General Moly, Inc
Form 10-Q
May 02, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2011

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-32986

General Moly, Inc.

(Exact name of registrant as specified in its charter)

DELAWARE	**91-0232000**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1726 Cole Blvd., Suite 115
Lakewood, CO 80401
Telephone: (303) 928-8599
(Address and telephone number of principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES x NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES o NO o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer x
Non-accelerated filer o (Do not check if smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES o NO x

The number of shares outstanding of issuer s common stock as of April 28, 2011, was 90,739,304.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GENERAL MOLY, INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS

(In thousands, except par value amounts)

	March 31, 2011 (Unaudited)	December 31, 2010
ASSETS:		
CURRENT ASSETS		
Cash and cash equivalents	$ 64,226	$ 53,571
Deposits, prepaid expenses and other current assets	86	148
Total Current Assets	64,312	53,719
Mining properties, land and water rights Note 4	135,354	133,093
Deposits on project property, plant and equipment	68,369	68,363
Restricted cash held for electricity transmission	12,005	12,005
Restricted cash held for reclamation bonds	1,133	1,133
Non-mining property and equipment, net	965	1,045
Debt issuance costs	1,318	887
Other assets	2,994	2,994
TOTAL ASSETS	$ 286,450	$ 273,239
LIABILITIES, CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST AND EQUITY:		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 1,396	$ 4,138
Accrued advance royalties	8,950	9,500
Current portion of long term debt	10,405	194
Total Current Liabilities	20,751	13,832
Provision for post closure reclamation and remediation costs	559	571
Deferred gain	500	215
Accrued advance royalties	8,950	8,950
Accrued payments to Agricultural Sustainability Trust	4,000	4,000
Long term debt, net of current portion	280	10,481
Total Liabilities	35,040	38,049
COMMITMENTS AND CONTINGENCIES Note 10		
CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST	98,753	98,753
EQUITY		
Common stock, $0.001 par value; 200,000,000 shares authorized, 90,690,011 and 85,353,473 shares issued and outstanding, respectively	91	85
Additional paid-in capital	254,887	234,517

Accumulated deficit before exploration stage		(213)		(213)
Accumulated deficit during exploration and development stage		(102,108)		(97,952)
Total Equity		152,657		136,437
TOTAL LIABILITIES, CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST AND EQUITY	$	286,450	$	273,239

The accompanying notes are an integral part of these consolidated financial statements.

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GENERAL MOLY, INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited In thousands, except per share amounts)

	Three Months Ended		January 1, 2002 (Inception of Exploration Stage) to March 31, 2011
	March 31, 2011	March 31, 2010	
REVENUES	$	$	$
OPERATING EXPENSES:			
Exploration and evaluation	169	127	38,302
Write downs of development and deposits			5,416
General and administrative expense	3,938	2,719	63,465
TOTAL OPERATING EXPENSES	4,107	2,846	107,183
LOSS FROM OPERATIONS	(4,107)	(2,846)	(107,183)
OTHER INCOME / (EXPENSE)			
Interest and dividend income	11	1	4,052
Interest expense	(60)		(224)
TOTAL OTHER INCOME / (EXPENSE), NET	(49)	1	3,828
LOSS BEFORE INCOME TAXES	(4,156)	(2,845)	(103,355)
Income Taxes			
CONSOLIDATED NET LOSS	$ (4,156)	$ (2,845)	$ (103,355)
Less: Net loss attributable to contingently redeemable noncontrolling interest			1,247
NET LOSS ATTRIBUTABLE TO GENERAL MOLY, INC.	$ (4,156)	$ (2,845)	$ (102,108)
Basic and diluted net loss attributable to General Moly per share of common stock	$ (0.05)	$ (0.04)	
Weighted average number of shares outstanding basic and diluted	90,372	72,546	

The accompanying notes are an integral part of these consolidated financial statements.

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GENERAL MOLY, INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited In thousands)

	Three Months Ended		January 1, 2002 (Inception of Exploration Stage) to
	March 31, 2011	March 31, 2010	March 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Loss	$ (4,156)	$ (2,845)	$ (103,355)
Adjustments to reconcile net loss to net cash used by operating activities:			
Depreciation and amortization	91	89	1,323
Interest expense	60		224
Equity compensation for employees and directors	1,039	431	16,138
Decrease (increase) in deposits, prepaid expenses and other	62	(5)	6
(Decrease) increase in accounts payable and accrued liabilities	(3,292)	(1,191)	166
(Decrease) increase in post closure reclamation and remediation costs	(12)	(25)	350
Services and expenses paid with common stock			1,990
Repricing of warrants			965
Write downs of development and deposits			5,416
(Increase) in restricted cash held for electricity transmission			(12,005)
Net cash used by operating activities	(6,208)	(3,546)	(88,782)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase and development of mining properties, land and water rights	(2,272)	(2,772)	(110,979)
Deposits on property, plant and equipment	(6)	(17,788)	(68,090)
Proceeds from option to purchase agreement	285	100	500
Purchase of securities			(137)
Increase in restricted cash held for reclamation bonds			(642)
Payments for the purchase of equipment			(1,548)
Cash provided by sale of marketable securities			246
Net cash used by investing activities	(1,993)	(20,460)	(180,650)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of stock, net of issuance costs	19,337	56	227,644
Net (decrease) increase in leased assets	(50)	(47)	280
(Increase) in debt issuance costs	(431)		(1,318)
Proceeds from debt			10,000
Cash proceeds from POS-Minerals Corporation			100,000
Cash paid to POS-Minerals Corporation for purchase price adjustment			(2,994)
Net cash provided by financing activities	18,856	9	333,612
Net increase (decrease) in cash and cash equivalents	10,655	(23,997)	64,180
Cash and cash equivalents, beginning of period	53,571	48,614	46
Cash and cash equivalents, end of period	$ 64,226	$ 24,617	$ 64,226
NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Equity compensation capitalized as development	$ (34)	$ 267	$ 6,166

Restricted cash held for reclamation bond acquired in an acquisition		491
Post closure reclamation and remediation costs and accounts payable assumed in an acquisition		263
Common stock and warrants issued for property and equipment		1,586
Accrued portion of deposits on property, plant and equipment	(5,411)	
Accrued portion of advance royalties		17,900
Accrued portion of payments to the Agricultural Sustainability Trust		4,000

The accompanying notes are an integral part of these consolidated financial statements.

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GENERAL MOLY, INC.
(A DEVELOPMENT STAGE COMPANY)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF BUSINESS

General Moly, Inc. (we , us , our , Company , or General Moly) is a Delaware corporation originally incorporated as General Mines Corporatio November 23, 1925. We have gone through several name changes and on October 5, 2007, we reincorporated in the State of Delaware (Reincorporation) through a merger involving Idaho General Mines, Inc. and General Moly, Inc., a Delaware corporation that was a wholly owned subsidiary of Idaho General Mines, Inc. The Reincorporation was effected by merging Idaho General Mines, Inc. with and into General Moly, with General Moly being the surviving entity. For purposes of the Company s reporting status with the United States Securities and Exchange Commission (SEC), General Moly is deemed a successor to Idaho General Mines, Inc.

We were in the exploration stage until October 4, 2007, when our Board of Directors (Board) approved the development of the Mt. Hope molybdenum property (Mt. Hope Project) in Eureka County, Nevada. The Company is now in the development stage and is currently proceeding with the development of the Mt. Hope Project. We are also conducting exploration and evaluation activities on our Liberty molybdenum property (Liberty Property formerly referred to as the Hall-Tonopah Property) in Nye County, Nevada.

The Mt. Hope LLC. From October 2005 to January 2008, we owned the rights to 100% of the Mt. Hope Project. Effective as of January 1, 2008, we contributed all of our interest in the assets related to the Mt. Hope Project, including our lease of the Mt. Hope Project into a newly formed entity, Eureka Moly, LLC, a Delaware limited liability company (LLC), and in February 2008 (Closing Date) entered into an agreement (LLC Agreement) for the development and operation of the Mt. Hope Project with POS-Minerals Corporation (POS-Minerals) an affiliate of POSCO, a large Korean steel company. Under the LLC Agreement, POS-Minerals owns a 20% interest in the LLC and General Moly, through a wholly-owned subsidiary, owns an 80% interest. The ownership interests and/or required contributions under the LLC Agreement can change as discussed below.

Pursuant to the terms of the LLC Agreement, POS-Minerals made its first and second cash contributions to the LLC totaling $100.0 million during the year ended December 31, 2008 (Initial Contributions). Additional amounts will be due from POS-Minerals within 15 days after the date (ROD Contribution Date) that specified conditions (ROD Contribution Conditions) have been satisfied. The ROD Contribution Conditions are (i) the receipt of major operating permits for the Mt. Hope Project, (ii) confirmation that the Record of Decision (ROD) from the United States Bureau of Land Management (BLM) for the Mt. Hope Project has become effective, and (iii) any administrative or judicial appeals with respect thereto are final. We are currently targeting the effectiveness of the ROD and the satisfaction of the other ROD Contribution Conditions to occur six to nine months after publication of the Draft Environmental Impact Statement (DEIS) in the Federal Register, which we expect to occur in the second or third quarter of this year. However, circumstances beyond our control, including reviewing agency delays or requests for additional information or studies, and requests for review or appeals of the BLM decision, could cause the effectiveness of the ROD and/or the satisfaction of the other ROD Contribution Conditions to be delayed. Once the ROD is effective and financing is in place, we expect that production will occur approximately 20 months following initiation of project construction.

To maintain its 20% interest in the LLC, POS-Minerals will be required to make an additional $56.0 million contribution plus its 20% share of all Mt. Hope Project costs incurred from the Closing Date to the ROD Contribution Date within 15 days after the ROD Contribution Date. If POS-Minerals does not make its additional $56.0 million contribution when due after the ROD Contribution Date, its interest will be reduced to 10%.

In addition, if commercial production at the Mt. Hope Project is not achieved by December 31, 2011, for reasons other than a force majeure event, the LLC may be required to return to POS-Minerals $36.0 million of its

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contributions to the LLC, with no corresponding reduction in POS-Minerals ownership percentage. Based on our current plan and assuming POS-Minerals has made its additional $56.0 million contribution, a payment to POS-Minerals of $36.0 million will be due 20 days after the commencement of commercial production, as defined in the LLC Agreement. If POS-Minerals does not make its additional $56.0 million contribution when due, no return of contributions is required by us. Our wholly-owned subsidiary and 80% owner of the LLC, Nevada Moly, LLC (Nevada Moly), is obligated under the terms of the LLC Agreement to make capital contributions to fund the return of contributions to POS-Minerals, if required. If Nevada Moly does not make these capital contributions, POS-Minerals has an election to either make a secured loan to the LLC to fund the return of contributions, or receive an additional interest in the LLC of approximately 5%. In the latter case, our interest in the LLC is subject to dilution by a percentage equal to the ratio of 1.5 times the amount of the unpaid contributions over the aggregate amount of deemed capital contributions (as determined under the LLC Agreement) of both parties to the LLC (Dilution Formula). At December 31, 2010, the aggregate amount of deemed capital contributions of both parties was $880.0 million.

Furthermore, the LLC Agreement permits POS-Minerals to put its interest in the LLC to Nevada Moly after a change of control of Nevada Moly or the Company, as defined in the LLC Agreement, followed by a failure to use standard mining industry practice in connection with development and operation of the Mt. Hope Project as contemplated by the parties for a period of twelve consecutive months. If POS-Minerals puts its interest, Nevada Moly or its transferee or surviving entity would be required to purchase the interest for 120% of POS-Minerals contributions to the LLC plus 10% interest per annum.

The Initial Contributions of $100.0 million that were made by POS-Minerals during 2008 were expended by the second quarter of 2009 in accordance with the program and budget requirements of the Mt. Hope Project. Nevada Moly is required, pursuant to the terms of the LLC Agreement, to advance funds required to pay costs for the development of the Mt. Hope Project that exceed the Initial Contributions until the ROD Contribution Date, at which point the contributions described above to be made by POS-Minerals will be applied to reimburse us for POS-Minerals share of such development costs. All costs incurred after the ROD Contribution Date will be allocated and funded pro rata based on each party s ownership interest. POS-Minerals share of such development costs amounted to approximately $34.6 million as of March 31, 2011. The interest of a party in the LLC that does not make its pro rata capital contributions to fund costs incurred after the ROD Contribution Date is subject to dilution based on the Dilution Formula.

