General Moly, Inc
Form 10-K
March 21, 2019
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2018

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 (I.R.S. Employer Identification No.)

(State or Other Jurisdiction of Incorporation or Organization)

1726 Cole Blvd.,

Suite 115

Lakewood, CO (Address of principal executive offices) 80401 (Zip Code)

Registrant's telephone number, including area code: (303) 928-8599

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value $0.001 per share	NYSE American and Toronto Stock Exchange
(Title of Each Class)	(Name of each Exchange on Which Registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities 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 No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company
	Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of June 30, 2018, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was $33,127,513 based on the closing price as reported on the NYSE American.

As of March 7, 2019, 137,114,804 shares of the registrant's common stock, par value of $0.001 per share, were outstanding.

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DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the registrant's definitive proxy statement to be used in connection with its Annual Meeting of Stockholders and to be filed within 120 days of December 31, 2018 are incorporated by reference into Part III, Items 10-14, of this report on Form 10-K.

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PART I

ITEMS 1. & 2.BUSINESS AND PROPERTIES

The Company

References made in this Annual Report on Form 10-K to "we," "our," "us," and the "Company" refer to General Moly, Inc. and its consolidated subsidiary Eureka Moly, LLC, referred to as the "LLC."

We are in the business of the exploration, development and mining of properties primarily containing molybdenum. Our main asset is an 80% interest in the Mt. Hope Project ("Mt. Hope Project"), a primary molybdenum property, located in Eureka County, Nevada. In 2006, we acquired a second significant molybdenum and copper project, the Liberty Project ("Liberty Project"), located in Nye County, Nevada, which we wholly own. The Liberty Project is anticipated to become our second molybdenum and copper operation, after commencement of commercial production at the Mt. Hope Project, with initial production dependent on market conditions.

Corporate Information

The Company was initially incorporated in Idaho under the name "General Mines Corporation" in 1925. We have gone through several name changes and on October 5, 2007, we reincorporated the Company in the State of Delaware ("Reincorporation") through a merger of Idaho General Mines, Inc. with and into General Moly, Inc., a Delaware corporation that was a wholly-owned subsidiary of Idaho General Mines, Inc. with General Moly, Inc. being the surviving entity. In connection with the Reincorporation, all of the outstanding securities of Idaho General Mines, Inc. were converted into securities of General Moly, Inc. on a one-for-one basis. For purposes of the Company's reporting status with the U.S. Securities and Exchange Commission ("SEC"), General Moly, Inc. is deemed a successor to Idaho General Mines, Inc. Our common stock is traded on the NYSE American market under the symbol "GMO" and, in February 2008, the Company began trading on the Toronto Stock Exchange ("TSX") under the same symbol. Our registered and principal executive office is located at 1726 Cole Blvd., Suite 115, Lakewood, Colorado 80401 and the phone number for that office is (303) 928-8599.

We maintain a website at www.generalmoly.com, on which we post free of charge our annual reports on Form 10-K, quarterly reports on Form 10-Q, Extensible Business Reporting Language ("XBRL") documents, and any amendments to these reports under the heading "Investors" as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. We also routinely post important information about the Company on our website under the heading "Investors." We do not incorporate the information on our website into this document and you should not

consider any information on, or that can be accessed through, our website as part of this document. The SEC also maintains a website that contains our reports and other information at www.sec.gov.

Corporate Strategy and Objective

Our corporate strategy has been to acquire and develop highly profitable advanced stage mineral deposits. Our corporate objective is to profitably develop and operate the Mt. Hope Project and to complete our evaluation and commence development of the Liberty Project. Presently, we are focused on working cooperatively with federal and state of Nevada regulatory agencies to reobtain necessary permits for the Mt. Hope Project, advancing exploration of copper, silver and zinc at the Mt. Hope Project site and advancing our efforts to obtain financing required to complete the development of the Mt. Hope Project, while at the same time conserving our cash resources until such financing is received.

We are working with the Nevada State Engineer to re-obtain our water permits following the October 2015 and September 2017 Nevada Supreme Court decisions which resulted in a reversal of our water permits and denial of water applications that previously were approved by the Nevada State Engineer. As discussed below, we have filed new water applications that are pending before the Nevada State Engineer and a hearing on these applications took place in September 2018. We are also working closely with the BLM to complete a draft supplemental Environmental Impact Statement ("EIS") to comply with issues raised by the Ninth Circuit, discussed below, and to have the ROD reissued.

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We believe we have the following business strengths that will enable us to achieve our objectives:

- We have retained a strong, proven management team with experience in mine development, project financing, and operations.

- The Mt. Hope Project is anticipated to be one of the largest and lowest cost primary molybdenum projects in the world, driven, in part, by high ore grades that will be processed early in the mine life.

- Our Liberty Project has the potential to become a second, significant, molybdenum and copper operation and is wholly-owned by the Company and royalty-free.

- The Mt. Hope Project and the Liberty Project are located in Nevada, which has a long and ongoing history of large-scale, open pit mining operations.

- Both the Mt. Hope Project and the Liberty Project have near-by infrastructure for power, access roads, and water and have an environmentally sound design.

- We have strong international support from the steel industry as evidenced by the strategic partnerships and off-take agreements we have in place with several of the world's largest steel companies.

- We are observing improving long-term market fundamentals for molybdenum based on strengthening global industrial growth and steel demand, and tightening molybdenum supply and believe that the molybdenum price has a better probability of continuing to appreciate than to depreciate further.

Products

We do not currently produce any products. When the Mt. Hope Project is developed, the LLC expects production of 40 million pounds of molybdenum ("Mo") per year over the first five years on average, and approximately 1.2 billion pounds of molybdenum over the expected 41-year life of the project (based on a $12/lb Mo reserve). Using the $8/lb Mo reserve referenced later in this report, life of mine production declines to approximately 0.5 billion pounds of molybdenum. The Mt. Hope Project will primarily focus on producing Technical Grade Molybdenum Oxide ("TMO"), which is widely utilized by the steel industry. In the future, we may also consider producing ferromolybdenum ("FeMo"), which is also used by the steel industry and would make the Company an integrated supplier to the steel industry and have left space in the process plant design for the Mt. Hope Project to accommodate this process.

Molybdenum is a refractory metal with unique properties. Approximately 70% to 80% of molybdenum applications are in steel making. Molybdenum, when added to plain carbon and low alloy steels, increases strength, corrosion resistance and high temperature properties of the alloy. The major applications of molybdenum containing plain and low alloy steels are automotive body panels, construction steel and oil and gas pipelines. When added to stainless steels, molybdenum imparts specialized corrosion resistance in severe corrosive environments while improving strength. The major applications of stainless steels are in industrial chemical process plants, desalinization plants, nuclear reactor cooling systems and environmental pollution abatement. When added to super alloy steels, such as those used in jet turbine blades and other advanced aerospace engine components, molybdenum dramatically improves high temperature strength, thermal expansion and contraction resistance and resistance to oxidation. The effects of molybdenum additions to steels are not readily duplicated by other elements and as such are not significantly impacted by substitution of other materials.

Other significant molybdenum applications include lubrication, catalytic sulfur reduction in petrochemicals, lighting, LCD activation screens, x-ray generation, high temperature heat dissipation and high temperature conductivity. These areas represent the highest technical and value-added applications of molybdenum.

Competitive Conditions

Molybdenum exploration, development and production is a competitive business. We anticipate competing worldwide with numerous molybdenum suppliers once the Mt. Hope Project achieves production.

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The supply of molybdenum comes from both primary molybdenum mines, such as our proposed Mt. Hope Project, and as a byproduct of porphyry copper production. Annual molybdenum supply is estimated by the CPM Group to be 683 million pounds in 2017 and 700 million pounds in 2018. Although many companies produce molybdenum, some of which also mine other minerals, approximately two-thirds of global production is concentrated among ten companies.

When and if we develop either or both our Mt. Hope Project and/or Liberty Project and commence production, our competitive position will be based on the quality and grade of our ore bodies and our ability to manage costs compared with other producers.

Employees

The Company had a total of 13 employees, including 11 exempt and 2 hourly employees, as of December 31, 2018.

Description of the Mt. Hope Project

Overview

The discussion in this section is based on the entire Mt. Hope Project, of which we own an 80% interest. The LLC is responsible for the development of the Mt. Hope Project. The Mt. Hope Project will include the development of an open pit mine, construction of a concentrator and a roaster, and construction of all related infrastructure to produce TMO, the most widely used molybdenum product.

From November 2004 through August 2007 we conducted numerous exploration, drilling and evaluation studies, culminating in the completion of a Bankable Feasibility Study (“BFS”) for the Mt. Hope Project. The BFS provides data on the viability, expected economics, and production and cost estimates of the project. Since publication of the BFS, we have revised several estimates, based primarily on engineering progress, which remains approximately 65% complete at December 31, 2018. Our current estimates for the Mt. Hope Project capital cost requirements are referred to as the “Project Capital Estimate” and our current estimates for the Mt. Hope Project operating costs are referred to as the “Project Operating Cost Estimate”.

In 2005, we initiated the baseline studies necessary for development of an Environmental Impact Statement (“EIS”). We completed an initial Plan of Operations (“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. The Company worked diligently with the environmental firm to complete the EIS, which culminated in the issuance of a Record of Decision ("ROD") in November 2012, approving the EIS. As discussed below, the ROD was challenged in the federal courts and vacated by the Ninth Circuit in 2016. Efforts are underway to supplement the EIS and receive a new ROD mid-2019.

On January 16, 2014, we filed an updated technical report (the "January 2014 Technical Report") prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administration ("NI 43-101") for the Mt. Hope Project, estimating molybdenum reserves and resources, production, capital and operating cost parameters and project economics. The NI 43-101 is a codified set of rules and guidelines for reporting and displaying information related to mineral properties owned by, or explored by, companies which report these results on stock exchanges within Canada. The completed report estimates molybdenum reserves and resources, production, capital and operating cost parameters, along with project economics.

The January 2014 Technical Report stated a proven and probable mineral reserve containing 984.6 million tons averaging 0.070% sulfide molybdenum, resulting in 1.4 billion pounds (1.1 billion pounds owned by us), of which 1.2 billion pounds (1.0 billion pounds owned by us) are estimated to be recoverable (molybdenum pounds contained in Technical Grade Molybdenum Oxide ("TMO"). The proven and probable mineral reserves (eight-phase base plan) stated in the January 2014 Technical Report were developed at a price of $12.00/lb of molybdenum ("Mo"). Since the filing of the January 2014 Technical Report the molybdenum price has declined and the proven and probable mineral reserve has been updated and is shown in the section "Reserves and Mineralized Material" found later in this filing.

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The Mt. Hope Project — the Mt. Hope Lease

The Mt. Hope molybdenum project is owned/leased and will be operated by the LLC under the LLC Agreement, described below under "—Mt. Hope Project Ownership". The LLC currently has a lease ("Mt. Hope Lease") with Mount Hope Mines, Inc. ("MHMI") for the Mt. Hope Project 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 lease and failure to cure such breach. If the LLC terminates the lease, termination is effective 30 days after receipt by MHMI of written notice to terminate the Mt. Hope Lease and no further payments would be due to MHMI. If MHMI terminates the lease, termination is effective upon receipt of a notice of termination of a material breach, representation, warranty, covenant or term contained in the Mt. Hope Lease and followed by failure to cure such breach within 90 days of receipt of a notice of default. MHMI may also elect to terminate the Mt. Hope Lease if the LLC has not cured the non-payment of obligations under the lease within 10 days of receipt of a notice of default.

Located in Eureka County, Nevada, the Mt. Hope Project consists of 13 patented lode claims and one millsite claim, which are owned by MHMI and leased to the LLC, and 1,521 unpatented lode claims, including 109 unpatented lode claims owned by MHMI and leased to the LLC and 1,412 unpatented lode claims owned by the LLC. Patented claims are owned real property and unpatented claims are held subject to the paramount title of the United States of America ("U.S.") and remain valid for as long as the claim contains a discovery of valuable minerals as defined by law and the holder pays the applicable fees.

The Mt. Hope Lease is subject to the payment of certain royalties. See "—Royalties, Agreements and Encumbrances" below. In addition to the royalty payments, the LLC is obligated to maintain the property and the Mt. Hope Project's associated water rights, including the payment of all property taxes and claim maintenance fees. The LLC must also indemnify MHMI against any and all losses incurred as a result of any breach or failure to satisfy any of the terms of the Mt. Hope Lease or any activities or operations on the Mt. Hope property.

The LLC is not permitted to assign or otherwise convey its obligations under the Mt. Hope Lease to a third party without the prior written consent of MHMI, which consent may be withheld at its sole discretion. If, however, the assignment takes the form of a pledge of our interest in the Mt. Hope Project for the purpose of obtaining project financing, MHMI's consent may not be unreasonably withheld. The Mt. Hope Lease further requires the LLC to keep the property free and clear of all liens, encumbrances, claims, charges and burdens on production except as allowed for project financing.

The Mt. Hope Lease requires that the terms of any project financing must provide that: (i) any principal amount of debt can only be repaid after payment of the periodic payments as set out in the Mt. Hope Lease; (ii) the lenders may not prohibit or interfere with any advance royalty payments due to MHMI under the Mt. Hope Lease; and (iii) no cash sweeps or payments of excess cash flow may be made to the lenders in priority of such advance royalty payments, as discussed in " — Royalties, Agreements and Encumbrances" below.

The Mt. Hope Lease also contains an after acquired property clause, which requires that any property acquired by the LLC within two miles of the boundary of the Mt. Hope Project be conveyed to MHMI if requested within a certain time period following notification of such acquisition. MHMI has requested that we maintain ownership of all new claims filed by the LLC, which now includes 1,412 unpatented lode claims.

Property Description and Location

The Mt. Hope molybdenum project is located on the eastern flank of Mt. Hope approximately 21 miles north of Eureka, Nevada. The Mt. Hope Project is located at the southern end of the northwest-trending Battle Mountain-Eureka

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mineral belt. Mt. Hope is approximately 2.6 miles due west of Nevada State Route 278 ("Route 278"), and the Mt. Hope Project centers in sections 1 and 12, T22N-R51E and sections 12 and 13, T22N-R51½E.

Royalties, Agreements and Encumbrances

Advance Royalty

For the production of molybdenum, the Mt. Hope Lease 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 Mt. Hope Lease. Through December 31, 2018, we have paid $25.6 million of the total Construction Royalty Advance. Based on our Mt. Hope Project capital budget we estimate that a final reconciliation payment on the Capital Construction Cost Estimate (the "Estimate") will be due following the commencement of commercial production, after as-built costs are definitively determined. The Company estimates that, based on the revised capital estimate discussed above and the current timeline for the commencement of commercial production, an additional $4.2 million will be due approximately 24 months after the commencement of construction. This amount was accrued as of December 31, 2018. The capital estimates will be subject to escalation as the Company experiences continued delays associated with current market conditions, the permitting process and its ability to seek and obtain full financing for the Mt. Hope Project.

The LLC is also obligated to make a minimum annual advance royalty payment ("Annual Advance Royalty") of $0.5 million each year for any year wherein commercial production has not been achieved or the MHMI Production Royalty (as hereinafter defined) is less than $0.5 million. As commercial production is not anticipated to commence before late-2022, the Company has also accrued $2.0 million in Annual Advance Royalty payments which will be due in four $0.5 million installments in October 2019, 2020, 2021 and 2022, respectively. The 2018 payment was made on October 19, 2018. The Estimate and the Annual Advance Royalty are collectively referred to as the "Advance Royalties." All Advance Royalties are credited against the MHMI Production Royalties once the molybdenum mine has achieved commercial production. After the mine begins production, the LLC estimates that the MHMI Production Royalties will be in excess of the Annual Advance Royalties for the life of the Mt. Hope Project. Until the advance royalties are fully credited, the LLC will pay one half of the calculated Production Royalty annually. Assuming a $12 molybdenum price, the Annual Advance Royalties will be consumed within the first five years of commercial production.

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On February 28, 2018, EMLLC and MHMI entered into an amendment to the Mt. Hope Lease. The amendment primarily concerns non-molybdenum royalty arrangements that are applicable to the copper-silver target and zinc mineralization, discussed below. The amendment provides for net returns production royalties of 4% for all non-molybdenum minerals. With respect to zinc production only, there is the potential to increase the 4% royalty to 5% dependent on increasing zinc prices. These royalties are consistent with other royalty mining practices in Nevada.

Production Royalty

Following commencement of commercial production, the LLC will be required to pay a molybdenum production royalty to MHMI and Exxon Corporation ("Exxon") as follows:

(a) MHMI Production Royalty

After commencement of commercial production at the Mt. Hope Project, the LLC will be required to pay to MHMI a production royalty equal to the greater of: (i) $0.25 per pound of molybdenum metal (or the equivalent of some other product) sold or deemed to be sold from the Mt. Hope Project; or (ii) 3.5% of net returns ("Base Percentage"), if the average gross value of products sold is equal or lower than $12.00 per pound, or the Base Percentage plus 1% of net returns if the average gross value of products sold is higher than $12.00 per pound but equal or lower than $15.00 per pound, or the Base Percentage plus 1.5% of net returns if the average gross value of products sold is higher than $15.00 per pound ("MHMI Production Royalties"). As used in this paragraph, the term "products" refers to ores, concentrates, minerals or other material removed and sold (or deemed to be sold) from the Mt. Hope Project; the term "gross value" refers generally to proceeds received by us or our affiliates for the products sold (or deemed to be sold); and the term "net returns" refers to the gross value of all products, less certain direct out of pocket costs, charges and expenses actually paid or incurred by us in producing the products.

(b) Exxon Production Royalty

Exxon will receive a perpetual 1% royalty interest in and to all ores, metals, minerals and metallic substances mineable or recoverable from the Mt. Hope Project in kind at the mine or may elect to receive cash payment equal to 1% of the total amount of gross payments received from the purchaser of ores mined/removed/sold from property net of certain deductions.

Mt. Hope Project Ownership

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 the Mt. Hope Lease described above under "—The Mt. Hope Project—The Mt. Hope Lease," into Eureka Moly, LLC ("EMLLC" or "the LLC"), a

in February 2008 entered into a joint venture agreement ("LLC Agreement") for the development and operation of the Mt. Hope Project with POS-Minerals Corporation ("POS-Minerals"). Under the LLC Agreement, POS-Minerals owns a 20% interest in the LLC and General Moly, through Nevada Moly, LLC ("Nevada Moly"), a wholly-owned subsidiary, owns an 80% interest. The ownership interests and/or required capital 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 capital contributions to the LLC totaling $100.0 million during the year ended December 31, 2008 ("Initial Contributions"). Additional amounts of $100.7 million were received from POS-Minerals in December 2012, following receipt of major operating permits for the Mt. Hope Project, including the Record of Decision ("ROD") from the U.S. Bureau of Land Management ("BLM").

In addition, under the terms of the LLC Agreement, since commercial production at the Mt. Hope Project was not achieved by December 31, 2011, the LLC will be required to return to POS-Minerals $36.0 million, since reduced to $33.6 million as discussed below, of its capital contributions ("Return of Contributions"), with no corresponding reduction in POS-Minerals' ownership percentage. Effective January 1, 2015, as part of a comprehensive agreement concerning the release of the reserve account described below, Nevada Moly and POS-Minerals agreed that the Return of Contributions is to be payable to POS-Minerals on December 31, 2020; provided that, at any time on or before November 30, 2020, Nevada Moly and POS-Minerals may agree in writing to extend the due date to December 31, 2021; and if the due date has been so extended, at any time on or before November 30, 2021, Nevada Moly and POS-Minerals

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may agree in writing to extend the due date to December 31, 2022. If the repayment date is extended, the unpaid amount will bear interest at a rate per annum of LIBOR plus 5%, which interest shall compound quarterly, commencing on December 31, 2020 through the date of payment in full. Payments of accrued but unpaid interest, if any, shall be made on the repayment date. Nevada Moly may elect, on behalf of the Company, to cause the Company to prepay, in whole or in part, the Return of Contributions at any time, without premium or penalty, along with accrued and unpaid interest, if any.

The original Return of Contributions amount due to POS-Minerals is reduced, dollar for dollar, by the amount of capital contributions for equipment payments required from POS-Minerals under approved budgets of the LLC, as discussed further below. During the period January 1, 2015 to December 31, 2018, this amount was reduced by $2.4 million, consisting of POS-Minerals 20% share of equipment payments, such that the remaining amount due to POS-Minerals is $33.6 million. If Nevada Moly does not fund its additional capital contribution in order for the LLC to make the required Return of Contributions to POS-Minerals set forth above, 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 estimated to be 5%. In the latter case, Nevada Moly's interest in the LLC is subject to dilution by a percentage equal to the ratio of 1.5 times the amount of the unpaid Return of 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, 2018, the aggregate amount of deemed capital contributions of both parties was $1,088.5 million.

Furthermore, the LLC Agreement permits POS-Minerals to put/sell 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 by us or our successor company to use standard mining industry practice in connection with the development and operation of the Mt. Hope Project as contemplated by the parties for a period of twelve (12) consecutive months. If POS-Minerals exercises its option to put or sell its interest, Nevada Moly or its transferee or surviving entity would be required to purchase the interest for 120% of POS-Minerals' total contributions to the LLC, which, if not paid timely, would be subject to 10% interest per annum.

Effective January 1, 2015, Nevada Moly and POS-Minerals signed an amendment to the LLC Agreement under which a separate $36.0 million belonging to Nevada Moly, held by the LLC in a reserve account established in December 2012, is being released for the mutual benefit of both members related to the jointly approved Mt. Hope Project expenses into 2021. In January 2015, the reserve account funded a reimbursement of contributions made by the members during the fourth quarter of 2014, inclusive of $0.7 million to POS-Minerals and $2.7 million to Nevada Moly. The remaining reserve account funds are now being used to pay ongoing jointly approved expenses of the LLC until the Company obtains full financing for its portion of the Mt. Hope Project construction cost, or until the reserve account is exhausted. Any remaining funds after financing is obtained will be returned to the Company. The balance of the reserve account was $6.2 million and $9.9 million at December 31, 2018 and December 31, 2017, respectively.

Exploration of Copper-Silver Target and Zinc Area at Mt. Hope Project

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

A high-intensity, ground-based Induced Polarization ("IP") survey completed in February 2018 by Quantec Geoscience indicates a fairly continuous group of high chargeability anomalies that appear aligned with the recently identified Cu-Ag Target. These anomalies lie between 100 feet and 1,000-plus feet from the surface and trend northeast for over 1,000 feet. The IP survey indicates that the anomalies could continue further to the north-northeast and to the south where they appear to dip to the east.

To date the preliminary exploration work has been undertaken solely at the expense of General Moly. The Company is presenting the promising findings to its 20% LLC joint venture partner at the Mt. Hope Project, POS-Minerals, and the parties are discussing value-sharing cost/investment options. Any mining operation to exploit economic mineralization at the Mt. Hope Project site will require the approval of POS-Minerals.

Geological review of historic logs and core was completed by Mine Mappers, LLC of Tucson, Arizona to update the geologic interpretation of the skarn area. Mine Mappers reviewed the geologic interpretations in conjunction with the IP results and recommended a 10-hole, 9,400-foot drilling confirmation and exploration program.

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In September 2018, the Company commenced a 10-hole drill program on the patented claims at the Mt. Hope Project. The drilling program is focused on copper-silver-zinc mineralized skarns and designed to confirm and extend the target defined by historical drilling as well as test for extensions of zinc mineralization horizons which were historically mined. The drill program was completed in late 2018. The project will progress toward a goal of completing a Preliminary Economic Assessment in 2019, if warranted by the drilling program results and the availability of funding.

Agreement with AMER

Private Placement

In April 2015, the Company and AMER entered into a private placement for 40.0 million shares of the Company's common stock and warrants to purchase 80.0 million shares of the Company's common stock, priced using the trailing 90-day volume weighted average price ("VWAP") of $0.50 on April 17, 2015, the date the Investment and Securities Purchase Agreement ("AMER Investment Agreement") was signed. General Moly received stockholder approval of the transaction at its 2015 Annual Meeting, and of material amendments to the transaction at a Special Meeting held in December 2017.

On November 2, 2015, the Company and AMER entered into an amendment to the AMER Investment Agreement, utilizing a three-tranche investment. The first tranche of the amended AMER Investment Agreement closed on November 24, 2015 for a $4.0 million private placement representing 13.3 million shares, priced at $0.30 per share, and warrants (the "AMER Warrants") to purchase 80.0 million shares of common stock at $0.50 per share, which will become exercisable upon availability of an approximately $700.0 million senior secured loan ("Bank Loan"). The funds received from the $4.0 million private placement were divided evenly between general corporate purposes and an expense reimbursement account available to both AMER and the Company to cover anticipated Mt. Hope Project financing costs and other jointly sourced business development opportunities. In addition, AMER and General Moly entered into a Stockholder Agreement allowing AMER to nominate a director to the General Moly Board of Directors, and additional directors following the close of Tranche 3, discussed below, and drawdown of the Bank Loan. The Stockholder Agreement also governs amer's acquisition and transfer of General Moly shares. Prior to closing, the parties agreed to eliminate certain conditions to closing. Following the closing, AMER nominated Tong Zhang to serve as a director of the Company, and Mr. Zhang was appointed to the Board of Directors on December 3, 2015. Mr. Zhang was nominated by the Board of Directors to stand for election at the 2018 General Meeting of Stockholders and was elected by the stockholders to serve as a Class II director for a three (3) year term expiring in 2021, subject to re-election.

On October 16, 2017, the Company and AMER announced the closure of the second tranche of the parties' three-tranche financing agreement. At the close of Tranche 2, General Moly issued 14.6 million shares to AMER, priced at the volume weighted average price ("VWAP") for the 30-day period ending August 7, 2017 (the date of the parties' Amendment No. 2 to the AMER Investment Agreement) of $0.41 per share for a private placement of $6.0

million by AMER. $5.5 million of the equity sale proceeds were available for general corporate purposes, while $0.5 million was held in the expense reimbursement account established at the close of Tranche 1 to cover costs related to the Mt. Hope Project financing and other jointly sourced business development opportunities.

The third tranche of the amended AMER Investment Agreement will include a $10.0 million private placement representing 20.0 million shares, priced at $0.50 per share. Completion of the third tranche is conditioned upon the earlier of completion of a joint business opportunity involving use of 10.0 million shares of General Moly stock or the reissuance of water permits for the Mt. Hope Project. After the third tranche of the agreement is completed, AMER may nominate a second director to General Moly's Board of Directors.

The further amended AMER Investment Agreement reaffirms continuation of the strategic partnership formed between the Company and AMER to assist in obtaining full financing for the Mt. Hope Project. The issuance of shares in connection with the third tranche of the AMER Investment Agreement was approved by General Moly stockholders in December 2017 at a Special Meeting of Stockholders.

The Company and AMER have jointly evaluated other potential opportunities, ranging from outright acquisitions, privatizations, or significant minority interest investments with a focus on base metal and ferro-alloy prospects, where the Company would benefit from management fees, minority equity interests, or the acquisition of both core and non-core assets. The Company and AMER have considered but not completed any such transactions to date and we have taken a temporary break in the evaluation of potential opportunities with AMER. From commencement of

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the AMER Investment Agreement in 2015 to September 30, 2018, the Company and AMER have spent approximately $2.5 million from the expense reimbursement account described above in connection with such evaluations.

Bank Loan

AMER has agreed to work cooperatively with the Company upon the return of sustained improved molybdenum prices to procure and support a senior secured term loan ("Bank Loan") of approximately $700 million from a major Chinese bank or banks for development of the Mt. Hope Project, and to provide a guarantee for the Bank Loan.

When documentation is complete and drawdown of the approximately $700 million Bank Loan becomes available, pursuant to the amended warrant agreement described below, the AMER Warrant will become exercisable at $0.50. After drawdown of the Bank Loan, AMER will also be entitled to nominate a third Director to General Moly's Board of Directors. All conditions under the warrant agreement were originally required to be completed no later than April 17, 2017 in order for the AMER Warrant to vest and become exercisable. As the Bank Loan was not available on this date, on April 17, 2017, and again subsequently on June 16, 2017, July 16, 2017, and August 7, 2017, the Company and AMER entered into the First Amendment, Second Amendment, Third Amendment, and Fourth Amendment (the "Warrant Amendments") to the AMER Warrant. With the Fourth Amendment, the Company and AMER agreed to extend the deadline for satisfaction of all conditions to vesting of the AMER Warrant to the third anniversary of the re-issuance of the ROD for the Mt. Hope Project, as discussed below in Note 12, anticipated mid-2019.

Molybdenum Supply Agreement

The Company and AMER have agreed on the substantive terms of a definitive agreement that would provide a one-time option exercisable simultaneously with Bank Loan execution to purchase the balance of the Company's share of Mt. Hope molybdenum production, estimated to be approximately 16.5 million pounds annually, for the first five years of production, and 70% of the Company's annual share of Mt. Hope molybdenum production thereafter at a cost of spot price less a slight discount.

Permitting

Permitting Process Overview

The development, operation, closure and reclamation of mining projects in the U.S. require numerous notifications, permits, authorizations, and public agency decisions. This section does not attempt to exhaustively identify all of the permits and authorizations that need to be granted, but instead focuses on those that are considered to be critical for Mt. Hope Project and/or Liberty Project start-up.

Environmental Evaluations

There are certain environmental evaluations that routinely must be completed in order to provide the information against which project impacts are measured. Both the BLM and Nevada Department of Environmental Protection ("NDEP") have requirements to profile existing conditions and to evaluate what effects will result from developing the Mt. Hope Project.

Reports summarizing background information on geology, air quality, soils, biology, water resources, wildlife, vegetation, noise, visual resources, social and economic conditions, and cultural resources have been assembled and have been submitted to the appropriate regulatory agencies. These reports have been approved during the permitting process.

Mt. Hope Permitting Requirements

The Mt. Hope Project requires both federal and state of Nevada permits before construction and operations can commence. 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 Water Pollution Control ("WPC") permit and Reclamation Permit from the NDEP—BMRR, received in November 2012, and an Air Quality Permit ("AQP") from the NDEP—Bureau of Air Pollution Control ("BAPC"), received in May 2012. We continue to comply with the conditions of these permits and update or renew them as appropriate.

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The BLM prepared an EIS analyzing the environmental impacts of the Mt. Hope Project and alternatives in accordance with the National Environmental Policy Act (“NEPA”). Upon completion and approval of the EIS, in November 2012, the BLM issued the initial ROD for the Mt. Hope Project, authorizing development of the Mt. Hope Project, since vacated by the U.S. Court of Appeals for the Ninth Circuit in December 2016, discussed below. On April 23, 2015, the BLM issued a Finding of No Significant Impact (“FONSI”) supporting their Decision to approve an amendment to the PoO. The ROD and FONSI/Decision approve the PoO and amended PoO, respectively, for construction and operation of the mining and processing facilities and also grant the Right-of-Way, and amended Right-of-Way, respectively, for a 230kV power transmission line, discussed below. Monitoring and mitigation measures identified in the initial ROD and FONSI, developed in collaboration with the regulatory agencies involved throughout the permitting process, will avoid, minimize, and mitigate environmental impacts, and reflect the Company’s commitment to be good stewards of the environment. Ongoing changes to permits and the PoO during the life of mining operations are typical as design evolves and operations are optimized.

On February 15, 2013, Great Basin Resource Watch and the Western Shoshone Defense Project (“Plaintiffs”) filed a Complaint against the U.S. Department of the Interior and the BLM (“Defendants”) in the U.S. District Court, District of Nevada, seeking relief under the National Environmental Policy Act (“NEPA”) and other federal laws challenging the BLM’s issuance of the ROD for the Mt. Hope Project, and on February 20, 2013 filed a Motion for Preliminary Injunction. The District Court allowed the LLC to intervene in the matter.

On August 22, 2013, the District Court denied, without prejudice, Plaintiffs’ Motion for Preliminary Injunction based on a Joint Stipulation to Continue Preliminary Injunction Oral Argument, which advised the District Court that as a result of economic conditions, including the Company’s ongoing financing efforts, all major ground disturbing activities had ceased at the Mt. Hope Project.

On July 23, 2014, the District Court denied Plaintiffs’ motion for summary judgment in its entirety and on August 1, 2014 the Court entered judgment in favor of the Defendants and the LLC, and against Plaintiffs regarding all claims raised in the Complaint.

Thereafter, on September 22, 2014, the Plaintiffs filed their notice of appeal to the U.S. Court of Appeals for the Ninth Circuit (“Ninth Circuit”) of the District Court’s dismissal. Oral argument of the parties before the Ninth Circuit was completed on October 18, 2016. On December 28, 2016, the Ninth Circuit issued its Opinion rejecting many of the arguments raised by the Plaintiffs challenging the Environmental Impact Statement ("EIS") completed for the Mt. Hope Project, but issuing a narrow reversal of the BLM's findings related to air quality analysis. Because of this technical deficiency, the Court vacated the ROD, and the BLM is conducting additional evaluation of air quality impacts and resulting cumulative impact analysis under the NEPA and an SEIS will be prepared. The SEIS will disclose additional information to the public related to the selection of appropriate background concentrations to use for dispersion modeling of air pollutants and information related to public water resources. Because the SEIS must be prepared in accordance with the NEPA guidelines, the SEIS process will include three publications in the Federal Register, each of which may take several weeks to process. The first of these publications is the Notice of Intent

("NOI") which declares the BLM's intent to prepare the SEIS. The NOI was published in the Federal Register on July 19, 2017. On March 6, 2019, the BLM published the Notice of Availability ("NOA") in the Federal Register, commencing a 45-day public comment period. Upon completion of the public comment period, we will continue to work with the BLM to receive a new ROD, anticipated later in 2019, authorizing the eventual construction and operation of the Mt. Hope Project.

