
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2020

☐ **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
(State or other jurisdiction
of incorporation or organization)

91-0232000
(I.R.S. Employer
Identification No.)

**1726 Cole Blvd., Suite 115
Lakewood, CO 80401
Telephone: (303) 928-8599**

(Address and telephone number of principal executive offices)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	GMO	NYSE American and Toronto Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the 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 ☒

The number of shares outstanding of issuer's common stock as of May 10, 2020, was 152,685,255.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GENERAL MOLY, INC. CONSOLIDATED BALANCE SHEETS (In thousands, except par value amounts)

	March 31, 2020 (unaudited)	December 31, 2019
ASSETS:		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,055	\$ 4,614
Deposits, prepaid expenses and other current assets	332	272
Total Current Assets	<u>3,387</u>	<u>4,886</u>
Mining properties, land and water rights	244,845	244,137
Deposits on project property, plant and equipment	87,972	87,972
Restricted cash held at EMLLC	3,684	3,388
Restricted cash and investments held for reclamation bonds	708	708
Non-mining property and equipment, net	-	32
Other assets	3,104	3,104
TOTAL ASSETS	<u>\$ 343,700</u>	<u>\$ 344,227</u>
LIABILITIES, CRNCI, AND EQUITY:		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,179	\$ 1,223
Return of Contributions Payable to POS-Minerals, current portion	33,641	33,641
Accrued advance royalties	500	500
Total Current Liabilities	<u>35,320</u>	<u>35,364</u>
Provision for post closure reclamation and remediation costs	2,000	1,953
Accrued advance royalties	6,888	6,388
Accrued payments to Agricultural Sustainability Trust	5,500	5,500
Accrued water rights payments	14,000	14,000
Senior Promissory Notes	8,368	7,883
Other accrued liabilities	2,676	3,447
Total Liabilities	<u>74,752</u>	<u>74,535</u>
COMMITMENTS AND CONTINGENCIES - NOTE 12		
CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST ("CRNCI")	172,314	172,239
CONVERTIBLE PREFERRED SHARES	1,300	1,300
EQUITY		
Common stock, \$0.001 par value; 650,000,000 and 650,000,000 shares authorized, respectively, 152,685,255 and 152,033,515	152	152
Additional paid-in capital	295,387	295,005
Accumulated deficit during exploration and development stage	<u>(200,205)</u>	<u>(199,004)</u>
Total Equity	<u>95,334</u>	<u>96,153</u>
TOTAL LIABILITIES, CRNCI, AND EQUITY	<u>\$ 343,700</u>	<u>\$ 344,227</u>

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

GENERAL MOLY, INC. (“GMI”)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited — In thousands, except per share amounts)

	<u>Three Months Ended</u>	
	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>
REVENUES	\$ —	\$ —
OPERATING EXPENSES:		
Exploration and evaluation	173	103
General and administrative expense	1,493	1,299
Gain on Sale of non-core properties and assets	(547)	—
TOTAL OPERATING EXPENSES	<u>1,119</u>	<u>1,402</u>
(LOSS) FROM OPERATIONS	(1,119)	(1,402)
OTHER INCOME/(EXPENSE):		
Interest expense	(759)	(55)
Other income	752	—
TOTAL OTHER (EXPENSE)/INCOME, NET	<u>(7)</u>	<u>(55)</u>
(LOSS) BEFORE INCOME TAXES	(1,126)	(1,457)
Income Taxes	—	—
CONSOLIDATED NET (LOSS)	\$ (1,126)	\$ (1,457)
Less: Net loss attributable to CRNCI	(75)	36
NET LOSS ATTRIBUTABLE TO GMI	\$ (1,201)	\$ (1,421)
Basic and diluted net loss attributable to GMI per share of common stock	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding — basic and diluted	152,669	137,471
COMPREHENSIVE (LOSS)	\$ (1,201)	\$ (1,421)

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

GENERAL MOLY, INC.
CONSOLIDATED STATEMENTS OF EQUITY

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

	Common Shares	Preferred Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total
Balances, December 31, 2018	137,114,804	—	\$ 137	\$ 291,266	\$ (191,126)	\$ 100,277
Issuance of Units of Common Stock:						
Issued pursuant to stock awards	135,000	—	—	—	—	—
Stock-based compensation	—	—	—	25	—	25
Restricted stock net share settlement	276,328	—	—	(1)	—	(1)
Public Offering	—	—	—	—	—	—
Issued under at-the-market trading mechanism	—	—	—	—	—	—
Net loss for the period ended March 31, 2019	—	—	—	—	(1,421)	(1,421)
Balances, March 31, 2019	137,526,132	—	\$ 137	\$ 291,290	\$ (192,547)	\$ 98,880
	Common Shares	Preferred Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total
Balances, December 31, 2019	152,316,255	1,300	\$ 152	\$ 295,005	\$ (199,004)	\$ 96,153
Issuance of Units of Common Stock:						
Issued pursuant to stock awards	369,000	—	—	—	—	—
Stock-based compensation	—	—	—	382	—	382
Net loss for the period ended March 31, 2020	—	—	—	—	(1,201)	(1,201)
Balances, March 31, 2020	152,685,255	1,300	\$ 152	\$ 295,387	\$ (200,205)	\$ 95,334

GENERAL MOLY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited — In thousands)

	Three Months Ended	
	March 31, 2020	March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net loss	\$ (1,126)	\$ (1,457)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	24	7
Non-cash interest expense	485	(126)
Gain on decrease in warrant liability	(771)	—
Income realized on lease of water rights	—	(13)
Gain on sale of non-core assets	(547)	—
Stock-based compensation for employees and directors	318	24
Decrease (increase) in deposits, prepaid expenses and other	(60)	(191)
Decrease in accounts payable and accrued liabilities	(91)	519
(Decrease) increase in post closure reclamation and remediation costs	20	27
Net cash used by operating activities	<u>(1,748)</u>	<u>(1,210)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase and development of mining properties, land and water rights	(200)	(576)
Deposits on property, plant and equipment	—	152
Proceeds from sale of non-core assets	685	—
Increase in investments for reclamation bonds	—	(17)
Net cash used by investing activities	<u>485</u>	<u>(441)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Stock proceeds, net of issuance costs	—	299
Net cash provided/(used) by financing activities:	<u>—</u>	<u>299</u>
Net (decrease) in cash, cash equivalents and restricted cash	(1,263)	(1,352)
Cash, cash equivalents and restricted cash, beginning of period	8,002	8,617
Cash, cash equivalents and restricted cash, end of period	<u>\$ 6,739</u>	<u>\$ 7,265</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest, net of capitalized	\$ 274	\$ 181
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Equity compensation capitalized as development	\$ 64	\$ 1
Accrued portion of advance royalties	500	—

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

GENERAL MOLY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — DESCRIPTION OF BUSINESS

General Moly, Inc. (“we,” “us,” “our,” “Company,” “GMI,” 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 Mt. Hope Project is leased and operated by Eureka Moly, LLC, an indirectly held 80% subsidiary of the Company (“EMLLC” or the “LLC”). The Company is continuing its efforts to both obtain financing for and develop the Mt. Hope Project. However, the combination of ongoing depressed molybdenum prices, challenges to our permits and current liquidity concerns have further delayed development at the Mt. Hope Project.

Additionally, in late 2018 we completed a 9-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.

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

Liquidity and Management’s Plans

Our current working capital is negative. Based on our current operating forecast, which takes into consideration 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. If we are unable to meet our obligations, we would be forced to cease operations and pursue restructuring or liquidation alternatives, including the potential to seek a bankruptcy filing, in which event investors may lose their entire investment in our Company. Without additional funding, the Company has inadequate cash to continue operations past the third quarter of 2020 and will have to find funding going forward including pursuing asset sales, short term financing options and, if unsuccessful in obtaining sufficient financing, the possibility of seeking bankruptcy protection. There can be no assurance that the Company will be successful in obtaining the financing required to complete the Mt. Hope Project, or in raising additional financing in the future on terms acceptable to the Company, or at all.

The Company is currently pursuing a number of options to extend its liquidity beyond the third quarter of 2020 and into 2021. On March 13, 2019, the Company announced that its Board of Directors has retained XMS Capital Partners, Headwall Partners, and Odinebrook 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 the potential addition of new Mt. Hope Project partners, additional Corporate strategic investors, merger opportunities, and/or the possible sale or privatization of the Company. The Advisors assisted the Company in successfully restructuring the Convertible and Non-Convertible Promissory Notes issued in a 2014 private placement, extending maturity until December 2022 as well as providing an additional \$1.3 million in interim funding.

Additional potential funding sources for the Company include public or private equity offerings, including the sale of other assets wholly-owned by the Company or with EMLLC partner POS-Minerals at the Mt. Hope Project. However, there is no assurance that the Company will be successful in securing additional funding in the future on terms acceptable to the Company, or at all. This could result in further cost reductions, contract cancellations, and potential delays which ultimately may jeopardize the development of the Mt. Hope Project.

Beginning in early 2020, there has been an outbreak of coronavirus (COVID-19), initially in China and which has spread to other jurisdictions, including locations where the Company does business. The full extent of the outbreak, related business and travel restrictions and changes to behavior intended to reduce its spread are uncertain as of the date of this quarterly report as this continues to evolve globally. COVID – 19 has had a direct impact on the Company’s financing efforts and potential solutions to its liquidity position. Currently, the Company believes that it will be able to sustain its corporate and Liberty Project operations only

into the fourth quarter 2020. Management continues to seek financing opportunities notwithstanding the impacts associated with the COVID-19 pandemic, however the Company anticipates that its financing efforts and liquidity may continue to be materially impacted by the coronavirus outbreak.

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

Other Financing Actions Taken

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 September 30, 2019, 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 October 2018, the Company completed a public offering of 9,125,000 units consisting of one share of common stock and one warrant to purchase one share of common stock resulting in net proceeds to the Company of \$1,900,000. In conjunction with the public offering in October 2018, the Company agreed to suspend the ATM facility for a period of 2 years.

Additionally, on March 28, 2019, the Company executed a Securities Purchase Agreement (the “Series A Purchase Agreement”) with Bruce D. Hansen, the Company’s Chief Executive Officer, and Robert I. Pennington, the Company’s Chief Operating Officer (collectively the “Investors”), effective as of March 21, 2019. Pursuant to the Series A Purchase Agreement, the Investors agreed to purchase up to \$900,000 of convertible shares of Series A Preferred Stock, par value \$0.001 per share (the “Series A Convertible Preferred Shares”), of the Company. The Company requested three separate closings of sales of Series A Convertible Preferred Shares to the Investors between the date of the Series A Purchase Agreement and June 30, 2019. Each closing was in the amount of \$300,000 of Series A Convertible Preferred Shares.

The Series A Convertible Preferred Shares were 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. The Series A Convertible Preferred Shares carry a 5% annual dividend, which may be paid, in the Company’s sole discretion, in cash, additional shares or a combination thereof. Upon maturity or full repayment of the \$7.2 million Convertible Note debt, described below, currently outstanding, there will be mandatory redemption of the Series A Convertible Preferred Shares into equivalent cash for the principal invested, plus any accrued and unpaid dividends.

On May 2, 2019, the Company also executed a Securities Purchase Agreement (the “MHMI Series A Purchase Agreement”) with Mount Hope Mines, Inc. (“MHMI”), later assigned in part to members of MHMI individually. Pursuant to the MHMI Series A Purchase Agreement, MHMI agreed to purchase \$500,000 of Series A Convertible Preferred Shares, as described above. These shares were fully converted in the fourth quarter of 2019.

On August 5, 2019, the Company executed a Securities Purchase Agreement (the “Series B Purchase Agreement”) with the Investors. Pursuant to the Series B Purchase Agreement, the Investors agreed to purchase up to \$400,000 of convertible shares of Series B Preferred Stock, par value \$0.001 per share (the “Series B Convertible Preferred Shares”), of the Company. This transaction closed on August 7, 2019.

The Series B Convertible Preferred Shares were issued at a price of \$100.00 per share, and each Series B Convertible Preferred Share will be convertible at any time at the holder’s discretion into 500 shares of common stock of the Company. The Series B Convertible Preferred Shares carry a 5% annual dividend, which may be paid, in the Company’s sole discretion, in cash, additional shares of Series B Convertible Preferred Shares or a combination thereof. The Series B Convertible Preferred Shares, like the Series A Convertible Preferred Shares, are mandatorily redeemable upon maturity or full repayment of the Exchange Note and Supplemental Note debt discussed in Note 5 below.

In December 2019, the Company completed an exchange offer with the holder of \$5 million of the Company’s Senior Convertible Promissory Notes and certain other holders of Senior Convertible Notes and Senior Promissory Notes (collectively, the “Old Notes”) to exchange the Old Notes for new units consisting of new senior non-convertible promissory notes having a principal amount equal to the original principal amount of the Old Notes exchanged plus accrued and unpaid interest (including deferred interest), bearing an interest rate between 12-14% and otherwise providing for similar terms (the “Exchange Notes”) and a three-year warrant to purchase Company common stock at \$0.35 share (each a “Unit”). The Exchange Notes extend the maturity date until December 2022. A majority of the remaining holders also agreed to the terms of the Exchange Notes, with approximately \$0.4 million repaid at maturity to those who chose not to participate in the exchange.

