

General Moly Reports Second Quarter 2020 Results

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LAKEWOOD, August 19, 2020 - [General Moly Inc.](#) (the "Company" or "General Moly") (NYSE AMERICAN and TSX: GMO), the only western-exchange listed, pure-play molybdenum ("moly") development company, announced its financial results for the second quarter of 2020 ("2Q 2020").

Due to the Company's inability to obtain financing to date, the Company's inadequate cash to continue operations past the third quarter of 2020, the impact of the COVID-19 pandemic on capital markets during the second quarter of 2020, and the decrease in the current and forecasted price of molybdenum, among other factors, the Company recognized a non-cash impairment charge reducing the carrying value of the Mt. Hope molybdenum project by \$260.6 million as of June 30, 2020. The carrying value of Mt. Hope Project assets now totals \$66.8 million. The impairment charge does not alter the Company's ownership of its underlying assets or rights.

After accounting for the non-cash write-down of \$260.6 million and a \$57,000 gain from the sale of non-core property in Nevada, consolidated net loss for 2Q 2020 was \$262.9 million (-\$1.39 per share), compared with a consolidated net loss of \$2.5 million (-\$0.02 per share) in the second quarter of 2019 ("2Q 2019"). The Company had \$2.5 million in cash and equivalents on June 30, 2020.

The Company's current working capital is negative. Based on the Company's current operating forecast, which takes into consideration the fact that the Company currently does not generate any revenue, the Company's existing capital resources are only adequate to sustain its operations through September 30, 2020. In particular, the Company has insufficient cash to make required interest payments on its outstanding Exchange Notes and Supplemental Notes through the remainder of 2020. These conditions raise substantial doubt about the Company's ability to continue as a going concern. If the Company is unable to find an additional source of funding before the end of September 2020, the Company will be forced to cease operations and pursue restructuring or liquidation alternatives, including the filing for bankruptcy protection, in which event the Company's common stock would likely become worthless and investors would likely lose their entire investment in the Company. In addition, holders of the Company's outstanding convertible preferred stock and senior notes would likely receive significantly less than the principal amount of their claims and possibly, no recovery at all. As of the date of this news release, the Company has no commitments for additional funding and there can be no assurance that the Company will be successful in obtaining the financing required to complete the Mt. Hope Project, or in raising additional financing in the future on terms acceptable to the Company, or at all.

The Mt. Hope Project, near Eureka, Nevada, 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 June 30, 2020, EMLLC had a restricted cash balance of \$2.8 million (100% basis) in a reserve account, sufficient to remain self-funded into the third quarter of 2021, based on current estimated care and maintenance expenses.

General and administrative expenses were \$1.7 million in 2Q 2020, 13% lower year over year due to executive salary reductions implemented in the first quarter. Exploration and evaluation expenses of \$132,000 in 2Q 2020 compared with \$102,000. Interest expense was \$367,000 in 2Q 2020 compared with \$387,000 in 2Q 2019. Other expense in 2Q 2020 of \$215,000 was related to fair value non-cash adjustments on the warrants issued to the Company's largest shareholder AMER International Group in late 2019.

Table 1: Financial Summary

| (\$ and Shares in 000, Except Per Share) | 2Q 2020 | 2Q 2019 | 1H 2020 | 1H 2019 |
|--|---------|---------|---------|---------|
|--|---------|---------|---------|---------|

| | | | | |
|--|--------------|------------|--------------|------------|
| | \$ 132 | \$ 102 | \$ 305 | \$ 206 |
| Exploration & evaluation expenses | | | | |
| General and administrative expenses, including non-cash stock compensation | 1,699 | 1,962 | 3,191 | 3,260 |
| Loss on impairment charge | 260,553 | - | 260,553 | - |
| (Gain) on sale of non-core properties | (57) | - | (604) | - |
| Total Operating Expenses | 262,327 | 2,064 | 263,445 | 3,466 |
| Interest expense | (367) | (387) | (1,126) | (442) |
| Other income/(expense) | (215) | - | 537 | - |
| Consolidated Net Loss | \$ (262,909) | \$ (2,451) | \$ (264,034) | \$ (3,908) |
| Less: Net loss attributable to | \$ 51,697 | \$ (25) | \$ 51,622 | \$ 11 |
| Contingently Redeemable Non-controlling Interest | \$ (211,212) | \$ (2,476) | \$ (212,412) | \$ (3,897) |
| Net Loss attributable to General Moly | \$ (1.39) | \$ (0.02) | \$ (1.39) | \$ (0.03) |
| Net Loss Per Share | 152,316 | 137,797 | 153,038 | 137,635 |
| Avg. Weighted Shares Outstanding | | | | |

