guidance included a 50% reduction at the Climax primary moly mine in Colorado to approximately 8.5 million pounds in 2020.

On March 18, 2020, Rio Tinto stated that following a 5.7 magnitude earthquake at the Bingham Canyon copper, gold and moly byproduct mine in Utah, mining operations were temporarily halted. Rio Tinto has provided lower copper output guidance for 2020, but no moly guidance. In 1Q 2020, moly output increased 171% to 11.2 million pounds over 1Q 2019 due to a near doubling of the average ore grade. Bingham Canyon's higher moly grades are expected to continue during 2020, CPM noted.

First quarter 2020 moly production fell to 2.9 million pounds at the Sierra Gorda Mine in Chile, owned by KGHM and Sumitomo, a 48% decrease year over year due to declining moly ore grades, according to KGHM.

CPM anticipates that the global economic contraction will last into the second half of 2020 and possibly into early 2021. CPM anticipates revising its moly price forecasts after it analyzes the second quarter global economic impact from the pandemic lockdown in many leading economies.

Chart 1: Moly Weekly Spot Price (1/6/2011 - 5/8/2020)

Source: Platts

About General Moly

General Moly is a U.S.-based, molybdenum mineral exploration and development company listed on the NYSE American, 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 or "moly" 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 availability of cash to continue ongoing operations, that COVID-19 is having and will continue to have an effect financing efforts to improve liquidity, availability of insurance, 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, reclamation risks, political, operational and project development risks, 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 molybdenum, 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.

SOURCE: [General Moly Inc.](http://www.generalmoly.com)

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