Environmental regulations related to reclamation require that the cost for a third-party contractor to perform reclamation activities on the minesite be estimated. In October 2015, we submitted a request to the BLM to reduce our reclamation liability to current surface disturbance. Simultaneously, we submitted an application to NDEP-BMRR to modify the Reclamation Permit to reflect this reduced reclamation liability. On October 26, 2015, NDEP-BMRR approved the proposed permit modification, including the reduced reclamation liability amount. On December 21, 2015, BLM approved the updated reclamation liability estimate, reducing the reclamation liability to approximately $2.8 million. We worked with the LLC's reclamation surety underwriters to satisfy the reduced $2.8 million financial guarantee requirements under the approved amended PoO for the Mt. Hope Project. As of December 31, 2018, the surety bond program is funded with a cash collateral payment of $0.3 million.

On January 2, 2013, the Public Utilities Commission of Nevada ("PUCN") issued the LLC a permit to construct a 230kV power line that interconnects with Nevada Energy's transmission system at the existing Machacek Substation

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located near the town of Eureka, Nevada and extend it approximately 25 miles to the planned Mt. Hope Substation. The PUCN permit allows the LLC to build the transmission infrastructure in a timely manner and provide the necessary capacity to power construction activities and Mt. Hope Project operations. Construction of the transmission line will also include upgrades to the existing Machacek Substation near Eureka that will improve the reliability of electrical power to the community. At full production, the Mt. Hope Project will have a total electrical demand load of approximately 75 megawatts. Transmission capacity will be secured using a network services agreement and the LLC will negotiate for generating capacity prior to the Mt. Hope Project commissioning activities, which will be available once the power line is constructed and energized.

Water Pollution Control Permit—Nevada Division of Environmental Protection—Bureau of Mining Regulation and Reclamation

Environmental regulations related to reclamation require that the cost for a third-party contractor to perform reclamation activities on the mine site be estimated. The BMRR administers the program for the WPC Permit, which is required for the Mt. Hope Project. The WPC Permit program specifies design criteria for containment of process fluids and mandates development of monitoring, operational, and closure plans. The WPC Permit requires renewal every five years. We received the WPC Permit in November 2012, and have submitted the renewal application of the WPC Permit and have received the renewed WPC permit.

Reclamation Permit —Nevada Division of Environmental Protection—Bureau of Mining Regulation and Reclamation and Bureau of Land Management

The BMRR administers the program for the Reclamation Permit, which is required for the Mt. Hope Project. The Reclamation Permit approves the proposed reclamation methods, specifies reclamation objectives, and requires bonding based on the reclamation cost estimate. Environmental regulations require that the reclamation cost estimate be based on the cost for a third-party contractor to perform the approved reclamation activities. We received the Reclamation Permit in November 2012. Regulations also require that the reclamation cost estimate be updated every three years. BMRR and BLM are jointly responsible for review and approval of the reclamation cost estimate. The three-year update has been submitted to BMRR and BLM and is undergoing review. The reclamation permit remains valid while the reclamation cost estimate is being reviewed.

Air Quality Permit—Nevada Division of Environmental Protection—Bureau of Air Quality

The Nevada BAPC regulations categorize permit types as Class 1 or Class 2, based on the estimated emissions amounts. The Mt. Hope Project is subject to a Class 2 permit (smaller emissions) based on emissions estimates. The permit application included an emissions inventory and dispersion modeling to demonstrate that emissions from the project will not exceed established air quality standards. Emissions are primarily associated with the crush/grind

circuit (particulate matter) and the roaster (sulfur oxides). Roaster emissions will be controlled with a 99.7% estimated removal efficiency for sulfur oxides. We received the Air Quality Permit ("AQP") in May 2012.

Minor process changes identified through continued engineering and the preliminary phase of construction, were compiled into an application to amend the AQP, and submitted to Nevada BAPC on December 23, 2013. A revised AQP was issued on July 30, 2014.

Water Rights Considerations

In July 2011, the Nevada State Engineer ("State Engineer") approved our applications for new appropriation of water for mining and milling use, and applications to change existing water from agricultural use to mining and milling use for the Mt. Hope Project. Subsequently, the State Engineer granted water permits associated with the approved applications and approved a Monitoring, Management and Mitigation Plan ("3M Plan") for the Mt. Hope Project. Eureka County, Nevada and two other parties comprised of water rights holders in Diamond Valley and Kobeh Valley appealed the State Engineer's decision granting the water permits to the Nevada State District Court ("District Court") and then filed a further appeal to the Nevada Supreme Court challenging the District Court's decision affirming the State Engineer's decision to approve the applications and grant the water permits. In June 2013, the appeal was consolidated by the Nevada Supreme Court with an appeal of the State Engineer's approval of the 3M Plan filed by two water rights holders. The District Court previously upheld the State Engineer's approval of the 3M Plan and the two parties subsequently appealed the District Court's decision to the Nevada Supreme Court.

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On September 18, 2015, the Nevada Supreme Court issued an Order that reversed and remanded the cases to the District Court for further proceedings consistent with the Order. On October 29, 2015, the Nevada Supreme Court issued the Order as a published Opinion. The Nevada Supreme Court ruled that the State Engineer did not have sufficient evidence in the record at the time he granted the water permits to demonstrate that successful mitigation may be undertaken so as to dispel the threat to existing water rights holders.

On September 27, 2017, the Nevada Supreme Court affirmed a March 4, 2016 District Court Order vacating the 3M Plan, denying the water applications and vacating the permits issued by the State Engineer in July 2011 and June 2012. This decision of the Nevada Supreme Court is final, and not subject to further appeal.

After the Company received this final decision from the Nevada Supreme Court, it proceeded with new applications to change existing agricultural irrigation and mining/milling water rights owned by the Company to use at the Mt. Hope Project. These new change applications were filed with the State Engineer in 2015 and 2016 while the above described appeals were pending before the Nevada Supreme Court. Originally, these applications and other new appropriation applications were to be addressed at a pre-hearing conference scheduled on August 25, 2016 before the State Engineer. These applications were the subject of Writ of Prohibition or Mandamus ("Writ") filed by Eureka County on August 23, 2016 to the Nevada Supreme Court seeking the Supreme Court's intervention to stop further action by the State Engineer while the appeal discussed above was pending. On December 22, 2017, the Nevada Supreme Court denied Eureka County's Writ Petition. As a result, the State Engineer allowed a pre-hearing conference held on January 24, 2018. At the pre-hearing conference the State Engineer and his hearing officer scheduled review of the new change applications for a hearing that occurred on September 11, 2018 in Carson City, Nevada.

On January 2, 2018, Eureka County, and later joined by the other two protestants representing a rancher in Kobeh Valley and a ranching group in Diamond Valley, filed a motion to dismiss with the State Engineer asserting that our applications were precluded from review and approval asserting that they were repetitive of applications denied previously by the Nevada Supreme Court. On March 26, 2018, the State Engineer issued a non-final order denying the motion to dismiss finding that the applications to be reviewed at the upcoming hearing were not identical issues and that further consideration of the motion could be taken at the hearing. On May 14, 2018, Eureka County, joined by the other protestants filed a Writ to the Nevada Supreme Court and later a Motion to Stay the September hearing date, asserting that the denial of the Motion to Dismiss was erroneous and that the Nevada Supreme Court should order that the applications be denied and/or the hearing should be delayed until the Nevada Supreme Court can consider the Writ and underlying motion to dismiss. We filed our objection on June 27, 2018. On August 30, 2018, the Nevada Supreme Court denied the Writ, permitting the hearing before the Nevada State Engineer to proceed on September 11, 2018.

On the second day of the September hearing, all protest issues raised by Eureka County and the Diamond Natural Resources Protections & Conservation Association ("DNR") concerning the Mt. Hope water rights applications were resolved through a Stipulation, Settlement Agreement and Withdrawal of Protest ("Settlement"). After Eureka County

and DNR were excused, the hearing continued with evidence addressing concerns raised by another protestant representing a Kobeh Valley ranching family and cattle company that refused to participate in the Settlement. At the public hearing, the Company presented expert testimony in support of its augmentation and monitoring plan to the Nevada State Engineer, which will protect senior water rights in the Kobeh Valley basin when the Company commences construction and operation of its proposed molybdenum project near the town of Eureka, Nevada.

The hearing concluded on September 21, 2018. The Company anticipates a decision on its water applications from the Nevada State Engineer in mid-2019.

Key Terms of Settlement

Under the terms of the Settlement with Eureka County and the DNR, the Company agreed to convey all related water rights for Mt. Hope Project at the future cessation of all mining activity to assist Eureka County and the DNR's efforts to mitigate the pre-existing effects of agricultural groundwater pumping in Diamond Valley. Furthermore, upon construction of certain power infrastructure and grants of right of way by the Company at the Mt. Hope Project, the Company will work cooperatively with Eureka County to allow use of and access to such infrastructure to lessen the pre-existing effects of Diamond Valley groundwater pumping. Eureka County and the Company also agreed to work cooperatively to seek opportunities to improve and implement groundwater monitoring efforts.

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In addition, the Company withdrew its protests to Eureka County's pending applications with the Nevada State Engineer to appropriate water from the Kobeh Valley basin, and at the request of DNR, the Company also agreed to publicly support the proposed Diamond Valley Ground Water Management Plan currently pending before the Nevada State Engineer.

Upon receipt of the water permits, the LLC agreed to increase its financial contributions to the existing Sustainability Trust Agreement with the Eureka Producers' Cooperative ("EPC") in Diamond Valley. Eureka Moly paid $50,000 to EPC upon execution of the Settlement, and will make a second payment of $50,000 after receipt of the water permits.

Additional contributions of $750,000 each will be made after the commencement of molybdenum production at the Mt. Hope Project and on the one-year anniversary of production, for a total contribution obligation to the Sustainability Trust of $5.6 million, an increase of $1.6 million related to the terms of the Settlement. The amount has been accrued under mining properties, land, and water rights in the Company's financial statements in addition to the previously accrued $4.0 million resulting in a total accrual of $5.6 million.

The Sustainability Trust is tasked with developing and implementing programs that will serve to slow groundwater drawdown and thereby improve the sustainability of the agricultural economy in the Diamond Valley Hydrographic Basin.

Equipment and Supply Procurement

Through December 31, 2018, the LLC has made deposits and/or final payments of $88.1 million on equipment orders.

In 2012, the LLC issued a firm purchase order for eighteen haul trucks. The order provides for delivery of those haul trucks required to perform initial mine development, which will begin several months prior to commercial production. Non-refundable down-payments of $1.2 million were made in 2012, with pricing subject to escalation as the trucks were not delivered prior to December 31, 2013. Since that time, the LLC has renegotiated the timelines for truck delivery and delayed deliveries into December 2019. The contract is cancellable with no further liability to the LLC.

Also in 2012, the LLC issued a firm purchase order for four mine production drills with a non-refundable down-payment of $0.4 million, and pricing was subject to escalation if the drills were not delivered by the end of 2013. Since that time, the LLC has renegotiated the contract to further delay delivery into December 2019. The contract remains cancellable with no further liability to the LLC.

On June 30, 2012, the LLC's contract to purchase two electric shovels expired. On July 11, 2012, we signed a letter of intent with the same vendor providing for the opportunity to purchase the electric shovels at prices consistent with the expired contract, less a special discount in the amount of $3.4 million to provide credit to the LLC for amounts paid as deposits under the expired contract. The letter of intent provides that equipment pricing will remain subject to inflation indexes and guarantees production slots to ensure that the equipment is available when required by the LLC. Since that time, the parties have agreed to extend the letter of intent through December 31, 2019.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

Access

The Mt. Hope Project has year-round access from Route 278. The land package includes the land between the project site and Route 278 making the project accessible from existing roads.

Climate

Climate in the area is moderate, with average highs in July of about 85 degrees Fahrenheit and lows in January of about 17 degrees Fahrenheit. Precipitation in the area is relatively low with annual precipitation averages of about 12 inches. Operations at the site are planned to continue year-round.

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Local Resources and Infrastructure

The town of Eureka, Nevada is approximately 21 miles to the south of the Mt. Hope Project, via Route 278. The infrastructure requirements to support the mine and mill concentrator consist of bringing power and water to the property, commensurate with the operational requirements, including developing a water wellfield within the Kobeh Valley water basin, constructing site access roads, constructing maintenance shops for the mine and plant administrative offices, constructing a potable water supply system, constructing septic drain field systems, installing emergency power generators and propane gas tanks, and installing facilities for project communications. A 230kV power line is expected to be developed from the Machacek substation near Eureka to the mine site.

Water Rights and Surface Rights

Planned water wells, located approximately 6 miles to the southwest of the planned operating facilities, are anticipated to supply approximately 7,000 gallons per minute to the Mt. Hope Project. Exploration for water is sufficiently advanced to identify the source of water that will be used for all project water needs, with final fresh water development to occur during the construction of the project. (See "—Permitting — Mt. Hope Permitting Requirements — Water Appropriation Permits—Nevada Division of Water Resources" above for a discussion of the current status of our applications for water rights for use in the Mt. Hope Project).

Surface rights on the Mt. Hope Project include BLM open range grazing rights; water rights are located in the vicinity of the Project. Two power line easements cross within the property boundaries. An existing easement for a 345kV transmission line runs north-south on the western edge of the property and the other existing easement is a medium-voltage power line that runs east along the existing main access road that connects to Route 278 to the eastern property boundary. The LLC also has a right-of-way from the BLM for a microwave relay that provides network communications and voice radio capability for the mine site and will provide improved cellular service to the surrounding community.

Physiography

The Mt. Hope area lies within an area of north-south trending mountains separated by alluvial valleys. The primary mountain ranges in the Mt. Hope area include the Roberts Mountains, Sulphur Spring Range, Diamond Mountains, Simpson Park Range, and the Cortez Mountains. Elevations of the mountains range from approximately 6,800 feet for the crests of the Sulphur Spring range to over 10,000 feet for the Roberts Mountains.

The major valleys in the Mt. Hope region are Diamond Valley to the east, Pine Valley to the north, and Kobeh Valley to the west and southwest of the Mt. Hope Project. Diamond and Pine Valleys are elongated in a north-south direction.

Valleys are typically underlain by up to several thousand feet of unconsolidated to poorly consolidated alluvium. Mountains are characterized by extensive bedrock exposures. Soils are typically thin and poorly developed.

Generally, groundwater in the mountains is hosted in fracture-controlled aquifers, while groundwater in the valleys is in porosity-controlled aquifers.

The upper portions of the valleys are similar in nature and are characterized by slightly incised stream channels with no significant associated floodplain. The uplands and mountains have slopes ranging from moderate to steep (over 30 percent) with shallow to deep, moderately alkaline to medium acidic soils. Bedrock is often within 0.5 meters of the surface, particularly on the steep upland slopes.

Lake sediments make up the largest areas in the valleys. The slopes range from smooth to rolling (0 to 15 percent) and the soils vary from shallow to deep and mildly to strongly alkaline. The surface textures range from silty clay loams to gravelly sandy loams and local sand. The permeability of these soils ranges from slow to rapid.

The natural vegetation of the region consists of pinion juniper and sagebrush with grass. The pinion juniper occupies the higher elevations of the mountain slopes, with the lower areas in the valley covered predominantly with sagebrush, shrubs, and perennial bunchgrasses.

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Mt. Hope, located in the lower foothills of the southeast flank of the Roberts Mountains, stands approximately 8,400 feet in elevation. Areas to the east and southeast of the Mt. Hope Project slope gently to elevations from 6,400 to 7,900 feet. Diamond Valley, situated to the south and east, is approximately 6,000 feet in elevation.

These physiographic attributes are typical of other major mines in Nevada.

History

Mt. Hope Prior Ownership and Results of Exploration Work

Lead-zinc ores were discovered at Mt. Hope in 1870, and small-scale mining was carried out sporadically until the 1970s. Zinc and adjacent copper mineralization were the focus of drilling activities by Phillips Petroleum in the early 1970s and by ASARCO and Gulf ("ASARCO") in the mid-1970s, which outlined further zinc mineralization. The last drill hole of this series encountered significant molybdenum mineralization at depth west of the zinc deposits. The significance of this mineralization was first recognized by ASARCO in 1976, but ASARCO did not reach an agreement with MHMI to test this potential.

Exxon recognized molybdenum potential at Mt. Hope in 1978 and acquired an option on the property from MHMI. By 1982, Exxon had completed 69 drill holes, which partially defined a major molybdenum deposit underlying the east flank of the Mt. Hope property. Exxon conducted a +/-25% feasibility study of the Mt. Hope project in 1982. A draft EIS was completed on the project and public hearings were held in early 1985. Exxon drilled an additional 60 holes on the property between 1983 and 1988 but did not update their deposit block model with data from the post-1982 holes. Cyprus drilled four holes on the property in 1989-90 under an agreement with Exxon but did not pursue the project. Exxon retains a perpetual 1% royalty interest, as discussed above in "—Description of the Mt. Hope Project—Royalties, Agreements and Encumbrances—Production Royalty."

We established an agreement with MHMI in 2004 pursuant to which we obtained access to the work completed by previous companies that had evaluated the property, including drill core and drill data. We used this data as the basis for developing an evaluation of the Mt. Hope deposit. The evaluation provided the basic engineering, plant design and other aspects of analysis of the Mt. Hope Project and outlined a positive operating process, waste disposal, mine design and plan, preliminary Environmental Assessment ("EA"), permitting plan, operating and capital cost estimates, and the corresponding estimates of mineralized material.

Geology

Mt. Hope is located in north-central Nevada on the eastern edge of a mineral belt linking ore deposits of diverse ages. The Battle Mountain-Eureka mineral belt, a northwest-southeast trending corridor about 250 miles long, has localized major deposits of gold, silver, copper, and molybdenum.

The Mt. Hope molybdenum ore deposit occurs in an area of about two square miles of elevated igneous rocks. The mineralized complex includes a variety of igneous rocks derived from a common volcanic source. Quartz porphyry, the primary molybdenum host rock, is commonly veined with molybdenite. Subordinate molybdenum mineralization also occurs in hornfels. The known orebody occurs in two zones of the quartz porphyry stock and hornfels wallrocks.

The ore deposit is a molybdenum porphyry, which is classified as a “Climax-type” deposit. This type of deposit has well zoned molybdenum mineralization. The molybdenum mineral content, termed grade zoning, surrounds the central area of the deposit and forms geometries that are circular in plan and arch shaped in section. Mt. Hope has two of these mineralized systems adjacent to each other. The mineral zones or “shells” consist of quartz porphyry and hornfels cross-cut by quartz stockwork veining containing molybdenite.

Mineralization

The main form of molybdenum mineralization that occurs within the orebody is molybdenite (MoS_2 - molybdenum disulfide). Much of the known molybdenite is distributed around two lobes and offshoots of the main quartz porphyry stock and within two separate mineralized zones. A concentration of higher-grade mineralization is present between the eastern and western mineral zones. This overlap mineralization lies beneath the Mt. Hope Fault, and the upper, eastern edge is truncated by the fault surface. The overlap zone is interpreted as a rock volume that was

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mineralized by both mineral systems in sequence, contributing to a greater intensity of stock work veining and additive molybdenum grades. Referred to as the Mt. Hope Fault Zone, this area is approximately 1,300 feet in diameter and varies from 325 to 985 feet deep. This zone will be the target of open pit mining in the first 7 years of the project.

Exploration

The majority of the exploration activities were completed prior to our leasing the property from MHMI. However, since acquiring access to the Mt. Hope Project, we have completed additional exploration drilling for molybdenum for the purposes of supporting our BFS and subsequent January 2014 Technical Report and obtaining engineering information for items such as geotechnical design, hydrology, and condemnation for waste dumps and tailing ponds as well as infill drilling for ore calculation purposes.

All core and assay results from the extensive drilling campaigns are available to the Company. Accordingly, this data has been incorporated into a high quality database and has been used to analyze and quantify the mineral resource. The drilling at the Mt. Hope Project has been predominately performed by utilizing diamond core methods, and some reverse circulation ("RC") in areas of condemnation and water well drilling. The drill hole database used in the current mineral resource estimate includes 267 holes drilled for a total of 324,634 feet of drilling; 247,893 feet of which are core and RC collar/core finish, the remaining 76,741 feet are RC.

Ore to Be Mined

The table below summarizes the ore grades we would expect to mill under an $8.00/lb Mo open pit design:

Mill Feed Ore Statistics

Category	Ktons	Average Grade Sulfide Mo%	Mo Recovery %
Ore in Years 1-5	120,736	0.094	89.8
Ore in Years 1-10	242,441	0.086	89.5
Ore Life of Mine	367,385	0.079	89.3

Based on these estimates, from the inception of production through year 16, the mill will process 367 million tons of ore at an average ore grade of 0.079% sulfide molybdenum ("sulfide Mo"). Waste material totaling 818 million tons will also be mined and stockpiled on site.

If the molybdenum price is above $12.00/lb, the Mt. Hope Project will operate under a $12.00/lb Mo open pit design. Based on this design, from the inception of production through year 34, the mill would process 820 million tons of ore at an average ore grade of 0.076% sulfide Mo. During the active mining period, low-grade ore totaling 165 million tons with an average ore grade of 0.039% sulfide Mo will be stockpiled for later feed into the mill from years 34 through 41. Waste material totaling 1.7 billion tons will also be mined and stored on site.

During the first thirteen years of production, there would be no meaningful change in ore tonnage and grades between the $8.00 and $12.00 designs. The divergence would come in later years resulting in the economic processing of lower grade ores at higher molybdenum prices.

Mining

The Mt. Hope Project is planned for production by conventional large-scale, hardrock, open-pit mining methods. The mine plan provides for primary loading with a fleet of two electric cable shovels, one hydraulic shovel, and one front-end loader. The mine fleet is expected to include 24 240-ton trucks by the end of the first full year of production. Once construction commences, the LLC anticipates engaging a contractor to perform approximately 10 months of pre-production stripping concurrent with the initial phases of construction of the Mt. Hope Project.

Ore will be hauled directly to the crusher at the southeast side of the pit. Waste will be delivered to one of four waste sites located around the mine. One low grade stockpile will be located to the east of the pit. The low-grade material will be re-handled and processed through the plant following the initial mining of higher grade ore.

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Process Overview

The process circuit will include:

· Primary Crusher & Coarse Ore Stockpile—The primary crusher will be located adjacent to the pit and crushed ore will be fed to a 70,000 ton live capacity stockpile.

· Semi-Autogenous Grinding ("SAG") & Ball Mill Circuit—Ore will be reclaimed from the stockpile from up to four feeders and fed by conveyor to the SAG mill. The design will allow for the addition of a pebble crusher. Following the SAG mill, the ore will be ground to 80% passing 150 micrometers in the two ball mills at an average daily processing rate of 66,688 tons.

· Flotation Circuit—Following the grinding circuit, the ore will be processed in a conventional flotation plant. The molybdenum ore will be treated through two banks of rougher/scavenger flotation, one stage of first cleaners followed by regrind, and six additional stages of cleaner flotation. Some molybdenum concentrates with higher levels of included metals will be treated through a concentrate leach facility to produce the cleaned, final molybdenum concentrate. Metallurgical results have indicated that an estimated mill recovery of approximately 89% is achievable across grades ranging from 0.04% through 0.10% molybdenum ("Mo") with final concentrate grades of approximately 54% to 56% Mo.

· Roaster Circuit—Molybdenum concentrate will be further processed in two multi-hearth roasters to produce technical grade molybdenum trioxide product. The roasting facility will provide a fully integrated process.

Tailing Facility

The proposed mining and processing operation is expected to produce approximately 24 million tons of tailing (including gypsum generated by the scrubber) per year. The tailing storage facility layout provides for the construction of one tailing impoundment that could contain approximately 30 years of operations. The tailing impoundment will be constructed with plastic liners to provide for groundwater protection.

Reserves and Mineralized Material

Based on the $8.00/lb Mo pit design, the current statement of proven reserves totals 177.5 million tons of ore at an average grade of 0.094% molybdenum and probable reserves totaling 189.8 million tons of ore at an average grade of 0.066% molybdenum, as summarized below:

Statement of Reserves and Mineralized Material

Units = Short Tons

Reserves

Cutoff Grade		Proven Reserves			Probable Reserves			Proven+Probable Reserves		
			Grade			Grade			Grade	
Sulfide Mo		Ktons	Sulfide Mo		Ktons	Sulfide Mo		Ktons	Sulfide Mo	
0.039	%	177,537	0.094	%	189,848	0.066	%	367,385	0.080	%

Additional Mineralized Material

Cutoff Grade	Mineralized Material		
		Grade	
Sulfide Mo	Ktons	Sulfide Mo	
0.025	682,460	0.061	%

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Footnotes to Statements of Reserves and Mineralized Material

The Company tabulated reserves at a cutoff grade of 0.039% sulfide Mo and a pit design based on a price of $8.00/lb of contained molybdenum as saleable molybdenum tri-oxide ("TMO"). As of December 31, 2018, the 4 year backward average price (2014-2018) for molybdenum was $8.32/lb, as reported by Platts. As of March 12, 2019, the spot price was $12.70/lb. The 4 year forward looking nominal average price (2019-2022) forecast by the CPM Group (a leading commodities research and consulting firm) is $15.67/lb. Average the past 4 years and the future 4 years yields $11.94/lb. At this average price, the estimated mineral sales from the $8.00/lb molybdenum pit mine plan generates a positive non-discounted, forward-looking cash flow. Consequently, the $8.00/lb reserve pit design is again maintained.

The reserve at the Mt. Hope Project is based on a revised, non-optimized mine plan and production schedule, which was supervised by John M. Marek, P.E., President, Independent Mining Consultants, as a Qualified Person. Mr. Marek also served as the Qualified Person for the January 2014 Technical Report entitled "Mount Hope Project, Form 43-101F1 Technical Report Feasibility Study, January 15, 2014" and, among other, was specifically responsible for Chapter 14 Mineral Resource Estimates and Chapter 15 Mineral Reserves.

The reserve at the Mt. Hope Project is based on a block model that utilized the statistical process of Indicator and Ordinary Linear Kriging constrained by appropriate rock type and grade boundaries. Floating cone pit design algorithms were used to establish the guidelines to design the reserve pit. Mine planning utilized conventional mine equipment to prepare mine cost estimates.

Mineralized material is tabulated within the $12.00/lb pit outline that defined the previous reserves in January of 2014. The additional mineralized material is proven and probable category above a 0.025% Sulfide Mo cutoff that is inside of the historic $12.00/lb Mo pit but does not include the reserve material contained in the $8.00/lb Mo pit.

The metallurgical recovery applied to the financial models used in the determination of reserves was variable by grade, with 89.8% for the first five years of mining, 89.5% for the first ten years, and 89.3% for the life of mine. The molybdenum roaster recovery was held constant at 99.2%.

Capital & Operating Cost Estimates

Presently, the development of the Mt. Hope Project has a Project Capital Estimate of $1,312 million, which includes development costs of approximately $1,245 million and $67 million in cash financial guaranty/bonding requirements, advance royalty payments, and power pre-payment estimates. These capital costs were updated in the third quarter of

2012 and were then escalated by approximately 3% in the third quarter of 2013, for those items not yet procured or committed to by contract. The Mt. Hope Project has not materially changed in scope and remains currently designed at approximately 65% engineering completion, with solid scope definition. The pricing associated with this estimate remains subject to escalation associated with equipment, construction labor and commodity price increases, and project delays, which will continue to be reviewed periodically. The Project Capital Estimate does not include financing costs or amounts necessary to fund operating working capital and potential capital overruns, is subject to additional holding costs as financing activities for construction of the Mt. Hope Project are delayed and may be subject to other escalation and de-escalation as contracts and purchase arrangements are finalized at then current pricing. From October 2007 through the year ended December 31, 2018, the LLC spent approximately $295.1 million of the estimated $1,312 million on development of the Mt. Hope Project.

The LLC's Project Operating Cost Estimate (for the $8.00/lb mineral reserve) forecasts molybdenum production of 41 million pounds per year for the first five years of operations at estimated average direct operating costs of $6.16 per pound based on $90 per barrel oil equivalent energy prices. The Costs Applicable to Sales ("CAS") per pound, including anticipated royalties calculated at a market price of $15 per pound molybdenum, are anticipated to average $6.84 per pound for the first 5 years. For a reconciliation of direct operating costs, a non-GAAP measure, to CAS, see "—Production and Operating Cost Estimates" below. These cost estimates are based on 2013 constant dollars and are subject to cost inflation or deflation.

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The anticipated capital requirements of the Mt. Hope Project are divided into cost categories in the following table:

	Millions $US	
Category	2012 Estimate	2013 Revised Estimate
Mining equipment	$ 150	$ 149
Construction, materials & plant facilities	583	595
Owners cost, pre-stripping, camp	245	265
Taxes, freight, commissioning, spares	73	74
Equipment suspension costs	11	11
Engineering, Procurement, & Construction Mgmt	70	70
Contingency	70	59
Escalation	—	22
Total Capital	$ 1,202	1,245
Bonding and pre-paid items	67	67
Total Capital Requirement	$ 1,269	1,312

Furthermore, ongoing replacement and sustaining mine equipment and process plant capital over a $12.00/lb Mo pit 41-year operating life is currently estimated to be approximately $786 million (in 2013 dollars). For a shorter mine life of 16 years ($8.00 pit), the sustaining capital would be $222 million. These amounts exclude financing costs, amounts necessary to fund operating working capital, or reclamation. We expect that these cost estimates will continue to evolve over time based on changes in the industry-wide cost structure as well as changes in our operating strategies and initiatives for the project.

Pricing

In the first half of 2018, molybdenum prices were bell-shaped as it rose from $10.25/lb at the end of 2017, reached 2018 high of $13.00/lb in March and then decreased to the low for 2018 of $10.60/lb at the end of June, according to Platts. The molybdenum price remained volatile through the second half of 2018, increased to $12.38 in early December before retreating to end 2018 at $11.88/lb. The March 12, 2019 molybdenum price was $12.70/lb, 21 percent higher than year-end 2017, based on Platts' data.

Further details are described in "Molybdenum Market Update" below.

In its February 2019 Molybdenum Quarterly publication, CPM forecasts average nominal prices for molybdenum to increase from $13.36/lb in 2019 to $17.67/lb in 2022.

Production and Operating Cost Estimates

Production over the life of the Mt. Hope Project is estimated to be 517 million pounds of saleable molybdenum on a 100% basis ($8.00/lb reserve). Average yearly production over the first full five years is estimated at 41 million pounds of molybdenum. Direct operating costs for the Mt. Hope Project over the first full five years of operation are anticipated to average $6.16 per pound, using $90 per barrel oil equivalent energy costs, and Costs Applicable to Sales ("CAS") per pound over the first full five years of operation, including anticipated royalties calculated at $15 per pound molybdenum, are anticipated to average $6.84 per pound. Life of mine CAS are estimated to be approximately $7.61 per pound of molybdenum at $90 per barrel oil, inclusive of anticipated royalty payments calculated at $15 per pound molybdenum. These cost estimates are based on 2013 constant dollars and are subject to cost inflation or deflation. The Company will update the operating cost projections with new commodity pricing adjustments at the time of project construction restart.

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Reconciliation between CAS, a measure based on accounting principles generally accepted in the United States of America ("GAAP"), and direct operating costs, a non-GAAP measure, is provided in the table below.

Description	First Five Years	Life of Mine
Direct operating costs	$ 6.16	$ 6.84
Royalty payments (1)	0.68	0.77
Total CAS	$ 6.84	$ 7.61

(1) Royalty payments are a function of assumed molybdenum prices realized. The above calculation assumes a molybdenum price of $15.00 per pound.

These cost estimates are based on 2013 constant dollars and are subject to cost inflation or deflation. The U.S. Bureau of Labor Statistics "Producer Price Index by Commodity for Intermediate Demand by Commodity Type: Processed Goods for Intermediate Demand" (WPSID61) dropped from a value of 200.0 in 2013 to 196.2 as of December 2017, indicating that our capital and operating cost estimates are still valid and conservative.

Description of the Liberty Project

On March 17, 2006, we purchased the Liberty Project, an approximately ten square mile property in Nye County, Nevada, including water rights, mineral and surface rights, buildings and certain equipment from High Desert Winds LLC ("High Desert"). The property includes the former Hall molybdenum and copper deposit that was mined for molybdenum by open pit methods between 1982 and 1985 by Anaconda and between 1988 and 1991 by Cyprus. Equatorial Tonopah, Inc. mined copper from 1999 to 2000 on this property, although their operations were in a separate open pit also located on the property. Much of the molybdenum deposit was drilled but not developed or mined by these previous owners. At closing, we paid High Desert a cash payment of $4.5 million for a portion of the property, and in November 2006, made an additional payment of $1.0 million for the remainder of the property.