NOTE 2 LIQUIDITY AND CAPITAL REQUIREMENTS

Our consolidated cash balance at March 31, 2011, was $64.2 million compared to $53.6 million at December 31, 2010. The cash needs for the development of the Mt. Hope Project require that we or the LLC finalize significant financing in addition to the capital contributions to be received from POS-Minerals.

The anticipated sources of financing described below, combined with funds anticipated to be received from POS-Minerals in order to retain its 20% share, provide substantially all of our currently planned funding required for constructing and placing the Mt. Hope Project into commercial production. Funding requirements for working capital needs beyond the capital costs of the Mt. Hope Project will require additional resources. There can be no assurance that the Company will be successful in raising additional financing in the future on terms acceptable to the Company or at all.

Securities Purchase Agreement with Hanlong (USA) Mining Investment Inc.

On March 4, 2010, we signed a Securities Purchase Agreement (the Purchase Agreement) with Hanlong (USA) Mining Investment, Inc. (Hanlong), an affiliate of Sichuan Hanlong Group, a large privately held Chinese company. The Purchase Agreement and the related agreements described below form the basis of a significant investment by Hanlong in the Company that is intended to provide the Company with adequate capital to develop the Mt. Hope Project. The Purchase Agreement provides for the sale to Hanlong of shares of our common stock in two tranches that will aggregate 25% of our outstanding stock on a fully diluted basis. The average price per share, based on the anticipated number of shares to be issued, is $2.88 for an aggregate price of $80.0 million. The share issuance is part of a larger transaction that includes the commitment by Hanlong to use its commercially reasonable efforts to procure a $665.0 million bank loan for the Company (the Term Loan) from a prime Chinese bank that

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will be guaranteed by an affiliate of Hanlong, a $20.0 million bridge loan (the Bridge Loan) from Hanlong to the Company, and a long-term molybdenum supply off-take agreement pursuant to which a Hanlong affiliate will agree to purchase a substantial part of the molybdenum production from the Mt. Hope Project at specified prices.

The Purchase Agreement

Stock Purchase. The Purchase Agreement provides, subject to terms and conditions of the Purchase Agreement, for the purchase by Hanlong for an aggregate price of $80.0 million, of approximately 27.6 million shares of our common stock which will equal 25% of our outstanding common stock on a fully-diluted basis following the purchase, or approximately 38.3% of our outstanding common stock at the time the transaction was announced. Fully diluted is defined as all of our outstanding common stock plus all outstanding options and warrants, whether or not currently exercisable.

On July 30, 2010, the Company and Hanlong executed an amendment to the Purchase Agreement extending the deadline for obtaining Chinese government approvals by two months to October 13, 2010, as well as extending the Company s deadline for publishing its DEIS and receiving its ROD to February 28, 2011, and November 30, 2011, respectively. Hanlong received Chinese government approvals for equity investment from the National Development and Reform Commission and the Ministry of Commerce (MOFCOM) on October 8, 2010, and October 12, 2010, respectively. Hanlong filed the MOFCOM approval with the State Administration of Foreign Exchange on October 12, 2010, fulfilling Hanlong s Chinese government approval obligations.

On October 26, 2010, the Company and Hanlong executed an amendment to the Purchase Agreement setting the closing of Hanlong s purchase of the first tranche of equity in the Company on December 20, 2010. The parties agreed that the publication of the Mt. Hope Project s DEIS was no longer a condition precedent to Hanlong s first tranche equity investment. Timely publication of the DEIS does, however, remain a requirement of the entire agreement, and, in conjunction with this amendment, the required date for DEIS publication has been extended to May 31, 2011, from February 28, 2011. See *Break Fees* below for discussion of the potential penalties incurred if DEIS publication occurs after May 31, 2011 and certain termination rights of Hanlong.

On December 20, 2010, Hanlong completed the purchase of 12.5% of our fully-diluted shares, or approximately 11.8 million shares (Tranche 1) for $40.0 million, or approximately $3.38 per share, following satisfaction of certain conditions, including receipt of stockholder approval of the equity issuances in connection with the transaction, receipt of necessary Chinese government approvals for certain portions of the transaction, assurances from Hanlong as to the availability of the Term Loan, approval of the shares for listing on the NYSE Amex and absence of certain defaults.

The second tranche (Tranche 2), which is anticipated to involve the purchase of approximately 15.8 million additional shares, will be for a purchase price of an additional $40.0 million, or approximately $2.53 per share. The actual number of shares and price per share will be adjusted for any change in the number of fully diluted shares before the closing of Tranche 2. Significant conditions to the closing of Tranche 2 include issuance of the ROD for the Mt. Hope Project by the BLM, approval of the plan of operations for the Mt. Hope Project (the POO) by the BLM, and the completion of documentation for and satisfaction of conditions precedent to lending under the Term Loan, described below. The Purchase Agreement may be terminated by either party (provided the terminating party is not in default) if the closing of Tranche 2 has not occurred by December 31, 2011, subject to extension under specified circumstances to March 31, 2012.

Hanlong will have the right to purchase a portion of any additional shares of common stock that we issue so that it can maintain its percentage ownership unless its ownership is at the time below 5%. It may also acquire additional shares so that it maintains a 20% indirect interest in the Mt. Hope Project if our interest in the LLC is reduced below 80%. If we issue shares to fund the Mt. Hope Project under certain circumstances, and on or before the date of commercial production, and Hanlong exercises its rights to maintain its percentage interest, we will be obligated to refund to Hanlong the cost of such shares over a three-year period up to an aggregate of $9.0 million.

Break Fees. A break fee is payable by both the Company and Hanlong if the Purchase Agreement terminates because of the failure of certain conditions. A break fee of $10.0 million is payable to the Company if the Purchase Agreement is terminated because Hanlong fails to obtain necessary Chinese government approvals or

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to give its assurances about the availability of the Term Loan. The Company agreed to pay $5.0 million to Hanlong if the conditions concerning our stockholder approval, the publication of the DEIS or the ROD are not timely satisfied or waived and the Purchase Agreement is terminated. The Company break fees may be increased by $5.0 million if the Purchase Agreement is terminated and the Company has violated the no-shop provisions of the Purchase Agreement. The break fees may also be increased in other circumstances not to exceed an additional $3.0 million if the Company requests and Hanlong grants certain extensions of deadlines concerning the DEIS, and up to an additional $2.0 million if the Company requests and Hanlong grants certain extensions concerning the ROD. Further to the break fees, the Company must pay a $2.0 million fee to Hanlong at the granting of an extension concerning the ROD, and such fee will be credited against the arrangement fee described below. The break fee payable by the Company to Hanlong may be paid in cash, or, in certain circumstances, in shares of our common stock at our option. If paid in shares, the price would be the volume weighted average of our common stock on the NYSE Amex for the five days ending six days after the announcement of the termination.

On April 26, 2011, the Company notified Hanlong that it did not anticipate publication of the DEIS prior to May 31, 2011, to obtain the DEIS Condition Extension to August 31, 2011. If the DEIS is not obtained by August 31, 2011, Hanlong may terminate the Purchase Agreement. If the Purchase Agreement is terminated for failure to obtain the publication of the DEIS by August 31, 2011, the Company will be subject to an additional break fee to Hanlong of $1.0 million per month following May 31, 2011, up to $3.0 million, as outlined above.

Chinese Bank Loan. Pursuant to the Purchase Agreement, Hanlong is obligated to use its commercially reasonable efforts to procure the Term Loan in an amount of at least $665.0 million with a term of at least 14 years after commercial production begins at the Mt. Hope Project. The Term Loan will bear interest at a rate tied to the London Interbank Offered Rate (LIBOR) plus a spread of between 2% and 4% per annum. The Purchase Agreement provides that the Term Loan will have customary covenants and conditions; however, the terms of the Term Loan have not yet been negotiated with the lender and we have no assurance as to the final terms of the Term Loan. Hanlong or an affiliate is obligated to guarantee the Term Loan. When funds can be drawn by the Company under the Term Loan, the Company will pay a $15.0 million arrangement fee to Hanlong who will pay fees and expenses associated with the Term Loan before the Term Loan Closing, including those charged by the Chinese bank.

Bridge Loan

Hanlong has also agreed to provide a $20.0 million Bridge Loan to the Company which will be available in two equal $10.0 million tranches. On April 28, 2010, we drew down the first tranche in the amount of $10.0 million. The second loan tranche became available five business days after receipt of stockholder approval and is subject to the satisfaction of customary conditions. The first tranche of the Bridge Loan bears interest at LIBOR plus 2% per annum. The second tranche of the Bridge Loan will bear interest at 10% per annum and remains undrawn by the Company as of March 31, 2011. The Bridge Loan will be repaid from the proceeds of the Term Loan. If Hanlong agrees, the second tranche may also be repaid, at the Company s election, in shares of the Company s common stock. If paid in shares, the price would be the volume weighted average of the Company s shares on the NYSE Amex for a five-day period after public announcement of the event that required repayment. The Company may offset its right to receive the break fee against its obligations to repay borrowings under the Bridge Loan. If not sooner repaid, the Bridge Loan will mature on the earliest of 120 days after the issuance of the ROD, the date on which the Purchase Agreement terminates, or March 31, 2012. The outstanding balance of the Bridge Loan and related accrued interest are recorded as a current liability as of March 31, 2011. The Bridge Loan and our obligation to pay a break fee to Hanlong under the Purchase Agreement are secured by a pledge by us of a 10% interest in the LLC.

Stockholder Agreement

In connection with the Tranche 1 closing, Hanlong signed a Stockholder Agreement with the Company that limits Hanlong s future acquisitions of our common stock, provides for designation of up to two directors to our Board, and places some restrictions on Hanlong s voting and disposition of our shares.

After the Tranche 1 closing, Hanlong became entitled to nominate one director to our Board, which right will remain in place so long as it maintains at least a 10% fully diluted interest in the Company. Hanlong nominated

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Hui (Steven) Xiao to serve on our Board, and Mr. Xiao was appointed as a director in February 2011. Additionally, Hanlong became entitled to nominate a member to replace one of Nevada Moly s members on the LLC management committee. Hanlong nominated Nelson Chen, and he was appointed to the management committee in December, replacing David Chaput, of Nevada Moly. The Hanlong nominee may serve on the LLC committee until the earlier of the expiration or termination of the Hanlong guaranty, following the closing of the Term Loan, or rejection of the Term Loan. After the Tranche 2 closing, and so long as Hanlong retains fully-diluted stock ownership of at least 20%, Hanlong will be entitled to nominate a second director. The Company has agreed to assure that each Hanlong nominee is included in the Board s slate of nominees submitted to our stockholders, subject to the Board s fiduciary obligations and compliance by the nominee with applicable law and Company requirements concerning disclosure of information. The Hanlong nominees may also serve on committees for which they are eligible.

Hanlong has also agreed not to purchase additional shares, except as permitted by the Purchase Agreement, without the Company s prior consent following the Tranche 1 closing, and has agreed that it will not solicit proxies, join a group with respect to our equity securities, solicit or encourage an offer from another person for the Company, call a meeting of the Company s stockholders or make a proposal to the Company s stockholders, except to the Board. If our Board receives an offer for the Company, for its assets or a merger that the Board determines is in the best interests of the Company s stockholders, Hanlong is required to vote in favor of such a transaction or tender its shares unless it proposes an alternative transaction that our Board determines is more favorable to our stockholders than the offer received.

Under the Stockholder Agreement, Hanlong may not, without the prior written consent of the Board, transfer ownership in the securities if the recipient would acquire beneficial ownership of more than 5% of our common stock as of the date of such transfer. The restrictions on Hanlong s share ownership, voting, disposition and drag-along rights will terminate on the earlier of the time that Hanlong owns less than 10% of our Common Stock, the date that is 6 months after the date that commercial production begins at the Mt. Hope Project, and June 30, 2014.