In addition to the exchange of Old Notes, the largest holder of the Old Notes, as well as the Company's CEO/CFO, Bruce Hansen and other noteholders, purchased new 13% Senior Promissory Notes due 2022 in the principal amount of \$1.3 million (representing approximately 20% of the original principal amount of the Old Notes to be exchanged) providing additional capital to the Company.

The Company paid at maturity the unpaid principal and all accrued and unpaid interest in the approximate amount of \$368,000 to those eligible holders that elected not to participate in the Exchange Offer. The original principal amount of Old Notes paid at maturity represented approximately 5% of the total outstanding. The maturity date was December 26, 2019. The Warrants issued in connection with the Old Notes expired by their terms on December 26, 2019.

The Company believes these transactions will assist with very near-term liquidity necessary for the Company to operate into the fourth quarter of 2020. However, this does not alleviate the substantial doubt about our ability to continue to operate as a going concern.

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 EMLLC, 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.

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 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 March 31, 2020, 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 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 March 31, 2020, the aggregate amount of deemed capital contributions of both parties was \$1,090.8 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 owed 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 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 \$3.7 million and \$3.4 million at March 31, 2020 and December 31, 2019, respectively, increasing as a result of the sale of non-core assets during the first quarter of 2020.

As 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% LLC membership interest. If we are unsuccessful in obtaining financing, we will not be able to proceed with the development of the Mt. Hope Project. Additional funding for the Mt. Hope Project would allow us to restart equipment procurement and agreements that were suspended or terminated would 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 continue using its best efforts to work with its LLC 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.

Purchase Commitments

We continue to work with our long-lead vendors 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 March 31, 2020 (in millions):

Year	As of March 31, 2020 *
2020	\$ —
2021	0.6
Total	\$ 0.6

* All amounts are commitments of the LLC, and as a result of the agreement between Nevada Moly and POS-Minerals are to be funded by the reserve account, now \$3.7 million, until such time that the Company obtains financing for its portion of construction costs at the Mt. Hope Project or until the reserve account balance is exhausted, and thereafter are to be funded 80% by Nevada Moly and 20% by POS-Minerals. POS-Minerals remains obligated to make capital contributions for its 20% portion of equipment payments required by approved budgets of the LLC, and such amounts contributed by the reserve account on behalf of POS-Minerals will reduce, dollar for dollar, the amount of capital contributions that the LLC is required to return to POS-Minerals.

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 March 31, 2020, the LLC has made deposits and/or final payments of \$88.0 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 \$0.6 million noted in the table above. The remaining \$16.3 million reflects both partially fabricated milling equipment, and non-refundable deposits on mining equipment. As discussed in Note 11, 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 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.

All Mt. Hope Project related funding is payable out of the reserve account until exhausted, the balance of which was \$3.7 million and \$3.4 million at March 31, 2020 and December 31, 2019, respectively. 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 or sale of other assets owned by the Company and/or the LLC, although

all funds received from sale of LLC assets are owed to the Reserve Account until the March 31, 2020 balance of \$0.7 million is repaid as discussed below in Note 11.

Agreement with AMER International Group (“AMER”)

Private Placement

As announced 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 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 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 July 29, 2019, Mr. Zhang resigned from the Board of Directors. AMER nominated Mr. Siong Tek (“Terry”) Lee, a Chartered Accountant based in Singapore, to serve the remaining term of AMER’s previous director nominee (Tong Zhang) expiring at the Company’s annual meeting in 2021. AMER may nominate a second director to the Board so long as its shareholding exceeds 20% of the Company’s shares outstanding.

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 the second tranche, 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 the first tranche to cover costs related to the Mt. Hope Project financing and other jointly sourced business development opportunities.

The third tranche of the amended investment agreement was to include a \$10.0 million private placement representing 20.0 million shares, priced at \$0.50 per share (“Tranche 3”). Closing of Tranche 3 was 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.

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.

AMER Disputes Obligation to Close Tranche 3 Private Placement Obligation

The last closing conditions for Tranche 3 under the AMER Investment Agreement included issuance of water permits for the Mt. Hope Project. The water permits were issued by the Nevada State Engineer on July 24, 2019. On July 26, 2019, the Company provided formal notice to AMER that the conditions to closing of Tranche 3 had been satisfied, and that AMER would have two business days (until the close of business on Tuesday, July 30, 2019) to close the transaction. On July 31, 2019, the Company sent a Notice of Default, as AMER failed to fund and close Tranche 3 by the July 30, 2019 deadline.

On August 1, 2019, the Company received a letter from AMER dated July 30, 2019, purporting to terminate the AMER Investment Agreement, referencing its earlier letter received by the Company on July 18, 2019, in which AMER has alleged uncured material adverse effects and alleged breaches of the AMER Investment Agreement by the Company (which include concerns related to US/China relations, concerns regarding the delay in obtaining environmental permits and solvency concerns). The Company believed that such assertions were inaccurate and wholly without merit under the terms of the AMER Investment

Agreement. Additionally, as AMER disputed its obligation to fund the close of Tranche 3, the Company believed that AMER's attempted termination of the AMER Investment Agreement was ineffective. With AMER's failure to fund Tranche 3, the Company had inadequate cash to continue operations and was forced to evaluate its options, including pursuing asset sales, short-term financing options and, if unsuccessful in obtaining sufficient financing, the possibility of seeking bankruptcy protection.

On August 28, 2019, the Company engaged King & Spalding, an international arbitration and litigation firm, to represent the Company in its dispute against AMER for AMER's default. The Company formally notified AMER that a dispute, as defined by the AMER Investment Agreement existed between the parties as a result of AMER's failure to close Tranche 3. The notification required that one representative of each of the executive management of the parties be designated and authorized to attempt to settle the Dispute and the representatives were to meet in good faith to resolve the Dispute. If the designated representatives did not resolve the Dispute within 10 business days after delivery of the Notice, the Dispute was subject to resolution by binding arbitration, pursuant to the AMER Investment Agreement in Hong Kong SAR under the rules of the International Chamber of Commerce.

On October 14, 2019, the Company announced that it had entered into an agreement with AMER to extend the dispute negotiation period ("Extension Agreement"). Under the terms of the Extension Agreement, the Company received \$300,000 from AMER in exchange for an extension of the negotiation period to November 15, 2019, on which date the Company's CEO Bruce Hansen and AMER Chairman Wang Wenyin met to discuss settlement options. With the payment, AMER shall have the right, at its option, to credit the Extension Fee among the following: (1) credit against a final negotiated settlement; (2) credit against any AMER payment obligation to the Company, pursuant to an arbitration award; or (3) apply the Extension Fee as consideration for the purchase of the Company's common stock, priced at the 30-day volume weighted average price, as of the date immediately prior to the date that AMER demands delivery of such shares.

On December 9, 2019, the Company and an affiliate of AMER announced the closure of a \$4 million private placement at a price of \$0.40 per common share of General Moly under a new Securities Purchase Agreement ("SPA") and amended and restated warrant agreement ("New AMER Warrant"), resolving the Dispute. Additionally, the parties agreed to a mutual release, terminating the previous AMER Investment Agreement, the prior Warrant, and the Dispute Negotiation Extension Agreement ("Extension Agreement"). The parties' previous Stockholder Agreement expired by its terms on November 24, 2019. In addition to the 10.0 million shares issued by General Moly to AMER in the private placement, AMER also received 1.1 million General Moly common shares priced at \$0.27/share, the 30-day volume weighted average price of the Company's NYSE American-traded shares on December 6, 2019 utilizing the Extension Fee, pursuant to the terms of the Extension Agreement. Additionally, for every \$100 million of sourced Chinese bank lending that Amer has assisted in contributing to a completed \$700 million project debt financing, Amer may exercise 12 million warrants issued under the New Amer Warrant at an exercise price of \$0.50 per share, up to 80 million warrants.

Supply Agreement

Furthermore, upon closing of a minimum of \$100 million from AMER's efforts toward the completion of a Chinese bank \$700 million project financing, AMER has the option to enter into a molybdenum supply agreement with General Moly to purchase Mt. Hope Project sourced molybdenum at a small discount to spot pricing when the Mt. Hope Project achieves full commercial production. The saleable amount of molybdenum to AMER escalates from an aggregate 3 million pounds per year to 20 million pounds per year over the first five years of mine production based on the level of project financing assisted by AMER towards the \$700 million project financing.

Exploring Other Potential Joint Opportunities

The Company and AMER have jointly evaluated other potential opportunities, ranging from outright acquisitions and 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 are not currently evaluating potential opportunities with AMER. From commencement of the AMER Investment Agreement in 2015 to March 31, 2020, the Company and AMER spent approximately \$2.5 million from the expense reimbursement account described above in connection with such evaluations.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements ("interim statements") of the Company are unaudited. In the opinion of management, all adjustments and disclosures necessary for a fair statement of these interim statements have been included. All such adjustments are, in the opinion of management, of a normal recurring nature. The results reported in these interim statements are not necessarily indicative of the results that may be presented for the entire year. These interim statements should be read in

conjunction with the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2019, filed with the Securities and Exchange Commission (“SEC”) on May 4, 2020.

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 Sheet. 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 Sheet. Net losses of the LLC are attributable to the members of the LLC based on their respective ownership percentages in the LLC. During the three months ended March 31, 2020, the LLC had a \$374,000 gain, primarily associated with the sale of non-core assets offset by accretion of its reclamation obligations and care and maintenance costs incurred which do not qualify for capitalization under U.S. GAAP, of which \$75,000, 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 by us 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 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 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. Management evaluated the circumstances of the July 30, 2019 AMER default and concluded the default was a triggering event in the third quarter of 2019 which continues to exist at March 31, 2020. We evaluated and determined the carrying value of the asset groups were recoverable as the probability-weighted undiscounted cash flows exceeded the carrying values for each of our asset groups. While at March 31, 2020, we have not identified any impairment of our long-lived assets, 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. Additionally, should we be unable to secure additional financing follo, we may be required to modify our cash flow projections which could result in a significant reduction in the valuation of our assets thereby causing an impairment to our assets at that time.

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 and reclamation surety bonds, to be long-term.

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
	(in thousands)	
Cash and cash equivalents	\$ 3,055	\$ 4,614
Restricted cash held at EMLLC	3,684	3,388
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	<u>\$ 6,739</u>	<u>\$ 8,002</u>

As of March 31, 2020, the LLC had \$0.3 million in cash deposits associated with reclamation bonds, which are accounted for as restricted cash. Another \$0.1 million in cash collateral is associated with surety bonds at the Liberty Project. These amounts 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 March 31, 2020 and December 31, 2019, respectively, were as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Warrants	98,013,256	98,013,256
Unvested Stock Awards	2,621,268	421,268
Stock Appreciation Rights	909,837	909,837

These awards were not included in the computation of diluted loss per share for the three months ended March 31, 2020 and December 31, 2019, 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.

The Company has capitalized royalty payments made to Mt. Hope Mines, Inc. ("MHMI") (discussed in Note 11 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

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.

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 8 — “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.

Leases

The Company adopted Accounting Standards Codification (“ASC”) 842, Leases, on January 1, 2019. Changes to the Company’s accounting policy as a result of adoption are discussed below.

The Company determines if a contractual arrangement represents or contains a lease at inception. Operating leases are included in *Deposits, prepaids and other Current Assets* and *Other accrued liabilities* in the Consolidated Balance Sheets. No finance leases have been identified to date.

Operating and finance lease right-of-use (“ROU”) assets and lease liabilities are recognized at the commencement date based on the present value of the future lease payments over the lease term. When the rate implicit to the lease cannot be readily determined, the Company utilizes its incremental borrowing rate in determining the present value of the future lease payments. The incremental borrowing rate is derived from information available at the lease commencement date and represents the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term and amount equal to the lease payments in a similar economic environment. The ROU asset includes any lease payments made and lease incentives received prior to the commencement date. Operating lease ROU assets also include any cumulative prepaid or accrued rent when the lease payments are uneven throughout the lease term. The ROU assets and lease liabilities may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

Recently Adopted Accounting Pronouncements

Fair Value Measurement (Topic 820)

In August 2018, the FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820). The update modifies the disclosure requirements on fair value measurements, including amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measures and the narrative description of measurement uncertainty. The amendments in ASU 2018-13 are effective for public entities for annual reporting periods beginning after December 31, 2019, and for interim periods within that reporting period. The Company adopted this standard as of January 1, 2020. The adoption had no effect on our financial statements.

NOTE 3 — 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, and have recently obtained all permits required for construction. 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 have been required.

The Company has also 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 Project’s molybdenum deposit in central Nevada (the “Cu-Ag Target”).

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 Cu-Ag Target exploration work was undertaken solely by General Moly. The Company has presented the promising findings to its 20% joint venture partner at the Mt. Hope Project, POS-Minerals. Any mining operation to exploit economic mineralization 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 concluded that this mineralization may have economic potential but requires further drilling and analysis and may be best explored in conjunction with or after the molybdenum project is developed.

Liberty Project. We continue to evaluate opportunities at the Liberty Project as they arise. The Liberty Project remains largely in care and maintenance at this time. 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 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 third installment (due February 2020) was paid in cash.

In December, 2019, Liberty Moly, LLC (“Liberty Moly”) entered into a lease agreement with SR Minerals, Inc. (SRM) for the lease of water rights for the purpose of mining and milling. The term of the lease is five years, after which SRM can extend annually for an additional five years. As compensation for the leased water rights, SRM has paid \$16,000 in cash to Liberty Moly, and is required to pay an annual fee on the anniversary date of the lease in cash.

