



GENERAL MOLY

General Moly Reaches Settlement with Final Protester to Clear a Path to Mt. Hope Project Water Permits

– Anticipated Tranche 3 Equity Investment by Largest Shareholder

LAKESWOOD, COLORADO – May 14, 2019, General Moly, Inc. (the “Company” or “General Moly”) (NYSE AMERICAN and TSX: GMO), the only western-exchange listed, pure-play molybdenum (“moly”) development company, announced that the Mt. Hope Project joint venture company, Eureka Moly, LLC, (“EMLLC”) has 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.

With this settlement and upon satisfaction of all associated conditions, the Ranchers have agreed to withdraw all of their protests and forfeit any rights to judicial review of the Nevada State Engineer’s anticipated approval of the water applications and issuance of water permits. Additionally, the Ranchers have agreed not to oppose any other proceedings with any state or federal agency related to the Mt. Hope Project.

Under this settlement, General Moly is working with the Nevada State Engineer to address potential permit terms for approval of the applications and receiving the water permits. EMLLC which operates the Mt. Hope Project, is owned 80% by General Moly and 20% by POS-Minerals Corporation, a subsidiary of POSCO of South Korea.

General Moly previously reached a settlement on protests filed by Eureka County and Diamond Natural Resources Protection & Conservation Association (“DNR”) at the start of the public hearing on the water applications before the Nevada State Engineer, which was completed in September 2018. With the settlement, Eureka County and DNR withdrew their protests and were excused from the hearing. (Further details are in the Company’s October 15, 2018 news release.)

When operational the Mt. Hope moly mine will be one of the largest primary moly mines in the world for potentially decades. Thus, throughout the Mt. Hope permitting process, over more than 10 years, General Moly has conscientiously sought to resolve protest issues by engaging with concerned parties in an open, fair, and fact-based dialogue, seeking viable long-term solutions while protecting the project’s economic value for all shareholders.

Progressing Towards a Fully Permitted Mt. Hope Project in 2019

Bruce D. Hansen, Chief Executive Officer of General Moly, remarked, “We are extremely pleased to have reached a compromise settlement with the Ranchers and have now resolved all remaining protests filed with the Nevada State Engineer to the water permit application for the Mt. Hope Project. We will continue to focus on the future development of the Mt. Hope moly mine for the economic betterment of the broader community and the state of Nevada.”

Commenting on the future, Mr. Hansen added, “We look forward to an even closer working partnership with our largest shareholder AMER International Group (“AMER”) with their anticipated further investment into our Company through the Tranche 3 \$10 million private placement, conditioned upon the receipt of the Mt. Hope Project water permits. We are on the cusp of having the Mt. Hope Project fully permitted as the federal Bureau of Land Management is finalizing its review of public comments recently received on the draft Supplemental Environmental Impact Statement and preparing a final Supplemental Environmental Impact Statement ahead of issuing the anticipated Record of Decision later this year.”



AMER Tranche 3 Private Placement & Project Loan Support

Once the water permits are issued, AMER, based in Shenzhen, China, is obligated to subscribe to an additional Tranche 3 purchase of 20 million General Moly common shares priced at \$0.50/share, providing General Moly with \$10 million under the existing amended Securities Purchase Agreement. AMER will also help to source and guarantee a \$700 million bank loan with Chinese banks for the development of the Mt. Hope Project. The remaining capital expenditures to build the Mt. Hope mine are \$1.03 billion (100% basis) based upon an optional mine plan from an internal study using the 2014 Canada National Instrument 43-101 Technical Report Feasibility Study.

AMER is a non-ferrous metals and manufacturing conglomerate ranked as the 111th largest company in the world based on 2018 revenues of \$72.8 billion, a 46.5% increase over 2017, according to the Fortune Global 500 ranking. AMER jumped ahead of companies like Panasonic, Mitsubishi, and Procter & Gamble from its previous ranking of 183rd in the world.

Improving Moly Market

The process to initiate financing for the construction of the Mt. Hope Project will be driven by the continuing improvement in moly prices and a robust moly market outlook. The CPM Group, a leading commodities research and consulting firm in New York, projects that global moly supply will fall into a deficit later in 2019 through 2022. CPM forecasts the average nominal moly price to increase from \$13.36 per pound (“/lb”) in 2019 to \$17.67 in 2022.