The equity issuance of the Company s common stock to Hanlong was subject to stockholder approval and was voted on and approved in connection with the Company s annual meeting of stockholders in May 2010.

Cash Conservation Plan

The Company continues to operate under a cash conservation plan implemented in March 2009 designed to reduce expenditures and conserve cash in order to maximize financial flexibility. Engineering efforts related to the Mt. Hope Project, approximately 60% complete, have been largely suspended pending the completion of financing and approval of the DEIS.

As of March 2009, the Company had purchase orders for mining and milling process equipment. Some orders for mining equipment were cancelled, while orders for electric shovels and haul trucks were modified to become cancellable or non-binding. Most equipment orders for the custom-built grinding and other milling process equipment are being completed by the manufacturers and stored. The grinding and milling process equipment require the longest lead times and maintaining these orders is critical to the Company s ability to rapidly restart the Mt. Hope Project development. The Company completed negotiations with other equipment manufacturers to suspend or terminate fabrication of other milling equipment.. As funding becomes available and equipment procurement is restarted, agreements that were suspended or terminated will be renegotiated under new market terms and conditions, as necessary.

Based on our current plan, expected timetable, and the results of such negotiations, we expect to make additional payments of approximately $1.4 million under milling process equipment orders through the end of 2011, and $14.0 million in 2012. For the gyratory crusher, SAG and ball mills and related electric mill drives, and some other long-lead equipment, we will own the equipment upon final payments that have occurred in 2009 and 2010, and are forecasted to occur in 2011 and early 2012. This strategy should allow for a rapid restart of the Mt. Hope Project development upon BLM approval for publication of the DEIS, which will initiate the restart of engineering.

The cash conservation plan has reduced our total cash utilization for general administrative and overhead expenses to approximately $1 million per month, inclusive of maintenance costs at the Liberty Property. Such

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ongoing costs, combined with the $15.4 million in process equipment commitments noted above and the $17.9 million in construction royalty advances described in Note 10, comprise the spending requirements the Company has in place through the end of 2012. Based on our current cash on hand and this ongoing cash conservation plan, the Company expects it will have adequate liquidity for operations through the end of 2011 and into 2012 without accessing new sources of financing. We plan to restart engineering and procurement efforts during 2011 as key milestones in the permitting process are reached.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements of the Company are unaudited. In the opinion of management, all adjustments and disclosures necessary for a fair presentation of these interim statements have been included. All such adjustments are, in the opinion of management, of a normal recurring nature except for the adoption of the new accounting standards discussed below. The results reported in these interim consolidated financial statements are not necessarily indicative of the results that may be reported for the entire year. These interim consolidated financial statements should be read in conjunction with the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2010, filed with the Securities and Exchange Commission (SEC) on March 2, 2011.

This summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

Accounting Method

Our financial statements are prepared using the accrual basis of accounting in accordance with GAAP. With the exception of the LLC, all of our subsidiaries are wholly owned. In February 2008, we entered into the agreement which established our ownership interest in the LLC at 80%. At March 31, 2011, the consolidated financial statements include all of our wholly owned subsidiaries and the LLC. The POS-Minerals contributions attributable to their 20% interest are shown as Contingently Redeemable Noncontrolling Interest on the Consolidated Balance Sheet. For the quarter ended March 31, 2011, the LLC had no net operating expenses and therefore the Consolidated Statement of Operations reflects no net loss attributable to contingently redeemable noncontrolling interest for that period.

Reclassification of Prior Period Amounts

Certain prior period amounts have been reclassified to conform to the current period presentation.

Contingently Redeemable Noncontrolling Interest (CRNCI)

On January 1, 2009, we adopted Financial Accounting Standards Board (FASB) issued authoritative guidance related to Noncontrolling Interests in Consolidated Financial Statements, the provisions of which, among others, require the recognition of a noncontrolling interest (previously referred to as minority interest), as a component of equity in the consolidated financial statements and separate from the parent s equity for all periods presented. In addition, the amount of net income or loss attributable to the noncontrolling interest is included in net income or loss on the face of the consolidated statement of operations. Under GAAP, certain noncontrolling interests in consolidated entities meet the definition of mandatorily redeemable financial instruments if the ability to redeem the interest is outside of the control of the consolidating entity. As described in Note 1, the LLC Agreement permits POS-Minerals the option to put its interest in the LLC to Nevada Moly upon a change of control, as defined in the LLC Agreement, followed by (i) failure to begin full construction at the LLC by the Company or the surviving entity before December 31, 2010, or (ii) failure to use standard mining industry practice in connection with development and operation of the Mt. Hope Project as contemplated by the parties for a period of twelve months after December 31, 2010. As such, the CRNCI has continued to be shown as a separate caption between liabilities and equity (mezzanine section). The carrying value of the CRNCI reflects the investment of the noncontrolling interest, less losses attributable to the interest.

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Estimates

The process of preparing consolidated financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents

We consider all highly liquid investments with original maturities of three months or less to be cash equivalents. The Company s cash equivalent instruments are classified within Level 1 of the fair value hierarchy established by FASB guidance for Fair Value Measurements because they are valued based on quoted market prices in active markets. These cash instruments included $60.0 million in U.S. Treasury securities at March 31, 2011.

Exploration and Development Stage Activities

We were in the exploration stage from January 2002 until October 4, 2007. On October 4, 2007, our Board approved the development of the Mt. Hope Project as contemplated in the Bankable Feasibility Study (BFS) and we then entered into the development stage. We have not realized any revenue from operations. We will be primarily engaged in development of the Mt. Hope Project and exploration and evaluation of the Liberty Property until we enter the production stage of the Mt. Hope Project.

Basic and Diluted Net Loss Per Share

Net loss per share was computed by dividing the net loss attributable to General Moly, Inc. by the weighted average number of shares outstanding during the period. The weighted average number of shares was calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Outstanding warrants to purchase 1,000,000 and 7,455,434 shares of common stock, options to purchase 2,518,323 and 2,949,989 shares of common stock, and unvested stock awards totaling 388,182 and 218,154 at March 31, 2011, and 2010, respectively, and 806,936 and 520,889 shares under Stock Appreciation Rights (SARs) at March 31, 2011, and 2010, respectively, were not included in the computation of diluted loss per share for the three months ended March 31, 2011, and 2010, respectively, because to do so would have been anti-dilutive. Therefore, basic loss per share is the same as diluted loss per share.

Mineral Exploration and Development Costs

All exploration expenditures are expensed as incurred. Significant property acquisition payments for active exploration properties are capitalized. If no economic ore body is discovered, previously capitalized costs are expensed in the period the property is abandoned.

Expenditures to develop new mines, to define further mineralization in existing ore bodies, and to expand the capacity of operating mines, are capitalized and amortized on a units-of-production basis over proven and probable reserves.

Should a property be abandoned, its capitalized costs are charged to operations. The Company charges to the consolidated statement of operations the allocable portion of capitalized costs attributable to properties sold. Capitalized costs are allocated to properties sold based on the proportion of claims sold to the claims remaining within the project area.

Mining Properties, Land and Water Rights

Costs of acquiring and developing mining properties, land and water rights are capitalized as appropriate by project area. Exploration and related costs and costs to maintain mining properties, land and water rights are expensed as incurred while the property is in the exploration and evaluation stage. Development and related costs and costs to maintain mining properties, land and water rights are capitalized as incurred while the property is in the development stage. When a property reaches the production stage, the related capitalized costs are amortized using

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the units-of-production basis over proven and probable reserves. Mining properties, land and water rights are periodically assessed for impairment of value, and any subsequent losses are charged to operations at the time of impairment. If a property is abandoned or sold, a gain or loss is recognized and included in the consolidated statement of operations.

Depreciation and Amortization

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Property and equipment are depreciated using the following estimated useful lives: field equipment four to ten years; office furniture, fixtures; and equipment five to seven years; vehicles three to five years; leasehold improvements three years; residential trailers ten to twenty years; and buildings and improvements ten to twenty seven and one-half years. At March 31, 2011 and 2010, accumulated depreciation and amortization was $1.1 and $0.7 million, respectively, of which $0.8 and $0.5 million, respectively, was capitalized.

Provision for Taxes

Income taxes are provided based upon the liability method of accounting. Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. In accordance with authoritative guidance for *Income Taxes*, a valuation allowance is recorded against the deferred tax asset if management does not believe the Company has met the more likely than not standard to allow recognition of such an asset.

Reclamation and Remediation

Expenditures for ongoing compliance with environmental regulations that relate to current operations are expensed or capitalized as appropriate. Expenditures resulting from the remediation of existing conditions caused by past operations that do not contribute to future revenue generations are expensed. Liabilities are recognized when environmental assessments indicate that remediation efforts are probable and the costs can be reasonably estimated.

Estimates of such liabilities are based upon currently available facts, existing technology and presently enacted laws and regulations taking into consideration the likely effects of inflation and other societal and economic factors, and include estimates of associated legal costs. These amounts also reflect prior experience in remediating contaminated sites, other companies clean-up experience and data released by the United States Environmental Protection Agency (EPA) or other organizations. Such estimates are by their nature imprecise and can be expected to be revised over time because of changes in government regulations, operations, technology and inflation. Recoveries are evaluated separately from the liability. When recovery is assured, the Company records and reports an asset separately from the associated liability.

Stock-based Compensation

Stock-based compensation represents the fair value related to stock-based awards granted to members of the Board, officers and employees. The Company uses the Black-Scholes model to determine the fair value of stock-based awards under authoritative guidance for *Stock-Based Compensation*. For stock based compensation that is earned upon the satisfaction of a service condition, the cost is recognized on a straight-line basis (net of estimated forfeitures) over the requisite vesting period (up to three years). Awards expire five years from the date of vesting. Further information regarding stock-based compensation can be found in Note 7 Equity Incentives.

Debt Issuance Costs

The Company has capitalized certain costs incurred in direct pursuit of the Term Loan. These costs will be amortized over the life of the Term Loan once it has been obtained.

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Comprehensive Loss

For the three months ended March 31, 2011, and 2010, the Company s comprehensive loss was equal to the respective net loss for each of the periods presented.

NOTE 4 MINING PROPERTIES, LAND AND WATER RIGHTS

We currently have interests in two mining properties that are the primary focus of our operations. The Mt. Hope Project is currently in the development stage and the Liberty Property is in the exploration and evaluation stage. The following is a summary of mining properties, land and water rights at March 31, 2011, and December 31, 2010 (in thousands):

	At March 31, 2011	At December 31, 2010
Mt. Hope Project:		
Development costs	$ 91,867	$ 89,602
Mineral, land and water rights	10,253	10,253
Advance Royalties	22,600	22,600
Total Mt. Hope Project	124,720	122,445
Total Liberty Property	9,745	9,749
Other Properties	889	889
Total	$ 135,354	$ 133,093

On June 26, 2009, the Company and Josephine Mining Corp. (JMC), a privately-owned Canadian company whose president is a related party to one of the Company s Board members, entered into an Option to Purchase Agreement for the Company s Turner Gold property, a multi-metallic property located in Josephine County, Oregon. The Company acquired the property in 2004. JMC paid $0.1 million upon entering into the agreement, which allows JMC certain exploratory rights through the option period. Each option is non-refundable. The $0.1 million has been recorded as a deferred gain pending completion of the purchase. An additional $0.3 million installment payment was made in January, 2011, and the final installment payment of $1.6 million is due on or before December 26, 2011. Each installment payment under the Option to Purchase Agreement is optional, but is non-refundable once made. If JMC makes all three of the installment payments, ownership of the Turner Gold property will transfer to JMC upon the final payment. The Company has also retained a production royalty of 1.5% of all net smelter returns on future production from the property. The book value of the Company s investment in the Turner Gold property is approximately $800,000.