Liberty Moly continues to work with the Nevada Division of Environmental Protection (“NDEP”) to address environmental concerns with some Liberty Project facilities acquired with the property. We have implemented remedial treatment of the Liberty pit lake and developed and implemented procedures to manage process solutions draining from the pre-existing leach pad, as required by NDEP. We may be required to treat the pit lake again, and/or revise our systems to manage heap leach solution. At this time we are working with NDEP to reasonably estimate the scope and costs of addressing these issues.

Other Mining Properties. We also have mining claims and land purchased prior to 2006 which consist in part of (a) six patented mining claims known as the Chicago-London group, located near the town of Murray in Shoshone County, Idaho and (b) 34 unpatented mining claims in Marion County, Oregon, known as the Detroit property. The costs associated with these claims and properties are minimal and primarily relate to claim fees and property taxes. Historically, our efforts at these properties were minimal and consumed no significant financial resources. The total book value of these properties was 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. The Chicago-London property ((a) above) was sold in January 2020.

Summary. The following is a summary of mining properties, land and water rights at March 31, 2020 and December 31, 2019 (in thousands):

	At March 31, 2020	At December 31, 2019
Mt. Hope Project:		
Development costs	\$ 179,672	\$ 179,356
Mineral, land and water rights	23,396	23,423
Advance royalties	33,488	32,988
Total Mt. Hope Project	236,556	235,767
Total Liberty Project	8,289	8,370
Other Properties	0	0
Total	\$ 244,845	\$ 244,137

Development costs of \$179.7 million as of March 31, 2020 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 \$88.0 million as of March 31, 2020 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.

NOTE 4 — ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations (“ARO”) arise from the acquisition, development, construction and normal operation of mining property, plant and equipment due to government controls 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, 2019	\$ 1,633
Accretion Expense	108
Adjustments*	62
At December 31, 2019	\$ 1,803
Accretion Expense	27
Adjustments*	—
At March 31, 2020	\$ 1,830

* 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 March 31, 2020, 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 March 31, 2020, 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 March 31, 2020, we had \$0.3 million in cash deposits associated with these bonds 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 posted an additional \$0.3 million as a cash bond with the BLM in April 2019 as a result of a required three-year update to the reclamation bond calculation.

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 \$0.2 million.

Total restricted cash for surety bond collateral requirements and other long-term reclamation obligations at the Mt. Hope Project equal \$0.6 million. Another \$0.1 million in cash collateral is associated with surety bonds at the Liberty Project.

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 disturbance from previous operations and more recent exploration conducted by the Company of approximately \$0.1 million has not been discounted as shown in the table below.

	Mt. Hope Project outside PoO boundary		Liberty
	(in thousands)		
At January 1, 2019	\$	15	\$ 121
Adjustments *		2	13
At December 31, 2019	\$	17	\$ 134
Adjustments *		—	20
At March 31, 2020	\$	17	\$ 154

* Includes reduced / reclaimed disturbance

NOTE 5 — CURRENT DEBT

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 were unsecured obligations and were 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 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 were used to fund ongoing operations.

The Convertible Notes bore 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. Ninety-five percent of the outstanding maturity balance was converted on December 26, 2019, as described below. The Convertible Notes were redeemable by the Company 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 were 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 were to be used to prepay the Convertible Notes at par plus the present value of remaining coupons (the "Mandatory Redemption").

The Convertible Notes were 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 note. Each Convertible Note could convert into a maximum of 100 shares per note, resulting in the issuance of 8,535,000 shares, or 9.3% of shares outstanding as of December 31, 2014 (the "Conversion Option"). General Moly's executive management team and board of directors who participated in the offering were restricted from converting at a price less than \$0.32, the most recent closing price at the time that the Notes were issued.

If the Company underwent a "fundamental change", the Convertible Notes were to 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.

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 had identical terms to the Convertible Notes, with the exception that the holder no longer had a Conversion Option. Accordingly, the Promissory Notes bore 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 Notes.

On December 27, 2019, the Company closed the Exchange Offer, upon the terms and subject to the conditions set forth in the confidential Offer to Exchange and Subscription Offer dated November 27, 2019.

Eligible holders tendered Old Notes with an original principal amount of \$6.89 million of the total outstanding of \$7.25 million, representing 95% of the outstanding, in the Exchange Offer. For each \$1 principal amount of, and accrued and unpaid interest on, Old Notes tendered and accepted by the Company, one unit consisting of \$1 principal amount of Exchange Notes and one New Warrant was settled. The Exchange Notes bear interest at an initial rate of 12% per annum. Interest on the Exchange Notes will be paid on March 31, June 30, September 30 and December 31 of each year, commencing on March 31, 2020. The Exchange Notes will mature on December 26, 2022, unless otherwise earlier redeemed. Each New Warrant is exercisable for one share of Common Stock at a price of \$0.35 per share for a period of three years. One New Warrant was issued for each dollar of original principal amount of, and accrued and unpaid interest on, Old Notes exchanged for Exchange Notes for a total of 7.2 million New Warrants issued.

The Company paid at maturity the unpaid principal and all accrued and unpaid interest in the approximate amount of \$368,000 to those eligible holders that elected not to participate in the Exchange Offer. The original principal amount of Old Notes paid at maturity represented approximately 5% of the total outstanding. The maturity date was December 26, 2019. The Notes Warrants issued in connection with the Old Notes expired by their terms on December 26, 2019.

The Company may redeem the Exchange Notes for cash, either in whole or in part, at any time, in exchange for the sum of (i) 101% of the amount of unpaid principal and (ii) all accrued but unpaid interest through the date of redemption. The Exchange Notes are mandatorily redeemable (i) upon obtaining debt or equity financing sufficient to cover the construction of Mt. Hope and (ii) upon a “fundamental change” such as a 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. In addition, 50% of the proceeds exceeding a specified threshold amount of approximately \$6.3 million from a financing in which the Company issues debt securities senior to the Exchange Notes will be used to redeem Exchange Notes. In all cases of mandatory redemption, the redemption amount is equal to the sum of (i) 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 maturity date at the annual percentage yield on U.S. Treasury securities with maturity similar to the Exchange Notes plus 25 basis points.

The Company accounted for the Exchange Offer as an extinguishment of the Old Notes and recorded a gain on extinguishment of \$0.1 million. The Exchange Notes and the Exchange Warrants were recorded at fair value at December 27, 2019 of \$6.8 million and \$0.3 million, respectively. The Company incurred \$0.2 million of offering expenses related to the Exchange Offer which was allocated between debt and equity. As a result, the Company recognized \$0.2 million as Debt Issuance Costs to be amortized over the term of the Exchange Notes and recognized \$8,000 as a reduction of Additional Paid In Capital.

New 13% Senior Promissory Notes due December 2022

In addition to the Exchange Offer, certain Participating Holders also elected to participate in the accompanying Subscription Offer to purchase 13,355 units for \$100 each, consisting of its newly issued Supplemental Notes and accompanying Warrant, including participation by the largest Old Noteholder investor, as well as the Company’s CEO, Bruce Hansen. One Warrant was also issued for each dollar invested in the Supplemental Notes. The New Warrants have an exercise price of \$0.35 per share and have a three-year term. The Participating Holders increased their respective note investment by approximately 20% as additional consideration for the Supplemental Notes, resulting in approximately \$1.34 million of new capital to the Company. The supplemental notes are redeemable at any time at the Company’s option, and must be redeemed by the Company under certain circumstances. The Company has agreed not to issue, assume or guarantee any indebtedness that is senior to or *pari passu* with the Supplemental Notes, provided, however, that the Company may issue no more than \$15 million of additional debt securities that rank *pari passu* with the Supplemental Notes.

The transaction value of \$1.3 million was allocated between debt for the Supplemental Notes and equity for the accompanying Warrants based on their relative fair value. This resulted in recording \$47,000 in Additional Paid in Capital for the Warrants and the remainder as Supplemental Notes. The Company incurred \$40,000 of offering expenses related to the Subscription Offer which was allocated between debt and equity. As a result, the Company recognized \$38,000 as Debt Issuance Costs to be amortized over the term of the Supplemental Notes and recognized \$2,000 as a reduction to Additional Paid in Capital.

The Supplemental Notes bear interest at a rate of 13.0% per annum, payable in cash quarterly in arrears on each March 31, June 30, September 30, and December 31. The Supplemental Notes mature December 26, 2022 unless earlier redeemed. The Company may redeem the Supplemental Notes for cash, either in whole or in part, at any time, in exchange for the sum of (i) 101% of the amount of unpaid principal and (ii) all accrued but unpaid interest through the date of redemption. The Supplemental Notes are mandatorily redeemable (i) upon obtaining debt or equity financing sufficient to cover the construction of Mt. Hope and (ii) upon a “fundamental change” such as a 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. In either case, the mandatory redemption amount is equal to the sum of (i) 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 maturity date at the annual percentage yield on U.S. Treasury securities with maturity similar to the Supplemental Notes plus 25 basis points.

Embedded Derivatives

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 should be 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 Convertible 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 March 31, 2020 and December 31, 2019, the carrying value of the Exchange Notes, absent the embedded derivative, was \$6.3 and \$6.2 million, respectively, inclusive of an unamortized debt discount of \$1.0 and \$1.1 million. The fair value of the Exchange Notes was \$5.8 and \$6.2 million at March 31, 2020 and December 31, 2019. As of March 31, 2020 and December 31, 2019, the carrying value of the Supplemental Notes, absent the embedded derivative, was \$1.2 and \$1.2 million inclusive of an unamortized debt discount of \$0.2 and \$0.2 million, respectively. The fair value of the Supplemental Notes was \$1.1 and \$1.2 million at March 31, 2020 and December 31, 2019.

The changes in the estimated fair value of the embedded derivatives during the year ended December 31, 2019 resulted in a loss of \$14,150. The embedded derivatives in the Exchange Notes and the Supplemental Notes had a fair value of \$1.0 million and \$0.2 million, respectively, at March 31, 2020. The embedded derivatives in the Exchange Notes and the Supplemental Notes had a fair value of \$0.6 million and \$0.1 million, respectively, at December 31, 2019. 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, Promissory Notes, Exchange Notes, Supplement Notes, and embedded derivatives 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 Notes); (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.

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

	March 31, 2020	December 31, 2019
Stock Price	0.16	\$ 0.24
Exercise Price	0.50	0.50
Expected Term	7.8 years	7.8 years
Stock Volatility	40.0 %	40.0 %
Risk-Free Interest Rate	0.6 %	1.8 %

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%

The following assumptions were utilized to measure the fair value of the Exchange Notes, the Supplemental Notes, and the embedded derivatives at March 31, 2020 and December 31, 2019: (i) estimated market yield; and (ii) estimated probabilities of mandatory redemption.

NOTE 6 — COMMON STOCK UNITS, COMMON STOCK AND COMMON STOCK WARRANTS

During the three months ended March 31, 2020, we issued 369,000 shares of common stock pursuant to stock awards under the 2006 Equity Incentive Plan.

During the year ended December 31, 2019, 1,544,926 shares of common stock were issued pursuant to stock awards under the 2006 Equity Incentive Plan.

We currently have 98,013,256 warrants outstanding at an exercise price between \$0.35 and \$5.00 per share.

On May 5, 2020, 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. The S-3 has not been declared effective by the SEC as of May 9, 2020.

On March 12, 2020, the Company was advised by the NYSE American that the price deficiency had not been cured by the end of the six-month period, but that the NYSE American has granted the Company additional time until its 2020 Annual Meeting of Stockholders to implement a reverse stock split. The Company plans to seek shareholder approval of a reverse stock split proposal at its 2020 Annual Meeting of Stockholders. In the interim, the Company's common stock remains listed on the NYSE American, under the trading symbol "GMO", subject to the Company's compliance with other continued listing requirements and subject to the trading price remaining above a required \$0.06 minimum per share. The NYSE American has added the designation of ".BC" to indicate that the Company is below compliance with the listing standards set forth in the Company Guide.

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 \$1.9 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 used 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.

On December 9, 2019, the Company and an affiliate of AMER announced the closure of a \$4 million private placement at a price of \$0.40 per common share of General Moly under a new Securities Purchase Agreement ("SPA") and amended and restated warrant agreement for the purchase of up to 80 million shares of common stock at \$0.50 per share ("New AMER Warrant"), resolving the Dispute. Additionally, the parties agreed to a mutual release, terminating the previous AMER Investment Agreement, the prior Warrant, and the Dispute Negotiation Extension Agreement ("Extension Agreement"). These warrants are not indexed to the Company's own stock. Therefore, these warrants are classified as a liability and subsequently measured at fair value with changes in fair value recorded as other income/expense in the Statements of Operations. The Company uses a Monte Carlo Simulation to determine the fair value of the warrants at the end of each reporting period based on the number of warrants

expected to vest. At March 31, 2020 and December 31, 2019, the warrants had a fair value of \$0.4 million and \$1.1 million, respectively, resulting in a non-cash gain of \$0.7 million recorded as other income in the Statement of Operations. The following inputs to the model were used at March 31, 2020 and December 31, 2019:

	March 31, 2020	December 31, 2019
Stock Price	0.16	\$ 0.24
Exercise Price	0.50	0.50
Expected Term	7.8 years	7.8 years
Stock Volatility	40.0 %	40.0 %
Risk-Free Interest Rate	0.6 %	1.8 %

On December 27, 2019, the Company issued warrants to purchase 8,556,456 shares of common stock in connection with the exchange of its senior notes as discussed above at an exercise price of \$0.35 with a three-year term. These warrants are equity-classified. The Company used a Black-Scholes model to determine the fair value of the warrants at the date of issuance using the following inputs to the model:

	December 27, 2019
Stock Price	\$ 0.23
Exercise Price	\$ 0.35
Expected Term	3.0 years
Stock Volatility	40.0 %
Risk-Free Interest Rate	1.6 %

Of the warrants outstanding at March 31, 2020, 8.6 million are exercisable at \$0.35 per share at any time from December 27, 2019 through their expiration on December 26, 2022, 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 in increments of 12 million shares for each \$100 million in Bank Loan financing AMER assists in arranging.