On January 30, 2007, we purchased Equatorial Mining North America, Inc. and its two subsidiaries, which owned a 12% net smelter returns royalty on the Liberty Project, from Equatorial Mining Pty. Limited, effectively eliminating all third-party royalties on the property. The consideration paid for the Equatorial acquisition was $4.8 million with an additional deferred payment of $6.0 million, which will be due upon commencement of commercial production at the property. In connection with the transaction, we acquired $1.2 million in cash accounts and assumed all environmental liabilities on the reclaimed site. We later purchased all outstanding mineral claims associated with this property that were not previously owned by us thus giving the Company 100% control over all mineral rights within the boundary of the property, as well as claims on BLM property adjacent to the patented grounds.

Since purchasing the Liberty Project, we completed two drilling programs that, combined with previous evaluation work performed by former owners, identified additional mineralization. In April 2008, we completed a pre-feasibility study on the Liberty Project that detailed initial capital and operating costs, anticipated mining and milling rates and permitting requirements. In 2011 the Company released an updated NI 43-101 compliant resource estimate and later the same year a pre-feasibility study detailing updated resource estimates and project economics was released. Metallurgical and environmental work were advanced in 2013 with $0.2 million in external costs and use of dedicated internal resources. In 2014, the Company more closely examined the use of existing infrastructure and copper potential of the property. This work resulted in an updated NI 43-101 compliant pre-feasibility study released in July 2014 which developed a statement of mineral reserves under Canadian definitions. Those definitions are not consistent with U.S. definitions. Under Industry Guide 7, the Liberty deposit contains 309.2 million tons of mineralized material with a total molybdenum grade of 0.078% and a total copper grade of 0.098% using a $12.00/lb Mo pit. The Liberty Project is viewed by the Company as a follow-on project to the Mt. Hope Project that we intend to actively pursue following development of the Mt. Hope Project, dependent on market conditions.

The Liberty Project includes a previously mined open pit and a small heap leach facility, both developed by previous operators. The Company continues to perform maintenance and reclamation activities on these facilities under a permit administered by NDEP.

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History

In 1955, Anaconda leased and optioned the Liberty molybdenum prospect and mine in order to evaluate extensive molybdenum and copper occurrences. From 1956 through 1966, Anaconda explored or delineated molybdenum mineralization over an approximate one square mile area. Drilling indicated extensive mineralization from the surface to a depth of approximately 2,000 feet. Drilling delineated approximately 200 million tons of mineralization grading 0.091 percent sulfide molybdenum, which was included in a long-term mining plan. (Historic references to tonnage and grade are based on available historic records. They may not reflect the current definitions of mineral reserves and mineral resources as defined by the SEC or by Canadian NI 43-101.) Mine construction began in 1979 with production from the Hall Mine starting in 1981. Anaconda ceased operations in 1985 due to low metal prices. Between 1982 and 1991, Anaconda and successor operator Cyprus mined a total of 50 million tons of ore grading 0.11 percent molybdenum. No further molybdenum mining took place after 1991, leaving an estimated 150 million tons of un-mined material at a grade of 0.09 percent molybdenum.

Between 1995 and 2002 a copper zone independent of the existing molybdenum pit was the subject of a copper leach operation by Equatorial. Approximately 10 million tons were mined before operations ceased in 2002.

The molybdenum mine open pit remains easily accessible for mining. Various facilities and improvements continue to exist on the property that may be of future use for molybdenum and/or copper operations including a power supply, water rights, water and well system, offices, truck and vehicle shops, thickening tanks, water and fuel tanks, roads and other structures. All of the mobile equipment was removed from the property. Much of the plant area was reclaimed after the 2002 closure with most of the crushing, conveying, grinding, concentrator equipment and other milling equipment being removed from the property.

Geology

The Liberty molybdenum deposit appears to conform to a class of deposit that is generally termed in ore deposit literature as a “Climax-Urad” type, where better-grade molybdenum mineralization in the form of molybdenite (MoS_2) is concentrated in and along the margins of an irregularly-shaped “sleeve” or “shell” around a central lower-grade to nearly barren core of silicic-alkalic intrusive rocks. In some cases, an outer shell of copper-dominant mineralization surrounds the interior molybdenum-dominant shell(s).

The Hall stock (Cretaceous intrusive rocks) intruded the metasedimentary sequence of rocks in the Late Cretaceous Period. It hosts most of the molybdenum mineralization. The 2,500 ft-diameter stock complex consists of two spatially and temporally-distinct bodies — the earlier North stock and the younger South stock, which truncated the molybdenum mineralization hosted by the North stock.

Base metal mineralization in the Liberty deposit consists of molybdenite (MoS_2), chalcopyrite ($CuFeS_2$), chalcocite (Cu_2S), galena (PbS), sphalerite (ZnS), tetrahedrite ($Cu_8Sb_2S_7$), and pyrite (FeS_2). Molybdenite occurs mainly in 0.1" to 1.2"-wide quartz veins and veinlets in amounts that range from 0.1% to more than 40% by volume, typically as a selvage on vein walls. Molybdenite is also found in wider (+1.2") quartz veins, but these are much less common in occurrence. Chalcopyrite and pyrite also are common but lesser vein/veinlet constituents.

Although chalcopyrite can occur with molybdenite in minor amounts in veins and veinlets within the main body of molybdenum mineralization in the Hall stock, it is much more prevalent in quartz veins in the metasediments on the northeast and east sides of the stock. Here it occurs in the remnant of the copper-dominant shell that originally surrounded the Hall stock before it was tilted and disrupted by faulting. In addition to chalcopyrite, chalcocite occurs as disseminations and as secondary coatings on pyrite within a roughly horizontal blanket of secondary supergene copper enrichment just below the bottom of oxidation.

The Liberty deposit has been subjected to much folding and faulting. A major anticline located 3,000' to the south of the Hall stock has an axis that trends N20°W and plunges 50° to 70° to the northwest. Post-Cretaceous tilting of the northern San Antonio Mountains and other structural disruptions have resulted in the rotation of the Liberty deposit so that it now plunges to the east. This rotation has caused erosion of the deposit along its flank, exposing both the shallow and deep-emplaced portions of the mineralization. The Liberty deposit was segmented by faulting. The Basement Fault bounds the bottom of the deposit while the Liberty Fault truncates the deposit on the west side. In

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addition to these major structures, a number of N40˚E- to N30˚W-trending normal faults and several east-west-trending normal faults transect the Liberty deposit.

Liberty Project Permitting Requirements

The majority of the Liberty Project area is located on fee lands and patented claims owned by the Company. Unpatented claims administered by the BLM are on public ground and largely surround the open pit and waste stockpile areas. BLM approval will be required prior to commencement of operations, including construction, which would likely include an EIS under NEPA. A shorter EIS and state permitting process are anticipated for the Liberty Project as compared to the Mt. Hope Project, as the Liberty Project is located largely on privately held property with existing water rights, is located in a previously mined area in a mining friendly jurisdiction, and is sparsely vegetated due to the arid climate.

In addition to land ownership, two other factors distinguish the Liberty Project from the Mt. Hope Project with respect to environmental permitting. First, water consumption is not as significant an issue at Liberty. Unlike the Mt. Hope Project, the areas surrounding Liberty are not extensively irrigated. In addition, we own significant water rights at the Liberty site and have water wells in place. Second, the area has been mined previously which has resulted in significant surface disturbance. By conducting exploration drilling on pre-existing disturbance, to the extent possible, the amount of additional disturbance is greatly reduced, and permitting requirements to support further exploration is likewise reduced. Furthermore, there is extensive environmental information developed to support permitting of the previous mine operation. We anticipate that this information can be used to streamline the permitting process by reducing the amount of baseline studies and other technical information that must be developed by the Company.

The Nevada Division of Environmental Protection (“NDEP”) has identified environmental concerns with some Liberty Project facilities acquired with the property. NDEP’s concerns are related to aspects of previously approved closure plans required by Nevada regulation. We have proposed options to NDEP to address these concerns. In July, 2018, we addressed one of those concerns by successfully completing a program, as approved by NDEP, to neutralize the acidic Liberty pit lake by adding hydrated lime to raise the pH. Our 2019 projected costs are consistent with budgeted spend. We will continue to work with NDEP to evaluate ongoing options to address any future concerns, and additional costs may be required beyond 2018 to meet NDEP’s closure requirements. However, a reasonable estimate cannot be determined at this time as it is not possible to reasonably predict the outcome of our negotiations with NDEP.

Environmental Investigation - Shoshone County, Idaho

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (“CERCLA”), imposes strict, joint, and several liability on parties associated with releases or threats of releases of hazardous

substances. Liable parties include, among others, the current owners and operators of facilities at which hazardous substances were disposed or released into the environment and past owners and operators of properties who owned such properties at the time of such disposal or release. This liability could include response costs for removing or remediating the release and damages to natural resources. We are unaware of any reason why our undeveloped properties would currently give rise to any potential CERCLA liability. We cannot predict the likelihood of future CERCLA liability with respect to our properties, or to surrounding areas that have been affected by historic mining operations.

Our mineral property holdings in Shoshone County, Idaho include lands contained in mining districts that have been designated as a “Superfund Site” pursuant to CERCLA. 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 districts, the Superfund Site covers the majority of Shoshone County including our Chicago-London and Little Pine Creek properties 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.

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Applicable Mining Laws

Mining in the State of Nevada is subject to federal and state law. Three types of laws are of particular importance to the Mt. Hope Project: those affecting land ownership and mining rights; those regulating mining operations; and those relating to the environment.

The Mt. Hope Project is situated on lands owned by the U.S. (“federal lands”). The LLC, as the owner or leaseholder of the unpatented mining claims, has the right to conduct mining operations on the lands subject to the required operating permits and approvals, compliance with the terms and conditions of the Mt. Hope Lease, and compliance with applicable federal, state, and local laws, regulations and ordinances. On federal lands, mining rights are governed by the General Mining Law of 1872, as amended, 30 U.S.C. UU 21-161 (various sections), which allows for the location of mining claims on certain federal lands upon the discovery of a valuable mineral deposit and on proper compliance with claim location requirements.

The operation of mines is governed by both federal and state regulatory programs. The predominant non-environmental federal regulatory program that will affect future mining operations at the Mt. Hope Project is the mine safety regulations administered by the Mine Safety and Health Administration. Additional federal laws, such as those governing the purchase, transport, storage or usage of explosives, and those governing communications systems, labor and taxes also apply. State non-environmental regulatory programs affecting operations include the permitting programs for drinking water systems, sewage and septic systems, water rights appropriations, Department of Transportation, and dam safety (engineering design and monitoring).

Environmental regulations require various permits or approvals before any mining operations on the Mt. Hope Project can begin. Federal environmental regulations are administered primarily by the BLM. The Environmental Protection Agency (“EPA”) has delegated authority for the Clean Water Act and Clean Air Act to the State of Nevada. The NDEP, therefore, has primacy for these programs and is responsible for administering the associated permits for the Mt. Hope Project. The Bureau of Mining Regulations and Reclamation (“BMRR”) within NDEP administers the WPC and Reclamation permits. The Bureau of Air Pollution Control (“BAPC”) within NDEP administers the Air Quality Permit. The NDEP also administers the permit program for onsite landfills. The Nevada Division of Wildlife administers the artificial industrial pond permit program. Local laws and ordinances may also apply to such activities as waste disposal, road use and noise levels. Both our Mt. Hope Project and Liberty Project will be subject to these various environmental laws and regulations.

Other Mining Properties

We also have mining claims and land purchased prior to 2006 which consist in part of (a) approximately 107 acres of fee simple land in the Little Pine Creek area of Shoshone County, Idaho, (b) six patented mining claims known as the

Chicago-London group, located near the town of Murray in Shoshone County, Idaho, (c) 34 unpatented mining claims in Marion County, Oregon, known as the Detroit property, and (d) 83 unpatented mining claims in Sanders and Madison County, Montana. Our efforts at these properties are minimal and consume no significant financial resources. The total book value of these properties is approximately $0.1 million and the Company has retained production royalties of 1.5% of all net smelter returns on future production from two undeveloped properties in Skamania County, Washington and Josephine County, Oregon, which were sold in 2012 and 2013, respectively.

Other United States Regulatory Matters

The Resource Conservation and Recovery Act ("RCRA") and related state laws regulate generation, transportation, treatment, storage, or disposal of hazardous or solid wastes associated with certain mining-related activities. RCRA also includes corrective action provisions and enforcement mechanisms, including inspections and fines for non-compliance.

Mining operations may produce air emissions, including dust and other air pollutants, from stationary equipment, such as crushers and storage facilities, and from mobile sources such as trucks and heavy construction equipment. All of these sources are subject to review, monitoring, permitting, and/or control requirements under the federal Clean Air Act and related state air quality laws. Air quality permitting rules may impose limitations on our production levels or create additional capital expenditures in order to comply with the permitting conditions.

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Under the federal Clean Water Act and delegated state water-quality programs, point-source discharges into "Waters of the State" are regulated by the National Pollution Discharge Elimination System program, while Section 404 of the Clean Water Act regulates the discharge of dredge and fill material into "Waters of the United States," including wetlands. Stormwater discharges also are regulated and permitted under that statute. All of those programs may impose permitting and other requirements on our operations.

The Endangered Species Act ("ESA") is administered by the U.S. Department of Interior's U.S. Fish and Wildlife Service ("USFWS"). The purpose of the ESA is to conserve and recover listed endangered and threatened species and their habitat. Under the ESA, "endangered" means that a species is in danger of extinction throughout all or a significant portion of its range. "Threatened" means that a species is likely to become endangered within the foreseeable future. Under the ESA, it is unlawful to "take" a listed species, which can include harassing or harming members of such species or significantly modifying their habitat. We conduct wildlife and plant inventories required by regulatory agencies prior to initiating exploration or mining project permitting. We currently are unaware of any endangered species issues at any of our projects. A threatened species occurs in limited segments of two creeks approximately 10 miles to the north of the proposed wellfield for the Mt. Hope Project. Although hydrologic modeling predicts no impacts to these stream segments, consultation with the USFWS was required. Future identification of endangered species or habitat in our project areas may delay or adversely affect our operations.

We are committed to fulfilling or exceeding our requirements under applicable environmental laws and regulations. These laws and regulations are continually changing and, as a general matter, are becoming more restrictive. Our policy is to conduct our business in a manner that strives to safeguard public health and mitigates the environmental effects of our business activities. To comply with these laws and regulations, we have made, and in the future may be required to make, capital and operating expenditures.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described below and elsewhere in this report, which could materially and adversely affect our business, results of operations or financial condition. If any of the following risks actually occurs, the market price of our common stock would likely decline. The risks and uncertainties we have described below include all of the material risks presently known to us, however, additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our operations.

Our investors may lose their entire investment in our securities

An investment in our securities is speculative and the price of our securities has been and will likely continue to be volatile. Only investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in our securities.

Substantial doubt exists as to our ability to continue as a going concern

Our consolidated financial statements have been prepared assuming we will continue as a going concern. We have experienced substantial and recurring losses from operations, which losses have caused an accumulated deficit of $191.1 million at December 31, 2018. At December 31, 2018, we had approximately $2.0 million in unrestricted cash and $6.2 million in restricted cash held by the LLC on hand. Based on the Company's cash balances as of December 31, 2018, the Company believes that it will be able to sustain its corporate and Liberty Project operations only through the quarter ending March 31, 2019. The Mt. Hope Project remains funded into 2021 by the reserve account held by the LLC for the payment of ongoing jointly approved (by POS-Minerals and the Company) expenses until the Company obtains full financing for its portion of the Mt. Hope Project construction cost. However, the Company does not currently have liquidity and capital resources to finance its portion of Mt. Hope Project operations beyond 2021.

We have been funding our business principally through sales of our securities, most recently with the closure of Tranche 1 and Tranche 2 of the three-tranche equity private placement under the AMER Investment Agreement, our at-the-market offering facility and our October 2018 underwritten public offering. The Tranche 1 and Tranche 2 placement provided $10.0 million to the Company, and an additional $10.0 million is committed for the Tranche 3 placement at a price of $0.50 per share upon the reissuance of our water permits or the closure of a joint business opportunity involving the use of at least 10 million shares of the Company. Additionally, during 2018, we utilized our at-the-market offering facility to sell approximately 1.2 million shares for $0.5 million, and received net proceeds of approximately $2.0 million

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from our underwritten public offering of 9,151,000 units, consisting of common stock and warrants, at a price of $0.25 per share. In conjunction with the public offering, the Company agreed to suspend the ATM facility for a period of 2 years. There is no certainty that the funding from Tranche 3 with AMER will become available within the next 12 months. We expect to continue to fund our Corporate and Liberty Project costs through additional equity investments in the Company and are also attempting to sell some of our non-critical equipment to raise additional funds .Our projected construction and development costs at the Mt. Hope Project are anticipated to be funded by procurement of the Bank Loan under the AMER Investment Agreement, upon receipt of water permits and completion of the SEIS and ROD from the BLM, coupled with sustained molybdenum prices and other additional equity or debt infusions. The Bank Loan will not provide funding for Corporate or Liberty Project expenses. These factors, among others, raise substantial doubt about our ability to continue as a going concern for the next 12 months. Our consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. We may choose to reduce our Corporate or Liberty Project operating expenses through reductions in our operating costs during fiscal year 2019 if we are not successful in our efforts to raise additional capital. We may not be able to increase our cash flow to a level which would support our Corporate or Liberty Project operations and provide sufficient funds to pay our obligations past the first quarter 2019 or thereafter, for the foreseeable future. Further, we may not be able to raise additional capital or, if we are successful in our efforts to raise additional capital, the terms and conditions upon which any such capital would be extended. If we are unable to meet our obligations past first quarter 2019, we would be forced to cease all operations and pursue restructuring alternatives, in which event investors may lose their entire investment in our Company.

We may not be able to obtain, maintain or renew licenses, rights and permits required to develop or operate our mining projects, or we may encounter environmental conditions or requirements that would adversely affect our business

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 is required to obtain a ROD from the BLM, authorizing implementation of the Mt. Hope Project PoO. As discussed above, the Ninth Circuit vacated the ROD which had approved the EIS for the Mt. Hope Project, rejecting air quality baseline metrics and questioning the potential existence of public water reserves within the PoO. Additionally, the Nevada Supreme Court vacated our 3M Plan and water permits for the Mt. Hope Project due to insufficient evidence that the threat to existing water rights holders could be successfully mitigated. The LLC is also required to obtain various state and federal permits including water protection, air quality, water rights and reclamation permits. We may not be successful in obtaining a new ROD authorizing implementation of the Mt. Hope PoO or in obtaining a reissuance of our water permits from the Nevada State Engineer or in defending future appeals of the water permits, if reissued, or defending legal challenges to the anticipated new ROD and our other permits, which may affect our ability to maintain the permits.

In addition to requiring permits for the development of the Mt. Hope Project, we will need to obtain and modify various mining and environmental permits during the life of the project. Obtaining, modifying, and renewing the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions and often requiring 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 maintained or 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 financing, development or operation of the Mt. Hope Project.

The development of the Mt. Hope Project may continue to be delayed, which could result in increased costs or an inability to complete its development

The LLC may experience continued delays in developing the Mt. Hope Project. These could increase its development costs, affect its economic viability, or prevent us from completing its development. The timing of development of the Mt. Hope Project depends on many factors, some of which are beyond our and the LLC's control, including:

· Sustained low prices for molybdenum;

· Timely availability of project financing to construct the Mt. Hope Project;

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- Timely availability of equipment;

- Inability to obtain a reissuance of the ROD or reobtain water permits, and successfully defend subsequent appeals;

- Continued appeals or unfavorable orders concerning our attempts to reobtain water rights, Mt. Hope Project related state of Nevada and federal permits, including the ROD;

- Completion of advanced engineering;

- Timely availability of labor and resources from construction contractors throughout construction of the project; and

- Volatility in foreign exchange and/or interest rates.

Any delays caused by our inability to raise capital when needed may lead to the cancellation or extension of, or defaults under, agreements with equipment manufacturers or a need to sell equipment and other project related assets already purchased, any of which may adversely impact the Mt. Hope Project timeline. Additionally, delays to the Mt. Hope Project schedule have consequences with regard to our sales agreements, the LLC Agreement with POS-Minerals, including potential claims by POS-Minerals, which may serve to increase our capital obligations and further enhance these risks.

Our profitability depends largely on the success of the Mt. Hope Project, the failure of which would have a material adverse effect on our financial condition

We are focused primarily on the ability to develop the Mt. Hope Project and to seek and obtain construction financing upon reobtaining necessary permits, and sustained improvement in current molybdenum market conditions. Accordingly, our profitability depends largely upon the successful financing to continue the development and operation of this project. We are currently incurring losses and we expect to continue to incur losses until sometime after molybdenum production begins at the Mt. Hope Project. The LLC may never achieve production at the Mt. Hope Project and may never be profitable even if production is achieved. The failure to see improvements in the molybdenum market such that we may seek and obtain financing for the construction of the Mt. Hope Project would have a material adverse effect on our financial condition, results of operations and cash flows. Even if the LLC is successful in construction and eventually achieving production, an interruption in operations at the Mt. Hope Project that prevents the LLC from extracting ore from the Mt. Hope Project for any reason would have a material adverse impact on our business.

If certain conditions are not met under the AMER transaction documents, our ability to begin construction of the Mt. Hope Project could be delayed further

The additional investments by AMER in our common stock and the related proposed financing with a Chinese bank and the molybdenum supply agreement are subject to a number of conditions precedent, including reobtaining our water permits or closing a mutually acceptable transaction involving more than 10 million shares of Company stock and negotiation of acceptable loan terms with a Chinese bank. These conditions may not be met, in which case our ability to begin construction of the Mt. Hope Project could be delayed further.

Past strong demand for molybdenum in China could be affected by future developments in that country

The Company is highly exposed to the Chinese market. China's demand for molybdenum could be substantially affected by an economic slowdown in China, financial or banking market conditions impacting investment, or an accelerated shift from infrastructure-led to service-oriented growth. Increased federal regulatory oversight concerning our relationships with investors in China, as well as access of Chinese consumers to our products may become more burdensome. Any or all of these may adversely affect the Company's ability to obtain financing for construction of the Mt. Hope Project.

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We require and may not be able to obtain substantial financing in order to fund the development and eventual operations of the Company and the LLC and if we are successful in raising additional capital, it may have dilutive and other adverse effects on our stockholders

If the actual costs to obtain financing and complete the development of the Mt. Hope Project are significantly higher than we expect, we may not have enough funds to cover these costs and we may not be able to obtain other sources of financing. The failure to obtain all necessary financing would prevent the LLC from developing and eventually achieving production at the Mt. Hope Project and impede our ability to become profitable. Our financing plan assumes that POS-Minerals will continue to make their required on-going capital contributions after we obtain financing or exhaust the reserve account as outlined in the LLC Agreement. We may not be able to obtain financing necessary for developing and eventually achieving production at the Mt. Hope Project if these contributions are not made.

We continue to review the technical merits of the Liberty Project, which would also require significant additional capital to permit and/or commence mining activities. We may not be able to obtain the financing necessary to develop the Liberty Project should we decide to do so.

If additional financing is not available, or available only on terms that are not acceptable to us, we may be unable to fund the development and expansion of our business, attract and retain qualified personnel, take advantage of business opportunities or respond to competitive pressures. Any of these events may harm our business. Also, if we raise funds by issuing additional shares of our common stock, preferred stock, debt securities convertible into preferred or common stock, or a sale of additional minority interests in our assets, our existing stockholders will experience dilution, which may be significant, to their ownership interest in us or our assets. If we raise funds by issuing shares of a different class of stock other than our common stock or by issuing debt, the holders of such different classes of stock or debt securities may have rights senior to the rights of the holders of our common stock.

The LLC Agreement gives POS-Minerals the right to approve certain major decisions regarding the Mt. Hope Project which could impair our ability to quickly adapt to changing market conditions

The LLC Agreement requires unanimous approval of the members for certain major decisions regarding the Mt. Hope Project. This effectively provides either member with a veto right over the specified decisions. These decisions include:

· Approval of the operations to be conducted and objectives to be accomplished by the Mt. Hope Project (“Program and Budget”);

- Approval of the budget for costs to be incurred by the LLC and the schedule of cash capital contributions to be made to the LLC ("Budget");

- Approval of cost overruns in excess of 10% until we obtain financing or exhaust the reserve account balance, and thereafter 15% of the approved Program and Budget;

- Approval of an expansion or contraction of the average tons per day ("tpd") planned of 20% or more from the relevant tpd throughput schedule in the BFS;

- Approval of the LLC's acquisition or disposition of significant real property, water rights or real estate assets;

- Approval of the incurrence of indebtedness by the LLC that requires (1) an asset of the LLC to be pledged as security, (2) the pledge of a membership interest in the LLC, or (3) a guaranty by either the Company or POS-Minerals, other than in each instance a purchase money security interest or other security interest in the LLC to finance the acquisition or lease of equipment;

- Approval of the conduct of business other than the development, construction, operations and financing of the Mt. Hope Project, including the potential Cu-Ag target and zinc mineralization, and

- Approval of the issuance by the LLC of an ownership interest to any person other than Nevada Moly or POS-Minerals,

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· Approval of the termination of the Mt. Hope Project or the liquidation/dissolution of the Project.

The requirement that certain decisions be approved by POS-Minerals may make it more difficult for our stockholders to benefit from certain decisions or transactions that we would otherwise cause the LLC to make if they are opposed by POS-Minerals.

Fluctuations in the market price of molybdenum could adversely affect the value of our Company and our securities

The profitability of our mining operations will be influenced by the market price of the metals we mine. The market prices of metals such as molybdenum fluctuate widely and are affected by numerous factors including several that are beyond the control of any mining company. 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 and banking crises, global and regional demand, production costs in major molybdenum producing areas, and a number of other factors. Sustained periods of low molybdenum prices would adversely impact our ability to seek financing for the development of the Mt. Hope Project and the Liberty Project, and our ability to obtain revenues, profits, and cash flows. In particular, a sustained low molybdenum price could:

· Have a continued negative impact on the availability of financing to us;

· Cause a continued delay and suspension of our development activities and, ultimately, mining operations at our Mt. Hope Project, if such operations become uneconomic at the then-prevailing molybdenum price; and

· Prevent us from fulfilling our obligations under our agreements or licenses which could cause us to lose our interests in, or be forced to sell, our properties.

Furthermore, the need to reassess the feasibility of any of our projects if molybdenum prices were to return to historical lows could cause substantial delays. Mineral reserve calculations and life-of-mine plans using lower molybdenum prices could result in reduced estimates of mineral reserves and in material write-downs of our investment in mining properties and increased amortization, reclamation and closure charges.

The volatility in metals prices is illustrated by the molybdenum price chart shown in the Molybdenum Market Update section and the historical monthly average prices ranging from a low price of $2.16/lb in January 2001 to a high of $33.84 in August 2008 for molybdenum. The worldwide molybdenum price fluctuated between approximately $5.30/lb in 2003 to over $40.00/lb in 2005 and traded in the mid-$30s/lb 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 financial crisis. Subsequent

to April 2009, prices slowly rose finishing 2009 at $12.00 per pound and further increasing to finish 2010 at $16.40 per pound. By the end of 2011, prices had pulled back to $13.45 per pound, then decreased further to $9.70 per pound at the conclusion of 2013, and fell further to approximately $9.00 per pound by the end of 2014. Beginning in September 2014, the molybdenum price experienced a sharp pullback reflecting softening demand and a strengthening U.S. dollar, amongst other factors. A slow price recovery during 2016 saw the price at yearend 2016 at $6.75/lb. Molybdenum strengthened through most of 2017 and broke into double-digit prices to end of 2017 at $10.25/lb. Molybdenum prices reached a high of $13.00/lb in March 2018, a level last seen in 2014, and closed 2018 at $11.88/lb. (Prices quoted subsequent to 2010 are sourced from Platts.) Although we estimate the Mt. Hope Project's average cost of production over the first five years to be approximately $7.00 per pound, a sustained period of lower molybdenum prices would have material negative impacts on the Company's profitability. Actual molybdenum prices when and if we commence commercial production cannot be estimated and are subject to numerous factors outside our control.

Our profitability is subject to demand for molybdenum, and any decrease in that demand, or increase in the world's supply, could adversely affect our results of operations

Molybdenum is used primarily in the steel industry. The demand for molybdenum from the steel industry and other industries was extremely robust through the third quarter of 2008, primarily fueled by growth in Asia and other developing countries. Beginning in the fourth quarter of 2008, the global financial crisis forced steel companies to substantially reduce their production levels with a corresponding reduction in the consumption of molybdenum, which contributed to the decline in the price of molybdenum. Starting in September 2014, molybdenum prices began to decline

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and remained low through 2016, but improved throughout 2017 and 2018. Continued low molybdenum prices could delay our ability to obtain other financing, and could cause a continued suspension of our development or, in the future, a suspension of our mining operations at our Mt. Hope Project.

A sustained significant increase in molybdenum supply could also adversely affect our results. CPM Group estimates that during the next five years a total of 55 million annual pounds of production could be added to the supply of molybdenum (including a portion of the supply from our Mt. Hope Project). In the event demand for molybdenum does not increase to consume the potential additional production, the price for molybdenum may be adversely affected.

We are exposed to counter party risk, which may adversely affect our results of operations

The off-take sales agreements the Company has completed contain provisions allowing for the sale of molybdenum at certain floor prices, or higher, over the life of the agreements. During the past 18 months there have been periods where the spot molybdenum prices fell below the inflation-adjusted floor prices in the contracts. During these time periods all off-take contracts would have provided for the Company to sell molybdenum at above-spot prices. In addition, presently, one of our off-take agreement counterparties currently has the option to cancel its agreement, and a second off-take agreement will expire on December 31, 2020 if production at specified minimum levels has not commenced by that date. We currently do not expect to commence commercial production before late 2022. In the event that our contract counterparties choose not to honor their contractual obligations, attempt to terminate these agreements as a result of the continuing delay in achieving production, or discontinue operations, our profitability may be adversely impacted. We may be unable to sell any product our contract parties fail to purchase in a timely manner, at comparable prices, or at all.

Our mineralization and reserve estimates are uncertain, and any material inaccuracies in those estimates could adversely affect the value of our mineral reserves

There are numerous uncertainties inherent in estimating mineralization and reserves, including many factors beyond our control. The estimation of mineralization and reserves is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, metallurgical testing, production, and the evaluation of mine plans subsequent to the date of any estimate may justify revision of such estimates. The volume and grade of mineralization and reserves recovered and rates of production may be less than anticipated. Assumptions about prices are subject to greater uncertainty and metals prices have fluctuated widely in the past. Further declines in the market price of molybdenum and copper may render mineralization and reserves containing relatively lower grades of ore uneconomic to exploit, which may materially and adversely impact our reserve and mineralization estimates at our projects. Changes in operating and capital costs and other factors including, but not limited to, short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades, may also materially and adversely affect mineralization and reserves.

Any material inaccuracies in our production or cost estimates could adversely affect our results of operations

We have prepared estimates of future molybdenum production. We or the LLC may never achieve these production estimates or any production at all. Our production estimates depend on, among other things:

- The accuracy of our mineralization and reserves estimates;
- The accuracy of assumptions regarding ore grades and recovery rates;
- Ground conditions and physical characteristics of the mineralization, such as hardness and the presence or absence of particular metallurgical characteristics; and
- The accuracy of estimated rates and costs of mining and processing.

Our actual production may vary from our estimates if any of our assumptions prove to be incorrect. With respect to the Mt. Hope Project, we do not have the benefit of actual mining and production experience in verifying our estimates, which increases the likelihood that actual production results or costs will vary from the estimates.

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Mining has inherent dangers and is subject to conditions or events beyond our control, and any operating hazards could have a material adverse effect on our business

Mining at the Mt. Hope Project and Liberty Project will involve the potential for various types of risks and hazards, including: environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structure cave-in or slides, flooding, fires, and interruption due to inclement or hazardous weather conditions.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, environmental damage, delays in mining, increased production costs, monetary losses, and possible legal liability. We may not be able to obtain insurance to cover these risks at economically feasible premiums and some types of insurance may be unavailable or too expensive to maintain. We may suffer a material adverse effect on our business and the value of our securities may decline if we incur losses related to any significant events that are not covered by our insurance policies.

Our operations make us susceptible to environmental liabilities that could have a material adverse effect on us

Mining is subject to potential risks and liabilities associated with the potential pollution of the environment and the necessary disposal of mining waste products occurring as a result of mineral exploration and production. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to us or the LLC (or to other companies in the minerals industry) at a reasonable price. To the extent that we become subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to us and could have a material adverse effect on us. Laws and regulations intended to ensure the protection of the environment are constantly changing, and are generally becoming more restrictive.