On March 8, 2010, the Company and Ascot USA, Inc. (Ascot), a Washington corporation, entered into an Option to Purchase Agreement for the Company s Margaret property, an undivided 50% interest in the reserved mineral rights and all of the Company s interest in the 105 unpatented mining claims comprising the Red Bonanza Property, situated in the St. Helens Mining District, Skamania County, Washington. The Company acquired the property in 2004. Ascot paid $0.1 million upon entering into the agreement, which allows Ascot certain exploratory rights through the option period. Each option is non-refundable. The $0.1 million has been recorded as a deferred gain pending completion of the purchase. An additional $0.3 million installment payment is due June 8, 2011, and the final installment payment of $1.6 million is due on or before June 8, 2012. Each installment payment under the Option to Purchase Agreement is optional, but is non-refundable once made. If Ascot makes all three of the installment payments, ownership of the Margaret property will transfer to Ascot upon the final payment. The Company has also retained a production royalty of 1.5% of all net smelter returns on future production from the property. The Company has no book value in the Margaret

property. It was determined in 2005 that the Margaret property did not represent a feasible project. All costs associated with the project were expensed at that time.

Development costs and Deposits on project property, plant and equipment

Development costs of $91.9 million include hydrology and drilling costs, expenditures to further the permitting process, capitalized salaries, project engineering costs, and other expenditures required to fully develop

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the Mt. Hope Project. Deposits on project property, plant and equipment of $68.4 million represent ongoing progress payments on equipment orders for the custom-built grinding and milling equipment, related electric mill drives, and other processing equipment that require the longest lead times.

Restricted Cash held for Electricity Transmission

The LLC has pre-paid $12.0 million into an escrow arrangement for electricity transmission services. The amount represents security on a transmission contract that will provide power to the Mt. Hope Project, and is accounted for as restricted cash. All amounts escrowed are to be returned to the Company on December 1, 2015, in the event that electricity transmission at the Mt. Hope Project has not commenced or at the time the agreement is cancelled by the Company.

NOTE 5 COMMON STOCK UNITS, COMMON STOCK AND COMMON STOCK WARRANTS

During the three months ended March 31, 2011, we issued 150,714 shares of common stock pursuant to stock awards under the 2006 Equity Incentive Plan.

At March 31, 2011, we had warrants outstanding totaling 1,000,000, which are exercisable at $5.00 per share once General Moly has received financing necessary for the commencement of commercial production at the Mt. Hope Project and will expire one year afterwards.

Pursuant to our Certificate of Incorporation, we are authorized to issue 200,000,000 shares of $0.001 par value common stock. All shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company.

NOTE 6 PREFERRED STOCK

Pursuant to our Certificate of Incorporation we are authorized to issue 10,000,000 shares of $0.001 per share par value preferred stock. The authorized but unissued shares of preferred stock may be issued in designated series from time to time by one or more resolutions adopted by the Board. The directors have the power to determine the preferences, limitations and relative rights of each series of preferred stock. At March 31, 2011, and 2010, no shares of preferred stock were issued or outstanding. On March 5, 2010, the Board adopted a stockholder rights plan. Under the plan, each common stockholder of the Company at the close of business on March 5, 2010 received a dividend of one right for each share of the Company s common stock held of record on that date. Each right entitles the holder to purchase from the Company, in certain circumstances, one one-thousandth of a share of newly-created Series A junior participating preferred stock of the Company for an initial purchase price of $15.00 per share.

Subject to certain exceptions, if any person becomes the beneficial owner of 20% or more of the Company s common stock, each right will entitle the holder, other than the acquiring person, to purchase Company common stock or common stock of the acquiring person having a value of twice the exercise price. In addition, if there is a business combination between the Company and the acquiring person, or in certain other circumstances, each right that is not previously exercised will entitle the owner (other than the acquiring person) to purchase shares of common stock (or an equivalent equity interest) of the acquiring person at one-half the market price of those shares.

NOTE 7 EQUITY INCENTIVES

In 2006, the Board and shareholders of the Company approved the 2006 Equity Incentive Plan (2006 Plan) that replaced the 2003 Equity Incentive Plan (2003 Plan). In May 2010, our shareholders approved an amendment to the 2006 Plan increasing the number of shares that may be issued under the plan by 4,500,000 shares to 9,600,000 shares. The 2006 Plan authorizes the Board, or a committee of the Board, to issue or transfer up to an aggregate of 9,600,000 shares of common stock (excluding 430,000 shares that remained from the 2003 Plan), of which 4,149,584 remain available for issuance. Awards under the 2006 Plan may include incentive stock options, non-statutory stock options, restricted stock units, restricted stock awards, and stock appreciation rights (SARs).

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At the option of the Board, SARs may be settled with cash, shares, or a combination of cash and shares. The Company settles the exercise of other stock-based compensation with newly issued common shares.

Stock-based compensation cost is estimated at the grant date based on the award s fair value as calculated by the Black-Scholes option pricing model and is recognized as compensation ratably on a straight-line basis over the requisite vesting/service period. As of March 31, 2011, there was $2.1 million of total unrecognized compensation cost related to share-based compensation arrangements, which is expected to be recognized over a weighted-average period of 2.0 years.

Stock Options and Stock Appreciation Rights

All stock options and SARs are approved prior to or on the date of grant. Stock options and SARs are granted at an exercise price equal to or greater than the Company s closing stock price on the date of grant. Both award types vest over a period of zero to three years, or upon achievement of performance measures, with a contractual term of five years after vesting. The Company estimates the fair value of stock options and SARs using the Black-Scholes valuation model. Key inputs and assumptions used to estimate the fair value of stock options and SARs include the grant price of the award, expected option term, probability of performance, volatility of the Company s stock, the risk-free interest rate and the Company s dividend yield. The following table presents the weighted-average assumptions used in the valuation and the resulting weighted-average fair value per option or SAR granted:

Stock Option and SAR Valuation Assumptions

Expected Life *	3.5 to 5.5 years
Interest Rate	0.67 4.96%***
Volatility **	86 - 96%***
Dividend Yields	
Weighted Average Fair Value of Stock Options Granted During the Three Months Ending March 31, 2011	None
Weighted Average Fair Value of SARs Granted During the Three Months ended March 31, 2011	None

* The expected life is the number of years that the Company estimates, based upon history, that options or SARs will be outstanding prior to exercise or forfeiture.

* * The Company s estimates of expected volatility are principally based on the historic volatility of the Company s common stock over the most recent period commensurate with the estimated expected life of the Company s stock options and other relevant factors.

***The interest rate and volatility used by the Company in calculating stock compensation expense represent the values in effect at the date of grant for all awards. These values are periodically updated for stock appreciation rights which may be settled in cash to reflect the current market conditions.

At March 31, 2011, the aggregate intrinsic value of outstanding and exercisable (fully vested) options and SARs was $3.4 million and had a weighted-average remaining contractual term of 2 years. The total intrinsic value of options exercised during the three months ended March 31, 2011 was $0.2 million.

Restricted Stock Units and Stock Awards

Grants of restricted stock units and stock awards (Stock Awards) have been made to Board members, officers, and employees. Stock Awards have been granted as performance based, earned over a required service period, or to Board members and the Company Secretary without any service requirement. Time based grants for officers and employees generally vest and stock is received without restriction to the extent of one-third of the granted stock for each year following the date of grant. Also, time based grants were offered to certain employees in connection with the cash conservation plan and vested over a period of approximately 19 months. Performance based grants are recognized as compensation based on the probable outcome of achieving the performance condition. Past compensation for Stock Awards issued to members of the Board of Directors that vested over time

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were recognized over the vesting period of one to two years. Stock Awards issued to Board members and the Company Secretary that are fully vested at the time of issue are recognized as compensation upon grant of the award.

The compensation expense recognized by the Company for Stock Awards is based on the closing market price of the Company s common stock on the date of grant. For the three months ended March 31, 2011, the weighted average grant-date fair value of Stock Awards was nil.

Summary of Equity Incentive Awards

The following table summarizes activity under the Plan during the three months ended March 31, 2011:

	Stock Options		SARs		Stock Awards	
	Weighted Average Exercise Price	Number of Shares Under Option	Weighted Average Strike Price	Number of Shares Under Option	Weighted Average Grant Price	Number of Shares
Balance at January 1, 2011	$ 5.38	2,658,323	$ 3.09	912,461	$ 4.24	800,392
Awards Granted					6.48	125,000
Awards Exercised or Earned	2.80	(100,000)	1.69	(76,406)	3.21	(522,207)
Awards Forfeited	8.67	(26,667)	4.26	(29,119)	8.67	(6,667)
Awards Expired	11.45	(13,333)				
Balance at March 31, 2011	$ 5.41	2,518,323	$ 3.18	806,936	$ 6.19	396,518
Exercisable at March 31, 2011	$ 5.30	2,299,990	$ 1.40	288,115		

A summary of the status of the nonvested awards as of March 31, 2011, and changes during the quarter ended March 31, 2011, is presented below.

	Stock Options		SARs		Stock Awards	
	Weighted Average Fair Value	Number of Shares Under Option	Weighted Average Fair Value	Number of Shares Under Option	Weighted Average Fair Value	Number of Shares
Balance at January 1, 2011	$ 4.40	285,002	$ 4.06	707,941	$ 4.24	800,392
Awards Granted					6.48	125,000
Awards Vested or Earned	9.38	(40,002)	0.84	(160,001)	3.21	(522,207)
Awards Forfeited	8.67	(26,667)	4.26	(29,119)	8.67	(6,667)
Balance at March 31, 2011	$ 6.66	218,333	$ 4.17	518,821	$ 6.19	396,518

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Compensation Cost Recognized and Capitalized Related to Equity Incentives

Summary of Compensation Cost Recognized and Capitalized related to Equity Incentives for the Quarter Ended March 31 (in thousands):	**2011**	**2010**
Stock Options	$ (93)	$ (43)
SARs		
Performance based	65	
Vesting over time	186	283
Stock Awards:		
Performance based	31	
Vesting over time	40	188
Board of Directors and Secretary	810	270
Total	$ 1,039	$ 698
Included in:		
Capitalized as Development	(34)	267
Expensed	1,073	431
	$ 1,039	$ 698

Taxes

A portion of the Company s granted options are intended to qualify as incentive stock options (ISO) for income tax purposes. As such, a tax benefit is not recorded at the time the compensation cost related to the options is recorded for book purposes due to the fact that an ISO does not ordinarily result in a tax benefit unless there is a disqualifying disposition. Stock option grants of non-qualified options result in the creation of a deferred tax asset, which is a temporary difference, until the time that the option is exercised.

NOTE 8 CHANGES IN EQUITY

Changes in Contingently Redeemable Noncontrolling Interest (Dollars in thousands)	**Activity for Three Months Ended March 31, 2011**	**March 31, 2010**
Total Contingently Redeemable Noncontrolling Interest December 31, 2010, & 2009, respectively	$ 98,753	$ 99,761
Less: Net Loss Attributable to Contingently Redeemable Noncontrolling Interest		
Total Contingently Redeemable Noncontrolling Interest March 31, 2011 & 2010, respectively	$ 98,753	$ 99,761

Changes in Equity	**Activity for Three Months Ended March 31, 2011**	**March 31, 2010**
Total Equity December 31, 2010, & 2009, respectively	$ 136,437	$ 104,920
Common stock:		

At beginning of period		85		72
Stock Awards		6		1
At end of period		91		73
Additional paid-in capital:				
At beginning of period		234,517		187,290
Exercised options		280		55
Exercised warrants		19,051		
Stock based compensation		1,039		662
At end of period		254,887		188,007
Accumulated deficit:				
At beginning of period		(98,165)		(82,442)
Consolidated net loss		(4,156)		(2,845)
At end of period		(102,321)		(85,074)
Total Equity March 31, 2011, & 2010, respectively	$	152,657	$	102,793

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NOTE 9 INCOME TAXES

At March 31, 2011, and December 31, 2010, we had deferred tax assets principally arising from the net operating loss carry forwards for income tax purposes multiplied by an expected rate of 35%. As management of the Company cannot determine that it is more likely than not that we will realize the benefit of the deferred tax assets, a valuation allowance equal to the net deferred tax asset has been established at March 31, 2011, and December 31, 2010. The significant components of the deferred tax asset at March 31, 2011, and December 31, 2010, were as follows (in thousands):

	March 31, 2011	December 31, 2010
Operating loss carry forward	$ 119,007	$ 110,306
Unamortized exploration expense	11,388	11,572
Fixed asset depreciation	(31)	(37)
Deductible stock based compensation	477	2,275
Deductible temporary difference	$ 130, 841	$ 124,116
Taxable temporary difference - development costs	(44,497)	(41,917)
Net deductible temporary difference	$ 86,344	$ 82,199
Deferred tax asset	$ 30,221	$ 28,770
Deferred tax asset valuation allowance	$ (30,221)	$ (28,770)
Net deferred tax asset	$	$

At March 31, 2011, and December 31, 2010, we had net operating loss carry forwards of approximately $119.0 million and $110.3 million, respectively, which expire in the years 2017 through 2031. The change in the allowance account from December 31, 2010, to March 31, 2011, was $1.5 million.