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 7 — REDEEMABLE 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, of which 55,000 shares are designated as Series A Preferred Stock Shares and 5,000 are designated as Series B Preferred Stock Shares as of March 31, 2020. 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.

During the year ended December 31, 2019, the Company issued 14,000 shares of Series A Preferred in a series of private placement agreements. The Series A Preferred Shares were priced at \$100.00/ share and are 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 at the closing price of the Company's common stock on March 12, 2019, which was the day before announcement of the private placement. Upon maturity or full repayment of the Senior Convertible Notes and Promissory Notes currently outstanding, there will be mandatory redemption of the preferred shares in exchange for equivalent cash for the principal invested, plus any accrued and unpaid dividends. The holders of the Series A Preferred Shares are entitled to receive, when and if declared by the Board of Directors and in preference to the common stock, cumulative cash or in-kind dividends at a rate per annum of 5% of the original issue price. In the event of a liquidation, dissolution, or winding up of the Company, the proceeds would be distributed first to the holders of Series A Preferred Shares prior to any distributions to holders of other stock in an amount per share equal to the original issue price plus any declared but unpaid dividends. The holders of Series A Preferred Shares are entitled to vote, together with the holders of common stock, as if the Series A Preferred Shares had been converted to common stock on all matters submitted to stockholders for vote. In addition, the Series A Preferred Shares contains certain protective rights that require the vote or consent of the holders of at least a majority of the shares of Series A Preferred Shares.

Of the 14,000 shares issued during the year ended December 31, 2019, 5,000 shares were issued to MHMI. On May 29, 2019, MHMI assigned their interest in 4,500 of the shares to various investors in their entity. MHMI retained 500 shares. In addition to the Series A Convertible Preferred Shares terms described in Note 1 above, MHMI and their investors had a one-time

right to require the Company to redeem all or a portion of the Series A Convertible Preferred Shares upon the receipt of a minimum of \$5,000,000 from the close of Tranche 3 of the amended AMER Investment Agreement. MHMI and their investors converted all of their preferred shares to 1,851,844 common shares during the fourth quarter of 2019.

As the Series A Preferred Shares are redeemable upon maturity or full repayment of the Senior Convertible Notes and Promissory Notes, it has been classified as mezzanine equity in our Consolidated Balance Sheets. The Company recognizes change in the redemption value as they occur by adjusting the carrying amount of the mezzanine equity at each reporting date. The change in the redemption value of the Series A due to accrued and unpaid dividends since its issuance is insignificant.

On August 2, 2019, the Company filed a Certificate of Designation of Series B Preferred Stock with the Delaware Secretary of State, designating 5,000 shares of preferred stock the Series B Convertible Preferred Shares. On August 5, 2019, the Company executed the Series B Purchase Agreement with the Investors. Pursuant to the Series B Purchase Agreement, the Investors agreed to purchase up to \$400,000 of Series B Convertible Preferred Shares. This transaction closed on August 7, 2019.

The Series B Convertible Preferred Shares were issued at a price of \$100.00 per share, and each Series B Convertible Preferred Share will be convertible at any time at the holder's discretion into 500 shares of common stock of the Company. The Series B Convertible Preferred Shares carry a 5% annual dividend, which may be paid, in the Company's sole discretion, in cash, additional shares of Series B Convertible Preferred Shares or a combination thereof. The Series B Convertible Preferred Shares, like the Series A Convertible Preferred Shares, are mandatorily redeemable at such time that the Company's \$7.2 million Convertible Note debt currently outstanding become due and payable in accordance with their terms, as such terms may be modified from time to time.

On March 27, 2020, the Company filed Certificates of Amendment to the Certificates of Designation for the Series A and B Convertible Preferred Stock clarifying that the private exchange offer completed by the Company in December 2019, constituted a modification of the Old Notes for purposes of the mandatory redemption provisions of the Series A and B Preferred Shares. Accordingly, the Series A and B Preferred Shares are mandatorily redeemable on such date as a majority of the then-outstanding principal amount of the Exchange Notes become due and payable in accordance with their terms (as may be altered by modification, amendment, exchange or otherwise, from time to time).

NOTE 8 — EQUITY INCENTIVES

In 2006, the Board and shareholders of the Company approved the 2006 Equity Incentive Plan ("2006 Plan"), and in May 2010, our shareholders approved an amendment and restatement of the 2006 Plan increasing the number of shares that may be issued under the plan by 4,500,000 shares to 9,600,000 shares 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. 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. In June 2019, our shareholders approved an amendment and restatement of the 2006 Plan increasing the number of shares that may be issued under the plan by 6,500,000 shares to 21,100,000 shares. The 2006 Plan authorizes the Board, or a committee of the Board, to issue or transfer up to an aggregate of 21,100,000 shares of common stock, of which 7,855,920 remain available for issuance as of March 31, 2020. 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 March 31, 2020, 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 1.4 years.

Stock Options and Stock Appreciation Rights

All stock options and SARs are approved by the Board 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.

At March 31, 2020, the outstanding and exercisable (fully vested) SARs had an aggregate intrinsic value of nil and had a weighted-average remaining contractual term of 1.1 years. No SARs were exercised during the three months ended March 31, 2020.

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 of Directors and the Company Secretary that are fully vested at the time of issuance are recognized as compensation upon grant of the award.

The compensation expense recognized by the Company for Stock Awards is based on the closing market price of the Company’s common stock on the date of grant. For the three months ended March 31, 2020, the weighted-average grant date fair value for Stock Awards was \$0.24. The total fair value of stock awards vested during the three months ended March 31, 2020 is \$0.1 million.

Summary of Equity Incentive Awards

The following table summarizes activity under the Plans during the three months ended March 31, 2020:

	SARs		Stock Awards	
	Weighted Average Strike Price	Number of Shares Under Option	Weighted Average Grant Price	Number of Shares
Balance at January 1, 2019	\$ 3.19	938,667	\$ 1.18	2,401,268
Awards Granted	—	—	0.24	135,000
Awards Exercised or Earned	—	—	0.38	(2,115,000)
Awards Forfeited	—	—	—	—
Awards Expired	2.56	(28,830)	—	—
Balance at December 31, 2019	\$ 3.21	909,837	\$ 4.90	421,268
Exercisable at December 31, 2019	\$ 1.69	27,693		
	SARs		Stock Awards	
	Weighted Average Strike Price	Number of Shares Under Option	Weighted Average Grant Price	Number of Shares
Balance at January 1, 2020	\$ 3.21	909,837	\$ 4.90	421,268
Awards Granted	—	—	0.24	2,569,000
Awards Exercised or Earned	—	—	0.38	(369,000)
Awards Forfeited	—	—	—	—
Awards Expired	—	—	—	—
Balance at March 31, 2020	\$ 3.21	909,837	\$ 0.99	2,621,268
Exercisable at March 31, 2020	\$ 1.69	27,693		

A summary of the status of the non-vested awards as of March 31, 2020 and changes during the three months there ended 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, 2019	\$ 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 March 31, 2019	\$ 3.26	882,144	\$ 1.18	2,401,268
	Weighted Average Fair Value	Number of Shares Under Option	Weighted Average Fair Value	Number of Shares
Balance at January 1, 2020	\$ 3.26	882,144	\$ 1.18	2,401,268
Awards Granted	—	—	0.24	135,000
Awards Vested or Earned	—	—	0.38	(2,115,000)
Awards Forfeited	—	—	—	—
Balance at March 31, 2020	\$ 3.26	882,144	\$ 4.90	421,268
Balance at December 31, 2020				

NOTE 9 — CHANGES IN CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST AND EQUITY

Changes CRNCI (Dollars in thousands)	Activity for Three Months Ended	
	March 31, 2020	March 31, 2019
Total CRNCI December 31, 2019 and 2018, respectively	\$ 172,239	\$ 172,261
Net Loss Attributable to CRNCI	75	(36)
Total CRNCI March 31, 2020 and 2019, respectively	\$ 172,314	\$ 172,225

Changes Redeemable Preferred Stock (Dollars in thousands)	Activity for Three Months Ended	
	March 31, 2020	March 31, 2019
Total Redeemable Preferred Stock December 31, 2019 and 2018, respectively	\$ 1,300	\$ —
Redeemable Preferred Stock Issued	—	300
Preferred Stock Redeemed	—	—
Total Redeemable Preferred Stock March 31, 2020 and 2019, respectively	\$ 1,300	\$ 300

NOTE 10 — INCOME TAXES

At March 31, 2020 and December 31, 2019, 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%. As management of the Company cannot determine that it is more likely than not that we will realize the benefit of the deferred tax assets, a valuation allowance equal to the net deferred tax asset has been established at March 31, 2020 and December 31, 2019.

We establish a valuation allowance against the deferred tax assets if, based on available information, it is more likely than not that all of the assets will not be realized. The valuation allowance of \$35,429 and \$35,429 at March 31, 2020 and December 31, 2019, respectively, relates mainly to net operating loss carryforwards where the utilization of such attributes is not more likely than not. The Company continually assesses both positive and negative evidence to determine whether it is more likely than not that deferred tax assets can be realized prior to their expiration.

As of March 31, 2020 and December 31, 2019, the Company had federal net operating losses of \$281.3 and \$280 million. \$261 million of the losses were generated before 2018 and expire in varying amounts in 2021-2037. Losses generated after 2017 of \$19 million have an indefinite carryover period.

As of March 31, 2020 and 2019, 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 statutes of limitations.

On March 27, 2020, President Trump signed into U.S. federal law the CARES Act, which is aimed at providing emergency assistance and health care for individuals, families, and businesses affected by the COVID-19 pandemic and generally supporting the U.S. economy. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit ("AMT") refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. In particular, the CARES Act, (i) eliminates the 80% of taxable income limitation by allowing corporate entities to fully utilize NOLs to offset taxable income in 2018, 2019 or 2020, (ii) increases the net interest expense deduction limit to 50% of adjusted taxable income from 30% for tax years beginning January 1, 2019 and 2020 and (iv) allows taxpayers with AMT credits to claim a refund in 2020 for the entire amount of the credit instead of recovering the credit through refunds over a period of years, as originally enacted by the Tax Cuts and Jobs Act in 2017. The Company is in the process of analyzing the different aspects of the CARES Act to quantify the impact of these provisions on the Company's income taxes.

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 2014. The Company is open to federal and state tax audits until the applicable statutes of limitations expire.

NOTE 11 — 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 Mount Hope Mines, Inc. ("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.

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 March 31, 2020, we have paid \$26.1 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 \$5.4 million will be due approximately 24 months after the commencement of construction. This amount has been accrued for all periods presented as accrued advance royalties. 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 2020, 2021, 2022, and 2023 respectively. 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. 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.

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-molybdenum minerals, the production royalty shall be equal to 4.0% of net returns.

If commercial production of non-molybdenum 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

Liberty Moly continues to work with the Nevada Division of Environmental Protection (“NDEP”) to address environmental concerns with some Liberty Project facilities acquired with the property. We have implemented remedial treatment of the Liberty pit lake and developed and implemented procedures to manage process solutions draining from the pre-existing leach pad, as required by NDEP. We may be required to treat the pit lake again, and/or revise our systems to manage heap leach solution. At this time we are working with NDEP to reasonably estimate the scope and costs of addressing these issues..

Deposits on project property, plant and equipment

As discussed in Note 1, 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 \$0.6 million due on these orders.

Equipment and Supply Procurement

Through March 31, 2020, the LLC has made deposits and/or final payments of \$88.0 million on equipment orders and has spent approximately \$208.9 million for the development of the Mt. Hope Project, for a total Mt. Hope Project inception-to-date spend of \$298.9 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 2020. 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 accepted a change order which delayed delivery into December 2020. 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 agreed to extend the letter of intent through December 31, 2020.

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, 2020, 2021, and 2022, respectively.

Creation of Agricultural Sustainability Trust

On August 19, 2010, the LLC entered into an agreement with the Eureka Producers' Cooperative ("EPC"), which was amended on October 15, 2018, 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 LLC has contributed \$0.1 million into the Trust as of March 31, 2020. The remaining contributions to 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 \$5.5 million has been accrued in the Company's 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 is 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 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.

History of Record of Decision (ROD)

On November 16, 2012, the BLM issued its initial ROD authorizing development of the Mt. Hope Project. The ROD was subsequently vacated by the U.S. Court of Appeals for the Ninth Circuit in December 2016, discussed below. Also, 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 initial ROD and FONSI/Decision approved the PoO and amended PoO, respectively, for construction and operation of the mining and processing facilities and also granted 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 initial 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 issued 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 initial ROD.