Legal title to the properties in which we have an interest may be challenged, which could result in the loss of our rights in those properties

The ownership and validity, or title, of unpatented mining claims are often uncertain and may be contested. A successful claim contesting our title or interest to a property or, in the case of the Mt. Hope Project, the landowner's title or interest to such property could cause us and/or the LLC to lose the rights to mine that property. In addition, the success of such a claimant could result in our not being compensated for our prior expenditures relating to the property.

Climate change and climate change legislation or regulations may adversely impact General Moly's planned future operations

Energy is anticipated to be a significant input in General Moly's operations. A number of governmental bodies have introduced or are contemplating legislative and regulatory change in response to the possible impacts of climate change. U.S. Congress and several states have initiated legislation regarding climate change that could affect energy prices and demand. In December 2009, the EPA issued an endangerment finding under the federal Clean Air Act indicating that current and projected concentrations of certain mixed greenhouse gases in the atmosphere, including carbon dioxide, threaten the public health and welfare. It is possible that regulation may be promulgated in the U.S. to address the concerns raised by the endangerment finding.

Legislation and increased regulation regarding climate change could impose increased costs on us, our partners and our suppliers, including increased energy, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Until the timing, scope and extent of any future regulation becomes known, we cannot predict the effect on our financial condition, financial position, results of operations and ability to compare.

The possible physical impacts of climate change on the Company's planned future operations are highly uncertain and would be particular to the geographic circumstances in the area in which we operate. These may include changes in rainfall, storm patterns and intensities, shortages of water or other natural resources, changing sea levels, and changing temperatures. These effects may adversely impact the cost, production and financial performance of the Company's planned future operations.

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Mineral exploration and mining activities require compliance with a broad range of laws and regulations, and compliance with or violation of these laws and regulations may be costly

Mining operations and exploration activities are subject to federal, state, and local laws and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health and safety, waste disposal, toxic substances, land use, environmental protection, reclamation obligations, and mine safety. In order to comply with applicable laws and regulations, we may be required to make capital and operating expenditures or to close an operation until a particular problem is remedied. In addition, if our activities violate any such laws and regulations, we may be required to compensate those suffering loss or damage, and may be fined if convicted of an offense under such legislation. We may also incur additional expenses and our projects may be delayed as a result of changes and amendments to such laws and regulations, including changes in local, state, and federal taxation.

Land reclamation requirements for exploration properties may be burdensome, may divert funds from our exploration programs and could have an adverse effect on our financial condition

Although variable, depending on location and the governing authority, land reclamation requirements are generally imposed on mineral exploration companies, as well as companies with mining operations, in order to minimize long term effects of land disturbance. Reclamation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance landforms and vegetation. In order to carry out reclamation obligations imposed on us in connection with our mineral exploration, we and the LLC must allocate financial resources that might otherwise be spent on further exploration programs. Such costs could also have an adverse effect on our financial condition.

Non-compliance with our Mt. Hope Mines Inc. Lease could result in loss of the LLC’s rights to develop the Mt. Hope Project and may adversely affect our business

The LLC leases the Mt. Hope Project from MHMI under the Mt. Hope Lease. Failure to comply with the terms of the Mt. Hope Lease (which principally require us to make prescribed payments on or before certain prescribed dates) could result in loss of the LLC’s rights to develop the Mt. Hope Project. Any loss of rights under the Mt. Hope Lease would have a material adverse effect on us and our ability to generate revenues.

Our ability to operate our Company effectively could be impaired if we lose key personnel or if we are not able to attract and retain the additional personnel we will need to develop any of our projects, including the Mt. Hope Project

We are a small company with a limited operating history and relatively few employees. The development of any of our proposed projects, including the Mt. Hope Project, will place substantial demands on us. We depend on the services of key executives and a small number of personnel, including our Chief Executive Officer/Chief Financial Officer, Chief Operating Officer, Chief Legal Officer, Principal Accounting Officer and Vice President of Environmental and Permitting.

We will be required to recruit additional personnel and to train, motivate and manage these new employees as our projects mature toward eventual construction and operation. The number of persons skilled in the development and operation of mining properties is limited and significant competition exists for these individuals. We implemented a reduction in force in November 2014 and another in October 2015, affecting more than 40% of our employees and contractors as a result of the delay in our ability to obtain project financing. In each of January 2015, 2016, 2017 and 2018, we implemented an annual retention program including equity stay incentives to our officer and all non-officer employees, though this retention program may not be successful in retaining our executives and key employees. As a result of our current cash restraints, we were unable to re-implement the annual retention program for 2019. We may not be able to attract and retain qualified personnel in the future. We do not maintain “key person” life insurance to cover our executive officers. Due to the relatively small size of our company and the specific skill sets of our key employees, the loss of any of our key employees or our failure to attract and retain key personnel may delay or otherwise adversely affect the development of the Mt. Hope Project, which could have a material adverse effect on our business.

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We rely on independent contractors and experts and technical and operational service providers over whom we may have limited control

Because we are a small exploration and development stage company, we rely on independent contractors to assist us with technical assistance and services, contracting and procurement and other matters, including the services of geologists, attorneys, engineers and others. Our limited control over the activities and business practices of these service providers or any inability on our part to maintain satisfactory commercial relationships with them may adversely affect our business, results of operations, and financial condition.

Changes to the General Mining Law of 1872 and related federal legislation that impact unpatented mining claims could adversely impact the Mt. Hope Project

The Mt. Hope Project is located substantially on unpatented mining claims administered by the BLM. Mining on unpatented mining claims is conducted pursuant to the General Mining Law of 1872 and amendments thereto. Legislation for the amendment of the mining laws applicable to mining property has been considered by the U.S. Congress, which may include imposition of a governmental royalty and new permitting and environmental rules. Amendments to the mining laws could cause delays, increase the costs, and have an adverse effect on the returns anticipated from the Mt. Hope Project.

Increased costs could affect our ability to become profitable

Costs at any particular mining location frequently are subject to variation due to a number of factors, such as changing ore grade, changing metallurgy, and revisions to mine plans in response to the physical shape and location of the ore body. In addition, costs are affected by the price of commodities, such as fuel, electricity, and labor. Commodity costs are at times subject to volatile price movements, including increases that could make production at our projects less profitable or uneconomic.

We anticipate significant capital expenditures in connection with the development of the Mt. Hope Project. In the past several years, costs associated with capital expenditures have escalated on an industry-wide basis as a result of major factors beyond our control. Increased costs for capital expenditures have an adverse effect on the returns anticipated from the Mt. Hope Project.

Shortages of critical parts, equipment and skilled labor may adversely affect our development projects

The industry has been impacted at times by increased worldwide demand for critical resources such as input commodities, drilling equipment, tires, and skilled labor. Shortages may cause unanticipated cost increases and delays in delivery times, potentially impacting operating costs, capital expenditures, and production schedules.

Cost estimates and timing of new projects are uncertain

The capital expenditures and time required to develop new mines or other projects are considerable and changes in costs or construction schedules can affect project economics. There are a number of factors that can affect costs and construction schedules, including, among others:

- Sustained lower molybdenum pricing;
- Availability of project financing;
- Availability of water, labor, power, transportation, commodities, and infrastructure;
- Increases in input commodity prices and labor costs;
- Fluctuations in exchange rates;
- Difficulty of estimating construction costs over a period of years; and

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· Delays in obtaining and maintaining environmental or other state of Nevada and federal government permits, including ongoing appeals related to efforts to obtain water permits and additional evaluation of air quality studies and public review to receive a new ROD.

Legislation, including the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act, may make it difficult for us to retain or attract officers and directors and increase the costs of doing business, which could adversely affect our financial position and results of operations

We may be unable to attract and retain qualified officers, directors and members of board committees required to provide for our effective management as a result of the recent changes and currently proposed changes in the rules and regulations, which govern publicly-held companies. The Sarbanes-Oxley Act of 2002 has resulted in a series of rules and regulations by the SEC that increase responsibilities and liabilities of directors and executive officers. The Dodd-Frank Wall Street Reform and Consumer Protection Act, adopted in July 2010, imposes significant additional obligations and disclosure requirements, as to which SEC rulemaking is ongoing. We are a small company with a limited operating history and no revenues or profits, which may influence the decisions of potential candidates we may recruit as directors or officers. The real and perceived increased personal risk associated with these requirements may deter qualified individuals from accepting these roles. In addition, costs of compliance with such legislation, including several provisions specifically applicable to companies engaged in mining operations, could have a significant impact on our financial position and results of operations.

Provisions of Delaware law and our charter and bylaws may delay or prevent transactions that would benefit stockholders

Our certificate of incorporation and bylaws and the Delaware General Corporation Law contain provisions that may have the effect of delaying, deferring or preventing a change of control of the Company. These provisions, among other things:

· Provide for staggering the terms of directors by dividing the total number of directors into three groups;

· Authorize our board of directors to set the terms of preferred stock;

· Restrict our ability to engage in transactions with stockholders with 15% or more of outstanding voting stock;

· Authorize the calling of special meetings of stockholders only by the board of directors, not by the stockholders;

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Limit the business transacted at any meeting of stockholders to those purposes specifically stated in the notice of the meeting; and

· Prohibit stockholder action by written consent without a meeting and provide that directors may be removed only at a meeting of stockholders.

Because of these provisions, persons considering unsolicited tender offers or other unilateral takeover proposals may be more likely to negotiate with our board of directors rather than pursue non-negotiated takeover attempts. As a result, these provisions may make it more difficult for our stockholders to benefit from transactions that are opposed by an incumbent board of directors.

Forward-Looking Statements

Certain statements in this document 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 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 other similar

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expressions to identify forward-looking statements. Forward-looking statements may include, but are not limited to, statements with respect to the following:

- Our ability to raise additional capital and to meet our financial obligations past first quarter 2019, which may force us to cease all operations, in which event investors may lose their entire investment in our Company;
- Our ability to obtain project financing for the development and construction of the Mt. Hope Project;
- Our ability to successfully obtain a reissuance of the ROD and water permits for the Mt. Hope Project;
- The ability to obtain and maintain all other permits, water rights, and approvals for the Mt. Hope Project and the Liberty Project, and potential development of the copper-silver target and zinc mineralization;
- Our dependence on the success of the Mt. Hope Project;
- Our ability to satisfy the conditions to the third tranche of investment by AMER under the investment agreement, or to complete the $700 million bank loan or the molybdenum supply agreement;
- Issues related to the management of the Mt. Hope Project pursuant to the LLC Agreement;
- Risks related to the failure of POS-Minerals to make ongoing cash contributions pursuant to the LLC Agreement;
- Our ability to obtain approval from POS-Minerals to explore and develop the copper-silver target and zinc mineralization;
- Fluctuations in the market price of, demand for, and supply of 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 our ability to obtain additional capital in a timely manner and on acceptable terms;

- Our ability to renegotiate, restructure, suspend, cancel or extend payment terms of contracts as necessary or appropriate in order to conserve cash;

- Government regulation of mining operations, environmental conditions and risks, reclamation and rehabilitation expenses;

- Title disputes or claims;

- Limitations of and access to certain insurance coverage;

- The future price of molybdenum, copper or other metals; and

- Ability to retain key employees and staff.

These forward-looking statements are based on our current expectations and are subject to a number of risks and uncertainties, including those identified under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” 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.

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ITEM 1B.UNRESOLVED STAFF COMMENTS

None.

ITEM 3.LEGAL PROCEEDINGS

Water Rights

In July 2011, the Nevada State Engineer ("State Engineer") approved our applications for new appropriation of water for mining and milling use, and applications to change existing water from agricultural irrigation use to mining and milling for the Mt. Hope Project. Subsequently, the State Engineer granted water permits associated with the approved applications and approved a Monitoring, Management and Mitigation Plan ("3M Plan") for the Mt. Hope Project. Eureka County, Nevada and two other parties comprised of water rights holders in Diamond Valley and Kobeh Valley appealed the State Engineer's decision granting the water permits to the Nevada State District Court ("District Court") and then filed a further appeal to the Nevada Supreme Court challenging the District Court's decision affirming the State Engineer's decision to approve the applications and grant the water permits. In June 2013, the appeal was consolidated by the Nevada Supreme Court with an appeal of the State Engineer's approval of the 3M Plan filed by two water rights holders. The District Court previously upheld the State Engineer's approval of the 3M Plan and the two parties subsequently appealed the District Court's decision to the Nevada Supreme Court.

On September 18, 2015, the Nevada Supreme Court issued an Order that reversed and remanded the cases to the District Court for further proceedings consistent with the Order. On October 29, 2015, the Nevada Supreme Court issued the Order as a published Opinion. The Nevada Supreme Court ruled that the State Engineer did not have sufficient evidence in the record at the time he granted the water permits to demonstrate that successful mitigation may be undertaken so as to dispel the threat to existing water rights holders.

On September 27, 2017, the Nevada Supreme Court affirmed a March 4, 2016 District Court Order vacating the 3M Plan, denying the water applications and vacating the permits issued by the State Engineer in July 2011 and June 2012. This decision of the Nevada Supreme Court is final, and not subject to further appeal.

After the Company received this final decision from the Nevada Supreme Court, it proceeded with new applications to change existing agricultural irrigation and mining/milling water rights owned by the Company to use at the Mt. Hope Project. These new change applications were filed with the State Engineer in 2015 and 2016 while the above

described appeals were pending before the Nevada Supreme Court. Originally, these applications and other new appropriation applications were to be addressed at a pre-hearing conference scheduled on August 25, 2016 before the State Engineer. These applications were the subject of Writ of Prohibition or Mandamus ("Writ") filed by Eureka County on August 23, 2016 to the Nevada Supreme Court seeking the Supreme Court's intervention to stop further action by the State Engineer while the appeal discussed above was pending. On December 22, 2017, the Nevada Supreme Court denied Eureka County's Writ Petition. As a result, the State Engineer allowed a pre-hearing conference held on January 24. At the pre-hearing conference the State Engineer and his hearing officer scheduled review of the new change applications for a hearing that occurred on September 11, 2018 in Carson City, Nevada.

On January 2, 2018, Eureka County, and later joined by the other two protestants representing a rancher in Kobeh Valley and a ranching group in Diamond Valley, filed a motion to dismiss with the State Engineer asserting that our applications were precluded from review and approval asserting that they were repetitive of applications denied previously by the Nevada Supreme Court. On March 26, 2018, the State Engineer issued a non-final order denying the motion to dismiss finding that the applications to be reviewed at the upcoming hearing were not identical issues and that further consideration of the motion could be taken at the hearing. On May 14, 2018, Eureka County, joined by the other protestants filed a Writ to the Nevada Supreme Court and later a Motion to Stay the September hearing date, asserting that the denial of the Motion to Dismiss was erroneous and that the Nevada Supreme Court should order that the applications be denied and/or the hearing should be delayed until the Nevada Supreme Court can consider the Writ and underlying motion to dismiss. We filed our objection on June 27, 2018. On August 30, 2018, the Nevada Supreme Court denied the Writ, permitting the hearing before the Nevada State Engineer to proceed on September 11, 2018.

On the second day of the September hearing, all protest issues raised by Eureka County and the Diamond Natural Resources Protections & Conservation Association ("DNR") concerning the Mt. Hope water rights applications

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were resolved through a Stipulation, Settlement Agreement and Withdrawal of Protest ("Settlement"). After Eureka County and DNR were excused, the hearing continued with evidence addressing concerns raised by another protestant representing a Kobeh Valley ranching family and cattle company that refused to participate in the Settlement. At the public hearing, the Company presented expert testimony in support of its augmentation and monitoring plan to the Nevada State Engineer, which will protect senior water rights in the Kobeh Valley basin when the Company commences construction and operation of its proposed molybdenum project near the town of Eureka, Nevada.

The hearing concluded on September 21, 2018. The Company anticipates a decision granting its water applications and issuance of water permits from the Nevada State Engineer in mid-2019.

Key Terms of Settlement

Under the terms of the Settlement with Eureka County and the DNR, the Company agreed to convey all related water rights for Mt. Hope Project at the future cessation of all mining activity to assist Eureka County and the DNR's efforts to mitigate the pre-existing effects of agricultural groundwater pumping in Diamond Valley. Furthermore, upon construction of certain power infrastructure and grants of right of way by the Company at the Mt. Hope Project, the Company will work cooperatively with Eureka County to allow use of and access to such infrastructure to lessen the pre-existing effects of Diamond Valley groundwater pumping. Eureka County and the Company also agreed to work cooperatively to seek opportunities to improve and implement groundwater monitoring efforts.

In addition, the Company withdrew its protests to Eureka County's pending applications with the Nevada State Engineer to appropriate water from the Kobeh Valley basin, and at the request of DNR, the Company also agreed to publicly support the proposed Diamond Valley Ground Water Management Plan currently pending before the Nevada State Engineer.

Upon receipt of the water permits, the LLC agreed to increase its financial contributions to the existing Sustainability Trust Agreement with the Eureka Producers' Cooperative ("EPC") in Diamond Valley. Eureka Moly paid $50,000 to EPC upon execution of the Settlement, and will make a second payment of $50,000 after receipt of the water permits.

Additional contributions of $750,000 each will be made after the commencement of molybdenum production at the Mt. Hope Project and on the one year anniversary of production, for a total contribution obligation to the Sustainability Trust of $5.6 million, an increase of $1.6 million related to the terms of the Settlement. The existing contingent $4.0 million has been accrued under mining properties, land, and water rights in General Moly's financial statements.

The Sustainability Trust is tasked with developing and implementing programs that will serve to slow groundwater drawdown and thereby improve the sustainability of the agricultural economy in the Diamond Valley Hydrographic

Basin.

Permitting

On November 16, 2012, the BLM issued its ROD authorizing development of the Mt. Hope Project, since vacated by the U.S. Court of Appeals for the Ninth Circuit in December 2016. On April 23, 2015, the BLM issued a Finding of No Significant Impact ("FONSI") supporting their Decision to approve an amendment to the PoO. The ROD and FONSI/Decision approved the PoO and amended PoO, respectively, for construction and operation of the mining and processing facilities and also grant the Right-of-Way, and amended Right-of-Way, respectively, for a 230kV power transmission line, discussed below. Monitoring and mitigation measures identified in the ROD and FONSI, developed in collaboration with the regulatory agencies involved throughout the permitting process, will avoid, minimize, and mitigate environmental impacts, and reflect the Company's commitment to be good stewards of the environment. Ongoing changes to permits and the PoO during the life of mining operations are typical as design evolves and operations are optimized.

On February 15, 2013, Great Basin Resource Watch and the Western Shoshone Defense Project ("Plaintiffs") filed a Complaint against the U.S. Department of the Interior and the BLM ("Defendants") in the U.S. District Court, District of Nevada, seeking relief under the National Environmental Policy Act ("NEPA") and other federal laws

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challenging the BLM’s issuance of the ROD for the Mt. Hope Project, and on February 20, 2013 filed a Motion for Preliminary Injunction. The District Court allowed the LLC to intervene in the matter.

On August 22, 2013, the District Court denied, without prejudice, Plaintiffs’ Motion for Preliminary Injunction based on a Joint Stipulation to Continue Preliminary Injunction Oral Argument, which advised the District Court that as a result of economic conditions, including the Company’s ongoing financing efforts, all major ground disturbing activities had ceased at the Mt. Hope Project.

On July 23, 2014, the District Court denied Plaintiffs’ motion for summary judgment in its entirety and on August 1, 2014 the Court entered judgment in favor of the Defendants and the LLC, and against Plaintiffs regarding all claims raised in the Complaint.

Thereafter, on September 22, 2014, the Plaintiffs filed their notice of appeal to the U.S. Court of Appeals for the Ninth Circuit (“Ninth Circuit”) of the District Court’s dismissal. Oral argument of the parties before the Ninth Circuit was completed on October 18, 2016. On December 28, 2016, the Ninth Circuit issued its Opinion rejecting many of the arguments raised by the Plaintiffs challenging the Environmental Impact Statement ("EIS") completed for the Mt. Hope Project, but issuing a narrow reversal of the BLM's findings related to air quality analysis. Because of this technical deficiency, the Court vacated the ROD, and the BLM is conducting additional evaluation of air quality impacts and resulting cumulative impact analysis under the NEPA and an SEIS will be prepared. The SEIS will disclose additional information to the public related to the selection of appropriate background concentrations to use for dispersion modeling of air pollutants and information related to public water resources. Because the SEIS must be prepared in accordance with the NEPA guidelines, the SEIS process will include three publications in the Federal Register, each of which may take several weeks to process. The first of these publications is the Notice of Intent (“NOI”) which declares the BLM’s intent to prepare the SEIS. The NOI was published in the Federal Register on July 19, 2017. On March 6, 2019, the BLM published the Notice of Availability (“NOA”) in the Federal Register, commencing a 45-day public comment period. Upon completion of the public comment period, we will continue to work with the BLM to receive a new ROD, anticipated later in 2019, authorizing the eventual construction and operation of the Mt. Hope Project.

ITEM 4.MINE SAFETY DISCLOSURES

Not applicable.

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PART II

ITEM 5.MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock trades on the NYSE American under the symbol "GMO." On February 14, 2008 our common stock began trading on the Toronto Stock Exchange ("TSX"), also under the symbol "GMO."

Holders

As of March 7, 2019, there were approximately 350 holders of record of our common stock.

Dividends

We have never declared or paid dividends on our common stock and we do not anticipate paying any dividends on our common stock in the foreseeable future. We will pay dividends on our common stock only if and when declared by our board of directors. Our board's ability to declare a dividend is subject to limits imposed by Delaware corporate law. In determining whether to declare dividends, the board will consider these limits, our financial condition, results of operations, working capital requirements, future prospects, and other factors it considers relevant.

Issuer Purchases of Equity Securities

Not applicable.

ITEM 6.SELECTED FINANCIAL DATA

Not applicable.

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ITEM 7.MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 the years ended December 31, 2018 and 2017. This discussion should be read in conjunction with the consolidated financial statements and notes thereto contained elsewhere in this report.

Overview

We 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 Project, which we updated during 2014.

Project Ownership

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, the Mt. Hope Lease, discussed above, into the LLC, and in February 2008 entered into an joint venture agreement ("LLC Agreement") for the development and operation of the Mt. Hope Project with POS-Minerals Corporation ("POS-Minerals"). Under the LLC Agreement, POS-Minerals owns a 20% interest in the LLC and General Moly, through Nevada Moly, LLC ("Nevada Moly"), a wholly-owned subsidiary, owns an 80% interest. The ownership interests and/or required capital 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 capital contributions to the LLC totaling $100.0 million during the year ended December 31, 2008 ("Initial Contributions"). Additional amounts of $100.7 million were received from POS-Minerals in December 2012, following receipt of major operating permits for the Mt. Hope Project, including the initial Record of Decision ("ROD") from the U.S. Bureau of Land Management ("BLM").

Under the terms of the LLC Agreement, since commercial production at the Mt. Hope Project was not achieved by December 31, 2011, the LLC will be required to return to POS-Minerals $36.0 million, since reduced to $33.6 million as discussed below, of its capital contributions ("Return of Contributions"), with no corresponding reduction in POS-Minerals' ownership percentage. Effective January 1, 2015, as part of a comprehensive agreement concerning the release of the reserve account described below, Nevada Moly and POS-Minerals agreed that the Return of Contributions will be payable to POS-Minerals on December 31, 2020; provided that, at any time on or before

November 30, 2020, Nevada Moly and POS-Minerals may agree in writing to extend the due date to December 31, 2021; and if the due date has been so extended, at any time on or before November 30, 2021, Nevada Moly and POS-Minerals may agree in writing to extend the due date to December 31, 2022. If the repayment date is extended, the unpaid amount will bear interest at a rate per annum of LIBOR plus 5%, which interest shall compound quarterly, commencing on December 31, 2020 through the date of payment in full. Payments of accrued but unpaid interest, if any, shall be made on the repayment date. Nevada Moly may elect, on behalf of the Company, to cause the Company to prepay, in whole or in part, the Return of Contributions at any time, without premium or penalty, along with accrued and unpaid interest, if any.

The original Return of Contributions amount due to POS-Minerals is reduced, dollar for dollar, by the amount of capital contributions for equipment payments required from POS-Minerals under approved budgets of the LLC, as discussed further below. As of December 31, 2018, this amount has been reduced by $2.4 million, consisting of POS-Mineral's 20% share of equipment purchases, such that the remaining amount due to POS-Minerals is $33.6 million. If Nevada Moly does not fund its additional capital contribution in order for the LLC to make the required Return of Contributions to POS-Minerals set forth above, 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 estimated to be 5%. In the latter case, Nevada Moly's interest in the LLC is subject to dilution by a percentage equal to the ratio of 1.5 times the amount of the unpaid Return of 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, 2018, the aggregate amount of deemed capital contributions of both parties was $1,088.5 million.

Furthermore, the LLC Agreement permits POS-Minerals to put/sell 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 by us or

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our successor company to use standard mining industry practice in connection with the development and operation of the Mt. Hope Project as contemplated by the parties for a period of twelve (12) consecutive months. If POS-Minerals exercises its option to put or sell its interest, Nevada Moly or its transferee or surviving entity would be required to purchase the interest for 120% of POS-Minerals' total contributions to the LLC, which, if not paid timely, would be subject to 10% interest per annum.

In November 2012, the Company and POS-Minerals began making monthly pro rata capital contributions to the LLC to fund costs incurred as required by the LLC Agreement. The interest of a party in the LLC that does not make its monthly pro rata capital contributions to fund costs incurred is subject to dilution based on the Dilution Formula. The Company and POS-Minerals consented, effective July 1, 2013, to Nevada Moly accepting financial responsibility for POS-Minerals' 20% interest in costs related to Nevada Moly's compensation and reimbursement as Manager of the LLC, and certain owners' costs associated with Nevada Moly's ongoing progress to complete project financing for its 80% interest, resulting in $2.9 million paid by Nevada Moly on behalf of POS-Minerals during the term of the consensual agreement, which ended on June 30, 2014. From July 1, 2014 to December 31, 2014, POS-Minerals once again contributed its 20% interest in all costs incurred by the LLC. Subject to the terms above, all required monthly contributions have been made by both parties.

The Reserve Account

Effective January 1, 2015, Nevada Moly and POS-Minerals signed an amendment to the LLC Agreement under which a separate $36.0 million belonging to Nevada Moly, held by the LLC in a reserve account established in December 2012, is being released for the mutual benefit of both members related to annual jointly approved Mt. Hope Project expenses into 2021. In January 2015, the reserve account funded a reimbursement of contributions made by the members during the fourth quarter of 2014, inclusive of $0.7 million to POS-Minerals and $2.7 million to Nevada Moly. The remaining reserve account funds are now being used to pay ongoing jointly approved expenses of the LLC until the Company obtains full financing for its portion of the Mt. Hope Project construction cost, or until the reserve account is exhausted. Any remaining funds after financing is obtained will be returned to the Company. The balance of the reserve account was $6.2 million and $9.9 million at December 31, 2018 and December 31, 2017, respectively.

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 was required to obtain approval, in the form of a Record of Decision ("ROD"), from the BLM to implement the Mt. Hope Project Plan of Operations ("PoO"). The LLC is also required to obtain various state and federal permits including, but not limited to, water protection, air quality, water rights and reclamation. In addition to requiring permits for the development of the Mt. Hope Project, we will need to obtain and modify various mining and environmental permits during the life of the Mt. Hope Project. Maintaining, 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 the LLC's efforts to obtain, modify or renew permits is contingent upon many variables, some of which are not within the LLC's 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. In addition, it is possible that compliance with such permits may result in additional costs and delays.

On November 16, 2012, the BLM issued its ROD authorizing development of the Mt. Hope Project, since vacated by the U.S. Court of Appeals for the Ninth Circuit in December 2016. On April 23, 2015, the BLM issued a Finding of No Significant Impact ("FONSI") supporting their Decision to approve an amendment to the PoO. The ROD and FONSI/Decision approved the PoO and amended PoO, respectively, for construction and operation of the mining and processing facilities and also grant the Right-of-Way, and amended Right-of-Way, respectively, for a 230kV power transmission line, discussed below. Monitoring and mitigation measures identified in the ROD and FONSI, developed in collaboration with the regulatory agencies involved throughout the permitting process, is intended to avoid, minimize, and mitigate environmental impacts, and reflect the Company's commitment to be good stewards of the environment. Ongoing changes to permits and the PoO during the life of mining operations are typical as design evolves and operations are optimized.

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On February 15, 2013, Great Basin Resource Watch and the Western Shoshone Defense Project (“Plaintiffs”) filed a Complaint against the U.S. Department of the Interior and the BLM (“Defendants”) in the U.S. District Court, District of Nevada, seeking relief under the National Environmental Policy Act (“NEPA”) and other federal laws challenging the BLM’s issuance of the ROD for the Mt. Hope Project, and on February 20, 2013 filed a Motion for Preliminary Injunction. The District Court allowed the LLC to intervene in the matter.

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On July 23, 2014, the District Court denied Plaintiffs’ motion for summary judgment in its entirety and on August 1, 2014 the Court entered judgment in favor of the Defendants and the LLC, and against Plaintiffs regarding all claims raised in the Complaint.

Thereafter, on September 22, 2014, the Plaintiffs filed their notice of appeal to the U.S. Court of Appeals for the Ninth Circuit (“Ninth Circuit”) of the District Court’s dismissal. Oral argument of the parties before the Ninth Circuit was completed on October 18, 2016. On December 28, 2016, the Ninth Circuit issued its Opinion rejecting many of the arguments raised by the Plaintiffs challenging the Environmental Impact Statement ("EIS") completed for the Mt. Hope Project, but issuing a narrow reversal of the BLM's findings related to air quality analysis. Because of this technical deficiency, the Court vacated the ROD, and the BLM is conducting additional evaluation of air quality impacts and resulting cumulative impact analysis under the NEPA and a draft SEIS has been prepared. The draft SEIS discloses additional information to the public related to the selection of appropriate background concentrations to use for dispersion modeling of air pollutants and information related to public water resources. Because the SEIS must be prepared in accordance with the NEPA guidelines, the draft SEIS approval process includes three publications in the Federal Register, each of which may take several weeks to process. The first of these publications is the Notice of Intent (“NOI”) which declares the BLM’s intent to prepare the SEIS. The NOI was published in the Federal Register on July 19, 2017. On March 6, 2019, the BLM published the Notice of Availability (“NOA”) in the Federal Register, commencing a 45-day public comment period. Upon completion of the public comment period, we will continue to work with the BLM to receive a new ROD, anticipated later in 2019, authorizing the eventual construction and operation of the Mt. Hope Project.

Environmental regulations related to reclamation require that the cost for a third party contractor to perform reclamation activities on the minesite be estimated. In October 2015, we submitted a request to the BLM to reduce our reclamation liability to current surface disturbance. Simultaneously, we submitted an application to NDEP-BMRR to modify the Reclamation Permit to reflect this reduced reclamation liability. On October 26, 2015, NDEP-BMRR approved the proposed permit modification, including the reduced reclamation liability amount. On December 21, 2015, BLM approved the updated reclamation liability estimate, reducing the reclamation liability to approximately $2.8 million. We worked with the LLC’s reclamation surety underwriters to satisfy the reduced $2.8 million financial guarantee requirements under the approved amended PoO for the Mt. Hope Project. As of December 31, 2018, the surety bond program is funded with a cash collateral payment of $0.3 million.

Water Rights Considerations

In July 2011, the Nevada State Engineer ("State Engineer") approved our applications for new appropriation of water for mining and milling use, and applications to change existing water from agricultural use to mining and milling use for the Mt. Hope Project. Subsequently, the State Engineer granted water permits associated with the approved applications and approved a Monitoring, Management and Mitigation Plan ("3M Plan") for the Mt. Hope Project. Eureka County, Nevada and two other parties comprised of water rights holders in Diamond Valley and Kobeh Valley appealed the State Engineer's decision granting the water permits to the Nevada State District Court ("District Court") and then filed a further appeal to the Nevada Supreme Court challenging the District Court's decision affirming the State Engineer's decision to approve the applications and grant the water permits. In June 2013, the appeal was consolidated by the Nevada Supreme Court with an appeal of the State Engineer's approval of the 3M Plan filed by two water rights holders. The District Court previously upheld the State Engineer's approval of the 3M Plan and the two parties subsequently appealed the District Court's decision to the Nevada Supreme Court.

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On January 2, 2018, Eureka County, and later joined by the other two protestants representing a rancher in Kobeh Valley and a ranching group in Diamond Valley, filed a motion to dismiss with the State Engineer asserting that our applications were precluded from review and approval asserting that they were repetitive of applications denied previously by the Nevada Supreme Court. On March 26, 2018, the State Engineer issued a non-final order denying the motion to dismiss finding that the applications to be reviewed at the upcoming hearing were not identical issues and that further consideration of the motion could be taken at the hearing. On May 14, 2018, Eureka County, joined by the other protestants filed a Writ to the Nevada Supreme Court and later a Motion to Stay the September hearing date, asserting that the denial of the Motion to Dismiss was erroneous and that the Nevada Supreme Court should order that the applications be denied and/or the hearing should be delayed until the Nevada Supreme Court can consider the Writ and underlying motion to dismiss. We filed our objection on June 27, 2018. On August 30, 2018, the Nevada Supreme Court denied the Writ, permitting the hearing before the Nevada State Engineer to proceed on September 11, 2018.