Table 2: Balance Sheet Summary

| (\$ in 000) | June 30, 2020 | Dec. 31, 2019 |
|--|---------------|---------------|
| Cash and Cash Equivalents | \$ 2,528 | \$ 4,614 |
| Current Assets | 3,034 | 4,886 |
| Current Liabilities | 35,281 | 35,364 |
| Working Capital | (32,247) | (30,478) |
| Restricted cash held at EMLLC | 2,829 | 3,388 |
| Other restricted cash | 708 | 708 |
| Total Assets | 81,742 | 344,227 |
| Return of contributions payable to POS-Minerals, current portion | 33,641 | 33,641 |
| Total Current Liabilities | 35,281 | 35,364 |
| Senior Promissory Notes | 8,847 | 7,883 |
| Other liabilities | 6,512 | 5,530 |
| Total liabilities | 75,434 | 74,535 |
| Contingently Redeemable Non-controlling Interest | 120,617 | 172,239 |
| Convertible Preferred Shares | 1,300 | 1,300 |
| Total Shareholders' Equity | \$ (115,609) | \$ 96,153 |

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.

In other matters, the Company's Form S-3 Registration Statement was approved as effective by the U.S. Securities and Exchange Commission ("SEC") in May 2020.

At the Annual Meeting of Stockholders on July 17, 2020, all proposals were approved by the stockholders, including the proposal regarding an amendment to the Company's certificate of incorporation providing the Board of Directors the flexibility to effect a reverse stock split of the Company's common stock. More information is described in the Company's news releases of July 20, and March 17, 2020.

Mt. Hope Project

Engineering remains approximately 65% complete at the fully permitted and construction ready Mt. Hope Project. Currently, there is no ongoing engineering and procurement effort. Through June 30, 2020, the LLC has made deposits and/or final payments of \$88.0 million on equipment, mostly for the mill. The Mt. Hope Project, which is construction ready and fully permitted, is positioned as the largest moly reserve asset in the Western World.

Moly Market

The moly oxide daily global spot price per pound is currently at \$7.93/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 \$7.33/lb to a high of \$9.10/lb during the second quarter of 2020. The moly price reached a low of \$7.00/lb on July 20, 2020 and breached the \$8 mark on August 14, 2020.

Beginning in 2020 through mid-February, moly prices rose to nearly \$11/lb. Later in February 2020, prices pulled back to the \$9-range and below \$9 in mid-March upon the global economic slowdown. Moly rebounded to just above \$9 at the end of April but weakened below \$8 in mid-June and traded in the \$7-range for approximately two months.

The moly price has declined from softened demand due to the global economic contraction caused by the COVID-19 pandemic and the weakness in oil and gas industry impacting molybdenum-strengthened steel consumption. The International Molybdenum Association ("IMO") recently reported that global moly consumption in the first quarter of 2020 at 123.6 million pounds, decreased 13% year over year. China, the largest user of moly in the world, consumed 40.3 million pounds, 18% less moly in the first quarter compared with a year ago.

The IMO also reported that global production decreased 8% year over year to 139.2 million pounds in the first quarter of 2020. China, the largest producer of moly, saw a 6% decrease year over year to 47.7 million pounds of molybdenum output related to the shutdown. The IMO figures translate to a first quarter surplus of 15.6 million pounds, equating to 13% of first quarter demand.

Stainless steel represents the largest use of moly, accounting for 21% of all moly consumption, according to the CPM Group ("CPM"). The International Stainless Steel Federation ("ISSF") reported an 8% drop year-over-year in global stainless steel output for the first quarter of 2020. The widespread business and industry shutdown around the globe to curb the coronavirus spread resulted in stainless steel production declines in all regions, including the largest stainless steel manufacturer China with a 9% year-over-year decrease, an 11% drop in United States of America, and a 6% decline in Europe.

On a promising note, China appears to be rebounding quickly as its cities and provinces reopen from the lockdown to curb the coronavirus spread. China's second quarter Gross Domestic Production showed a 3.2% increase year over year compared with a minus 6.8% contraction in the first quarter from the prior year, according to BMO Metals Brief. Furthermore, China's industrial production was up 4.8% year over year in June, which was the third consecutive month of growth, reported BMO.

China, the largest producer of stainless steel in the world, has been ramping up stainless steel production over the second quarter, according to CPM. China showed just a 2.7% decrease year over year ("YOY") for June 2020 in the three most popular types of stainless steel, series 200, 300, and 400, compared with the record monthly high of 2.4 million metric tons in August 2019, noted CPM. An additional positive factor for moly is that China also showed a 5.8% YOY production growth for 2Q 2020 in the series 300 stainless steel, which contains higher moly and nickel compared with series 200 steel, stated CPM.

Chart 1: Moly Weekly Spot Price (1/6/2011 - 8/14/2020)

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 and the possibility of seeking bankruptcy protection, that COVID-19 is having and will continue to have an effect on 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.

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