Re-Issuance of Record of Decision Approving Supplemental Environmental Impact Statement ("SEIS")

On remand to the BLM, the agency conducted additional evaluation of air quality impacts and resulting cumulative impact analysis under NEPA in preparation of a Supplemental Environmental Impact Statement ("SEIS"). The SEIS disclosed 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 reserves. Because the SEIS must be prepared in accordance with NEPA guidelines, the SEIS process included three publications in the Federal Register: the first was the Notice of Intent ("NOI") which was published on July 19, 2017; the second, the Notice of Availability ("NOA") of the Draft SEIS ("DSEIS") was published on March 6, 2019; and on September 27, 2019, the third, an NOA of the final SEIS was published announcing that the BLM had re-issued the ROD marking completion of the NEPA process and approval of the SEIS. On October 31, 2019, a Complaint was filed against the U.S. Department of Interior and the BLM in the U.S. District Court in Nevada, challenging the re-issuance of the ROD. On March 11, 2020, the LLC filed its unopposed Motion to Intervene in the U.S. District Court on behalf of the Mt. Hope Project. The District Court approved the LLC's intervention on March 19, 2020 and the LLC's Answer to the Complaint was filed on March 20, 2020. The LLC will work closely with the BLM and DOI to defend the claims filed by Great Basin Resource Watch and Western Shoshone Defense Project.

Reclamation Considerations

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 of the reclamation liability to approximately \$2.8 million. In early 2019, the Company submitted, and BLM approved a required 3-year update to the reclamation liability estimate, resulting in an increased liability of approximately \$3.1 million. We worked with the LLC's reclamation surety underwriters to satisfy the \$2.8 million financial guarantee requirements under the approved amended PoO for the Mt. Hope Project and funded the \$0.3 million increase in cash directly with the BLM in April 2019. As of March 31, 2020, the surety bond program was funded with a cash collateral payment of \$0.3 million.

Water Rights Considerations

History of Mt. Hope Water Permits

In July 2011, the Nevada State Engineer ("State Engineer") initially 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 was final, and not subject to further appeal.

New Change Applications for Water Use at Mt. Hope Project

After the Company received the September 2017 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 had been 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 a 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 appeals discussed above were 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 September 11, 2018 hearing 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 the applications denied previously by the Nevada Supreme Court in its September 2017 decision. 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 September 2018 hearing should be delayed until the Nevada Supreme Court can consider the Writ and underlying motion to dismiss. The Company filed its objection on June 27, 2018, and on August 30, 2018, the Nevada Supreme Court denied the Writ, permitting the September 2018 hearing before the Nevada State Engineer to proceed.

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 Mt. Hope molybdenum project near the town of Eureka, Nevada. The hearing concluded on September 21, 2018.

Effective April 30, 2019, the Company, through its wholly owned subsidiary Kobeh Valley Ranch LLC (“KVR”) entered into a settlement agreement with a Kobeh Valley, Nevada ranching family (“Ranchers”), resolving the last set of protests pending before the Nevada State Engineer pertaining to the Mt. Hope Project’s water rights applications.

On June 6, 2019, the Nevada State Engineer issued Ruling 6464 granting the Company’s water rights applications for mining purposes. The water right permits for the Mt. Hope Project were issued on July 24, 2019. With receipt of and in compliance with the terms of the water permits, the water is available for consumptive use at the Mt. Hope Project. Neither the issuance of Ruling 6464 nor the issuance of the water permits were challenged, and the deadline for filing any appeal has expired.

Key Terms of Settlements

Eureka County and the DNR

Under the terms of the Settlement with Eureka County and the DNR, the Company and the LLC 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 LLC at the Mt. Hope Project, the Company and the LLC 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 and the LLC, 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 Kobreh 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.

With receipt of the water permits, the LLC increased its financial contributions to the existing Agricultural Sustainability Trust Agreement, discussed above, with the Eureka Producers' Cooperative ("EPC") in Diamond Valley with an additional \$50,000 to EPC. Initially, upon execution of the Settlement, the LLC made a payment of \$50,000.

The LLC will make additional contributions of \$750,000 each 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 LLC has contributed \$0.1 million into the Trust as of December 31, 2019.

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.

Kobreh Valley Ranching Family

At the execution of the settlement agreement, the LLC funded an initial payment of \$1 million into a trust account; distribution to the Ranchers occurred when the water permits were issued on July 24, 2019. Upon receipt of the initial \$1,000,000 into the trust account, the Ranchers withdrew their protests and forfeited any judicial review of Ruling 6464 and the water applications and issuance of the water permits issued on July 24, 2019 by the Nevada State Engineer.

When conditions exist for the LLC to secure project financing, additional consideration of \$14,000,000 will be payable to the Ranchers. If the LLC has not secured Mt. Hope Project financing within 12 months of the executed settlement agreement or April 2020, the LLC will begin to make monthly payments of \$10,000 to the Ranchers until financing is achieved and the remaining consideration will be paid to the Ranchers.

Pursuant to an April 29, 2019 Consent Agreement, the members of the LLC agreed that funding for the \$1 million was advanced to the LLC by the Company, to preserve the joint venture's existing reserve account. General Moly sourced \$500,000 from its available cash, and received the remaining \$500,000 from closing a sale of Series A Convertible Preferred Shares in a private placement with Mount Hope Mines Inc. ("MHMI"), the Mt. Hope Project's claim/land lessor, discussed in Items 1 and 2 above and later in Note 7 to the consolidated financial statements contained elsewhere in this report.

In exchange for General Moly advancing the \$1,000,000 initial settlement funding, the LLC members have agreed to repay the \$1 million advance from the proceeds of ongoing sales of non-critical LLC assets and lands. On September 27, 2019, the Company and POS-Minerals entered into a further Consent Agreement for a reimbursement schedule concerning the approximately \$700,000 owed to the Company by the LLC in return for the Company's advance of funding to settle protests related to the water right applications for the Mt. Hope Project. Under the September Consent Agreement, \$200,000 was reimbursed from the Reserve Account to the Company on September 30, 2019 and an additional \$200,000 was reimbursed in early November. The remaining approximately \$300,000 was reimbursed in March 2020 upon the sale by the LLC of more than \$400,000 in non-critical Mt. Hope Project related equipment. The Company and POS-Minerals agreed in the Consent Agreement that all funds received from the future sale of other assets owned by the LLC are owed to the Reserve Account until the March 31, 2020 balance of \$0.7 million is repaid.

Environmental Considerations

Our former mineral property holdings in Shoshone County, Idaho included lands contained in mining districts that have been designated as a "Superfund Site" 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 former 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. Our Chicago-London property was sold in January 2020 and Little Pine Creek in 2019.

NOTE 12 — SUBSEQUENT EVENTS

On April 24, 2020, General Moly, Inc. (the “Company”) received funding under a Paycheck Protection Program (“PPP”) loan (the “PPP Loan”) from U.S. Bank, National Association (the “Lender”). The principal amount of the PPP Loan is \$365,034. The PPP was established under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) and is administered by the U.S. Small Business Administration (the “SBA”). The Company applied for the PPP Loan primarily because its potential to access other sources of capital has been greatly reduced by the ongoing COVID-19 pandemic.

The PPP Loan has a two-year term, maturing on April 23, 2022. The interest rate on the PPP Loan is 1.0% per annum. Principal and interest are payable in 18 monthly installments, beginning on November 23, 2020, until maturity with respect to any portion of the PPP Loan which is not forgiven as described below. The Company did not provide any collateral or guarantees for the PPP Loan, nor did the Company pay any facility charge to obtain the PPP Loan. The PPP Loan provides for customary events of default, including, among others, those relating to failure to make payment, bankruptcy, breaches of representations and material adverse effects. The Company is permitted to prepay or partially prepay the PPP Loan at any time with no prepayment penalties.

The PPP Loan may be partially or fully forgiven if the Company complies with the provisions of the CARES Act, including the use of PPP Loan proceeds for payroll costs, rent, utilities and other expenses, provided that such amounts are incurred during the eight-week period that commenced on April 24, 2020 and at least 75% of any forgiven amount has been used for covered payroll costs as defined by the CARES Act. Any forgiveness of the PPP Loan will be subject to approval by the SBA and the Lender and will require the Company to apply for such treatment in the future.

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

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

The following discussion and analysis of our financial condition and results of operations constitutes management’s review of the factors that affected our financial and operating performance for the three months ended March 31, 2020, and 2019. This discussion should be read in conjunction with the consolidated financial statements and notes thereto contained elsewhere in this report and in our Annual Report on Form 10-K for the year ended December 31, 2019, which was filed on May 5, 2020.

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

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 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.

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, 2019, 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, 2019, the aggregate amount of deemed capital contributions of both parties was \$1,090.8 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 these circumstance should occur, POS-Minerals may exercise its option to put or sell its interest, and thereafter, 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.

The LLC Agreement requires the Company and POS-Minerals to make monthly pro rata capital contributions to the LLC to fund costs incurred. 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. All required monthly contributions have been made by both parties in accordance with the terms of the agreements between the 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 \$3.7 million and \$3.4 million at March 31, 2020 and December 31, 2019, 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 is 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 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.

History of Record of Decision (ROD)

On November 16, 2012, the BLM issued its initial ROD authorizing development of the Mt. Hope Project. The ROD was subsequently vacated by the U.S. Court of Appeals for the Ninth Circuit in December 2016, discussed below. Also, 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 initial ROD and FONSI/Decision approved the PoO and amended PoO, respectively, for construction and operation of the mining and processing facilities and also granted 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 initial 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 issued 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 initial ROD.

Re-Issuance of Record of Decision Approving Supplemental Environmental Impact Statement (“SEIS”)

On remand from the Ninth Circuit to the BLM, the agency conducted additional evaluation of air quality impacts and resulting cumulative impact analysis under NEPA in preparation of a Supplemental Environmental Impact Statement (“SEIS”). The SEIS disclosed 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 reserves. Because the SEIS must be prepared in accordance with NEPA guidelines, the SEIS process included three publications in the Federal Register: the first was the Notice of Intent (“NOI”) which was published on July 19, 2017; the second, the Notice of Availability (“NOA”) of the Draft SEIS (“DSEIS”) was published on March 6, 2019; and on September 27, 2019, the third, an NOA of the final SEIS, was published announcing that the BLM had re-issued the ROD marking completion of the NEPA process and approval of the SEIS. On October 31, 2019, a Complaint was filed against the U.S. Department of Interior and the BLM in the U.S. District Court in Nevada, challenging the re-issuance of the ROD. We are reviewing the Complaint filed by Great Basin Resource Watch and the Western Shoshone Defense Project, and may seek permission from the Court for the LLC to intervene on behalf of the Mt. Hope Project.

Reclamation Considerations

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. In early 2019, the Company submitted, and BLM approved a required 3-year update to the reclamation liability estimate, resulting in an increased liability of approximately \$3.1 million. We worked with the LLC’s reclamation surety underwriters to satisfy the \$2.8 million financial guarantee requirements under the approved amended PoO for the Mt. Hope Project and funded the \$0.3 million increase in cash directly with the BLM in April 2019. As of December 31, 2019, the surety bond program was funded with a cash collateral payment of \$0.3 million.

Water Rights Considerations

History of Mt. Hope Water Permits

In July 2011, the Nevada State Engineer (“State Engineer”) initially 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 was final, and not subject to further appeal.

New Change Applications for Water Use at Mt. Hope Project

After the Company received the September 2017 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 had been 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 a 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 appeals discussed above were 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 September 11, 2018 hearing 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 the applications denied previously by the Nevada Supreme Court in its September 2017 decision. 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 September 2018 hearing should be delayed until the Nevada Supreme Court can consider the Writ and underlying motion to dismiss. The Company filed its objection on June 27, 2018, and on August 30, 2018, the Nevada Supreme Court denied the Writ, permitting the September 2018 hearing before the Nevada State Engineer to proceed.

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 Mt. Hope molybdenum project near the town of Eureka, Nevada. The hearing concluded on September 21, 2018.

Effective April 30, 2019, the Company, through its wholly owned subsidiary Kobeh Valley Ranch LLC (“KVR”) and the entered into a settlement agreement with a Kobeh Valley, Nevada ranching family (“Ranchers”), resolving the last set of protests pending before the Nevada State Engineer pertaining to the Mt. Hope Project’s water rights applications.

On June 6, 2019, the Nevada State Engineer issued Ruling 6464 granting the Company’s water rights applications for mining purposes. The water right permits for the Mt. Hope Project were issued on July 24, 2019. With receipt of and in compliance with the terms of the water permits, the water is available for consumptive use at the Mt. Hope Project. Neither the issuance of Ruling 6464 nor the issuance of the water permits were challenged, and the deadline for filing any appeal has expired.

Key Terms of Settlements

Eureka County and the DNR

Under the terms of the Settlement with Eureka County and the DNR, the Company and the LLC 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 LLC at the Mt. Hope Project, the Company and the LLC 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 and the LLC, 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.

With receipt of the water permits, the LLC increased its financial contributions to the existing Agricultural Sustainability Trust Agreement, discussed above, with the Eureka Producers’ Cooperative (“EPC”) in Diamond Valley with an additional \$50,000 to EPC. Initially, upon execution of the Settlement, the LLC made a payment of \$50,000.

The LLC will make additional contributions of \$750,000 each 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 LLC has contributed \$0.1 million into the Trust as of March 31, 2020.

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.