NOTE 10 COMMITMENTS AND CONTINGENCIES

Mt. Hope Project

The Mt. Hope Lease is for a period of 30 years from October 19, 2005 and for so long thereafter as operations are being conducted on the property. The lease may be terminated earlier at the election of the LLC, or upon a material breach of the agreement and failure to cure such breach. If the LLC terminates the lease, termination is effective 30 days after receipt by Mt. Hope Mines Inc. (MHMI) of written notice to terminate the Mt. Hope Lease and no further payments would be due to MHMI. In order to maintain the lease, the LLC must pay certain deferral fees and advance royalties as discussed below.

The Mt. Hope Lease Agreement requires a royalty advance (Construction Royalty Advance) of 3% of certain construction capital costs, as defined in the Mt. Hope Lease. The LLC is obligated to pay a portion of the Construction Royalty Advance each time capital is raised for the Mt. Hope Project based on 3% of the expected capital to be used for those certain construction capital costs defined in the lease. Through March 31, 2011, we have paid $4.7 million of the total Construction Royalty Advance, inclusive of $0.6 million in February of 2011 as a result of the exercise of outstanding warrants. Based on our Mt. Hope Project capital estimate we estimate that $17.9 million remains unpaid related to the Construction Royalty Advance. Based on the current estimate of raising capital and developing and operating the mine, we believe that

50%, or $9.0 million, of the LLC s remaining Construction Royalty Advance will be paid on October 19, 2011. The remaining 50% must be paid on or before October 19, 2012.

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Once the Construction Royalty Advance has been paid in full, the LLC is obligated to pay an advance royalty (Annual Advance Royalty) each October 19 thereafter in the amount of $0.5 million per year. The Construction Royalty Advance and the Annual Advance Royalty are collectively referred to as the Advance Royalties. All Advance Royalties are credited against the MHMI Production Royalties (as hereinafter defined) once the mine has achieved commercial production. After the mine begins production, the LLC estimates that the Production Royalties will be in excess of the Annual Advance Royalties for the life of the Mt. Hope Project and, further, that the Construction Royalty Advance will be fully recovered (credited against MHMI Production Royalties) by the end of 2015.

Deposits on project property, plant and equipment

At March 31, 2011, we have a contract to purchase two electric shovels that is cancellable and has no firm schedule of payments. We also have a non-binding letter of agreement on 24 haul trucks that establishes our priority for delivery. Both agreements provide for the then current pricing using market indices upon initiation of an order. We have active orders with varying stages of fabrication on milling process equipment comprised of two 230kV primary transformers and substation, a primary crusher, a semi-autogenous mill, two ball mills, and various motors for the mills. We have suspended fabrication on 16 flotation cells, lime slaking equipment, hydrocyclones, and other smaller milling process equipment with the ability to re-initiate fabrication at any time. We have completed negotiations with the manufacturer of two multi-hearth molybdenum roasters to terminate its fabrication of this equipment and receive finished goods of the partially completed order. We plan to re-establish a new purchase order with this manufacturer as financing becomes available and equipment procurement is restarted under then current market terms and conditions.

The following table sets forth the LLC s cash commitments under mining and milling equipment contracts (collectively, Purchase Contracts) at March 31, 2011 (in millions):

Year		As of March 31, 2011
2011	Remainder	$ 1.4
2012		14.0
2013		
Total		$ 15.4

Obligations under capital and operating leases

We have contractual obligations under capital and operating leases that will require a total of $0.6 million in payments over the next three years. Assets under capital lease relate to light vehicles leased by the Company for use in operations. Operating leases consist primarily of rents on office facilities and office equipment. Our expected payments are $0.3 million, $0.2 million and $0.1 million for the years ended December 31, 2011, 2012 and 2013, respectively.

Creation of Agricultural Sustainability Trust

On August 19, 2010, the LLC entered into an agreement with the Eureka Producers Cooperative (the EPC) whereby the LLC will fund a Sustainability Trust (the Trust) in exchange for the cooperation of the EPC with respect to the LLC s water rights and permitting of the Mt. Hope Project. The Trust will be tasked with developing and implementing programs that will serve to enhance the sustainability and well-being of the agricultural economy in the Diamond Valley Hydrographic Basin through reduced water consumption, which may include the Trust purchasing and relinquishing water rights in Diamond Valley to help bring the Diamond Valley basin into a more sustainable water balance. The Trust s activities will be governed by a five member Board including one LLC representative.

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The Trust may be funded by the LLC in the amount of $4.0 million, contributed to the Trust over several years, contingent on the achievement of certain milestones. The achievement of these milestones is considered to be probable, and as such the $4.0 million is accrued in the Company s March 31, 2011, financial statements. At least 50% of the contributions would be provided upon receipt of all permits, full financing and the Board s decision to proceed with construction. The remaining payments would be split evenly with one payment due no later than 150 days from the commencement of commercial production at the Mt. Hope Project and the remaining payment due one year thereafter.

Permitting Considerations

In the ordinary course of business, mining companies are required to seek governmental permits for expansion of existing operations or for the commencement of new operations. The LLC will be required to obtain a ROD from the BLM authorizing implementation of the Mt. Hope Project plan of operations (POO). This approval can be obtained only after successful completion of the National Environmental Policy Act process of environmental evaluation, which incorporates substantial public comment. The LLC will also need to obtain various state and federal permits including water protection, air quality, water rights and reclamation permits In addition to requiring permits for the development of the Mt. Hope mine, we will need to obtain and modify various mining and environmental permits during the life of the Mt. Hope Project. Obtaining, modifying, and renewing the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions and often involving public hearings and substantial expenditures. The duration and success of our efforts to obtain, modify or renew permits will be contingent upon many variables, some of which are not within our control. Increased costs or delays could occur, depending on the nature of the activity to be permitted and the interpretation of applicable requirements implemented by the permitting authority. All necessary permits may not be obtained and, if obtained, may not be renewed, or the costs involved in each case may exceed those that we previously estimated. It is possible that the costs and delays associated with compliance with such standards and regulations could become such that we would not proceed with the development or operation of the Mt Hope Mine.

Environmental Considerations

Our mineral property holdings in Shoshone County, Idaho include lands contained in mining districts that have been designated as Superfund sites pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act. This Superfund Site was established to investigate and remediate primarily the Bunker Hill properties of Smelterville, Idaho, a small portion of Shoshone County where a large smelter was located. However, because of the extent of environmental impact caused by the historical mining in the mining district, the Superfund Site covers the majority of Shoshone County including our Chicago-London and Little Pine Creek properties (which are distant from the original smelter location) as well as many small towns located in Northern Idaho. We have conducted a property environmental investigation of these properties which revealed no evidence of material adverse environmental effects at either property. We are unaware of any pending action or proceeding relating to any regulatory matters that would affect our financial position due to these inactive mining claims in Shoshone County.

ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References made in this Quarterly Report on Form 10-Q to we, our, us, or the Company, refer to General Moly, Inc.

The following discussion and analysis of our financial condition and results of operations constitutes management s review of the factors that affected our financial and operating performance for three months ended March 31, 2011, and 2010. This discussion should be read in conjunction with the consolidated financial statements and notes thereto contained elsewhere in this report and in our Annual Report on Form 10-K for the year ended December 31, 2010, which was filed on March 2, 2011.

We routinely post important information about us on our Company website. Our website address is www.generalmoly.com.

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Overview

We are a development stage company and began the development of the Mt. Hope Project on October 4, 2007. During the year ended December 31, 2008, we also completed work on a pre-feasibility study of our Liberty Property, which we plan to update by the end of 2011 using funds received from the exercise of outstanding warrants.

The development of the Mt. Hope Project has a project capital estimate of $1,153.9 million including development costs of approximately $1,039.3 million (in 2008 dollars) and $114.6 million in cash financial assurance requirements and pre-payments. These amounts do not include financing costs or amounts necessary to fund operating working capital. Through the quarter ended March 31, 2011, we have spent approximately $172.8 million and have $64.2 million remaining cash on hand for use in the development of the Mt. Hope Project and other cash requirements.

The Company continues to operate under a cash conservation plan implemented in March 2009 designed to reduce expenditures and conserve cash in order to maximize financial flexibility. In addition to conserving cash, the plan seeks to retain critical employees and the ability to start construction at the Mt. Hope Project pending the availability of the Hanlong financing.

Once we have received the major operating permits and the Record of Decision (ROD) from the United States Bureau of Land Management (BLM) and loan procurement efforts are complete, it is expected that Mt. Hope can be constructed and in production within 20 months. In the interim, our permitting efforts are continuing full-time. The Company has maintained its orders for grinding, milling, and other specialty long lead equipment, although other engineering, administrative and third-party work has been slowed or suspended.

The worldwide molybdenum price fluctuated between $5.33 per pound in 2003 to over $40.00 per pound in 2005 and traded in the mid-$30s per pound prior to October 2008, when prices fell from approximately $33.50 per pound to $7.70 per pound in April 2009 as a result of the global economic collapse. Subsequent to April 2009, prices slowly rose and finished 2009 at $12.00 per pound and continued to increase in 2010, finishing the year at $16.40 per pound. During the first quarter of 2011, prices traded between $16.80 and $17.80 per pound, finishing the quarter at $17.20 per pound.

Restructuring and Suspension of Project Development

As discussed above, in March 2009, we implemented a cash conservation plan to reduce expenditures and conserve cash in order to maximize financial flexibility. Engineering efforts related to the Mt. Hope Project, approximately 60% complete, have been largely suspended pending the completion of financing and approval of the Draft Environmental Impact Statement (DEIS).

As of March 2009, the Company had purchase orders for mining and milling process equipment. Some orders for mining equipment were cancelled, while orders for electric shovels and haul trucks were modified to become cancellable or non-binding. Most equipment orders for the custom-built grinding and other milling process equipment are being completed by the manufacturers and stored. The grinding and milling process equipment require the longest lead times and maintaining these orders is critical to the Company s ability to rapidly restart the Mt. Hope

Project development. The Company completed negotiations with other equipment manufacturers to suspend or terminate fabrication of other milling equipment. As funding becomes available and equipment procurement is restarted, agreements that were suspended or terminated will be renegotiated under new market terms and conditions, as necessary.

Based on our current plan, expected timetable, and the results of such negotiations, we expect to make additional payments of approximately $1.4 million under milling process equipment orders through the end of 2011, and $14.0 million in 2012. For the gyratory crusher, SAG and ball mills and related electric mill drives, and some other long-lead equipment, we will own the equipment upon final payments that have occurred in 2009 and 2010, and are forecasted to occur in 2011 and early 2012. This strategy should allow for a rapid restart of the Mt. Hope Project development upon BLM approval for publication of the DEIS, which will initiate the restart of engineering.

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The cash conservation plan has reduced our total cash utilization for general administrative and overhead expenses to approximately $1 million per month, inclusive of maintenance costs at the Liberty Property. Based on our current cash on hand and our cash conservation plan, the Company expects it will have adequate liquidity for operations through the end of 2011 without accessing new sources of financing. We plan to restart engineering and procurement efforts during 2011 as key milestones in the permitting process are reached.