On the second day of the September hearing, all protest issues raised by Eureka County and the Diamond Natural Resources Protections & Conservation Association ("DNR") concerning the Mt. Hope water rights applications were resolved through a Stipulation, Settlement Agreement and Withdrawal of Protest ("Settlement"). After Eureka County and DNR were excused, the hearing continued with evidence addressing concerns raised by the remaining protestant representing a Kobeh Valley ranching family and cattle company that refused to participate in the Settlement. At the

public hearing, the Company presented expert testimony in support of its augmentation and monitoring plan to the Nevada State Engineer, which will protect senior water rights in the Kobeh Valley basin when the Company commences construction and operation of its proposed molybdenum project near the town of Eureka, Nevada.

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Additional contributions of $750,000 each will be made after the commencement of molybdenum production at the Mt. Hope Project and on the one year anniversary of production, for a total contribution obligation to the Sustainability Trust of $5.6 million, an increase of $1.6 million related to the terms of the Settlement. The amount has been accrued under mining properties, land, and water rights in General Moly's financial statements in addition to the previously accrued $4.0 million resulting in a total accrual of $5.6 million.

The Sustainability Trust is tasked with developing and implementing programs that will serve to slow groundwater drawdown and thereby improve the sustainability of the agricultural economy in the Diamond Valley Hydrographic Basin.

Capital & Operating Cost Estimates

Presently, the development of the Mt. Hope Project has a Project Capital Estimate of $1,312 million, which includes development costs of approximately $1,245 million and $67 million in cash financial guaranty/bonding requirements, advance royalty payments, and power pre-payment estimates. These capital costs were updated in the third quarter of 2012, and were then escalated by approximately 3% in the third quarter of 2013, for those items not yet procured or committed to by contract. The Mt. Hope Project has not materially changed in scope and remains currently designed at approximately 65% engineering completion, with solid scope definition. The pricing associated with this estimate remains subject to escalation associated with equipment, construction labor and commodity price increases, and project delays, which will continue to be reviewed periodically. The Project Capital Estimate does not include financing costs or amounts necessary to fund operating working capital and potential capital overruns, is subject to additional holding costs as financing activities for construction of the Mt. Hope Project are delayed, and may be subject to other escalation and de-escalation as contracts and purchase arrangements are finalized at then current pricing. From October 2007 through the quarter ended December 31, 2018, the LLC spent approximately $295.1 million of the estimated $1,312 million on development of the Mt. Hope Project.

The LLC's Project Operating Cost Estimate forecasts molybdenum production of approximately 41 million pounds per year for the first five years of operations at estimated average direct operating costs of $6.16 per pound based on a

$8.00/lb reserve and $90 per barrel oil equivalent energy prices. The Costs Applicable to Sales ("CAS") per pound, including anticipated royalties calculated at a market price of $15 per pound molybdenum, are anticipated to average $6.84 per pound for the first 5 years. These cost estimates are based on 2013 constant dollars and are subject to cost inflation or deflation.

Equipment and Supply Procurement

Through December 31, 2018, the LLC has made deposits and/or final payments of $88.1 million on equipment orders.

In 2012, the LLC issued a firm purchase order for eighteen haul trucks. The order provides for delivery of those haul trucks required to perform initial mine development, which will begin several months prior to commercial production. Non-refundable down-payments of $1.2 million were made in 2012, with pricing subject to escalation as the trucks were not delivered prior to December 31, 2013. Since that time, the LLC has renegotiated the timelines for truck delivery and delayed deliveries into December 2019. The contract is cancellable with no further liability to the LLC.

Also in 2012, the LLC issued a firm purchase order for four mine production drills with a non-refundable down-payment of $0.4 million, and pricing was subject to escalation if the drills were not delivered by the end of 2013. Since

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that time, the LLC has renegotiated the contract to further delay delivery into December 2019. The contract remains cancellable with no further liability to the LLC.

On June 30, 2012, the LLC's contract to purchase two electric shovels expired. On July 11, 2012, we signed a letter of intent with the same vendor providing for the opportunity to purchase the electric shovels at prices consistent with the expired contract, less a special discount in the amount of $3.4 million to provide credit to the LLC for amounts paid as deposits under the expired contract. The letter of intent provides that equipment pricing will remain subject to inflation indexes and guarantees production slots to ensure that the equipment is available when required by the LLC. Since that time, the parties have agreed to extend the letter of intent through December 31, 2019.

Molybdenum Market Update

The recent molybdenum price in March 2019 was approximately $12.70/lb, compared with $11.88/lb at yearend 2018 and $10.25 /lb at yearend 2017, according to Platts. The molybdenum price reached a high of $13/lb in early March 2018, which was a level last seen in 2014.

Molybdenum prices were the strongest in four years during 2018 and molybdenum ended the year as the best metal price performer metal in 2018 in the broad metals coverage scope of BMO Capital Market. The 2018 low was $10.60/lb at the end of June and the year high was $13.00/lb in early March.

While remaining volatile, molybdenum prices are expected to continue strengthening in 2019 and over the next several years, according to the CPM Group, a leading commodities research and consulting firm. CPM projects per pound average prices of $13.36 in 2019, $15.03 in 2020, $16.61 in 2021, and $17.53 to $17.71 in 2022-2025.

Approximately 70% of molybdenum's first use is for steel production as molybdenum is a premier alloy to strengthen steel and make it corrosion resistant. Most of moly in steel is consumed by the specialty steels, an expanding, value-added segment accounting for approximately 10% of overall steel production. Within the specialty steels segment, stainless steel accounts for the largest use of molybdenum at 21% and full alloy steel accounts for 20% of total molybdenum consumption.

Indicative of the continuing recovery of the global steel industry in general, the World Steel Association reported a strong 4.6 percent increase in crude steel global production to 1.8 million metric tons in 2018, led by a 6.6 percent increase in China, which accounted for a 51.3% share of global output in 2018. India increased its steel production by 4.9 percent to 106.5 million metric tons in 2018 over 2017, displacing Japan as the world's second largest steel producing country. The United States, the fourth largest steel producing country, recorded a 6.2 percent increase to

86.7 million metric tons of steel output year over year.

The utilization of molybdenum is significant is in the fast-growing stainless steel segment. The latest data from the International Stainless Steel Forum show a 10 percent increase in worldwide stainless steel production for the first nine months of 2018 over the 2017 period to 39.1 million metric tons. China demonstrated an 8.5 percent growth for the corresponding periods and dominates global stainless steel output with a 53% share.

In addition, demand has been strong for molybdenum due to increased output in oil country tubular goods (steel containing molybdenum), driven by a more robust oil and gas industry. CPM estimates 16% of molybdenum was consumed by the oil and gas industry in 2018, which while being a notable increase is below the historical pre-2014 average of 20%. Oil and gas drilling, including the shale industry, relies on specialty steel and high-strength tubular steel. Worldwide oil and gas drilling increased 7.4% year-over-year in December 2018, according to the oil rig count by Baker Hughes, a GE company.

On the supply side, the CPM Group, a commodities research firm in New York, estimates that the molybdenum market was near equilibrium with a growing surplus in 2019-2021. CPM projects that the deficit will shrink in 2022 followed by small surpluses in 2023-2025.

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Molybdenum Spot Price (10/11/2011-3/5/2019)

Outlook

We believe the molybdenum market is in the early stages of an extended recovery and view the long-term outlook for our business positively, supported by limitations on long-term supplies of molybdenum, the requirements for molybdenum in the steel industry, and a recovery in the oil and gas industry. World market prices for molybdenum and other commodities have fluctuated historically and are affected by numerous factors beyond our control. We believe the underlying long-term fundamentals of the molybdenum business remain positive, supported by the significant role of molybdenum in the steel industry and a challenging long-term supply environment attributable to the difficulty in replacing output from both existing and high-cost mines with new production sources.

Future molybdenum prices are expected to be volatile and are likely to be influenced by demand from China and emerging markets, as well as the strength or weakness of the U.S. dollar, U.S.-China trade tariffs, economic activity in the U.S. and other industrialized countries, the timing of the development of new supplies of molybdenum, and production levels of mines, including primary molybdenum production from China.

Liquidity, Capital Resources and Capital Requirements

For the period from December 31, 2017 to December 31, 2018

Our total consolidated cash balance at December 31, 2018 was $2.0 million compared to $6.7 million at December 31, 2017, representing a decrease of $4.7 million due to a variety of cash inflows and outflows. Outflows included $3.4 million in development costs for the Mt. Hope Project, $0.6 million at the Liberty Project, $6.6 million in general and administrative costs and $1.3 million in due diligence efforts, offset by an inflow of funds released from the reserve account of $3.7 million, $1.0 million in funds released from the expense reimbursement account, $2.0 million in funds received from the issuance of shares under the public offering and $0.5 million in funds received from the issuance of shares under the at-the-market offering program.

The $36.0 million reserve account established in December of 2012, at the direction of the LLC management committee, was payable to Nevada Moly upon release, at which time the funds would have become available for use by the Company. Effective January 1, 2015, Nevada Moly and POS-Minerals signed an amendment to the LLC

agreement under which $36.0 million owed to Nevada Moly and held by the LLC in the reserve account will be released for the mutual benefit of both members related to the jointly approved Mt. Hope Project expenses into 2021, as discussed above.

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The balance of the reserve account at December 31, 2018 was $6.2 million, compared to $9.9 million at December 31, 2017.

The cash needs for the construction and development of the Mt. Hope Project are significant and require that we arrange for financing to be combined with funds anticipated to be received from POS-Minerals in order to retain its 20% membership interest. The Company estimates the go-forward capital required for the Mt. Hope Project, based on 65% completed engineering, to be approximately $1,023 million, of which the Company's 80% capital requirement is $818 million. There is no assurance that the Company will be successful in obtaining the financing required to complete the Mt. Hope Project, or in raising additional financing in the future on terms acceptable to the Company, or at all.

Additionally, the Company commenced an exploration drill program that was not originally contemplated in our cash flow forecasts. To date the preliminary drilling and exploration work is being undertaken solely by General Moly. The Company is presenting the promising findings to its 20% EMLLC joint venture partner at the Mt. Hope Project, POS-Minerals, and the parties are discussing value-sharing cost/investment options. Any mining operation to exploit economic non-molybdenum mineralization at the EMLLC Mt. Hope Project site will require the approval of POS-Minerals.

On October 17, 2018, the Company announced an underwritten public offering of 9,151,000 units at a price of $0.25 per share, with each unit consisting of one share of common stock accompanied by one warrant exercisable for one share of common stock immediately upon closing at a price of $0.35 per share. The offering provided net proceeds of approximately $2.0 million after underwriting commissions and expenses. The Company is using the proceeds for general corporate purposes, including the ongoing preliminary drilling program for the exploration of zinc, copper and silver mineralization at the southeast area of the Mt. Hope Project.

Based on our updated current operating forecast, including the drilling and exploration program, and the combination of the liquidity provided by the proceeds from our public offering in October 2018 with our current cash on hand, the Company only expects to be able to fund its operations and meet its financial obligations into the second quarter of 2019. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

With our cash conservation plan, our Corporate and Liberty related cash requirements have declined to approximately $1.3 million per quarter, exclusive of the drilling and exploration program, while all Mt. Hope Project related funding is payable out of the reserve account into 2021. Accordingly, based on our current cash on hand and our ongoing cash conservation plan, the Company expects it will have adequate liquidity in order to fund our working capital needs through the first quarter of 2019. Additional potential funding sources for the Company include public or private equity offerings, including closing or a negotiated acceleration of Tranche 3 with respect to the remaining $10.0 million investment from AMER described in Note 1 to the consolidated financial statements contained elsewhere in this report, or sale of other assets wholly-owned by the Company or with EMLLC partner POS-Minerals at the Mt. Hope Project. There is no assurance that the Company will be successful in securing additional funding. This could result in further cost reductions, contract cancellations, and potential delays which ultimately may jeopardize the development of the Mt. Hope Project.

Currently the Company has no plans or intentions to enter into restructuring or liquidation. The Company has engaged XMS Capital Partners (“XMS”) to assist in securing interim financing and negotiating with debt holders and other potential stakeholders. While XMS would have the capability to assist with a restructuring if needed, we do not expect to need to engage XMS (or other parties) for these services at this time.

Additional funding for the Mt. Hope Project, including the Bank Loan, will allow us to restart equipment procurement, and agreements that were suspended or terminated will be renegotiated under current market terms and conditions, as necessary. In the event of an extended delay related to availability of the Company’s portion of full financing for the Mt. Hope Project, the Company will make its best efforts to work with its EMLLC joint venture partner POS-Minerals to revise procurement and construction commitments to preserve liquidity, including Mt. Hope Project equipment deposits and pricing structures. There can be no assurance that additional funding will be obtained.

Total assets as of December 31, 2018 decreased to $329.5 million compared to $335.8 million as of December 31, 2017 primarily due to general and administrative expenses.

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Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Our total consolidated cash balance at December 31, 2017 was $6.7 million compared to $8.5 million at December 31, 2016. The decrease in our cash balances for the year ended December 31, 2017 was due to a variety of cash inflows and outflows. Inflows included funds released from the reserve account of $3.1 million and $6.0 million from the closing of Tranche 2 of the AMER Investment Agreement. Outflows included payments made on long-lead equipment orders of $0.6 million, $1.9 million in development costs for the Mt. Hope Project, transfer of $0.5 million to the reserve account held jointly by the Company and AMER, interest paid of $0.9 million and $7.0 million in general and administrative costs and Liberty Project care and maintenance costs. Deposits on property, plant and equipment relate primarily to scheduled payments for long-lead time equipment for the Mt. Hope Project; see "—Contractual Obligations" below. The majority of funds expended were used to advance the Mt. Hope Project.

The $36.0 million reserve account established in December of 2012, at the direction of the LLC management committee, was payable to Nevada Moly upon release, at which time the funds would have become available for use by the Company. Effective January 1, 2015, Nevada Moly and POS-Minerals signed an amendment to the LLC agreement under which $36.0 million owed to Nevada Moly and held by the LLC in the reserve account will be released over the next few years, but only for the mutual benefit of both members related to jointly approved Mt. Hope Project expenses as discussed above. The balance of the reserve account at December 31, 2017 was $9.9 million, compared to $13.0 million at December 31, 2016.

The cash needs for the development of the Mt. Hope Project are significant and require that we arrange for financing to be combined with funds anticipated to be received from POS-Minerals in order to retain its 20% membership interest. The Company estimates the go-forward capital required for the Mt. Hope Project, based on 65% completed engineering, to be approximately $1,023 million, of which the Company's 80% capital requirement is $818 million.

There is no assurance that the Company will be successful in obtaining the financing required to complete the Mt. Hope Project, or in raising additional financing in the future on terms acceptable to the Company, or at all.

With our cash conservation plan, our Corporate and Liberty related cash requirements have declined to approximately $1.3 million per quarter, while all Mt. Hope Project related funding is payable out of the $36.0 million reserve account. Accordingly, based on our current cash on hand and our ongoing cash conservation plan, the Company expects it will have adequate liquidity in order to fund our working capital needs into the second quarter of 2019. Additional potential funding sources include public or private equity offerings, including closing or a negotiated acceleration of tranche 3 with respect to the remaining $10.0 million investment from AMER described in Note 1 to the consolidated financial statements contained elsewhere in this report, or sale of other assets owned by the Company. There is no assurance that the Company will be successful in securing additional funding. This could result in further cost reductions, contract cancellations, and potential delays which ultimately may jeopardize the development of the Mt. Hope Project.

When financing becomes available, the additional funding will allow us to restart equipment procurement, and agreements that were suspended or terminated will be renegotiated under current market terms and conditions, as necessary. In the event of an extended delay related to availability of the Company's portion of full financing for the Mt. Hope Project, the Company will make its best efforts to revise procurement and construction commitments to preserve liquidity, our equipment deposits and pricing structures.

Total assets as of December 31, 2017 nominally decreased to $335.8 million compared to $337.3 million as of December 31, 2016.

Results of Operations

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

For the year ended December 31, 2018 we had a consolidated net loss of $11.1 million compared with a net loss of $8.1 million in the same period for 2017. The increase is primarily related to due diligence efforts, costs associated with the drilling exploration program and accelerated depreciation associated with software programs no longer in use.

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For the years ended December 31, 2018 and 2017, exploration and evaluation expenses were $0.8 million and $0.7 million, respectively, reflecting continuous care and maintenance expense at the Liberty Project during both periods.

For the years ended December 31, 2018 and 2017, general and administrative expenses, comprised largely of salaries and benefits, legal and audit fees, insurance costs, and outside contracted services, along with due diligence efforts and accelerated depreciated associated with software programs no longer in use, were $9.6 million and $6.3 million, respectively.

For the years ended December 31, 2018 and 2017, interest income was nil as a result of low deposit interest rates on consolidated cash balances in 2018 and 2017. Interest expense for the year ended December 31, 2018 and 2017 was $0.8 million and $0.9 million, respectively, as a result of cash interest expense incurred during both years on the Senior Convertible Promissory Notes issued and non-cash interest expense incurred as a result of the amortization of debt issuance costs and the embedded derivatives associated with the Senior Convertible Promissory Notes.

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

For the year ended December 31, 2017 we had a consolidated net loss of $8.0 million compared with a net loss of $8.1 million in the same period for 2016. The decrease is primarily related to ongoing efforts to conserve cash.

For the years ended December 31, 2017 and 2016, exploration and evaluation expenses were $0.7 million and $1.1 million, respectively, reflecting continuous care and maintenance expense at the Liberty Project during both periods. Additionally, 2016 included costs related to leach pad maintenance and repair at the Liberty Project.

For the years ended December 31, 2017 and 2016, general and administrative expenses, comprised largely of salaries and benefits, legal and audit fees, insurance costs, and outside contracted services, were $6.3 million and $6.1 million, respectively.

For the years ended December 31, 2017 and 2016, interest income was nil as a result of low deposit interest rates on consolidated cash balances in 2017 and 2016. Interest expense for the year ended December 31, 2017 and 2016 was $0.9 million and $1.0 million, respectively, as a result of cash interest expense incurred during both years on the Senior Convertible Promissory Notes issued and non-cash interest expense incurred as a result of the amortization of debt issuance costs and the embedded derivatives associated with the Senior Convertible Promissory Notes.

Off-Balance Sheet Arrangements

None.

Contractual Obligations

Through December 31, 2018, the LLC has made deposits and/or final payments of $88.1 million on equipment orders. See "—Overview—Equipment and Supply Procurement" above. Of these deposits, $71.7 million relate to fully fabricated items, primarily milling equipment, for which the LLC has additional contractual commitments of $2.0 million. The remaining $16.4 million reflects both partially fabricated milling equipment, and non-refundable deposits on mining equipment. As discussed in Note 12 to the consolidated financial statements contained elsewhere in this report, the mining equipment agreements remain cancellable with no further liability to the LLC. The underlying value and recoverability of these deposits and our mining properties in our consolidated balance sheets are dependent on the LLC's ability to fund development activities that would lead to profitable production and positive cash flow from operations or proceeds from the disposition of these assets. There can be no assurance that the LLC will be successful in obtaining project financing, in generating future profitable operations, disposing of these assets or the Company securing additional funding in the future on terms acceptable to us or at all. Our audited consolidated financial statements do not include any adjustments relating to recoverability and classification of recorded assets or liabilities.

If the LLC does not make the payments contractually required under these purchase contracts, it could be subject to claims for breach of contract or to cancellation of the respective purchase contract. In addition, the LLC may proceed to selectively suspend, cancel or attempt to renegotiate additional purchase contracts if necessary to further conserve cash. See "—Liquidity, Capital Resources and Capital Requirements" above. If the LLC cancels or breaches

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any contracts, the LLC will take all appropriate action to minimize any losses, but could be subject to liability under the contracts or applicable law. The cancellation of certain key contracts could cause a delay in the commencement of operations, and could add to the cost to develop the Company's interest in the Mt. Hope Project.

Obligations under capital and operating leases

We have contractual obligations under operating leases that will require a total of $0.1 million in payments over the next three years. Operating leases consist primarily of rents on office facilities and office equipment. Our expected payments are $0.1 million, nil, and nil for the years ended December 31, 2018, 2019 and 2020, respectively.

Creation of Agricultural Sustainability Trust

On August 19, 2010, the LLC entered into an agreement with the Eureka Producers' Cooperative ("EPC") whereby the LLC will fund a $5.6 million Sustainability Trust ("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.

The Trust may be funded by the LLC over several years based on the achievement of certain milestones, which are considered probable, and as such $5.6 million has been accrued in the Company's financial statements and is included in mining properties, land, and water rights.

Critical Accounting Policies and Estimates

Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") 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.

Provision for Taxes

Income taxes are provided based upon the asset and 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. At December 31, 2018 and 2017, we had deferred tax assets principally arising from net operating loss carryforwards for income tax purposes multiplied by an expected rate of 21% and 35%, respectively. As management of the Company has concluded that it is not 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.

The Tax Cuts and Jobs Act (the "Act") was enacted on December 22, 2017, and enacts a broad range of changes to the Code. The 2017 Tax Act, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest and net operating losses, allows for the expensing of certain capital expenditures, puts into effect a number of changes impacting operations outside of the United States, and modifications to the treatment of certain intercompany transactions. Our net deferred tax assets and liabilities were revalued at the newly enacted U.S. corporate 21% rate, and the impact was recognized in our financial statements in 2017, the year of enactment. The Company has calculated its best estimate of the impact of the Act in its year end income tax provision in accordance with its understanding of the Act and guidance available and as allowable under SAB 118 as of the date of this filing. The amount related to the remeasurement of certain deferred tax liabilities based on the rates at which they are expected to reverse in the future is $19.4 million.

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Mining Properties, Land and Water Rights

The Company evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable. If the sum of estimated future net cash flows on an undiscounted basis is less than the carrying amount of the related asset grouping, asset impairment is considered to exist. The related impairment loss is measured by comparing estimated future net cash flows on a discounted basis to the carrying amount of the asset. Changes in significant assumptions underlying future cash flow estimates may have a material effect on the Company's financial position and results of operations. To date no such impairments have been identified. Property and equipment are being depreciated over useful lives of three to twenty-seven and one-half years using straight-line depreciation.

Stock-Based Compensation

We account for stock-based compensation in accordance with authoritative guidance for Share-Based Payments. Under the fair value recognition provisions of this statement, share-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the vesting period. Determining the fair value of share-based awards at the grant date requires judgment; including estimating the expected term of the award, volatility of the underlying equity and estimating the amount of share-based awards that are expected to be forfeited. If actual results associated with share-based awards that are forfeited differ significantly from these estimates, stock-based compensation expense and our results of operations could be materially impacted.

Contingently Redeemable Noncontrolling Interest ("CRNCI")

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 — "Description of Business" to the consolidated financial statements contained elsewhere in this report, 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 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 12 consecutive months. As such, the CRNCI has continued to be shown as a separate caption between liabilities and equity. The carrying value of the CRNCI has historically included the Return of Contributions which will be returned to POS-Minerals in 2020, unless further extended by the members of the LLC as discussed above. The expected Return of Contributions to POS-Minerals was carried at redemption value as we believed redemption of this amount was probable. Effective January 1, 2015, Nevada Moly and POS-Minerals agreed that the Return of Contributions will be due to POS-Minerals on December 31, 2020, unless further extended by the members of the LLC as discussed above. As a result, we have reclassified the Return of Contributions, originally $36.0 million, payable to POS-Minerals from CRNCI to a non-current liability at redemption value, and subsequently reduced it by $2.4 million, consisting of POS-Minerals 20% share of equipment purchases such that the remaining amount due to POS-Minerals is $33.6 million.

The remaining carrying value of the CRNCI has not been adjusted to its redemption value as the contingencies that may allow POS-Minerals to require redemption of its non-controlling interest are not probable of occurring. Under GAAP, until such time as that contingency has been eliminated and redemption is no longer contingent upon anything other than the passage of time, no adjustment to the CRNCI balance should be made. Future changes in the redemption value will be recognized immediately as they occur and the Company will adjust the carrying amount of the CRNCI to equal the redemption value at the end of each reporting period.

Senior Convertible Promissory Notes and other Long-Term Debt

As discussed in Note 6 to the consolidated financial statements contained elsewhere in this report, in December 2014, the Company sold and issued $8.5 million in units consisting of Senior Convertible Promissory Notes (the “Notes”) and warrants to accredited investors, including several directors and each of the named executive officers of the Company, pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended, and Rule 506 thereunder. The Notes are unsecured obligations and are senior to any of the Company’s future secured obligations to the extent of the value of the collateral securing such obligations.

The Notes bear interest at a rate of 10.0% per annum, payable in cash quarterly in arrears on each March 31, June 30, September 30, and December 31 beginning March 31, 2015. The Notes are convertible at any time in an amount

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equal to 80% of the greater of (i) the average volume weighted average price ("VWAP") for the 30 Business Day period ending on the Business Day prior to the date of the conversion, or (ii) the average VWAP for the 30 Business Day period ending on the original issuance date of this note. Each Note will convert into a maximum of 100 shares per note, resulting in the issuance of up to 8,535,000 shares. Those named executive officers and directors of the Company who participate in the offering will be restricted from converting at a price less than $0.32, the most recent closing price at the time that the Notes were issued. The Notes are mandatorily redeemable at par plus the present value of remaining coupons upon (i) the availability of cash from a financing for Mt. Hope and (ii) any other debt financing by the Company. In addition, 50% of any proceeds from the sale of assets cumulatively exceeding $250,000 will be used to prepay the Notes at par plus the present value of remaining coupons. The Company has the right to redeem the Notes at any time at par plus the present value of remaining coupons. The Private Placement was negotiated by independent members of General Moly's board of directors, none of whom participated in the transaction. As of December 31, 2017, an aggregate of $2.6 million of Notes had been converted into 2,625,000 shares of common stock and $1.3 million of non-convertible Senior Promissory Notes, resulting in a $0.2 million annual reduction in interest payments made by the Company in the servicing of the Notes, as further discussed in Note 6 to the consolidated financial statements contained elsewhere in this report below.

The Company evaluates its contracts for potential derivatives. See Note 6 to the consolidated financial statements contained elsewhere in this report for a description of the Company's accounting for embedded derivatives and the Notes.

Debt issuance costs are costs incurred in connection with the Company's debt financings that have been capitalized and are being amortized over the stated mandatory period or estimated life of the related debt, using the effective interest method.

Recent Accounting Developments

See recently adopted accounting developments in Note 3 – Summary of Significant Accounting Policies in Item 8 of Part II of this Annual Report on Form 10-K.

ITEM 7A.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. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Molybdenum Market Update” for a discussion of molybdenum prices.

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 for our portion of the Mt. Hope production. 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. 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 did not include the supply agreement the Company had in place with ArcelorMittal. The shares of the Company’s common stock previously owned by ArcelorMittal were transferred to APERAM.

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

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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 APERAM 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 July 22, 2015, the Company and SeAH Besteel entered into a first amendment to the molybdenum supply agreement, which provides that the agreement will terminate on December 31, 2020, if commercial operations at the minimum specified levels have not commenced by that date.

On August 8, 2008, the Company entered into a molybdenum supply agreement ("Sojitz Agreement") with Sojitz Corporation ("Sojitz"). 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 had not begun by January 1, 2013. The described option is available up to ten days following the achievement of certain production levels at the Mt. Hope Project. As commercial production at the Mt. Hope Project has not commenced, Sojitz currently has the option to cancel its contract or participate in the molybdenum supply agreement as described above.

The 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 20% share. In no event do these requirements to make up monthly shortfalls become obligations of the Company if production does not meet targeted levels.

Furthermore, each of the agreements remain as contractual obligations and 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. In the event that our contract parties choose not to honor their contractual obligations or attempt to terminate these agreements as a result of the continuing delay in achieving production, our profitability may be adversely impacted. We may be unable to sell any product our contract parties fail to purchase in a timely manner, at comparable prices, or at all.

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 December 31, 2018, we had a balance of cash and cash equivalents of $2.0 million and restricted cash of $7.0 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.

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ITEM 8.FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

GENERAL MOLY, INC.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of General Moly, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of General Moly, Inc. and its subsidiaries (the "Company") as of December 31, 2018 and 2017, and the related consolidated statements of operations and comprehensive loss, equity and cash flows for each of the two years in the period ended December 31, 2018 including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 "Liquidity" to the consolidated financial statements, the Company does not generate revenues, has incurred significant recurring losses, and does not have sufficient liquidity and capital resources to fund its operations and meet its financial obligations, which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the

purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Denver, Colorado

March 21, 2019

We have served as the Company's auditor since 2007.

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GENERAL MOLY, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except par value amounts)

	December 31, 2018	December 31, 2017
ASSETS:		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,016	$ 6,676
Deposits, prepaid expenses and other current assets	62	114
Total Current Assets	2,078	6,790
Mining properties, land and water rights	229,175	226,250
Deposits on project property, plant and equipment	88,124	87,893
Restricted cash held at EMLLC	6,167	9,911
Restricted cash held for loan procurement	—	962
Restricted cash and investments held for reclamation bonds	834	825
Non-mining property and equipment, net	40	78
Other assets	3,076	3,066
TOTAL ASSETS	$ 329,494	$ 335,775
LIABILITIES, CRNCI, AND EQUITY:		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 574	$ 602
Promissory Notes	1,340	1,340
Senior Convertible Promissory Notes	5,807	5,745
Accrued advance royalties	500	500
Total Current Liabilities	8,221	8,187
Provision for post closure reclamation and remediation costs	1,769	1,704
Accrued advance royalties	5,700	5,700
Accrued payments to Agricultural Sustainability Trust	5,500	4,000
Return of Contributions Payable to POS-Minerals	33,641	33,641
Other accrued liabilities	2,125	2,125
Total Liabilities	56,956	55,357
COMMITMENTS AND CONTINGENCIES - NOTE 12		
CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST ("CRNCI")	172,261	172,633
EQUITY		
	137	126

Common stock, $0.001 par value; 650,000,000 and 650,000,000 shares authorized, respectively, 137,114,804 and 125,802,023 shares issued and outstanding, respectively		
Additional paid-in capital	291,266	288,041
Accumulated deficit during exploration and development stage	(191,126)	(180,382)
Total Equity	100,277	107,785
TOTAL LIABILITIES, CRNCI, AND EQUITY	$ 329,494	$ 335,775

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

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GENERAL MOLY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(In thousands, except per share amounts)

	Years Ended December 31, 2018	December 31, 2017
REVENUES	$ —	$ —
OPERATING EXPENSES:		
Exploration and evaluation	789	756
General and administrative expense	9,553	6,373
TOTAL OPERATING EXPENSES	10,342	7,129
(LOSS) FROM OPERATIONS	(10,342)	(7,129)
OTHER INCOME/(EXPENSE):		
Interest expense	(774)	(942)
TOTAL OTHER (EXPENSE)/INCOME, NET	(774)	(942)
(LOSS) BEFORE INCOME TAXES	(11,116)	(8,071)
Income Taxes	—	—
CONSOLIDATED NET (LOSS)	$ (11,116)	$ (8,071)
Less: Net loss attributable to CRNCI	372	26
NET LOSS ATTRIBUTABLE TO GMI	$ (10,744)	$ (8,045)
Basic and diluted net loss attributable to GMI per share of common stock	$ (0.08)	$ (0.07)
Weighted average number of shares outstanding — basic and diluted	129,421	114,315
COMPREHENSIVE (LOSS)	$ (10,744)	$ (8,045)

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

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GENERAL MOLY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Years Ended December 31, 2018	December 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net loss	$ (11,116)	$ (8,071)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	1,870	265
Non-cash interest expense	62	205
Income realized on lease of water rights	(13)	(16)
Stock-based compensation for employees and directors	737	165
Decrease (increase) in deposits, prepaid expenses and other	52	(25)
Decrease in accounts payable and accrued liabilities	(508)	(846)
(Decrease) increase in post closure reclamation and remediation costs	(38)	11
Net cash used by operating activities	(8,954)	(8,312)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase and development of mining properties, land and water rights	(2,470)	(1,929)
Deposits on property, plant and equipment	(298)	(612)
Net cash used by investing activities	(2,768)	(2,541)

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GENERAL MOLY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

CASH FLOWS FROM FINANCING ACTIVITIES:		
Stock proceeds, net of issuance costs	2,365	5,940
Repayment of Long-Term Debt	—	(165)
Net cash provided/(used) by financing activities:	2,365	5,775
Net (decrease) in cash, cash equivalents and restricted cash	(9,357)	(5,078)
Cash, cash equivalents and restricted cash, beginning of period	17,974	23,052
Cash, cash equivalents and restricted cash, end of period	$ 8,617	$ 17,974
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest, net of capitalized	(735)	(942)
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Equity compensation capitalized as development	$ 134	$ 51
Accrued portion of advance royalties	500	1,000
Change in accrued payments to Agricultural Sustainability Trust	1,550	—
Noncash change in deposits on property, plant and equipment	153	(7)

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

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GENERAL MOLY, INC.