Kobeh Valley Ranching Family

At the execution of the settlement agreement, the LLC funded an initial payment of \$1 million into a trust account; distribution to the Ranchers occurred when the water permits were issued on July 24, 2019. Upon receipt of the initial \$1,000,000 into the trust account, the Ranchers withdrew their protests and forfeited any judicial review of Ruling 6464 and the water applications and issuance of the water permits issued on July 24, 2019 by the Nevada State Engineer.

When conditions exist for the LLC to secure project financing additional consideration representing less than 1.5 % of the remaining project capital budget will be payable to the Ranchers. If the LLC has not secured Mt. Hope Project financing within 12 months of the executed settlement agreement or April 2020, the LLC will begin to make monthly payments of \$10,000 to the Ranchers until financing is achieved and the remaining consideration will be paid to the Ranchers.

Pursuant to an April 29, 2019 Consent Agreement, the members of the LLC agreed that funding for the \$1 million was advanced to the LLC by the Company, to preserve the joint venture’s existing reserve account. General Moly sourced \$500,000 from its available cash, and received the remaining \$500,000 from closing a sale of Series A Convertible Preferred Shares in a private placement with Mount Hope Mines Inc. (“MHMI”), the Mt. Hope Project’s claim/land lessor, discussed in Items 1 and 2 above and later in Note 7 to the consolidated financial statements contained elsewhere in this report.

In exchange for General Moly advancing the \$1,000,000 initial settlement funding, the LLC members have agreed to repay the \$1 million advance from the proceeds of ongoing sales of non-critical LLC assets and lands. On September 27, 2019, the Company and POS-Minerals entered into a further Consent Agreement for a reimbursement schedule concerning the approximately

\$700,000 owed to the Company by the LLC in return for the Company's advance of funding to settle protests related to the water right applications for the Mt. Hope Project. Under the September Consent Agreement, \$200,000 was reimbursed from the Reserve Account to the Company on September 30, 2019 and an additional \$200,000 was reimbursed in early November. The remaining approximately \$300,000 will be reimbursed once the LLC has sold a minimum of \$400,000 in non-critical Mt. Hope Project related equipment, anticipated to occur in March 2020.

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, 2020, the LLC spent approximately \$298.9 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. We expect that these cost estimates will increase in the future upon completion of an engineered re-estimate of capital costs.

Equipment and Supply Procurement

Through March 31, 2020, the LLC has made deposits and/or final payments of \$88.0 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 2020. 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 2020. 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, 2020.

Agreement with AMER International Group

Private Placement

As announced in April 2015, the Company and AMER International Group Co., Ltd ("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 would become exercisable upon availability of an approximately \$700.0 million senior secured loan (“Bank Loan”). The funds received from the \$4.0 million first tranche 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 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 the third tranche, discussed below, and drawdown of the Bank Loan. The Stockholder Agreement also governed AMER’s acquisition and transfer of General Moly shares. Prior to closing the first 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 July 29, 2019, Mr. Zhang resigned from the Board of Directors.

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 the second tranche, 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 the first tranche 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 was to include a \$10.0 million private placement representing 20.0 million shares, priced at \$0.50 per share (“Tranche 3”). Closing of Tranche 3 was 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. The issuance of shares in connection with the Tranche 3 was approved by General Moly stockholders in December 2017 at a Special Meeting of Stockholders.

AMER Disputes Obligation to Close Tranche 3 Private Placement Obligation

The last closing conditions for Tranche 3 under the AMER Investment Agreement included issuance of water permits for the Mt. Hope Project. The water permits were issued by the Nevada State Engineer on July 24, 2019. On July 26, 2019, the Company provided formal notice to AMER that the conditions to closing of Tranche 3 had been satisfied, and that Amer had two business days (until the close of business on Tuesday, July 30, 2019) to close the transaction. On July 31, 2019, the Company sent a Notice of Default to Amer, as Amer failed to fund and close Tranche 3 by the July 30, 2019 deadline.

On August 1, 2019, the Company received a letter from Amer dated July 30, 2019, purporting to terminate the Amer Investment Agreement, referencing its earlier letter received by the Company on July 18, 2019, in which Amer alleged uncured material adverse effects and alleged breaches of the Amer Investment Agreement by the Company (which include concerns related to US/China relations, concerns regarding the delay in obtaining environmental permits and solvency concerns). The Company believed that such assertions were inaccurate and wholly without merit under the terms of the Amer Investment Agreement. Additionally, as Amer disputed its obligation to fund the close of Tranche 3, the Company believed that Amer’s attempted termination of the Amer Investment Agreement was ineffective. With Amer’s failure to fund Tranche 3, the Company had inadequate cash to continue operations and was forced to evaluate its options, including pursuing asset sales, short-term financing options and, if such efforts were unsuccessful in obtaining sufficient financing, the possibility of seeking bankruptcy protection.

On August 28, 2019, the Company engaged King & Spalding, an international arbitration and litigation firm, to represent the Company in its Tranche 3 dispute with Amer. The Company also formally notified Amer that a Dispute, as defined by the Amer Investment Agreement, existed between the parties as a result of Amer’s failure to close Tranche 3. The notification required that one representative of each of the executive management of the parties be designated and authorized to attempt to settle the Dispute and the representatives were to meet in good faith to resolve the Dispute. If the designated representatives did not resolve the Dispute within 10 business days after delivery of the Notice, the Dispute was subject to resolution by binding arbitration, pursuant to the Amer Investment Agreement in Hong Kong SAR under the rules of the International Chamber of Commerce.

On October 14, 2019, the Company announced that it had entered into an agreement with AMER to extend the dispute negotiation period (“Extension Agreement”). Under the terms of the Extension Agreement, the Company received \$300,000 from

AMER in exchange for an extension of the negotiation period to November 15, 2019, on which date the Company's CEO Bruce Hansen and AMER Chairman Wang Wen Yin met to discuss settlement options. With the payment, AMER had the right, at its option, to apply the Extension Fee among the following: (1) credit against a final negotiated settlement; (2) credit against any AMER payment obligation to the Company, pursuant to an arbitration award; or (3) as consideration for the purchase of the Company's common stock, priced at the 30-day volume weighted average price, as of the date immediately prior to the date that AMER demands delivery of such shares.

On December 9, 2019, the Company and an affiliate of Amer announced the closure of a \$4.0 million private placement at a price of \$0.40 per common share of General Moly common stock under a new Securities Purchase Agreement ("SPA") and amended and restated warrant agreement ("New Amer Warrant"), resolving the Dispute. Additionally, the parties agreed to a mutual release, terminating the previous Amer Investment Agreement, the prior Warrant, and the Dispute Negotiation Extension Agreement ("Extension Agreement"). The parties' previous Stockholder Agreement expired by its terms on November 24, 2019. In addition to the 10.0 million shares issued by General Moly to AMER in the private placement, AMER also received 1.1 million General Moly common shares priced at \$0.27/share, the 30-day volume weighted average price of the Company's shares on December 6, 2019 utilizing the previously \$300,000 extension fee, pursuant to the terms of the Extension Agreement. Additionally, for every \$100 million of sourced Chinese bank lending that Amer has assisted in contributing to a completed \$700 million project debt financing, Amer may exercise 12 million warrants issued under the New Amer Warrant at an exercise price of \$0.50 per share, up to 80 million warrants.

Additionally, Amer nominated Mr. Siong Tek ("Terry") Lee to serve the remaining term of Amer's previous director nominee (Tong Zhang) expiring at the Company's annual meeting in 2021. Amer may nominate a second director to the Board so long as its shareholding exceeds 20% of the Company's shares outstanding.

Bank Loan

Under the new SPA, Amer has agreed to use its reasonable best efforts to assist the Company in obtaining a loan from one or more prime Chinese banks ("Bank Loan"), for the Company's share of construction and development costs at the Mt. Hope Project. As discussed above, for every \$100 million of sourced Chinese bank lending that Amer has assisted in contributing to a completed \$700 million project debt financing, Amer may exercise 12 million warrants issued under the New Amer Warrant at an exercise price of \$0.50 per share, up to 80 million warrants.

Supply Agreement

Furthermore, upon closing of a minimum of \$100 million from Amer's efforts toward the completion of a Chinese bank \$700 million project financing, Amer has the option to enter into a molybdenum supply agreement with General Moly to purchase Mt. Hope Project sourced molybdenum at a small discount to spot pricing when the Mt. Hope Project achieves full commercial production. The saleable amount of molybdenum to Amer escalates from an aggregate 3 million pounds per year to 20 million pounds per year over the first five years of mine production based on the level of project financing assisted by Amer towards the \$700 million project financing.

Exploring Other Potential Joint Opportunities

The Company and AMER have jointly evaluated other potential opportunities, ranging from outright acquisitions and 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 are not currently evaluating potential opportunities with AMER. From commencement of the AMER Investment Agreement in 2015 to March 31, 2020, the Company and AMER spent approximately \$2.5 million from the expense reimbursement account described above in connection with such evaluations.

COVID-19

Beginning in early 2020, there has been an outbreak of coronavirus (COVID-19), initially in China and which has spread to other jurisdictions, including locations where the Company does business. The full extent of the outbreak, related business and travel restrictions and changes to behavior intended to reduce its spread are uncertain as of the date of the Report as this continues to evolve globally. Therefore, the full extent to which coronavirus may impact the Company's results of operations, liquidity or financial position is uncertain. Management continues to monitor the impact that the COVID-19 pandemic is having on the Company and the economies in which the Company operates. The Company anticipates that its liquidity may be materially impacted by the coronavirus outbreak.

On April 24, 2020, General Moly, Inc. (the “Company”) received funding under a Paycheck Protection Program (“PPP”) loan (the “PPP Loan”) from U.S. Bank, National Association (the “Lender”). The principal amount of the PPP Loan is \$365,034. The PPP was established under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) and is administered by the U.S. Small Business Administration (the “SBA”). The Company applied for the PPP Loan primarily because its potential to access other sources of capital has been greatly reduced by the ongoing COVID-19 pandemic.

The PPP Loan has a two-year term, maturing on April 23, 2022. The interest rate on the PPP Loan is 1.0% per annum. Principal and interest are payable in 18 monthly installments, beginning on November 23, 2020, until maturity with respect to any portion of the PPP Loan which is not forgiven as described below. The Company did not provide any collateral or guarantees for the PPP Loan, nor did the Company pay any facility charge to obtain the PPP Loan. The PPP Loan provides for customary events of default, including, among others, those relating to failure to make payment, bankruptcy, breaches of representations and material adverse effects. The Company is permitted to prepay or partially prepay the PPP Loan at any time with no prepayment penalties.

The PPP Loan may be partially or fully forgiven if the Company complies with the provisions of the CARES Act, including the use of PPP Loan proceeds for payroll costs, rent, utilities and other expenses, provided that such amounts are incurred during the eight-week period that commenced on April 24, 2020 and at least 75% of any forgiven amount has been used for covered payroll costs as defined by the CARES Act. Any forgiveness of the PPP Loan will be subject to approval by the SBA and the Lender and will require the Company to apply for such treatment in the future.

Molybdenum Market Update

The moly oxide daily global spot price per pound is currently at \$9.10/lb compared with \$9.20 at yearend 2019 and \$11.88 at yearend 2018, according to Platts. The moly price ranged from a low of \$7.80/lb to a high of \$10.90/lb during 1Q 2020.

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

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

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

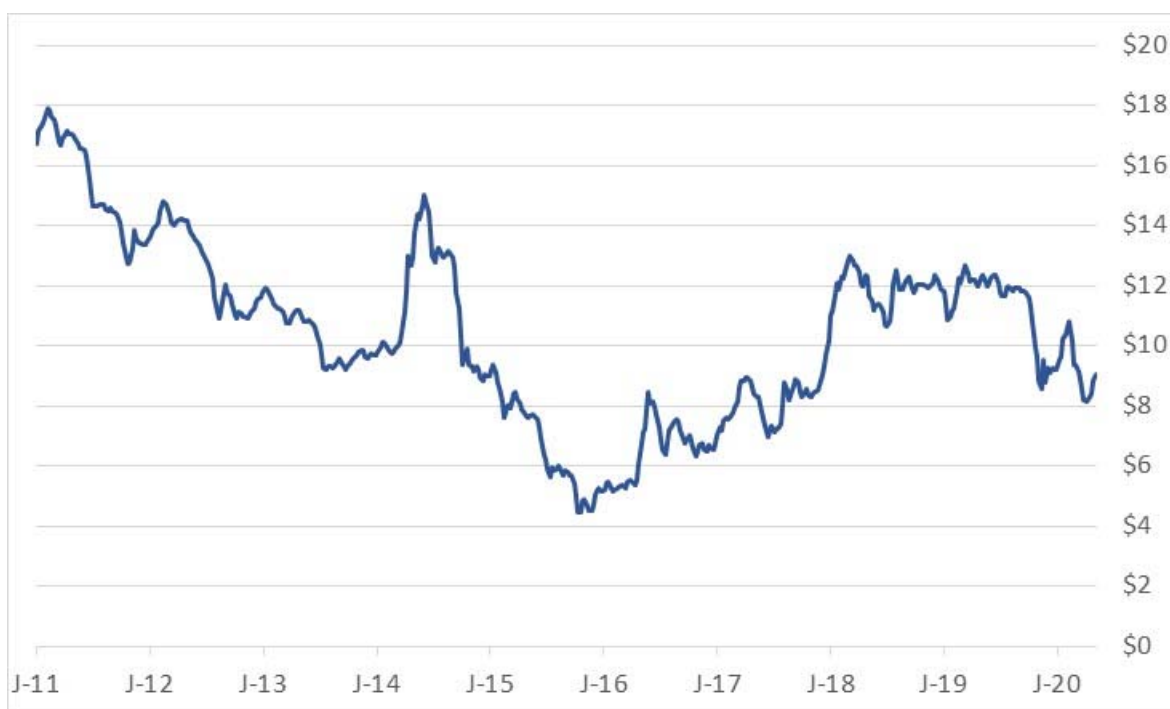
On April 24, 2020, the largest moly producer in the United States, Freeport-McMoran Inc. announced an estimated 9% reduction in full year moly production to 80 million pounds from its previous estimates due to the global economic slowdown. This guidance included a 50% reduction at the Climax primary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

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

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

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

Molybdenum Spot Price (1/6/2011 – 5/8/2020)



Molybdenum Market Outlook

We believe the molybdenum market is in a temporary pause caused by the COVID-19 pandemic. When the global health crisis abates, we anticipate that the molybdenum market will recover and view the long-term outlook for our business positively, supported by shortfalls in long-term supplies of molybdenum, the requirements for molybdenum in the steel industry, and a recovery of the oil and gas industry. 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. World market prices for molybdenum and other commodities have fluctuated historically and are affected by numerous factors beyond our control.