Permitting Update

The Mt. Hope Project will require both federal and state permits before it can commence construction and operations. Major permits required for the Mt. Hope Project include the ROD, a BLM issued permit, water appropriation permits from the Nevada Division of Water Resources, the WPC permit and reclamation permit from the NDEP BMRR, and an air quality permit from the NDEP BAPC. Applications for other time-critical state permits have been submitted for agency review and approval. Eureka Moly, LLC (LLC) continues to develop and evolve the information supporting these permits based on agency review and feedback. We believe these other major operating permits will be received on or prior to the effective date of the ROD.

From November 2004 through August 2007, we conducted numerous exploration, drilling and evaluation studies, culminating in the Bankable Feasibility Study for the Mt. Hope Project. In 2005, we initiated the baseline studies necessary for development of an Environmental Impact Statement (EIS). We completed an initial plan of operations for the Mt. Hope Project (POO) which the BLM accepted in September 2006. In December 2006, the BLM selected an environmental firm to complete the EIS for the Mt. Hope Project. Since that time, the Company has been working with the environmental firm to complete the EIS. The current schedule for the development of the Mt. Hope Project estimates that the DEIS will be released for publication during the second quarter of 2011, followed by publication in the Federal Register in the second or third quarter, and receipt of the ROD six to nine months after publication.

Although we currently are targeting the effectiveness of the ROD and the receipt of all major operating permits to occur six to nine months after publication of the DEIS in the Federal Register, circumstances beyond our control, including reviewing agency delays or requests for additional information or studies, and appeals of the BLM decision, could cause the effectiveness of the ROD to be delayed. The occurrence of any or a combination of these adverse circumstances may increase the estimated costs of development, require us to obtain additional interim financing, and / or delay our ability to consummate project financing or other significant financing. A delay in the ROD or the receipt of major operating permits also affects the satisfaction of the ROD Contribution Conditions as well as the conditions to closing Tranche 2 of Hanlong s investment in our common stock, and receipt of the Term Loan.

Water Rights Update

In addition to working to complete the EIS, the LLC is working to finalize the transfer of water rights to mining use. In October of 2008, we completed a water rights hearing in Carson City, Nevada and in March 2009 were granted our water applications in a ruling by the State Engineer. An appeal of that ruling was granted in April 2010 by a Nevada District Court, overturning the original ruling and remanding the matter for another hearing by the State Engineer. In December 2010, we completed a second water rights hearing in Carson City, Nevada and currently anticipate a ruling by the State Engineer most likely during the third quarter of 2011.

On August 19, 2010, the LLC entered into an agreement with the Eureka Producers Cooperative (the EPC) whereby the LLC will fund a Sustainability Trust (the Trust) in exchange for the cooperation of the EPC with respect to the LLC s water rights and permitting of the Mt. Hope Project. The Trust will be tasked with developing and implementing programs that will serve to enhance the sustainability and well-being of the agricultural economy in the Diamond Valley Hydrographic Basin through reduced water consumption, which may include the Trust purchasing and relinquishing water rights in Diamond Valley to help bring the Diamond Valley basin into a more sustainable water balance. The Trust s activities will be governed by a five member Board including one LLC representative.

The Trust may be funded by the LLC in the amount of $4.0 million, contributed to the Trust over several years, contingent on the achievement of certain milestones. The achievement of these milestones is considered to be

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probable, and as such the $4.0 million is accrued in the Company s March 31, 2011, financial statements. At least 50% of the contributions would be provided upon receipt of all permits, full financing and the Board s decision to proceed with construction. The remaining payments would be split evenly with one payment due no later than 150 days from the commencement of commercial production at the Mt. Hope Project and the remaining payment due one year thereafter.

The Mt. Hope Project

Effective as of January 1, 2008, we contributed all of our interest in the assets related to the Mt. Hope Project, including our lease of the Mt. Hope Project into a newly formed entity, the LLC, and in February 2008 (Closing Date) entered into an agreement (LLC Agreement) for the development and operation of the Mt. Hope Project with POS-Minerals Corporation (POS-Minerals) an affiliate of POSCO, a large Korean steel company. Under the LLC Agreement, POS-Minerals owns a 20% interest in the LLC and General Moly, through a wholly-owned subsidiary, owns an 80% interest. These ownership interests and/or required contributions under the LLC Agreement can change as discussed below.

Pursuant to the terms of the LLC Agreement, POS-Minerals made its first and second cash contributions to the LLC totaling $100.0 million during the year ended December 31, 2008 (Initial Contributions). Additional amounts will be due from POS-Minerals within 15 days after the date (ROD Contribution Date) that specified conditions (ROD Contribution Conditions) have been satisfied. The ROD Contribution Conditions are (i) the receipt of major operating permits for the Mt. Hope Project, (ii) confirmation that the Record of Decision (ROD) from the United States Bureau of Land Management (BLM) for the Project has become effective, and (iii) any administrative or judicial appeals with respect thereto are final. We are currently targeting the effectiveness of the ROD and the satisfaction of the other ROD Contribution Conditions to occur six to nine months after publication of the Draft Environmental Impact Statement (DEIS) in the Federal Register, which we expect to occur in the second or third quarter of this year. However, circumstances beyond our control, including reviewing agency delays or requests for additional information or studies, and requests for review or appeals of the BLM decision, could cause the effectiveness of the ROD and/or the satisfaction of the other ROD Contribution Conditions to be delayed. Once the ROD is effective and financing is in place, we expect that production will occur approximately 20 months following initiation of project construction.

To maintain its 20% interest in the LLC, POS-Minerals will be required to make an additional $56.0 million contribution plus its 20% share of all Mt. Hope Project costs incurred from the Closing Date to the ROD Contribution Date within 15 days after the ROD Contribution Date. If POS-Minerals does not make its additional $56.0 million contribution when due after the ROD Contribution Date, its interest will be reduced to 10%.

In addition, if commercial production at the Mt. Hope Project is not achieved by December 31, 2011, for reasons other than a force majeure event, the LLC may be required to return to POS-Minerals $36.0 million of its contributions to the LLC, with no corresponding reduction in POS-Minerals ownership percentage. Based on our current plan and assuming POS-Minerals has made its additional $56.0 million contribution, a payment to POS-Minerals of $36.0 million will be due 20 days after the commencement of commercial production, as defined in the LLC Agreement. If POS-Minerals does not make its additional $56.0 million contribution when due, no return of contributions is required by us. Our wholly-owned subsidiary and 80% owner of the LLC, Nevada Moly, LLC (Nevada Moly), is obligated under the terms of the LLC Agreement to make capital contributions to fund the return of contributions to POS-Minerals, if required. If Nevada Moly does not make these capital contributions, POS-Minerals has an election to either make a secured loan to the LLC to fund the return of contributions, or receive an additional interest in the LLC of approximately 5%. In the latter case, our interest in the LLC is subject to dilution by a percentage equal to the ratio of 1.5 times the amount of the unpaid contributions over the aggregate amount of deemed capital contributions (as determined under the LLC Agreement) of both parties to the LLC (Dilution Formula). At December 31, 2010, the aggregate amount of deemed capital contributions of both parties was $880.0 million.

Furthermore, the LLC Agreement permits POS-Minerals to put its interest in the LLC to Nevada Moly after a change of control of Nevada Moly or the Company, as defined in the LLC Agreement, followed by a failure to use standard mining industry practice in connection with development and operation of the Mt. Hope Project as contemplated by the parties for a period of twelve consecutive months. If POS-Minerals puts its interest, Nevada

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Moly or its transferee or surviving entity would be required to purchase the interest for 120% of POS-Minerals contributions to the LLC plus 10% interest per annum.

The Initial Contributions of $100.0 million that were made by POS-Minerals during 2008 were expended by the second quarter of 2009 in accordance with the program and budget requirements of the Mt. Hope Project. Nevada Moly is required, pursuant to the terms of the LLC Agreement, to advance funds required to pay costs for the development of the Mt. Hope Project that exceed the Initial Contributions until the ROD Contribution Date, at which point the contributions described above to be made by POS-Minerals will be applied to reimburse us for POS-Minerals share of such development costs. All costs incurred after the ROD Contribution Date will be allocated and funded pro rata based on each party s ownership interest. POS-Minerals share of such development costs amounted to approximately $34.6 million as of March 31, 2011. The interest of a party in the LLC that does not make its pro rata capital contributions to fund costs incurred after the ROD Contribution Date is subject to dilution based on the Dilution Formula.

Liquidity, Capital Resources and Capital Requirements

For the period from December 31, 2010, to March 31, 2011

Our total consolidated cash balance at March 31, 2011, was $62.4 million compared to $53.6 million at December 31, 2010. The increase in our consolidated cash balances for the three months ended March 31, 2011, was due primarily to warrant proceeds received of $19.1 million, offset by development and debt issuance costs incurred of $2.8 million and cash used for operating activities of $6.2 million. Deposits on property, plant and equipment of $68.4 million relate primarily to scheduled payments for long lead time equipment for the Mt. Hope Project. See Contractual Obligations below.

Under our cash conservation plan, our non-equipment related cash requirements have declined to approximately $1 million per month. Based on our current plan and expected timetable, we expect to make additional payments of approximately $1.4 million under milling process equipment orders through the end of 2011, and $14.0 million in 2012. As the Hanlong financing becomes available and equipment procurement is restarted, agreements that were suspended or terminated will be renegotiated under current market terms and conditions, as necessary. Accordingly, based on our current cash on hand and our cash conservation plan, the Company expects it will have adequate liquidity for operations through the year ended December 31, 2011, without finalizing the Hanlong financing discussed below, while maintaining the current cash conservation strategy.

The anticipated sources of financing described below, combined with funds anticipated to be received from POS-Minerals in order to retain its 20% share, provide substantially all of our currently planned funding required for constructing and placing the Mt. Hope Project into commercial production. Funding requirements for working capital needs beyond the capital costs of the Mt. Hope Project will require additional resources. There can be no assurance that the Company will be successful in raising additional financing in the future on terms acceptable to the Company or at all.

Securities Purchase Agreement with Hanlong (USA) Mining Investment Inc.

On March 4, 2010, we signed a Securities Purchase Agreement (the Purchase Agreement) with Hanlong (USA) Mining Investment, Inc. (Hanlong), an affiliate of Sichuan Hanlong Group, a large privately held Chinese company. The Purchase Agreement and the related agreements described below form the basis of a significant investment by Hanlong in the Company that is intended to provide the Company with adequate capital to develop the Mt. Hope Project. The Purchase Agreement provides for the sale to Hanlong of shares of our common stock in two tranches that will aggregate 25% of our outstanding stock on a fully diluted basis. The average price per share, based on the anticipated number of shares to be issued, is $2.88 for an aggregate price of $80.0 million. The share issuance is part of a larger transaction that includes the commitment by Hanlong to use its commercially reasonable efforts to procure a $665.0 million bank loan for the Company (the Term Loan) from a prime Chinese bank that will be guaranteed by an affiliate of Hanlong, a $20.0 million bridge loan (the Bridge Loan) from Hanlong to the Company, and a long-term molybdenum supply off-take agreement pursuant to which a Hanlong affiliate will agree to purchase a substantial part of the molybdenum production from the Mt. Hope Project at specified prices.

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The Purchase Agreement

Stock Purchase. The Purchase Agreement provides, subject to terms and conditions of the Purchase Agreement, for the purchase by Hanlong for an aggregate price of $80.0 million, of approximately 27.6 million shares of our common stock which will equal 25% of our outstanding common stock on a fully-diluted basis following the purchase, or approximately 38.3% of our outstanding common stock at the time the transaction was announced. Fully diluted is defined as all of our outstanding common stock plus all outstanding options and warrants, whether or not currently exercisable.

On July 30, 2010, the Company and Hanlong executed an amendment to the Purchase Agreement extending the deadline for obtaining Chinese government approvals by two months to October 13, 2010, as well as extending the Company s deadline for publishing its DEIS and receiving its ROD to February 28, 2011, and November 30, 2011, respectively. Hanlong received Chinese government approvals for equity investment from the National Development and Reform Commission and the Ministry of Commerce (MOFCOM) on October 8, 2010, and October 12, 2010, respectively. Hanlong filed the MOFCOM approval with the State Administration of Foreign Exchange on October 12, 2010, fulfilling Hanlong s Chinese government approval obligations.