General Moly believes that improving fundamentals for moly supply and demand underpin strengthening moly prices, which are nearing levels conducive for optimal financing options for the Mt. Hope Project.

The current moly price at \$12.33/lb is higher than the \$11.88 price at end of 2018 and a 20% increase from \$10.25/lb at the end of 2017. Global and China’s stainless-steel output, which is a major consumer of moly, remains steadfast.

Settlement Description

Having executed the settlement agreement, EMLLC is obligated to fund an initial payment of \$1 million into a trust account; distribution to the Ranchers will be pending issuance of the water permits. Upon receipt of the dollars into the trust, the Ranchers have agreed to withdraw their protests and forfeit any judicial review of the anticipated approval of the water applications and issuance of the water permits from the Nevada State Engineer.

As discussed above, when the conditions exist, inclusive of the receipt of water permits, for EMLLC to secure project financing, additional consideration representing less than 1.5 % of the remaining project capital budget will be payable to the Ranchers. If EMLLC has not secured Mt. Hope project financing within 12 months of the executed settlement agreement, EMLLC 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 is to be advanced to EMLLC by General Moly, to preserve the joint venture’s existing reserve account. General Moly is sourcing \$500,000 from its available cash, and will receive the remaining \$500,000 from closing of a sale under the General Moly Preferred Convertible Shares private placement (further details are in the Company’s March 13, 2019 news release) with Mount Hope Mines Inc. (“MHMI”), the project’s claim/land lessor, anticipated later this week. The purchase agreement with MHMI also allows MHMI the option to partially or fully redeem the preferred shares and receive a minimum payment of six months of 5% annual dividend, upon the Company’s receipt of the AMER Tranche 3 funds. In exchange for General Moly advancing the \$1 million initial funding, the EMLLC members have agreed to repay the \$1 million advance from the proceeds of ongoing sales of non-critical EMLLC assets and lands.



About General Moly

General Moly is a U.S.-based, molybdenum mineral exploration and development company listed on the NYSE American, recently known as the NYSE MKT and former American Stock Exchange, and the Toronto Stock Exchange under the symbol GMO. The Company's primary asset, an 80% interest in the Mt. Hope Project located in central Nevada, is considered one of the world's largest and highest grade molybdenum deposits. Combined with the Company's wholly-owned Liberty Project, a molybdenum and copper property also located in central Nevada, General Moly's goal is to become the largest primary molybdenum producer in the world.

Molybdenum is a metallic element used primarily as an alloy agent in steel manufacturing. When added to steel, molybdenum enhances steel strength, resistance to corrosion and extreme temperature performance. In the chemical and petrochemical industries, molybdenum is used in catalysts, especially for cleaner burning fuels by removing sulfur from liquid fuels, and in corrosion inhibitors, high performance lubricants and polymers.

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Forward-Looking Statements

Statements herein that are not historical facts are "forward-looking statements" within the meaning of Section 27A of the Securities Act, as amended and Section 21E of the Securities Exchange Act of 1934, as amended and are intended to be covered by the safe harbor created by such sections. Such forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those projected, anticipated, expected, or implied by the Company. These risks and uncertainties include, but are not limited to availability of cash to continue ongoing operations and repay outstanding debt, metals price and production volatility, global economic conditions, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, exploration risks and results, political, operational and project development risks, including the Company's ability to obtain a re-grant of its water permits and Record of Decision, ability to maintain required federal and state permits to continue construction, and commence production of molybdenum, copper, silver, lead or zinc, ability to identify any economic mineral reserves of copper, silver, lead or zinc; ability of the Company to obtain approval of its joint venture partner at the Mt. Hope Project in order to mine for copper, silver, lead or zinc, ability to raise required project financing or funding to pursue an exploration program related to potential copper, silver lead or zinc deposits at Mt. Hope, ability to respond to adverse governmental regulation and judicial outcomes, and ability to maintain and /or adjust estimates related to cost of production, capital, operating and exploration expenditures. For a detailed discussion of risks and other factors that may impact these forward looking statements, please refer to the Risk Factors and other discussion contained in the Company's quarterly and annual periodic reports on Forms 10-Q and 10-K, on file with the SEC. The Company undertakes no obligation to update forward-looking statements.