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, production levels of mines, including primary molybdenum production from China, and the duration of the global health crisis and its drag on the global economy.

Liquidity, Capital Resources and Capital Requirements

For the period from December 31, 2019 to March 31, 2020

Our total consolidated cash balance at March 31, 2020 was \$3.1 million compared to \$4.6 million at December 31, 2019, representing a decrease of \$1.5 million due to a variety of cash inflows and outflows. Outflows included \$0.4 million in development costs for the Mt. Hope Project, \$0.1 million at the Liberty Project, \$1.3 million in general and administrative costs, offset by \$0.3 million reimbursed to the Company by the LLC upon the sale of non-core property in March 2020.

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. The balance of the reserve account at March 31, 2020 was \$3.7 million, compared to \$3.4 million at December 31, 2019.

Issuance of Series A and Series B Convertible Preferred Stock

On March 28, 2019, the Company executed a Securities Purchase Agreement (the “Series A Purchase Agreement”) with Bruce D. Hansen, the Company’s Chief Executive Officer/Chief Financial Officer, and Robert I. Pennington, the Company’s Chief Operating Officer (collectively the “Investors”), effective as of March 21, 2019. Pursuant to the Series A Purchase Agreement, the Investors agreed to purchase up to \$900,000 of convertible shares of Series A Preferred Stock, par value \$0.001 per share (the “Series A Convertible Preferred Shares”), of the Company. The Company requested three separate closings of sales of Series A Convertible Preferred Shares to the Investors between the date of the Series A Purchase Agreement and June 30, 2019. Each closing was in the amount of \$300,000 of Series A Convertible Preferred Shares.

The Series A Convertible Preferred Shares were 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. The Series A Convertible Preferred Shares carry a 5% annual dividend, which may be paid, in the Company’s sole discretion, in cash, additional shares or a combination thereof. [Upon maturity or full repayment of the Exchange Note and Supplemental Note debt (discussed below), there will be mandatory redemption of the Series A Convertible Preferred Shares into equivalent cash for the principal invested, plus any accrued and unpaid dividends.]

On May 2, 2019, the Company also executed a Securities Purchase Agreement (the “MHMI Series A Purchase Agreement”) with Mount Hope Mines, Inc. (“MHMI”), later assigned in part to members of MHMI individually. Pursuant to the MHMI Series A Purchase Agreement, MHMI agreed to purchase \$500,000 of Series A Convertible Preferred Shares, as described above. These shares were fully converted in the fourth quarter of 2019.

On August 5, 2019, the Company executed a Securities Purchase Agreement (the “Series B Purchase Agreement”) with the Investors. Pursuant to the Series B Purchase Agreement, the Investors agreed to purchase up to \$400,000 of convertible shares of Series B Preferred Stock, par value \$0.001 per share (the “Series B Convertible Preferred Shares”), of the Company. This transaction closed on August 7, 2019.

The Series B Convertible Preferred Shares were issued at a price of \$100.00 per share, and each Series B Convertible Preferred Share will be convertible at any time at the holder’s discretion into 500 shares of common stock of the Company. The Series B Convertible Preferred Shares carry a 5% annual dividend, which may be paid, in the Company’s sole discretion, in cash, additional shares of Series B Convertible Preferred Shares or a combination thereof. [The Series B Convertible Preferred Shares, like the Series A Convertible Preferred Shares, are mandatorily redeemable upon maturity or full repayment of the Exchange Note and Supplemental Note debt (discussed below).]

Interest Forbearance Agreement and New 12% Senior Promissory Notes due December 2022

On September 26, 2019, the Company entered into a 90-day interest deferral and forbearance agreement with the primary holder of the Senior Convertible Notes, along with certain of the Company’s members of management and directors who participated in the 2014 debt offering. As a result, the Company deferred approximately \$162,000 of interest payments that were due at the end of the third quarter 2019.

Exchange Offer and New 12% Senior Promissory Notes due December 2022

On December 27, 2019, the Company closed a private offer to exchange (the “Exchange Offer”) its outstanding 10% Senior Convertible Promissory Notes and 10% Senior Promissory Notes both due December 26, 2019 (together, the “Old Notes”), for units consisting of its newly issued 12% Senior Promissory Notes due December 26, 2022 (the “Exchange Notes”) and warrants (the “New Warrants”) to purchase shares of the Company’s common stock, par value \$0.001 per share (“Common Stock”), upon the terms and subject to the conditions set forth in the confidential Offer to Exchange and Subscription Offer dated November 27, 2019.

Eligible holders tendered Old Notes with an original principal amount of \$6.89 million of the total outstanding of \$7.25 million, representing 95% of the outstanding, in the Exchange Offer. For each \$1 principal amount of, and accrued and unpaid interest on, Old Notes tendered and accepted by the Company, one unit consisting of \$1 principal amount of Exchange Notes and one New Warrant was settled. The Exchange Notes bear interest at an initial rate of 12% per annum. Interest on the Exchange Notes will be paid on March 31, June 30, September 30 and December 31 of each year, commencing on March 31, 2020. The Exchange Notes will mature on December 26, 2022, unless otherwise earlier redeemed. Each New Warrant is exercisable for one share of Common Stock at a price of \$0.35 per share for a period of three years. One New Warrant was issued for each dollar of

original principal amount of, and accrued and unpaid interest on, Old Notes exchanged for Exchange Notes for a total of 7.2 million New Warrants issued.

The Company paid at maturity the unpaid principal and all accrued and unpaid interest in the approximate amount of \$368,000 to those eligible holders that elected not to participate in the Exchange Offer. The original principal amount of Old Notes paid at maturity represented approximately 5% of the total outstanding. The maturity date was December 26, 2019. The Notes Warrants issued in connection with the Old Notes expired by their terms on December 26, 2019.

New 13% Senior Promissory Notes due December 2022

The Company also announced that certain eligible holders who tendered their Old Notes in the Exchange Offer (“Participating Holders”) elected to participate in the accompanying Subscription Agreement, to purchase (the “Subscription Offer”) 13,355 units for \$100 each, consisting of its newly issued 13% Senior Promissory Notes due 2022 (the “Supplemental Notes”) and accompanying New Warrant, including participation by the largest Old Noteholder investor, as well as the Company’s CEO, Bruce Hansen. One New Warrant was also issued for each dollar invested in the Supplemental Notes. The New Warrants have an exercise price of \$0.35 per share and have a three-year term. The Participating Holders increased their respective note investment by approximately 20% as additional consideration for the Supplemental Notes, resulting in approximately \$1.34 million of new capital to the Company.

Outlook

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.

Based on our current operating forecast, which takes into consideration 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. If we are unable to meet our obligations, we would be forced to cease operations and pursue restructuring or liquidation alternatives, including the potential to seek a bankruptcy filing, in which event investors may lose their entire investment in our Company. Without additional funding, the Company has inadequate cash to continue operations past the third quarter of 2020 and will have to find funding going forward including pursuing asset sales, short term financing options and, if unsuccessful in obtaining sufficient financing, the possibility of seeking bankruptcy protection. There can be no assurance that the Company will be successful in obtaining the financing required to complete the Mt. Hope Project, or in raising additional financing in the future on terms acceptable to the Company, or at all.

The Company is currently pursuing a number of options to extend its liquidity beyond the third quarter of 2020 and into 2021. 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 the potential addition of new Mt. Hope Project partners, additional Corporate strategic investors, merger opportunities, and/or the possible sale or privatization of the Company. The Advisors assisted the Company in successfully restructuring the Convertible and Non-Convertible Promissory Notes issued in a 2014 private placement, extending maturity until December 2022 as well as providing an additional \$1.3 million in interim funding.

Additional potential funding sources for the Company include public or private equity offerings, including the sale of other assets wholly-owned by the Company or with EMLLC partner POS-Minerals at the Mt. Hope Project. However, there is no assurance that the Company will be successful in securing additional funding in the future on terms acceptable to the Company, or at all. 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 the Advisors to assist in securing interim financing and negotiating with potential stakeholders. While the Advisors would have the capability to assist with a restructuring if needed, we do not intend to engage them (or other parties) for these services at this time.

Total assets as of March 31, 2020 decreased to \$343.7 million compared to \$344.2 million as of December 31, 2019 primarily due to ongoing general and administrative costs.

Results of Operations

Three Months Ended March 31, 2020 Compared to Three Months Ended March 31, 2019

For the three months ended March 31, 2020, we had a consolidated net loss of \$1.1 million compared with a net loss of \$1.5 million in the same period for 2019.

For the three months ended March 31, 2020 and 2019, exploration and evaluation expenses were \$0.2 million and \$0.1 million, due to ongoing care and maintenance expenses.

For the three months ended March 31, 2020 and 2019, general and administrative expenses were \$1.5 million and \$1.3 million, respectively, reflecting continued cost conversation efforts and consistent spend with the prior year. The increase of \$0.2 million is attributed to higher equity compensation costs in 2020 than 2019.

Interest expense for the three months ended March 31, 2020 and 2019 was \$0.8 million and \$0.1 million, respectively. Of the \$0.8 million incurred during the three months ended March 31, 2020, \$0.3 million related to cash interest paid on the exchange and supplemental notes, with the remaining \$0.5 million related to non-cash adjustments to those notes, primarily debt discount and debt issuance cost amortization as well as fair value adjustments on the value of the derivatives associated with these notes. These non-cash adjustments reduced interest expense in 2019 by \$0.1 million. Cash interest was \$0.2 million for the three months ended March 31, 2019.

Other income for the three months ended March 31, 2020 and 2019 was \$0.8 million and nil, respectively. The amount incurred in 2020 is related to fair value adjustments on the warrants issued to AMER in late 2019.

Off-Balance Sheet Arrangements

None.

Contractual Obligations

	Total	Payments due by period			
		2020	2021-2022	2023-2024	Thereafter
Agricultural Sustainability Trust Contributions	5.5	—	2.0	3.5	—
Exchange Notes and Supplemental Notes**	8.3	—	8.3	—	—
Equipment Purchase Contracts	0.6	—	0.6	—	—
Advance Royalties	6.9	0.5	1.0	5.4	—
Return of Contributions to POS-Minerals	33.6	33.6	—	—	—
3M Plan Contributions	1.0	—	0.3	0.7	—
Total	<u>\$ 55.9</u>	<u>\$ 34.1</u>	<u>\$ 12.2</u>	<u>\$ 9.6</u>	<u>\$ —</u>

* With the exception of the 12% Senior Promissory Notes (Exchange Notes) and 13% Senior Promissory Notes (Supplemental Notes), which are the obligation of the Company, all amounts are commitments of the LLC, and as a result of the agreement between Nevada Moly and POS-Minerals are to be funded by the reserve account until such time that the Company obtains financing for its portion of construction costs at the Mt. Hope Project or until the reserve account balance is exhausted, and thereafter are to be funded 80% by Nevada Moly and 20% by POS-Minerals. POS-Minerals remains obligated to make capital contributions for its 20% portion of equipment payments required by approved budgets of the LLC, and such amounts contributed by the reserve account on behalf of POS-Minerals will reduce, dollar for dollar, the amount of capital contributions that the LLC is required to return to POS-Minerals, as described above.

** The Company is obligated to pay interest on the Exchange Notes at a rate of 12% per year, payable quarterly and on the Supplemental Notes at a rate of 13% per year, payable quarterly.

Through March 31, 2020, the LLC has made deposits and/or final payments of \$88.0 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 \$0.6 million. The remaining \$16.3 million reflects both partially fabricated milling equipment, and non-refundable deposits on mining equipment. As discussed in Note 11 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 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, 2020, 2021 and 2022, 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 \$4.0 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, since increased to \$5.6 million as a result of the settlement reached with Eureka County and the DNR, first discussed in Item 2 above. 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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Price Risk

We are a development stage company in the business of the exploration, development and mining of properties primarily containing molybdenum. As a result, upon commencement of production, our financial performance could be materially affected by fluctuations in the market price of molybdenum and other metals we may mine. The market prices of metals can fluctuate widely due to a number of factors. These factors include fluctuations with respect to the rate of inflation, the exchange rates of the U.S. dollar and other currencies, interest rates, global or regional political and economic conditions, banking environment, global and regional demand, production costs, and investor sentiment. 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 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 \$13.50 to \$14.50 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 March 31, 2020, we had a balance of cash and cash equivalents of \$3.1 million and restricted cash of \$3.7 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.