CONSOLIDATED STATEMENTS OF EQUITY

(In thousands, except number of shares and per share amounts)

	Common Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total
Balances, December 31, 2016	110,611,287	$ 111	$ 281,900	$ (172,337)	$ 109,674
Issuance of Units of Common Stock:					
Issued pursuant to stock awards	556,590	1	(61)	—	(60)
Stock-based compensation	—	—	216	—	216
Private Placement	14,634,146	14	5,986	—	6,000
Net loss for the year ended December 31, 2017	—	—	—	(8,045)	(8,045)
Balances, December 31, 2017	125,802,023	$ 126	$ 288,041	$ (180,382)	$ 107,785
Issuance of Units of Common Stock:					
Issued pursuant to stock awards	993,481	1	(173)	—	(172)
Stock-based compensation	—	—	871	—	871
Public Offering	9,151,000	9	2,042	—	2,051
At-the-Market Offering	1,168,300	1	485	—	486
Net loss for the year ended December 31, 2018	—	—	—	(10,744)	(10,744)
Balances, December 31, 2018	137,114,804	$ 137	$ 291,266	$ (191,126)	$ 100,277

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

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GENERAL MOLY, INC.

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 Corporation on 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.

The Company conducted exploration and evaluation activities from January 1, 2002 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 continuing its efforts to both obtain financing for and develop the Mt. Hope Project. However, challenges to our permits, including water rights, have further delayed ongoing development at the Mt. Hope Project.

Additionally, on June 21, 2018 we announced plans to commence a 10-hole drill program on the Mt. Hope property, focused on the area where previously identified copper-silver-zinc-mineralized skarns have been identified, immediately adjacent to the Mt. Hope molybdenum deposit. The program was completed in late 2018 and we are in the process of evaluating results from the program.

We also continue to evaluate our Liberty molybdenum and copper property ("Liberty Project") in Nye County, Nevada.

The Mt. Hope Project

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 the Mt. Hope Lease, into Eureka Moly, LLC ("the LLC"), and in February 2008 entered into a joint venture agreement ("LLC Agreement") for the development and operation of the Mt. Hope Project with POS-Minerals Corporation ("POS-Minerals"). Under the

LLC Agreement, POS-Minerals owns a 20% interest in the LLC and General Moly, through Nevada Moly, LLC ("Nevada Moly"), a wholly-owned subsidiary, owns an 80% interest. The ownership interests and/or required capital 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 capital contributions to the LLC totaling $100.0 million during the year ended December 31, 2008 ("Initial Contributions"). Additional amounts of $100.7 million were received from POS-Minerals in December 2012, following receipt of major operating permits for the Mt. Hope Project, including the initial Record of Decision ("ROD") from the U.S. Bureau of Land Management ("BLM").

In addition, under the terms of the LLC Agreement, since commercial production at the Mt. Hope Project was not achieved by December 31, 2011, the LLC will be required to return to POS-Minerals $36.0 million, since reduced to $33.6 million as discussed below, of its capital contributions ("Return of Contributions"), with no corresponding reduction in POS-Minerals' ownership percentage. Effective January 1, 2015, as part of a comprehensive agreement concerning the release of the reserve account described below, Nevada Moly and POS-Minerals agreed that the Return of Contributions will be payable to POS-Minerals on December 31, 2020; provided that, at any time on or before November 30, 2020, Nevada Moly and POS-Minerals may agree in writing to extend the due date to December 31, 2021; and if the due date has been so extended, at any time on or before November 30, 2021, Nevada Moly and POS-Minerals may agree in writing to extend the due date to December 31, 2022. If the repayment date is extended, the unpaid amount will bear interest at a rate per annum of LIBOR plus 5%, which interest shall compound quarterly, commencing on December 31, 2020 through the date of payment in full. Payments of accrued but unpaid interest, if any, shall be made on the repayment date. Nevada Moly may elect, on behalf of the Company to cause the Company to prepay, in whole or

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in part, the Return of Contributions at any time, without premium or penalty, along with accrued and unpaid interest, if any.

The original Return of Contributions amount due to POS-Minerals is reduced, dollar for dollar, by the amount of capital contributions for equipment payments required from POS-Minerals under approved budgets of the LLC, as discussed further below. During the period January 1, 2015 to December 31, 2018, this amount has been reduced by $2.4 million, consisting of 20% of an $8.4 million principal payment made on milling equipment in March 2015, a $2.2 million principal payment made on electrical transformers in April 2015, and a $1.2 million principal payment made on milling equipment in April 2016, such that the remaining amount due to POS-Minerals is $33.6 million. If Nevada Moly does not fund its additional capital contribution in order for the LLC to make the required return to POS-Minerals set forth above, 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, from Nevada Moly, estimated to be 5%. In the latter case, Nevada Moly's interest in the LLC is subject to dilution by a percentage equal to the ratio of 1.5 times the amount of the unpaid Return of 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, 2018, the aggregate amount of deemed capital contributions of both members was $1,088.5 million.

Furthermore, the LLC Agreement authorizes POS-Minerals to put/sell 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 by us or our successor company to use standard mining industry practice in connection with the development and operation of the Mt. Hope Project as contemplated by the parties for a period of twelve (12) consecutive months. If POS-Minerals exercises its option to put or sell its interest, Nevada Moly or its transferee or surviving entity would be required to purchase the interest for 120% of POS-Minerals' total contributions to the LLC, which, if not paid timely, would be subject to 10% interest per annum.

Effective January 1, 2015, Nevada Moly and POS-Minerals signed an amendment to the LLC agreement under which a separate $36.0 million belonging to Nevada Moly, held by the LLC in a reserve account established in December 2012, is being released for the mutual benefit of both members related to annual jointly approved Mt. Hope Project expenses through 2021. In January 2015, the reserve account funded a reimbursement of contributions made by the members during the fourth quarter of 2014, inclusive of $0.7 million to POS-Minerals and $2.7 million to Nevada Moly. The remaining reserve account funds are now being used to pay ongoing jointly approved expenses of the LLC until the Company obtains full financing for its portion of the Mt. Hope Project construction cost, or until the reserve account is exhausted. Any remaining funds after financing is obtained will be returned to the Company. The balance of the reserve account was $6.2 million and $9.9 million at December 31, 2018 and 2017, respectively.

Agreement with AMER International Group ("AMER")

Private Placement

In April 2015, the Company and AMER entered into a private placement for 40.0 million shares of the Company's common stock and warrants to purchase 80.0 million shares of the Company's common stock, priced using the trailing 90-day volume weighted average price ("VWAP") of $0.50 on April 17, 2015, the date the Investment and Securities Purchase Agreement ("AMER Investment Agreement") was signed. General Moly received stockholder approval of the transaction at its 2015 Annual Meeting, and of material amendments to the transaction at a Special Meeting held in December 2017.

On November 2, 2015, the Company and AMER entered into an amendment to the AMER Investment Agreement, utilizing a three-tranche investment. The first tranche of the amended AMER Investment Agreement closed on November 24, 2015 for a $4.0 million private placement representing 13.3 million shares, priced at $0.30 per share, and warrants (the "AMER Warrants") to purchase 80.0 million shares of common stock at $0.50 per share, which will become exercisable upon availability of an approximately $700.0 million senior secured loan ("Bank Loan"). The funds received from the $4.0 million private placement were divided evenly between general corporate purposes and an expense reimbursement account which is available to both AMER and the Company to cover anticipated Mt. Hope financing costs and other jointly sourced business development opportunities. In addition, AMER and General Moly entered into a Stockholder Agreement allowing AMER to nominate a director to the General Moly Board of Directors and additional directors following the close of Tranche 3, discussed below, and drawdown of the Bank Loan. The Stockholder Agreement also governs amer's acquisition and transfer of General Moly shares. Prior to closing the first

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tranche, the parties agreed to eliminate certain conditions to closing. Following the closing, AMER nominated Tong Zhang to serve as a director of the Company, and he was appointed by the Board of Directors on December 3, 2015. Mr. Zhang was nominated by the Board of Directors to stand for election at the 2018 General Meeting of Stockholders and was elected by the stockholders to serve as a Class II director for a three (3) year term expiring in 2021, subject to re-election.

On October 16, 2017, the Company and AMER announced the closure of the second tranche of the parties' three-tranche financing agreement. At the close of Tranche 2, General Moly issued 14.6 million shares to AMER, priced at the VWAP for the 30-day period ending August 7, 2017 (the date of the parties' Amendment No. 2 to the Investment and Securities Purchase Agreement) of $0.41 per share for a private placement of $6.0 million by AMER. $5.5 million of the equity sale proceeds were available for general corporate purposes, while $0.5 million was held in the expense reimbursement account established at the first tranche close to cover costs related to the Mt. Hope Project financing and other jointly sourced business development opportunities.

The third tranche of the amended AMER Investment Agreement will include a $10.0 million private placement representing 20.0 million shares, priced at $0.50 per share. Closing of the third tranche is conditioned upon the earlier of the reissuance of water permits for the Mt. Hope Project or completion of a joint business opportunity involving use of 10.0 million shares of General Moly stock. After the third tranche of the agreement closes, AMER will nominate a second director to General Moly's Board of Directors.

The further amended AMER Investment Agreement reaffirms continuation of the strategic partnership formed between the Company and AMER to assist in obtaining full financing for the Mt. Hope Project. The issuance of shares in connection with the third tranche of the AMER Investment Agreement was approved by General Moly stockholder in December 2017 at a Special Meeting of Stockholders.

The Company and AMER have jointly evaluated other potential opportunities, ranging from outright acquisitions, privatizations, or significant minority interest investments with a focus on base metal and ferro-alloy prospects, where the Company would benefit from management fees, minority equity interests, or the acquisition of both core and non-core assets. The Company and AMER have considered but not completed any such transactions to date and we have taken a temporary break in the evaluation of potential opportunities with AMER. From commencement of the AMER Investment Agreement in 2015 to December 31, 2018, the Company and AMER have spent approximately $2.5 million from the expense reimbursement account described above in connection with such evaluations.

Bank Loan

AMER has agreed to work cooperatively with the Company upon the return of sustained improved molybdenum prices and the receipt of our water permits to procure and support a senior secured term loan ("Bank Loan") of approximately $700 million from a major Chinese bank or banks for development of the Mt. Hope Project, and to provide a guarantee for the Bank Loan.

When documentation is complete and drawdown of the approximately $700 million Bank Loan becomes available, pursuant to the amended warrant agreement described below, the AMER Warrant will become exercisable at $0.50. After drawdown of the Bank Loan, AMER will also be entitled to nominate a third director to General Moly's Board of Directors. All conditions under the warrant agreement were originally required to be completed no later than April 17, 2017 in order for the AMER Warrant to vest and become exercisable. As the Bank Loan was not available on this date, on April 17, 2017, and again subsequently on June 16, 2017, July 16, 2017, and August 7, 2017, the Company and AMER entered into the First Amendment, Second Amendment, Third Amendment, and Fourth Amendment (the "Warrant Amendments") to the AMER Warrant. With the Fourth Amendment, the Company and AMER agreed to extend the deadline for satisfaction of all conditions to vesting of the AMER Warrant to the third anniversary of the re-issuance of the ROD for the Mt. Hope Project, anticipated in mid-2019.

Molybdenum Supply Agreement

The Company and AMER have agreed on the substantive terms of a definitive agreement that would provide a one-time option exercisable simultaneously with Bank Loan execution to purchase the balance of the Company's share of Mt. Hope molybdenum production, estimated to be approximately 16.5 million pounds annually, for the first five years of production, and 70% of the Company's annual share of Mt. Hope molybdenum production thereafter at a cost of spot price less a slight discount.

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NOTE 2 — LIQUIDITY

As the Company currently does not generate any revenues and the cash needs for the development of the Mt. Hope Project are significant, we and/or the LLC will be required to arrange for financing to be combined with funds anticipated to be received from POS-Minerals in order to retain its 20% membership interest. If we are unsuccessful in obtaining financing, we will not be able to proceed with the development of the Mt. Hope Project.

As discussed in Note 1, on November 24, 2015, the Company announced the receipt of funds to successfully close Tranche 1 of the amended Investment Agreement, resulting in a $4 million cash inflow to the Company, and on October 16, 2017, announced the closure of Tranche 2 of the parties' three-tranche financing agreement, resulting in an additional $6.0 million cash inflow to the Company. $5.5 million of the equity sale proceeds were available for general corporate purposes, while $0.5 million was held in the expense reimbursement account to cover costs related to the Mt. Hope Project financing and other jointly sourced business development opportunities.

On April 12, 2017, the Company filed a prospectus supplement in both Canada and the United States which enabled the Company, at its discretion from time to time, to sell up to $20 million worth of common shares by way of an "at-the-market" offering (the "ATM"). Since the effectiveness of the prospectus supplement by the SEC on April 26, 2017 to December 31, 2018, a total of 1,168,300 common shares have been sold under the ATM, for net proceeds to the Company of $0.5 million. In conjunction with the public offering discussed below, the Company has agreed to suspend the ATM facility for a period of 2 years.

On October 17, 2018, the Company announced an underwritten public offering of 9,151,000 units at a price of $0.25 per share with each unit consisting of one share of common stock accompanied by one warrant exercisable for one share of common stock immediately upon closing at a price of $0.35 per share. The offering provided net proceeds of approximately $2.0 million after underwriting commissions and expenses. The Company intends to use the proceeds for general corporate purposes, including the ongoing preliminary drilling program for the exploration of zinc, copper and silver mineralization at the southeast area of the Mt. Hope Project.

We continue to work with our long-lead vendors at the Mt. Hope Project to manage the timing of contractual payments for milling equipment. The following table sets forth the LLC's remaining cash commitments under these equipment contracts (collectively "Purchase Contracts") at December 31, 2018 (in millions):

As of

Year	December 31, 2018 *
2018	$ —
2019	1.4
2020	0.6
Total	$ 2.0

If the LLC does not make the payments contractually required under these purchase contracts, it could be subject to claims for breach of contract or to cancellation of the respective purchase contract. In addition, the LLC may proceed to selectively suspend, cancel or attempt to renegotiate additional purchase contracts if necessary to further conserve cash. If the LLC cancels or breaches any contracts, the LLC will take all appropriate action to minimize any losses, but could be subject to liability under the contracts or applicable law. The cancellation of certain key contracts could cause a delay in the commencement of operations, and could add to the cost to develop the Company's interest in the Mt. Hope Project.

Through December 31, 2018, the LLC has made deposits and/or final payments of $88.1 million on equipment orders. Of these deposits, $71.7 million relate to fully fabricated items, primarily milling equipment, for which the LLC has additional contractual commitments of $2.0 million noted in the table above. The remaining $16.4 million reflects both partially fabricated milling equipment, and non-refundable deposits on mining equipment. As discussed in Note 12, the mining equipment agreements remain cancellable with no further liability to the LLC. The underlying value and recoverability of these deposits and our mining properties in our consolidated balance sheets are dependent on the LLC's ability to fund development activities that would lead to profitable production and positive cash flow from operations, or proceeds from the sale of these assets. There can be no assurance that the LLC will be successful in generating future profitable operations, selling these assets or that the Company will secure additional funding in the future on terms

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acceptable to us or at all. Our consolidated financial statements do not include any adjustments relating to recoverability and classification of recorded assets or liabilities.

Our current working capital is negative and the senior notes issued in 2014 will become due in December 2019. Based on our current operating forecast, which takes into consideration the facts and circumstances described above, and the fact that we currently do not generate any revenue, the Company does not expect to be able to fund its current operations and meet its financial obligations for a period of at least 12 months from the issuance of these financials. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

All Mt. Hope Project related funding is payable out of the $36.0 million reserve account, the balance of which was $6.2 million and $9.9 million at December 31, 2018 and 2017, respectively. However, corporate general and administrative expenses and costs associated with the maintenance of the Liberty Project are not covered by the Reserve Account. Additional potential funding sources include public or private equity offerings, including closing or a negotiated acceleration of tranche 3 with respect to the remaining $10.0 million investment from AMER described in Note 1, or sale of other assets owned by the Company, although a portion of any major assets sales may be owed to POS-Minerals and the Senior note holders. There is no assurance that the Company will be successful in securing additional funding or reobtaining our water permits in order to access existing funding sources. This could result in further cost reductions, contract cancellations, and potential delays which ultimately may jeopardize the development of the Mt. Hope Project. If we are unable to meet our obligations, we would be forced to cease operations, in which event investors may lose their entire investment in our company.

NOTE 3 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 LLC Agreement, which established our ownership interest in the LLC at 80%. 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 Sheets. The net loss attributable to contingently redeemable noncontrolling interest is reflected separately on the Consolidated Statement of Operations and reduces the Contingently Redeemable Noncontrolling Interest on the Consolidated

Balance Sheets. Net losses of the LLC are attributable to the members of the LLC based on their respective ownership percentages in the LLC. During 2018, the LLC had a $1.9 million loss primarily associated with accretion of its reclamation obligations and accelerated depreciation associated with software programs no longer in use, of which $372,000 was attributed to the Contingently Redeemable Noncontrolling Interest.

Contingently Redeemable Noncontrolling Interest (“CRNCI”)

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 — “Description of Business”, 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 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 12 consecutive months. As such, the CRNCI has continued to be shown as a separate caption between liabilities and equity based on accounting standards which require equity instruments with redemption features that are not solely within the control of the issuer to be classified outside of permanent equity (referred to as mezzanine equity). The carrying value of the CRNCI has historically included the Return of Contributions, now $33.6 million, that will be returned to POS-Minerals in 2020, unless further extended by the members of the LLC as discussed above. The expected Return of Contributions to POS-Minerals was carried at redemption value as we believed redemption of this amount was probable. Effective January 1, 2015, Nevada Moly and POS-Minerals agreed that the Return of Contributions will be due to POS-Minerals on December 31, 2020, unless

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further extended by the members of the LLC as discussed above. As a result, we have reclassified the Return of Contributions payable to POS-Minerals from CRNCI to a non-current liability at redemption value, and subsequently reduced it by $2.4 million, consisting of 20% of an $8.4 million principal payment made on milling equipment in March 2015, a $2.2 million principal payment made on electrical transformers in April 2015, and a $1.2 million principal payment made on milling equipment in April 2016, such that the remaining amount due to POS-Minerals is $33.6 million.

The remaining carrying value of the CRNCI has not been adjusted to its redemption value as the contingencies that may allow POS-Minerals to require redemption of its noncontrolling interest are not probable of occurring. Under GAAP, until such time as that contingency has been eliminated and redemption is no longer contingent upon anything other than the passage of time, no adjustment to the CRNCI balance should be made. Future changes in the redemption value will be recognized immediately as they occur and the Company will adjust the carrying amount of the CRNCI to equal the redemption value at the end of each reporting period.

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.

Asset Impairments

We evaluate the carrying value of long-lived assets to be held and used, using a fair-value based approach when events and circumstances indicate that the related carrying amount of our assets may not be recoverable. Significant declines in the overall economic environment, molybdenum and copper prices may be considered as impairment indicators for the purposes of these impairment assessments. Additionally, failure to secure our mining permits, including our water rights, or revocation of our permits may be considered as impairment indicators for the purposes of these impairment assessments. In accordance with U.S. GAAP, the carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flows from such asset is less than its carrying value. In that event, an impairment charge will be recorded in our Consolidated Statement of Operations and Comprehensive Loss based on the difference between book value and the estimated fair value of the asset computed using discounted future cash flows, or the application of an expected fair value technique in the absence of an observable market price. Future cash flows include estimates of recoverable quantities to be produced from estimated proven and probable mineral reserves, commodity prices (considering current and historical prices, price trends and related factors), production quantities and capital expenditures, all based on life-of-mine plans and projections. In estimating future cash flows, assets are grouped at the lowest level for which identifiable cash flows exist that are largely independent of cash flows from other asset groups. Generally, in estimating future cash flows, all assets are grouped at a particular mine for which there are identifiable cash flows. While at December 31, 2018, we have not identified

any impairment triggering events that would indicate any of our long-lived assets are impaired, there can be no assurance that there will not be asset impairments if commodity prices experience a sustained decline and/or if there are significant downward adjustments to estimates of recoverable quantities to be produced from proven and probable mineral reserves or production quantities, and/or upward adjustments to estimated operating costs and capital expenditures, all based on life-of-mine plans and projections. The September 2017 denial of our water rights applications is not considered to be an impairment trigger as we have processes in place to see replacement of these applications and secure the water permits needed for the Mt. Hope Project.

Cash and Cash Equivalents and Restricted Cash

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.

We consider all restricted cash, inclusive of the reserve account discussed above, the loan procurement account and reclamation surety bonds, to be long-term.

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	December 31, 2018	December 31, 2017
	(in thousands)	
Cash and cash equivalents	$ 2,016	$ 6,676
Restricted cash held at EMLLC	6,167	9,911
Restricted cash held for loan procurement	—	962
Restricted cash and investments held for reclamation bonds	434	425
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 8,617	$ 17,974

As of December 31, 2018, the LLC had $0.3 million in cash deposits associated with reclamation bonds and an additional $0.4 million in a long-term funding mechanism, which are accounted for as restricted cash. Another $0.1 million in cash collateral is associated with surety bonds at the Liberty Project. Of these amounts, $0.3 million associated with reclamation bonds held at the LLC and the $0.1 million associated with the Liberty Project are considered investments and are not included in cash and cash equivalents for purposes of the Statement of Cash Flows.

Basic and Diluted Net Loss Per Share

Net loss per share was computed by dividing the net loss attributable to the Company 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 awards as of December 31, 2018 and 2017, respectively, were as follows:

	December 31, 2018	December 31, 2017
Warrants	98,686,000	89,535,000
Shares Issued upon conversion of Senior Notes	5,910,000	5,910,000
Unvested Stock Awards	2,401,268	1,735,553
Stock Appreciation Rights	938,667	995,983

These awards were not included in the computation of diluted loss per share for the twelve months ended December 31, 2018 and 2017, 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. 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 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.

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The Company has capitalized royalty payments made to Mt. Hope Mines, Inc. (“MHMI”) (discussed in Note 12 below) during the development stage. The amounts will be applied to production royalties owed upon the commencement of production.

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 or the term of the lease, whichever is shorter
Residential trailers	Ten to twenty years
Buildings and improvements	Ten to twenty seven and one-half years

Senior Convertible Promissory Notes and other Long-Term Debt

In December 2014, the Company sold and issued $8.5 million in units consisting of convertible promissory notes (the "Convertible Notes") and warrants to purchase shares of our common stock (the “Notes Warrants”) to accredited investors, including several directors and officers of the Company, pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended, and Rule 506 thereunder. The Convertible Notes are unsecured obligations and are senior to any of the Company's future secured obligations to the extent of the value of the collateral securing such obligations.

The Convertible Notes bear interest at a rate of 10.0% per annum, payable in cash quarterly in arrears on each March 31, June 30, September 30, and December 31. The Convertible Notes are convertible at any time in an amount equal to 80% of the greater of (i) the average VWAP for the 30 Business Day period ending on the Business Day prior to the date of the conversion, or (ii) the average VWAP for the 30 Business Day period ending on the original issuance date of the Convertible Notes. Each Note will convert into a maximum of 100 shares per note, resulting in the issuance of up to 8,535,000 shares. General Moly’s named executive officers and board of directors who participated in the offering are restricted from converting at a price less than $0.32, the most recent closing price at the time that the Convertible Notes were issued. The Convertible Notes are mandatorily redeemable at par plus the present value of remaining coupons upon (i) the availability of cash from a financing for the Mt. Hope Project or (ii) any other debt financing by the Company. In addition, 50% of any proceeds from the sale of assets cumulatively exceeding $250,000 will be used to prepay the Convertible Notes at par plus the present value of remaining coupons. The Company has the right to redeem the Convertible Notes at any time at par plus the present value of remaining coupons. The Private Placement was negotiated by independent members of General Moly’s board of directors, none of whom participated

in the transaction. As of December 31, 2018, an aggregate of $2.6 million of Convertible Notes had been converted into 2,625,000 shares of common stock and $1.3 million of non-convertible Senior Promissory Notes, resulting in a $0.2 million annual reduction in interest payments made by the Company in the servicing of the Convertible Notes, as further discussed in Note 6 below.

The Company evaluates its contracts for potential derivatives. See Note 6 for a description of the Company's accounting for embedded derivatives and the Convertible Notes.

Debt issuance costs incurred in connection with the Company's debt financings have been capitalized and are being amortized over the stated maturity period or estimated life of the related debt, using the effective interest method.

Provision for Taxes

Income taxes are provided based upon the asset and 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 under Accounting Standards Codification ("ASC") 740, 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.

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Reclamation and Remediation

Expenditures for ongoing compliance with environmental regulations that relate to current operations are expensed or capitalized as appropriate. Future obligations to retire an asset, including reclamation, site closure, dismantling, remediation and ongoing treatment and monitoring, are recorded as a liability at fair value at the time of construction or development. The fair value determination is based on estimated future cash flows, the current credit-adjusted risk-free discount rate and an estimated inflation factor. The value of asset retirement obligations is evaluated on a quarterly basis or as new information becomes available on the expected amounts and timing of cash flows required to discharge the liability. The fair value of the liability is added to the carrying amount of the associated asset and this additional carrying amount will be depreciated or amortized over the estimated life of the asset upon the commencement of commercial production. An accretion cost, representing the increase over time in the present value of the liability, will also be recorded each period as accretion expense. As reclamation work is performed or liabilities are otherwise settled, the recorded amount of the liability is reduced. Certain collateral amounts associated with our reclamation obligations are held in investment accounts, for which the fair value is estimated based on Level 1 inputs.

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 9 — “Equity Incentives.”

Warrants

The Company has issued warrants in connection with several financing transactions and uses the Black-Scholes model or a lattice to determine the fair value of these transactions based on the features included in each.

Recent Accounting Pronouncements

Statement of Cash Flows (Topic 230): Restricted Cash

In November 2016, the FASB issued ASU 2016-18 Statement of Cash Flows (Topic 230): Restricted Cash. The update requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows and is effective for annual periods beginning after December 15, 2017. The Company implemented the standard in the first quarter of 2018 which resulted in a recast of the statement of cash flows for the year ended December 31, 2017 reducing investing cash flows by $3.1m and additional disclosure concerning restricted cash accounts included in Cash and Cash Equivalents and Restricted Cash above.

Leases (Topic 842)

In February 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-02, Leases (Topic 842). The update provides a comprehensive update to the lease accounting topic in the Codification intended to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The amendments in ASU 2016-02 include a revised definition of a lease as well as certain scope exceptions. The amendments in ASU 2016-02 are effective for public entities for annual reporting periods beginning after December 15, 2018, and for interim periods within that reporting period. Early application is permitted. The Company is currently reviewing the standard to determine any impact on the financial statements. We anticipate that this will result in recording a right of use asset and lease liability on the Consolidated Balance Sheets.

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Revenue from Contracts with Customers (Topic 606)

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), subsequently followed by ASU 2015-14, Deferral of the Effective Date, 2016-08, Principal versus Agent Considerations (Reporting Revenue Gross Versus Net), 2016-10, Identifying Performance Obligations and Licensing, and 2016-12, Narrow-Scope Improvement and Practical Expedients. The new guidance aims to establish principles to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue from contracts with customers. The amendments are effective for reporting periods beginning after December 31, 2017. As the Company currently has no revenue, implementation of the standard did not have a material impact on its financial statements.

Compensation – Stock Compensation (Topic 718): Scope of Modification Accounting

In May 2017, the FASB issued ASU 2017-09 Compensation – Stock Compensation (Topic 718): Scope of Modification Accounting. The update clarifies when an entity is required to use modification upon a change in the terms or conditions of a share-based payment award and is effective for annual periods beginning after December 15, 2017. As the Company does not engage in modifying existing awards at this time, implementation of the standard did not have a material impact on its financial statements.

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 and the Liberty Project. We also have certain other, non-core, mining properties that are being evaluated for future development or sale.

The Mt. Hope Project. We are currently in the process of developing the Mt. Hope Project. In January 2014, the Company published an updated Technical Report on the Mt. Hope Project using Canadian Instrument NI 43-101 guidelines, which provided data on the viability and expected economics of the project. In early 2017, we re-examined the Mt. Hope proven and probable mineral reserves and updated the reserve and resource estimates using an $8.40/lb molybdenum ("Mo") three-year backward average price. No further adjustments were required during 2018.

As announced on March 1, 2018, the Company has identified a potential high-grade, copper-silver exploration target along with a significant zinc mineralized area at the Mt. Hope Project site, southeast of the Mt. Hope's molybdenum

deposit in central Nevada.

A high-intensity, ground-based Induced Polarization ("IP") survey completed in February 2018 by Quantec Geoscience indicates a fairly continuous group of high chargeability anomalies that appear aligned with the recently identified Cu-Ag Target. These anomalies lie between 100 feet and 1,000-plus feet from the surface and trend northeast for over 1,000 feet. The IP survey indicates that the anomalies could continue further to the north-northeast and to the south where they appear to dip to the east.

To date the preliminary exploration work has been undertaken solely at the expense of General Moly. The Company is presenting the promising findings to its 20% EMLLC joint venture partner at the Mt. Hope Project, POS-Minerals, and the parties are discussing value-sharing cost/investment options. Any mining operation to exploit economic mineralization at the Mt. Hope Project site will require the approval of POS-Minerals.

Geological review of historic logs and core was completed by Mine Mappers, LLC of Tucson, Arizona to update the geologic interpretation of the skarn area. Mine Mappers reviewed the geologic interpretations in conjunction with the IP results and recommended a 10-hole, 9,400 foot drilling confirmation and exploration program.

In September 2018, the Company commenced a 10 hole drill program on the patented claims at the Mt. Hope Project. The drilling program is focused on copper-silver-zinc mineralized skarns and designed to confirm and extend the target defined by historical drilling as well as test for extensions of zinc mineralization horizons which were historically mined. The drill program is was completed in late 2018 and the Company is evaluating assay results to determine if said results warrant completion of a Preliminary Economic Assessment.

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Liberty Project. We are currently continuing to evaluate the Liberty Project. In July 2014, the Company published an updated NI 43-101 compliant pre-feasibility study, which more closely examined the use of existing infrastructure and the copper potential of the property. In February 2017, Liberty Moly, LLC ("Liberty Moly") entered into a lease agreement with WK Mining Ltd. ("WK") for the lease of water rights for the purpose of mining and milling. The term of the lease is six years which WK can extend for an additional four years. As compensation for the leased water rights, WK has issued $124,000 in common shares to Liberty Moly, consisting of $100,000 at signing of the agreement and shares equal to $12,000 in both its first and second annual installments, and is required to pay an annual fee on the anniversary date of the lease in either cash or WK common shares.

The Nevada Division of Environmental Protection (NDEP) has identified environmental concerns with some Liberty Project facilities acquired with the property. NDEP's concerns are related to aspects of previously approved closure plans required by Nevada regulation. We have proposed options to NDEP to address these concerns. In July 2018, we addressed one of those concerns by successfully completing a program, as approved by NDEP, to neutralize the acidic Liberty pit lake by adding hydrated lime to raise the pH. We will continue to work with NDEP to evaluate ongoing options to address any future concerns, and additional costs may be required beyond 2018 to meet NDEP's closure requirements. However, a reasonable estimate cannot be determined at this time as it is not possible to reasonably predict the outcome of our negotiations with NDEP.

On August 1, 2017, the Company through its wholly owned subsidiary Liberty Moly entered into an Option Agreement and Land Lease Agreement (if the option is exercised) with SRPV, a subsidiary of SolarReserve, LLC of Santa Monica, California for photovoltaic solar energy development. The Agreement provides for a three-year option to lease a minimum of 500 acres and easements associated with vacant land. If the option is exercised, the parties will enter into a 30-year lease for up to 700 acres of land, with an option to extend for an additional five years at the end of the initial lease term. The vacant land parcel is wholly owned by the Company, and its use by the photovoltaic solar project will not impact the Liberty Project's future proposed mining plans.

Other Mining Properties. We also have mining claims and land purchased prior to 2006 which consist in part of (a) approximately 107 acres of fee simple land in the Little Pine Creek area of Shoshone County, Idaho, (b) six patented mining claims known as the Chicago-London group, located near the town of Murray in Shoshone County, Idaho, (c) 34 unpatented mining claims in Marion County, Oregon, known as the Detroit property and (d) 83 unpatented mining claims in Sanders and Madison County, Montana. The costs associated with these claims and properties are minimal and primarily relate to claim fees and property taxes.

Summary. The following is a summary of mining properties, land and water rights at December 31, 2018 and 2017 (in thousands):

At December 31, 2018	At December 31, 2017

Mt. Hope Project:		
Development costs	$ 176,292	$ 173,861
Mineral, land and water rights	11,324	11,324
Advance royalties	31,800	31,300
Total Mt. Hope Project	219,416	216,485
Total Liberty Project	9,678	9,684
Other Properties	81	81
Total	$ 229,175	$ 226,250

Development costs and Deposits on project property, plant and equipment

Development costs of $176.3 million as of December 31, 2018 include hydrology and drilling costs, expenditures to further the permitting process, capitalized salaries, project engineering costs, and other expenditures required to fully develop the Mt. Hope Project. Deposits on project property, plant and equipment of $88.1 million as of December 31, 2018 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.