On October 26, 2010, the Company and Hanlong executed an amendment to the Purchase Agreement setting the closing of Hanlong s purchase of the first tranche of equity in the Company on December 20, 2010. The parties agreed that the publication of the Mt. Hope Project s DEIS was no longer a condition precedent to Hanlong s first tranche equity investment. Timely publication of the DEIS does, however, remain a requirement of the entire agreement, and, in conjunction with this amendment, the required date for DEIS publication has been extended to May 31, 2011, from February 28, 2011. See *Break Fees* below for discussion of the potential penalties incurred if DEIS publication occurs after May 31, 2011 and certain termination rights of Hanlong.

On December 20, 2010, Hanlong completed the purchase of 12.5% of our fully-diluted shares, or approximately 11.8 million shares (Tranche 1) for $40.0 million, or approximately $3.38 per share, following satisfaction of certain conditions, including receipt of stockholder approval of the equity issuances in connection with the transaction, receipt of necessary Chinese government approvals for certain portions of the transaction, assurances from Hanlong as to the availability of the Term Loan, approval of the shares for listing on the NYSE Amex and absence of certain defaults.

The second tranche (Tranche 2), which is anticipated to involve the purchase of approximately 15.8 million additional shares, will be for a purchase price of an additional $40.0 million, or approximately $2.53 per share. The actual number of shares and price per share will be adjusted for any change in the number of fully diluted shares before the closing of Tranche 2. Significant conditions to the closing of Tranche 2 include issuance of the ROD for the Mt. Hope Project by the BLM, approval of the POO by the BLM, and the completion of documentation for and satisfaction of conditions precedent to lending under the Term Loan, described below. The Purchase Agreement may be terminated by either party (provided the terminating party is not in default) if the closing of Tranche 2 has not occurred by December 31, 2011, subject to extension under specified circumstances to March 31, 2012.

Hanlong will have the right to purchase a portion of any additional shares of common stock that we issue so that it can maintain its percentage ownership unless its ownership is at the time below 5%. It may also acquire additional shares so that it maintains a 20% indirect interest in the Mt. Hope Project if our interest in the LLC is reduced below 80%. If we issue shares to fund the Mt. Hope Project under certain circumstances, and on or before the date of commercial production, and Hanlong exercises its rights to maintain its percentage interest, we will be obligated to refund to Hanlong the cost of such shares over a three-year period up to an aggregate of $9.0 million.

Break Fees. A break fee is payable by both the Company and Hanlong if the Purchase Agreement terminates because of the failure of certain conditions. A break fee of $10.0 million is payable to the Company if the Purchase Agreement is terminated because Hanlong fails to obtain necessary Chinese government approvals or to give its assurances about the availability of the Term Loan. The Company agreed to pay $5.0 million to Hanlong if the conditions concerning our stockholder approval, the publication of the DEIS or the ROD are not timely satisfied or waived and the Purchase Agreement is terminated. The Company break fees may be increased by $5.0 million if the Purchase Agreement is terminated and the Company has violated the no-shop provisions of the

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Purchase Agreement. The break fees may also be increased in other circumstances not to exceed an additional $3.0 million if the Company requests and Hanlong grants certain extensions of deadlines concerning the DEIS, and up to an additional $2.0 million if the Company requests and Hanlong grants certain extensions concerning the ROD. Further to the break fees, the Company must pay a $2.0 million fee to Hanlong at the granting of an extension concerning the ROD, and such fee will be credited against the arrangement fee described below. The break fee payable by the Company to Hanlong may be paid in cash, or, in certain circumstances, in shares of our common stock at our option. If paid in shares, the price would be the volume weighted average of our common stock on the NYSE Amex for the five days ending six days after the announcement of the termination.

On April 26, 2011, the Company notified Hanlong that it did not anticipate publication of the DEIS prior to May 31, 2011, to obtain the DEIS Condition Extension to August 31, 2011. If the DEIS is not obtained by August 31, 2011, Hanlong may terminate the Purchase Agreement. If the Purchase Agreement is terminated for failure to obtain the publication of the DEIS by August 31, 2011,the Company will be subject to an additional break fee to Hanlong of $1.0 million per month following May 31, 2011, up to $3.0 million, as outlined above.

Chinese Bank Loan. Pursuant to the Purchase Agreement, Hanlong is obligated to use its commercially reasonable efforts to procure the Term Loan in an amount of at least $665.0 million with a term of at least 14 years after commercial production begins at the Mt. Hope Project. The Term Loan will bear interest at a rate tied to the London Interbank Offered Rate (LIBOR) plus a spread of between 2% and 4% per annum. The Purchase Agreement provides that the Term Loan will have customary covenants and conditions; however, the terms of the Term Loan have not yet been negotiated with the lender and we have no assurance as to the final terms of the Term Loan. Hanlong or an affiliate is obligated to guarantee the Term Loan. When funds can be drawn by the Company under the Term Loan, the Company will pay a $15.0 million arrangement fee to Hanlong who will pay fees and expenses associated with the Term Loan before the Term Loan Closing, including those charged by the Chinese bank.

Bridge Loan

Hanlong has also agreed to provide a $20.0 million Bridge Loan to the Company which will be available in two equal $10.0 million tranches. On April 28, 2010, we drew down the first tranche in the amount of $10.0 million. The second loan tranche became available five business days after receipt of stockholder approval and is subject to the satisfaction of customary conditions. The first tranche of the Bridge Loan bears interest at LIBOR plus 2% per annum. The second tranche of the Bridge Loan will bear interest at 10% per annum and remains undrawn by the Company as of March 31, 2011. The Bridge Loan will be repaid from the proceeds of the Term Loan. If Hanlong agrees, the second tranche may also be repaid, at the Company s election, in shares of the Company s common stock. If paid in shares, the price would be the volume weighted average of the Company s shares on the NYSE Amex for a five-day period after public announcement of the event that required repayment. The Company may offset its right to receive the break fee against its obligations to repay borrowings under the Bridge Loan. If not sooner repaid, the Bridge Loan will mature on the earliest of 120 days after the issuance of the ROD, the date on which the Purchase Agreement terminates, or March 31, 2012. The outstanding balance of the Bridge Loan and related accrued interest are recorded as a current liability as of March 31, 2011. The Bridge Loan and our obligation to pay a break fee to Hanlong under the Purchase Agreement are secured by a pledge by us of a 10% interest in the LLC.

Other Capital Requirements

We also require additional capital to maintain our mining claims and other rights related to the Liberty Property, as well as continue payment of ongoing general and administrative costs associated with supporting our planned operations.

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Results of Operations

Three months ended March 31, 2011, compared to three months ended March 31, 2010

For the three months ended March 31, 2011, we had a consolidated net loss of $4.2 million compared with a consolidated net loss of $2.8 million in the same period for 2010.

For the three months ended March 31, 2011, and 2010, exploration and evaluation expenses were $0.2 million and $0.1 million, respectively.

For the three months ended March 31, 2011, and 2010, general and administrative expenses were $3.9 million and $2.7 million, respectively. For the three months ended March 31, 2011, the increase in costs compared to the previous year relates primarily to overall increases in cash and equity compensation costs.

Interest income was nil for the three months ended March 31, 2011, as a result of substantially lower interest rates and lower consolidated cash balances in 2011 and 2010. Interest expense was $0.1 million and nil for the three months ended March 31, 2011, and 2010 as a result of interest accrued on the bridge loan outstanding during 2011.

Contractual Obligations

Our contractual obligations as of March 31, 2011, were as follows:

		Payments due by period (in millions)			
Contractual obligations	**Total**	**2011**	**2012 - 2014**	**2015 - 2016**	**2017 & Beyond**
Long-Term Debt (Capital Lease) Obligations	$ 0.2	$ 0.1	$ 0.1	$	$
Operating Lease Obligations	0.4	0.2	0.2		
Purchase Equipment Contracts	15.4	1.4	14.0		
Advance Royalties	17.9	9.0	8.9		
Provision for post closure reclamation and remediation	0.6				0.6
Total	$ 34.5	$ 10.7	$ 23.2	$	$ 0.6

At March 31, 2011, we have a contract to purchase two electric shovels that is cancellable and has no firm schedule of payments. We also have a non-binding letter of agreement on 24 haul trucks that establishes our priority for delivery. Both agreements provide for the then current pricing using market indices upon initiation of an order. We have active orders with varying stages of fabrication on milling process equipment

comprised of two 230kV primary transformers and substation, a primary crusher, a semi-autogenous mill, two ball mills, and various motors for the mills. We have suspended fabrication on 16 flotation cells, lime slaking equipment, hydrocyclones, and other smaller milling process equipment with the ability to re-initiate fabrication at any time. We have completed negotiations with the manufacturer of two multi-hearth molybdenum roasters to terminate its fabrication of this equipment and receive finished goods of the partially completed order. We plan to re-establish a new purchase order with this manufacturer as financing becomes available and equipment procurement is restarted under then current market terms and conditions.

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The following table sets forth the LLC s remaining cash commitments under milling process equipment purchase contracts at March 31, 2011, resulting from the re-negotiation and cancelation of Purchase Contracts as discussed above (in millions).

Period		Cash Commitments Under Equipment Purchase Contracts as of March 31, 2011
2011	$	1.4
2012		14.0
2013		
Total	$	15.4

As financing becomes available and equipment procurement is restarted, agreements that were suspended or terminated will be renegotiated under the then current market terms and conditions, as necessary.

If the Company does not make payments required under the purchase contracts, it could be subject to claims for breach of contract or to cancellation of the purchase contract. In addition, we may proceed to selectively suspend, cancel or attempt to renegotiate additional purchase contracts if we are forced to further conserve cash. See Liquidity and Capital Resources above. If we cancel or breach any contracts, we will take all appropriate action to minimize any losses, but could be subject to claims or penalties under the contracts or applicable law. The cancellation of certain key contracts would cause a delay in the commencement of operations, have ramifications under the LLC Agreement with POS-Minerals and would add to the cost to develop our interest in the Mt. Hope Project.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Price Risk

We are a development stage company in the business of the exploration, development and mining of properties primarily containing molybdenum. As a result, upon commencement of production, our financial performance could be materially affected by fluctuations in the market price of molybdenum and other metals we may mine. The market prices of metals can fluctuate widely due to a number of factors. These factors include fluctuations with respect to the rate of inflation, the exchange rates of the U.S. dollar and other currencies, interest rates, global or regional political and economic conditions, banking environment, global and regional demand, production costs, and investor sentiment.

In order to better manage commodity price risk and to seek to reduce the negative impact of fluctuations in prices, we will seek to enter into long term supply contracts. On December 28, 2007, we entered into a molybdenum supply agreement with ArcelorMittal S.A. (ArcelorMittal), the world s largest steel company, that provides for ArcelorMittal to purchase 6.5 million pounds of molybdenum per year, plus or minus 10%, once the Mt. Hope Project commences commercial operations at minimum specified levels. The supply agreement provides for a floor price along with a discount for spot prices above the floor price and expires five years after the commencement of commercial production at the Mt. Hope Project. Both the floor and threshold levels at which the percentage discounts change are indexed to a producer price index. On April 16, 2010, ArcelorMittal and the Company entered into an extension molybdenum supply agreement, providing ArcelorMittal with a five-year option to make effective an agreement to purchase from the Company 3.0 million pounds of molybdenum per year for 10 years following the expiration of

the initial supply agreement. The additional optional off-take will be priced in alignment with the Company s existing supply agreements. In order for ArcelorMittal to exercise this option and make the extension agreement effective, ArcelorMittal must have beneficial ownership of more than 11.1 million shares of Company common stock on or prior to April 15, 2015. According to public filings, on January 25, 2011, the boards of directors of ArcelorMittal S.A. and APERAM each approved the transfer of the assets comprising ArcelorMittal s stainless and specialty steels businesses from its carbon steel and mining businesses to APERAM, a separate entity incorporated in the Grand Duchy of Luxembourg. This transfer included the off-take agreement the

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Company had in place with ArcelorMittal and the shares of the Company s common stock previously owned by ArcelorMittal.