ITEM 4. CONTROLS AND PROCEDURES

Our management, with the participation of our Chief Executive Officer/Chief Financial Officer and our Principal Accounting Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of December 31, 2019. Based on that evaluation management concluded that, as of December 31, 2019, due to the material weakness in our internal control over financial reporting described below, our disclosure controls and procedures were not effective to provide reasonable assurance that the information we are required to disclose in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Accounting Officer, as appropriate, to allow timely decisions regarding required disclosure.

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (ICFR), as such term is defined in the Securities Exchange Act of 1934 Rule 13a-15(f) and 15d-15f. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management performed an assessment of the effectiveness of our ICFR as of December 31, 2019. In making this assessment, management used the criteria established in Internal Control - Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Management concluded that our ICFR was not effective as of December 31, 2019.

A material weakness is a deficiency or a combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected in a timely basis.

As a result of our assessment, management identified the following control deficiencies that represent material weaknesses as of December 31, 2019:

- In connection with the audit of the Company's consolidated financial statements as of and for the year ended December 31, 2019, management identified material weaknesses in internal control over financial reporting. As of December 31, 2019, the limited level of staffing, combined with the lack of formalized processes and technical resources available to handle the increased volume of the complex non-routine transactions occurring during 2019 resulted in several significant adjustments being recorded. As a direct result of these complex transactions and limitation on current accounting resources we determined that our controls over the financial statement close process related to the timely account reconciliation, analysis and assessment of key accounting assessments and financial reporting and disclosure were not operating effectively.

Because of this material weakness, management concluded that we did not maintain effective internal control over financial reporting as of December 31, 2019.

REMEDICATION OF THE MATERIAL WEAKNESS

We are committed to improving our ICFR. As part of this control improvement, we plan to enhance our capacity and capabilities to review and evaluate ongoing and technically complex transactions through selective increased use of external resources and potential realignment of internal staff. We will continue to monitor and evaluate the effectiveness of our internal controls and procedures and our ICFR on an ongoing basis, and are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow.

While we believe that the above actions will ultimately remediate the material weakness, we intend to continue to refine those controls and monitor their effectiveness for a sufficient period of time prior to reaching any determination as to whether the material weakness has been remediated.

Notwithstanding the assessment that our ICFR was not effective and that there were material weaknesses as identified in this report, we believe that our consolidated financial statements contained in this Quarterly Report on Form 10-Q for the fiscal year ended March 31, 2020, fairly present our financial position, results of our operations and cash flows for the periods covered thereby in all material respects.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

Other than as described in the two preceding paragraphs and in the *Remediation of Material Weakness* section above, there have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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 is 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 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.

History of Record of Decision (ROD)

On November 16, 2012, the BLM issued its initial ROD authorizing development of the Mt. Hope Project. The ROD was subsequently vacated by the U.S. Court of Appeals for the Ninth Circuit in December 2016, discussed below. Also, 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 initial ROD and FONSI/Decision approved the PoO and amended PoO, respectively, for construction and operation of the mining and processing facilities and also granted 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 initial 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 issued 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 initial ROD.

Re-Issuance of Record of Decision Approving Supplemental Environmental Impact Statement (“SEIS”)

On remand to the BLM, the agency conducted additional evaluation of air quality impacts and resulting cumulative impact analysis under NEPA in preparation of a Supplemental Environmental Impact Statement (“SEIS”). The SEIS disclosed 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 reserves. Because the SEIS must be prepared in accordance with NEPA guidelines, the SEIS included three publications in the Federal Register, the first was the Notice of Intent (“NOI”) which was

published on July 19, 2017, the second, the Notice of Availability (“NOA”) of the Draft SEIS (“DSEIS”) was published on March 6, 2019, and on September 27, 2019, the third NOA was published announcing that the BLM had re-issued the ROD marking completion of the NEPA process and approval of the SEIS. On November 5, 2019, we announced that a Complaint was filed against the U.S. Department of Interior and the BLM in the U.S. District Court in Nevada, challenging the re-issuance of the ROD. We are reviewing the Complaint filed by Great Basin Resource Watch and the Western Shoshone Defense Project, and may seek permission from the Court to intervene on behalf of the Mt. Hope Project.

Reclamation Considerations

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 of the reclamation liability to approximately \$2.8 million. In early 2019, the Company submitted, and BLM approved a required 3-year update to the reclamation liability estimate, resulting in an increased liability of approximately \$3.1 million. We worked with the LLC’s reclamation surety underwriters to satisfy the \$2.8 million financial guarantee requirements under the approved amended PoO for the Mt. Hope Project and funded the \$0.3 million increase in cash directly with the BLM in April 2019. As of September 30, 2019, the surety bond program was funded with a cash collateral payment of \$0.3 million.

Water Rights Considerations

History of Mt. Hope Water Permits

In July 2011, the Nevada State Engineer (“State Engineer”) initially 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 was final, and not subject to further appeal.

New Change Applications for Water Use at Mt. Hope Project

After the Company received the September 2017 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 had been 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 a 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 appeals discussed above were 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 September 11, 2018 hearing 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 the applications denied previously by the Nevada Supreme Court in its September 2017 decision. 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 September 2018 hearing should be delayed until the Nevada Supreme Court can consider the Writ and underlying motion to dismiss. The Company filed its objection on June 27, 2018, and on August 30, 2018, the Nevada Supreme Court denied the Writ, permitting the September 2018 hearing before the Nevada State Engineer to proceed.

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 Mt. Hope molybdenum project near the town of Eureka, Nevada. The hearing concluded on September 21, 2018.

Effective April 30, 2019, the Company, through its wholly owned subsidiary Kobeh Valley Ranch LLC (“KVR”) and the entered into a settlement agreement with a Kobeh Valley, Nevada ranching family (“Ranchers”), resolving the last set of protests pending before the Nevada State Engineer pertaining to the Mt. Hope Project’s water rights applications.

On June 6, 2019, the Nevada State Engineer issued Ruling 6464 granting the Company’s water rights applications for mining purposes. The water right permits for the Mt. Hope Project were issued on July 24, 2019. With receipt of and in compliance with the terms of the water permits, the water is available for consumptive use at the Mt. Hope Project.

Key Terms of Settlements

Eureka County and the DNR

Under the terms of the Settlement with Eureka County and the DNR, the Company and the LLC 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 LLC at the Mt. Hope Project, the Company and the LLC 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 and the LLC, 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.

With receipt of the water permits, the LLC increased its financial contributions to the existing Agricultural Sustainability Trust Agreement, discussed above, with the Eureka Producers’ Cooperative (“EPC”) in Diamond Valley with an additional \$50,000 to EPC. Initially, upon execution of the Settlement, the LLC made a payment of \$50,000.

The LLC will make additional contributions of \$750,000 each 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 LLC has contributed \$0.1 million into the Trust as of March 31, 2020.

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.

Kobeh Valley Ranching Family

At the execution of the settlement agreement, the LLC funded an initial payment of \$1 million into a trust account; distribution to the Ranchers occurred when the water permits were issued on July 24, 2019. Upon receipt of the initial \$1,000,000 into the trust account, the Ranchers withdrew their protests and forfeited any judicial review of Ruling 6464 and the water applications and issuance of the water permits issued on July 24, 2019 by the Nevada State Engineer.

When conditions exist for the LLC to secure project financing additional consideration representing less than 1.5 % of the remaining project capital budget will be payable to the Ranchers. If the LLC has not secured Mt. Hope Project financing within 12 months of the executed settlement agreement, the LLC will make monthly payments of \$10,000 to the Ranchers until financing is achieved and the remaining consideration will be paid to the Ranchers.

Funding for the \$1 million was advanced to the LLC by the Company, to preserve the joint venture's existing reserve account. General Moly sourced \$500,000 from its available cash, and received the remaining \$500,000 from closing a sale of Series A Convertible Preferred Shares in a private placement with Mount Hope Mines Inc. ("MHMI") discussed in Notes 1 and 7 above, the Mt. Hope Project's claim/land lessor.

In exchange for General Moly advancing the \$1,000,000 initial settlement funding, the LLC members have agreed to repay the \$1 million advance from the proceeds of ongoing sales of non-critical LLC assets and lands. On September 27, 2019, the Company and POS-Minerals entered into a Consent Agreement for a reimbursement schedule concerning the approximately \$700,000 owed to the Company by the LLC in return for its advance of funding to settle protests related to the water right applications for the Mt. Hope Project. Under the Consent Agreement, \$200,000 was reimbursed from the Reserve Account to the Company on September 30, 2019 and an additional \$200,000 was reimbursed in early November. The remaining approximately \$300,000 will be reimbursed in December, provided that the LLC has sold a minimum of \$400,000 in non-critical Mt. Hope Project related equipment. The Company and POS-Minerals agreed in the Consent Agreement that all funds received from the future sale of other assets owned by the LLC are owed to the Reserve Account until the March 31, 2020 balance of \$0.7 million is repaid.

ITEM 1A. RISK FACTORS.

Our Annual Report on Form 10-K for the year ended December 31, 2019, including the discussion under the heading "Risk Factors" therein, and this report describe risks that may materially and adversely affect our business, results of operations or financial condition. The risks described in our Annual Report on Form 10-K and this report are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operations.

Special Note Regarding Forward-Looking Statements

Certain statements in this report may constitute forward-looking statements, which involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of our Company, the Mt. Hope Project, Liberty 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 expressions to identify forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those in the forward looking statements. Such risks, uncertainties and assumptions are described in the "Risk Factors" section included in our Annual Report on Form 10-K for the year ended December 31, 2019, and this report, and include, among other things:

- our investors may lose their entire investment in our securities;
- Substantial risk that COVID-19 is and will continue to effect financing efforts to improve liquidity;
- Our ability to have access to insurance programs for directors & officers; commercial general liability and automobile liability; workers compensation; property; surety bonding for reclamation liability and builders risk insurance could be impaired if our financial condition continues to be at risk for meeting our financial obligations;
- our permits, including the current appeal of the ROD discussed above, may be subject to further judicial appeals, which may further delay the development of the Mt. Hope Project;
- 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 have not obtained, and may not obtain, alternative project financing, which could cause additional delays or expenses in developing the Mt. Hope Project;

- if certain conditions are not met under attempts to secure project financing, including AMER's reasonable best efforts to assist the Company under the new SPA, our ability to begin construction of the Mt. Hope Project could be delayed further;
- the impact of asset impairment charges if required as a result of our inability to obtain additional funding;
- substantial additional financing may be required in order to fund the 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;
- POS-Minerals' right under the LLC Agreement to approve certain major decisions regarding the Mt. Hope Project could impair our ability to quickly adapt to changing market conditions;
- POS-Minerals' right under the LLC Agreement to approve the conduct of business other than the development, construction, operations and financing of the Mt. Hope molybdenum project, including the potential Cu-Ag target and zinc mineralization;
- risks related to the failure of POS-Minerals to make ongoing cash contributions to the LLC pursuant to the LLC Agreement;
- maintaining effectiveness of current molybdenum supply agreements;
- fluctuations in the market price of, and demand for, molybdenum, copper and other metals;
- counter party risks;
- 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;
- the estimation and realization of mineral reserves and production estimates, if any;
- inherent operating hazards of mining;
- title disputes or claims;
- climate change and climate change legislation for planned future operations;
- 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;
- compliance/non-compliance with the Mt. Hope Lease Agreement;
- losing key personnel and contractors or the inability to attract and retain additional personnel;
- reliance on independent contractors, experts, technical and operational service providers over whom we have limited control;
- increased costs can affect our profitability;
- shortages of critical parts, equipment, and skilled labor may adversely affect our development costs;
- limitations of and access to certain insurance coverage;
- legislation may make it difficult to retain or attract officers and directors and can increase costs of doing business; and
- provisions of Delaware law and our charter and bylaws may delay or prevent transactions that would benefit stockholders.

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

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION**ITEM 6. EXHIBITS**

Exhibit Number	Description of Exhibit
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	Certificate of Designations of Series A Preferred Stock. (Filed as Exhibit 3.1 to our Current Report on Form 8-K filed on March 28, 2019.)
3.4	Certificate of Designation of Series B Preferred Stock (Filed as Exhibit 3.1 to our Current Report on Form 8-K filed on August 7, 2019.)
10.1	Securities Purchase Agreement dated effective August 7, 2019, by and among General Moly, Inc. and each of the persons whose names are set forth on the Schedule of Investors attached thereto as Exhibit A (Filed as Exhibit 10.1 to our Current Report on Form 8-K filed on August 7, 2019.)
10.2	Interest Deferral and Forbearance Agreement dated September 25, 2019, by and between General Moly, Inc. and the Holders of Notes party thereto (Filed as Exhibit 10.1 to our Current Report on Form 8-K filed on September 30, 2019.)
31.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
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.

SIGNATURES

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

Dated: May 15, 2020

GENERAL MOLY, INC.

By: /s/ Amanda J. Corrion

Amanda Corrion

Principal Accounting Officer and Duly Authorized Officer