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NOTE 5 — ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations arise from the acquisition, development, construction and normal operation of mining property, plant and equipment due to government controls and regulations that protect the environment, and are primarily related to closure and reclamation of mining properties. The exact nature of environmental issues and costs, if any, which the Company or the LLC may encounter in the future are subject to change, primarily because of the changing character of environmental requirements that may be enacted by governmental authorities.

The following table shows asset retirement obligations for future mine closure and reclamation costs in connection with the Mt. Hope Project and within the boundaries of the Plan of Operations ("PoO"):

	(in thousands)
At January 1, 2017	$ 1,454
Accretion Expense	106
Adjustments*	8
At December 31, 2017	$ 1,568
Accretion Expense	103
Adjustments*	(38)
At December 31, 2018	$ 1,633

* Includes additions, annual changes to the escalation rate, the market-risk premium rate, or reclamation time periods

The estimated future reclamation costs for the Mt. Hope Project have been discounted using a rate of 8%, which is the rate that existed at the time the liability was originally measured. The total inflated and undiscounted estimated reclamation costs associated with current disturbance under the PoO at the Mt. Hope Project were $5.8 million at December 31, 2018, inclusive of $2.6 million for mitigation of sage grouse habitat that would be affected by development of the Mt. Hope Project. Increases in ARO liabilities resulting from the passage of time are recognized as accretion expense.

As of December 31, 2018, the LLC had provided the appropriate regulatory authorities with $2.8 million in reclamation financial guarantees through the posting of surety bonds for reclamation of the Mt. Hope Project as approved in the ROD. As of December 31, 2018, we had $0.3 million in cash deposits associated with these bonds and an additional $0.4 million in a long-term funding mechanism, which are specific to the PoO disturbance and recorded in Restricted cash and investments held for reclamation bonds and are unrelated to the inflated and undiscounted liability referenced above.

The LLC has a smaller liability at the Mt. Hope Project for disturbance associated with exploration drilling which occurred outside the PoO boundaries. The LLC has not discounted this reclamation liability as the total amount is approximately $0.1 million.

Total restricted cash for surety bond collateral requirements and other long-term reclamation obligations at the Mt. Hope Project equal $0.7 million. Another $0.1 million in cash collateral is associated with surety bonds at the Liberty Project.

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The Company's Liberty Project is currently in the exploration stage. As the Company is not currently performing any exploration activity at the Liberty Project, the reclamation liability incurred for historical exploration of approximately $0.1 million has not been discounted and is shown in the table below.

	Mt. Hope Project outside PoO boundary	Liberty
	(in thousands)	
At January 1, 2017	$ 15	$ 118
Adjustments *	—	3
At December 31, 2017	$ 15	$ 121
Adjustments *	—	—
At December 31, 2018	$ 15	$ 121

* Includes reduced / reclaimed disturbance

NOTE 6 — CONVERTIBLE SENIOR NOTES

In December 2014, the Company sold and issued 85,350 Units of Convertible Notes (the "Notes") with warrants (the "Notes Warrants") to qualified buyers pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended, of which 23,750 Units were sold and issued to related parties, including several directors and each of our named executive officers. The Convertible Notes are unsecured obligations and are senior to any of the Company's future secured obligations to the extent of the value of the collateral securing such obligations.

The transaction value of $8.5 million was allocated between debt for the Convertible Notes and equity for the Notes Warrants based on the relative fair value of the two instruments. This resulted in recording $0.8 million in Additional Paid In Capital for the relative fair value of the Notes Warrants and $7.7 million as Convertible Notes. The Company received net proceeds from the sale of the Convertible Notes of approximately $8.0 million, after deducting offering expenses of approximately $0.5 million, which was allocated between debt and equity, As a result, the Company recognized $0.4 million as Debt Issuance Costs to be amortized over the expected redemption period, and $0.1 million recognized as a reduction to Additional Paid in Capital. Net proceeds from the sale will be used to fund ongoing operations until the Company's portion of project financing is obtained.

The Convertible Notes bear interest at a rate of 10.0% per annum, payable in cash quarterly in arrears on each March 31, June 30, September 30, and December 31. The Convertible Notes mature on December 26, 2019 unless earlier redeemed, repurchased or converted. The Company may redeem the Convertible Notes for cash, either in whole or in part, at any time, in exchange for the sum of (i) a cash payment equal to the unpaid principal plus all accrued but unpaid interest through the date of redemption and (ii) the present value of the remaining scheduled interest payments

discounted to the maturity date at the annual percentage yield on U.S. Treasury securities with maturity similar to the notes plus 25 basis points (the "Optional Redemption"). The Convertible Notes are mandatorily redeemable at par plus the present value of remaining coupons upon (i) the availability of cash from a financing for Mt. Hope and (ii) any other debt financing by the Company. In addition, 50% of any proceeds from the sale of assets cumulatively exceeding $250,000 will be used to prepay the Convertible Notes at par plus the present value of remaining coupons (the "Mandatory Redemption").

The Convertible Notes are convertible at any time in an amount equal to 80% of the greater of (i) the average VWAP for the 30 Business Day period ending on the Business Day prior to the date of the conversion, or (ii) the average VWAP for the 30 Business Day period ending on the original issuance date of this note. Each Convertible Note will convert into a maximum of 100 shares per note, resulting in the issuance of 8,535,000 shares, or 9.3% of shares outstanding (the "Conversion Option"). General Moly's executive management team and board of directors who participated in the offering are restricted from converting at a price less than $0.32, the most recent closing price at the time that the Convertible Notes were issued.

If the Company undergoes a "fundamental change", the Convertible Notes will be redeemed for cash at a repurchase price equal to 100% of the principal amount of the Convertible Notes to be repurchased plus accrued and unpaid interest, including contingent interest and additional amounts, if any. Examples of a "fundamental change" include the reclassification of the common stock, consolidation or merger of the Company with another entity or sale of all or substantially all of the Company's assets.

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During the year ended December 31, 2015, certain holders of the Convertible Notes, including both directors and named executive officers of the Company, elected to convert notes totaling $2.6 million, reducing the principal balance of the Convertible Notes to $5.9 million. Upon conversion, the Convertible Notes holders received 2,625,000 shares of common stock, at conversion prices ranging from $0.3462 to $0.5485, and were issued non-convertible Senior Promissory Notes ("Promissory Notes") of $1.3 million, pursuant to the terms of the share maximum provision of the Conversion Option. The Promissory Notes have identical terms to the Convertible Notes, with the exception that the holder no longer has a Conversion Option. Accordingly, the Promissory Notes bear interest equal to 10.0% per annum, payable in cash quarterly in arrears on each March 31, June 30, September 30, and December 31 and mature on December 26, 2019. The conversions resulted in a $0.2 million annual reduction in interest payments made by the Company in the servicing of the Convertible Notes.

Based on the redemption and conversion features discussed above, the Company determined that there were embedded derivatives that require bifurcation from the debt instrument and accounted for under ASC 815. Embedded derivatives are separated from the host contract, the Convertible Notes, and carried at fair value when: (a) the embedded derivative possesses economic characteristics that are not clearly and closely related to the economic characteristics of the host contract; and (b) a separate, stand-alone instrument with the same terms would qualify as a derivative instrument. The Company has concluded that the Mandatory Redemption and Conversion Option features embedded within the Notes meet these criteria and, as such, must be valued separate and apart from the Convertible Notes as one embedded derivative and recorded at fair value each reporting period (the "Embedded Derivatives").

A probability-weighted calculation was utilized to estimate the fair value of the Mandatory Redemption.

The Company used a binomial lattice model in order to estimate the fair value of the Conversion Option in the Convertible Notes. A binomial lattice model generates two probable outcomes, arising at each point in time, starting from the date of valuation until the maturity date. A lattice was initially used to determine if the Convertible Notes would be converted or held at each decision point. Within the lattice model, the Company assumes that the Convertible Notes will be converted early if the conversion value is greater than the holding value.

As of December 31, 2018, and 2017, respectively, the carrying value of the Convertible Notes, absent the embedded derivatives, was $5.8 million and $5.7 million inclusive of an unamortized debt discount of $0.1 million and $0.2 million, all of which is considered long term debt. The fair value of the Convertible Notes was $4.0 million and $4.3 million at December 31, 2018 and 2017, respectively. As of December 31, 2018, and 2017, the carrying value of the Promissory Notes was $1.3 million and $1.3 million, respectively. The fair value of the Promissory Notes was $0.9 million and $1.0 million at December 31, 2018 and 2017, respectively.

The embedded derivatives recorded in Convertible Notes at fair value were $(14,150) and $57,000 at December 31, 2018 and 2017, respectively. The changes in the estimated fair value of the embedded derivatives during the year

ended December 31, 2018 resulted in a gain of $0.1 million. Gain or loss on embedded derivatives is recognized as Interest Expense in the Statement of Operations.

The Company has estimated the fair value of the Convertible Notes, embedded derivatives and Promissory Notes based on Level 3 inputs. Changes in certain inputs into the valuation models can have a significant impact on changes in the estimated fair value. For example, the estimated fair value of the embedded derivatives will generally decrease with: (1) a decline in the stock price; (2) increases in the estimated stock volatility; and (3) an increase in the estimated credit spread.

The following inputs were utilized to measure the fair value of the Notes and embedded derivatives: (i) price of the Company’s common stock; (ii) Conversion Rate (as defined in the Convertible Note); (iii) Conversion Price (as defined in the Convertible Note); (iv) maturity date; (v) risk-free interest rate; (vi) estimated stock volatility; (vii) estimated credit spread for the Company; (viii) default intensity; and (ix) recovery rate.

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The following tables set forth the inputs to the models that were used to value the embedded derivatives:

	December 31, 2018	December 31, 2017
Stock Price	$ 0.22	$ 0.33
Maturity Date	December 31, 2019	December 31, 2019
Risk-Free Interest Rate	2.63%	1.89%
Estimated Stock Volatility	40.00%	40.00%
Default Intensity	2.00%	2.00%
Recovery Rate	30.00%	30.00%

Type of Event	Expected Date	Probability of Event
Mandatory Redemption	October 17, 2019	10%
Conversion Option	March 31, 2019	0%
Note Reaches Maturity	December 31, 2019	90%

NOTE 7 —COMMON STOCK AND COMMON STOCK WARRANTS

During the year ended December 31, 2018, we issued 993,481 shares of common stock pursuant to stock awards under the 2006 Equity Incentive Plan.

On April 12, 2017, the Company filed a prospectus supplement in both Canada and the United States to its U.S. base shelf prospectus and U.S. registration statement on Form S-3 which enabled the Company, at its discretion from time to time, to sell up to $20 million worth of common shares by way of an at-the-market offering. Since the effectiveness of the prospectus supplement by the SEC on April 26, 2017 to December 31, 2018, a total of 1,168,300 common shares have been sold under the ATM, for net proceeds to the Company of $0.5 million. In conjunction with the public offering discussed below, the Company has agreed to suspend the ATM facility for a period of 2 years.

On October 17, 2018, the Company announced an underwritten public offering of 9,151,000 units at a price of $0.25 per share, with each unit consisting of one share of common stock accompanied by one warrant exercisable for one share of common stock immediately upon closing at a price of $0.35 per share. The offering provided net proceeds of approximately $2.0 million after underwriting commissions and expenses. Mr. Bruce Hansen, Chief Executive Officer of the Company and a related party, participated in the offering for a total of $0.5 million. The Company intends to use the proceeds for general corporate purposes, including the ongoing preliminary drilling program for the

exploration of zinc, copper and silver mineralization at the southeast area of the Mt. Hope Project.

During the year ended December 31, 2017, 556,590 shares of common stock were issued pursuant to stock awards under the 2006 Equity Incentive Plan and 14.6 million shares of common stock to AMER upon closing of tranche 2 of the amended AMER Investment Agreement in October 2017.

The following is a summary of common stock warrant activity for each of the two years ended December 31, 2018:

	Number of Shares Under Warrants	Exercise Price
Balance at December 31, 2017	89,535,000	$ 0.50 to 5.00
Issuance of new warrants	9,151,000	$ 0.35
Balance at December 31, 2018	98,686,000	$ 0.35 to 5.00
Weighted average exercise price	$ 0.57	

On December 26, 2014, the Company issued 8.5 million Notes Warrants in connection with the private placement of its Convertible Notes at a price of $1.00 per share and had a relative fair value of $0.8 million. In addition, the $0.8 million value placed on the Notes Warrants was considered a debt discount and is to be amortized over the expected redemption period.

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On November 2, 2015, the Company issued a warrant for 80.0 million common shares to AMER in connection with the closing of tranche 1 of the amended AMER Investment Agreement at a price of $0.50 per share and a relative fair value of $0.5 million, resulting in an entry to additional paid-in capital.

Of the warrants outstanding at December 31, 2018, 8.5 million are exercisable at $1.00 per share at any time from June 26, 2015 through their expiration on December 26, 2019, 1.0 million 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 thereafter, and the 80.0 million shares of the AMER Warrant will become exercisable upon availability of the Bank Loan, should such availability occur prior to the third anniversary of the issuance of the ROD for the Mt. Hope Project and will expire five years thereafter.

Pursuant to our amended Certificate of Incorporation, approved by the stockholders at the general meeting of June 30, 2015, we are authorized to issue 650.0 million 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 8 — 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 Board has the authority to determine the preferences, limitations and relative rights of each series of preferred stock. At December 31, 2018, and 2017, no shares of preferred stock were issued or outstanding.

NOTE 9 — EQUITY INCENTIVES

In 2006, the Board and shareholders of the Company first approved the 2006 Equity Incentive Plan (“2006 Plan”), and in May 2010, our shareholders approved an amendment and restatement of the 2006 Plan to increase to the number of shares that may be issued under the plan by 4,500,000 shares to 9,600,000 shares and extend the expiration date of the 2006 Plan to May 2020, as well as making other technical changes related to tax law and accounting rule changes, and to make administrative clarifying changes. More recently, in June 2016, our shareholders approved an additional amendment to the 2006 Plan increasing the number of shares that may be issued under the plan by 5,000,000 shares to 14,600,000 shares. The 2006 Plan authorizes the Board, or a committee of the Board, to issue or transfer up to an aggregate of 14,600,000 shares of common stock, of which 3,460,386 remain available for issuance as of December 31, 2018. 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”). 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 December 31, 2018, there was $0.4 million of total unrecognized compensation cost related to share-based compensation arrangements, which is expected to be recognized over a weighted-average period of 2.2 years.

Stock Options and Stock Appreciation Rights

All stock options and SARs are approved by the Board of Directors 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 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, volatility of the Company's stock, the risk-free rate and the Company's dividend yield. The following table

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presents the weighted-average assumptions used in the valuation and the resulting weighted-average fair value per option or SAR granted:

For the Year Ended December 31:	2018	2017
Expected Life *	3.5 to 6.0 years	3.5 to 6.0 years
Interest Rate+	0.36% to 1.37%	0.36% to 2.58%
Volatility **+	62.04% to 92.76%	62.04% to 94.60%
Dividend Yields	—	—
Weighted Average Fair Value of Stock Appreciation Rights Granted During the Year	$ —	$ —

* 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.

At December 31, 2018, the outstanding and exercisable (fully vested) options and SARs had an aggregate intrinsic value of nil and had a weighted-average remaining contractual term of 1.6 years. No options or SARs were exercised during the years ended December 31, 2018 and 2017.

Restricted Stock Units and Stock Awards

Grants of restricted stock units and stock awards ("Stock Awards") have been granted as performance based awards, earned over a required service period, or to Board members and the Company Secretary without any service requirement. Performance based grants are recognized as compensation based on the probable outcome of achieving the performance condition. Stock Awards issued to members of the Board 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 years ended December 31, 2018 and 2017 the weighted-average grant date fair value for Stock Awards was $0.39 and $0.30, respectively. The total fair value of stock awards vested during 2018 and 2017 is $0.2 million and $0.2 million, respectively.

Summary of Equity Incentive Awards

The following table summarizes activity under the Plans during the year ended December 31, 2018:

	SARs		Stock Awards	
	Weighted Average Strike Price	Number of Shares Under Option	Weighted Average Grant Price	Number of Shares
Balance at January 1, 2018	$ 3.22	995,983	$ 1.44	1,735,553
Awards Granted	—	—	0.39	2,145,000
Awards Exercised or Earned	—	—	0.30	(1,435,000)
Awards Forfeited	1.15	(10,752)	1.46	(44,285)
Awards Expired	2.52	(46,564)	—	—
Balance at December 31, 2018	$ 3.19	938,667	$ 1.18	2,401,268
Exercisable at December 31, 2018	$ 2.14	56,523		

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A summary of the status of the non-vested awards as of December 31, 2018 and changes during the year ended December 31, 2018 is presented below.

	SARs		Stock Awards	
	Weighted Average Fair Value	Number of Shares Under Option	Weighted Average Fair Value	Number of Shares
Balance at January 1, 2018	$ 3.25	892,896	$ 1.44	1,735,553
Awards Granted	—	—	0.39	2,145,000
Awards Vested or Earned	—	—	0.30	(1,435,000)
Awards Forfeited	1.15	(10,752)	1.46	(44,285)
Balance at December 31, 2018	$ 3.26	882,144	$ 1.18	2,401,268

Compensation Cost Recognized and Capitalized Related to Equity Incentives

The following table summarizes the compensation cost recognized and capitalized related to equity incentives:

Summary of Compensation Cost Recognized and Capitalized related to Equity Incentives for the Year Ended December 31 (in thousands):	2018	2017
Stock Options*	$ —	$ —
SARs		
Performance based	67	(133)
Vesting over time	—	—
Stock Awards:		
Performance based*	760	313
Vesting over time	—	—
Board of Directors and Secretary	45	36
Total	$ 871	$ 216
Included in:		
Capitalized as Development	134	51
Expensed	737	165
	$ 871	$ 216

NOTE 10 — CHANGES IN CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST (CRNCI)

	Activity for Year Ended	
Changes CRNCI (Dollars in thousands)	December 31, 2018	December 31, 2017
Total CRNCI December 31, 2017 and 2016, respectively	$ 172,633	$ 172,659
Net Loss Attributable to CRNCI	(372)	(26)
Total CRNCI December 31, 2018 and 2017, respectively	$ 172,261	$ 172,633

NOTE 11 — INCOME TAXES

At December 31, 2018 and 2017 we had deferred tax assets principally arising from the net operating loss carry forwards for income tax purposes multiplied by an expected rate of 21% and 35%, respectively. As management of the Company cannot determine that it is not more likely than not that we will realize the benefit of the deferred tax assets, a

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valuation allowance equal to the net deferred tax asset has been established at December 31, 2018 and 2017. The significant components of the deferred tax asset at December 31, 2018 and 2017 were as follows (in thousands):

	December 31, 2018	December 31, 2017
Operating loss carry forward	$ 275,722	$ 264,801
Unamortized exploration expense	4,489	4,680
Deductible stock based compensation	4,557	4,251
Other	93	128
Deductible temporary difference	$ 284,861	$ 273,860
Taxable temporary difference — Investment in EMLLC	$ (133,547)	$ (131,872)
Senior convertible notes debt discount	$ (2,424)	(3,732)
Net deductible temporary difference	$ 148,890	$ 138,256
Deferred tax asset	$ 31,367	$ 29,034
Deferred tax asset valuation allowance	$ (31,367)	$ (29,034)
Net deferred tax asset	$ —	$ —

At December 31, 2018 and December 31, 2017, we had net operating loss carry-forwards of approximately $275.7 million and $264.8 million, respectively, which expire in the years 2021 through 2037. The change in the allowance account from December 31, 2017 to December 31, 2018 was a decrease of $2.2million.

As of December 31, 2018 and December 31, 2017 the Company had no unrecognized tax benefits. There was no change in the amount of unrecognized tax benefits as a result of tax positions taken during the year or in prior periods or due to settlements with taxing authorities or lapses of applicable statues of limitations.

The Tax Cuts and Jobs Act (the “Act”) was enacted on December 22, 2017, which enacts a broad range of changes to the Code. The 2017 Tax Act, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest and net operating losses, allows for the expensing of certain capital expenditures, puts into effect a number of changes impacting operations outside of the United States, and modifications to the treatment of certain intercompany transactions. Our net deferred tax assets and liabilities were revalued at the newly enacted U.S. corporate 21% rate, and the impact was recognized in our financial statements in 2017, the year of enactment. The Company has calculated its best estimate of the impact of the Act in its year end income tax provision in accordance with its understanding of the Act and guidance available and as allowable under SAB 118 as of the date of this filing. The provisional amount related to the remeasurement of certain deferred tax liabilities based on the rates at which they are expected to reverse in the future is $19.4 million.

The Company and/or its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state jurisdictions. Without exception, the Company is no longer subject to U.S. Federal, state and local income tax

examinations by tax authorities for years before 2013. The Company is open to federal and state tax audits until the applicable statutes of limitations expire.

NOTE 12 — COMMITMENTS AND CONTINGENCIES

Mt. Hope Project

The Mt. Hope Project is owned/leased and will be operated by the LLC under the LLC Agreement. The LLC currently has a lease ("Mt. Hope Lease") with MHMI 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 MHMI of written notice to terminate the Mt. Hope Lease and no further payments would be due to MHMI. If MHMI terminates the lease, termination is effective upon receipt of a notice of termination due to a material breach, representation, warranty, covenant or term contained in the Mt. Hope Lease and followed by failure to cure such breach within 90 days of receipt of a notice of default. MHMI may also elect to terminate the Mt. Hope Lease if the LLC has not cured the non-payment of obligations under the lease within 10 days of receipt of a notice of default. In order to maintain the Lease Agreement, the LLC must pay certain minimum advance royalties as discussed below.

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The Mt. Hope Lease 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 Mt. Hope Lease. Through December 31, 2018, we have paid $25.6 million of the total royalty advance. Based on our Mt. Hope Project capital budget we estimate that a final reconciliation payment on the Capital Construction Cost Estimate (the "Estimate") will be due following the commencement of commercial production, after as-built costs are definitively determined. The Company estimates, based on the revised capital estimate discussed above and the current timeline for the commencement of commercial production, that an additional $4.2 million will be due approximately 24 months after the commencement of construction. This amount was accrued as of December 31, 2018. The capital estimates may be subject to escalation in the event the Company experiences continued delays in achieving full financing for the Mt. Hope Project.

The LLC is also obligated to make a minimum annual advance royalty payment ("Annual Advance Royalty") of $0.5 million each October 19 for any year wherein commercial production has not been achieved or the MHMI Production Royalty (as hereinafter defined) is less than $0.5 million. As commercial production is not anticipated to commence before early 2022, the Company has accrued $2.0 million in Annual Advance Royalty payments which will be due in four $0.5 million installments in October 2019, 2020, 2021 and 2022, respectively. An additional installment of $0.5 million was paid in October 2018. The Estimate and the Annual Advance Royalty are collectively referred to as the "Advance Royalties." All Advance Royalties are credited against the MHMI Production Royalties once the mine has achieved commercial production. After the mine begins production, the LLC estimates that the MHMI Production Royalties will be in excess of the Annual Advance Royalties for the life of the Mt. Hope Project 50%. Until the advance royalties are fully credited, the LLC will pay one half of the calculated Production Royalty annually. Assuming a $12 molybdenum price, the Annual Advance Royalties are consumed within the first five years of commercial production.

On February 28, 2018, the LLC and MHMI entered into a Second Amendment dated effective January 15, 2018 (the "Lease Amendment"), to the Mt. Hope Lease. The Lease Amendment provides that following commencement of commercial production of any non- molybdenum minerals at the Mt. Hope Project, the LLC will pay a production royalty to MHMI as follows:

- For zinc, the production royalty shall be equal to (i) 4.0% of net returns when the average gross value for the calendar quarter is less than or equal to $2.00 per pound; (ii) 4.5% of net returns when the average gross value is between $2.01 and $2.49 per pound; and (iii) 5.0% of net returns when the average gross value is $2.50 per pound or greater; and

- For all other non-moly minerals, the production royalty shall be equal to 4.0% of net returns.

If commercial production of non-moly minerals commences before commercial production of molybdenum, the Lease Amendment provides that the LLC's obligation to pay the annual advance royalty under the Mt. Hope Lease will continue until the LLC has paid MHMI an aggregate of $3 million in non-moly production royalties in a three-year period. After this threshold is met, then payment of the advance royalty may be deferred in whole or in part if the

non-moly production royalty exceeds specified levels. After non-moly production royalties have exceeded $10,000,000, future payments may be credited against future production royalties under certain circumstances.

Additionally, Exxon Corporation will receive a perpetual 1% royalty interest in and to all ores, metals, minerals and metallic substances mineable or recoverable from the Mt. Hope Project in kind at the mine or may elect to receive cash payment equal to 1% of the total amount of gross payments received from the purchaser of ores mined/removed/sold from property net of certain deductions.

The Liberty Project

The Nevada Division of Environmental Protection ("NDEP") has identified environmental concerns with some Liberty Project facilities acquired with the property. NDEP's concerns are related to aspects of previously approved closure plans required by Nevada regulation. We have proposed options to NDEP to address these concerns. In July, 2018, we addressed one of those concerns by successfully completing a program, as approved by NDEP, to neutralize the acidic Liberty pit lake by adding hydrated lime to raise the pH. Our 2018 projected costs are consistent with budgeted spend. We will continue to work with NDEP to evaluate ongoing options to address any future concerns, and

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additional costs may be required beyond 2018 to meet NDEP's closure requirements. However, a reasonable estimate cannot be determined at this time as it is not possible to reasonably predict the outcome of our negotiations with NDEP.

Deposits on project property, plant and equipment

As discussed in Note 2, the LLC has 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 with remaining cash commitments of $2.0 million due on these orders.

Equipment and Supply Procurement

Through December 31, 2018, the LLC has made deposits and/or final payments of $88.1 million on equipment orders, has spent approximately $207.0 million for the development of the Mt. Hope Project, for a total Mt. Hope Project inception-to-date spend of $295.1 million.

In 2012, the LLC issued a firm purchase order for eighteen haul trucks. The order provides for delivery of those haul trucks required to perform initial mine development, which will begin several months prior to commercial production. Non-refundable down-payments of $1.2 million were made in 2012, with pricing subject to escalation as the trucks were not delivered prior to December 31, 2013. Since that time, the LLC has renegotiated the timelines for truck delivery and delayed deliveries into December 2019. The contract is cancellable with no further liability to the LLC.

Also in 2012, the LLC issued a firm purchase order for four mine production drills with a non-refundable down-payment of $0.4 million, and pricing was subject to escalation if the drills were not delivered by the end of 2013. Since that time, the LLC has accepted a change order which delayed delivery into December 2019. The contract remains cancellable with no further liability to the LLC.

On September 30, 2012, the LLC's contract to purchase two electric shovels expired. On July 11, 2012, we signed a letter of intent with the same vendor providing for the opportunity to purchase the electric shovels at prices consistent with the expired contract, less a special discount in the amount of $3.4 million to provide credit to the LLC for amounts paid as deposits under the expired contract. The letter of intent provides that equipment pricing will remain subject to inflation indexes and guarantees production slots to ensure that the equipment is available when required by

the LLC. Since that time, the parties have agreed to extend the letter of intent through December 31, 2019.

Obligations under capital and operating leases

We have contractual operating leases that will require a total of $0.1 million in payments over the next three years. Operating leases consist primarily of rents on office facilities and office equipment. Our expected payments are $0.1 million, nil, and nil for the years ended December 31, 2019, 2020, and 2021, respectively.

Creation of Agricultural Sustainability Trust

On August 19, 2010, the LLC entered into an agreement with the Eureka Producers' Cooperative ("EPC") whereby the LLC will fund a $5.6 million Sustainability Trust ("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.

The Trust may be funded by the LLC over several years based on the achievement of certain milestones, which are considered probable, and as such $5.6 million has been accrued in the Company's December 31, 2018, financial statements and is included in mining properties, land, and water rights.

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 was required to obtain approval, in the form of a Record of Decision ("ROD"), from the BLM to implement the Mt. Hope Project Plan of Operations ("PoO").

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The LLC was also required to obtain various state and federal permits including, but not limited to, water protection, air quality, water rights and reclamation. In addition to requiring permits for the development of the Mt. Hope Project, we will need to obtain and modify various mining and environmental permits during the life of the Mt. Hope Project. Maintaining, 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 the LLC's efforts to obtain, modify or renew permits will be contingent upon many variables, some of which are not within the LLC's 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. In addition, it is possible that compliance with such permits may result in additional costs and delays.

On November 16, 2012, the BLM issued its initial ROD authorizing development of the Mt. Hope Project, since vacated by the U.S. Court of Appeals for the Ninth Circuit in December 2016. On April 23, 2015, the BLM issued a Finding of No Significant Impact ("FONSI") supporting their Decision to approve an amendment to the PoO. The ROD and FONSI/Decision approve the PoO and amended PoO, respectively, for construction and operation of the mining and processing facilities and also grant the Right-of-Way, and amended Right-of-Way, respectively, for a 230kV power transmission line, discussed below. Monitoring and mitigation measures identified in the initial ROD and FONSI, developed in collaboration with the regulatory agencies involved throughout the permitting process, will avoid, minimize, and mitigate environmental impacts, and reflect the Company's commitment to be good stewards of the environment. Ongoing changes to permits and the PoO during the life of mining operations are typical as design evolves and operations are optimized.

On February 15, 2013, Great Basin Resource Watch and the Western Shoshone Defense Project ("Plaintiffs") filed a Complaint against the U.S. Department of the Interior and the BLM ("Defendants") in the U.S. District Court, District of Nevada ("District Court"), seeking relief under the National Environmental Policy Act ("NEPA") and other federal laws challenging the BLM's issuance of the ROD for the Mt. Hope Project, and on February 20, 2013 filed a Motion for Preliminary Injunction. The District Court allowed the LLC to intervene in the matter.

On August 22, 2013, the District Court denied, without prejudice, Plaintiffs' Motion for Preliminary Injunction based on a Joint Stipulation to Continue Preliminary Injunction Oral Argument, which advised the District Court that as a result of economic conditions, including the Company's ongoing financing efforts, all major ground disturbing activities had ceased at the Mt. Hope Project.

On July 23, 2014, the District Court denied Plaintiffs' motion for summary judgment in its entirety and on August 1, 2014 the Court entered judgment in favor of the Defendants and the LLC, and against Plaintiffs regarding all claims raised in the Complaint.

Thereafter, on September 22, 2014, the Plaintiffs filed their notice of appeal to the U.S. Court of Appeals for the Ninth Circuit (“Ninth Circuit”) of the District Court’s dismissal. Oral argument of the parties before the Ninth Circuit was completed on October 18, 2016. On December 28, 2016, the Ninth Circuit issued its Opinion rejecting many of the arguments raised by the Plaintiffs challenging the Environmental Impact Statement ("EIS") completed for the Mt. Hope Project, but issuing a narrow reversal of the BLM's findings related to air quality analysis and information related to potential public water resources. Because of this technical deficiency, the Court vacated the ROD, and the BLM is conducting additional evaluation of air quality impacts and resulting cumulative impact analysis under NEPA and a Supplemental Environmental Impact Statement (“SEIS”) will be prepared. The SEIS will disclose additional information to the public related to the selection of appropriate background concentrations to use for dispersion modeling of air pollutants and information related to potential public water resources. Because the SEIS must be prepared in accordance with NEPA guidelines, the SEIS will include three publications in the Federal Register, each of which may take several weeks to process. The first of these publications is the Notice of Intent (“NOI”) which declares the BLM’s intent to prepare the SEIS. The NOI was published in the Federal Register on July 19, 2017. On March 6, 2019, the BLM published the Notice of Availability (“NOA”) in the Federal Register, commencing a 45-day public comment period. Upon completion of the public comment period, we will continue to work with the BLM to receive a new ROD, anticipated later in 2019, authorizing the eventual construction and operation of the Mt. Hope Project.

Environmental regulations related to reclamation require that the cost for a third-party contractor to perform reclamation activities on the minesite be estimated. In October 2015, we submitted a request to the BLM to reduce our

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reclamation liability to current surface disturbance. Simultaneously, we submitted an application to NDEP-BMRR to modify the Reclamation Permit to reflect this reduced reclamation liability. On October 26, 2015, NDEP-BMRR approved the proposed permit modification, including the reduced reclamation liability amount. On December 21, 2015, BLM approved the updated reclamation liability estimate, reducing the reclamation liability to approximately $2.8 million. We worked with the LLC's reclamation surety underwriters to satisfy the reduced $2.8 million financial guarantee requirements under the approved amended PoO for the Mt. Hope Project. As of December 31, 2018, the surety bond program remains funded with a cash collateral payment of $0.3 million.