Additionally, on May 14, 2008, we entered into a molybdenum supply agreement with SeAH Besteel Corporation (SeAH Besteel), Korea s largest manufacturer of specialty steels, which provides for SeAH Besteel to purchase 4.0 million pounds of molybdenum per year, plus or minus 10%, once the Mt. Hope Project commences commercial operations at minimum specified levels. Like the ArcelorMittal supply agreement, the supply agreement with SeAH Besteel provides for a floor price along with staged discounts for spot prices above the floor price and expires five years from the date of first supply under the agreement. Both the floor and threshold levels at which the percentage discounts change are indexed to a producer price index.

On August 8, 2008, the Company entered into a molybdenum supply agreement (Sojitz Agreement) with Sojitz Corporation. The Sojitz Agreement provides for the supply of 5.0 million pounds per year of molybdenum for five years, beginning once the Mt. Hope Project reaches certain minimum commercial production levels. One million annual pounds sold under the Sojitz Agreement will be subject to a per-pound molybdenum floor price and is offset by a flat discount to spot molybdenum prices above the floor. The remaining 4.0 million annual pounds sold under the Sojitz Agreement will be sold with reference to spot molybdenum prices without regard to a floor price. The Sojitz Agreement includes a provision that allows Sojitz the option to cancel in the event that supply from the Mt. Hope Project has not begun by January 1, 2013. Based on our current development timeline, Sojitz will have the option to cancel its contract or participate in the molybdenum supply agreement as described above. If Sojitz elects to cancel its contract with us, the supply of 5.0 million pounds per year of molybdenum for five years will be assumed by Hanlong, pursuant to the terms of the Hanlong molybdenum supply agreement described below.

On March 4, 2010, the Company entered into a molybdenum supply agreement (Hanlong Agreement) with Hanlong. The Hanlong Agreement requires Hanlong to purchase all the Company s share of the Mt. Hope molybdenum production above that necessary for the Company to meet its existing supply commitments until the expiration of those commitments. After the expiration of the existing supply agreements, until the original schedule maturity date of the Term Loan, or if the Company elects not to enter into the Term Loan, 14 years after commencement of commercial production, Hanlong must annually purchase the greater of 16 million pounds or 70% of the Company s share of Mt. Hope production. Following the original scheduled maturity date of the Term Loan, or if the Company elects not to enter into the Term Loan, 14 years after commencement of commercial production from the Mt. Hope Mine, Hanlong must purchase a percentage of the Company s share of Mt. Hope production equal to 2.5 times Hanlong s fully diluted percentage ownership of our common stock. Subject to certain exceptions, the Hanlong Agreement will terminate once Hanlong s fully-diluted ownership percentage falls below 5%. As long as Hanlong continues to guarantee the Term Loan, the Hanlong Agreement will not terminate even if Hanlong s ownership falls below 5%. If the cause of Hanlong s ownership falling below 5% is a change of control of the Company or a dilutive transaction in which Hanlong does not have the right to participate, the Hanlong Agreement will not terminate and Hanlong will be obligated to continue to purchase a percentage of the Company s share of Mt. Hope production equal to 2.5 times Hanlong s fully-diluted percentage ownership of the Company as it existed immediately prior to such change of control or dilutive transaction. If the Company elects not to enter into the Term Loan, and the second loan tranche does not close, Hanlong s obligation to purchase the Company s share of Mt. Hope production in each of the periods described above will be half of the obligations described above. Twenty-five percent of the production Hanlong receives will be sold at a floor price per pound subject to adjustment similar to the ArcelorMittal and SeAH Agreements above. The remaining 75% of the production Hanlong receives will be sold with reference to spot molybdenum prices less a small discount.

All four long term supply agreements provide for supply only after commercial production levels are achieved, and no provisions require the Company to deliver product or make any payments if commercial production is never achieved, or declines in later periods and have floor prices ranging from $14.00 to $14.75 per pound and incremental discounts above the floor price. The agreements require that monthly shortfalls be made up only if the Company s portion of Mt. Hope production is available for delivery, after POS-Minerals has taken its share. In no event do these requirements to make up monthly shortfalls become obligations of the Company if production does not meet targeted levels.

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Furthermore, each of the agreements have take-or-pay provisions that require the buyers to either take delivery of product made available by the Company, or to pay as though they had taken delivery pursuant to the term of the agreements.

While we have not used derivative financial instruments in the past, we may elect to enter into derivative financial instruments to manage commodity price risk. We have not entered into any market risk sensitive instruments for trading or speculative purposes and do not expect to enter into derivative or other financial instruments for trading or speculative purposes.

Interest Rate Risk

As of March 31, 2011, we had a balance of cash and cash equivalents of $64.2 million. Interest rates on short term, highly liquid investments have not changed materially since December 31, 2010, and continue to be 1% or less on an annualized basis. Our debt agreements have interest rates of LIBOR plus a percentage. Any significant rise in the LIBOR rate during the course of our debt agreements may affect our ability to service the debt.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on the foregoing, our management concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

There was no change in our internal control over financial reporting that occurred during the quarter ended March 31, 2011, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Mt. Hope Project is primarily centered between two water basins: the Kobeh Valley Basin and the Diamond Valley Basin. Operation of the Mt. Hope Project is expected to require 7,000 gpm of fresh water that will be sourced from wells located in Kobeh Valley, west of the Mt. Hope Project. The Company has purchased from existing water rights holders essentially all available water rights in the Kobeh Valley Basin, totaling

more than 16,000 acre feet annually. The Company believes it has sufficient water rights for its planned mining and milling operations.

On March 26, 2009, the Nevada State Engineer approved the Company s water applications that requested mining and milling use of 11,300 acre feet annually of water to be drawn from a well field near the Mt. Hope Project. Two appeals of the ruling were filed with the Seventh Judicial District Court of the State of Nevada challenging the State Engineer s decision. On April 21, 2010, the District Court entered an order remanding the matter for another hearing by the State Engineer. The Court ruled that the petitioners due process rights to a full and fair hearing were violated when the State Engineer considered and relied upon a version of the Company s hydrology model that had not been presented to the petitioners before the hearing.

In June 2010, the Company filed change applications with the State Engineer s office requesting permits to withdraw water at well locations matching those incorporated in the Company s final hydrology models now approved by the BLM. The applications previously granted by the State Engineer s office contained proposed well locations that the Company no longer intends to utilize based on additional groundwater modelling and exploration.

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In December of 2010, the Nevada State Engineer conducted a four-day hearing where protests to the Company s water applications were heard. The Company currently anticipates a ruling by the State Engineer most likely during the third quarter of 2011.

ITEM 1A. RISK FACTORS.

Our Annual Report on Form 10-K for the year ended December 31, 2010, including the discussion under the heading Risk Factors therein, and this report describe risks that may materially and adversely affect our business, results of operations or financial condition. The risks described in our Annual Report on Form 10-K and this report are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operations. Other than as supplemented below, there have been no material changes in the risk factors reported in our last Annual Report on Form 10-K.

Purchase Agreement May Be Terminated. The Purchase Agreement with Hanlong may be terminated by Hanlong if the DEIS is not published by August 31, 2011. While we believe that the DEIS will be published before that deadline, if it is not published by August 31, 2011 we will be required to renegotiate the deadline with Hanlong or face the possibility that Hanlong will terminate the Purchase Agreement.

Special Note Regarding Forward-Looking Statements

Certain statements in this report may constitute forward-looking statements, which involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of our Company, the Mt. Hope Project, Liberty Property and our other projects, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. We use the words may, will, believe, expect, anticipate, intend, future, plan, estimate, potential and similar expressions to identify forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those in the forward looking statements. Such risks, uncertainties and assumptions are described in the Risk Factors section included in our Annual Report on Form 10-K for the year ended December 31, 2010, and this report, and include, among other things:

- our dependence on the success of the Mt. Hope Project;
- the ability to obtain all required permits and approvals for the Mt. Hope Project and the Liberty Property;
- issues related to the management of the Mt. Hope Project pursuant to the LLC Agreement;
- investments by Hanlong and a loan from a Chinese bank are subject to significant consents, approvals and conditions precedent which may not be obtained or met;
- negotiation of acceptable loan terms with a Chinese bank in connection with the Hanlong transaction;
- risks related to the failure of POS-Minerals to make contributions pursuant to the LLC Agreement;

- fluctuations in the market price of, and demand for, molybdenum and other metals;
- the estimation and realization of mineral reserves and production estimates, if any;
- the timing of exploration, development and production activities and estimated future production, if any;
- estimates related to costs of production, capital, operating and exploration expenditures;
- requirements for additional capital and the possible sources of such capital;
- government regulation of mining operations, environmental conditions and risks, reclamation and rehabilitation expenses;
- title disputes or claims; and
- limitations of insurance coverage;
- our investors may lose their entire investment in our securities;
- the disruptions of 2008 and 2009 in the overall economy and financial markets may continue to adversely impact our business;
- counter party risks;
- inherent operating hazards of mining;
- climate change and climate change legislation for planned future operations;
- compliance/non-compliance with the Mt. Hope lease;
- losing key personnel or the inability to attract and retain additional personnel;
- reliance on independent contractors, experts, technical and operational service providers over whom we have limited control;
- increased costs can affect our profitability;
- shortages of critical parts, equipment, and skilled labor may adversely affect our development costs;
- legislation may make it difficult to retain or attract officers and directors and can increase costs of doing business;

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- adverse results of internal control evaluations could result in a loss of investor confidence and have an adverse effect on the price of the common stock;

- our common stock has a limited public market which may adversely affect the market price of our shares and may make it difficult for our shareholders to sell their shares;

- we do not anticipate paying cash dividends in the foreseeable future;

- provisions of Delaware law and our charter and bylaws may delay or prevent transactions that would benefit shareholders;

You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. These forward-looking statements are based on our current expectations and are subject to a number of risks and uncertainties, including those set forth above. Although we believe that the expectations reflected in these forward-looking statements are reasonable, our actual results could differ materially from those expressed in these forward-looking statements, and any events anticipated in the forward-looking statements may not actually occur. Except as required by law, we undertake no duty to update any forward-looking statements after the date of this report to conform those statements to actual results or to reflect the occurrence of unanticipated events. We qualify all forward-looking statements contained in this report by the foregoing cautionary statements.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. REMOVED AND RESERVED

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
10.1	Agreement to Reprice and Exercise Warrants between the Company and CCM Master Qualified Fund, Ltd. dated December 21, 2010 (Filed as Exhibit 10.1 to our Current Report on Form 8-K, filed on January 5, 2011.).
10.2	Agreement to Reprice and Exercise Warrants between the Company and CCM Special Holdings Fund, L.P. dated December 21, 2010 (Filed as Exhibit 10.2 to our Current Report on Form 8-K, filed on January 5, 2011.).
10.3	Stockholder Agreement between the Company and Hanlong (USA) Mining Investment, Inc. dated December 20, 2010 (Filed as Exhibit 10.1 to our Current Report on Form 8-K filed on December 21, 2010.).
10.4	Separation and Release Agreement dated March 24, 2011, by and between General Moly, Inc. and Gregory McClain (filed herewith).
10.5	General Release in Full of All Claims dated March 24, 2011, by and between General Moly, Inc. and Gregory McClain (filed herewith).
10.6	Form of Restricted Stock Unit Agreement for the Company s 2006 Equity Incentive Plan (performance-based vesting) (filed herewith).
10.7	Form of Restricted Stock Unit Agreement for the Company s 2006 Equity Incentive Plan (time-based vesting) (filed herewith).
10.8	Form of Stock Appreciation Rights Grant Notice for the Company s 2006 Equity Incentive Plan (filed herewith).
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

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Exhibit Number	Description of Exhibit
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: May 2, 2011

GENERAL MOLY, INC.

By: /s/ David A. Chaput
David A. Chaput
Chief Financial Officer and
Duly Authorized Officer