Water Rights Considerations

In July 2011, the Nevada State Engineer ("State Engineer") approved our applications for new appropriation of water for mining and milling use, and applications to change existing water from agricultural use to mining and milling use for the Mt. Hope Project. Subsequently, the State Engineer granted water permits associated with the approved applications and approved a Monitoring, Management and Mitigation Plan ("3M Plan") for the Mt. Hope Project. Eureka County, Nevada and two other parties comprised of water rights holders in Diamond Valley and Kobeh Valley appealed the State Engineer's decision approving the applications and granting the water permits to the Nevada State District Court ("District Court") and then filed a further appeal to the Nevada Supreme Court challenging the District Court's decision affirming the State Engineer's decision to approve the applications and grant the water permits. In June 2013, the appeal was consolidated by the Nevada Supreme Court with an appeal of the State Engineer's approval of the 3M Plan filed by two water rights holders. The District Court previously upheld the State Engineer's approval of the 3M Plan and the two parties subsequently appealed the District Court's decision to the Nevada Supreme Court.

On September 18, 2015, the Nevada Supreme Court issued an Order that reversed and remanded the cases to the District Court for further proceedings consistent with the Order. On October 29, 2015, the Nevada Supreme Court issued the Order as a published Opinion. The Nevada Supreme Court ruled that the State Engineer did not have sufficient evidence in the record at the time he approved the applications and granted the water permits to demonstrate that successful mitigation may be undertaken so as to dispel the threat to existing water rights holders.

On September 27, 2017, the Nevada Supreme Court affirmed a March 4, 2016 District Court Order vacating the 3M Plan, denying the water applications and vacating the permits issued by the State Engineer in July 2011 and June 2012. This decision of the Nevada Supreme Court is final, and not subject to further appeal.

After the Company received this final decision from the Nevada Supreme Court, it proceeded with new applications to change existing agricultural irrigation and mining/milling water rights owned by the Company to use at the Mt. Hope Project. These new change applications were filed with the State Engineer in 2015 and 2016 while the above described appeals were pending before the Nevada Supreme Court. Originally, these applications and other new appropriation applications were to be addressed at a pre-hearing conference scheduled on August 25, 2016 before the State Engineer. These applications were the subject of Writ of Prohibition or Mandamus ("Writ") filed by Eureka

County on August 23, 2016 to the Nevada Supreme Court seeking the Supreme Court's intervention to stop further action by the State Engineer while the appeal discussed above was pending. On December 22, 2017, the Nevada Supreme Court denied Eureka County's Writ Petition. As a result, the State Engineer allowed a pre-hearing conference held on January 24, 2018. At the pre-hearing conference the State Engineer and his hearing officer scheduled review of the new change applications for a hearing that occurred on September 11, 2018 in Carson City, Nevada.

On January 2, 2018, Eureka County, and later joined by the other two protestants representing a rancher in Kobeh Valley and a ranching group in Diamond Valley, filed a motion to dismiss with the State Engineer asserting that our applications were precluded from review and approval asserting that they were repetitive of applications denied previously by the Nevada Supreme Court. On March 26, 2018, the State Engineer issued a non-final order denying the motion to dismiss finding that the applications to be reviewed at the upcoming hearing were not identical issues and that further consideration of the motion could be taken at the hearing. On May 14, 2018, Eureka County, joined by the other protestants filed a Writ to the Nevada Supreme Court and later a Motion to Stay the September hearing date, asserting that the denial of the Motion to Dismiss was erroneous and that the Nevada Supreme Court should order that the applications be denied and/or the hearing should be delayed until the Nevada Supreme Court can consider the Writ and underlying motion to dismiss. We filed our objection on June 27, 2018. On August 30, 2018, the Nevada Supreme Court denied the Writ, permitting the hearing before the Nevada State Engineer to proceed.

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On the second day of the September hearing, all protest issues raised by Eureka County and the Diamond Natural Resources Protections & Conservation Association ("DNR") concerning the Mt. Hope water rights applications were resolved through a Stipulation, Settlement Agreement and Withdrawal of Protest ("Settlement"). After Eureka County and DNR were excused, the hearing continued with evidence addressing concerns raised by another protestant representing a Kobeh Valley ranching family and cattle company that refused to participate in the Settlement. At the public hearing, the Company presented expert testimony in support of its augmentation and monitoring plan to the Nevada State Engineer, which will protect senior water rights in the Kobeh Valley basin when the Company commences construction and operation of its proposed molybdenum project near the town of Eureka, Nevada.

The hearing concluded on September 21, 2018. The Company anticipates a decision on its water applications from the Nevada State Engineer in mid-2019.

Key Terms of Settlement

Under the terms of the Settlement with Eureka County and the DNR, the Company agreed to convey all related water rights for Mt. Hope Project at the future cessation of all mining activity to assist Eureka County and the DNR's efforts to mitigate the pre-existing effects of agricultural groundwater pumping in Diamond Valley. Furthermore, upon construction of certain power infrastructure and grants of right of way by the Company at the Mt. Hope Project, the Company will work cooperatively with Eureka County to allow use of and access to such infrastructure to lessen the pre-existing effects of Diamond Valley groundwater pumping. Eureka County and the Company also agreed to work cooperatively to seek opportunities to improve and implement groundwater monitoring efforts.

In addition, the Company withdrew its protests to Eureka County's pending applications with the Nevada State Engineer to appropriate water from the Kobeh Valley basin, and at the request of DNR, the Company also agreed to publicly support the proposed Diamond Valley Ground Water Management Plan currently pending before the Nevada State Engineer.

Upon receipt of the water permits, the LLC agreed to increase its financial contributions to the existing Sustainability Trust Agreement with the Eureka Producers' Cooperative ("EPC") in Diamond Valley. Eureka Moly paid $50,000 to EPC upon execution of the Settlement, and will make a second payment of $50,000 after receipt of the water permits.

Additional contributions of $750,000 each will be made after the commencement of molybdenum production at the Mt. Hope Project and on the one year anniversary of production, for a total contribution obligation to the Sustainability Trust of $5.6 million, an increase of $1.6 million related to the terms of the Settlement. The amount has been accrued under mining properties, land, and water rights in the Company's financial statements in addition to the previously accrued $4.0 million resulting in a total accrual of $5.6 million.

The Sustainability Trust is tasked with developing and implementing programs that will serve to slow groundwater drawdown and thereby improve the sustainability of the agricultural economy in the Diamond Valley Hydrographic Basin.

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 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.

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NOTE 13 — UNAUDITED SUPPLEMENTARY DATA

The following is a summary of selected unaudited quarterly financial information (in thousands except per share amounts):

Year Ended December 31, 2018	Q1	Q2	Q3	Q4
Loss from operations	$ (2,631)	$ (2,880)	$ (2,927)	$ (1,904)
Interest expense	(162)	(225)	(186)	(201)
Consolidated net loss	(2,793)	(3,105)	(3,113)	(2,105)
Net loss attributable to GMI	(2,609)	(2,931)	(3,033)	(2,171)
Basic net income/(loss) per share	(0.02)	(0.02)	(0.02)	(0.02)
Year Ended December 31, 2017				
Loss from operations	$ (1,645)	$ (1,723)	$ (1,962)	$ (1,799)
Interest expense	(288)	(225)	(205)	(224)
Consolidated net loss	(1,933)	(1,948)	(2,167)	(2,023)
Net loss attributable to GMI	(1,923)	(1,943)	(2,161)	(2,018)
Basic net income/(loss) per share	(0.02)	(0.02)	(0.02)	(0.01)

NOTE 14 — SUBSEQUENT EVENTS

On March 13, 2019, the Company announced that its Board of Directors has retained XMS Capital Partners, Headwall Partners, and Odinbrook Global Advisors (collectively, the “Advisors”), as financial advisors to assist the Board and management with evaluating and recommending strategic alternatives.

The range of strategic alternatives being evaluated include sourcing of potential incremental capital financing, sale of interest(s) in the assets of the Company or the Company, and restructuring of the senior notes issued in a December 2014 private placement, which matures in December 2019.

Additionally, in advance of receiving the water permits, members of management of the Company have agreed in principle with the Audit Committee of the Board to provide interim incremental liquidity to the Company through a private placement purchase of up to $900,000 of Convertible Preferred Shares of General Moly with a 5% annual dividend, which is anticipated to close by the end of March 2019. The transaction is subject to a definitive purchase agreement and approval by the disinterested members of the Board.

The Convertible Preferred Shares are priced at $100.00/preferred share, convertible at any time at the holder’s discretion into common shares whereby one preferred share converts at a price of $0.27/common share to 370.37

common shares. The conversion price was set as the closing price of the common stock on March 12, 2019, which was the day before announcement of the private placement. Upon maturity or full repayment of the $7.1 million convertible debt currently outstanding, there will be mandatory redemption of the preferred shares into equivalent cash for the principal invested, plus any accrued and unpaid dividends. The Company believes this transaction will provide the liquidity necessary for the Company to operate through the anticipated receipt of the water permits. However, this does not alleviate the substantial doubt about our ability to continue to operate as a going concern.

The Company and the Advisors are discussing with AMER the potential for AMER to accelerate a portion of the existing Tranche 3 share purchase obligation through participation with members of management, or separately, through a restructured Tranche 3.

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ITEM 9.CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A.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 of the end of the period covered by this Annual Report on Form 10-K. 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 December 31, 2018 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. On May 14, 2013, the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") published an updated Internal Control — Integrated Framework (2013) and related illustrative documents. The Company adopted the new framework in 2014.

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect the Company's transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of the Company's financial statements; providing reasonable assurance that receipts and expenditures of the Company's assets are made in accordance with management's authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of the Company's financial statements would be prevented or detected.

Management conducted its evaluation of the effectiveness of the Company's internal controls over financial reporting based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework in 2013. Based on this evaluation, management concluded that, at December 31, 2018, the Company's internal control over financial reporting was effective.

ITEM 9B.OTHER INFORMATION

None.

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PART III

ITEM 10.DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding directors and executive officers of registrant is presented under the heading “Directors and Executive Officers” in our definitive proxy statement for use in connection with the 2019 Annual Meeting of Stockholders (“2019 Proxy Statement”) to be filed within 120 days after our fiscal year ended December 31, 2018, and is incorporated herein by this reference thereto.

Information regarding Section 16(a) beneficial ownership reporting compliance report is presented under the heading “Section 16(a) Beneficial Ownership Reporting Compliance” in our 2018 Proxy Statement, and is incorporated herein by this reference thereto. Information regarding our code of ethics is presented under the heading “Code of Business Conduct and Ethics” in our 2019 Proxy Statement, and is incorporated herein by reference thereto. Information regarding our Audit Committee, Compensation Committee, Finance Committee, Technical Committee and our Nominating Committee is presented under the heading “The Board of Directors, Board Committees and Director Independence” in our 2019 Proxy Statement, and is incorporated herein by reference thereto.

ITEM 11.EXECUTIVE COMPENSATION

Information regarding executive compensation is presented under the heading “Executive Compensation” in our 2019 Proxy Statement, and is incorporated herein by this reference thereto.

ITEM 12.SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information regarding certain information with respect to our equity compensation plans as of December 31, 2018 is set forth under the heading “Equity Compensation Plan Information” in our 2019 Proxy Statement, and is incorporated herein by this reference thereto.

Information regarding security ownership of certain beneficial owners and management is set forth under the heading “Voting Securities and Principal Holders” in our 2019 Proxy Statement, and is incorporated herein by this reference thereto.

ITEM 13.CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information regarding certain relationships and related transactions is presented under the heading “Certain Relationships and Related Transactions” in our 2019 Proxy Statement, and is incorporated herein by this reference thereto. Information regarding director independence is presented under the heading “The Board of Directors, Board Committees and Director Independence” in our 2019 Proxy Statement, and is incorporated herein by reference thereto.

ITEM 14.PRINCIPAL ACCOUNTING FEES AND SERVICES

Information regarding principal accounting fees and services is presented under the headings “Audit Fees,” “Audit-Related Fees,” “Tax Fees,” and “All Other Fees” in our 2019 Proxy Statement, and is incorporated herein by this reference thereto.

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(1)Financial Statements

See the Index to Consolidated Financial Statements included on page 50 for a list of the financial statements included in this Form 10-K.

(2)Financial Statement Schedules

Financial statement schedules are omitted because they are not required or are not applicable.

(3)Exhibits

Exhibit Number	Description
3.1†	Certificate of Incorporation, as amended (Filed as Exhibit 3.1 to our Quarterly Report on Form 10-Q filed on November 4, 2015.)
3.2†	Certificate of Designation of Series A Junior Participating Preferred Stock (Filed as Exhibit 3.1 to our Current Report on Form 8-K filed on March 5, 2010.)
3.3†	Amended and Restated Bylaws (Filed as Exhibit 3.2 to our Current Report on Form 8-K filed on February 10, 2015.)
4.1†	Form of Senior Convertible Promissory Note (Filed as Exhibit 4.1 to our Current Report on Form 8-K filed on December 30, 2014.)
4.2†	Form of Common Stock Purchase Warrant (Filed as Exhibit 4.2 to our Current Report on Form 8-K filed on December 30, 2014.)
4.3†	

	Registration Rights Agreement dated as of December 26, 2014, by and among General Moly, Inc. and the several investors signatory thereto (Filed as Exhibit 4.3 to our Current Report on Form 8-K filed on December 30, 2014.)
4.4†	Form of Common Stock Purchase Warrant (Filed as Exhibit 4.1 to our Current Report on Form 8-K filed on October 19, 2018.)
10.1†	Lease Agreement, dated October 17, 2005, between the Company and Mount Hope Mines, Inc. (Filed as Exhibit 10.1 to our Current Report on Form 8-K filed on January 23, 2006.)
10.2†	Modification to Mount Hope Mines Lease Agreement, dated January 26, 2006 (Filed as Exhibit 10.11 to our Annual Report on Form 10-KSB filed on March 31, 2006.)
10.3†	Amendment to Lease Agreement, made effective as of November 20, 2007, between the Company and Mount Hope Mines, Inc. (Filed as Exhibit 10.3 to our Annual Report on Form 10-KSB filed on March 21, 2008.)
10.4†	Second Amendment to Lease Agreement, dated effective January 15, 2018, between Eureka Moly, LLC and Mount Hope Mines, Inc. (Filed as Exhibit 10.1 to our Current Report on Form 8-K filed on February 28, 2018.)
10.5†	Option to Lease, dated November 12, 2004, between the Company and Mount Hope Mines, Inc. (Filed as Exhibit 10.1 to our Annual Report on Form 10-KSB filed on April 6, 2005.)

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Exhibit Number	Description
10.6†	Stock Purchase Agreement, dated December 11, 2006, between the Company and Equatorial Mining Limited (Filed as Exhibit 10.17 to our Annual Report on Form 10-KSB filed on April 3, 2007.)
10.7†	Securities Purchase Agreement, dated as of November 9, 2007, between the Company and ArcelorMittal S.A. (Filed as Exhibit 10.6 to our Annual Report on Form 10-KSB filed on March 21, 2008.)
10.8†	Consent and Waiver Agreement, dated April 16, 2010, by and between the Company and ArcelorMittal S.A. (Filed as Exhibit 10.1 to our Current Report on Form 8-K filed on April 19, 2010.)
10.9†+	Amended and Restated Employment Agreement, dated January 1, 2012, between the Company and Bruce D. Hansen (Filed as Exhibit 10.8 to our Annual Report on Form 10-K filed on March 1, 2012.)
10.10†+	First Amendment to Amended and Restated Employment Agreement, dated as of September 6, 2013, between the Company and Bruce D. Hansen (Filed as Exhibit 10.01 to our Quarterly Report on Form 10-Q filed on November 4, 2013.)
10.11†+	Second Amendment to Amended and Restated Employment Agreement dated effective January 1, 2016, by and between General Moly, Inc. and Bruce D. Hansen (Filed as Exhibit 10.1 to our Current Report on Form 8-K filed on January 21, 2016.)
10.12†+	Third Amendment to Amended and Restated Employment Agreement dated effective January 16, 2016, by and between General Moly, Inc. and Bruce D. Hansen (Filed as Exhibit 10.2 to our Current Report on Form 8-K filed on January 21, 2016.)
10.13†+	Fourth Amendment to Amended and Restated Employment Agreement dated effective December 1, 2018, by and between General Moly, Inc. and Bruce D. Hansen. (Filed as Exhibit 10.1 to our Current Report on Form 8-K filed on December 4, 2018.)
10.14†+	Salary Reduction and Stay Incentive Agreement, dated as of September 6, 2013, between the Company and Bruce D. Hansen (Filed as Exhibit 10.21 to our Quarterly Report on Form 10-Q filed on November 4, 2013.)
10.15†+	First Amendment to Salary Reduction and Stay Incentive Agreement dated as of January 14, 2015, by and between General Moly, Inc. and Bruce D. Hansen (Filed as Exhibit 10.1 to our Current Report on Form 8-K filed on January 21, 2015.)
10.16†+	Stay Incentive Agreement dated as of January 16, 2016, by and between General Moly, Inc. and Bruce D. Hansen (Filed as Exhibit 10.9 to our Current Report on Form 8-K filed on January 21, 2016.)
10.17†+	Stay Incentive Agreement dated as of January 16, 2017, by and between General Moly, Inc. and Bruce D. Hansen (Filed as Exhibit 10.1 to our Quarterly Report on Form 10-Q filed on May 1, 2017.)

10.18†+	Stay Incentive Agreement dated as of January 16, 2018, by and between General Moly, Inc. and Bruce D. Hansen (Filed as Exhibit 10.1 to our Quarterly Report on Form 10-Q filed on May 8, 2018.)
10.19†+	Form of Indemnification Agreement (Filed as Exhibit 10.18 to our Current Report on Form 8-K filed on October 5, 2007.)
10.20†+	General Moly, Inc. 2006 Equity Incentive Plan, as Amended and Restated (Filed as Exhibit 10.1 to our Registration Statement on Form S-8 filed on May 21, 2010.)

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Exhibit Number	Description
10.21†+	Form of Stock Option Grant Notice and Agreement under 2006 Equity Incentive Plan of the Company (Filed as Exhibit 10.13 to our Annual Report on Form 10-KSB filed on April 3, 2007.)
10.22†+	Form of Restricted Stock Agreement under 2006 Equity Incentive Plan of the Company (Filed as Exhibit 10.14 to our Annual Report on Form 10-KSB filed on April 3, 2007.)
10.23†+	Form of Non-Employee Option Award Agreement (Filed as Exhibit 99.1 to our Registration Statement on Form S-8 filed on January 12, 2007.)
10.24†+	Form of Employee Stock Option Agreement (Filed as Exhibit 99.2 to our Registration Statement on Form S-8 filed on January 12, 2007.)
10.25†+	Form of Stock Appreciation Right Grant Notice and Agreement under the Company's 2006 Equity Incentive Plan (Filed as Exhibit 10.3 to our Current Report on Form 8-K filed on March 5, 2009.)
10.26†+	Form of Restricted Stock Unit Agreement under 2006 Equity Incentive Plan of the Company (Filed as Exhibit 10.4 to our Quarterly Report on Form 10-Q Filed on October 29, 2010.)
10.27†+	Amendment to General Moly, Inc. 2006 Equity Incentive Plan, as Amended (Filed as Annex A to our Definitive Proxy Statement on Schedule 14A filed on April 18, 2016.)
10.28†*	Molybdenum Supply Agreement between General Moly and ArcelorMittal Purchasing SAS, dated as of December 28, 2007 (Filed as Exhibit 10.19 to our Annual Report on Form 10-KSB filed on March 31, 2008.)
10.29†*	Extension Molybdenum Supply Agreement, dated as of April 16, 2010, by and between the Company and ArcelorMittal S.A. (Filed as Exhibit 10.2 to our Quarterly Report on Form 10-Q filed on July 30, 2010.)
10.30†	Contribution Agreement between Nevada Moly, LLC, a wholly-owned subsidiary of the Company, Eureka Moly, LLC, and POS-Minerals Corporation (Filed as Exhibit 10.20 to our Quarterly Report on Form 10-Q filed on May 7, 2008.)
10.31†	Amended and Restated Limited Liability Company Agreement of Eureka Moly, LLC (Filed as Exhibit 10.20 to our Quarterly Report on Form 10-Q filed on May 7, 2008.)
10.32†	Amendment No. 1 to Limited Liability Company Agreement of Eureka Moly, LLC, dated as of October 28, 2008, between Nevada Moly, LLC and POS-Minerals Corporation (Filed as Exhibit 10.27 to our Annual Report on Form 10-K filed on February 27, 2009.)
10.33†	Amendment No. 2 to Limited Liability Company Agreement of Eureka Moly, LLC, dated as of January 20, 2010, between Nevada Moly, LLC and POS-Minerals Corporation (Filed as Exhibit 10.3 to our Current Report on Form 8-K filed on January 25, 2010.)
10.34†	Amendment No. 4 to Limited Liability Company Agreement of Eureka Moly, LLC dated as of January 1, 2015, by and between Nevada Moly, LLC and POS-Minerals Corporation (Filed as Exhibit 10.4 to our

Current Report on Form 8-K filed on January 22, 2015).

10.35† Third Installment Election, dated as of March 3, 2010, between Nevada Moly, LLC and POS-Minerals Corporation (filed as Exhibit 10.4 to our Current Report on Form 8-K filed on March 5, 2010.)

10.36† Guarantee and Indemnity Agreement, dated February 26, 2008, by POSCO Canada Ltd., in favor of Nevada Moly, LLC and the Company (Filed as Exhibit 10.20 to our Quarterly Report on Form 10-Q filed on May 7, 2008.)

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Exhibit Number	Description
10.37†*	Molybdenum Supply Agreement between the Company and SeAH Besteel Corporation, dated as of May 14, 2008 (Filed as Exhibit 10.25 to our Quarterly Report on Form 10-Q filed on August 4, 2008.)
10.38†*	First Amendment to Molybdenum Supply Agreement dated July 22, 2015, by and between the Company and SeAH Besteel Corporation (Filed as Exhibit 10.2 to our Current Report on Form 8-K filed on July 24, 2015.)
10.39†*	Molybdenum Supply Agreement between the Company and Sojitz Corporation, dated as of August 8, 2008 (Filed as Exhibit 10.26 to our Quarterly Report on Form 10-Q filed on November 3, 2008.)
10.40†+	Employment Agreement, dated as of December 27, 2012, between the Company and Robert I. Pennington (Filed as Exhibit 10.28 to our Annual Report on Form 10-K filed on March 8, 2013.)
10.41†+	First Amendment to Amended and Restated Employment Agreement, dated as of September 6, 2013, between the Company and Robert I. Pennington (Filed as Exhibit 10.05 to our Quarterly Report on Form 10-Q filed on November 4, 2013.)
10.42†+	Second Amendment to Employment Agreement dated effective January 1, 2016, by and between General Moly, Inc. and Robert I. Pennington (Filed as Exhibit 10.3 to our Current Report on Form 8-K filed on January 21, 2016.)
10.43†+	Third Amendment to Employment Agreement dated effective January 16, 2016, by and between General Moly, Inc. and Robert I. Pennington (Filed as Exhibit 10.4 to our Current Report on Form 8-K filed on January 21, 2016.)
10.44†+	Fourth Amendment to Amended and Restated Employment Agreement dated effective December 1, 2018, by and between General Moly, Inc. and Robert I. Pennington. (Filed as Exhibit 10.2 to our Current Report on Form 8-K filed on December 4, 2018.)
10.45†+	Stay Incentive Agreement, dated effective January 16, 2015, between General Moly, Inc. and Robert I. Pennington (Filed as Exhibit 10.5 to our Quarterly Report on Form 10-Q filed on May 4, 2015.)
10.46†+	Stay Incentive Agreement dated as of January 16, 2016, by and between General Moly, Inc. and Robert I. Pennington (Filed as Exhibit 10.10 to our Current Report on Form 8-K filed on January 21, 2016.)
10.47†+	Stay Incentive Agreement dated as of January 16, 2017, by and between General Moly, Inc. and Robert I. Pennington (Filed as Exhibit 10.2 to our Quarterly Report on Form 10-Q filed on May 1, 2017.)
10.48†+	Stay Incentive Agreement dated as of January 16, 2018, by and between General Moly, Inc. and Robert I. Pennington (Filed as Exhibit 10.2 to our Quarterly Report on Form 10-Q filed on May 8, 2018.)
10.49†	Common Stock Purchase Warrant dated April 16, 2010, issued to CCM Qualified Master Fund, Ltd. (Filed as Exhibit 10.1 to our Current Report on Form 8-K filed on April 19, 2010.)

10.50†	Common Stock Purchase Warrant dated April 16, 2010, issued to Coghill Capital Management, LLC. (Filed as Exhibit 10.1 to our Current Report on Form 8-K filed on April 19, 2010.)
10.51†	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.)
10.52†	Agreement to Reprice and Exercise Warrants between the Company and CCM Special Holdings Fund, LP. Dated December 21, 2010 (Filed as Exhibit 10.2 to our Current Report on Form 8-K filed on January 5, 2011.)

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Exhibit Number	Description
10.53†	Cooperation Agreement dated August 10, 2010, between Eureka Moly, LLC and the Eureka Producers Cooperative (Filed as Exhibit 10.1 to our Current Report on Form 8-K/A filed on August 26, 2010.)
10.54†	Employment Agreement dated as of January 16, 2016, by and between General Moly, Inc. and R. Scott Roswell (Filed as Exhibit 10.7 to our Current Report on Form 8-K filed on January 21, 2016.)
10.55†+	First Amendment to Employment Agreement dated effective January 16, 2016, by and between General Moly, Inc. and R. Scott Roswell (Filed as Exhibit 10.8 to our Current Report on Form 8-K filed on January 21, 2016.)
10.56†+	Second Amendment to Amended and Restated Employment Agreement dated effective December 1, 2018, by and between General Moly, Inc. and R. Scott Roswell. (Filed as Exhibit 10.3 to our Current Report on Form 8-K filed on December 4, 2018.)
10.57†+	Stay Incentive Agreement, dated effective January 16, 2015, between General Moly, Inc. and R. Scott Roswell (Filed as Exhibit 10.5 to our Quarterly Report on Form 10-Q filed on May 4, 2015.)
10.58†+	Stay Incentive Agreement dated as of January 16, 2016, by and between General Moly, Inc. and R. Scott Roswell (Filed as Exhibit 10.12 to our Current Report on Form 8-K filed on January 21, 2016.)
10.59†+	Stay Incentive Agreement dated as of January 16, 2017, by and between General Moly, Inc. and R. Scott Roswell (Filed as Exhibit 10.3 to our Quarterly Report on Form 10-Q filed on May 1, 2017.)
10.60†+	Stay Incentive Agreement dated as of January 16, 2018, by and between General Moly, Inc. and R. Scott Roswell (Filed as Exhibit 10.3 to our Quarterly Report on Form 10-Q filed on May 8, 2018.)
10.61†+	Form of Restricted Stock Unit Agreement for the Company's 2006 Equity Incentive Plan (performance-based vesting) (Filed as Exhibit 10.6 to our Quarterly Report on Form 10-Q filed on May 2, 2011.)
10.62†+	Form of Restricted Stock Unit Agreement for the Company's 2006 Equity Incentive Plan (time-based vesting) (Filed as Exhibit 10.7 to our Quarterly Report on Form 10-Q filed on May 2, 2011.)
10.63†+	Form of Amendment to Restricted Stock Unit Agreement Issued Under the General Moly, Inc. 2006 Equity Incentive Plan, dated effective December 1, 2018 (Filed as Exhibit 10.4 to our Current Report on Form 8-K filed on December 4, 2018.)
10.64†+	Form of Stock Appreciation Rights Grant Notice for the Company's 2006 Equity Incentive Plan (Filed as Exhibit 10.8 to our Quarterly Report on Form 10-Q filed on May 2, 2011.)

10.65†	Unit Subscription Agreement dated as of December 22, 2014, by and among General Moly, Inc. and the several investors signatory thereto (Filed as Exhibit 10.1 to our Current Report on Form 8-K filed on December 30, 2014.)
10.66†	Investment and Securities Purchase Agreement dated April 17, 2015, between General Moly Inc., and AMER International Group Co., Ltd. (Filed as Exhibit 10.1 to our Current Report on Form 8-K filed on April 21, 2015.)
10.67†	Amendment No. 1 to Investment and Securities Purchase Agreement dated April 17, 2015, between General Moly, Inc. and Amer International Group Co., Ltd. (Filed as Exhibit 10.1 to our Current Report on Form 8-K filed on December 1, 2015.)
10.68†	Amendment No. 2 to Investment and Securities Purchase Agreement dated August 7, 2017, between General Moly, Inc. and Amer International Group Co., Ltd. (Filed as Exhibit 10.3 to our Current Report on Form 8-K filed on August 10, 2017.)

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Exhibit Number	Description
10.69†	Amendment No. 3 to Investment and Securities Purchase Agreement dated September 30, 2017, between General Moly, Inc. and Amer International Group Co., Ltd. (Filed as Exhibit 10.1 to our Current Report on Form 8-K filed on October 2, 2017.)
10.70†	Common Stock Purchase Warrant by and between General Moly, Inc. and Amer International Group Co. Ltd. dated November 24, 2015 (Filed as Exhibit 10.2 to our Current Report on Form 8-K filed on December 1, 2015.)
10.71†	First Amendment to Warrant by and between General Moly, Inc. and Amer International Group Co. Ltd. dated April 17, 2017 (Filed as Exhibit 10.2 to our Current Report on Form 8-K filed on April 18, 2017.)
10.72†	Second Amendment to Warrant by and between General Moly, Inc. and Amer International Group Co. Ltd. dated June 16, 2017 (Filed as Exhibit 10.3 to our Current Report on Form 8-K filed on June 20, 2017.)
10.73†	Third Amendment to Warrant by and between General Moly, Inc. and Amer International Group Co. Ltd. dated July 16, 2017 (Filed as Exhibit 10.4 to our Current Report on Form 8-K filed on July 18, 2017.)
10.74†	Fourth Amendment to Warrant by and between General Moly, Inc. and Amer International Group Co. Ltd. dated August 7, 2017 (Filed as Exhibit 10.8 to our Current Report on Form 8-K filed on August 10, 2017.)
10.75†	Stockholder Agreement by and between General Moly, Inc. and Amer International Group Co. Ltd. dated November 24, 2015 (Filed as Exhibit 10.3 to our Current Report on Form 8-K filed on December 1, 2015.)
10.76†	Expense Reimbursement Agreement by and between General Moly, Inc. and Amer International Group Co. Ltd. dated November 24, 2015 (Filed as Exhibit 10.4 to our Current Report on Form 8-K filed on December 1, 2015.)
10.77†	At the Market Offering Agreement, dated April 12, 2017, by and between the Company and Rodman & Renshaw, a unit of H.C. Wainwright & Co., LLC (Filed as Exhibit 1.2 to our Registration Statement on Form S-3 filed on April 12, 2017.)
10.78†+	Employment Agreement, dated as of May 12, 2017, between the Company and Amanda J. Corrion (Filed as Exhibit 10.4 to our Quarterly Report on Form 10-Q filed on August 14, 2017.)
10.79†+	Stay Incentive Agreement dated as of January 16, 2018, by and between General Moly, Inc. and Amanda Corrion (Filed as Exhibit 10.4 to our Quarterly Report on Form 10-Q filed on May 8, 2018.)
21.1	Subsidiaries of General Moly, Inc. (Filed herewith)
23.1	Consent of PricewaterhouseCoopers LLP (Filed herewith)
23.2	Consent of John M. Marek, P.E. (Filed herewith)

31.1 Certification of CEO pursuant to Rule 13a-14(a)/15d-14(a) (Filed herewith)

32.1 Certification of CEO pursuant to Section 1350 (Furnished herewith)

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Exhibit Number	Description
101	The following XBRL (Extensible Business Reporting Language) materials are filed herewith: (i) XBRL Instance; (ii) XBRL Taxonomy Extension Schema; (iii) XBRL Taxonomy Extension Calculation; (iv) Taxonomy Extension Labels, (v) XBRL Taxonomy Extension Presentation, and (vi) XBRL Taxonomy Extension Definition.

†Previously filed as indicated and incorporated herein by reference.

+Management contract.

*Confidential treatment has been granted for certain portions of this exhibit, and such confidential portions have been separately filed with the Securities Exchange Commission.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

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SIGNATURES

Pursuant to the requirements of the Section 13 or 15(d) of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized in Lakewood, Colorado on March 21, 2019.

GENERAL MOLY, INC.

By: /s/ Bruce D. Hansen
Name: Bruce D. Hansen
Title: Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Exchange Act, this report has been signed below on March 21, 2019 by the following persons, on behalf of the Registrant, and in the capacities indicated.

/s/ Bruce D. Hansen Bruce D. Hansen	Chief Executive Officer, Chief Financial Officer and Director (Principal Executive Officer & Principal Financial Officer)
/s/ Amanda J. Corrion Amanda J. Corrion	Controller (Principal Accounting Officer)
/s/ Ricardo M. Campoy Ricardo M. Campoy	Chairman of the Board
/s/ Mark A. Lettes Mark A. Lettes	Director
/s/ Gary A. Loving Gary A. Loving	Director
/s/ Gregory P. Raih Gregory P. Raih	Director
/s/ Tong Zhang Tong Zhang	Director